

# **FULL YEAR 2023 PRELIMINARY RESULTS**

**Milan, February 22<sup>nd</sup> 2024**

# SPEAKERS



**Rob Koremans**  
**Chief Executive**  
**Officer**



**Luigi La Corte**  
**Chief Financial**  
**Officer**



# STRONG PERFORMANCE ACROSS THE ENTIRE BUSINESS

- ▲ **FY 2023 Preliminary net revenues at € 2,082.3 million, +12.4% vs PY or +14.0% like-for-like<sup>1</sup> at CER** (+9.6% excluding Türkiye), driven by strong momentum across the business:
  - **SPC at € 1,313.6 million, +8.7% vs PY or +13.6% like-for-like<sup>1</sup> at CER** (+6.6% excluding Türkiye), driven by **volume growth** and positive year-on-year net price. Avodart<sup>®</sup> and Combodart<sup>®</sup> / Duodart<sup>®2</sup> revenue of € 25.6 million, reflecting fast and effective transition
  - **RRD at € 714.7 million, +20.0% vs PY or +14.9% like-for-like<sup>1</sup> at CER**, with Isturisa<sup>®</sup> and Signifor<sup>®</sup> both driving Endocrinology growth of 41.0%, Oncology contributing € 200.9 million (growth of +15.2% like for like<sup>1</sup>) and resilient Metabolic sales
- ▲ **Robust results achieved despite strong FX headwinds**, particularly in 2H, with an adverse impact on revenue of € 99.9 million (-5.4%), mainly affecting SPC, of which € 60.1 million in Türkiye (offset by higher price inflation)
- ▲ **EBITDA<sup>3</sup> of € 769.6 million, +14.4% vs PY, margin of 37%**, reflecting revenue growth and efficiency initiatives
- ▲ **Adjusted Net Income<sup>4</sup> of € 524.6 million, +10.8% vs PY**, above guidance thanks to strong operating performance and lower than expected tax rate for the year
- ▲ **Free Cash Flow<sup>5</sup> of € 456.0 million, +€ 17.0 million vs PY**, absorbing working capital growth and higher interest payments; **leverage of ~1.96x EBITDA<sup>6</sup>**, with approximately € 335 million BD related payments and € 246 million dividends paid in the year
- ▲ **Key R&D pipeline projects progressing to plan**, with multiple updates expected in 2024
- ▲ **Group well positioned for continued profitable growth into 2024 and beyond**

1) Pro-forma growth calculated excluding FY 2023 revenue of Avodart<sup>®</sup> and Combodart<sup>®</sup> / Duodart<sup>®</sup> (SPC) and adding Q1 2022 revenue of EUSA Pharma (RRD)

2) Trademarks are owned by or licensed to the GSK group of companies. Total FY 2023 sales of the products in relevant territories, incl. those made by GSK prior to transitions to Recordati, was approximately € 120 million

3) Net income before income taxes, financial income and expenses, depreciation, amortization and write-downs of property, plant and equipment, intangible assets and goodwill, non-recurring items and non-cash charges arising from the allocation of the purchase price of EUSA Pharma to the gross margin of acquired inventory according to IFRS 3

4) Net income excluding amortization and write-downs of intangible assets (except software) and goodwill, non-recurring items, non-cash charges arising from the allocation of the purchase price of EUSA Pharma to the gross margin of acquired inventory (IFRS 3) and monetary net gains/losses from hyperinflation (IAS 29), net of tax effects

5) Operating cash flow excluding financing items, milestones, dividends, purchases of treasury shares net of proceeds from exercise of stock options

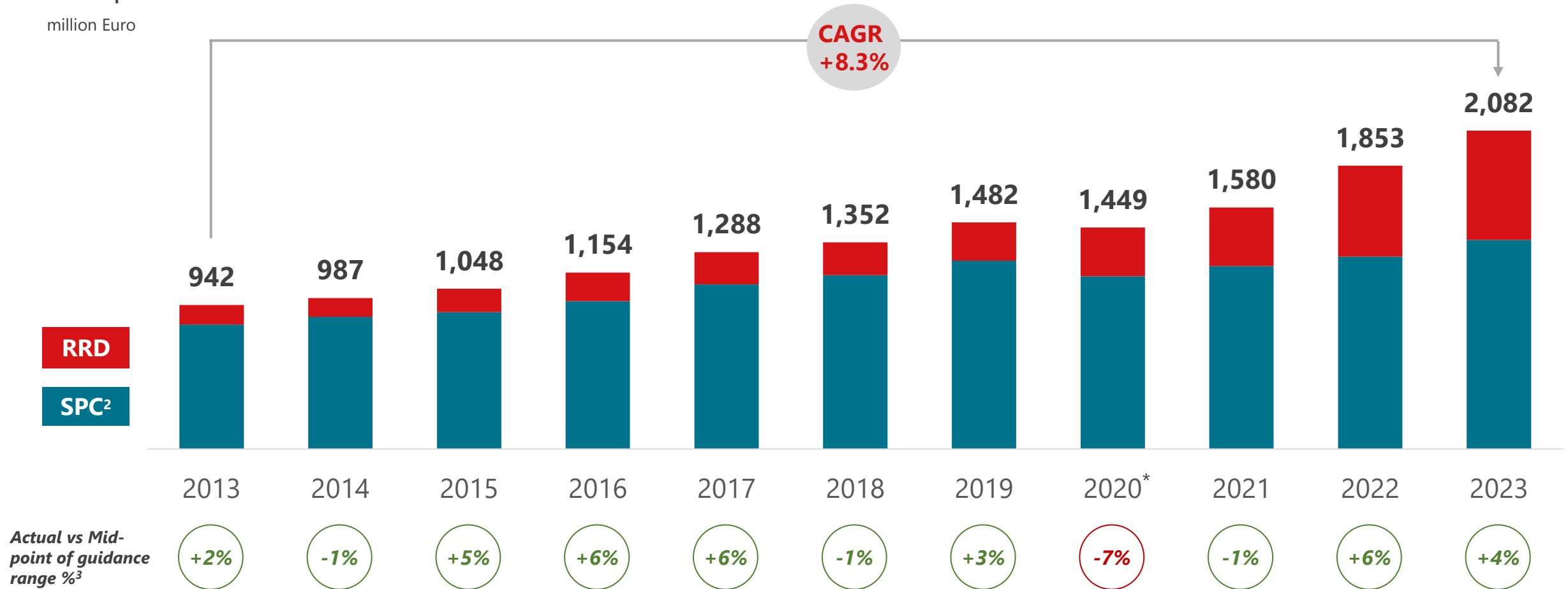
6) Pro-forma considering the contribution of Avodart<sup>®</sup> and Combodart<sup>®</sup> / Duodart<sup>®</sup> for the last twelve months



# DELIVERING ANOTHER YEAR OF STRONG FINANCIAL RESULTS, WITH AVERAGE ROIC<sup>1</sup> OF 15-20% OVER LAST DECADE

## Group Revenue 2013-2023

million Euro



\*2020 figures impacted by LOE on silodosin and on pitavastatin (and COVID-19 pandemic)

1) Return on invested capital avg. 2013-2023, source Bloomberg, Factset estimates and Company elaborations

2) Including Chemical Division

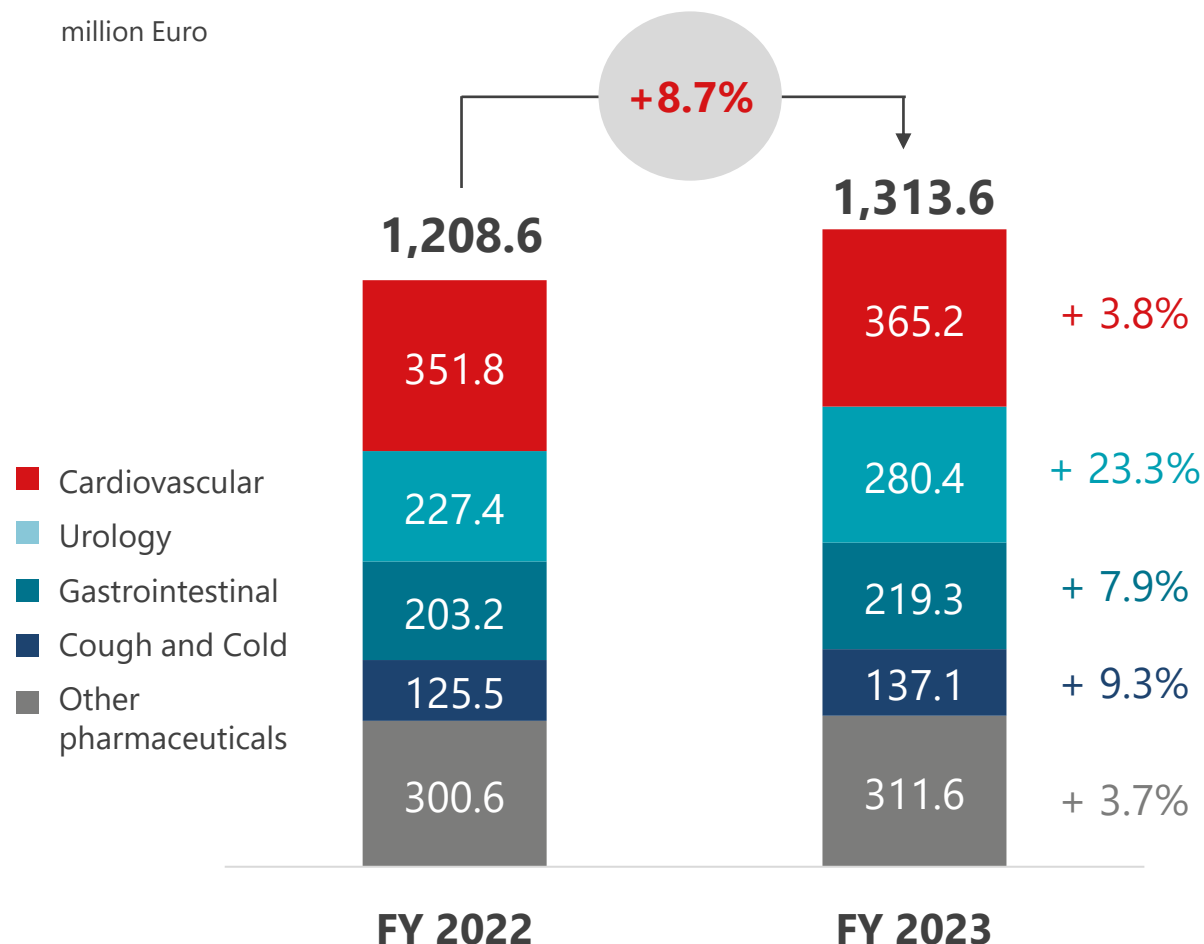
3) Delta calculated on actual FY Revenues vs mid-point of Revenue guidance range given at the beginning of the year (February)



# SPECIALTY & PRIMARY CARE: OUTPERFORMING MARKET GROWTH ACROSS THE REGION

Pharmaceutical Revenue<sup>1</sup> FY 2023 vs FY 2022

million Euro



## Key highlights

- FY 2023 growth **+8.7% vs PY or +13.6% like-for-like<sup>2</sup> at CER** (+6.6% excluding Türkiye), outperforming the market across the region and all core therapeutic areas (103 Evolution Index<sup>3</sup>), through **commercial excellence**
- Cardiovascular: Acceleration of Reselip<sup>®</sup>** uptake in France, growth of **international Lercanidipine sales** and resilient performance from other established brands
- Urology:** Strong performance of both **Eligard<sup>®</sup>**, with continued market share gains, and **silodosin** returning to growth. **Avodart<sup>®</sup>** and **Combodart<sup>®</sup> / Duodart<sup>®</sup>** smoothly transitioned in most markets<sup>4</sup> with positive signs of growth in Spain and Italy. **Eligard<sup>®</sup>** new device launch continues in key countries in early 2024
- Gastrointestinal: Double-digit growth of OTC portfolio**, including **Procto-Glyvenol<sup>®</sup>** and **probiotics**, combined with strong underlying growth of **Casen-Rx** portfolio
- Cough & Cold: Gaining market share in a strong season**, above pre-pandemic levels, with exceptional Q1 and trend normalizing in H2 2023, in line with expectations

<sup>1</sup> Excluding Chemicals € 54.0 million in FY 2023 and € 48.9 million in FY 2022

<sup>2</sup> Pro-forma growth calculated excluding FY 2023 revenue of Avodart<sup>®</sup> and Combodart<sup>®</sup> / Duodart<sup>®</sup>

<sup>3</sup> IQVIA December YTD Evolution Index on promoted and reminder products

<sup>4</sup> Transition to Recordati of commercialization of Avodart<sup>®</sup> and Combodart<sup>®</sup> / Duodart<sup>®</sup> has been effected in the following markets: Austria, Belgium, Czech R, Finland, France, Germany, Greece, Ireland, Italy, Luxembourg, Poland, Portugal, Spain, Sweden, Switzerland, UK

Note: details on corporate products in Appendix

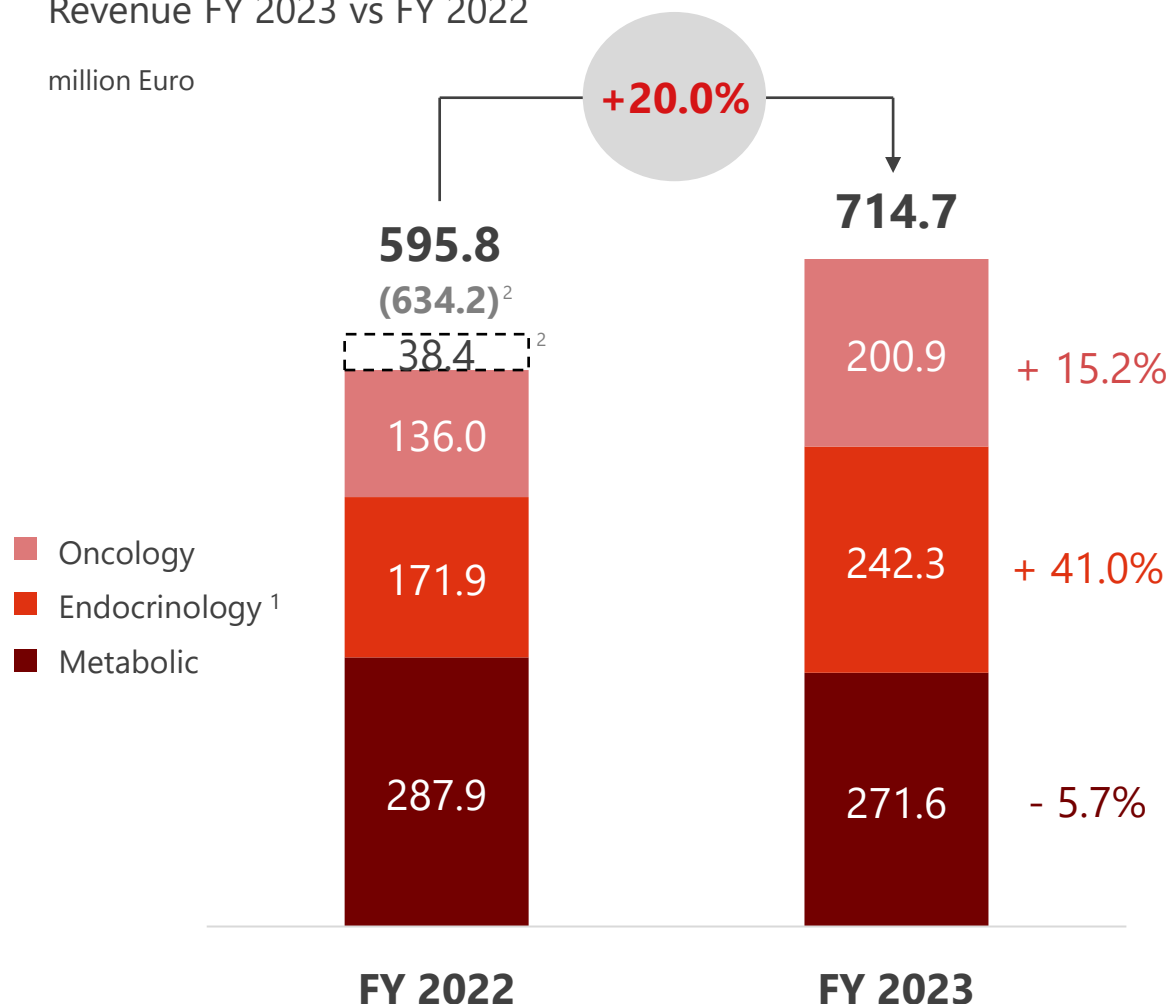


# RARE DISEASES: ONCO AND ENDO FRANCHISES DRIVE HIGH DOUBLE-DIGIT GROWTH

## Key highlights

Revenue FY 2023 vs FY 2022

million Euro



- FY 2023 growth **+20.0% vs PY or +14.9% like-for-like<sup>2</sup> at CER**, driven by **key growth franchises** (Onco & Endo)
- **Oncology**: First full year after acquisition, **exceeding expectations** for both Qarziba<sup>®</sup> and Sylvant<sup>®</sup> and **showing significant long-term potential**
- **Endocrinology**: Continued strong new patient uptake across all regions for **Isturisa<sup>®</sup>** and double-digit growth of **Signifor<sup>®</sup>**; **NDA submitted in September 2023 in China for Isturisa<sup>®</sup>**, with **decision expected in Q4 2024** and **Signifor LAR<sup>®</sup>** submission expected in **H1 2024**
- **Metabolic**: Growth of **Panhematin<sup>®</sup>** and **Ledaga<sup>®</sup>**, **mitigating GX** impact of **Carbaglu<sup>®</sup>** in US and EMEA; **Carbaglu<sup>®</sup>** approved in **China in June** with first commercial sale in November 2023
- **Multiple updates expected in 2024 across key development programs**:
  - Pasireotide Ph2 in PBH - patient screening started
  - REC 0559 in Neurotrophic Keratitis - Ph2 data read-out mid-2024
  - Dinutuximab beta in Neuroblastoma in US - further interactions planned in H1 2024 with the FDA
  - FDA meeting end of Q2 2024 to discuss potential for sBLA submission for Isturisa US label extension in Cushing's Syndrome

<sup>1</sup>) Of which Signifor<sup>®</sup> and Signifor<sup>®</sup> LAR of € 102.9 million and Isturisa<sup>®</sup> of € 139.5 million  
<sup>2</sup>) Pro-forma growth calculated adding Q1 2022 revenue of EUSA Pharma (RRD) of €38.4 million



# ALL REGIONS DELIVERING SOLID GROWTH

(million euro)	<b>FY 2023</b>	FY 2022	<i>Change %</i>
U.S.A	<b>316.1</b>	260.5	21.4
Italy	<b>309.8</b>	272.7	13.6
France	<b>179.7</b>	169.1	6.3
Germany	<b>150.9</b>	167.6	(10.0)
Spain	<b>165.1</b>	142.6	15.8
Portugal	<b>60.2</b>	53.5	12.6
Türkiye	<b>97.5</b>	74.3	31.2
Russia, other CIS countries and Ukraine	<b>140.6</b>	131.7	6.8
Other CEE countries	<b>150.4</b>	128.8	16.7
Other W. Europe countries	<b>152.4</b>	136.7	11.5
North Africa	<b>40.2</b>	37.7	6.8
Other international sales	<b>265.5</b>	229.2	15.8
<b>TOTAL PHARMACEUTICALS</b>	<b>2,028.3</b>	1,804.4	12.4
<b>CHEMICALS</b>	<b>54.0</b>	48.9	10.5

in local currency, million	<b>FY 2023</b>	FY 2022	<i>Change %</i>
U.S.A (USD)	<b>341.8</b>	274.3	24.6
Türkiye (TRY)	<b>3,084.0</b>	1,295.5	138.1
Russia (RUB) <sup>1</sup>	<b>8,984.6</b>	7,330.1	22.6

<sup>1)</sup> Net revenue in local currency in Russia exclude sales of products for rare diseases



# FINANCIAL RESULTS AT TOP END OF UPGRADED 2023 GUIDANCE

## EBITDA MARGIN AT 37% OF REVENUE

(million Euro)	FY 2023		FY 2022		Change %
<b>Revenue</b>	<b>2,082.3</b>		<b>1,853.3</b>		12.4
<b>Gross Profit</b>	<b>1,422.6</b>		<b>1,286.6</b>		10.6
as % of revenue	68.3%		69.4%		
<b>Adjusted Gross Profit<sup>1</sup></b>	<b>1,481.6</b>		<b>1,336.4</b>		10.9
as % of revenue	71.1%		72.1%		
<b>SG&amp;A Expenses</b>	<b>601.1</b>		<b>572.2</b>		5.1
as % of revenue	28.9%		30.9%		
<b>R&amp;D Expenses</b>	<b>255.7</b>		<b>220.1</b>		16.2
as % of revenue	12.3%		11.9%		
<b>Other Income (Expense), net</b>	<b>(7.8)</b>		<b>(57.0)</b>		n.s.
as % of revenue	(0.4%)		(3.1%)		
<b>Operating Income</b>	<b>558.0</b>		<b>437.3</b>		27.6
as % of revenue	26.8%		23.6%		
<b>Adjusted Operating Income<sup>2</sup></b>	<b>626.6</b>		<b>536.1</b>		16.9
as % of revenue	30.1%		28.9%		
<b>Financial income/(Expenses), net</b>	<b>(67.0)</b>		<b>(35.9)</b>		86.6
as % of revenue	(3.2%)		(1.9%)		
<b>Net Income</b>	<b>389.2</b>		<b>312.3</b>		24.6
as % of revenue	18.7%		16.9%		
<b>Adjusted Net Income<sup>3</sup></b>	<b>524.6</b>		<b>473.3</b>		10.8
as % of revenue	25.2%		25.5%		
<b>EBITDA<sup>4</sup></b>	<b>769.6</b>		<b>672.8</b>		14.4
as % of revenue	37.0%		36.3%		

1) Gross profit adjusted from impact of non-cash charges arising from the allocation of the purchase price of EUSA Pharma to the gross margin of acquired inventory (IFRS 3)

2) Net income before income taxes, financial income and expenses, non-recurring items, and non-cash charges arising from the allocation of the purchase price of EUSA Pharma to the gross margin of acquired inventory (IFRS 3)

3) Net income excluding amortization and write-downs of intangible assets (except software) and goodwill, non-recurring items, non-cash charges arising from the allocation of the purchase price of EUSA Pharma to the gross margin of acquired inventory (IFRS 3) and monetary net gains/losses from hyperinflation (IAS 29), net of tax effects

4) Net income before income taxes, financial income and expenses, depreciation, amortization and write-downs of property, plant and equipment, intangible assets and goodwill, non-recurring items and non-cash charges arising from the allocation of the purchase price of EUSA Pharma to the gross margin of acquired inventory (IFRS 3)





# STRONG FY 2023 CASH FLOW – AHEAD OF PRIOR YEAR

## WORKING CAPITAL ABSORPTION REFLECTING STRONG BUSINESS GROWTH

(million Euro)	FY 2023	FY 2022	Change
<b>EBITDA<sup>1</sup></b>	<b>769.6</b>	672.8	96.8
Movements in working capital	<b>(110.6)</b>	(61.4)	(49.2)
Changes in other assets & liabilities	<b>(8.2)</b>	(16.8)	8.6
Interest received/(paid)	<b>(65.2)</b>	(18.2)	(47.0)
Income tax Paid	<b>(105.4)</b>	(89.8)	(15.6)
Other	<b>5.1</b>	(24.9)	30.0
<b>Cash Flow from Operating Activities</b>	<b>485.3</b>	461.7	23.6
Capex (net of disposals)	<b>(29.3)</b>	(22.7)	(6.6)
<b>Free cash flow<sup>2</sup></b>	<b>456.0</b>	439.0	17.0
Acquisition of subsidiaries <sup>3</sup>	-	(673.3)	673.3
Increase in intangible assets (net of disposals)	<b>(353.3)</b>	(71.1)	(282.2)
Disposals of assets	<b>3.0</b>	-	3.0
Dividends paid	<b>(245.9)</b>	(230.6)	(15.3)
Purchase of treasury shares (net of proceeds)	<b>7.4</b>	(38.6)	46.0
Other financing cash flows <sup>4</sup>	<b>69.9</b>	614.8	(544.9)
<b>Change in cash and cash equivalents</b>	<b>(62.9)</b>	40.2	(103.1)

1) Net income before income taxes, financial income and expenses, depreciation, amortization and write-downs of property, plant and equipment, intangible assets and goodwill, non-recurring items and non-cash charges arising from the allocation of the purchase price of EUSA Pharma to the gross margin of acquired inventory (IFRS 3)

2) Operating cash flow excluding financing items, milestones, dividends, purchases of treasury shares net of proceeds from exercise of stock options

3) Net of acquired cash and cash equivalents from EUSA Pharma for € 53.2 million

4) Opening of financial debts net of repayments and currency translation effect on cash and cash equivalents. 2022 amount also includes loan from EUSA Pharma, repaid for € 78.2 million



# SOLID NET FINANCIAL POSITION – LEVERAGE OF ~1.96x LTM EBITDA (PRO-FORMA)<sup>3</sup>

(million Euro)	31 DEC 2023	31 DEC 2022	Change
Cash and cash equivalents	221.8	284.7	(62.9)
Short-term debts to banks and other lenders	(99.9)	(83.4)	(16.5)
Loans and leases - due within one year <sup>1</sup>	(353.7)	(289.0)	(64.7)
Loans and leases - due after one year <sup>1</sup>	(1,347.6)	(1,332.2)	(15.4)
<b>NET FINANCIAL POSITION<sup>2</sup></b>	<b>(1,579.4)</b>	<b>(1,419.9)</b>	<b>159.5</b>

1) Includes the fair value measurement of the relative currency risk hedging instruments (cash flow hedge)




2) Cash and cash equivalents, less bank debts and loans, which include the measurement at fair value of hedging derivatives

3) Pro-forma considering the contribution of Avodart® and Combodart®/Duodart® for the last twelve months



# TARGET DOUBLE-DIGIT GROWTH OF REVENUE AND EBITDA IN 2024\*

## ADJUSTED NET INCOME GROWTH ABSORBING INCREASE IN TAX RATES

	FY 2023 Actual	FY 2024 Target	Outlook
<b>Revenue</b> <i>yoy growth</i>	<b>2,082.3</b> +12.4%	<b>2,260–2,320</b>	 <b>Continued robust revenue growth momentum:</b> <ul style="list-style-type: none"> <li>○ Mid-single digit organic growth of SPC (at CER)</li> <li>○ Double-digit organic growth of RRD (at CER)</li> <li>○ Avodart® and Combodart® / Duodart® revenue of ~€115 million<sup>3</sup></li> <li>○ FX headwind of approx. -2 / -3% (vs 2023)</li> </ul>
<b>EBITDA<sup>1</sup></b> <i>margin on sales</i>	<b>769.6</b> 37.0%	<b>830–860</b> +/- 37%	 <b>EBITDA margin of +/- 37%</b> <ul style="list-style-type: none"> <li>○ Continued efficiency improvement initiatives &amp; operating leverage</li> <li>○ Slight increase in R&amp;D and digital spend to enhance future growth</li> </ul>
<b>Adjusted Net Income<sup>2</sup></b> <i>margin on sales</i>	<b>524.6</b> 25.2%	<b>550–570</b> +/- 24.5%	 <b>Adjusted Net Income of +/- 24.5%</b> <ul style="list-style-type: none"> <li>○ Increase in OECD tax rates (Ireland, Switzerland, UAE)</li> <li>○ Slight increase in Financial Expenses (excl. FX gains / losses)</li> </ul>

\*Growth at mid-point of the guidance range

<sup>1</sup>) Net income before income taxes, financial income and expenses, depreciation, amortization and write-downs of property, plant and equipment, intangible assets and goodwill, non-recurring items and non-cash charges arising from the allocation of the purchase price of EUSA Pharma to the gross margin of acquired inventory (IFRS 3)

<sup>2</sup>) Net income excluding amortization and write-downs of intangible assets (except software) and goodwill, non-recurring items, non-cash charges arising from the allocation of the purchase price of EUSA Pharma to the gross margin of acquired inventory (IFRS 3) and monetary net gains/losses from hyperinflation (IAS 29), net of tax effects

<sup>3</sup>) Trademarks are owned by or licensed to the GSK group of companies. Total revenue booked by Recordati expected to be ~€115 million in FY 2024 versus € 25.6 million in FY 2023



# VALUE PROPOSITION UNCHANGED; ON TRACK TO DELIVER >€2.4 bn REVENUE IN 2025<sup>1</sup>, SUSTAINING EBITDA MARGIN +/- 37%

Drive organic growth of diversified business		Sustain high level of profitability	Pursue targeted pipeline opportunities	Maintain clear capital allocation policy
Strong underlying volume growth over the period of current portfolio across both business segments		Maintain sector leading operating and bottom-line margin as % of revenue	Targeted clinical opportunities with the potential to turn into commercial success	<div>60%</div> <div>Progressive dividend pay-out at roughly 60% of cash flow</div>
SPC Mid-single digit growth at CER	RRD Double-digit growth at CER	EBITDA Margin at +/- 37%	R&D investment <sup>2</sup> between 7-8% of revenue	<div>40%</div> <div>Accretive &amp; growth bolt-on M&amp;A and BD</div>

## Strong cash flow generation & robust balance sheet

Free cash flow conversion 90-100% of Adjusted Net Income	Net Debt / EBITDA 1.7x – 2x by 2025 Subject to timing and structure of future deals	Max of close to 3x for larger scale, high quality opportunities
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Note: financial planning assumptions provided up to 2025

1) With current portfolio alone

2) Excluding amortization



# QUESTIONS & ANSWERS



**Rob Koremans**  
**Chief Executive**  
**Officer**



**Luigi La Corte**  
**Chief Financial**  
**Officer**



**Alberto Martinez**  
**Executive VP**  
**Specialty &**  
**Primary Care**



**Scott Pescatore**  
**Executive VP Rare**  
**Diseases**



# APPENDIX



# COMPOSITION OF REVENUE

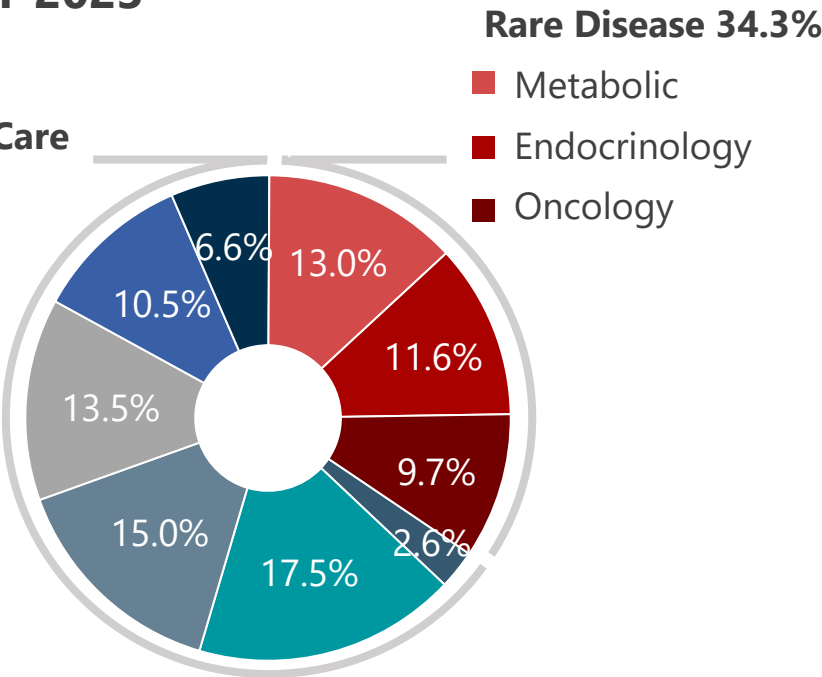
## DIVERSIFIED PORTFOLIO AND FOOTPRINT

### Therapeutic Areas

#### Total Revenue FY 2023

#### Specialty and Primary Care (incl. Chemicals) 65.7%

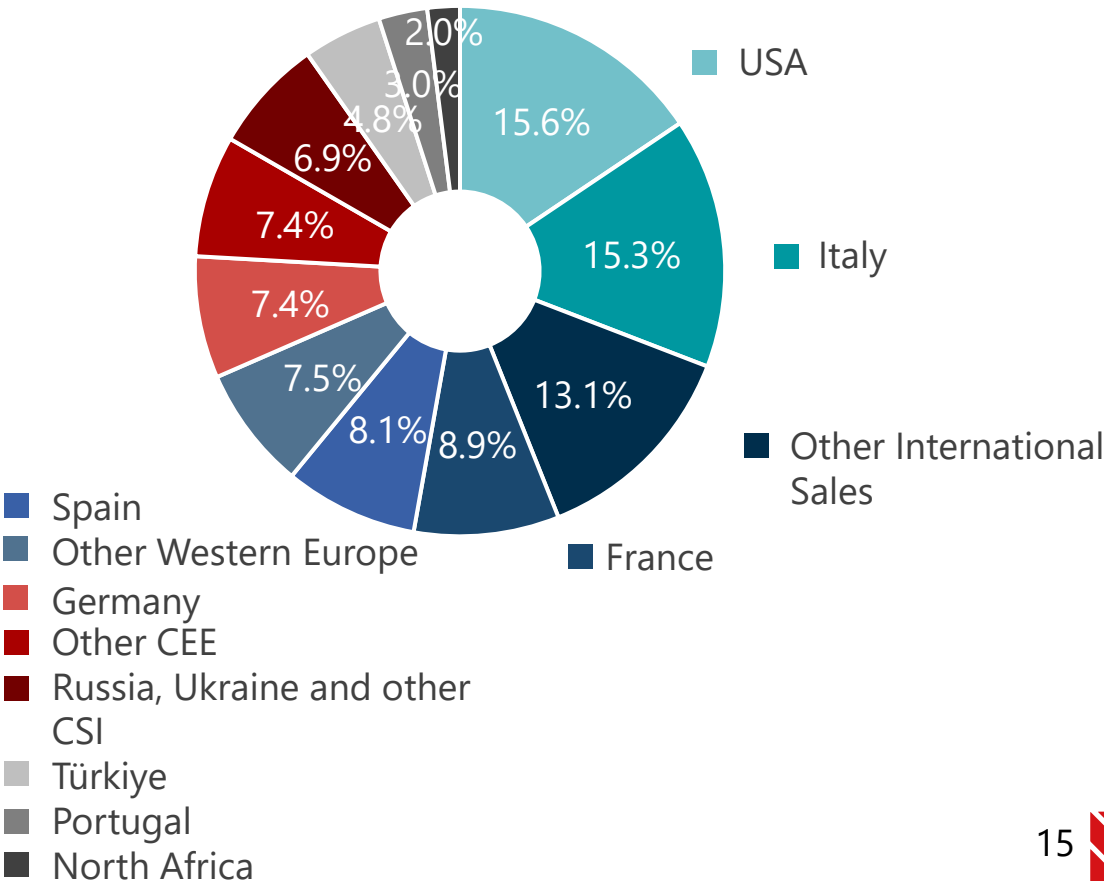
- Cardiovascular
- Urology
- Gastro & Intestinal
- Cough and Cold
- Other pharmaceuticals
- Chemicals



Note: Total OTC of € 331.3 million in FY 2023 and € 300.7 million in FY 2022  
Subsidiaries' local product portfolios of € 238.4 million in FY 2023 and € 237.1 million in FY 2022

### Geographic

#### Pharmaceutical Revenue FY 2023



# MAIN PRODUCTS SALES

(million Euro)	<b>FY 2023</b>	FY 2022	<i>Change %</i>
Zanidip® and Zanipress® (lercanidipine+enalapril) <sup>1</sup>	<b>181.4</b>	168.0	8.0
Seloken®/Seloken® ZOK/Logimax® (metoprolol/metoprolol+felodipine)	<b>98.0</b>	97.8	0.2
Urorec® (silodosin)	<b>70.0</b>	60.7	15.4
Livazo® (pitavastatin)	<b>44.6</b>	44.1	1.2
Eligard®	<b>110.7</b>	104.1	6.3
Avodart® and Combodart®/Duodart® <sup>2</sup>	<b>25.6</b>	-	n.a.
Other corporate products <sup>3</sup>	<b>346.1</b>	313.5	10.4
Rare Diseases	<b>714.7</b>	595.8	20.0

1) of which Zanidip® € 145.0 million in FY 2023 and € 130.5 million in FY 2022

2) Trademarks are owned by or licensed to the GSK group of companies. Total FY 2023 sales of the products in relevant territories, incl. those made by GSK prior to transitions to Recordati, was approximately € 120 million

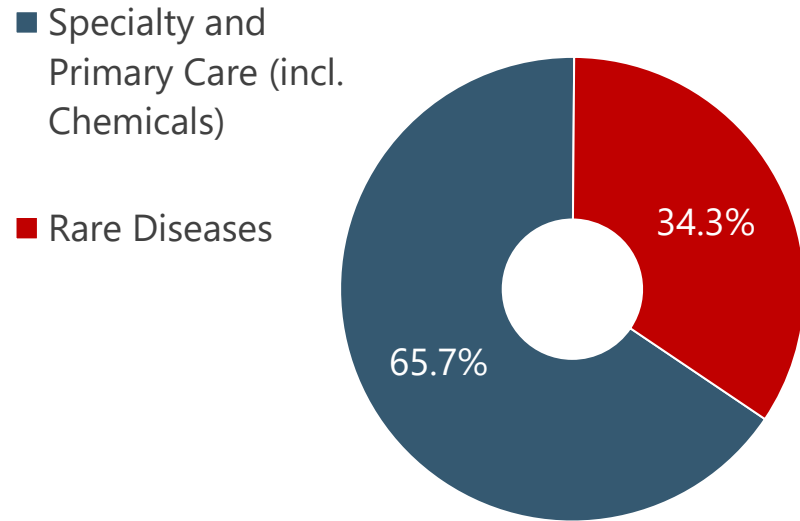
3) Includes the OTC corporate products for an amount of € 139.5 million in FY 2023 and € 124.7 million in FY 2022; Total OTC € 331.1 million in FY 2023 and € 300.7 million in FY 2022



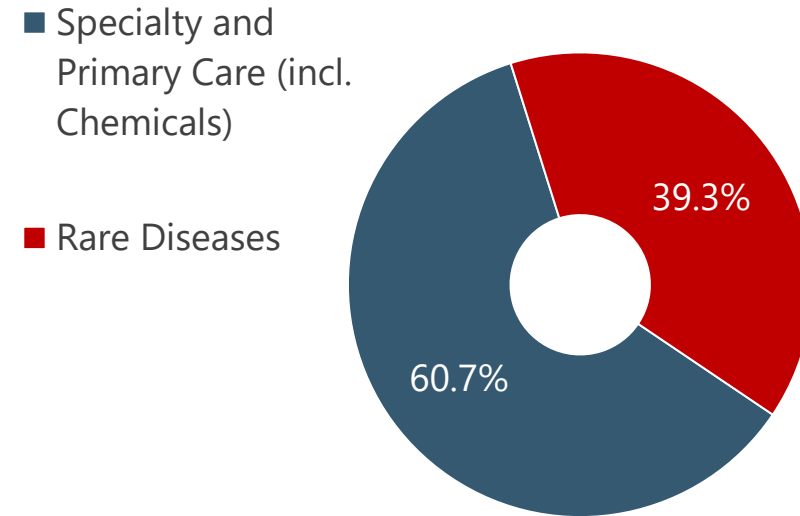


# FY 2023 RESULTS BY OPERATING SEGMENTS

## Total Revenue FY 2023



## EBITDA FY 2023



### Margin on Revenue:











Rare Diseases: EBITDA <sup>1</sup> 42.3%

Specialty and Primary care: EBITDA <sup>1</sup> 34.2%



# UPCOMING R&D PIPELINE MILESTONES



	PROGRAM	EXPECTED TIMELINE
ONGOING PROGRAMS	<div><b>Osilodrostat</b> </div> <div><ul style="list-style-type: none"><li>Cushing Syndrome US</li></ul></div>	<div> FDA meeting end of Q2 2024</div>
	<div><b>Pasireotide</b></div> <div><ul style="list-style-type: none"><li>Post-Bariatric Hypoglycaemia (PBH)</li></ul></div>	<div> Phase 2 enrollment completion by end 2024 / early 2025</div>
	<div><b>Dinutuximab beta</b> </div> <div><ul style="list-style-type: none"><li>High Risk relapsed/refractory Neuroblastoma in US</li></ul></div>	<div> Further interactions with FDA in H1 2024</div>
ADDITIONAL OPPORTUNITIES	<div><b>REC 0559 / MT8*</b></div> <div><ul style="list-style-type: none"><li>Moderate/severe Neurotrophic Keratitis</li></ul></div>	<div> Phase 2 trial top-line data readout in mid-2024</div>
	<div><b>Dinutuximab beta</b> </div> <div><ul style="list-style-type: none"><li>Ewing sarcoma</li></ul></div>	<div> Under evaluation</div>
	<div><b>Siltuximab</b> </div> <div><ul style="list-style-type: none"><li>Cytokine response syndrome (CAR-T patients)</li></ul></div>	<div> Under evaluation</div>

Legend

ENDO

ONCO

META

Filing dates planning estimates, subject to study read outs and regulatory feedback  
\* In-licensed from MimeTech

# FY 2023 RESULTS – ADJUSTING ITEMS

## Reconciliation of Net income to EBITDA<sup>1</sup>

(million Euro)	FY 2023	FY 2022	Change %
<b>Net Income</b>	<b>389.2</b>	<b>312.3</b>	<b>24.6</b>
Income Taxes	101.8	89.1	
Financial (income)/expenses, net	67.0	35.9	
o/w net FX (gains)/losses <sup>2</sup>	(2.2)	5.8	
o/w net monetary (gains)/losses from application of IAS 29 (Türkiye)	(1.5)	(4.5)	
Non-recurring expenses	9.6	48.9	
Non-cash charges from PPA inventory uplift	58.9	49.8	
<b>Adjusted Operating Income<sup>3</sup></b>	<b>626.6</b>	<b>536.1</b>	<b>16.9</b>
Depreciation, amortization and write downs	143.0	136.7	
o/w EUSA Pharma	25.3	19.7	
o/w write downs of assets	0.4	10.9	
<b>EBITDA<sup>1</sup></b>	<b>769.6</b>	<b>672.8</b>	<b>14.4</b>

## Reconciliation of Reported Net income to Adjusted Net income<sup>4</sup>

(million Euro)	FY 2023	FY 2022	Change %
<b>Net income</b>	<b>389.2</b>	<b>312.3</b>	<b>24.6</b>
Net monetary (gains)/losses (IAS 29 Türkiye)	(1.5)	(4.5)	
Non-recurring expenses	9.6	48.9	
Non-cash charges from PPA inventory uplift	58.9	49.8	
Amortization and write-downs of intangible assets (exc. software)	112.2	107.4	
o/w EUSA Pharma	24.6	18.5	
Tax effects	(43.9)	(40.6)	
<b>Adjusted Net income<sup>4</sup></b>	<b>524.6</b>	<b>473.3</b>	<b>10.8</b>

## Summary of key items

- **FX gains of € 2.2 million** in 2023 vs € 5.8 million losses in 2022
- **Net monetary gains of € 1.5 million** from application of IAS 29 (Türkiye) in 2023, vs € 4.5 million gains in 2022
- **Non-recurring costs of € 9.6 million**, mainly for SPC rightsizing and residual EUSA Pharma integration, **significantly reduced vs prior year**
- **Non-cash charges** at the level of gross margin arising from IFRS3 Purchase Price Allocation of **EUSA Pharma: € 58.9 million in 2023** (from unwind of acquired inventory revaluation) vs. € 49.8 million in 2022
- **D&A and write downs of assets: increase of € 6.3 million**, of which € 5.6 million from EUSA Pharma

1) Net income before income taxes, financial income and expenses, depreciation, amortization and write-downs of property, plant and equipment, intangible assets and goodwill, non-recurring items and non-cash charges arising from the allocation of the purchase price of EUSA Pharma to the gross margin of acquired inventory (IFRS 3)

2) FX losses and FX driven consolidation adjustments

3) Net income before income taxes, financial income and expenses, non-recurring items, and non-cash charges arising from the allocation of the purchase price of EUSA Pharma to the gross margin of acquired inventory (IFRS 3)

4) Net income excluding amortization and write-downs of intangible assets (except software) and goodwill, non-recurring items, non-cash charges arising from the allocation of the purchase price of EUSA Pharma to the gross margin of acquired inventory (IFRS 3) and monetary net gains/losses from hyperinflation (IAS 29), net of tax effects



# COMPANY DECLARATIONS, DISCLAIMERS AND PROFILE

Statements contained in this presentation, other than historical facts, are “forward-looking statements” (as such term is defined in the Private Securities Litigation Reform Act of 1995). These statements are based on currently available information, on current best estimates, and on assumptions believed to be reasonable by Management. This information, these estimates and assumptions may prove to be incomplete or erroneous, and involve numerous risks and uncertainties, beyond the Company’s control.

These risks and uncertainties include among other things, the uncertainties inherent in pharmaceutical marketing and development, impact of decisions by regulatory authorities, such as the FDA or the EMA, regarding whether and when to approve any drug or biological application that may be filed as well as their decisions regarding labelling and other matters that could affect the availability or commercial potential of our products, the future approval and commercial success of therapeutic alternatives, Recordati’s ability to benefit from external growth opportunities, to complete capital markets or other transactions and/or obtain regulatory clearances, risks associated with intellectual property and any related pending or future litigation and the ultimate outcome of such litigation, trends in exchange rates and prevailing interest rates, volatile economic and capital market conditions, cost containment initiatives by payors of medicines and subsequent changes thereto, and the impact that pandemics, political disruption or armed conflicts or other global crises may have on our business.

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Recordati (Reuters RECI.MI, Bloomberg REC IM) is an international pharmaceutical group listed on the Italian Stock Exchange (ISIN IT 0003828271) uniquely structured to bring treatment across specialty and primary care, consumer healthcare, and rare diseases. We believe that health, and the opportunity to live life to the fullest, is a right, not a privilege. We want to support people in unlocking the full potential of their life. We have fully integrated operations across research & development, chemical and finished product manufacturing through to commercialisation and licensing. Established in 1926, Recordati operates in approximately 150 countries across EMEA, Americas and APAC regions. At the end of 2022, Recordati employed more than 4,300 people and consolidated revenue of € 1,853.3 million. For more information, please visit [www.recordati.com](http://www.recordati.com).

## DECLARATION BY THE MANAGER RESPONSIBLE FOR PREPARING THE COMPANY’S FINANCIAL REPORTS

The manager responsible for preparing the company’s financial reports Luigi La Corte declares, pursuant to paragraph 2 of Article 154-bis of the Consolidated Law on Finance, that the accounting information contained in this presentation corresponds to the document results, books and accounting records.

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