



2023 FIRST QUARTER RESULTS

Milano, May 11th 2023

STRONG START OF THE YEAR – FY 2023 GUIDANCE UPGRADED

Q1 2023 HIGHLIGHTS

- Overall Group **Net Revenue at € 551.4 million, +31.5% vs PY or +21.0% like-for-like** ⁽¹⁾ at CER, with strong underlying momentum across both business units and all key markets:
 - SPC (ex. Chemicals) at € 361.8 million, +20.4% vs PY** (+15.0% excluding Türkiye), growing ahead of relevant markets, with broad-based growth across all key countries; commercial excellence driving marked improvement in competitiveness
 - RRD at € 174.7 million, +64.7% vs PY or +20.9% like-for-like** ⁽¹⁾, with strong growth of Endo (+44.7%) and Oncology portfolio (contributing € 47.7 million, +24.2% pro forma) and resilient Metabolic performance, with slow penetration of recent GX entries
- Strong underlying revenue performance also enhanced by **channel movements in Türkiye and Russia** and **phasing of shipments to international distributors**, with total Q1 benefit of roughly **€ 15-20 million** (mostly in SPC), in addition to **exceptional Cough & Cold season**
- High operating leverage drove strong operating and bottom-line results, with **EBITDA** ⁽²⁾ **of € 220.8 million** or 40.0% on Net Revenue; operating margins also benefit from fixed cost absorption level in COGS and efficiency initiatives announced in 2022
- Adjusted Net Income** ⁽³⁾ **of € 155.0 million, +33.3% vs PY**, driven by the positive operating performance partially off-set by higher financial expenses, due to higher net debt and increased interest rates
- Net debt** ⁽⁵⁾ of € 1,339.6 million, with **leverage at 1.8x EBITDA**, with strong **Free Cash Flow** ⁽⁴⁾ **of € 103.4 million**, absorbing working capital increase (inventories and receivables) from high business growth
- Key R&D** pipeline projects progressing to plan; expect gradual ramp-up of R&D spend in the rest of the year
- Expect to exceed top end of the original guidance range for FY 2023 for both top and bottom line**

1) Adjusted for first quarter 2022 revenue from the recent acquisition of EUSA Pharma, a company specialising in the rare oncology diseases segment

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

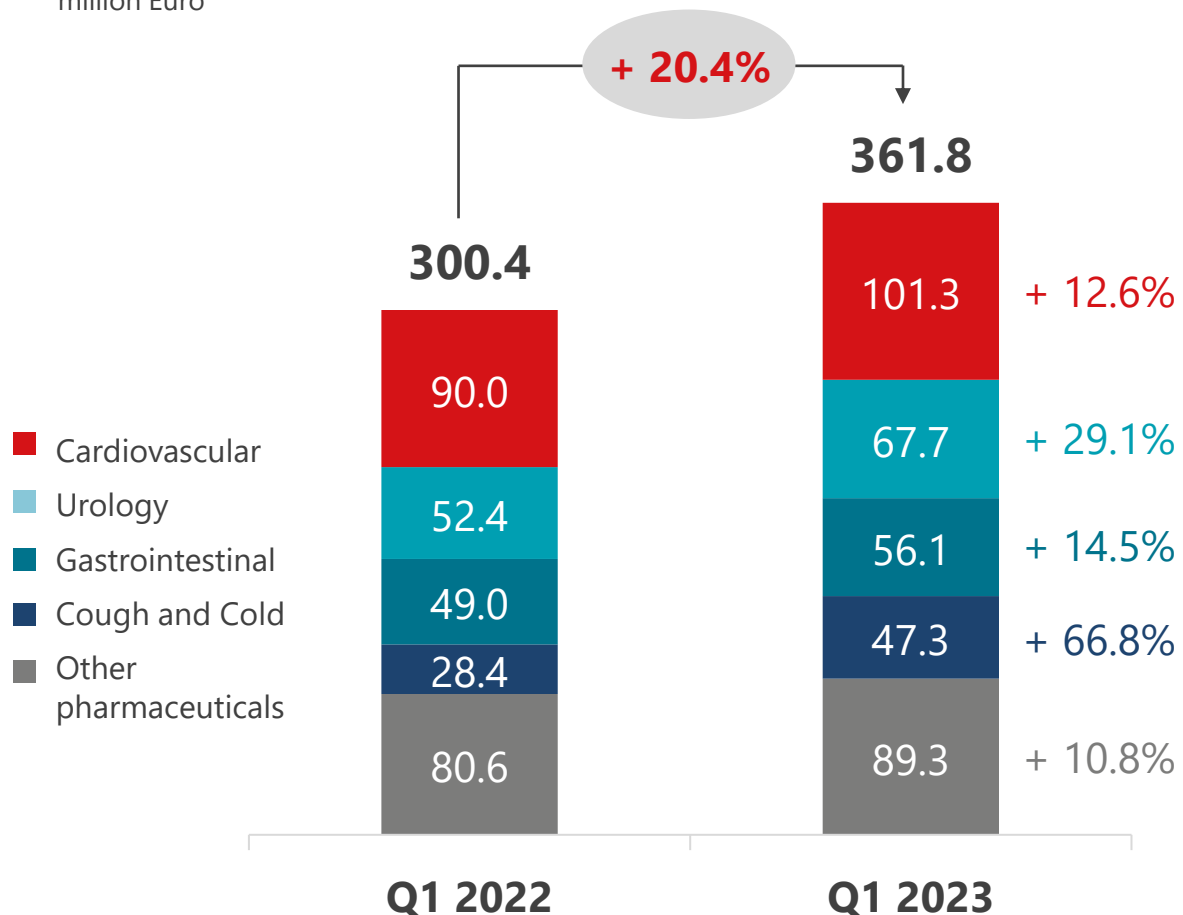
5) Cash and cash equivalents, less bank debts and loans, which include the measurement at fair value of hedging derivatives



SPECIALTY AND PRIMARY CARE DELIVERING IMPORTANT CONTRIBUTION TO GROWTH

Pharmaceutical Revenue ⁽¹⁾ Q1 2023 vs Q1 2022

million Euro



Key highlights

- Strong **double-digit growth** in the quarter reflects **solid underlying volume** growth across all key markets and some **phasing benefits**, with **exceptional Cough & Cold season** and multiple **price increases** in Türkiye
- **Cardiovascular:** lercanidipine franchise drives double-digit growth, thanks also to timing of shipments to international distributors and solid growth in most direct markets; broadly stable metoprolol and pitavastatin sales
- **Urology:** growth driven by continued strong performance of Eligard[®], with growth across most markets ahead of main competitors, robust silodosin sales and growth of local brands
- **Gastrointestinal:** underlying growth of Procto-Glyvenol, probiotics and other gastrointestinal products
- **Cough & Cold:** sales significantly above pre-pandemic levels, reflecting strong underlying growth of both RX and OTC products and benefit of restocking in channel in Russia

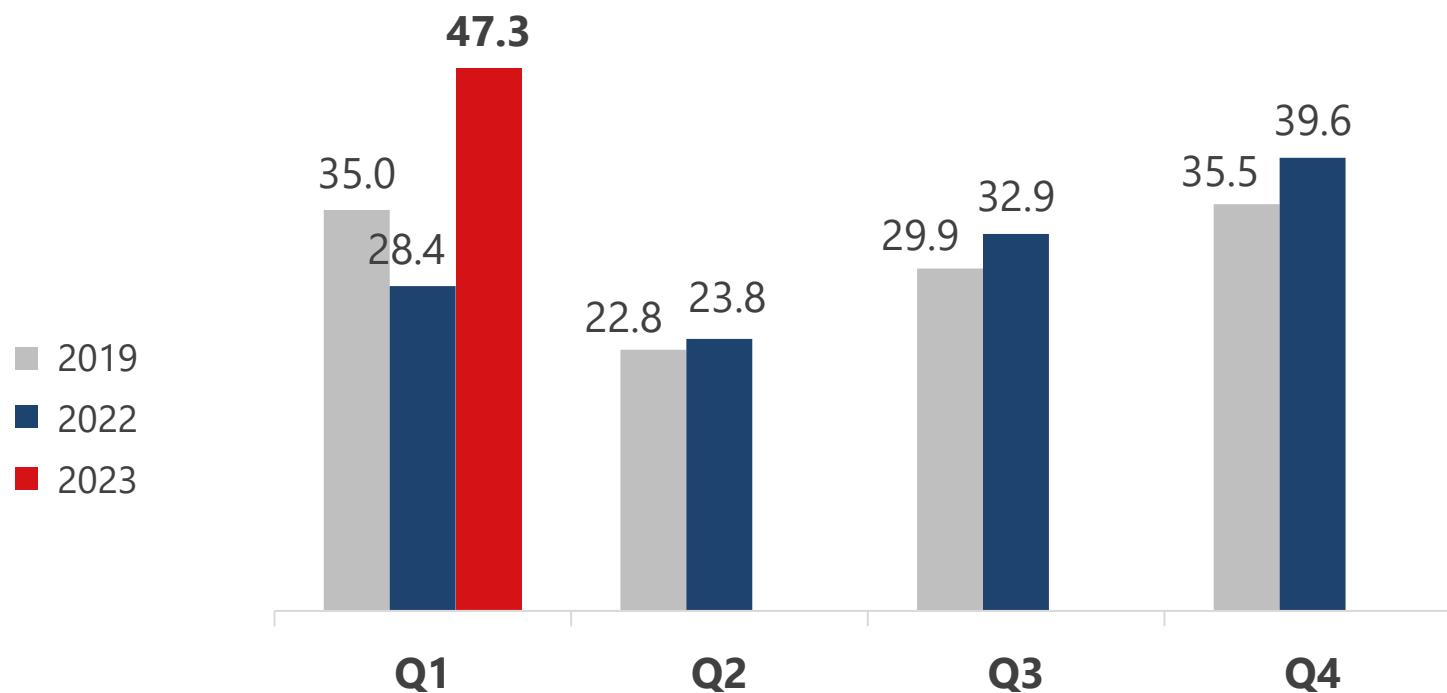
3 1) Excluding Chemicals € 14.9 million in Q1 2023 and € 12.9 million Q1 2022
Note: details on corporate products in Appendix



Q1 2023 COUGH & COLD SIGNIFICANTLY ABOVE 2022 & PRE-COVID LEVELS

Cough & Cold ⁽¹⁾ – Revenue trend by quarter 2019, 2022 and 2023

million Euro



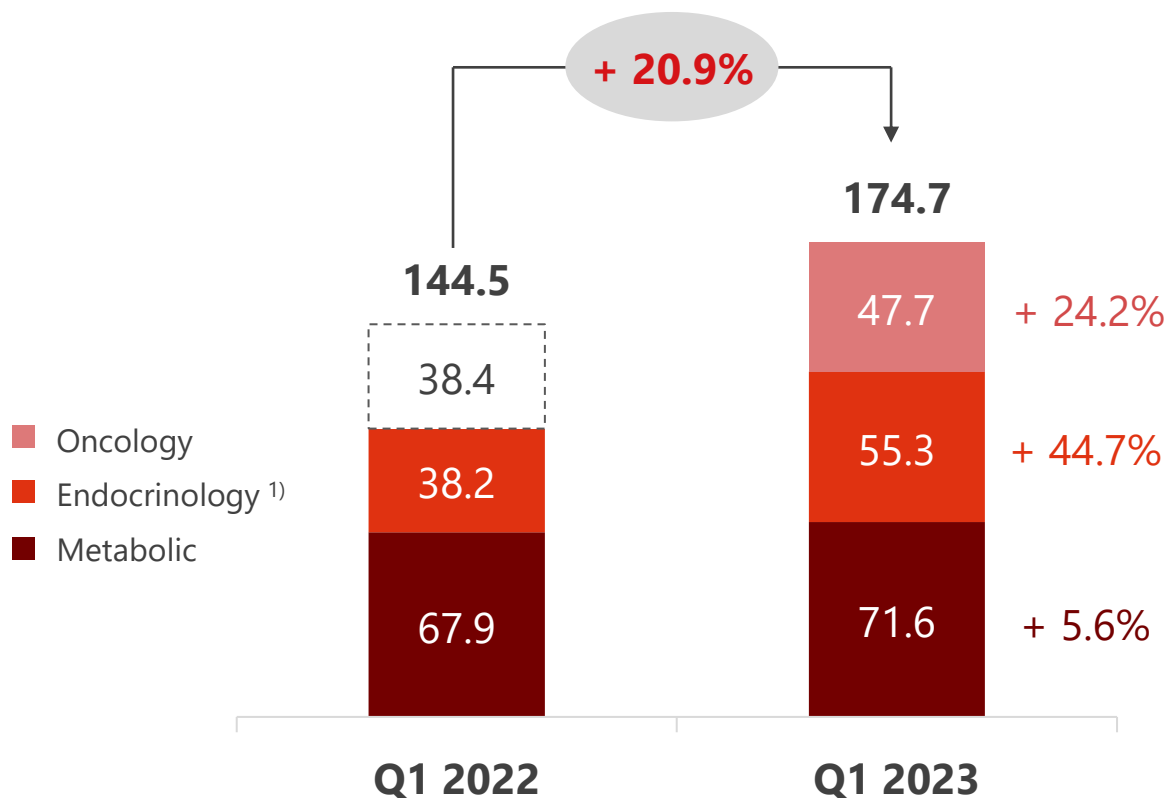
- Q1 2023 well-above pre-pandemic levels thanks to recovering trend from Q2 2022
- Expect Q2-Q4 revenue to be broadly in line with 2022 levels, due to unwind of Q1 phasing benefits and RUB FX headwind



RARE DISEASES – STRONG MOMENTUM IN ALL KEY GROWTH DRIVERS

Revenue Q1 2023 vs Q1 2022

million Euro



Key highlights

- **Endocrinology:** continued strong uptake of **Isturisa**[®] in US and EU markets behind recent reimbursement and double-digit growth of **Signifor**[®]
- **Oncology:** strong growth of both **Qarziba**[®] and **Sylvant**[®], with some advanced shipments to international distributors
- **Metabolic:** Continued strong volume growth of Panhematin[®] and Cystadrops[®] in US with relatively low erosion from recent generic entries in US
- **Pipeline opportunities on track:**
 - Phase II in **Post-Bariatric Hypoglycemia** on track to start Q3 following positive FDA feedback on development plan
 - **Qarziba**[®] development plan toward US Biologics License Application (BLA) on track with on going activities in preparation for FDA Type C meeting
 - **REC 0559** phase II study enrolment proceeding to plan, data read out confirmed in Q2 2024
 - **Carbaglu**[®] filed in China, preparing for possible launch in early 2024



ALL REGIONS DELIVERING SOLID GROWTH

COMPOSITION OF REVENUE BY GEOGRAPHY

| (million Euro) | Q1 2023 | Q1 2022 | Change % |
|---|--------------|---------|----------|
| Italy | 80.5 | 74.7 | 7.8 |
| U.S.A. | 77.3 | 52.6 | 47.0 |
| France | 49.1 | 40.4 | 21.4 |
| Germany | 41.9 | 38.3 | 9.5 |
| Spain | 36.0 | 33.3 | 8.1 |
| Portugal | 15.6 | 12.3 | 26.9 |
| Türkiye | 33.1 | 14.7 | 125.0 |
| Russia, other CIS countries and Ukraine | 43.3 | 23.1 | 87.3 |
| Other CEE countries | 36.1 | 30.3 | 19.1 |
| Other W. Europe countries | 37.5 | 25.5 | 47.0 |
| North Africa | 10.4 | 10.1 | 2.7 |
| Other international sales | 75.7 | 51.1 | 48.1 |
| TOTAL PHARMACEUTICALS | 536.5 | 406.5 | 32.0 |
| CHEMICALS | 14.9 | 12.9 | 15.3 |
| (In local currency, million) | Q1 2023 | Q1 2022 | Change % |
| U.S.A. (USD) | 82.9 | 59.0 | 40.6 |
| Türkiye (TRY) | 675.2 | 217.9 | 209.9 |
| Russia (RUB) ⁽¹⁾ | 2,313.6 | 1,629.7 | 42.0 |



Q1 2023 P&L – HIGH OPERATING LEVERAGE BENEFIT ON MARGINS

| (million Euro) | Q1 2023 | Q1 2022 | Change % |
|--|--------------|---------|----------|
| Revenue | 551.4 | 419.4 | 31.5 |
| Gross Profit | 387.7 | 303.9 | 27.6 |
| as % of revenue | 70.3 | 72.5 | |
| Adjusted Gross Profit⁽¹⁾ | 398.9 | 303.9 | 31.3 |
| as % of revenue | 72.4 | 72.5 | |
| SG&A Expenses | 150.4 | 121.7 | 23.6 |
| as % of revenue | 27.3 | 29.0 | |
| R&D Expenses | 60.5 | 43.7 | 38.4 |
| as % of revenue | 11.0 | 10.4 | |
| Other Income (Expense), net | (4.3) | (7.2) | (41.1) |
| as % of revenue | (0.8) | (1.7) | |
| Operating Income | 172.6 | 131.3 | 31.5 |
| as % of revenue | 31.3 | 31.3 | |
| Adjusted Operating Income⁽²⁾ | 186.6 | 138.4 | 34.8 |
| as % of revenue | 33.8 | 33.0 | |
| Financial income/(Expenses), net | (12.6) | (7.0) | 81.6 |
| as % of revenue | (2.3) | (1.7) | |
| Net Income | 124.0 | 96.7 | 28.2 |
| as % of revenue | 22.5 | 23.1 | |
| Adjusted Net Income⁽³⁾ | 155.0 | 116.3 | 33.3 |
| as % of revenue | 28.1 | 27.7 | |
| EBITDA⁽⁴⁾ | 220.8 | 163.0 | 35.4 |
| as % of revenue | 40.0 | 38.9 | |

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)



Q1 2023 CASH FLOW – ABSORBING WORKING CAPITAL INCREASE FROM HIGHER VOLUME OF BUSINESS

| (million Euro) | Q1 2023 | Q1 2022 | Change |
|--|---------------|---------|---------|
| EBITDA⁽¹⁾ | 220.8 | 163.0 | 57.8 |
| Movements in working capital | (77.9) | (28.4) | (49.5) |
| Changes in other assets & liabilities | (10.3) | (2.4) | (7.9) |
| Interest received/(paid) | (16.4) | (2.2) | (14.2) |
| Income Tax Paid | (12.3) | (10.6) | (1.7) |
| Other | 4.0 | (6.0) | 10.0 |
| Cash flow from Operating activities | 107.9 | 113.4 | (5.5) |
| Capex (net of disposals) | (4.5) | (3.1) | (1.4) |
| Free cash flow⁽²⁾ | 103.4 | 110.3 | (6.9) |
| Acquisition of subsidiaries | - | (707.0) | 707.0 |
| Increase in intangible assets (net of disposals) | (12.5) | (12.2) | (0.3) |
| Disposals of assets | 3.0 | - | 3.0 |
| Dividends paid | (6.1) | (6.2) | 0.1 |
| Purchase of treasury shares (net of proceeds) | (4.1) | (18.4) | 14.3 |
| Other financing cash flows ⁽³⁾ | (137.1) | 650.3 | (787.4) |
| Change in cash and cash equivalents | (53.4) | 16.8 | (70.2) |

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) Opening of financial debts net of repayments and currency translation effect on cash and cash equivalents. 2022 amount also includes values from EUSA Pharma: cash and cash equivalents for € 53.2 million and loan repaid for (€ 78.2 million)



SOLID NET FINANCIAL POSITION – LEVERAGE AT 1.8x LTM EBITDA

| (million Euro) | 31 MAR 2023 | 31 DEC 2022 | Change |
|---|------------------|-------------|--------|
| Cash and cash equivalents | 231.3 | 284.7 | (53.4) |
| Short-term debts to banks and other lenders | (23.2) | (83.4) | 60.2 |
| Loans and leases – due within one year ⁽¹⁾ | (291.3) | (289.0) | (2.3) |
| Loans and leases – due after one year ⁽¹⁾ | (1,256.4) | (1,332.2) | 75.8 |
| NET FINANCIAL POSITION ⁽²⁾ | (1,339.6) | (1,419.9) | 80.3 |

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



UPDATED 2023 FINANCIAL PROJECTIONS

GUIDANCE RANGE INCREASED FOR BOTH TOP AND BOTTOM LINE

| | FY 2022 Actual | FY 2023 | | Outlook Q2 – Q4 |
|--|-----------------------|----------------------|-----------------------------|--|
| | | Old | Target New | |
| Revenue <i>yoy growth %</i> | 1,853.3 | 1,970 – 2,030 | 2,050 – 2,090 | <ul style="list-style-type: none"> • SPC to deliver mid-single digit revenue growth Q2-Q4: <ul style="list-style-type: none"> ○ Unwind of Q1 one-offs phasing benefits ○ More challenging 2022 comparable on Cough & Cold ○ FX headwind and macro uncertainty in Russia and Türkiye • RRD to sustain double-digit revenue growth: <ul style="list-style-type: none"> ○ Continued strong uptake of key Endo and Onco franchises ○ Higher GX erosion on Metabolic vs Q1 levels • Lower operating margin vs Q1: <ul style="list-style-type: none"> ○ Lower quarterly revenue run rate ○ Increase inflation creep through on COGS ○ Planned gradual step up of R&D activities ○ Historical phasing (lower Q4) • Step up in financial expenses due to reset of variable rate loans and increasing reference rates; FY financial expenses at ~ € 60-65 million |
| EBITDA (1) <i>margin on sales</i> | 672.8 36.3% | 700 – 730 +/- 36% | 750 – 770 +/- 37% | |
| Adjusted Net Income (2) <i>margin on sales</i> | 473.3 25.5% | 470 – 490 +/- 24% | 490 – 500 +/- 24% | |

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) 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



QUESTIONS & ANSWERS



APPENDIX



QUARTERLY THERAPEUTIC AREA REVENUE

| (million Euro) | Q1 2023 | Q1 2022 | H1 2022 | 9M 2022 | FY 2022 |
|---|--------------|---------|---------|---------|---------|
| Specialty and Primary care (incl. Chemicals) | 376.6 | 313.3 | 632.1 | 947.8 | 1,257.5 |
| Specialty and Primary care (Pharmaceutical) | 361.8 | 300.4 | 607.2 | 911.9 | 1,208.6 |
| Cardiovascular | 101.3 | 90.0 | 180.2 | 270.7 | 351.8 |
| Urology | 67.7 | 52.4 | 111.7 | 169.9 | 227.4 |
| Gastro-Intestinal | 56.1 | 49.0 | 102.0 | 152.5 | 203.2 |
| Cough & Cold | 47.3 | 28.4 | 52.1 | 85.1 | 125.5 |
| Other pharmaceuticals | 89.3 | 80.6 | 161.2 | 233.7 | 300.6 |
| Chemicals | 14.9 | 12.9 | 24.8 | 35.9 | 48.9 |
| Rare Diseases | 174.7 | 106.1 | 260.4 | 429.8 | 595.8 |
| Metabolic | 71.6 | 67.9 | 134.3 | 212.0 | 287.9 |
| Endocrinology ⁽¹⁾ | 55.3 | 38.2 | 80.0 | 126.6 | 171.9 |
| Oncology ⁽²⁾ | 47.7 | - | 46.1 | 91.1 | 136.0 |



CORPORATE PRODUCTS

| (million Euro) | Q1 2023 | Q1 2022 | Change % |
|--|--------------|---------|----------|
| Zanidip® and Zanipress® (lercanidipine+enalapril) ⁽¹⁾ | 56.8 | 43.3 | 31.4 |
| Seloken®/Seloken® ZOK/Logimax® (metoprolol/metoprolol+felodipine) | 24.4 | 24.0 | 1.4 |
| Urorec® (silodosin) | 18.8 | 14.6 | 28.5 |
| Livazo® (pitavastatin) | 12.8 | 12.1 | 5.9 |
| Eligard® | 28.5 | 23.9 | 18.9 |
| Other corporate products ⁽²⁾ | 92.5 | 72.3 | 27.9 |
| Rare Diseases | 174.7 | 106.1 | 64.7 |

1) of which Zanidip® € 46.9 million in Q1 2023 and € 33.5 million in Q1 2022

14 2) Includes the OTC corporate products for an amount of € 34.7 million in Q1 2023 and € 30.6 million in Q1 2022; Total OTC € 95.5 million in Q1 2023 and € 80.2 million in Q1 2022



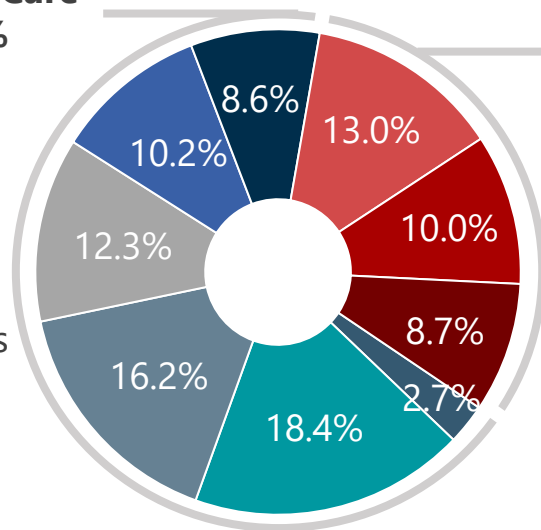
WELL-DIVERSIFIED REVENUE BASE

Therapeutic Areas

Total Revenue Q1 2023

Specialty and Primary Care (incl. Chemicals) 68.3%

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



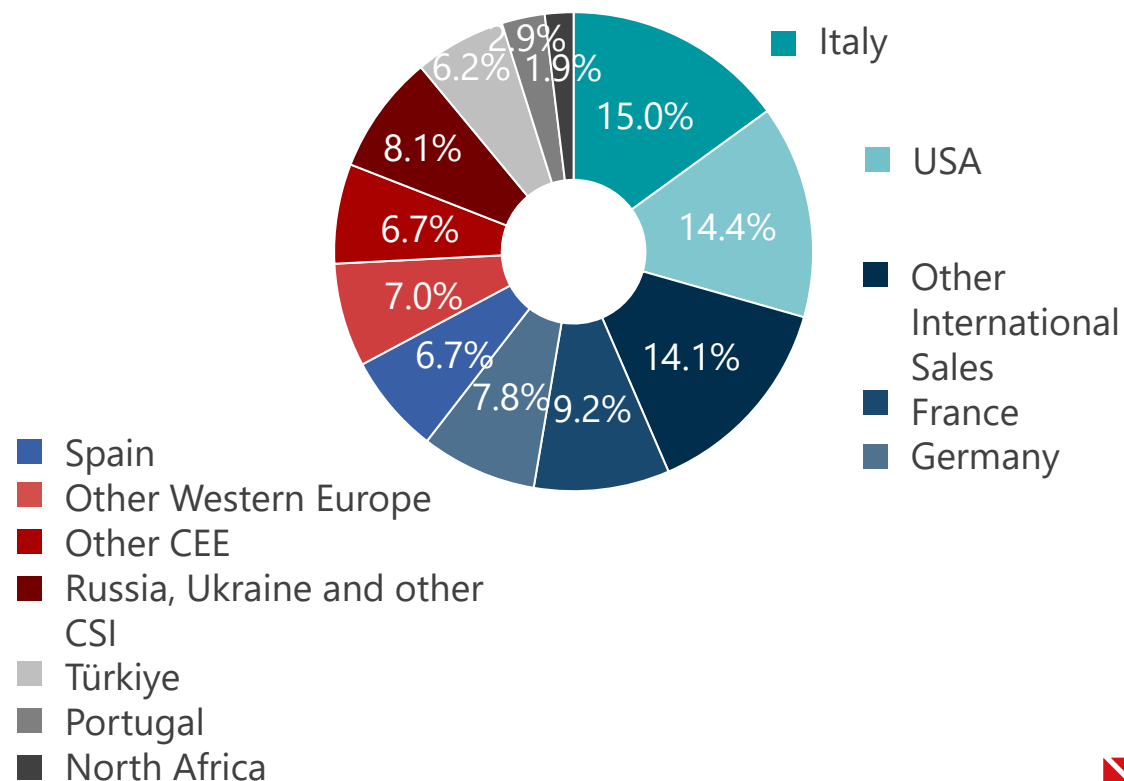
Rare Disease 31.7%

- Metabolic
- Endocrinology
- Oncology

*Note: Total OTC of € 95.5 million in Q1 2023 and € 80.2 million in Q1 2022
Subsidiaries' local product portfolios of € 65.4 million in Q1 2023 and € 58.8 million in Q1 2022*

Geographic

Pharmaceutical Revenue Q1 2023

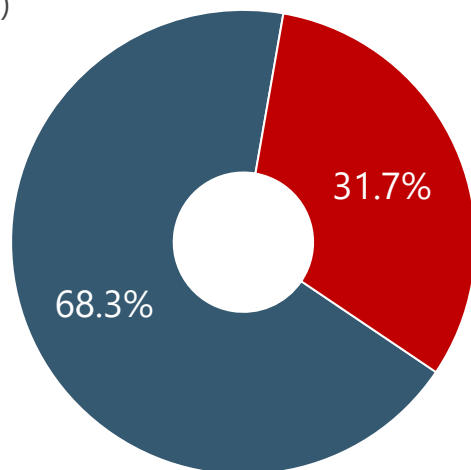


FIRST QUARTER 2023 RESULTS

OPERATING SEGMENTS

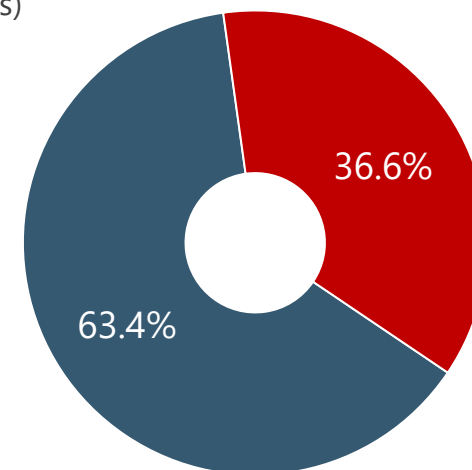
Total Revenue Q1 2023

- Specialty and Primary Care (incl. Chemicals)
- Rare Diseases



EBITDA Q1 2023

- Specialty and Primary Care (incl. Chemicals)
- Rare Diseases



Margin on Sales:

Rare Diseases: EBITDA ⁽¹⁾ 46.3%

Specialty and Primary care: EBITDA ⁽¹⁾ 37.1%



FIRST QUARTER 2023 RESULTS – ADJUSTING ITEMS

Reconciliation of Net income to EBITDA ⁽¹⁾

| (million Euro) | Q1 2023 | Q1 2022 | Change % |
|---|--------------|--------------|-------------|
| Net income | 124.0 | 96.7 | 28.2 |
| Income taxes | 36.0 | 27.6 | |
| Financial (income)/expenses, net | 12.6 | 6.9 | |
| <i>o/w net FX (gains)/losses ⁽²⁾</i> | <i>(0.6)</i> | <i>1.6</i> | |
| <i>o/w net monetary (gains)/losses from application of IAS 29 (Türkiye)</i> | <i>(0.8)</i> | - | |
| Non-recurring expenses | 2.8 | 7.1 | |
| Non-cash charges from PPA inventory uplift | 11.2 | - | |
| Adjusted Operating Income⁽³⁾ | 186.6 | 138.3 | 34.8 |
| Depreciation, amortization and write downs | 34.2 | 24.7 | |
| <i>o/w EUSA Pharma</i> | <i>6.7</i> | - | |
| <i>o/w write downs of assets</i> | - | - | |
| EBITDA⁽¹⁾ | 220.8 | 163.0 | 35.4 |

Summary of key items

- **FX gains of € 0.6 million** vs € 1.6 million losses in Q1 2022 (RUB)
- **Net monetary gains of € 0.8 million** from application of IAS 29 (Türkiye) in Q1 2023
- **Non-recurring costs of € 2.8 million**, mainly for **SPC rightsizing**
- **Non-cash charges** arising from Purchase Price Allocation (IFRS 3) of **EUSA Pharma: € 11.2 million** in Q1 2023 at the level of gross margin (from unwind of **inventory revaluation**)
- **D&A and write downs of assets:** increase of € 9.5 million, of which **€ 6.7 million from EUSA Pharma**

Reconciliation of Reported Net income to Adjusted Net income ⁽⁴⁾

| (million Euro) | Q1 2023 | Q1 2022 | Change % |
|---|--------------|--------------|-------------|
| Net income | 124.0 | 96.7 | 28.2 |
| Net monetary (gains)/losses (IAS 29 Türkiye) | (0.8) | - | |
| Non-recurring expenses | 2.8 | 7.1 | |
| Non-cash charges from PPA inventory uplift | 11.2 | - | |
| Amortization and write-downs of intangible assets (exc. software) | 26.4 | 18.3 | |
| <i>o/w EUSA Pharma</i> | <i>6.4</i> | - | |
| Tax effects | (8.6) | (5.8) | |
| Adjusted Net income⁽⁴⁾ | 155.0 | 116.3 | 33.3 |

17 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

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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