2019 Preliminary FY results
2020 Targets

CONFERENCE CALL – 14 FEBRUARY 2020

Full year 2019 highlights

- Revenue € 1,481.8 million, up 9.6% with strong mid-single digit organic growth
- EBITDA € 544.0 million or 36.7% of sales, up 9.0%
- Operating income (EBIT) € 465.3 million or 31.4% of sales, up 5.2%
- Net income € 368.9 million or 24.9% of sales, up 18.1%, and includes an extraordinary tax benefit of € 27.0 million from the so-called "patent box" agreed with the Italian tax authorities in December 2019. Excluding this benefit net income would have been € 341.9 million, up 9.4% and 23.1% of sales.
- Net debt € 902.7 million, compared to net debt of € 588.4 million at 31 December 2018, reflecting dividends distributed for an amount of € 190.9 million and payments for acquisitions, milestones and licenses for a total of around € 425 million
- Acquisition of license from Aegerion Pharmaceuticals Inc. for the exclusive commercialization of Juxtapid® (lomitapide) in Japan
- Acquisition of Signifor®, Signifor® LAR® and osilodrostat from Novartis, transaction closed 23 October
  - 2019 net revenue includes € 10.1 million margin on sales of Signifor® and Signifor® LAR
  - Subsequent event: Approval obtained in the EU for the marketing of Isturisa® (osilodrostat) in January 2020
- Agreement finalized with the Italian Internal Revenue Agency on the so-called "patent box"; 2019 Net Income includes tax benefit of € 27 million relative to previous years and € 8.3 million for 2019.

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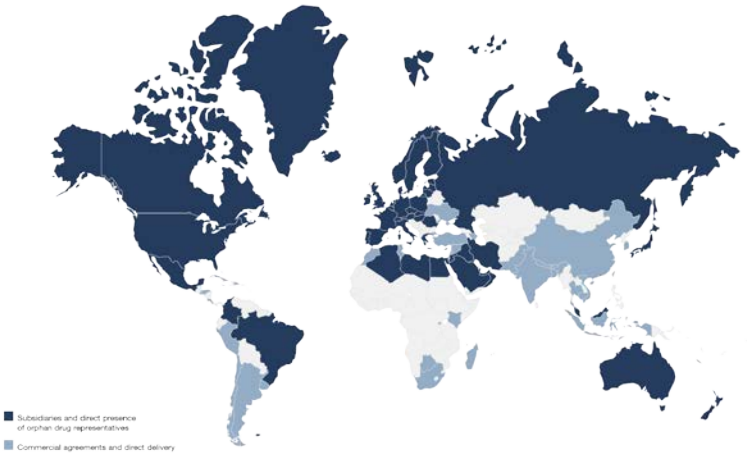
Signifor®, Signifor® LAR and Isturisa®

Recordati Rare Diseases reinforcing its worldwide organization to enhance commercial reach and expertise in endocrinology



Acquisition from Novartis of worldwide rights to Signifor®, Signifor® LAR and Isturisa®. Transaction closed 23 October 2019. Upfront cash consideration of $ 390 million. Regulatory milestones, in addition to royalties on net sales contingent upon approval and market access of Isturisa®.

Leading commercialization platform established:

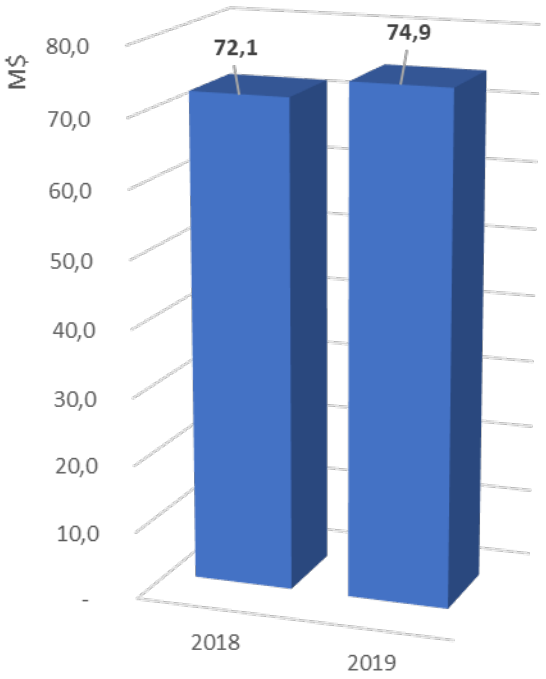
- Dedicated office set up in Basel (Switzerland) to lead all clinical, regulatory, supply chain, medical affairs and commercial aspects related to our new endocrinology franchise
- Endocrinology unit with specialized leadership team created in US to:
  - ensure optimization of Signifor® and Signifor® LAR utilization in acromegaly and Cushing's disease
  - Ensure successful launch of Isturisa® in Cushing's disease
- Ramp up of organisation in EU and ROW with experienced staff to assure appropriate focus on endocrinology franchise
- Globally more than 70 headcounts being added to the Recordati Rare Diseases structure

Isturisa® approved in EU as a new therapeutic option for patients with Cushing's Syndrome

Signifor®, Signifor® LAR

Signifor®, Signifor LAR®, an opportunity for continuous growth across the globe

Ex-factory net sales: +4% vs PY*



*as communicated by Novartis

- Injectable somatostatin analogue for the treatment of Cushing's disease and acromegaly. IP protection until 2026. Orphan drug designation in the US and Europe.
- Peak sales of more than $ 100 million
- In 2019 Signifor® franchise continued to grow (+4%) in almost all key markets
- Re-launch activities of Signifor® LAR ongoing with focus on US, as limited Novartis resources deployed as of early 2017
- More than 70% of overall sales stem from the LAR formulation
  - Strong switch from subcutaneous to LAR formulation in Cushing's Disease, showing increase in adoption
  - Strong Signifor® LAR uptake in acromegaly
  - Evaluating opportunities in new geographies
- Recordati to transition Marketing Authorization from Novartis in US in Q1 and in EU early Q2 2020.
- Other key markets to follow in Q3 2020

Signifor® approved in CD in 2012 (EU & US, registered WW in > 60 markets)
Signifor® LAR approved in acromegaly in Nov and Dec 2014 (EU and US respectively)
Signifor® LAR approved in CD in Sep 2017/ Jun 18 (EU and US respectively)

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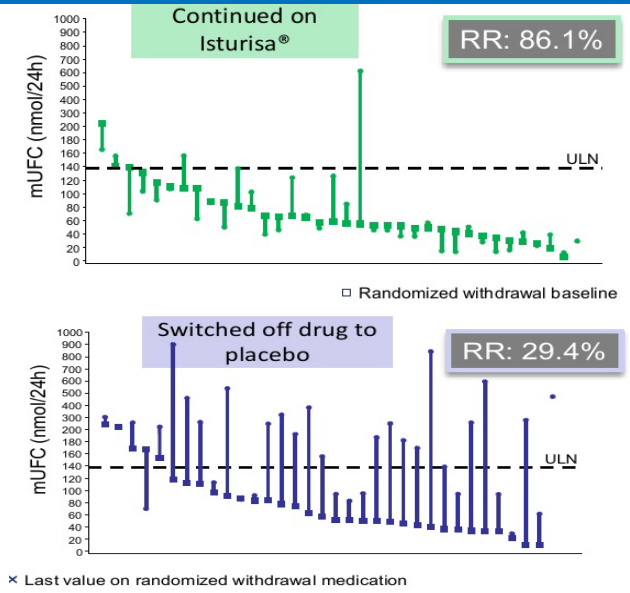
Isturisa®

Approved in EU as a new therapeutic option for patients with Cushing's Syndrome

Change of mUFC in individual patients during the randomized withdrawal period



Study Conclusion: Osilodrostat was significantly superior to placebo at maintaining mUFC ≤ULN after randomized withdrawal and normalized mUFC in two-thirds of enrolled patients at W48, with few patients discontinuing treatment because of AEs. This randomized withdrawal study demonstrates osilodrostat to be a highly effective treatment for CD, with good tolerability.*

The European Commission (EC) granted marketing authorization for Isturisa® (osilodrostat), indicated for the treatment of endogenous Cushing's syndrome (CS) in adults.

- The data generated throughout the clinical program show that Isturisa® leads to biochemical control (normal cortisol levels) in the majority of patients, as well as improvement in multiple clinical features of the disease and in QoL measurements.
- In LINC-3 (phase 3, multicentre, double - blind, randomized withdrawal study), a significantly higher proportion of patients in the osilodrostat arm maintained normal mUFC response at the end of the 8-week randomised withdrawal period (week 34) versus placebo (86.1% vs 29.4%).
- The European Commission also confirmed the Orphan status of Isturisa® providing 10 years of market exclusivity.
- In the US PDUFA date is March 7, 2020
- Filing in Japan is planned for Q2
- IP protection until 2031
- Potential peak sales of more than $ 100 million

*J Endocr Soc. 2019 Apr 15; 3(Suppl 1): OR16-2. mUFC = mean urinary free cortisol; RR = response rate; ULN = upper limit of normal,

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Main product sales

Corporate products including drugs for rare diseases account for 68% of revenue

(million Euro)	**2019**	2018	Change %
Zanidip® (lercanidipine)	**134.4**	120.8	11.3
Zanipress® (lercanidipine+enalapril)	**58.9**	59.4	(0.7)
Urorec® (silodosin)	**107.1**	101.1	6.0
Livazo® (pitavastatin)	**53.8**	46.4	15.9
Seloken®/Seloken® ZOK/Logimax® (metoprolol/metoprolol+felodipine)	**98.3**	98.9	(0.6)
Other corporate products*	**306.3**	274.0	11.8
Drugs for rare diseases	**249.9**	214.8	16.3

* Include the OTC corporate products for an amount of € 113.9 million in 2019 and € 105.2 million in 2018 (+8.3%).

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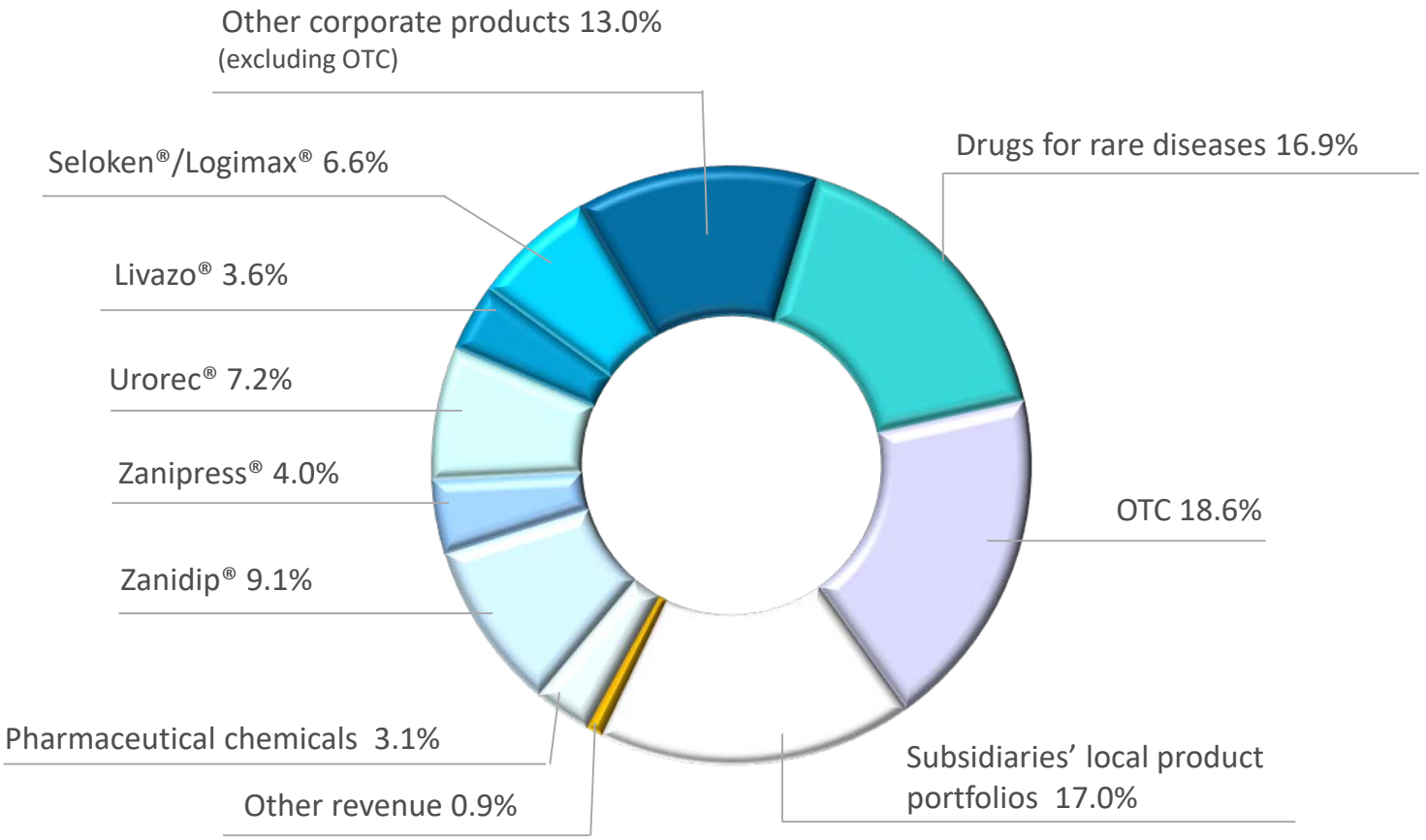
A diversified product portfolio



Data: Full year 2019
Total revenue € 1,481,8 m

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Composition of revenue by geography

(million Euro)	2019	2018	Change %
Italy	**280.1**	265.7	5.4
France	**157.3**	131.8	19.4
Germany	**138.6**	136.8	1.3
Russia, other CIS countries and Ukraine	**120.2**	105.6	13.8
U.S.A.	**109.6**	101.0	8.5
Spain	**94.7**	88.8	6.5
Turkey	**88.6**	75.0	18.2
Portugal	**44.5**	41.7	6.7
Other CEE countries	**82.1**	65.3	25.7
Other W. Europe countries	**77.6**	59.0	31.4
North Africa	**40.3**	40.7	(0.9)
Other international sales	**202.3**	200.2	1.1
TOTAL PHARMACEUTICALS	**1,435.7**	1,311.6	9.5
PHARMACEUTICAL CHEMICALS	**46.1**	40.7	13.4

(In local currency, millions)	2019	2018	Change %
Russia (RUB)*	**6,852.4**	6,166.6	11.1
Turkey (TRY)*	**538.7**	402.5	33.9
U.S.A. (USD)	**122.7**	119.3	2.8

* Net revenues in local currency in Russia and in Turkey exclude sales of products for rare diseases.

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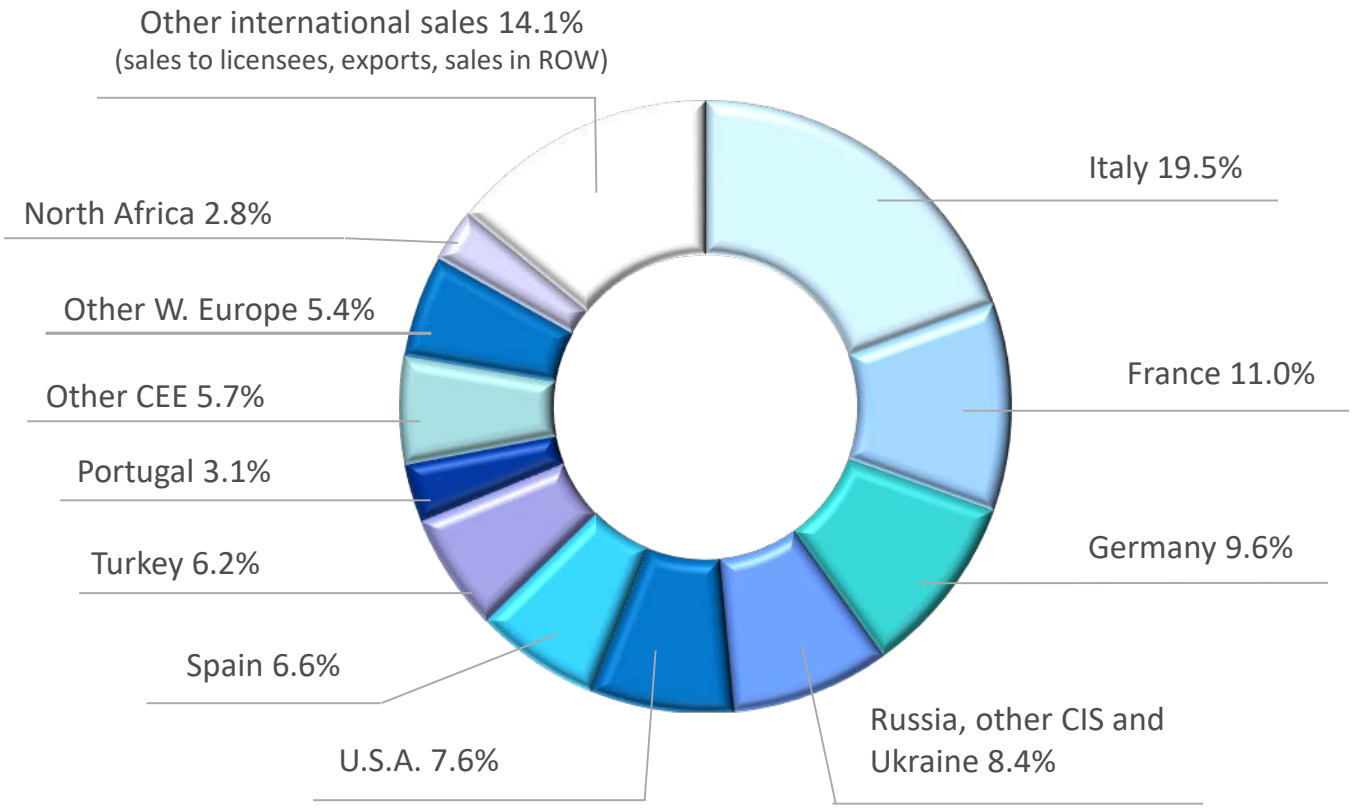
Geographical breakdown of pharmaceutical revenue



Data: Full year 2019
Pharmaceutical revenue € 1,435.7 m

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Full year 2019 results

(million Euro)	**2019**	2018	Change %
Revenue	**1,481.8**	**1,352.2**	**9.6**
Gross Profit	1,044.9	956.7	9,2
as % of revenue	70.5	70.7	
SG&A Expenses	445.6	401.2	11.1
as % of revenue	30.1	29.7	
R&D Expenses	129.7	109.7	18.2
as % of revenue	8.8	8.1	
Other Income (Expense), net	(4.4)	(3.5)	24.9
as % of revenue	(0.3)	(0.3)	
Operating Income	**465.3**	**442.2**	**5.2**
as % of revenue	31.4	32.7	
Net Income	**368.9***	**312.4**	**18.1**
as % of revenue	24.9	23.1	
EBITDA	**544.0**	**499.1**	**9.0**
as % of revenue	36.7	36.9	

* Includes tax benefit from Italian “patent box”: € 27 million from previous years and € 8.3 million related to 2019. Excluding extraordinary benefit related to prior years net income would have been € 341.9 million up 9.4% and 23.1% of sales.

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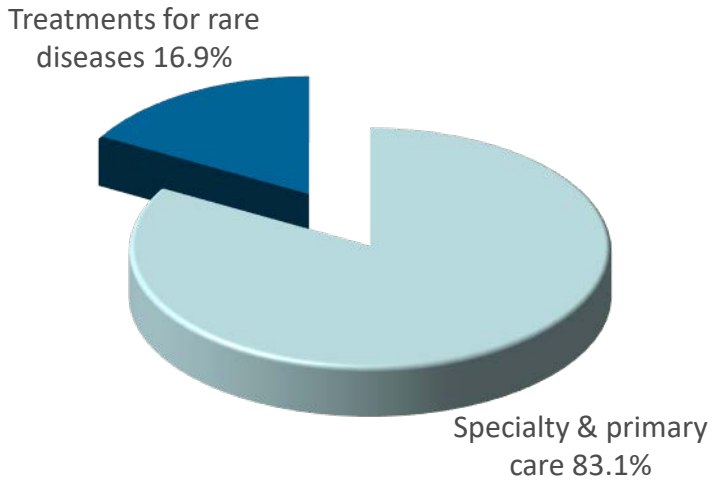
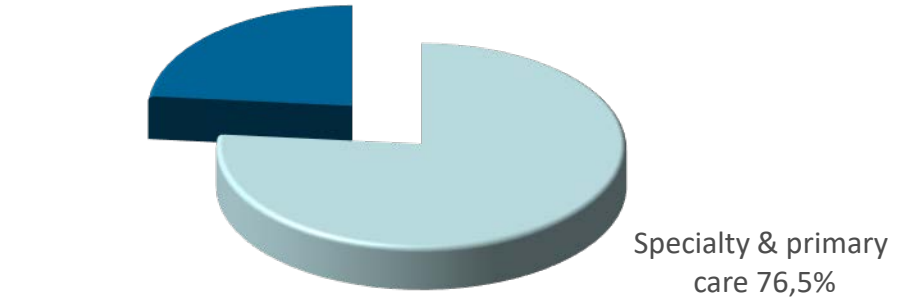
Full year 2019 results

Operating Segments

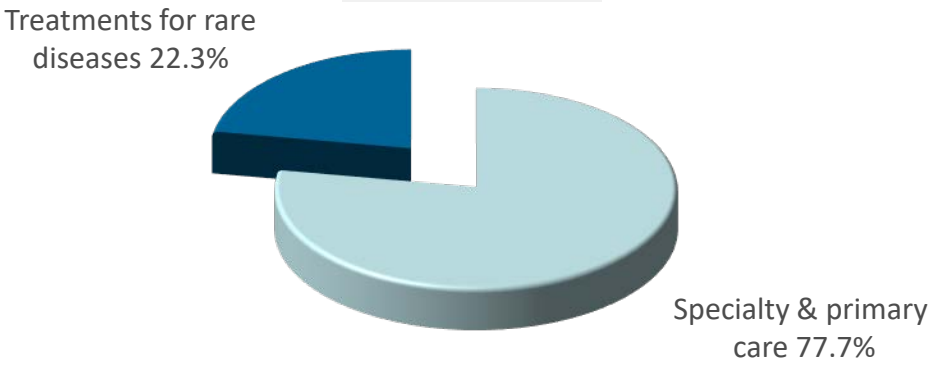
Revenue



EBIT



EBITDA



Margin on sales:
Treatments for rare diseases: EBITDA 48.6%, EBIT 43.8%
Specialty & primary care: EBITDA 34.3%, EBIT 28.9%

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Net financial position

(million Euro)	31 Dec 2019	31 Dec 2018	Change
Cash and short-term financial investments	**187.9**	198.0	(10.1)
Bank overdrafts and short-term loans	**(13.4)**	(16.9)	3.5
Loans and leases – due within one year	**(149,8)**	(135.3)	(14.5)
Loans and leases – due after one year*	**(927.4)**	(634.2)	(293.2)
NET FINANCIAL POSITION	**(902.7)**	(588.4)	(314.3)

* Includes change in fair value of the relative currency risk hedging instruments (cash flow hedge)

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Financial projections - Key assumptions

- Mid single digit Net Revenue growth, driven by:
  - Continued underlying volume growth in Specialty and Primary Care off-setting impact of generic entries for Urorec® (silodosin) in Q1 and Livazo® (pitavastatin) in Q2
  - Double digit growth of the rare diseases business, with sales of Ledaga®, Juxtapid® and Cystadrops® more than off-setting expected Panhematin® erosion in US and Signifor®, Signifor® LAR and initial sales of Isturisa® in Europe contributing net revenue of around € 70 million*.
- Additional investment to maximise opportunity of new Endocrinology franchise in both EU and US
- R&D costs to be 9 to 10% of sales, increasing mainly due to amortization charges and endocrinology clinical trials
- Slight improvement in EBITDA margin due to product/country mix and stable operating income margin
- Tax rate to be of around 23 - 24%
- No new acquisitions or business development included in 2020 targets
- 2021 plan, announced in May 2019, confirmed

* Refers to booked sales. Only margins on sales of Signifor® and Signifor® LAR to be booked until market authorizations are transferred from Novartis to Recordati.

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Financial projections

2020 targets - excluding any new acquisitions

(million Euro)	2019 Actual	2020 Targets	2021 Plan [1] (inc. M&A)
Revenue	1,481.8	1,550 - 1,580	±1,700
EBITDA margin on sales	544.0 36.7%	580 - 590	±650 ±38%
EBIT (Operating income) margin on sales	465.3 31.4%	490 - 500	±560 ±33%
Net Income Margin on sales	341.9[2] 23.1%	360 - 370	±400 ±23.5%

[1] Announced in May 2019

[2] Excludes tax benefit from Italian "patent box" of € 27 million related to prior years

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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 Fritz Squindo 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.

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. This information, these estimates and assumptions may prove to be incomplete or erroneous, and involve numerous risks and uncertainties, beyond the Company's control. Hence, actual results may differ materially from those expressed or implied by such forward-looking statements.
All mentions and descriptions of Recordati products are intended solely as information on the general nature of the company's activities and are not intended to indicate the advisability of administering any product in any particular instance.

Recordati, established in 1926, is an international pharmaceutical group, listed on the Italian Stock Exchange (Reuters RECI.MI, Bloomberg REC IM, ISIN IT 0003828271) with a total staff of more than 4,100, dedicated to the research, development, manufacturing and marketing of pharmaceuticals. Headquartered in Milan, Italy, Recordati has operations in the main European countries, in Russia, in other Central and Eastern European countries, in Turkey, in the United States of America and in North Africa. An efficient field force of medical representatives promotes a wide range of innovative pharmaceuticals, both proprietary and under license, in a number of therapeutic areas including a specialized business dedicated to treatments for rare diseases. Recordati is a partner of choice for new product licenses for its territories. Recordati is committed to the research and development of new specialties with a focus on treatments for rare diseases. Consolidated revenue for 2018 is € 1,352.2 million, operating income is € 442.2 million and net income is € 312.4 million.

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