

**THE STRONG PERFORMANCE OF THE GROUP CONTINUES  
IN THE FIRST QUARTER OF 2024:  
REVENUE +10.2%, EBITDA<sup>(1)</sup> +10.5%, ADJUSTED NET INCOME<sup>(2)</sup> +5.6%**

- Consolidated net revenue of € 607.8 million in the first quarter of 2024, up 10.2%; +10.9% on a like-for-like basis<sup>(3)</sup> and at constant exchange rates (CER)
- EBITDA<sup>(1)</sup> of € 244.0 million, up 10.5%, revenue margin of 40.2%
- Adjusted net income<sup>(2)</sup> of € 163.7 million, up 5.6%
- Net income of € 123.6 million, in line with the first quarter of 2023, with higher operating profit absorbing increase in financial expenses (incl. higher FX losses) and tax rates
- Free cash flow<sup>(4)</sup> at € 147.1 million, +€ 43.7 million versus prior year
- Net debt<sup>(5)</sup> at € 1,432.3 million, approximately 1.75x EBITDA pro-forma<sup>(6)</sup>
- Shareholders' equity at € 1,817.6 million
- sNDA submission for osilodrostat (Isturisa<sup>®</sup>) for Cushing's syndrome label extension in the US planned for Q3 2024; NDA for Signifor<sup>®</sup> LAR submitted in China
- Financial targets previously provided for 2024 and 2025 confirmed, with Group strategy, capital allocation and dividend policy remaining unchanged
- Performance share plan 2023-2025: assignment of rights provided under the second cycle
- Approved a share buy-back program to service the stock option and performance shares plans

Milan, 9<sup>th</sup> May 2024 – The Board of Directors of Recordati S.p.A. approved the Group's Interim Report as of 31<sup>st</sup> March 2024, representing additional voluntary financial reporting<sup>(7)</sup>.

The Report was prepared using the assessment, measurement and recognition criteria prescribed by international accounting standards (IFRS). The financial statements as of 31<sup>st</sup> March 2024 will be available by 15<sup>th</sup> May 2024 at the company's offices and on the company's website ([www.recordati.it](http://www.recordati.it)) and can also be viewed on the authorised storage system 1Info ([www.1Info.it](http://www.1Info.it)).

**Rob Koremans, Chief Executive Officer of Recordati**, commented: "The first quarter of 2024 marked an excellent start to the year. Our strong momentum fueled double-digit growth at CER across both the Specialty & Primary Care and Rare Diseases businesses. Our robust performance was broad-based, across all key geographies and products, and helped drive the EBITDA margin in the quarter to just over 40%. This performance is also a testament to the continued commitment of our people. We remain focused on executing on our long-term growth strategy and are confident in delivering the objectives we already set out for 2024 and 2025."

### Q1 2024 Financial highlights

- **Consolidated net revenue** for the first quarter of 2024 was € 607.8 million, up 10.2% versus the first quarter of 2023 or +10.9% on a like-for-like<sup>(3)</sup> basis at CER (+6.3% excluding Türkiye). This was driven by strong business momentum across both Specialty & Primary Care and Rare Diseases, which continued to grow at double-digit levels (at CER). The adverse impact of FX for the first quarter 2024 was € 31.2 million (-5.7%), primarily affecting Specialty & Primary Care, and was mainly driven by the devaluation of the Turkish lira, compensated by high price inflation.

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SHARE CAPITAL € 26,140,644.50 fully paid up  
BUSINESS REGISTER OF MILAN, MONZA, BRIANZA and LODI  
00748210150  
TAX CODE/VAT NO. 00748210150  
MILAN ECONOMIC AND ADMINISTRATIVE INDEX (REA) 401832

- **Specialty & Primary Care** revenue totaled € 395.5 million in the first quarter of 2024, growing 9.3% or 10.1% on a like-for-like<sup>(3)</sup> basis at CER (+2.7% excluding Türkiye) against a very robust first quarter of 2023. This reflects strong performance across all categories, particularly the Urology franchise thanks to the fast transition of sales and distribution activities of Avodart<sup>®</sup> and Combodart<sup>®</sup>/Duodart<sup>®(8)</sup> which contributed € 27.5 million of revenue, and also to the double-digit growth of Eligard<sup>®</sup>. The quarter also benefitted from a strong start of sales in Türkiye and to international distributors, with phasing patterns similar to the first quarter of 2023. The performance of the cough and cold portfolio at the start of the year was also broadly in line with a strong first quarter of 2023, with the decrease in the quarter reflecting unfavorable exchange rates in relevant markets.
- **Rare Diseases** revenue totaled € 197.5 million in the first quarter of 2024, up 13.1% or 13.9% at CER as compared to the first quarter of 2023, driven by key growth franchises Oncology and Endocrinology. The Endocrinology franchise achieved net revenue of € 74.1 million, growing by 33.8%, reflecting the strong performance of Isturisa<sup>®</sup> and Signifor<sup>®</sup>. The Oncology franchise achieved net revenue of € 58.3 million, growing by 22.1%, mainly driven by Qarziba<sup>®</sup> with continued growth also of Sylvant<sup>®</sup>. The Metabolic franchise achieved net revenue of € 65.1 million, a decrease of 9.0% due to generic competition in the US and EMEA.
- **Adjusted operating income**<sup>(9)</sup> was € 202.0 million for the first quarter of 2024, up 8.3% over the previous year, and 33.2% of net revenue, broadly in-line with the previous year. **Operating income** was € 186.9 million in the first quarter of 2024, up 8.3% over the first quarter of 2023, absorbing gross margin-related non-cash charges of € 14.3 million (versus € 11.2 million in Q1 2023), arising from the unwind of the fair value step up of the acquired rare oncology inventory. Non-recurring costs were € 0.8 million, reduced versus € 2.8 million in the first quarter of 2023.
- **EBITDA**<sup>(1)</sup> was € 244.0 million for the first quarter of 2024, up 10.5% compared to the first quarter of 2023, and 40.2% of net revenue (versus 40.0% for the first quarter of 2023), reflecting strong revenue and operating leverage, driven also by the fast and effective integration of Avodart<sup>®</sup> and Combodart<sup>®</sup> / Duodart<sup>®(9)</sup>, with an expected gradual increase in life cycle management activities and related costs over the course of the year, in line with plan.
- **Financial expenses** were € 25.7 million, up by € 13.1 million compared to the previous year, including € 2.7 million in FX losses (mostly unrealized, vs € 0.6 million gains in Q1 2023) and € 3.2 million of net monetary losses from hyperinflation accounting (vs € 0.8 million gains in Q1 2023).
- **Adjusted net income**<sup>(2)</sup> was € 163.7 million for the first quarter of 2024, up 5.6% over the first quarter of 2023, and 26.9% of net revenue, driven by the positive operating performance, partially off-set by an increase of the financial expenses and a slightly higher tax rate following the statutory tax rate increase in some countries. **Net income** was € 123.6 million, 20.3% of net revenue, in line with prior year, due to the higher tax rate and financing costs offsetting the higher operating income, and also absorbing slightly higher non-cash charges related to the residual inventory acquired from EUSA Pharma and higher impact of hyperinflation accounting.

- **Free cash flow**<sup>(4)</sup> was € 147.1 million for the first quarter of 2024, an increase of € 43.7 million versus the the first quarter of 2023, driven by higher EBITDA and lower working capital absorption.
- **Net debt**<sup>(5)</sup> as of 31<sup>st</sup> March 2024 was € 1,432.3 million, or leverage of approximately 1.75x EBITDA pro-forma<sup>(6)</sup>, compared to net debt of € 1,579.4 million on 31<sup>st</sup> December 2023.
- **Shareholders' equity** was € 1,817.6 million.

### Q1 2024 Pipeline development

Following positive interaction with the FDA and the recent confirmation of Orphan Drug Designation, Recordati plans to submit the supplemental New Drug Application (sNDA) for the potential label extension of osilodrostat (Isturisa<sup>®</sup>) for Cushing's syndrome in the US during the third quarter of 2024.

The New Drug Application (NDA) for Signifor<sup>®</sup> LAR in China was submitted in March 2024; priority review status was granted, and a regulatory decision is expected by mid-2025. The regulatory decision for Isturisa<sup>®</sup> in China is expected in the fourth quarter of 2024.

Recordati continues to expect top-line data for the global phase II study of REC 0559 for the treatment of neurotrophic keratitis in mid-2024. As for the potential registration of dinutuximab beta (Qarziba<sup>®</sup>) in the US, the Group is planning to discuss the data analysis plan for the potential supplemental Biologics License Application (sBLA) with the FDA at the end of the second quarter of 2024.

### Business outlook

Thanks to the strong momentum across the business, the Group is on track to deliver the financial targets already announced for 2024 and 2025.

As announced on 22<sup>nd</sup> February, financial targets for 2024 are:

- Net revenue between € 2,260 and 2,320 million
- EBITDA<sup>(1)</sup> between € 830 and 860 million; margin of +/- 37%
- Adjusted net income<sup>(2)</sup> between € 550 and 570 million; margin of +/- 24.5%

The Group also remains on track to deliver with the current portfolio revenue in excess of € 2.4 billion in FY 2025, sustaining an EBITDA<sup>(1)</sup> margin of +/- 37%. Key elements of the Group strategy, capital allocation and dividend policy remain unchanged.

### Additional resolutions

#### *Performance share plan 2023-2025: assignment of rights provided under the second cycle*

With reference to the incentive plan of Recordati known as "Performance Share Plan 2023-2025" (the "Plan") approved by the Company's Shareholders' Meeting on 21<sup>st</sup> April 2023, notice is hereby given that today the Board of Directors of the Company, upon proposal of the Company's Remuneration and Nominations Committee - to the extent of its competence and in accordance with the provisions of the relevant regulations - resolved to grant to Beneficiaries of the Plan a total of no. 437,634 rights (the

"Rights") to receive a certain number of ordinary shares of the Company – to be defined on the basis of the implementation of the Plan with respect to the Vested Rights – falling within the second allocation cycle of the Plan, of which no. 24,000 Rights to the Chief Executive Officer of Recordati.

For more information on the Plan<sup>(10)</sup>, please refer to the related Information Document, which can be retrieved on the Company's website in the "Governance" section under "Remuneration".

#### *Approved a share buy-back program to service the stock option/performance shares plans*

Today, the Board of Directors also approved the launch of a share buy-back program under Art. 5 of (EU) Regulation no. 596/2014 for a maximum of 1.5 million ordinary shares with a maximum cash outlay of € 85 million. This implements the resolution adopted by the Shareholders' meeting held on 22 April 2024 to purchase Recordati ordinary shares in order to service current and future stock option/performance shares plans in favour of the Recordati Group's management or share-based incentive plans that might be approved by the Company in the future.

All details required by the applicable regulations on the launch of the share buy-back program - whose start is envisaged from tomorrow until 11<sup>th</sup> November 2024 - will be included in a specific press release that will be issued today and to which reference is made.

#### **Conference Call**

Recordati will host a conference call today, **9<sup>th</sup> May**, at **4:00 p.m. CEST (3:00 p.m. GMT)** to present the results for the first quarter of 2024. The dial-in numbers for the conference call service are:

Italy + 39 02 802 09 11, toll free 800 231 525

UK + 44 1 212818004, toll free (44) 0 800 0156371

USA +1 718 7058796, toll free (1) 1 855 2656958

France +33 1 70918704

Germany +49 6917415712

Participants are invited to dial in 10 minutes before conference time. If conference operator assistance is required to connect, please dial \*0.

The slides that will be referenced during the call will be available at [www.recordati.com](http://www.recordati.com) under Investors/Company Presentations.

The audio conference live webcast will also be available at the following [link](#)

<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 according to IFRS 3.

<sup>(2)</sup> Net income excluding the amortization and write-down 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 pursuant to IFRS 3, and monetary net gains/losses from hyperinflation (IAS 29), net of tax effects.

<sup>(3)</sup> Pro-forma growth calculated excluding Q1 2024 revenue of Avodart® and Combodart®/Duodart®.

<sup>(4)</sup> Operating cash flow excluding financing items, milestones, dividends, purchases of treasury shares net of proceeds from exercise of stock options.

<sup>(5)</sup> Cash and cash equivalents, less bank debts and loans, which include the measurement at fair value of hedging derivatives.

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

<sup>(7)</sup> You are reminded that Italian Legislative Decree 25/2016, which implements Directive 2013/50/EU, no longer stipulates the submission of an interim management report, which was previously required in terms of paragraph 5 of Art. 154-ter of Legislative Decree 58/1998.

<sup>(8)</sup> Trademarks are owned by or licensed to the GSK group of companies. Transition of commercialization effectively completed in most of the territories.

<sup>(9)</sup> Net income before income taxes, financial income and expenses and non-recurring items, 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.

<sup>(10)</sup> Table No. 1 referred to in paragraph 4.24 of Annex 3A, Schedule 7, of the Issuers' Regulations No. 11971/1999 will be published in accordance with the procedures and the terms set forth in Article 84-bis, paragraph 5, letter a), of the Issuers' Regulations.

**Recordati (REC.MI)** is an international pharmaceutical group listed on the Italian Stock Exchange (ISIN IT 0003828271) uniquely structured to bring treatment across specialty and primary care 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 lives. We have fully integrated operations across research & development, chemical and finished product manufacturing through to commercialization and licensing. Established in 1926, Recordati operates in approximately 150 countries across EMEA, Americas and APAC regions. At the end of 2023, Recordati employed over 4,450 people and consolidated revenue of € 2,082.3 million. For more information, please visit [www.recordati.com](http://www.recordati.com)

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*This document contains forward-looking statements relating to future events and future operating, economic and financial results of the Recordati group. By their nature, forward-looking statements involve risk and uncertainty because they depend on the occurrence of future events and circumstances. Actual results may therefore differ materially from those forecast as a result of a variety of reasons, most of which are beyond the Recordati group's control. The information on the pharmaceutical specialties and other products of the Recordati group contained in this document is intended solely as information on the activities of the Recordati Group, and, as such, it is not intended as a medical scientific indication or recommendation, or as advertising.*

## RECORDATI GROUP

Summary of the consolidated results, prepared in accordance with International Financial Reporting Standards (IFRS)  
(€ thousands)

<b>INCOME STATEMENT</b>	<b>First quarter 2024</b>	<b>First quarter 2023</b>	<b>Change %</b>
<b>NET REVENUE</b>	<b>607,820</b>	<b>551,363</b>	<b>10.2</b>
Cost of sales	(192,260)	(163,654)	17.5
<b>GROSS PROFIT</b>	<b>415,560</b>	<b>387,709</b>	<b>7.2</b>
Selling expenses	(120,959)	(119,992)	0.8
Research and development expenses	(67,318)	(60,458)	11.3
General and administrative expenses	(35,506)	(30,437)	16.7
Other income/(expenses), net	(4,878)	(4,257)	14.6
<b>OPERATING INCOME</b>	<b>186,899</b>	<b>172,565</b>	<b>8.3</b>
Financial income/(expenses), net	(25,750)	(12,624)	n.s.
<b>PRE-TAX INCOME</b>	<b>161,149</b>	<b>159,941</b>	<b>0.8</b>
Income taxes	(37,554)	(35,987)	4.4
<b>NET INCOME</b>	<b>123,595</b>	<b>123,954</b>	<b>(0.3)</b>
<b>Adjusted gross profit <sup>(1)</sup></b>	<b>429,855</b>	<b>398,946</b>	<b>7.7</b>
<b>Adjusted operating income <sup>(2)</sup></b>	<b>202,028</b>	<b>186,587</b>	<b>8.3</b>
<b>Adjusted net income <sup>(3)</sup></b>	<b>163,664</b>	<b>155,018</b>	<b>5.6</b>
<b>EBITDA <sup>(4)</sup></b>	<b>244,041</b>	<b>220,779</b>	<b>10.5</b>
Net income attributable to:			
Equity holders of the Parent	123,595	123,954	(0.3)
Non-controlling interests	0	0	n.s.
<b>EARNINGS PER SHARE</b>			
Basic	€ 0,599	€ 0,603	(0.7)
Diluted	€ 0,591	€ 0,593	(0.3)

<sup>(1)</sup> Gross profit adjusted by the impact of 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.

<sup>(2)</sup> Net income before income taxes, financial income and expenses and non-recurring items, 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.

<sup>(3)</sup> Net income excluding the amortization and write-down 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 pursuant to IFRS 3, and net gains/losses from hyperinflation (IAS 29), net of tax effects.

<sup>(4)</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 according to IFRS 3.

Earnings per share (EPS) are based on average shares outstanding during the respective period, 206,213,410 in 2024 and 205,447,036 in 2023.

Diluted earnings per share are calculated by taking into account stock options granted to employees.

<b>COMPOSITION OF NET REVENUE</b>	<b>First quarter 2024</b>	<b>First quarter 2023</b>	<b>Change %</b>
Total revenue	607,820	551,363	10.2
Italy	91,594	82,524	11.0
International	516,226	468,839	10.1

## RECORDATI GROUP

Summary of the consolidated results, prepared in accordance with International Financial Reporting Standards  
(IFRS)  
(€ thousands)

<b>ASSETS</b>	<b>31.03.2024</b>	<b>31.12.2023</b>
Property, plant and equipment	178,783	178,657
Intangible assets	1,878,984	1,938,197
Goodwill	782,992	778,350
Other equity investments and securities	24,996	21,555
Other non-current assets	13,019	12,458
Deferred tax assets	78,248	76,674
<b>TOTAL NON-CURRENT ASSETS</b>	<b>2,957,022</b>	<b>3,005,891</b>
Inventories	398,069	404,831
Trade receivables	504,578	445,193
Other receivables	76,574	99,401
Other current assets	37,701	19,924
Derivative instruments measured at fair value	12,746	11,079
Cash and cash equivalents	294,651	221,812
<b>TOTAL CURRENT ASSETS</b>	<b>1,324,319</b>	<b>1,202,240</b>
Non-current assets held for sale	0	0
<b>TOTAL ASSETS</b>	<b>4,281,341</b>	<b>4,208,131</b>

## RECORDATI GROUP

Summary of the consolidated results, prepared in accordance with International Financial Reporting Standards

(IFRS)

(€ thousands)

<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>	<b>31.03.2024</b>	<b>31.12.2023</b>
Share capital	26,141	26,141
Share premium reserve	83,719	83,719
Treasury shares	(115,580)	(127,970)
Reserve for derivative instruments	1,782	(286)
Translation reserve	(288,331)	(264,700)
Other reserves	65,584	61,219
Profits carried forward	2,038,043	1,636,451
Net income	123,595	389,214
Interim dividend	(117,396)	(117,396)
<b>Shareholders' equity attributable to equity holders of the Parent</b>	<b>1,817,557</b>	<b>1,686,392</b>
Shareholders' equity attributable to non-controlling interests	0	0
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b>1,817,557</b>	<b>1,686,392</b>
Loans – due after one year	1,328,754	1,353,216
Provisions for employee benefits	21,956	21,239
Deferred tax liabilities	139,903	144,208
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>1,490,613</b>	<b>1,518,663</b>
Trade payables	288,385	263,979
Other payables	172,636	174,407
Tax liabilities	77,017	67,110
Other current liabilities	4,611	5,307
Provisions for risks and charges	15,172	16,596
Derivative instruments measured at fair value	9,964	19,993
Loans – due within one year	371,315	355,752
Short-term debts to banks and other lenders	34,071	99,932
<b>TOTAL CURRENT LIABILITIES</b>	<b>973,171</b>	<b>1,003,076</b>
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>	<b>4,281,341</b>	<b>4,208,131</b>



## RECORDATI GROUP

Summary of consolidated results prepared in accordance with International Financial Reporting Standards (IFRS) (thousands of €)

<b>CASH FLOW</b>	<b>Q1 2024</b>	<b>Q1 2023</b>
<b>OPERATING ACTIVITIES</b>		
Net income	123,595	123,954
Income taxes	37,554	35,988
Net interest	19,185	13,167
Depreciation of property, plant and equipment	7,471	7,004
Amortization of intangible assets	32,518	27,188
Write-downs	2,024	0
Equity-settled share-based payment transactions	2,766	1,966
Other non-monetary components	20,539	15,606
Change in other assets and other liabilities	(14,879)	(10,296)
<b>Cash flow generated/(used) by operating activities before change in working capital</b>	<b>230,773</b>	<b>214,577</b>
Change in:		
- inventories	(12,006)	(18,601)
- trade receivables	(59,871)	(82,225)
- trade payables	25,900	22,926
<b>Change in working capital</b>	<b>(45,977)</b>	<b>(77,900)</b>
Interest received	1,420	1,394
Interest paid	(20,848)	(17,818)
Income taxes paid	(14,323)	(12,330)
<b>Cash flow generated/(used) by operating activities</b>	<b>151,045</b>	<b>107,923</b>
<b>INVESTMENT ACTIVITIES</b>		
Investments in property, plant and equipment	(4,824)	(4,606)
Disposals of property, plant and equipment	893	87
Investments in intangible assets	(4,158)	(12,951)
Disposals of intangible assets	11	464
Sale of non-current assets held for sale	0	3,000
<b>Cash flow generated/(used) by investment activities</b>	<b>(8,078)</b>	<b>(14,006)</b>
<b>FINANCING ACTIVITIES</b>		
Opening of loans	69,723	0
Repayment of loans	(76,873)	(74,221)
Payment of lease liabilities	(3,565)	(3,232)
Change in short-term debts to banks and other lenders	(65,024)	(56,895)
Dividends paid	(686)	(6,139)
Purchase of treasury shares	(11,964)	(6,483)
Sale of treasury shares	16,526	2,408
<b>Cash flow generated/(used) by financing activities</b>	<b>(71,863)</b>	<b>(144,562)</b>
<b>Change in cash and cash equivalents</b>	<b>71,104</b>	<b>(50,645)</b>
Opening cash and cash equivalents	221,812	284,734
Currency translation effect	1,735	(2,795)
<b>Closing cash and cash equivalents</b>	<b>294,651</b>	<b>231,294</b>

**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 press release corresponds to the documentation evidence, books and accounting records.