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Recordati 2025-2027 Three-Year Plan

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Andrea Recordati: Good afternoon, ladies and gentlemen. As Chairman of Board of Directors of Recordati, it's my pleasure to extend a warm welcome to all of you joining us today, either in person or through the webcast for the presentation of our three-year plan.

Over a decade, I have witnessed a remarkable evolution and growth of the Group, and I continue to be impressed by the continued successes that we managed to achieve and we continue to achieve. I remain fully committed in my role as Chairman to continue the support and continue the betterment and success of the Group in order to create significant value for all our stakeholders.

Our journey has been marked by extraordinary achievements and I'm delighted that our exceptional performance, as you've seen and you will see in the following presentations, is set to continue in the years to come and even after that.

The new three-year targets we have set forth reflect the continuation of our successful strategy and the strong momentum that the Group is going through now, driven by robust organic growth and complemented by strategically business development and M&A. And also it's a testament to the proven resilience of our diversified business model, which has shown to be extremely, extremely important all these years.

After the presentations, I hope that you will all agree that the future continues to be very bright for the company.

I'm not going to steal any more time from the presenters, from the team here that is presenting today. I would like to thank you all for your continued support.

I will turn the floor and the meeting to our CEO, Rob Koremans, and the rest of the management team, who will take us through this exciting prospects ahead. Thank you very much.

Rob Koremans: Thank you, Andrea, and thank you all for being here with us this afternoon to go through the three-year plan. It's a real pleasure to do so with my colleagues. I will open it by giving a little bit of an overview of the Group. Alberto will walk us through and take us through the plans for our Specialty and Primary care business. Scott will do the same for the Rare Disease business. Then Luigi and I will end with some financial projections for 2025-2027 and some closing words before we then open the floor to Q&A. The planning is that you should have ample time to ask your questions, and we'll definitely make all the efforts to make that possible.

Before getting started, I would like to basically take a couple of minutes to set the scene. As we all know, the world around us is an incredible volatility, macroeconomically something that, in my working life, I've not experienced before in this extent, largely driven by measures from the US either already implemented or in the air uncertain and not clear what's going to happen. That volatility is creating more than ever a challenge to businesses around the world.

Today, we will show you that notwithstanding these challenges, we will navigate and deliver and continue to deliver, much like what Andrea said, on our plans, and we have a really exciting opportunity ahead of us. Without having to change our strategy, we will continue to implement what we do organic growth and added to that very targeted and smart business deals and M&A.

The world is evolving quickly. But there's one thing that we will not forget and doesn't evolve in that sense for us, but stays the same. That is we are driven by our purpose. Our purpose of unlocking the full potential of life for the people we serve. Patients are at the very centre of everything we do. We believe by doing that, we also serve the interest of all of our stakeholders in the best possible way and in a sustainable way. We absolutely remain committed to continue to do that.

Now let me take you into an overview of the company. We are very proud of our rich Italian history of almost a century, 99 years, where we have evolved from being a local Italian business in a truly international and global Group. With about 4,500 employees working globally and serving more than 150 countries, in many of them we have our own presence directly. We can truly claim that we reach the world.

We are a fully integrated company from our industrial operations, to commercialisation, to R&D, and to all the BD and M&A. As a company, we are, in that sense, absolutely integrated. Our business has evolved in two very distinct and equally important business units. Specialty & Primary Care, where we have about 400 branded originator products, both prescription and OTC with a very strong equity and a very strong customer loyalty, and almost no loss of exclusivity threat with a direct presence in what you would call Greater Europe.

The second distinct business is Rare Diseases, which is a global business, spanning the entire world from Argentina to Japan from US to the Middle East, all of the main countries we have our presence and are building presence further. Also fairly diversified in itself already with over 20 products in the market focused on three therapeutic areas: Endocrinology, Haemato-Oncology and Metabolic, all aiming to treat big unmet medical need.

With a very strong business presence globally, we're very happy and proud of that and we're one of the very few rare disease businesses that can call themselves really truly global.

You've also seen already the financial performance of 2024 and probably also have seen the way that 2025 first quarter has started, which will continue with a beautiful momentum. We're very proud of achieving these figures, and we continue to be committed to that going forward. But we're also very proud of achieving on our ESG targets. For us, this is important, doing business in the right way because we also believe that this is the only way to do sustainable, profitable, top performance, making sure that we deliver on our ESG objectives as well.

Through the years, we are known and recognised for delivering excellent performance, and that is largely related to our unique and resilient business model.

First, our business is very diversified, unique in that sense of combining a resilient cash flow generative Specialty & Primary Care business and also a very high growth global Rare Disease business. The diversification is not just true, as you will see, in terms of the two different businesses, but also in other dimensions such as portfolio and geography.

Second, we have an extreme strong financial focus that has made us and enabled us to deliver on all of our promises in the past, driving for very attractive growth for sector-leading margins and a very, very attractive return on capital invested.

Thirdly, we are derisked, not just by being diversified, but also we do not have what many of our peer pharma companies would have is a very big exposure to loss of exclusivity or very significant R&D investments. Our business is relatively insensitive to loss of exclusivity going

forward in a period of time. We have very focused R&D expenditure that allow us to continue to drive the organic growth as well.

We're also extremely disciplined, and we have a proven track record of doing deals, of finding the right companies or products to take in to stick to the discipline of what we pay for and then to integrate also with big discipline very fast. The discipline is also true in general for cost, and we are very cost aware and manage our company in a very cost sensitive way.

Last but definitely not least, I'm extremely proud to have the privilege to work with an extremely experienced team of pharma executives with diverse backgrounds with incredible strong track record that help to continue to deliver the growth that we are showing and also projecting for the future.

If I go more into the diversification. Geographically, we are diversified. Yes, the US is our largest market, but it's 17%. The vast majority of our sales and growth comes from outside of the US. Italy, still the number two market, is still a growing marketplace actually at a very nice speed. That's true for just about every market where we operate. We managed to make our business grow in many of these markets.

Growing in all those countries, and I think also the fact that we are in those different countries is a natural hedge to the risks that I think we all are very aware of that are in the rumours around the US. Having that natural hedge is for us a very comfortable and good thing to have.

On top of the geographic diversification, we also have a diversification across the two businesses, SPC and Rare Disease, but also in therapeutic areas. In fact, we do not have one single product that represents more than 10% of our total revenues. That makes us also very resilient, and the growth is coming from many cylinders in that respect, which helps us going forward.

Our brands are also extremely resilient. On the SPC, most of them are beyond loss of exclusivity. There is no further risk of loss of exclusivity there. What we've seen to be able to do, typically after the entry of the first generic, we have been able to manage the market, keep our brand loyalty based on the brand loyalty, and oftentimes actually expand and grow those markets. Very good, driven by commercial excellence to be able to focus on the commercially sensitive products, promotion-sensitive products where we are able to really drive market share performance and continue to get fantastic margins.

That's also true for our Rare Disease business. By nature, they're often a bit more protected. Many of these products are biologics, hard to make, difficult and expensive to make. And if your total revenue is €200 million, €300 million, there is very little biosimilar threat for these products. And the example is here on Carbaglu, it took six years before the first generic after loss of exclusivity actually came to market. Today, we keep as many patients, if not more on Carbaglu as we had before the generics entered. So we're able to continue to manage and maintain this business going forward. All of our products carry a strong resilience independent from the loss of exclusivity there.

Next I'd like to highlight also our R&D capabilities with a focus on very targeted investments to support life cycle management programmes and geographic expansion. You will have noted the very timely FDA approval for Isturisa in the US with a label expansion into endogenous hypercholesterolemia in patients with Cushing's syndrome. This is really an important step for

us, opening a significantly larger group of patients that can benefit from Isturisa. That was also the reason the label we got was so positive that now for the second time in a row, we've been able to extend and increase our expected peak year sales target. This now being €550 million to €650 million, truly remarkable for this product, and we're strongly committed to doing it.

We've also just recently and ahead of what we expected and communicated, received in China the approval for Signifor LAR, where we now have three products available in the market, Isturisa had already been approved and also Carbaglu is available in that market.

Then in terms of R&D life-cycle management, we have a couple of key ongoing programmes, one around pasireotide looking at post-bariatric hypoglycemia, a very, very debilitating and dangerous condition associated with bariatric surgery. The other one around dinutuximab beta or Qarziba, both expanding into the US, but also opening a new indication around Ewing's sarcoma.

Then on Isturisa and Enjaymo, we're looking at all sorts of opportunities to expand geographically. On top of that, we have a couple of programmes under evaluation for potential development. One is on Isturisa, looking at generating further data from mild Cushing's syndrome which the factors already in the label, but we're looking at programmes to further support the safe and good use into that indication. The other one around Enjaymo, where we're evaluating the opportunity in what is called ITP.

Business development has always been and will continue to be a very important part of our growth story. We are very proud of the strong track record that we have in executing on strategic deals and effective integration. Over the last 17 years, we've done 36 deals, spent over €3.5 billion on that and had generated about 50% of our growth directly from these deals.

If you look at the return on capital employed, you'll see that these are extremely attractive and very good delivering deals altogether. Deals have ranged from single market, single product deals for SPC to a global acquisition of all the rights of Enjaymo, which is the most recent one. We have been looking for and will continue to look for opportunities that allow us to grow in SPC and bring additional promotion sensitive products to a range of products or focus on our key areas, which are cardiovascular, urological or gastroenterological diseases, where we are often seen as the partner of choice to help them bring these products successfully to market or take over and expand further penetration.

For Rare Disease, we look really at always addressing an unmet medical need, which is at the core of every evaluation and exploiting the now real global network that we have of commercial, excellent people, medical, all of the network that we have in place to be able to bring more products through this network and drive our growth and help our patients globally further.

On top of that, looking at products that have the opportunity to develop additional indications or do geographic expansion as part of the life cycle management that we continuously do for just about the entire portfolio. We continue to actively and proactively look at deals and opportunities for both SPC and Rare Disease.

I already alluded to it, but through the combination of organic growth and doing the right deals, we've been able to consistently deliver strong growth achieving our targets, achieving on the promises that we communicated. With a strong focus on growth, on profitable growth, on margins and on cash flow, we have been able to generate between 15% to 20% of return on

the capital invested in the last decade. For this year, we've already communicated our target of achieving at least €2.6 billion in revenues. As you've seen from our first quarter, we're really well on track to June do exactly that.

The value creation for Recordati is second to none. We're here in Italy in the Borsa. We've been listed now, what, over 35 years, and we are the share that has generated the highest return for shareholders in all of Italy. We're very proud of that fact and very committed to continue to deliver fantastic value to all of our shareholders.

Finally, I would like to recognise this team here. They're all present or most of them are present in the room here. It's a fantastic team, an incredible big background. The diversity, the different backgrounds help us to navigate through difficult times. The experience is outstanding. Our collective experience, our dedication, our commitment will ensure the stability and guarantee that in this continuously changing world, we are very well positioned to do exactly what we have been doing so far, shaping the future together and growing in the profitable ways we have promised.

With that, I would like to hand over to Alberto.

Alberto Martinez: Thank you, Rob. Recordati SPC is a business born in Italy and successfully expanded through both organic growth and very successful inorganic acquisitions over the past decades. You have seen that and heard that from both Andrea Recordati and Rob Koremans. That has resulted in a broad and diversified portfolio of more than 400 brands in both prescriptions and OTC segments. This brand portfolio is unique and it's well supported by our very solid and robust supply chain. We are able to manufacture more than 60% of our volumes in-house. That clearly ensures by having those manufacturing facilities mainly in Europe, that reliability and ability to respond to the dynamics in the market.

This has also resulted this expansion over these years into Recordati moving from Italy into Europe, Recordati SPC, and now having direct presence in more than 30 countries, including Europe, CIS, Turkey and Tunisia. You can see here that around 40% of our business comes from Southern Europe. It's an extremely important region where the brand loyalty means a lot. That loyalty to those originator brands like Zanidip that was launched and developed by Recordati remains and enables a low- to mid-single-digit growth that somehow offsets the limited decline that we see in other parts of Europe, particularly in Northern Europe, where there is some erosion of volumes and pricing.

As a result, we have a low single-digit growth that is then accelerated by our strong operations in Central and Eastern Europe and in Turkey. Those two regions acts as boosters of the growth of SPC and enable the magic mid-single-digit growth that consistently this organisation has been able to deliver.

We talk about a large portfolio of more than 400 brands. But also, we see the opportunity and the benefit of having more than 70% of those brands, of those sales being concentrated mainly in three therapeutic areas. Therapeutic areas that are growing, thanks to the growing prevalence and treatment rates. Cardiovascular, urology and gastroenterology are areas where our products are continuing to grow and serving more than 100 million patients every year.

And all of that together results into a uniquely diversified business of brand originator products that leverage competitive and cost-effective commercial capabilities to deliver sector-leading growth and unique profitability.

Let me share with you the four pillars of our strategy in Recordati SPC. First and foremost, it's the diversification that Rob alluded to. The diversification is geographic, as I have described. It is also about portfolio being in both prescription and OTC, and is also around the different therapeutic areas. All of that enables to mitigate the risk, to maintain resilient pricing and also to create synergies because we don't build firewalls between prescription and OTC. We integrate the teams and release the synergies for the benefit of both our customers and ultimately, the patients.

Then is the strong brand equity of our products. That strong brand equity coming from therapeutic areas where we see growing prevalence and treatment rates results into a very solid and reliable performance.

Third, we apply a tailored commercial approach. We focus our resources on promotionally sensitive brands. A few of them we select those but also in promotionally sensitive markets, not one-size-fits-all, different approaches to different markets, and we optimise the rest of our portfolio.

Ultimately, it’s around commercial excellence. Our renewed emphasis on that commercial excellence to consistently outperform the competition. That has been the focus from day one and that is what enables that efficient cost base and very targeted promotional efforts.

Over the past four years, we have undergone a transformation in Recordati SPC with a clear focus, improving the competitiveness and optimising our portfolio. Let me give you some of the key decisions and key outcomes from that transformation.

First, we've switched the focus from primary more into specialty care. That has led to bespoke rightsizing in selected markets to ensure our organisations are fit-for-purpose, are fit to the portfolio to the opportunities that we have today, which are different from those that we had 10 or 15 years ago. At the same time, we've added new capabilities. Capabilities that have enabled us to enhance our customer engagement.

Our focused investment has allowed our SG&A, our selling expenses to be second to none, to be at the very top of the profitability in the sector. When combining this with initiatives like SKU rationalisation, rationalisation of low-value SKUs that have taken out more than €30 million worth of products from our portfolio over the past couple of years in the interest of ensuring a more efficient supply chain, but also a better profitability. Ultimately, those actions together result into our EBITDA ratio increasing year-on-year over the past year from 33% to 35%.

That focus on rationalisation and focused investment hasn't prevented a continued growth of very solid 7% CAGR over the last year, more than €200 million added to our business. This is the combination of the magic formula of Recordati of increasing our competitiveness in the portfolio that we promote, sustaining year-on-year around 5% above the market. At the same time, acquiring synergistic products that can leverage our capabilities and supplement the organic growth.

All of that together comes into continued growth that we expect to see developing in the coming three years. I am now going to take you through how in each one of the major therapeutic areas we expect to continue to grow in this period.

Urology has become today the largest franchise within Recordati SPC. We expect over the coming years to continue to deliver a mid-single-digit growth at constant exchange rate. That is driven by both the strength of our brands, Eligard, Urorec or Avodart/Combodart, but also by being in the right segments, in this case, we have prostate cancer. We have benign prostatic hyperplasia. Two diseases that have growing prevalence that have increasing awareness and better diagnostics. When you combine both, you clearly can have that expectation of continued growth.

I think very much over the past four years, Eligard has been, in particular, the landmark of what Recordati SPC can do. Let me go a bit deeper into the performance of Eligard over the past years.

This graph shows the evolution index, the performance of Eligard versus the market over the past four years. We can see that since Recordati took over Eligard back in February 2021, we have been able to turn around that competitiveness and to deliver well above the market. We have prioritised and focused Eligard across SPC, and we have seen this turnaround happening in each and every market.

Last year, we launched a new device for Eligard, and we have seen that launch, which is always a tricky thing to do after a product has been established for many years in the market. That success in adoption of a new device that has made the use of Eligard easier for the patients. That's why despite a more competitive environment in this space, we expect Eligard to continue to deliver good growth in the years to come.

Moving from urology to cardiovascular. In our cardiovascular portfolio, we essentially expect the sales to be stable over the next years. We have a mature portfolio, and clearly here, it's one of those examples where we can show the tailored commercial approach. These three brands: zanidip, lercanidipine, metoprolol, seloken and pitavastatin, livazo represents around 80% of our portfolio.

We have an approach where we selectively promote these products in markets where they make the difference. That enabled us to sustain the sales throughout the period of these mature brands. Combined with, again, growing prevalence and better diagnosis of hypertension and hypercholesterolemia, which are clearly diseases that are in continuous needs from therapies like ours.

Moving to the rest of the portfolio. The rest of the portfolio is expected to again contribute with mid-single-digit growth at constant exchange rates. Here, the main driver that will enable that sustained growth is our OTC portfolio. Our OTC products are again, a booster of our performance. We see that, for instance, in the gastrointestinal area, where we see Southern Europe and Central and Eastern Europe really driving the growth.

Also in the cough and cold business, where Russia, France or Italy, our brands in those markets are, again, another booster or in the rest of the portfolio, where we have leading brands like Magnesio Supremo here in Italy that clearly is a booster of the growth of that rest of the

portfolio, altogether, enabling that sustained mid-single-digit growth that we see overall in the SPC business.

Mid-single-digit growth that is accompanied and sustained with sector-leading profitability because we continue to focus on how we can do the right promotional investment behind the right brands in the right geographies. Also taking advantage of the synergistic approach of our prescription and OTC business. All of that together yields not only a strong volume growth, but also a very solid price resilience in our portfolio of SPC.

Talking about growth, I'm really delighted to hand it over to the main growth driver of our company, which is my friend and colleague, Scott Pescatore.

Scott Pescatore: Very kind of you. Thank you very much, Alberto. Welcome, everybody, and good afternoon. I thought I would just start off with a macro overview of the rare disease market space, just to give a bit of an understanding in the area that we're discussing today.

Rare Disease offers a unique opportunity for all of us and for our business for many reasons, primarily because of the strong and high unmet medical need for patients. Some of you may be familiar with some of these numbers, but there's about 6,000 to 7,000 rare diseases that are currently known and only about 5% of those have approved products available. There's a huge opportunity not only for us but for research and for development in this area to treat these terrible diseases.

Rare disease products typically also enjoy a bit longer market exclusivity, which is driven by the protection that goes beyond the IP expiration. It does have a tremendous market potential. You can see that the rare disease market is evolving, and it's reaching upwards of €300-plus billion by 2030.

Traditionally, products and development in rare diseases have had a faster time to market, on average, about seven years, which is three to five years faster than some traditional pharmaceuticals. I have to say that most recently, we've heard some positive comments from the FDA Commissioner around his views on rare diseases and that he would like to bring back a bit faster pathway and conditional approval to orphan products in the US. It's good news in that direction that potentially we could get additional products to market faster.

What does that mean for us? I mean we have a long-standing presence in rare disease that goes back to 2008 when we started in the business with a small group of metabolic products, which are still part of our portfolio and we'll cover that a bit later. We saw moderate growth for quite a bit of time with that portfolio in addition to geographical expansion. But really, we saw a significant boost in acceleration in the past three to four years, which were driven off of the back of really the endocrinology acquisition, which brought us Isturisa and Signifor.

Since that acquisition, we've been able to maximise those products, which will continue to grow in the future and we'll look at that a bit later in more detail. We also brought oncology into our portfolio with the acquisition of EUSA Pharma in 2022. Then most recently, with the acquisition of Enjaymo with our partner, Sanofi earlier this year.

It's really been a combination of organic growth in our portfolio, geographical expansion, and of course, very, very strong M&A that has allowed us to accelerate that growth over the past few years.

But that's not all. I mean, there are strategic pillars that we focus on in order to make sure that we can continue that growth in the future. Again, as Rob had mentioned earlier, we're a global business. We're high growth, high margin, focused on, as I mentioned, high unmet needs. I think it's important to highlight that we have a very diverse portfolio of more than 20 products, which is unique within our peer group in this space and we'll come to that probably in the Q&A a bit more on the diversification of our portfolio and the importance of that.

We focus on these four areas, and we strive for excellence in these areas in order to maintain that growth in the future. Patient centricity, as Rob had also alluded to this morning, is core and fundamental to our business, maximising the number of patients that we can put on our products of increasing awareness, diagnosis, and of course, duration of therapy is critical.

Executional excellence, getting in front of our customers, our patients, our physicians to demonstrate the value of our products, focusing on our products in markets where there's favourable underlying dynamics, and of course, that goes along with the strategic and geographical expansion that we continue to have in the portfolio. Then, of course, LCM opportunities to really maximise and optimise the potential of the products that we have in our portfolio. Rob highlighted a few of them, and there'll be some more information on some of those activities throughout the presentation.

Just a very quick overview and review of our products that we focus on. We are separated into three distinct franchises within Rare Diseases. We have our Endocrinology portfolio, which is really the cornerstone and the flagship of the portfolio, which is highlighted by Isturisa and Signifor. We have our sort of newly named Haematology Oncology portfolio, which is really led by Qarziba, and now, of course, Enjaymo since January. Then our legacy portfolio, our Metabolic portfolio, which is where I had mentioned where it all began in this business, and we continue to focus on Carbaglu, Cystadrops, and Panhematin in that portfolio.

Let's dig in a bit more deeper into the three franchise. We'll start with endocrinology, which is really, like I said, the lever for growth that we've enjoyed since the acquisition in 2019 of these products and will be really the key growth driver for us moving forward. We have double-digit growth of that portfolio, which is going to be driven by and continues to be driven by Isturisa.

Rob had also mentioned, I'm sure you're aware of the very positive news that we had recently on the expansion of our label in the US for Isturisa into Cushing's syndrome. We now are indicated for the treatment of endogenous hypercortisolemia with patients with Cushing's syndrome, which is an important step forward for us to continue to capitalise on the patient population. We do have a differentiated clinical profile, which allows us to treat the comorbidities that are associated with elevated levels of cortisol, including high blood pressure and hypoglycemia or diabetes.

We're going to continue growth of this product by increasing our awareness, as I had mentioned, continuing to capitalise on earlier diagnosis and treatment and awareness of this disease. This is something that we've seen now with also some other products in the market who have been also working in the Cushing's disease space, increasing that awareness and bringing more focus to this disease, where in the past, it hadn't been such a disease that was looked at so closely.

Of course, we'll continue our geographical expansion. Now we do have Isturisa available in most markets. But as Rob mentioned, we had the positive approval in China, and we're working

through now the reimbursement procedures on that and then bringing it to other markets such as Brazil.

I won't spend a lot of time on Signifor, but Signifor is an important product in the portfolio. We have the strong double-digit growth of that product, and we continue to anticipate success again through increasing the awareness of Acromegaly, driving new patient uptake and the duration of treatment.

Maybe we'll just drill down a little bit more into the Cushing's syndrome label, what that means for us in terms of market share within the US. As I'm sure you're aware, we have been focused primarily on because of our label and Cushing's disease in the US up until a few weeks ago, so the majority of our patients have come from the Cushing's disease patient population. But we anticipate more than 15% growth over the planning period and up to 2030 with the additional label that we have just achieved.

You'll see that Cushing's disease is still continuing to grow, but there will be a significant portion of the new patients that come on board, which will be Cushing's syndrome patients. That new label allows us to further grow the brand and to further capitalise on, again, some patients that suffer from the comorbidities associated with elevated levels of cortisol.

If I shift gears now into our Haematology Oncology portfolio. Here, we have the potential to more than double the revenue in this space, which is including, obviously, now the addition of Enjaymo. We're very proud of the work that's been done particularly on Qarziba in this space, and we'll continue to grow Qarziba. We've had tremendous success in this space. It is a very important product for patients that are suffering from neuroblastoma.

It's currently not available in the US, but it is now available, obviously, in relapsed/refractory patients in Europe, and we'll go into a little bit more detail in just a second. We're continuing to expand this product in new geographies, and we've spoken a little bit about also our plan to bring that to the US, which are currently underway, and then expanding also to some of our other international markets such as Mexico, Argentina and Colombia.

Then we do have programs in place to expand into other lines of therapy with Qarziba such as the newly diagnosed induction therapy for chemo-immuno combination.

Sylvant, again, I won't spend a lot of time on this but this is the only indicated approved treatment for iMCD. Again, the focus for us to grow that product will be to increase the diagnosis and awareness of iMCD. This is a challenge for patients. Patients spend upwards of four years trying to get a diagnosis of iMCD. That's something that we're working hard to do to get that diagnosis happening sooner and then to increase the market share within those new patients that are coming on board, and to obviously include how we can continue to drive the longer duration of treatment on patients who are receiving Sylvant.

Then finally, Enjaymo, and I'll cover this in a bit more detail. We're very pleased about the acquisition that we made from Sanofi on this. It's progressing very, very well for us. It is, again, the only approved treatment for cold agglutinin disease with limited competition in the mid-term. We've had success so far. It's very early days, but the first few months of uptake in the US and Japan and Germany, in this case, have been very positive for us. Of course, we'll continue to expand into new markets with Enjaymo and also look at potential new indications for that as well.

Let's go back to Qarziba for a minute, and we can look a little bit more closely at where we're currently approved and where we're moving forward with this product to continue to grow.

As I mentioned, we're currently indicated in first-line maintenance therapy and in maintenance relapsed/refractory in Europe and other selected markets. That will continue as we move forward, but we do have plans in place, again, as I had mentioned, to bring this product to the US initially in induction relapsed/refractory, which is the chemo-immunospace and then expand to other territories after that.

Then a new project to bring it to first-line induction therapy, chemo-immuno within Europe initially and then expanding to US and other markets moving down the line. A tremendous opportunity for us in this space.

Then coming back to Enjaymo. You can see now this is quite an interesting slide, and it shows you the potential that we have with this product. I mean the growth is going to be driven by, again, the same three factors, which is increased penetration into the current patient population, expansion geographically, and then, of course, potential new indications. Currently, it is commercialised, as I mentioned primarily in the US and in Japan and in Germany. We do have some exposure in Israel and Italy as well. But currently less than 30% of CAD patients that are available are being treated. There's opportunity for us to grow in the CAD patient population.

There's also opportunity for us to expand into other European countries and in other geographies such as Russia, China, the Middle East, Korea and key Latin American markets.

Then the last piece, which is important to mention is that there are potential new indications that we can expand into. Milan and his team are working hard to put a plan in place for us to look at ITP or immune thrombocytopenia, and then other potential opportunities that can be seen with C1 or complement inhibitors.

Then finally, just a few words on our metabolic portfolio because I mentioned this is the foundation of our business. This is a core franchise for us, which has been and will continue to be important for us these products. This is a relatively stable product portfolio. We focus primarily on Carbaglu and Panhematin and Cystadrops within this portfolio, but our opportunities there are to continue to drive the growth of, for instance, Carbaglu in areas where there are new patients that are available in China and Cystadrops in Japan and to really target our investments there and leverage our infrastructure to sustain the profitability of those products.

What does that look like for us in terms of the full business potential? As I mentioned, we have tremendous opportunity to continue to grow this business. We're very proud of the CAGR and the opportunity for growth that we have through the planning period through 2027 between 17% and 20%. I think we can be bullish and say that we're confident that we can get to the higher end of that guidance. How are we going to do that and all the points that I mentioned earlier, I mean, focusing primarily on the endocrinology portfolio.

Obviously, the Hem-Onc portfolio continuing to have stable metabolic portfolio. Then really, we're trending towards a more than €1 billion business and 40% of the total Group.

As Rob had mentioned, we're pleased that we were able to upgrade our guidance again for Isturisa, just the other day. This is what it looks like and we shared these numbers before, but

we did increase Isturisa once again. It's based on the back of our spend label and the opportunities that I had mentioned that we see in terms of growth and capturing the new opportunities within the Cushing's syndrome space.

With that, I'll pause, and I'll hand it over to our CFO, Luigi La Corte.

Luigi Felice Corte: Thank you, Scott. Hopefully, by now, everyone is really excited about the prospects for our current portfolio, thanks to the fantastic colour and perspective that both Alberto and Scott have provided. Hopefully, they have well highlighted the extent to which our very diversified portfolio sets us a very good platform and foundation to continue on this journey of profitable growth for many years to come.

You've all seen the targets already, so I'm not going to unveil anything that you haven't seen really. Before doing that, though, really just a couple of words to really help understand how you should think of those targets, particularly for the ones who are newer to Recordati.

Now, of course, this chart is only illustrative. But as we said, we are very, very confident around the growth potential of our current portfolio. As has always been the case, I mean, BD and M&A has been and will continue to be an integral part of the Recordati strategy. We're equally confident about our ability to continue to win deals as we have done to date. As such, we include them in our targets. We've always done that.

What we've always done is, we look at the growth potential of our current portfolio, as has been described. Of course, we look at a range of realistic scenarios around that, and you've seen growth range on SPC, potential different ranges of speed of uptake of the big growth drivers on the Rare Disease. Then we overlay on that, a view of what we believe we can achieve over the next years through the activity of Gabriele and his team on the BD and M&A side.

Of course, and I'd like to emphasise this as is sometimes perhaps missed, not all deals are the same. I mean, some could be of products which are already on the market and therefore, immediately contribute revenue and profits. We'd be really excited if we find another Isturisa launch asset which doesn't provide immediate revenue and potentially even dilutive to margins in the short term, but that could be a great value creation story over the mid and long-term.

We factor all that in and blend that into the range of targets that we provide. Of course, as we've done previously, we also provide and we share in the slide, I'll not go bullet by bullet, and this is really for modelling purposes, a list of some of the key assumptions. I'm sure we'll touch on it in the Q&A. There's a lot of questions and speculation these days around potential tariffs, potential legislation changes.

I think once again, we have a very diversified business. US is important. It's only 17% of the business, not 40% to 50% as is the case for other companies. There are no current tariffs in place for the sector. Again, our US business is fully rare disease, which as Scott illustrated in his first slide, often enjoy the special attention when it comes to regulations.

I think all in all, in the end, that we are quite confident that even if there were to be tariffs, the impact is something that could be mitigated. Hence, we've not included any impact in our numbers. We've talked about on the revenue side, very confident about the revenue prospects. As always, we expect most of the growth to be driven through volumes, which is really at the core of our strategy, but still expect pricing to be a nice small addition to that. You've often

heard me comment pricing is usually, on average, excluding the outlier of Turkey, net plus 1% or thereabouts every year, which adds to the growth and, of course, protects the bottom line.

Of course, we don't anticipate, as you know, any material impact from loss of exclusivity over the next years. We're equally confident about our ability to continue to expand margins, and you've seen that reflected in the targets that we already disclosed. That is also even allowing for additional investments that we're making in life-cycle management opportunities, and very happy with, obviously, the successes that we've been able to showcase recently with the approval of the new label for Isturisa and, obviously, for the support to the continued geographic expansion of the Group and allowing also for inflation.

Finally, we're continuing to be very confident around our ability to turn those profits into cash, which then continue allow us to finance new deals, which will continue to execute with the same discipline that we've always kept with regards to how we manage the balance sheet.

Hopefully, all of that is clear, and of course, happy to take questions at the end. When it comes to the targets, and I mentioned it just for avoidance of doubt, of course, we confirm and we reiterate the 2025 targets. Yes, as some have commented that there is a little bit more FX headwind, but as you've seen from the Q1 revenue figures, we started the year well, and the targets remain unchanged. Of course, very proud with the targets that we've committed to for 2027, which, as you see, show pretty much double-digit growth across all lines, with revenue of between €3 billion and €3.2 billion, an EBITDA margin of at least 38%, and adjusted net income of around 25.5%.

Finally, from my side, of course, sometimes it's nice to leave the slides unchanged. It gives us a clear signal and that is that nothing has really changed around the value proposition of the Group. We'll continue to focus on the organic growth of the business, complement that with BD and M&A, aim to sustain a high level of margins at the top end of the sectors whilst investing behind the growth opportunities that we are pursuing with a very clear and unchanged capital allocation policy, which foresees BD and M&A and keeping the same discipline as I said, around cash generation and working within the same boundaries that we've historically reiterated around leverage.

All these numbers are aiming obviously to be consistent with each other. The targets that we've read out are consistent, we believe, with our leverage. Of course, there may be some volatility there depending on the timing of deals and structure of deals, but with the leverage that we would expect 2027 to be between 1.7 and 2 times. But we said, obviously, we allow for fluctuations up to a maximum of close to 3 times if there were to be opportunities of scale that we think are high quality and makes sense for us to pursue. But our track record then of deleveraging if ever we were to do that.

That's it from my end, then I'll pass to Rob for some closing remarks.

Rob Koremans: Yeah, before we open the floor to Q&A, I would like to leave you with our ambition for 2030.

Recordati has reached a quite significant scale, and we have a fantastic momentum in our business. We have very clear objectives and our strategy is unchanged and it's still extremely clear. We will maximise our organic growth in both businesses that are equally important and supplement that with BD.

Our growth is supported by a resilient and agile organisation, and we have a track record of very strong execution.

We aspire to double our revenue by 2030, and with all of that also achieved at least 38% margin. This is based on a very solid foundation of a company that has been built over many, many, many years for a Group that is second to none, and I'm extremely proud to lead.

Now along with Luigi, Alberto, Scott and actually also the rest of the team, we are very happy to take your questions. Thank you.

Questions and Answers

Eugenia Litz: Just a quick reminder, before you ask your question, it would be helpful if you could just introduce yourself with your name and institution. Thank you.

Martino De Ambroggi (Equita): Good afternoon. Martino De Ambroggi, Equita. The first question is on prices. Sorry, you already discussed Luigi about it. But just to double check, 17% exposure to the US becomes 19%, 20% including Enjaymo or more or less, it's the same? In case of price cut because tariffs seems ruled out. Is there any action you can eventually take in order to offset it? Or anyway, we don't know what will happen but just to have an idea on this.

Rob, on your last slide, doubling the sales is a big number. So the silly question –

Rob Koremans: What we have done in the last couple of years.

Martino De Ambroggi: Yeah. The silly question is how in the sense, are you including in the options the merger, meaning Angelini for instance, discussed for a long time on newspapers –

Rob Koremans: I've never heard that name.

Martino De Ambroggi: I know for sure. Or because in case you need to make more acquisitions in my view, it's not enough the free cash flow you have in the hands today unless you reduce the dividend, but this is just my first take looking at this figure.

Rob Koremans: Let me start at the end. Frankly, I think what we now focus on is the first three years to 2027, but I also wanted to leave you a little bit with our ambition that goes beyond 2027. When we did our figures, of course, we always look also a bit longer. If I look at our company with our portfolio at the moment with all that we have done in the past, our track record, doubling our sales by 2030 is a realistic ambition and does not require to do any major big merger or whatever. That's really, frankly, also not something that we're actively pursuing at the moment.

If I look at Recordati, we have the portfolio, the capabilities, the competencies, the presence to do what we need to do, and our strategy has allowed us to grow so fast. Going forward, doing exactly that. Of course, we will have to do some deals, but don't underestimate also the impact also for the mid-term. In 2027, you don't see a lot of the impact coming from the very focused life cycle management initiatives that we do.

By 2030, this should really start to make some contribution. I don't think that it's in our interest at the moment to look for more scale, expand in, for instance, Europe with Angelini where we are not in any discussion, neither is CVC. Strategically for us, that's not needed to achieve the

doubling of sales by 2030, right? We have extreme good opportunity, fantastic portfolio that will continue to grow, we believe, well beyond 2027.

At the moment, we commit to the figures of 2027. I don't want to do any further commitment than that, but leave you with a notion of our current confidence in the business actually going forward. Does it answer that part of your question?

Luigi Felice Corte: And maybe from my side and just to echo Rob and just underlying. Aspiration and ambition and target are two different things, right? The target is up to 2027. What we're setting up for 2030 is a vision and aspiration.

In terms of your question on US, yes, the US is growing as a percent of total, but still well below the 40%-ish, 50%-ish of most other pharma companies. On the tariffs in terms of if they were to come, ways to mitigate they are number one. First of all, as you'd imagine, any company is doing, there's quite a bit of stock at the moment that has gone into the US ahead of anything being done or changed. It's not clear if there were to be tariffs. Again, to me, it's still to be seen. One, does it impact pharma? Two, will it impact within pharma rare disease? I think there's quite a number of ifs already there.

We and I'm sure many others are looking to make sure that in the way the intercompany arrangements and the billing between other European entities in the US that the way the transfer prices are set potentially give opportunity to reduce the scope, obviously, the arm's length away. Of course, pricing is a lever in the US. Even though there is a cap to price increases in the sense that anything beyond that would have to be rebated through Medicare, Medicaid, the cap is set on the basis of inflation. Inflation is likely to increase, so that cap will be higher.

Ultimately, of course, if there was to be the case, we would look for secondary sourcing options, specifically to address the needs of the US, particularly for the bigger products. Again, we feel we're pretty confident about not having to worry about tariffs at this point in time.

On pricing, as I said, our planning assumption is what I said, plus or minus 1% a year. There's a number of speculations around pricing as well in the US. I don't know, Scott, if you want to comment on those?

Scott Pescatore: No, I mean it's all speculation at this point. I don't think we can really comment accurately. I don't think anybody can because I think right now, there's a lot of things swirling around, but really nothing is landing yet or sticking. Some of the – maybe Luigi was referring bit to some of the reference pricing that may happen in the US to a European price. That's something that we've looked at. But we'll have to see what actually comes through when these things get announced.

James Vane-Tempest (Jefferies): Hi. James Vane-Tempest from Jefferies. Thanks for takin my questions. Two, if I can, and then a follow-up. Margins in SPC have increased materially over the last five years. Are we reaching a peak for this segment? Should we think Rare Diseases will be the mix drive from here even with higher investments?

Luigi Felice Corte: Yeah, we do expect certainly the majority of the accretion to come from the change in the mix. I think it's also fair to say, I think we've commented in the past. We have made some investments in rare disease over the last years, even just the integration of

EUSA which came in at a slightly lower EBITDA margin. We've expanded our footprint in a number of countries.

We said that first part of this year, we would be investing a little bit in the US ahead of the expected approval of the broader label. But Scott is very committed now to show the yield on those investments. So yes, I think it's fair to say that we expect, as though we don't provide sort of specific guidance by segment, I'd expect sort of SPC to continue to deliver in line with how it's delivering, and therefore the accretion to come really from the shifting mix and the Rare Disease side.

But again, look, we don't manage the company for the next two years, right? I also wouldn't get over – we focus on the long term. If we see that there's opportunities that make sense for investment, as you've seen, we take them. Hopefully, that.

James Vane-Tempest: Thank you. My second question actually is for Scott, actually. I guess you mentioned confidence in the upper end of the Rare Diseases targets in your prepared remarks. Is there a particular segment within Rare Diseases which gives you the increasing confidence at this stage?

Scott Pescatore: Yeah. As I mentioned, I mean, I think the key growth drivers come from the endocrinology portfolio. There's just tremendous opportunity there for us to continue to grow and not just in the mid-term, but in the long term as well. The label in the US is a big boost to that. Also the geographical expansion and the continued penetration ex US as well is very important.

The other piece is Enjaymo. Enjaymo, we're just getting started on Enjaymo. There's opportunity there. As you've seen from the slides, the penetration of the patient pool, there's still a lot of room to grow there. We see a lot of opportunity in the geographical expansion there as well.

Speaker: Sean[?] [01:16:31] from Jefferies. Just on Enjaymo. What factors do you see in that evaluation process that would give you the green light to pursue Enjaymo and ITP? Could you give us an overview of that evaluation process?

Rob Koremans: Do you want to?

Luigi Felice Corte: It starts with value creation.

Rob Koremans: What we look at, first of all, is it really does this address an unmet medical need. What is the competitive environment? What would be our potential benefit? What is the risk and the reality? What is the success rate? What will be the time frame? And is there an alternative for our money that would be more attractive?

If you combine then all of those things together, you look at how do we do this. We look at a programme. Typically, what we would always do is try and see whether we can do a pilot if that wouldn't really cost too much time and money and would make no sense.

Milan, as our Head of R&D, is evaluating all of this. Milan, you want to add a little bit to that?

Milan Zdravkovic: I very much agree, Rob. I think it very much starts with the unmet medical need. Then we try to interrogate the available evidence. Clinical evidence is more important than preclinical. Pathway to approval, what could the regulatory landscape look like. Then we factor in, you can say what does the competitive situation look like? Also what is our ability to

create value in that space. Through that, we have been threading the needle at around – we have looked at quite a high number of different indications, not only within Enjaymo. We have actually interrogated the entire pipeline and portfolio.

ITP is one that we continue to like. Once we have all agreed that we like it, then we will see how we do the investment. But this is how we do it, pretty standard.

Charles Pitman (Barclays): Hi. Charles Pitman-King from Barclays. Thanks for taking my questions. Just one quick one on the slide 17, SPC market outlook growth expectations for 2024 to 2027. These seem to be ahead of your individual therapeutic area targets. Just wondering what the key drags to growth are that then lead you to 3.5%, 4.5% growth for the division?

Then just secondly, on your BD, M&A inorganic growth targets. Just wondering if you have a confirmed level of inorganic growth you expect to contribute by 2025-2027? Just if you're assuming inorganic assets to have similar margins to your organic ones?

Luigi Felice Corte: Maybe I'll start with the second. Hi, Charles. There's no new BD, M&A included in 2025 targets. As usual, when we set the target for the current year, we don't include any. We would expect to deliver those with the current portfolio. We don't really segment out what exactly because, again, that's not how we do it. This is why we offer a range for the organic growth, hopefully, and I've seen a lot of estimates from many of you, and they're all quite close to each other. I conclude that we've given you enough of a clue as to what we think the organic portfolio growth can achieve.

In terms of the margins that we expect to come from BD, again, we don't really segment that out. You can assume broadly in line. But again, just as a modelling, if we get – and we also don't want to be constrained by that, right? Again, if we find a fantastic launch asset, I'd like to be able to go after it and not have to worry about the dilution in one year where it's potentially another €500 million, €600 million peak year sales blockbuster. On SPC?

Rob Koremans: Maybe Alberto can answer that.

Alberto Martinez: Thank you, Charles. I mean you mentioned 3.5% to 4.5% as the overall range. That's very much also the consolidation of the three elements that we have shared. We talk about mid-single-digit growth at constant exchange rate for Urology, another mid-single-digit growth at constant exchange rate for the rest of the portfolio and stable sales for Cardiovascular. When you add them all up, it results into that figure.

Clearly, the booster, as I have mentioned, is primarily the OTC business with also some good contribution from the Urology portfolio.

Luigi Felice Corte: I think, Charles, in your question, you're also comparing to the market growth rates on slide 17. Obviously, this is, I think to credit Alberto us achieving 3.5% to 4.5% growth with an essentially very mature portfolio of products, some of which have been in the market for 20-plus years is fantastic, right, driving some of that market growth will be new launches of new products.

The right comparison to that would also be to factor in BD and M&A in our side. I think we are very proud of the fact that on many of our promoter products, we're outperforming the relevant categories. I think that slide was to convey confidence that we're operating in good geographies

with good fundamentals and also in good TAs with good underlying growth. But yes, we have a mature portfolio.

Bruno Permutti (Intesa Sanpaolo): Yes, good afternoon. Bruno Permutti, Intesa Sanpaolo. A question related to the guidance. The major risk you see is related to the top line growth? Or are there any risks that you are considering looking at your 2027 guidance?

A second question, more general, related to the talks that we hear about the Most Favoured[?] [01:23:22] Nation policy and about also the letter that some CEO brought to EU legislators. I wanted to understand, on the first point, what is the risk for Rare Disease prices? Is there any risk related to eventual application of the Most Favoured Nation policy.

On the other side, do you see any opportunity in the appeal that some CEOs are addressing to the EU legislators?

Rob Koremans: It's all very much speculative, right? That's something that is extremely difficult to start to predict. What we have seen so far is very encouraging from the FDA commissioner that he really singled out rare diseases as a field that we should make sure that it's not impacted by anything that patients can continue to see, products come to market and reach them. Even though that this will only happen if also the prices allow for it, right? Ultimately, pharmaceutical companies are not often philanthropic by nature, and this will have to work.

I really don't think I want to start to talk for the European pharmaceutical industry or even the industry in general. If I look at Recordati, all of the business that we have in the US is on Rare Diseases. All of the products that we currently bring to the market, bring very good value and are often really priced below what some of our competitors have done there and benefit patients with a huge unmet medical need. I'd like to believe that going forward, this is something that continues to be there.

Speculating on what would happen to prices maybe is something that could at the earliest start to impact to the outer years of this planning period, it's not something that legislatively so easy to just enforce.

I don't want to speculate any further there. Frankly, the letters from some of our European colleagues, they have different background, different needs, different requirements. I think it's a fantastic job to manage Recordati, we're doing well. We believe by focusing on truly unmet medical need, working with our patients and doctors there, and we do the best we can. We are ready to deal with whatever needs to happen with, any speculation at the moment, I don't think it's wise quite frankly. Does that answer your question?

Luigi Felice Corte: I think there was a second question around risks. I think, look, we feel very confident about the momentum that we have, our ability to drive margins and to continue to generate cash flow and also with our ability to continue to win deals. I think I said this before, I think we play in a nice niche where €200 million, €300 million peak sales opportunity can make a significant addition to our business and flies well below the radar of some of the bigger pharma groups. I don't think we've ever competed with a big pharma company on any of our deals.

The bigger risks are the ones that, if you like, the macro one outside of our control, which at the moment are quite speculative. Against which, actually, the significant diversification of the

group should help mitigate. I think there's going to be a lot of other companies that have a lot more issues than Recordati if there's something happening on the US business. I hope that addresses the question.

Rob Koremans: Maybe just risk assessment, of course, is very much part of the way we presented ultimately the figures, and that leads to the range that we bring, right? If there would be no risk, you could come with one number. We reflect this in the ranges that we provide for.

Niccolò Storer (Kepler Cheuvreux): Hi. Niccolo Storer, Kepler Cheuvreux. Two questions, please. The first one, if you can please give us a ballpark idea of the additional contribution from Isturisa, Enjaymo new indication, if successful, of course, these new indications that are being started?

The second one is on clarification on Enjaymo peak sales. If these are including also potential new geographies targeted?

The last one, still on geographical diversification, SPC. You show a map of Europe with some black spots on former Yugoslavia countries, neighbouring countries. Considering that diversification is a growth pillar for the division, is there any opportunity to grow there? Or if not, where do you see opportunities for further geographical diversification? Thank you.

Rob Koremans: Thank you. Scott, would you like to address the first two questions on Isturisa and Enjaymo?

Scott Pescatore: Sure. With regards to the peak year sales for Enjaymo, it's a work in progress. We're still sort of studying the market there to understand what opportunities we can pull from that. But the contribution of Enjaymo, and that you saw in the peak year slides where we're trending towards for that product. I can go back, there was the number that we shared there. That's kind of the contribution. Here you go. The peak year estimate is €250 million to €300 million for Enjaymo.

Then the contribution for CS the portion of Isturisa is really that additional 25% of the patient population that we're expanding into. No specific growth rate number there, but it's really just the expansion of the additional patients that we're able to capture.

Luigi Felice Corte: To be clear, the €250 million to €300 million peak sales of Enjaymo is what we read out when we did the deal and does not include, at the moment, any new indications. Those are the sales that we feel we can achieve with CAD indication. Any work and we're still evaluating, as Scott has said, but would be on top of that.

Alberto Martinez: Regarding SPC and geographical expansion is not a priority. We expect to expand our portfolio in both prescription and OTC business in our core areas, leveraging our capabilities. However, I have to clarify that we do reach with our products, some of the geographies that you mentioned, Niccolo. For instance, in the Balkans or in Hungary, Eligard is currently performing extremely well. We do that through our network of partners, distributors in those markets, which also cover other regions like broader Africa or even South America. That business is still an important business.

It represents just below 10% of the total SPC revenues and is a growing business. Hopefully, that answers your question.

Speaker: Good afternoon, everybody. [Inaudible] [01:31:22] from Mediobanca. Three questions from my side. The first one is on revenue targets across the two divisions. Could you just elaborate a bit more on which are the forces that may drive you between the high and the lower end of the targeted range? It's just a function of speed to deliver M&A, FX intensity or what else?

Second question is again on the US business. There was an article today on Bloomberg mentioning the possibility to establish some direct presence in the US. I don't know if it is production. Just if you can elaborate a bit more on that, what may drive you to pull the trigger on this investments and in case, which is the size of investments needed?

Last one is on M&A. I assume you cannot disclose much but just a qualitative indication, which is your appetite for M&A right now considering that Enjaymo looks quite well integrated, I would say, at the current stage?

Rob Koremans: Thank you for the questions. The appetite for M&A is very healthy. We are actively looking – have a good number of programs and projects in place, but we will remain our discipline as always, right? But for both businesses, SPC and Rare Disease, M&A is very much part of what we want to do, have always been doing and we'll continue to do, and we have good appetite for that.

On the Bloomberg article, what the journalist was referring to, would there be an opportunity or a need even if there would be tariffs, and there was a lot of speculation. What I answered was really we are always evaluating, and this is specifically on Rare Disease products. What is the best and optimal supply chain for any given geographical market? As part of that and given also our expansion into more biological products with Rare Disease, we are looking at independent from the tariffs, what would be the best way forward into the future to guarantee good supply to the US patients at the lowest cost and the higher service levels, and whether we should do something specific also more biologics.

I think she wrote that down as a little bit more tentative. There's no concrete plan to do it. It's really part of what we would stand or do in trying to see whether we can make our products available in a better way to patients anywhere in the world, in this case, was on the US.

And maybe on the targets, but maybe, Luigi, do you want to take that first question.

Luigi Felice Corte: I'm not sure I remember what the first question was.

Rob Koremans: On the target.

Luigi Felice Corte: Well, across both businesses. Let's call in, Alberto. I think just to be clear, the targets that we show those ranges of growth to not include BD and M&A. That is what we believe can be achieved from the current portfolio. As always, each one has distinctive pulls and pushes. I don't know if you want to comment in terms of what could take us to the higher end versus lower end. But I don't know if you want to add colour on that?

Alberto Martinez: Yeah. I mean I think you see the range there. I mean there is an FX impact that could have an impact there. I mean, obviously, as we're talking here, I mean we're talking about Rare Disease patients, which are complicated to find. They don't exactly grow on trees. We do need to have additional investment that could be needed to expand the sales force in the US to find some patients in the community. We are moving outside of the key centres and into the community setting more as we now expanded in Cushing's syndrome.

While we're confident in the peak year, I mean it could take us a little bit longer than expected to then go out and continue to do that. Enjaymo is a new entity for us. There is opportunity there to grow. But again, CAD is a disease that isn't at the top of the mind of every haematologist. They have what they consider to be more important priorities. These are things that we have to move the needle on. Diagnosis of patients' awareness.

These things, they take time. There are risks there around that, but we're confident that we're going to get to the guidance that we've shared.

Speaker: In SPC, I mean the range has been very, very –

Rob Koremans: Very small.

Speaker: It's very small. Obviously, there are a lot of factors impacting from forex, which is particularly relevant to other elements from regulatory pricing, or considerations that obviously need to be taken into account, as well as seasonality of cough and cold and other considerations?

Luigi Felice Corte: Maybe just a final comment from me. First of all, hopefully, you appreciate we probably do more in terms of forward-looking guidance. I think please allow us not to be quite so precise when doing that, particularly when we go into subsectors. Sometimes look there is this small unexpected, maybe just to say something nice about our operations colleagues here. Sometimes you may have a competitor not able to supply the market, and this is one of the beauties of our high degree of vertical integration that we've always been able to respond and supply the market and take those opportunities.

Maybe in some years we have a little bit more of that or a little bit less and that can also affect where exactly in the range.

Eugenia Litz: If there are no more questions in the room, and we don't see any – sorry. Giorgio

Giorgio Tavolini (Intermonte): Giorgio Tavolini from Intermonte. Just three questions on my side. The first one is on cash R&D investments at 7% is pretty stable over time. I was wondering if you see any need to increase this percentage in order to support the recent upgrades in peak sales?

The second one is a minor check on capital allocation. You talked about progressive payout of 50% of net income. I was wondering what changed from the previous guidance was 60%. Sorry about that. But just a minor check.

The third one is on Eligard. You talk about a mid-single-digit growth despite the new competitive entries. I was wondering if this competition is related to new device? I have another one on the potential impact on your Rare Disease business in the US from NIH budget cuts in particular, both on the R&D side and also on the ability for the federal government to purchase the drugs? Thank you.

Rob Koremans: Okay. Maybe, Giorgio, I'll take the first. No, we don't need additional investments to support our current plans in terms of life cycle management product development there. The investments are all baked into the forecast plans that you see. Maybe, Luigi, you want to talk about the capital allocation?

Luigi Felice Corte: Yeah. Thanks for the question. In reality, nothing has changed. The Group has gotten bigger. Whilst we have continued to grow the dividend, if you look at what the exact percentage payout has been over the last few years, it actually works to something closer to 50%. But we've been pretty consistent in terms of growing. There's not an exact formula that the Board goes by, but it will depend on to circumstances, but their strong commitment to continue to see the dividend increase year-over year.

Rob Koremans: Alberto, do you want to comment on Giorgio's question on Eligard?

Alberto Martinez: On Eligard, mentioned about mid-single-digit growth. I mean, just to clarify, that expectation was for the whole Urology portfolio, not only for Eligard. Eligard, certainly, we expect it to be relevant contributor being the largest brand in that space. It is not related to the new device. It is related to new competitors effectively coming into the market.

Actually, one of those competitors was already launched last year, and we have continued to see Eligard performing and gaining market share. We are confident that Eligard will continue to grow and gain share in the market. But clearly, the space is becoming more crowded and competitive.

Scott Pescatore: I think you're asking about the restructuring of the HHS and the related entities there. That's something those budget cuts slated for 2026. I mean as you mentioned, there's pretty drastic cuts that are being proposed across the FDA, the CDC, CMS, NIH, etc.. Really the impact to us is unknown at this time. I mean for us, we only have very limited exposure to the FDA with dossier sitting there at the moment. It could result in delays, but we don't have a big exposure to those entities in terms of the workforce and the delays that might occur.

Rob Koremans: In fact, on Isturisa we were a little ahead of certainly. So far, we've not seen any impact, but it's, of course, is a potential issue. If there's no FDA employee left, then there will be an issue there, which I don't expect to happen, frankly, given their focus. Again, the FDA commissioner's very clear statement in support of rare disease specifically.

Eugenia Litz: Are there any other questions in the room? We don't see any on the line either. So we'll turn the floor back to you, Rob for some closing remarks.

Rob Koremans: Thank you, Eugenia. I want to thank you all for having joined us here today. You've all been able to follow our company for some years. You can see that we are really well positioned to continue our growth story strategy and continue our performance. I'm very, very excited for the years to come and also are my colleagues here and in front of me.

Well, I hope to speak to you again on 8th May when we go into more detail on our quarterly results for the first quarter.

Thank you, and have a wonderful afternoon.

[END OF TRANSCRIPT]