

**Lisa Miles, Senior Vice President Investor Relations**

Good morning, and thanks for joining us. With me today is Franco Stevanato, Executive Chairman, Franco Moro, CEO, and Marco Dal Lago, CFO. A presentation illustrating today's results can be found on the IR section of our website.

Some statements being made today will be forward-looking in nature, and are only predictions. Actual events and results may differ materially as a result of risks we face, including those discussed in Item 3D entitled "Risk Factors" in the Company's most recent Annual Report on Form 20-F filed with the SEC.

We encourage you to review the information contained in our earnings release in conjunction with our SEC filings and our latest Form 20-F. The Company does not assume any obligation to revise or update these forward-looking statements to reflect subsequent events or circumstances, except as required by law.

Today's presentation may contain non-GAAP financial information. Management uses this information in its internal analyses of results,

and believes this information may be informative to investors in:

- gauging the quality of our financial performance,
- identifying trends in our results,
- and providing meaningful period-to-period comparisons.

For a reconciliation of the non-GAAP measures, please see the Company's most recent earnings press release.

I will now hand the call to Franco Stevanato for opening remarks.

**Franco Stevanato, Executive Chairman**

Thank you, Lisa, and thanks for joining us today. Our solid first quarter results confirm the positive momentum exiting 2022. They illustrate the strength in the fundamentals of our business, as we advance our multi-year strategic plan to capitalize on rising demand and to drive durable growth.

Our experience in delivering high quality, high performing products makes us a partner of choice with customers. Our long history of embedding science, technology, and industry expertise to drive continuous advancements has led to a highly differentiated product portfolio.

We work alongside our customers to drive innovation by supporting them in the early stage development through the entire life cycle of the drug. Our mission-critical products are built into the regulatory filings, creating a captive customer base.

We operate in growing end markets with strong secular tailwinds. We have an increasing presence in biologics, which is the fastest growing market segment. We see ample opportunities in treatment classes such as GLP1s, monoclonal antibodies, mRNA applications, and biosimilars over the next several years.

Our presence in GLP1s dates back to 2010. We believe that we are well positioned to further support customers in the upcoming wave of new indications for GLP1s. While this presents a significant opportunity for us, it is just one of the many favorable tailwinds within the growing biologics market.

Above all, our global footprint, differentiated product portfolio, and integrated end-to-end solutions, offer customers a unique value proposition. This provides us with sustained competitive advantages. We believe we are ideally poised to seize the opportunities in

front of us to drive long-term organic growth and build shareholder value. I will now hand the call over to Franco.

### **Franco Moro, Chief Executive Officer**

Thank, you Franco. Starting on slide 7. We are off to a good start with first quarter results highlighted by 12% revenue growth, and an adjusted EBITDA margin of 26%. Strong demand for our EZ-fill® products has driven the shift in revenue towards more accretive high value solutions, which represented approximately 32% of revenue in the first quarter.

For the first quarter, new order intake decreased to approximately €236 million compared to last year. This was due to the expected drop in COVID-19 orders and the normalization of customer ordering patterns as global supply chains stabilize. At the end of the first quarter, our backlog of committed orders totaled approximately €955 million.

### **Collaborations**

Turning to page 8. During the quarter, we announced an agreement with Thermo Fisher to launch a fully integrated supply chain, for our proprietary on-body delivery system.

The collaboration leverages the power of our integrated capabilities by bringing together our on-body drug delivery device, our ready-to-use EZ-fill® cartridges, and our assembly lines; While Thermo Fisher will provide fill-and-finish and final assembly services. The collaboration offers pharma customers a proven, end-to-end supply chain to support clients from drug development to commercialization.

We also signed an agreement to develop and manufacture our Alba® pre-fillable syringes for Recipharm's soft mist inhaler. The combination of our Alba® syringe and Recipharm's innovative technology delivers sensitive biologics more efficiently, and provides enhanced stability and safety. Our Alba® platform is purpose-built for biologics

because it significantly reduces any potential interaction between the drug and the container.

## **Biologics**

On page 9. The self-administration of medicine and pharmaceutical innovation are creating demand for our products. Consequently, we expect that continued advancements in biologics - including mRNA applications, monoclonal antibodies, the newest class of GLP1s, and biosimilars - will drive durable, organic growth over the long-term.

While GLP1s have been an established treatment for diabetes for many years, they are demonstrating remarkable results in weight management. This is driving significant demand for obesity treatments.

Diabetes and obesity affect a significant portion of the world's population and rates of incidence are expected to climb. According to the World Obesity Federation, an estimated 38% of the population was considered overweight or obese in 2020. This is projected to rise to 51% by 2035, if current trends prevail.

Moving to page 10. Today, the majority of injectable treatments for these diseases use either a pen device or auto-injector for self-administration. In the case of a pen device, the doses can be modulated, and the device can be used more than once. The pen uses a glass pen cartridge, and it is the standard delivery format adopted globally for diabetes care. For single-use auto-injectors, the standard format is a syringe.

As the market leader in pen cartridges, we have built a leading franchise supporting diabetes management. Our established role in the diabetes market helped anchor our position as one of the primary suppliers in the GLP1 market for obesity treatments.

In fact, we are present in both commercialized GLP1 products and new programs under development, including biosimilars. The range of products we supply today includes - bulk cartridges, EZ-fill® cartridges, and high value syringes. On the engineering side, we are also supplying lines for visual inspection, and lines for assembly and packaging.

We expect that GLP1s will continue to contribute to growth in the coming years. Most importantly, our opportunity set is not limited to any single class of treatment. As Franco mentioned, we see broad opportunities across biologics, which is driving demand for high value solutions.

### **Global Capacity Expansion Plans**

On page 11, a brief update on our capital projects. In both the U.S. and Italy, progress is advancing largely as expected.

As we mentioned last quarter, we accelerated our expansion plans in Indiana in response to higher demand for high value solutions, driven principally by the growth in biologics. The first production lines are on site, we are actively bringing on staff, and validation activities are still expected to begin in the fourth quarter.

In Latina Italy, validation is still expected to begin this summer, followed by commercial production in the fourth quarter.

### **Summary**

In summary on page 12, we are making substantial progress. First, we are shifting our revenue mix toward high value solutions. Second, we continue to build strategic collaborations to leverage our strengths and meet customer demand. Third, we believe we are well positioned to capitalize on favorable industry trends, such as the expected increase in GLP-1s, and finally, we remain on track with our capacity expansion in the

U.S. and Europe, as we aim to build durable organic growth. With that, I'll now hand the call over to Marco.

**Marco Dal Lago, Chief Financial Officer**

Thanks Franco. Before I begin, I want to clarify that all comparisons refer to the first quarter of 2022, unless otherwise specified. Starting on page 14.

For the first quarter of 2023, revenue increased 12% to €238 million - (or 11% on a constant currency basis) principally driven by growth in both segments, and the shift to high value solutions.

We are making relevant progress growing our mix of high value solutions, which increased 25% to €76.7 million, in the first quarter of 2023, and represented 32% of revenue. As expected, revenue from Covid-19 decreased 57% over the prior year and accounted for 4% of revenue in the quarter.

For the first quarter of 2023, gross profit margin increased 20 basis points to 32% mainly driven by more accretive high value solutions, and to a lesser extent, margin improvement in the Engineering segment. As expected, this was offset by the increase in industrial costs and higher depreciation as our new plants come into service. We expect these temporary inefficiencies will continue throughout 2023 and this is assumed in our 2023 guidance.

Operating Profit margin in the first quarter decreased 80 basis points to 17.1%, mostly due to higher SG&A expenses to support growth initiatives. Excluding start-up costs on the new plants, adjusted operating profit margin was 18.3% in the first quarter and consistent with the same period last year.

For the first quarter of 2023, net profit totaled €28.3 million, and we delivered diluted earnings per share of 11 cents. This included an unfavorable impact to diluted EPS of approximately one cent, recorded in finance expense, due to the unexpected strengthening of the Mexican Peso against the Euro and the U.S. dollar.

Excluding start-up costs, adjusted net profit was €30.4 million, or adjusted diluted EPS of 11 cents. Adjusted EBITDA increased 15% to €61.9 million and adjusted EBITDA margin was up 50 basis points to 26%.

### **Segment Financial Results**

Moving to Segment results on page 15.

#### **Biopharmaceutical and Diagnostic Segment (BDS)**

For the first quarter, revenue from the Biopharmaceutical and Diagnostic Solutions Segment increased 13% (or 12% on a constant currency basis) to €195.5 million, over the same period last year.

Revenue from high value solutions increased 25% to €76.7 million; and revenue from other containment and delivery solutions increased 7% to €118.8 million.

Gross profit margin increased 80 basis points to 33.7% in the first quarter of 2023, mainly driven by the growing mix of more accretive high value solutions. For the first quarter of 2023, operating profit margin for the BDS segment decreased to 19.8% mainly due to higher SG&A costs to support growth initiatives.

#### **Engineering Segment**

For the first quarter of 2023, revenue from the Engineering Segment increased 7% to €42.4 million driven by strong sales in visual inspection and assembly and packaging lines.

For the first quarter of 2023, gross profit margin for the Engineering segment increased 30 basis points to 21.7%, driven by higher margins in all product families and ongoing business optimization efforts. Improvement in gross profit margin and higher absorption of SG&A costs, led to operating profit margin of 15.2% in the first quarter of 2023 - an increase of 140 basis points over the same period last year.

### **Balance Sheet / Cash Flow Items**

On slide 16. As of March 31, 2023, we had net debt of €46.5 million , and cash and cash equivalents of €158.8 million.

For the first quarter of 2023, net cash generated from operating activities was €37.1 million, and reflects our current working capital needs to support the growth in the business. As expected, capital expenditures for the first quarter of 2023 were €113.2 million as we expand our industrial footprint amid rising customer demand. This was the main reason for negative free cash flow of €91 million in the first quarter.

We believe that our cash on hand, coupled with our loan agreements, provides us with adequate liquidity to fund near-term growth.

### **Guidance**

Lastly on page 17, we are reiterating our full year 2023 guidance. We continue to expect:

- Revenue in the range of €1.085 billion to €1.115 billion.
- Adjusted diluted EPS in the range of 58 cents to 62 cents, and
- Adjusted EBITDA in the range of €290.5 million to €302.5 million.

Our 2023 guidance assumes that:

- For the second quarter of 2023, revenue is expected to grow in the range of mid-single digits to high-single digits, compared with the same period last year.



- Revenue will be stronger in the second half of 2023 compared with the first half of the year.
- High value solutions will represent approximately 32% to 34% of revenue.
- Covid-19 will represent approximately 2% to 3% of revenue.
- And lastly, we are estimating a currency headwind of approximately €13 million to €14 million.

Thank you, I will hand the call to Franco for closing comments.

**Franco Moro, Chief Executive Officer**

Thanks Marco. In closing, we are operating in an environment of favorable demand, with attractive end markets characterized by strong secular tailwinds.

We are executing against our strategic and operational priorities to capitalize on demand and support customers across the entire drug life cycle. We continue to make relevant progress as we:

- Advance our global expansion plans to increase our capacity in high value solutions, and enhance our proximity to customers,
- Grow our mix of high value solutions as customers turn to ready-to-use formats and move up the product value chain
- Invest in R&D to maintain and accelerate our market-leading position,
- And, build a multi-year pipeline of new opportunities by supporting our customers through scientific innovation to meet their evolving needs.

And lastly, we will host our first capital markets day on September 27<sup>th</sup> in New York City. So, stay tuned for updates over the next few months. And with that, let's open it up for questions.