

## RECORDATI: PRELIMINARY 2021 RESULTS IN LINE WITH TARGETS REVENUE +9.1%, EBITDA +5.8%, NET INCOME +8.7%

- *Consolidated net revenue up by 9.1% at € 1,580.1 million (+11.4% at constant exchange rate)*
- *EBITDA<sup>(1)</sup> up by 5.8% at € 602.3 million*
- *Operating income up by 4.5% at € 490.2 million*
- *Net income up by 8.7% at € 386.0 million*
- *Adjusted net income<sup>(2)</sup> increasing by 3.5% to € 424.6 million*
- *Free Cash Flow<sup>(3)</sup> at € 469.9 million, increasing by € 87.6 million compared to 2020*
- *Net financial position<sup>(4)</sup> at € 736.5 million, improving significantly compared to December 2020*
- *Acquisition of EUSA Pharma laying the foundations for further growth acceleration, closing expected in Q2 2022*
- *2022 objectives reflect continued growth in revenue, EBITDA<sup>(1)</sup> and adjusted net income<sup>(2)</sup>*
- *Stock options allocation as part of the "2021-2023 Stock Options Plan"*
- *Company's commitment to ESG issues continues: MSCI rating upgraded and inclusion in the Euronext MIB ESG index*

*Milan, 24 February 2022 – The Board of Directors of Recordati S.p.A., chaired by Andrea Recordati, reviewed the preliminary consolidated financial statements for 2021 and the 2022 targets. The Company's final consolidated annual financial statements for 2021 will be submitted to the Board of Directors for approval on 17 March 2022.*

### Financial highlights

- **Consolidated revenue** was € 1,580.1 million, up by 9.1% (+11.4% at constant exchange rate) compared to the same period the previous year, reflecting around € 34.5 million of adverse currency exchange rate effect and € 85.3 million of contribution from the new product Eligard® (acquired under license from Tolmar International Ltd. in January 2021). Net of these effects, growth was at 5.6%, absorbing the loss of exclusivity in 2020 of silodosin and pitavastatin and the impact of the pandemic, especially on Cough and Cold market during the first part of 2021. The rare diseases treatment segment grew by double-digit (+20.2%) thanks to robust performance of Signifor® and Isturisa®, which contributed € 126.6 million of revenue, together with growth in the metabolic portfolio. The Specialty & Primary Care business also performed well, showing strong resilience despite the significant impact of the pandemic on various reference markets, as well as the significant devaluation in the Turkish lira, with return to growth in the second half of 2021.
- **EBITDA<sup>(1)</sup>** was € 602.3 million, up by 5.8% compared to 2020, thanks to increased revenue and improved gross margins, partially offset by resumption of activity in the fields and by the investments to support new products. EBITDA margin was in line with the target for the year at 38.1%.
- **Operating income** was € 490.2 million, up by 4.5% compared to previous year, at 31.0% of revenue. The result reflects € 14.4 million of non-recurring costs, mainly relating to targeted right sizing of the Specialty & Primary Care business field force during the fourth quarter of 2021, mainly in Germany and Turkey, affecting around 175 FTEs.

RECORDATI INDUSTRIA CHIMICA E FARMACEUTICA S.p.A.

Registered office

VIA M. CIVITALI, 1  
20148 MILAN, ITALY  
TEL. +39 0248787.1  
FAX +39 0240073747

SHARE CAPITAL € 26,140,644.50 fully paid up  
BUSINESS REGISTER OF MILAN, MONZA, BRIANZA and LODI  
00748210150  
TAX CODE/VAT NO. 00748210150

Company subject to management and coordination by Rossini Luxembourg S.à.r.l.

- **Net income**, at € 386.0 million, increased by 8.7% compared to 2020, reflecting higher net financial expenses (due to exchange rate losses in 2021 of € 5.8 million which compare to gains of € 4.3 million in 2020) and non-recurring tax benefits of around € 27 million arising mainly from the reverse merger transaction completed in Q2 and the revaluation of the Magnesio Supremo® brand. Net income accounted for 24.4% of revenue.
- **Adjusted net income<sup>(2)</sup>**, at € 424.6 million, grew by 3.5% over 2020, accounting for 26.9% of revenue, with the lower growth rate relative to net income driven by the exchange rate losses.
- **Free cash flow<sup>(3)</sup>**, which is operating cash flow before excluding these effects and financing items, was € 469.9 million for the period, increasing by € 87.6 million compared to 2020, thanks to the increase in operating results and careful management of working capital. Shareholders' equity was € 1,381.6 million.
- **Net financial position<sup>(4)</sup>** at 31 December 2020 recorded net debt of € 736.5 million, lower compared to net debt of € 865.8 million at 31 December 2020. Over the period, € 35.0 million was paid to Tolmar International Ltd. pursuant to the license agreement for Eligard® and € 14.5 million to Almirall S.A. for the Flatoril® license. Furthermore, treasury shares were purchased for € 59.3 million, net of sales proceeds from exercising stock options, and dividends were paid for € 216.7 million.

### **Management Comments**

*“In 2021 Recordati posted another year of excellent performance that further reinforces the solidity of the Group, which is well positioned to continue on the path of sustainable growth undertaken to date”, commented Andrea Recordati, Chairman.*

*“2021 financial results are in line with the targets set at the start of the year, reflecting the Group’s outstanding ability to execute strategy and deliver on a global scale”, stated Rob Koremans, Chief Executive Officer. “The significant revenue growth combined with good cost discipline have more than offset the investments to support new products. In addition, the strong cash generation, which is a trademark of the Group, made it possible to close the year with net debt of 1.22x EBITDA. These positive results achieved in challenging market conditions reflect the diversification of the portfolio, which combines a stable Specialty & Primary Care segment with the higher margin Rare Disease business. The acquisition of EUSA Pharma, which is expected to close in Q2 2022, subject to regulatory clearance, provides an opportunity to further accelerate Recordati’s future growth, representing also a significant step forward in achieving our mission: improving patients’ lives by delivering innovative treatments that address serious unmet medical needs”.*

### **2022 Targets**

In 2022, we expect to achieve revenue between € 1,720 and € 1,780 million, EBITDA<sup>(1)</sup> between € 630 and € 660 million, and adjusted net income<sup>(2)</sup> between € 450 and € 470 million. These targets include a contribution from EUSA Pharma of over € 110 million of revenue and around € 25 million of EBITDA, assuming EUSA Pharma acquisition completion during the second quarter of the year. Non-recurring items, which are not included in EBITDA<sup>(1)</sup> or adjusted net income<sup>(2)</sup>, are estimated at € 35 million, mainly related to the acquisition and integration of EUSA.

If necessary, 2022 targets will be updated on the basis of the actual completion date of the EUSA acquisition.

Incremental amortisation charges and other non-cash IFRS3 adjustments arising from the EUSA acquisition, including fair value adjustment to acquired inventory, will be determined post acquisition completion on the basis of the formal Purchase Price Allocation.

#### **Stock options allocation as part of the “2021-2023 Stock Options Plan”**

Pursuant to Art. 84-bis of Consob Regulation no. 11971/99 (“Issuers Regulation”) and based on the proposal by the Remuneration and Nomination Committee that met on 16 February and 23 February 2022, the Board of Directors today resolved to allocate 3,553,000 options, in respect of the “2021-2023 Stock options Plan” approved by the Shareholders’ Meeting on 20 April 2021, to Beneficiaries of Recordati S.p.A and its subsidiaries, including 130,000 options to the Chief Executive Officer.

The exercise price, equalling the arithmetic average of the prices recorded on the Stock Market over the period included between the allocation date and the same day of the previous calendar month, is €47.52.

The allocation conditions are detailed in the disclosure document referred to in the Directors’ Report under point three of the Shareholders’ Meeting agenda of 20 April 2021, which is available on the Company website (Corporate Governance / Remuneration / Plans section of Stock Option 2021) which will be updated in compliance with the Art. 84-bis, fifth paragraph, of the Issuers Regulation.

#### **Renewed ESG commitment**

Recordati has strengthened its commitment for a sustainable future and ESG issues. In October, Recordati was included in the MIB ESG Index, the first index promoted by Euronext and Borsa Italiana, dedicated to blue-chip companies with the best ESG practices. The Group’s inclusion in the index is further proof of its commitment to environmental, social and governance issues. Recordati is also included in the FTSE4Good Index Series. As evidence of the Company’s focus on sustainability, Recordati experienced a general improvement in the overall ESG rating, MSCI and EcoVadis, with respectively an A and Gold rating.

<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, and non-recurring items.

<sup>(2)</sup> Net income excluding the amortization and write-downs of intangible assets (except software) and goodwill, and non-recurring items, net of tax effects.

<sup>(3)</sup> Operating cash flow excluding financing items, milestones, dividends, purchases of treasury shares net of proceeds from exercise of stock options.

<sup>(4)</sup> Cash and cash equivalents, less bank debts and loans, which include the measurement at fair value of hedging derivatives.

#### **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.

## Conference Call

Today, **24 February**, at **4:00 p.m. CET (3:00 p.m. GMT)**, Recordati management will be hosting a conference call with the financial community to present the 2021 preliminary FY results and 2022 targets. 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

Callers 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](#)

**Recordati** (Reuters RECI.MI, Bloomberg REC IM), established in 1926, is an international pharmaceutical group listed on the Italian Stock Exchange (ISIN IT 0003828271), with a total staff of more than 4,300, dedicated to the research, development, manufacturing and marketing of pharmaceuticals. Headquartered in Milan, Italy, Recordati has operations in Europe, Russia and other countries of the CIS, Ukraine, Turkey, North Africa, the United States, Canada, Mexico, some South American countries, Japan and Australia. An efficient field force of medical representatives promotes a wide range of innovative pharmaceuticals, both proprietary and under licence, from a number of therapeutic areas, including a specialised business dedicated to rare diseases. Recordati is a partner of choice for new product licences for its territories. Recordati is committed to the research and development of new specialties with a focus on treatments for rare diseases. Consolidated revenue for 2020 was € 1,448.9 million, operating income was € 469.0 million and net income was €355.0 million.

Further information:

Recordati website: [www.recordati.it](http://www.recordati.it)

### Investor Relations

Federica De Medici  
(39) 02 48787146  
email: [investorelations@recordati.it](mailto:investorelations@recordati.it)

### Investor Relations

Lucia Abbatantuoni  
(39) 02 48787213  
email: [investorelations@recordati.it](mailto:investorelations@recordati.it)

### Press Office

Brunswick - Barbara Scalchi / Andrea Mormandi  
(39) 02 9288 6200  
email: [recordati@brunswickgroup.com](mailto:recordati@brunswickgroup.com)

*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 Recordati group's activities, and therefore, as such, it is not intended as medical scientific indications or recommendations, nor as advertising.*