

**RECORDATI: PRELIMINARY 2019 RESULTS CONFIRM CONTINUED GROWTH OF SALES AND PROFITS. SALES +9.6%. EBITDA +9.0%.**

- Consolidated revenues € 1,481.8 million, +9.6%.
- EBITDA <sup>(1)</sup> € 544.0 million, +9,0%.
- Operating income € 465.3 million, +5.2%.
- Net income € 368.8 million, +18.1%, includes an extraordinary tax benefit of € 27.0 million from the so-called “patent box” agreed with the Italian tax authorities in December 2019. Excluding this benefit net income would have been € 341.9 million, +9.4%.
- Net financial position <sup>(2)</sup>: net debt of € 902.7 million.
- Acquisition of global rights to Signifor®, Signifor® LAR (pasireotide) and Isturisa® (osilodrostat) from Novartis completed on 23 October 2019. Isturisa® approved in EU in January 2020 for Cushing’s syndrome.
- Objectives for 2020 target further growth of revenues and EBITDA<sup>(1)</sup> in line with the three year business plan.

Milan, 14 February 2020 – The Board of Directors of Recordati S.p.A. examined the preliminary consolidated results for 2019 and 2020 objectives. The company’s definite consolidated annual financial reports will be submitted to the Board for approval on 18 March 2020.

**Financial highlights**

- **Consolidated revenues** in 2019 are € 1,481.8 million, up by 9.6% compared to the preceding year. International sales grow by 10.7%.
- **EBITDA** <sup>(1)</sup>, at 36.7% of sales, is € 544.0 million, an increase of 9.0% over 2018.
- **Operating income**, at 31.4% of sales, is € 465.3 million, an increase of 5.2% over the preceding year.
- **Net income**, at 24.9% of sales, is € 368.9 million, a significant increase of 18.1% over 2018, due to operating income growth and to the tax benefit from the so-called “patent box” agreed with the Italian tax authorities in December 2019. The total benefit amounts to € 35.3 million of which € 27 million from previous years and € 8.3 million related to 2019. Excluding benefit related to prior years net income would have been € 341.9 million, up 9.4% and 23.1% of sales.
- **Net financial position** <sup>(2)</sup> at 31 December 2019 records a net debt of € 902.7 million compared to net debt of € 588.4 million at 31 December 2018 reflecting dividends distributed for an amount of € 190.9 million and payments for an important acquisition, milestones and licenses for a total of € 425 million.

<sup>(1)</sup> Net income before net interest, provision for taxes, depreciation, amortization and write down of both property, plant and equipment and intangible assets.

<sup>(2)</sup> Cash and short-term financial investments less bank overdrafts and medium/long-term loans which include the measurement at fair value of hedging derivatives.

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## Management Comments

“During the year just ended significant results were obtained and important transactions concluded for the growth and the reinforcement of our group” declared Andrea Recordati, Chief Executive Officer. “Thanks to the quality of our product portfolio we grow in all the main geographic areas both with our Specialty and Primary Care business as well as with our business dedicated to rare diseases. To further reinforce the Group, the most significant transaction is the agreement with Novartis for the acquisition of worldwide rights to Signifor® and Signifor® LAR® for the treatment of Cushing’s disease and acromegaly. The agreement, which was completed in October, also covers the acquisition of worldwide rights to Isturisa® (osilodrostat), an investigational innovative drug for the treatment of endogenous Cushing’s syndrome, approved by the European Commission in January 2020 and filed in the USA. These important additions to our product portfolio of treatments for severe rare diseases represent a fundamental step in the execution of our strategy to become a true global player in the treatment of rare diseases and to continue providing innovative therapeutic solutions for patients with rare serious conditions and unmet medical needs,” continued Andrea Recordati. “We are very pleased with the success and excellent results obtained in 2019. Going forward we will continue to develop the business, both organically as well as through a focused acquisition strategy, with the objective of strengthening our product portfolio and further reinforcing our pipeline, especially in the rare disease business segment. 2020 is going to be an important year of investment behind these new opportunities and of continued growth, in which we aim to achieve sales ranging from € 1,550 million to € 1,580 million, EBITDA of between € 580 and € 590 million, EBIT of between € 490 and € 500 million and net income of between € 360 and € 370 million.”

## Declaration by the Manager responsible for preparing the company’s financial reports

The manager responsible for preparing the company’s financial reports, Fritz Squindo, declares, pursuant to paragraph 2 of Article 154-*bis* of the Consolidated Law on Finance, that the accounting information contained in this press release corresponds to the document results, books and accounting records.

## Conference call

Recordati will be hosting a *conference call* **today 14 February** at 4:00 pm Italian time (3:00 pm London time, 10:00 am New York time). The dial-in numbers are:

Italy	+39 02 8058811, toll free 800 213 858
UK	+44 1 212818003, toll free 800 0156384
USA	+1 718 7058794, toll free 855 2656959
France	+33 170918703
Germany	+49 69 255114451

Callers are invited to dial-in 10 minutes before conference time. If conference operator assistance is required during the connection, please digit \* followed by 0 or call +39 02 8061371. A recording of the conference call will be placed on the website [www.recordati.com](http://www.recordati.com).



# RECORDATI

A set of slides which will be referred to during the call will be available on our website [www.recordati.com](http://www.recordati.com) under Investors/Company Presentations.

**Recordati**, established in 1926, is an international pharmaceutical group, listed on the Italian Stock Exchange (Reuters RECI.MI, Bloomberg REC IM, ISIN IT 0003828271), with a total staff of more than 4,100, dedicated to the research, development, manufacturing and marketing of pharmaceuticals. Headquartered in Milan, Italy, Recordati has operations throughout the whole of Europe, including Russia, Turkey, North Africa, the United States of America, 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 license, in a number of therapeutic areas including a specialized business dedicated to treatments for rare diseases. Recordati is a partner of choice for new product licenses for its territories. Recordati is committed to the research and development of new specialties with a focus on treatments for rare diseases. Consolidated revenue for 2018 was € 1,352.2 million, operating income was € 442.2 million and net income was € 312.4 million.

For further information:

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

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*Statements contained in this release, other than historical facts, are "forward-looking statements" (as such term is defined in the Private Securities Litigation Reform Act of 1995). These statements are based on currently available information, on current best estimates, and on assumptions believed to be reasonable. This information, these estimates and assumptions may prove to be incomplete or erroneous, and involve numerous risks and uncertainties, beyond the Company's control. Hence, actual results may differ materially from those expressed or implied by such forward-looking statements. All mentions and descriptions of Recordati products are intended solely as information on the general nature of the company's activities and are not intended to indicate the advisability of administering any product in any particular instance.*