

**RECORDATI ANNOUNCES GROWTH IN THE FIRST QUARTER 2019. NEW THREE YEAR BUSINESS PLAN APPROVED.**

- Consolidated revenues € 383.0 million, +4.5%.
- EBITDA <sup>(1)</sup> € 143.9 million, +7.1%
- Operating income € 126.0 million, +4.5%.
- Net income € 92.1 million, +6.4%.
- Net financial position <sup>(2)</sup>: net debt of € 555.7 million.
- Shareholders' equity € 1,067.3 million.
- Exclusive license for the commercialization of Juxtapid® in Japan.
- Business plan for the three-year period 2019-2021 approved.

Milan, 8 May 2019 – The Board of Directors of Recordati S.p.A. approved the Group's consolidated results for the first quarter of 2019 prepared in accordance with International Accounting Standards and International Financial Reporting Standards (IAS/IFRS) and in particular as per IAS 34 requirements for interim reporting. The financial statements at 31 March 2019 will be available today at the company's offices and on the company's website [www.recordati.com](http://www.recordati.com) and can also be viewed on the authorized storage system 1Info ([www.1Info.it](http://www.1Info.it)).

**Financial highlights**

- **Consolidated revenues** in the first quarter of 2019 are € 383.0 million, up by 4.5% compared to the same period of the preceding year. International sales grow by 4.6%.
- **EBITDA** <sup>(1)</sup>, at 37.6% of sales, is € 143.9 million, an increase of 7.1% over the first quarter of 2018.
- **Operating income**, at 32.9% of sales, is € 126.0 million, an increase of 4.5% over the same period of the preceding year.
- **Net income**, at 24.1% of sales, is € 92.1 million, an increase of 6.4% over the first quarter of 2018.
- **Net financial position** <sup>(2)</sup> at 31 March 2019 records a net debt of € 555.7 million compared to net debt of € 588.4 million at 31 December 2018. **Shareholders' equity** is € 1,067.3 million.

<sup>(1)</sup> Operating income before depreciation, amortization and write down of both tangible 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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## **Business plan for the three-year period 2019-2021**

The Board of Directors of Recordati S.p.A. also approved the business plan for the three-year period 2019-2021. The financial expectations for the plan period are the following:

For 2019, as already announced on 21 December 2018, our targets are to achieve sales ranging from € 1,430 million to € 1,450 million, an EBITDA of between € 520 and € 530 million, EBIT of between € 460 and € 470 million and net income of between € 330 and € 335 million.

For 2021, including the contribution of further acquisitions which may be completed within the period under analysis, we expect to achieve sales of around € 1,700 million, EBITDA of around € 650 million, operating income of around € 560 million and net income of around € 400 million.

As already announced on 15 April 2019, Recordati will present the results of the first quarter 2019 and the business plan for the three-year period 2019-2021, approved by the Board of Directors, at the London Stock Exchange tomorrow 9 May at 10:30 (GMT). The full presentation will be available on the company's website [www.recordati.it](http://www.recordati.it).

## **Management comments**

"The financial results obtained in the first quarter of the year confirm the continued growth of the Group", declared Andrea Recordati, CEO. "Furthermore, in February we signed a license agreement with Aegerion Pharmaceuticals Inc. for the exclusive rights to commercialize Juxtapid<sup>®</sup>, currently approved for the treatment of homozygous familial hypercholesterolemia (HoFH), in Japan. The agreement includes a right of first negotiation for product commercialization in Japan of any potential new indications that may be developed by Aegerion. The addition of Juxtapid<sup>®</sup> to our portfolio of rare disease products in Japan is very important for the development of our recently established subsidiary in this country, given its potential for significant growth," continued Andrea Recordati. "Finally, the Board of Directors examined and approved the three-year business plan which confirms the Group's commitment to continue to follow the successful growth strategy implemented in recent years. Alongside the growth and development of our current business we intend to pursue an intense but disciplined and focused M&A activity with the objective of accelerating the Group's growth and adding sustainable value for shareholders. Over the plan period we expect a revenue average growth rate of 7.9%, an average growth rate of 9.2% for EBITDA, 8.2% for operating income and 8.6% for net income."

*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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*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.*

**RECORDATI GROUP**

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

<b>INCOME STATEMENT</b>	First quarter 2019	First quarter 2018	Change %
REVENUE	382,990	366,500	4.5
Cost of sales	(116,466)	(109,288)	6.6
GROSS PROFIT	266,524	257,212	3.6
Selling expenses	(94,563)	(91,687)	3.1
Research and development expenses	(29,152)	(27,664)	5.4
General & administrative expenses	(17,254)	(16,372)	5.4
Other income (expenses), net	455	(958)	n.s.
OPERATING INCOME	126,010	120,531	4.5
Financial income (expenses), net	(3,991)	(4,856)	(17.8)
PRE-TAX INCOME	122,019	115,675	5.5
Provision for income taxes	(29,907)	(29,083)	2.8
NET INCOME	92,112	86,592	6.4
Attributable to:			
Equity holders of the parent	92,100	86,580	6.4
Non-controlling interests	12	12	0.0

<b>EARNINGS PER SHARE</b>	First quarter 2019	First quarter 2018	Change %
Basic	€ 0.451	€ 0.417	8.2
Diluted	€ 0.440	€ 0.414	6.3

Earnings per share (EPS) are based on average shares outstanding during each year, 204,019,974 in 2019 and 207,417,146 in 2018, net of average treasury stock which amounted to 5,105,182 shares in 2019 and to 1,708,010 shares in 2018.

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

<b>COMPOSITION OF REVENUE</b>	First quarter 2019	First quarter 2018	Change %
Total revenue	382,990	366,500	4.5
Italy	82,223	78,926	4.2
International	300,767	287,574	4.6

**RECORDATI GROUP**

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<b>ASSETS</b>	31.03.2019	31.12.2018
Property, plant and equipment	125,946	103,582
Intangible assets	688,866	672,462
Goodwill	579,241	579,557
Equity investments	21,491	20,773
Non-current receivables	5,991	5,860

Deferred tax assets	79,404	81,267
<b>TOTAL NON-CURRENT ASSETS</b>	<b>1,500,939</b>	<b>1,463,501</b>
Inventories	202,987	206,084
Trade receivables	286,743	245,742
Other receivables	29,141	38,462
Other current assets	9,394	5,193
Fair value of hedging derivatives (cash flow hedge)	7,965	6,414
Short-term financial investments, cash and cash equivalents	184,677	198,036
<b>TOTAL CURRENT ASSETS</b>	<b>720,907</b>	<b>699,931</b>
<b>TOTAL ASSETS</b>	<b>2,221,846</b>	<b>2,163,432</b>
<b>EQUITY AND LIABILITIES</b>	<b>31.03.2019</b>	<b>31.12.2018</b>
Share capital	26,141	26,141
Capital in excess of par value	83,719	83,719
Treasury stock	(134,151)	(145,608)
Hedging reserve	(8,749)	(8,399)
Translation reserve	(149,322)	(154,146)
Other reserves	45,006	43,081
Retained earnings	1,204,126	897,990
Net income for the period	92,100	312,376
Interim dividend	(91,761)	(91,761)
<b>GROUP SHAREHOLDERS' EQUITY</b>	<b>1,067,109</b>	<b>963,393</b>
Minority interest	205	193
<b>SHAREHOLDERS' EQUITY</b>	<b>1,067,314</b>	<b>963,586</b>
Loans due after one year	646,679	640,647
Employees' termination pay	19,433	19,547
Deferred tax liabilities	45,800	45,653
Other non-current liabilities	3,257	3,257
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>715,169</b>	<b>709,104</b>
Trade payables	139,234	165,020
Other payables	88,355	85,534
Tax liabilities	61,815	42,149
Other current liabilities	17,995	19,359
Provisions	20,949	21,446
Fair value of hedging derivatives (cash flow hedge)	9,336	9,746
Loans due within one year	77,902	130,583
Bank overdrafts	23,777	16,905
<b>TOTAL CURRENT LIABILITIES</b>	<b>439,363</b>	<b>490,742</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>2,221,846</b>	<b>2,163,432</b>

## **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 documental results, books and accounting records.