Intermonte

Milan, 13 November 2025

Italian Equity Research – 3Q25 Results

RECORDATI

OUTPERFORM

Sector: Healthcare

Price: Eu53.45 - **Target: Eu73.00**

Laying the Groundwork in 2026 for Further Isturisa® Upside

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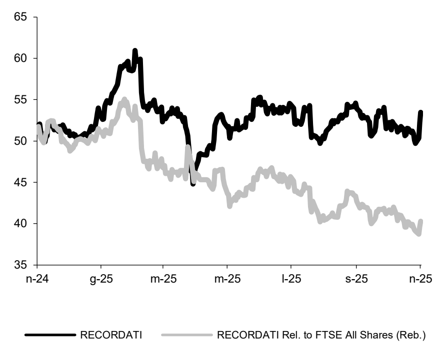
Stock Rating			
Rating:			Unchanged
Target Price (Eu):			from 68.00 to 73.00
	2025E	**2026E**	**2027E**
Chg in Adj EPS	-0.2%	-6.6%	0.7%

Next Events: FY25 Prelim. Results out Feb'2026

RECORDATI - 12M Performance



Stock Data			
Reuters code:			RECI.MI
Bloomberg code:			REC IM
Performance	**1M**	**3M**	**12M**
Absolute	3.8%	6.4%	4.7%
Relative	-2.3%	-0.2%	-28.0%
12M (H/L)			60.95/44.78
3M Average Volume (th):			239.37

Shareholder Data	
No. of Ord shares (mn):	209
Total no. of shares (mn):	205
Mkt Cap Ord (Eu mn):	11,178
Total Mkt Cap (Eu mn):	11,178
Mkt Float - Ord (Eu mn):	5,944
Mkt Float (in %):	53.2%
Main Shareholder:	
Rossini SARL	46.8%

Balance Sheet Data	
Book Value (Eu mn):	1,944
BVPS (Eu):	9.30
P/BV:	5.7
Net Financial Position (Eu mn):	-1,959
Enterprise Value (Eu mn):	13,137

Along with solid 9M results, management sounded very upbeat about the Isturisa® opportunity, doubling its long-term upside potential. A more detailed FY26 outlook is expected with FY25 results early next year. Management clarified that the "high double-digit growth" for the Rare Diseases business should be interpreted as "high-teens," and that their sales contribution "approaching 50%" should not be read as reaching 50% already in 2026 (but rather closer to 45% in our view), on the way to a medium-term target. These clarifications imply less FY26 revenue upside than initially perceived, while Isturisa®-related investments are expected to burden 2026 margins, already at the lower end of the €40–50mn p.a. run-rate range. In a nutshell, 2026 will be a transition and investment year, while the confirmation of 2027 targets reinforce our positive view, with Isturisa® investments likely to be offset by stronger revenues ahead.

- **9M25 results.** Results beat expectations across all main metrics, with 9M turnover growth at 12.2% YoY (+8.1% organic at CER, -2pp ForEx effect) driven by strong momentum in both Specialty&Primary Care (S&PC +5.2% organic at CER, +2.5% excl. Türkiye) and Rare Diseases (RRD +14.2% organic at CER). Adj. EBITDA of €743.9mn (+11.8% YoY, 38.0% margin) reflected strong operating leverage and continued investments to support Isturisa® label expansion in the US and the Enjaymo® launch.
- **FY25 guidance confirmed at lower end of range (as expected)** despite a challenging macro environment (ForEx effect c.-3%, expected to continue in 2026). Interim DPS €0.63 (our previous estimate €0.62), to be paid on 26 November.
- **New FY26 divisional outlook:** RRD up high double-digit CER and to reach almost 50% of turnover, offsetting weaker growth in S&PC (low single-digit CER, return to mid-single-digit from FY27). Margin to reflect additional US Isturisa® investments and ForEx.
- **FY27 guidance confirmed:** consensus and our estimates in line with the lower end**.**
- **Isturisa®: peak sales target doubled to >€1.2bn** (from €550–650mn), with investments ramping up to €40–50mn p.a. to capture the broader "non-overt" Cushing's syndrome population (within current label), assuming ~35% US patient share.
- **Change in estimates.** For FY26, our revenue estimates are broadly unchanged, but with a weaker S&PC / stronger RRD mix, and lower margins to 35.9% (-2pp) due to ~€40mn higher Isturisa® investments and ~€20mn ForEx headwinds. In FY27, ~€50mn investments should be fully offset by stronger Isturisa® sales, implying a ~7% EPS cut in 2026 and a slight increase in 2027.
- **OUTPERFORM confirmed; new TP €73 (from €68),** mainly reflecting upgraded Isturisa® peak sales and a lower WACC (reduced risk-free rate). The Isturisa® success story—with peak sales raised for the fourth time since acquisition—shows Recordati's ability to drive profitable organic growth through a focused portfolio, disciplined M&A, and targeted business development. Supported by a resilient S&PC base, a high-growth Rare Diseases franchise, and robust financials (15–20% avg. ROIC, sector-leading margins, limited LOE risk), Recordati remains well positioned for sustained long-term value creation.

Key Figures & Ratios	2023A	2024A	2025E	2026E	2027E
Sales (Eu mn)	2,082	2,342	2,644	2,845	3,107
EBITDA Adj (Eu mn)	770	866	991	1,016	1,181
Net Profit Adj (Eu mn)	525	569	643	660	783
EPS New Adj (Eu)	2.509	2.720	3.076	3.157	3.745
EPS Old Adj (Eu)	2.509	2.720	3.081	3.380	3.717
DPS (Eu)	1.200	1.270	1.318	1.585	1.960
EV/EBITDA Adj	13.8	14.7	13.3	12.7	10.7
EV/EBIT Adj	16.9	18.6	16.7	15.8	13.0
P/E Adj	21.3	19.6	17.4	16.9	14.3
Div. Yield	2.2%	2.4%	2.5%	3.0%	3.7%
Net Debt/EBITDA Adj	2.1	2.5	2.0	1.6	1.2

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The main methods used to evaluate financial instruments and set a target price for 12 months after the investment recommendation are as follows:

- Discounted cash flow (**DCF**) model or similar methods such as a dividend discount model (**DDM**)
- Comparison with market peers, using the most appropriate methods for the individual company analysed: among the main ratios used for industrial sectors are price/ earnings (P/E), EV/EBITDA, EV/EBIT, price /sales
- Return on capital and multiples of adjusted net book value are the main methods used for banking sector stocks, while for insurance sector stocks return on allocated capital and multiples on net book value and embedded portfolio value are used
- For the utilities sector comparisons are made between expected returns and the return on the regulatory asset base (RAB)

Some of the parameters used in evaluations, such as the risk-free rate and risk premium, are the same for all companies covered, and are updated to reflect market conditions. Currently a risk-free rate of 4.0% and a risk premium between 5.5% - 6.0% are being used.

Frequency of research: quarterly.

Reports on all companies listed on the FTSEMIB40 Index, most of those on the MIDEX Index and the main small caps (regular coverage) are published at least once per quarter to comment on results and important newsflow.

A draft copy of each report may be sent to the subject company for its information (without target price and/or recommendations), but unless expressly stated in the text of the report, no changes are made before it is published.

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BUY: stock expected to outperform the market by over 25% over a 12 month period;

OUTPERFORM: stock expected to outperform the market by between 10% and 25% over a 12 month period;

NEUTRAL: stock performance expected at between +10% and - 10% compared to the market over a 12 month period;

UNDERPERFORM: stock expected to underperform the market by between -10% and -25% over a 12 month period;

SELL: stock expected to underperform the market by over 25% over a 12 month period.

Prices: The prices reported in the research refer to the price at the close of the previous day of trading

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As at 13 November 2025 Intermonte's Research Department covered 131 companies. Intermonte's distribution of stock ratings is as follows:

BUY:	32.06%
OUTPERFORM:	38.17%
NEUTRAL:	29.01%
UNDERPERFORM:	00.76%
SELL:	00.00%

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BUY:	50.65%
OUTPERFORM:	29.87%
NEUTRAL:	18.18%
UNDERPERFORM:	01.30%
SELL:	00.00%

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