

RECORDATI

Sector: Consumers

OUTPERFORM

Price: Eu46.00 - Target: Eu71.00

FY25 to Land at Lower End of Targets, FY26 Focus on Isturisa

Giorgio Tavolini +39-02-77115.279

giorgio.tavolini@intermonte.it

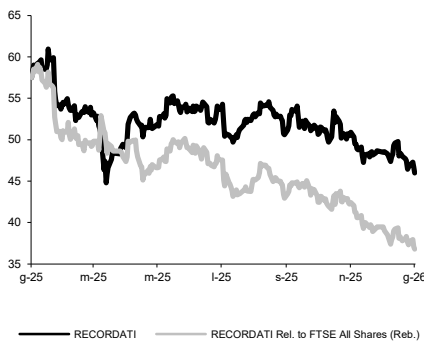
Stock Rating

Rating:	Unchanged		
Target Price (Eu):	from 73.00 to 71.00		
	2025E	2026E	2027E
Chg in Adj EPS	-0.5%	-0.9%	-0.8%

Next Event

FY25 Results Out 17 Feb (call 18 Feb, 2pm CET)

RECORDATI - 12M Performance



Stock Data

Reuters code:	RECI.MI		
Bloomberg code:	REC IM		
Performance	1M	3M	12M
Absolute	-5.5%	-9.2%	-20.0%
Relative	-6.9%	-14.0%	-45.0%
12M (H/L)	60.95/44.78		
3M Average Volume (th):	298.70		

Shareholder Data

No. of Ord shares (mn):	209
Total no. of shares (mn):	204
Mkt Cap Ord (Eu mn):	9,620
Total Mkt Cap (Eu mn):	9,620
Mkt Float - Ord (Eu mn):	5,116
Mkt Float (in %):	53.2%
Main Shareholder:	
Rossini SARL	46.8%

Balance Sheet Data

Book Value (Eu mn):	2,163
BVPS (Eu):	10.34
P/BV:	4.4
Net Financial Position (Eu mn):	-1,674
Enterprise Value (Eu mn):	11,293

Recordati will release preliminary FY25 results on 17th February, followed by a conference call on 18th February. On that occasion, management is expected to provide more granular 2026 guidance, including numerical ranges. Indications from the pre-close call are consistent with the guidance given in November, while consensus is now also factoring in ForEx impacts on FY26 (c.3pp from USD and Turkish lira), implying a potential ~1% downward revision in EPS.

■ **4Q/FY25 preview:** We expect FY25 results to come in at the lower end of guidance, with revenues of €2,624mn (range €2,600–2,670mn), adj. EBITDA of €981mn (range €970–1,000mn) and adj. net profit of €640mn (range €640–670mn), implying a 37.5% margin and net debt of ~€1.95bn (2.0x leverage). In 4Q, revenues are seen up 10.9% (3Q: +13.4%), with c.10% organic growth (3Q: +9.1%, 9M: +8.1%), offset by ForEx headwinds (-6pp in 4Q, -3pp in FY) and supported by scope effects (+6.8pp, including Vazkepa and Enjaymo®). We assume mid-single-digit CER growth in S&PC (weaker cough & cold, especially in Russia) and mid-teens CER growth in Rare Diseases, driven by Endo (Isturisa®) and Oncology (Qarziba®, Sylvant®, Enjaymo®). We are factoring in €2mn of one-off costs from the closure of the Chinese branch following Isturisa®'s exclusion from the national reimbursement list.

■ **FY26 outlook.** We assume €2.82bn of sales, €1.0bn in adj. EBITDA (35.7% margin) and net profit of €654mn. Isturisa® investments (€40–50mn p.a.) and FY26 ForEx headwinds (c.3pp on sales, c.2pp on EBITDA) may put margins under pressure. Management sees high-teens growth in Rare Diseases and low single-digit growth in S&PC. Inventory trends at Italian wholesalers should return to normal by YE26. In Turkey, a +17% price hike has been approved from early 2026 (no increases in 2025), with further increases possible, helping mitigate the depreciation of the Turkish lira.

■ **Competitive risk to Isturisa® looks overstated.** Key competitors Korlym® (Corcept Therapeutics) and Recorlev® (Xeris Biopharma) target defined non-overt Cushing's subpopulations, leaving a broader addressable market for Isturisa, while Corcept's pipeline expansion is constrained by an FDA CRL on relacorilant, requiring additional efficacy data and delaying broader competitive risk. Moreover, a competitor's entry could structurally increase disease awareness and accelerate market development, potentially reducing the need for incremental promotional investments. Recordati confirms planned investments of €40–50mn in Isturisa® for FY26. At a recent conference, management highlighted strong Isturisa® onboarding, with the treated patient base exceeding 1,400 by YE25 (c.2x YoY).

■ **Change in estimates.** Minor tweaks to our estimates, with FY25–28 EPS cut by 1%.

■ **OUTPERFORM confirmed; new TP €71 (from €73).** The Isturisa® success story, with peak sales recently upgraded for the fourth time since acquisition, show 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 placed to deliver sustained long-term value creation.

Key Figures & Ratios	2024A	2025E	2026E	2027E	2028E
Sales (Eu mn)	2,342	2,624	2,818	3,079	3,340
EBITDA Adj (Eu mn)	866	981	1,006	1,170	1,272
Net Profit Adj (Eu mn)	569	640	654	777	861
EPS New Adj (Eu)	2.720	3.061	3.130	3.713	4.118
EPS Old Adj (Eu)	2.720	3.076	3.157	3.745	4.155
DPS (Eu)	1.270	1.308	1.567	2.020	2.279
EV/EBITDA Adj	14.7	13.2	11.2	9.5	8.5
EV/EBIT Adj	18.6	16.6	14.1	11.5	10.3
P/E Adj	16.9	15.0	14.7	12.4	11.2
Div. Yield	2.8%	2.8%	3.4%	4.4%	5.0%
Net Debt/EBITDA Adj	2.5	2.0	1.7	1.2	1.0

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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 FTSEIMIB40 Index, most of those on the MIBEX 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 29 January 2026 Intermonte's Research Department covered 133 companies. Intermonte's distribution of stock ratings is as follows:

BUY:	32.33%
OUTPERFORM:	39.10%
NEUTRAL:	27.82%
UNDERPERFORM:	00.75%
SELL:	00.00%

The distribution of stock ratings for companies which have received corporate finance services from Intermonte in the last 12 months (74 in total) is as follows:

BUY:	52.70%
OUTPERFORM:	31.08%
NEUTRAL:	14.87%
UNDERPERFORM:	01.35%
SELL:	00.00%

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