

Bergamo, June 2023

RadiciGroup closes 2022 with positive results. The year 2023 begins amid a complex geopolitical and economic scenario.

Despite the challenges, the investment strategy remains unchanged with a budget of 70 million for 2023.

Improving the competitiveness of the Group and investing in human capital continue to be top priorities.

2022 HIGHLIGHTS

- › **Consolidated sales:** EUR 1,543 million
- › **EBITDA:** EUR 157 million
- › **Net income:** EUR 80 million
- › **Investments:** EUR 84 million for technology upgrades, new production lines and sustainability
- › **Positive results** in spite of energy and raw-material costs, shrinking markets, and US and Chinese competition.
- › **Internationalisation and diversification** of the Group offset the impasse in the European chemical and textile industries.
- › **Circular Economy, Innovation and Human Capital** at the heart of RadiciGroup's strategy.

With **total sales of EUR 1,543 million**, generated by over **30 production and sales units** in **Europe, Asia, and America**, Radici Group closed its 2022 financial year with slight growth over 2021. **EBITDA reached EUR 157 million in 2022**, and **net income for the year was EUR 80 million**.

"We are moderately pleased with the 2022 figures," Angelo Radici, president of RadiciGroup, commented. "Despite an unpredictable and challenging year, we were able to achieve positive results. Although the rise in energy costs began to be felt in January, we managed to maintain our position in the first three months of the year due to a significant increase in demand. From the second quarter onwards, the European market experienced a significant slowdown due to the outbreak of war in Ukraine, which exacerbated the already soaring costs of energy and raw materials. The situation was completely out of hand and made worse by the fact that some raw materials were not available. This created significant challenges for us, especially in the chemical sector. We even had to stop operations at our Novara plant in the latter part of the year. Products similar to ours in the nylon supply chain from China and the US were being sold at a price lower than our variable cost."

The president continues: *“At Group level, our internationalisation strategy helped us mitigate geopolitical risks in various countries. As a result, we were able to offset the challenges in the European chemicals and textile markets by leveraging our global presence in High Performance Polymers, where our numbers have held strong. As we began 2023, we regained our footing. However, the global economic and industrial scenario for the rest of the year remains highly uncertain, and forecasts are notably cautious.”*

Even in these difficult times, the Group has continued to invest. In 2022, the **High Performance Polymers Business Area** completed the acquisition in **India** of the engineering plastics branch of Ester Industries Ltd, a listed company. Additionally, it began installing two new production lines in **Mexico** and **Brazil**, and confirmed plans to install a new extrusion line at the Villa d’Ogna production site in the province of **Bergamo**. These choices align with the Group’s goal of enhancing its worldwide presence and boosting competitiveness in high-potential growth markets. In a year where energy and raw material costs were certainly problematic, operating in **geographically diverse markets and with varied applications** proved to be an important tool in addressing the challenges. In this vein, a new production site spanning over 36,000 square metres has recently been inaugurated in **China**. The move is aimed at doubling the **production capacity** in line with the market’s growth expectations.

“The new industrial area in China was constructed with the utmost respect for sustainability standards, achieving LEED Gold certified status,” notes **Maurizio Radici, vice-president of RadiciGroup**. *Reducing our environmental impact and improving the various ESG aspects is at the heart of everything we do. Another example of this is the investment in industrial sites within the Specialty Chemicals sector to reduce CO2 emissions. This has generated a 70% overall reduction in emissions at Group level in the past 10 years. Our investment policy remains unchanged despite the concerns and high levels of caution surrounding the 2023 landscape. Having allocated EUR 84 million for 2022, we have now approved a budget of EUR 70 million for the current year. This budget will be divided among the various business areas of the Group to improve production facilities, to purchase more flexible machinery that – specifically in the textile sector – will enable the production of special yarns, and to drive process innovation by adopting new systems aimed at improving efficiency in all company functions.”*

Extending the time horizon to **2018-2022**, the Group has invested **over EUR 277 million** to enhance the competitiveness of its companies, implement Best Available Techniques, improve energy efficiency, reduce emissions, and conduct research and development activities aimed at introducing sustainable processes and solutions. These efforts include the research and development activities of Radici InNova, which are heavily focused on the circular economy.

*“We have always stood out for our diligent financial management,” adds **Alessandro Manzoni, CFO of RadiciGroup**. “Thanks to this approach, we have been able to maintain a healthy net financial position in recent years. Even with significant investments made during the year and notable increases in raw material and utility costs, this statement still holds true in 2022. Our financial position therefore remains robust, enabling us to manage and adapt to any global geopolitical or macroeconomic situations that may impact the markets we operate in.”*

RadiciGroup products are used in numerous application areas. First of all is the **automotive** market, which experienced a significant decline in registrations in 2022. However, the situation improved at the beginning of 2023, which could potentially lead to a recovery for the entire industry. Then there is **textiles/clothing** which, despite a brief period of reshoring during the pandemic, is now grappling with renewed competition from low-cost Asian producers. Finally, the RadiciGroup offers solutions for the **furniture, consumer goods, medical** and **industrial** sectors.

*“Against this background,” concludes president Angelo Radici, “it is essential to differentiate, improve the service, invest in greater flexibility, and focus on niche products. Furthermore, as Europe continues to issue strict standards on **Ecodesign, Circular Economy, and Sustainability**, it is clear that **innovation with new products that have a lower environmental impact** will be essential. This includes products made from **renewable raw materials or recycled materials**, which our Group has always invested in. Radipeople® – a line of ‘Made in Italy’ personal protective equipment that combines safety and sustainability – goes precisely in this vein: the garments for medical and industrial use are made with raw materials from renewable sources and can be fully recovered at the end of their life. To tackle all of these ambitious challenges, we need the right ‘team’ by our side. That is why **we are investing heavily in human capital** and giving special consideration to the recruitment and onboarding, training and **growth of young professionals**, with opportunities for international experience and time working abroad. We rely on highly motivated people to build our team and achieve important goals.”*

RADICIGROUP – With approximately 3,000 employees, sales of €1,543 billion in 2022, and a network of production units and sales offices spanning Europe, North and South America, and Asia, RadiciGroup today is a worldwide leader in the manufacture of a vast range of specialty chemicals, polyamides, high performance polymers, and advanced textile solutions, including nylon and polyester yarns, recycled yarn, bio yarns from renewable sources, nonwovens, and personal protection equipment for the healthcare and manufacturing sectors. Its products build on advanced chemical know-how and the vertical integration of the polyamide supply chain. They are developed for applications in a wide variety of industry sectors, including the Automotive, Electrical/Electronic, Consumer Goods, Apparel, Furnishings, Building, Home Appliances and Sports sectors. Underpinning the RadiciGroup’s strategy is an overriding commitment to innovation, quality, customer satisfaction, and social and environmental sustainability. With its macro business areas – Specialty Chemicals, High Performance Polymers and Advanced Textile Solutions – RadiciGroup is part of a broader industrial group encompassing textile machinery (ITEMA), energy (GEOGREEN) and the hotel business (SAN MARCO).
