

11 May 2022

RadiciGroup closes 2021 with positive results. Continued focus on sizeable investments in innovation and sustainability.

Underway in India, the acquisition of the Engineering Plastics business of Ester Industries Ltd. with the objective of keeping up the Group's global growth trend

With **total sales of EUR 1.508 million** generated by over **30 production and sales units** in **Europe, Asia and America**, RadiciGroup closed its **2021 financial year** with **positive results**, despite the difficulties due to the lingering effects of the pandemic and the steep increase in the cost of raw materials and energy, especially during the latter part of the year.

The Group – led by brothers **Angelo, Maurizio and Paolo Radici** – continued to pursue its strategy of focusing on the core businesses considered to be strategic and synergistic, such as nylon chemicals, engineering polymers and advanced textile solutions, while, at the same time, introducing new products, such as a line of personal protective equipment for medical and industrial use.

EBITDA reached EUR 268 million, and **net income** for the year was **EUR 150 million**.

"The figures recorded in 2021 were good, but certainly very difficult to replicate," Angelo Radici, president of RadiciGroup, commented. "The reason is that the increase in sales came about more as a result of the 'price increase' effect caused by a sharp jump in the cost of raw materials and energy. However, we demonstrated our great ability to react, seizing opportunities that we were able to realize fast and efficiently, with the help of our collaborators at all levels. The year 2022 started off with the entire industrial world facing great difficulties, created by the uncertainties related to the precarious international geopolitical situation. This new state of affairs prevents us from forecasting cost trends, energy and gas in particular, which, in a company like ours, affect both raw materials and processing costs. We entrepreneurs find ourselves dealing with a situation that makes medium- to long-term planning almost impossible. In this context, the second half of 2022 remains a matter of great concern, especially if the negative variables relating to the war – gas and energy costs – do not change. Nevertheless,

we can always count on our people, who, even in such adverse circumstances, have been working with great commitment, flexibility and a spirit of adaptation."

Despite this situation, RadiciGroup considers it essential to continue making investments.

*"In 2021, the Group invested EUR 53 million financed from cash flow," **Alessandro Manzoni, CFO of RadiciGroup**, emphasized. "There was no impact on net financial position, which registered an improvement over 2020, as did all our balance sheet ratios."*

Furthermore, in spite of the complexity of the period, **in 2022 the Group shareholders have kept on with their significant investment plan** aimed at strengthening RadiciGroup's presence in global markets and improving its competitiveness.

Indeed, the Group has moved forward, according to plan, with the **acquisition of the Engineering Plastics business of Ester Industries Ltd.**, an India-based company engaged for decades in the production of engineering polymers and listed on the Bombay Stock Exchange. RadiciGroup's **EUR 35 million investment** in this transaction furthers the internationalization strategy of its High Performance Polymers business area.

*"In the Indian market, a strong presence is required to react to growth opportunities in sectors with short and responsive production chains," **Maurizio Radici, vice president and COO of RadiciGroup**, said. "From the start, the strategy of our High Performance Polymers business area has been based on working locally in the closest proximity to customers, in order to offer not only products but also prompt and efficient service near to their industrial sites. Presently, the compounding business accounts for one-third of the Group's total sales; it has helped make the Radici name recognized worldwide".*

In exchange for this significant industrial investment, **Ester Industries Ltd. will transfer its main assets**, among which: the newly built industrial area in the city of Halol (Gujarat) in Northwest India, compound lines, R&D laboratories, customer/supplier contracts and its leading brand ESTOPLAST, which includes different types of compounds used primarily in the electrical and electronics market.

*"This transaction allows RadiciGroup to further strengthen its presence in the Indian market," **Luigi Gerolla, CEO of RadiciGroup High Performance Polymers**, pointed out. "Having its own production plant in India, the Group will be able to build on its well-established commercial presence in the country. This site, together with the one under construction in China, is an additional building block to enlarge the Group's footprint on the Asian continent and realize its growth potential; it also furthers the Group's internationalization strategy."*

RadiciGroup - through its **High Performance Polymers** business area – has been in India since 2006 with its sales company **Radici Plastics India Pvt. Ltd**, which has rewarded the Group with sustained growth over the years. As a result of this acquisition, the Group aims to achieve total annual sales in the Indian market of more than EUR 50 million, along with new development and growth opportunities for the entire High Performance Polymers business area.

RADICIGROUP – With approximately 3,000 employees, sales revenue of EUR 1,508 million in 2021 and a network of production and sales sites located throughout Europe, North America, South America and Asia, RadiciGroup is one of the world's leading producers of a wide range of chemical intermediates, polyamide polymers, high performance engineering polymers and advanced textile solutions, including nylon yarn, polyester yarn, yarn made from recovered and bio-source materials, nonwovens and personal protective equipment for the healthcare and industrial fields. These products are the result of the Group's outstanding chemical expertise and vertically integrated polyamide production chain and have been developed for use in a variety of industrial sectors, such as: automotive – electrical and electronics – consumer goods – apparel – furnishings – construction – household appliances – sports. The basis of the Group's strategy is a strong focus on innovation, quality, customer satisfaction and social and environmental sustainability. With its business areas – Specialty Chemicals, High Performance Polymers and Advanced Textile Solutions –, RadiciGroup is part of a larger industrial group that also includes textile machinery (ITEMA), energy (GEOGREEN) and hotel (SAN MARCO) businesses

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