

PHARMANUTRA

Sector: Pharmaceutical

Let Food (Supplements) Be Thy Medicine

We initiate coverage on Pharmanutra with a BUY rating and a Target Price of EUR21.50 per share, providing 25% upside to the current share price. The Group is an undisputed leader in iron food supplements market (Sideral® has gained a 50% market share in Italy), and a credible challenger in the topical anti-inflammatory market (Cetilar® is quickly gaining market share). Thanks to an Intellectual Property (IP) production and management strategy incomparable within the dietary supplements and medical devices industry, Pharmanutra has created long-lasting competitive advantages and high barriers to protect its assets. The Group owns 8 proprietary raw materials, 7 patents based on pure technological innovation, 25 registered brands, and has 79 completed clinical trials. We expect the impressive growth track record to continue in the medium term (we forecast a high-teens revenue and profit CAGR in 2017-20) driven by: the development of new formulations/applications for Sideral® and Cetilar® families of products, the launch of brand-new products (Sucrosomial magnesium®), and a wider penetration of foreign markets (the Group is constantly entering new regions).

- Newsflow.** 1H18 results showed revenues of Eu22.0mn, up 19.9% YoY. By channel, direct sales grew 14% thanks to (i) the launch of new products (e.g. Sideral H, UltraMag and Apportal) and (ii) to the expansion of the Sales Network. Indirect sales experienced a 44% growth, reaching 22.5% of total revenues in 1H18 (or ca. 60% of volumes). By product, Sideral® products (almost 80% of Group's turnover) recorded revenues of Eu17.1mn, up 25% YoY; sales of Cetilar® products came to Eu2.1mn, up 24% YoY. EBITDA stood at Eu5.5mn, up 20% YoY. The EBITDA margin was flat YoY and equal to 24.9% in 1H18. Net profit jumped 20.6% YoY to Eu3.6mn. After the payment of Eu3.2mn dividends, the net cash position went from Eu9.9mn at December 2017 to Eu9.0mn at June 2018. Sales continued to expand in 3Q18.
- Catalysts.** We expect Pharmanutra to benefit from several sustainable drivers of growth: the development of new formulations/applications for Sideral® and Cetilar® families of products, the launch of brand-new products (Sucrosomial magnesium®), the expansion of the Sales Network in Italy (targeting 200 units by January 2019 from current 180), aiming to consolidate its market positioning in Italy, to have a better coverage of the territory, and to better promote a range of products that is constantly growing, and a better penetration of foreign markets (with the aim to expand the product portfolio among existing partners, to open distribution to new markets, to create subsidiaries in selected countries). Finally, M&A may also become a catalyst: management is scouting the market for external growth opportunities to acquire patented product families through which enlarging the offering and/or to develop a direct distribution abroad acquiring an operating company and/or to enlarge the direct Sales Network in Italy, acquiring an operating company. We estimate the Group to have a potential firepower of Eu30-50mn.
- Estimates.** In FY18 we expect revenues to come around Eu46.0mn, up 21.5% YoY (with volumes exceeding 6mn units, and sales abroad accounting for 25% of total turnover). We expect EBITDA to reach Eu11.5mn; the EBITDA margin is seen stable at 25.0% due to higher costs for marketing and sales. Net profit is expected to reach Eu7.4mn, +22.9% YoY. The net cash position should be positive to the tune of Eu11.1mn at YE18. In FY17-20 we forecast a 16.4%/15.5%/15.4% CAGR for revenues, EBITDA and Net profit respectively. High operating margins, low maintenance CAPEX and limited working capital outflows lead to a solid cash flow generation and support an attractive dividend policy: we have assumed a constant 50% payout in the coming years.
- Recommendation and valuation.** We initiate coverage on Pharmanutra with a BUY rating and a Target Price of EUR21.50 per share, providing 25% upside to the current share price. Our valuation is the weighted average of a DCF (70%) and a multiples analysis (30%). At our target price the stock would be trading at 15.3x EV/EBITDA and 23.8x P/E on FY19 figures. The stock is trading at discount to its closest international peers.

BUY

New Coverage

TP 21.50

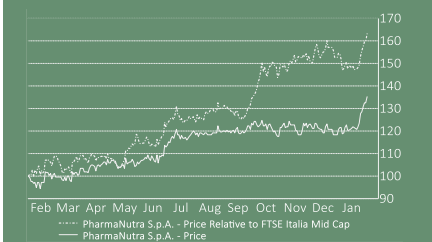
New Coverage

Target price upside: +25%

Change in EPS est.	FY18E	FY19E
	0.0%	0.0%

Ticker (BBG, Reut)	PHN IM	PHN MI
Share price Ord. (Eu)		17.3
N. of Ord. shares (mn)		9.7
Total N. of shares (mn)		9.7
Market cap (Eu mn)		167
Total Market Cap (EU mn)		167
Free Float Ord. (%)		29%
Free Float Ord. (Eu mn)		48
Daily AVG liquidity Ord. (Eu k)		59

	1M	3M	12M
Absolute Perf.	11.9%	9.0%	38.0%
Rel.to FTSEMidCap	4.9%	7.1%	55.0%
52 weeks range		12.1	16.9



	FY17A	FY18E	FY19E
Sales	38	46	52
EBITDA adj.	9.5	11.5	12.8
Net profit adj.	6.0	7.4	8.2
EPS adj.	0.623	0.766	0.852
DPS - Ord.	0.330	0.383	0.426
EV/EBITDA adj.	6.3x	13.5x	12.1x
P/E adj.	9.9x	21.0x	18.8x
Dividend yield	4.6%	2.2%	2.5%
FCF yield	6.9%	2.6%	2.8%
Net debt/(Net cash)	(9.9)	(11.1)	(12.1)
Net debt/EBITDA	nm	nm	nm

Analyst

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Key Data

P&L account (Eu mn)	FY16A	FY17A	FY18E	FY19E	FY20E
Sales	32.8	37.9	46.0	52.4	59.7
Gross margin	9.6	12.4	15.0	16.6	18.9
EBITDA reported	7.5	9.5	11.5	12.8	14.6
D&A	(0.9)	(0.5)	(0.5)	(0.6)	(1.0)
EBIT reported	6.6	8.9	10.9	12.1	13.6
Net financial charges	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)
Associates	0.0	0.0	0.0	0.0	0.0
Extraordinary items	(0.4)	(0.1)	0.0	0.0	0.0
Pre-tax profit	6.1	8.8	10.8	12.0	13.5
Taxes	(2.2)	(2.7)	(3.4)	(3.7)	(4.2)
Minorities	0.0	0.0	0.0	0.0	0.0
Discontinued activities	0.0	0.0	0.0	0.0	0.0
Net profit reported	3.9	6.0	7.4	8.2	9.3
EBITDA adjusted	7.5	9.5	11.5	12.8	14.6
EBIT adjusted	6.6	8.9	10.9	12.1	13.6
Net profit adjusted	3.9	6.0	7.4	8.2	9.3

Margins (%)	FY16A	FY17A	FY18E	FY19E	FY20E
Gross margin	29.3%	32.6%	32.6%	31.6%	31.6%
EBITDA margin (adj)	22.9%	25.1%	25.0%	24.5%	24.5%
EBIT margin (adj)	20.1%	23.6%	23.6%	23.0%	22.7%
Pre-tax margin	18.4%	23.2%	23.4%	22.9%	22.5%
Net profit margin (adj)	11.7%	15.9%	16.1%	15.7%	15.5%

Growth rates (%)	FY16A	FY17A	FY18E	FY19E	FY20E
Sales	25.3%	15.3%	21.5%	14.0%	14.0%
EBITDA	52.7%	26.2%	21.2%	11.5%	13.9%
EBITDA adjusted	52.7%	26.2%	21.2%	11.5%	13.9%
EBIT	46.3%	35.5%	21.8%	11.1%	12.2%
EBIT adjusted	46.3%	35.5%	21.8%	11.1%	12.2%
Pre-tax	46.3%	44.9%	22.9%	11.2%	12.3%
Net profit	49.7%	56.6%	22.9%	11.2%	12.3%
Net profit adjusted	49.7%	56.6%	22.9%	11.2%	12.3%

Per share data	FY16A	FY17A	FY18E	FY19E	FY20E
N. of shares AVG	9.681	9.681	9.681	9.681	9.681
N. of shares diluted AVG	9.681	9.681	9.681	9.681	9.681
EPS	0.398	0.623	0.766	0.852	0.956
EPS adjusted	0.398	0.623	0.766	0.852	0.956
DPS - Ord.	0.174	0.330	0.383	0.426	0.478
DPS - Sav.	0.000	0.000	0.000	0.000	0.000
BVPS	0.688	2.239	2.674	3.143	3.674

Enterprise value (Eu m)	FY16A	FY17A	FY18E	FY19E	FY20E
Share price Ord. (Eu)	10.0	10.0	17.3	17.3	17.3
Market cap	96.8	96.8	167.0	167.0	167.0
Net debt/(Net cash)	0.5	(9.9)	(11.1)	(12.1)	(13.1)
Adjustments	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)
Enterprise value	97.3	86.9	155.8	154.9	153.8

Cash flow (Eu mn)	FY16A	FY17A	FY18E	FY19E	FY20E
EBITDA adjusted	7.5	9.5	11.5	12.8	14.6
Net financial charges	(0.2)	(0.1)	(0.1)	(0.1)	(0.1)
Cash taxes	(2.2)	(2.7)	(3.4)	(3.7)	(4.2)
Ch. in Working Capital	0.7	(0.9)	(2.5)	(0.5)	(1.2)
Operating cash flow	5.9	5.7	5.6	8.6	9.1
Capex	(0.3)	(0.9)	(1.1)	(3.9)	(3.9)
FCF	5.6	4.8	4.4	4.6	5.2
Disposals/Acquisitions	(1.7)	0.0	0.0	0.0	0.0
Changes in Equity	0.0	8.6	0.0	0.0	0.0
Others	(3.1)	7.3	0.0	0.0	0.0
Dividends	(1.3)	(1.7)	(3.2)	(3.7)	(4.1)
Ch. in NFP	(0.5)	19.0	1.2	0.9	1.1

Ratios (%)	FY16A	FY17A	FY18E	FY19E	FY20E
Capex/Sales	0.9%	2.3%	2.5%	7.5%	6.6%
Capex/D&A	0.3x	1.9x	2.2x	6.1x	4.1x
FCF/EBITDA	73.8%	50.8%	38.2%	36.0%	35.4%
FCF/Net profit	144.3%	80.1%	59.4%	56.2%	56.0%
Dividend pay-out	-43.8%	-53.0%	-50.0%	-50.0%	-50.0%

Balance sheet (Eu mn)	FY16A	FY17A	FY18E	FY19E	FY20E
Working capital	4.0	5.5	8.0	8.4	9.7
Fixed assets	6.0	6.8	6.9	10.1	13.1
Provisions & others	(2.8)	(0.5)	(0.1)	(0.2)	(0.3)
Net capital employed	7.2	11.7	14.8	18.4	22.4
Net debt/(Net cash)	0.5	(9.9)	(11.1)	(12.1)	(13.1)
Equity	6.7	21.7	25.9	30.4	35.6
Minority interests	0.0	0.0	0.0	0.0	0.0

Ratios (%)	FY16A	FY17A	FY18E	FY19E	FY20E
Working capital/Sales	12.2%	14.5%	17.4%	16.1%	16.2%
Net debt/Equity	8.2%	nm	nm	nm	nm
Net debt/EBITDA	0.1x	nm	nm	nm	nm

Valuation	FY16A	FY17A	FY18E	FY19E	FY20E
EV/CE	9.8x	7.1x	10.5x	8.3x	6.8x
P/BV	14.5x	4.5x	6.5x	5.5x	4.7x
EV/Sales	3.0x	2.3x	3.4x	3.0x	2.6x
EV/EBITDA	12.9x	9.1x	13.5x	12.1x	10.5x
EV/EBITDA adjusted	12.9x	9.1x	13.5x	12.1x	10.5x
EV/EBIT	14.8x	9.7x	14.3x	12.8x	11.4x
EV/EBIT adjusted	14.8x	9.7x	14.3x	12.8x	11.4x
P/E	25.1x	14.4x	21.0x	18.8x	16.6x
P/E adjusted	25.1x	14.4x	21.0x	18.8x	16.6x
ROCE pre-tax	65.0%	80.2%	80.1%	72.3%	65.6%
ROE	57.9%	27.8%	28.6%	27.1%	26.0%
EV/FCF	17.5x	18.0x	35.4x	33.5x	29.7x
FCF yield	5.7%	5.0%	2.6%	2.8%	3.1%
Dividend yield	1.7%	3.3%	2.2%	2.5%	2.8%

Share price performance

Strong performance since the listing in July 2017



Valuation

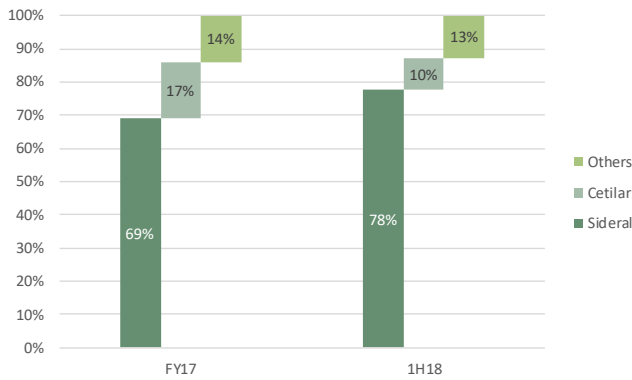
Very limited consensus available



Key Charts

Revenue breakdown by product (FY17A-1H18A)

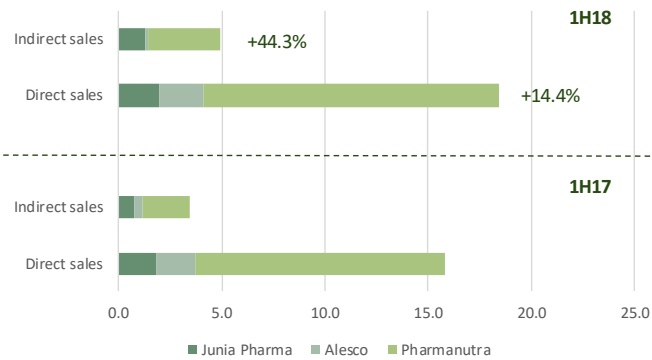
Sideral represents ca. 30% of volumes



Source: company data

Revenue breakdown by channel (1H17A-1H18A)

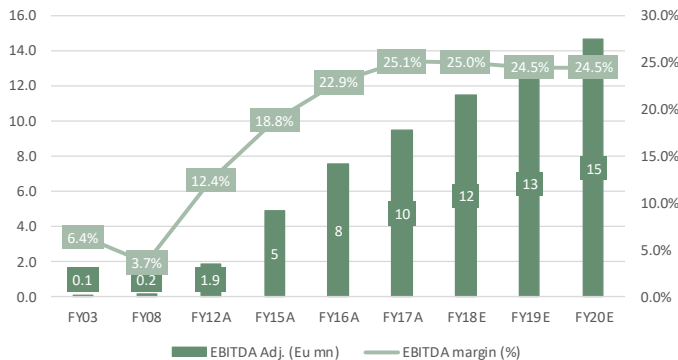
Solid double-digit growth in direct sales; booming acceleration in foreign sales...



Source: company data

Profitability trends (FY03A-FY20E)

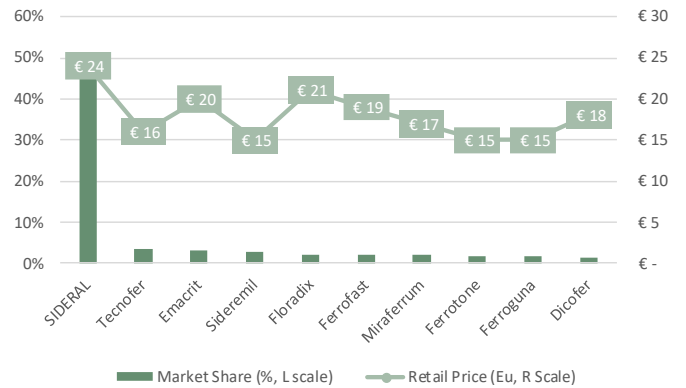
Sustainable high margins from 2017 onwards



Source: company data and Alantra estimates

SiderAL positioning in Italy (FY18A)

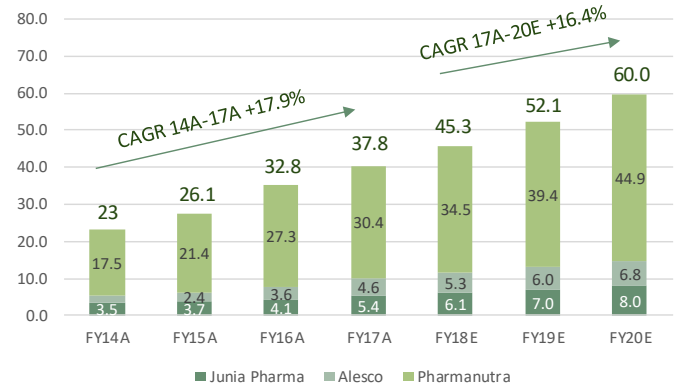
Sideral holds 50% of the market and deserves a relevant premium price



Source: company data

Revenue trends (FY14A-FY20E)

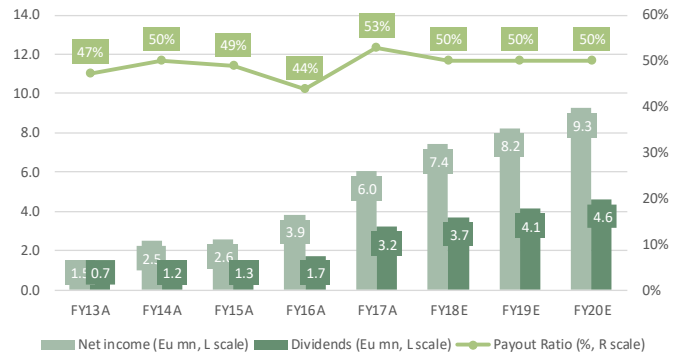
+17.9% CAGR in 2014-17 period; +16.4% CAGR expected in 2017-20 period



Source: company data and Alantra estimates

Dividend (FY13A-FY20E)

Attractive dividends distribution



Source: company data and Alantra estimates

Background **Pharmanutra**, a pharmaceutical company established in Pisa in 2003, develops nutraceutical supplements and medical devices. The Group is mostly active in the markets for iron supplementation (through the SiderAL® branded products based on patented Sucrosomial Iron®) and for joint pain relief (through the Cetilar® branded products). The Group's perimeter includes:

- **Pharmanutra (holding company, listed, established in 2003)** --> active in the distribution of proprietary medical devices and dietary supplements for adults;
- **Junia Pharma (established in 2010, fully owned since 2015)** --> active in development and distribution of drugs, medical devices, OTC and nutritional supplements with special attention to the pediatric area;
- **Alesco (established in 2000)** --> active in the manufacturing of proprietary raw materials (active ingredients) and in the distribution under exclusivity in Italy of functional ingredients chosen from the world's most important producers.

Positioning Pharmanutra represents an unicum in the pharmaceutical industry. The Group has successfully developed a fully integrated business model, ranging from pure discovery to direct sale to customers. The Group has the know-how to internally manage the following phases of the value chain: design, development and registration of a new product, manufacturing of raw materials (active ingredients), marketing and communication, sales and training of the Sales Network.

Pharmanutra's business model carries the clear advantage to have strongly reduced the Time to Market of the commercialization of a new product from 3-8 years to 1-3 years with respect to traditional pharmaceutical companies where substance discovery and efficacy development is separated from the marketing and sales.

The sophisticated Intellectual Property (IP) production and management strategy of Pharmanutra is aiming to create long-lasting competitive advantages and high barriers to protect its assets. The Group has put in place an IP protection strategy incomparable within the dietary supplements and medical devices industry. The Group owns 8 proprietary raw materials, 7 patents based on pure technological innovation, 25 registered brands yielding a strong brand awareness in the medical field, and 79 completed clinical trials (13 more are on-going) providing a significant amount of clinical evidence. Manufacturing and logistics are outsourced to qualified third-parties (CMO) and closely monitored by the Group.

Growth The Group has built an impressive growth track record and achieved a 29% revenue and a 43% EBITDA CAGR from 2003 to 2017. Results were mainly driven by (i) the development of new proprietary formulations (Sucrosomial® technology), (ii) the launch of brand-new products, (iii) the establishment of an innovative marketing and sales model (efficient Sales Network), (iv) the expansion abroad (sales outside Italy started in 2013 and should have contributed 25% to revenues and 58% to volumes in 2018). The EBITDA margin increased from 6.3% in 2003 to 25.1% in 2017.

In FY17-20 we forecast a 16.4%/15.5%/15.4% CAGR for revenues, EBITDA and Net profit respectively, driven by the development of new applications/formulations for Sideral® and Cetilar® families of products, by the launch of brand-new products, and by a wider penetration of foreign markets.

Strategy The main growth drivers will be:

- Continuous R&D efforts: a new R&D center is under development (ca.6mn CAPEX in 2019/2020 period);
- Sales Network expansion: to consolidate its market positioning in Italy the Group aims to expand the Sales Network to 200 units by January 2019 (from 180 currently)
- Launch of new products: during 2018 7 new products were launched (different new application of Sucrosomial iron®; new child products; a brand-new line on Sucrosomial magnesium®)
- Geographical expansion: the objective is to expand the product portfolio among existing partners and to open distribution to new markets (Germany, France, UK and US as main targets)
- M&A: targeting Sales Network expansion, acquisition of new families of product, creation of foreign direct subsidiaries

Strengths

Reduced time to market of products thanks to a fully integrated value chain
Proprietary active principles and delivery systems (Sucrosomial technology)
Efficient Sales Network

Weaknesses

Strong dependence on iron food supplements market
No direct presence in foreign countries

Opportunities

New product and formulations development
Geographical expansion through existing and new distributors
Enlargement of the Sales network

Threats

Regulatory limits on food supplement somministrazione
New formulations developed by competitors in the iron market

Key shareholders

Andrea Lacorte 30.73%
Roberto Lacorte 22.47%
Beda srl 9.70%

Management

Andrea Lacorte - Chairman
Roberto Lacorte - CEO
Carlo Volpi - COO

Next events

FY18 results: 12th March 2019
1H19 results: 16th September 2019

Index

Profile	6
Business Model	10
Products	16
Strategy	24
Financials	27
Peers	30
Valuation	33
M&A Multiples	35
Disclaimer	36

Profile

The company at a glance

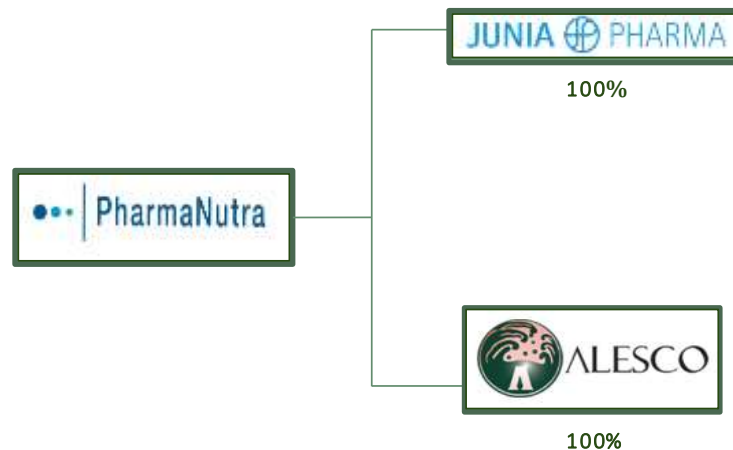
Pharmanutra, a pharmaceutical company established in Pisa in 2003, develops nutraceutical supplements and medical devices. The Group is mostly active in the markets for iron supplementation (through the SiderAL® branded products based on patented Sucrosomial Iron®) and for joint pain relief (through the Cetilar® branded products).

The Group carries out activities related to the research, design, development, and marketing of its innovative products. **Pharmanutra has settled a solid strategy in the production and management of the intellectual property, based on the integrated management of company assets: proprietary raw materials, patents, brands and clinical trials.**

Manufacturing of finished products has been outsourced to qualified third-parties Contract Manufacturing Operator (CMO).

Company structure

Pharmanutra spa fully owns Junia Pharma (child products) and Alesco (raw materials production and R&D)



Source: company data

The Group's perimeter includes:

- **Pharmanutra (holding company, listed, established in 2003)** --> active in the distribution of proprietary medical devices and dietary supplements for adults;
- **Junia Pharma (established in 2010, fully owned since 2015)** --> active in development and distribution of drugs, medical devices, OTC and nutritional supplements with special attention to the pediatric area;
- **Alesco (established in 2000)** --> active in the manufacturing of proprietary raw materials (active ingredients) and in the distribution under exclusivity in Italy of functional ingredients chosen from the world's most important producers.

The Group distributes and sells its products in Italy (ca. 40% of volumes; 78% of revenues in FY17) and, starting from 2014, abroad (ca 60%; 22%).

In Italy, Pharmanutra markets directly its own products through an exclusive network of 180 Scientific Commercial Representatives, also in charge of providing scientific information to the whole supply chain (pharmacies, doctors, wholesalers).

Abroad, Pharmanutra operates in 70 countries (in Europe, Asia, America and Africa) through 35 key partners, carefully selected among the world top pharmaceutical companies, that market and sell the Group's products with territorial exclusivity.

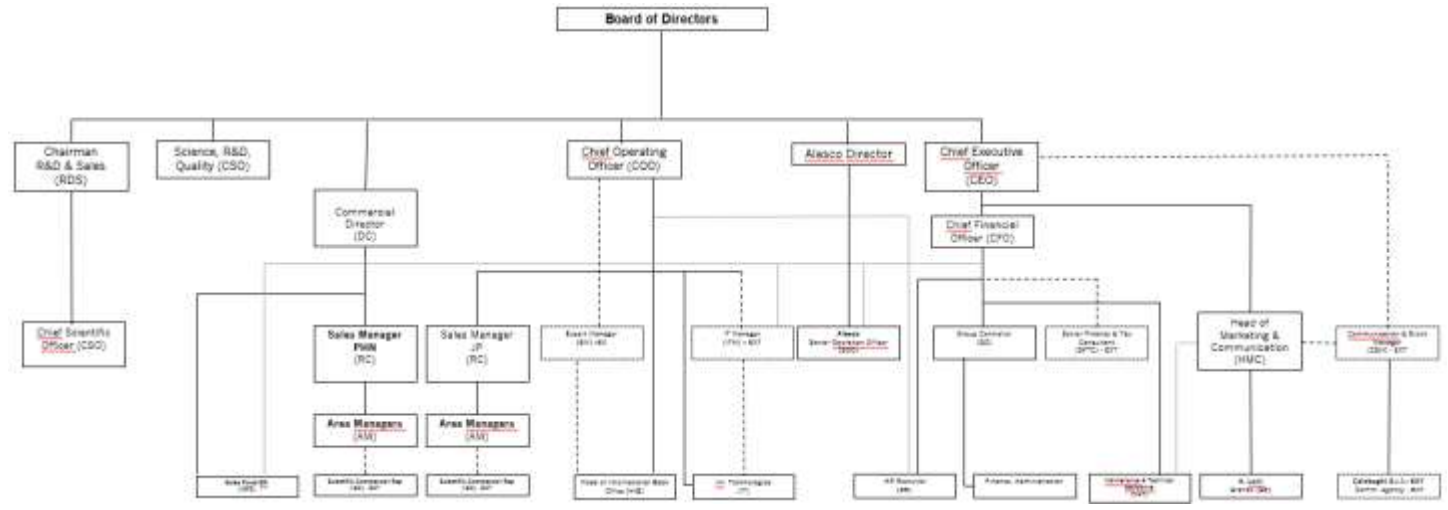
Management

Key managerial figures are covered by the founders and by experienced professionals:

- **Andrea Lacorte (Chairman):** he graduated cum laude in Veterinary Medicine in 1982 from the University of Pisa. He has been the Chairman (since 1997) and the founder of Nutristar spa. Andrea Lacorte, after carrying out extensive research in the fields of nutrition and human lipidology, in addition contributed to the foundation of (i) Alesco srl (in 2000), holding the position of Vice Chairman of the Board of Directors until now and (ii) Pharmanutra (in 2003), acting until now as Chairman. Since 2011, he has been Vice Chairman of the Board of Directors of Junia Pharma. Andrea Lacorte has carried out research and created sucrosomial solutions with human application.
- **Roberto Lacorte (CEO):** he graduated in Economics and Commerce in 1997 from the University of Pisa. He had several experience in Accountancy firm. He holds the following positions: Director at Nutristar srl (since 2000), Director at Alesco srl (since 2001), Vice Chairman of the Board of Directors of Pharmanutra (since 2003), Chairman of the Board of Directors of Junia Pharma (since 2009).
- **Carlo Volpi (Chief Operating Officer):** he graduated in Economics and Commerce in 1991 from the University of Parma, while achieving a SloanMaster Degree in Management in 1995 from the London Business School, University of London. Between 1986 and 1993, he was a Financial Analyst at Banca Monte Parma. Between 1993 and 2000, he held several roles at the PAM Group. During 2006-2008, he was the Chief Executive Officer of Step spa. Between 2008 and 2015, he was the Chief Executive Officer of Vertigo srl. In 2013, he founded Beda srl, of which he is a shareholder and sole director. Since 2009, he has been a Director and the Chief Marketing Officer of the Issuer.
- **Gianni Lazzarini (Chief Commercial Officer):** between 2000 and 2010, he was the Commercial Manager at Alesco srl, at which since 2010 he has been the Chairman of the Board of Directors. Since 2003 and to the present date, Gianni Lazzarini has been a Director of the Issuer.
- **Germano Tarantino (Scientific Director):** he graduated in Veterinary Medicine from the University of Pisa in 2003. After carrying out extensive studies in the field of human clinical nutrition, he has held the position of Scientific Director at the Issuer. Since 2011, he has been a director of the Issuer. Germano Tarantino has carried out research and created sucrosomial solutions with human application.
- **Francesco Sarti (Chief Financial Officer):** graduated in Business and Economics, he served as a member of the Board of Directors and CFO of Faper Group SpA. Previously, he served as Group Controller and contact person of the internal control committee at SNAI SpA. Sarti developed his professional experience at Gucci and Immuno/Baxter, working as a consolidation manager and head of management control.

Organization Chart

Strict control over sales and R&D activities (dashed line represents outsourced activities)



Source: company data

Shareholding structure and performance

Pharmanutra was listed on AIM Italia on 18 July 2017 at Eu10.0 per share, corresponding to a post-money market capitalization of Eu89.5mn. At the IPO date, the share capital was made up of 6.95mn ordinary shares and 2mn “Price Adjustment Share”, fully converted in 2mn ordinary shares in September 2017 after the verification of contractual conditions (average monthly share price higher than Eu13.0 per share).

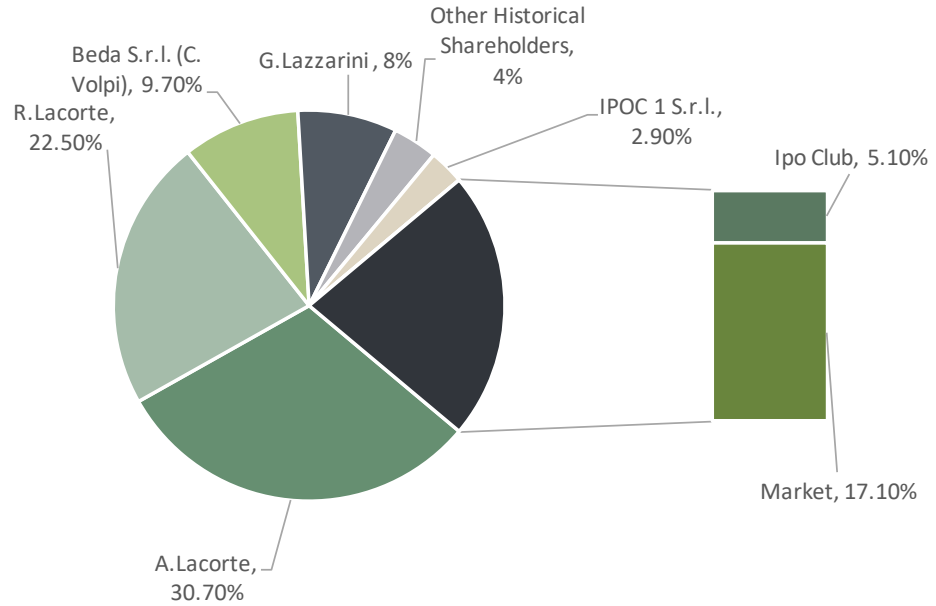
After the conversion of 730,977 warrants, today the share capital is made up of 9,680,977 ordinary shares.

There exists a shareholders’ agreement controlling 77.8% of the share capital and expiring in July 2020. Pharmanutra shareholders (A.Lacorte, R.Lacorte, C.Volpi, G.Lazzarini, Other Historical Shareholders) entered in a lock-up agreement expiring the 12th July 2020. IPO Challenger lock-up period expired in July 2018.

The BoD total compensation for the Holding company (Pharmanutra) amounted to Eu4.028mn (+8% YoY) in FY17; the BoD total compensation of controlled entities (JuniaPharma and Alesco) amounted to Eu0.672mn in FY17 (+54% YoY).

Shareholding structure

A lock-up agreement exists for PHN shareholders (Lacorte brothers, Volpi, Lazzarini and other historical) expiring in July 2020

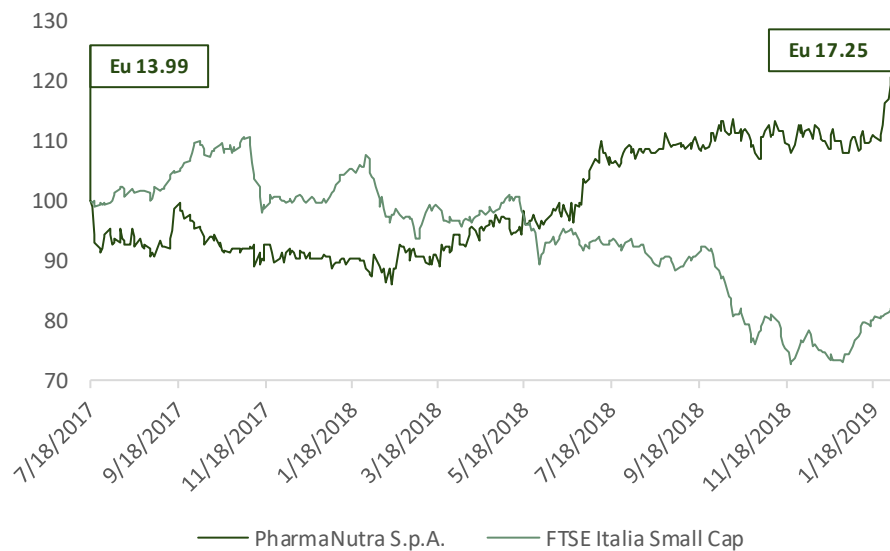


Source: company data

The first day of trading the stock closed at Eu13.99 per share (40% higher than listing price) and achieved a maximum intraday price of Eu16.90 per share. YTD, the stock is up 9.7%.

Share price performance – Absolute and relative to the FTSE Italia Small Cap

Since April 2018 the stock has overperformed Italian Small Caps



Source: Factset

Business Model

Unique positioning

Pharmanutra represents an *unicum* in the pharmaceutical industry. The Group has successfully developed a fully integrated business model, ranging from pure discovery to direct sale to customers. The Group has the know-how to internally manage the following phases of the value chain: design, development and registration of a new product, manufacturing of raw materials (active ingredients), marketing and communication, sales and training of the Sales Network.

Pharmanutra's business model carries the clear advantage to have strongly reduced the **Time to Market of the commercialization of a new product from 3-8 years to 1-3 years** with respect to traditional pharmaceutical companies where substance discovery and efficacy development is separated from the marketing and sales.

Intellectual Property – Main assets

The Group has put in place a complex strategy (unmatched in the nutraceutical sector) to protect its assets.



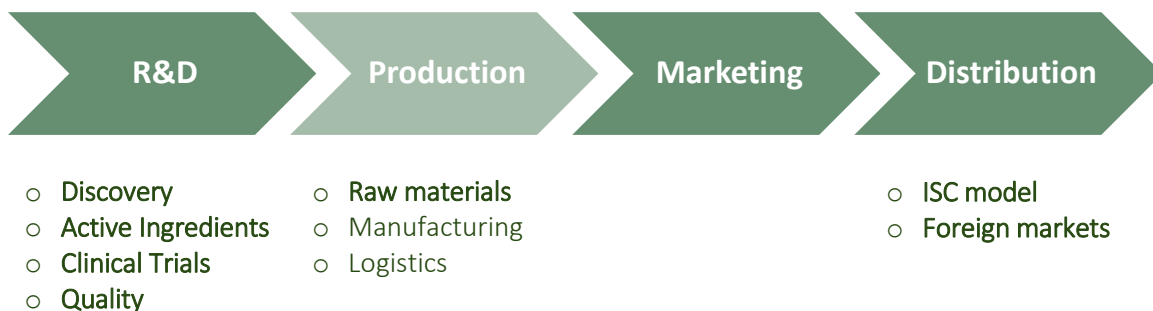
Source: company data

The sophisticated **Intellectual Property (IP)** production and management strategy of Pharmanutra is aiming to create long-lasting competitive advantages and barriers to protect its assets. The Group has put in place an IP protection strategy incomparable within the dietary supplements and medical devices industry. The Group owns 8 proprietary raw materials, 7 patents based on pure technological innovation, 25 registered brands yielding a strong brand awareness in the medical field, and 79 completed clinical trials (13 more are on-going) providing a significant amount of clinical evidence.

Manufacturing and logistics are outsourced to qualified third-parties (CMO) and closely monitored by the Group.

Value Chain - Fully integrated

Pharmanutra's in house activities range from substance discovery to direct sales; production is outsourced to qualified CMOs



Source: Alantra

Research & Development (Fully Insourced)

R&D represents the core of Pharmanutra's success and uniqueness. Research team is made up by ca. 10 experienced scientists, specialized in biologic and pharmaceutical applications. The activity is performed also with the support of external structures.

Key R&D activities are:

- **Discovery:** Pharmanutra has the capability to create new therapeutic solutions which are covered by international patents and cannot be copied by competitors.
- **Active ingredients synthesis:** starting from raw materials, the Group produces internally the active ingredients that are at the base of its own products.
- **Research and Clinical trials:** laboratory tests are made internally and in a joint effort with key Italian Pharmacy and Biology Universities. The complete internalization of this process aims to reduce as much as possible the acquisition of preliminary results and to speed up the process between discovery and sale. Clinical tests are then commissioned to find scientific evidence of the effectiveness of Pharmanutra products. Up to date, the Group has executed 79 clinical trials; 13 more are ongoing. Pharmanutra is planning to increase the number of patients treated and to have the trials performed by international primary institutes to increase the standing of the results.
- **Quality:** the control of both molecules and active ingredients and of finished products to be commercialized are performed in accordance to the strictest international rules.

R&D activities are performed by Alesco, specialized in raw materials handling (bioactive compounds, vitamins), development of active ingredients and engineering of new technologies (e.g. delivery systems). Pharmanutra and JuniaPharma products are based on proprietary Alesco solutions that are not available to competitors.

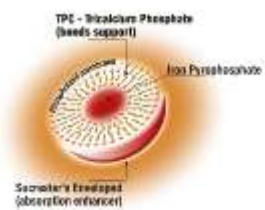
The Sucrosomial® technology is the most important and successful delivery system engineered and patented by Alesco. It increases the level of absorption of the active principle and its bioavailability. Alesco has developed and applied its own technology to fundamental elements: Iron (Fe) Iodine (I), Magnesium (Mg), Calcium (Ca) and Zinc (Zn), encapsulated in a sucrosomial membrane allowing the minerals to pass through the gastric and intestinal environment without interacting with the intestinal mucosa to be then absorbed into the bloodstream.

SiderAL r.m. is a patented formulation for iron supplement: it guarantees absence of any side effect typically related to the assumption of iron (gastrointestinal problems) and a higher level of absorption given the greater resistance to stomach acids. The patent will expire in 2032.

Cetilar r.m. is a patented formulation developed for the topics market to support the recovery of flexibility and mobility of joints, muscles and tendons. The patent will expire in 2035.

Sucrosomial Iron

Formulation composition



Source: company data

Production (Partially Outsourced)

Raw materials sourcing (Insourced). Alesco is responsible for the procurement of raw materials and the manufacturing of proprietary active ingredients at the base of the Group's products.

Manufacturing (Outsourced). Products distributed by Pharmanutra and Junia Pharma are manufactured by trusted Italian CMOs (Contract Manufacturing Organization). Prior to contract signing, Pharmanutra performs an accurate due diligence of the CMO; during the production phase, a constant monitoring is carried out.

Logistics (Outsourced). Delivery of finished products to wholesalers and pharmacies is carried out by a major pharmaceutical distributor in Italy. Shipping to foreign distributors are performed by international carriers.

Marketing (Fully Insourced)

Pharmanutra has opted to manage internally marketing and communication activities with the aim to position in the market in the right way the Group's products.

Marketing efforts are nowadays mostly devoted to Sideral and Cetilar branded products.

Other than traditional TV and newspaper media campaigns and sponsorships (team, sport events), the Group is increasing the budget for Direct to Consumer and Digital marketing, aiming to establish a direct relationship with the end user. To this extent, the Group also carries out in store (in pharmacy) promotion.

Finally, the Marketing unit jointly works with the Group's Scientific Direction to support the training of foreign distributors, the training of the direct commercial network, the organization of medical meetings, and the participation to national and international scientific congresses.

Cetilar Advertising

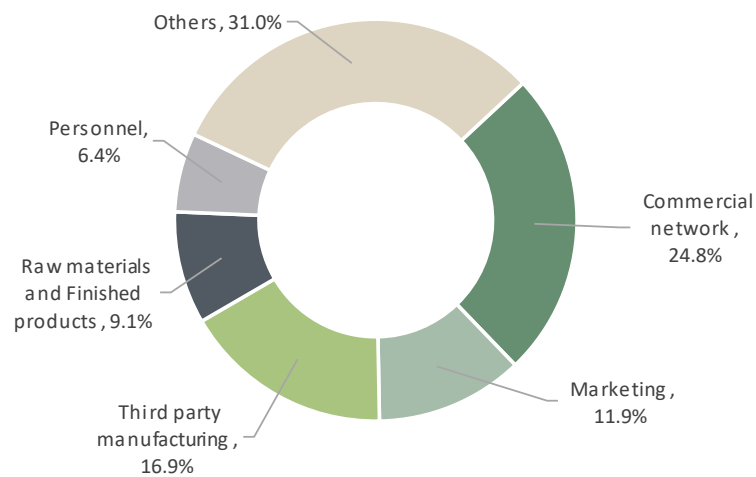
Parma Calcio sponsoring



Source: company data

Costs breakdown (1H18A)

High degree of variable costs; other includes governance, administrative, transportation, etc...



Source: company data

Distribution (Fully Insourced)

The Group operates with a direct distribution in Italy and under exclusive distribution agreements in foreign countries. The model has proven successful and has allowed Pharmanutra to rapidly develop the business booth in the domestic market and internationally.

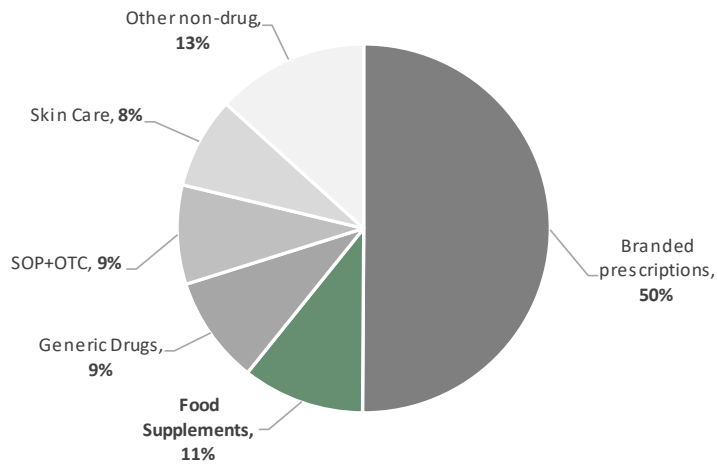
Italy / Direct distribution. Pharmanutra and Junia Pharma products are distributed via a network of 180 Scientific Commercial Representatives (the Sales Network) called Informatori Scientifico Commerciali (ISC). ISC cover the entire supply chain from **pharmacies** (representing ca. 95% of direct orders), to **doctors** (both generalists and specialists) and to **wholesalers**. ISC are responsible for both the sale and the scientific information. The direct distribution model has allowed an efficient coverage of the Italian market and an effective communication of Pharmanutra' products effectiveness.

With the aim to support a further expansion of the turnover and to be more efficient, in 2017 the Sales Network was reshaped and split into Supportive Care (for sale and scientific information to clinics, hospitals and specialist doctors) and Primary Care (for sale and scientific information to generalist doctors and pharmacies). In 2017 direct sales reached 2.2mn units and are expected to grow double digit in 2018.

Pharmanutra is working to reinforce its Network from 130 at the end of 2017 to 200 people at the beginning of 2019.

Pharmacy – Sales Breakdown in Italy (2017)

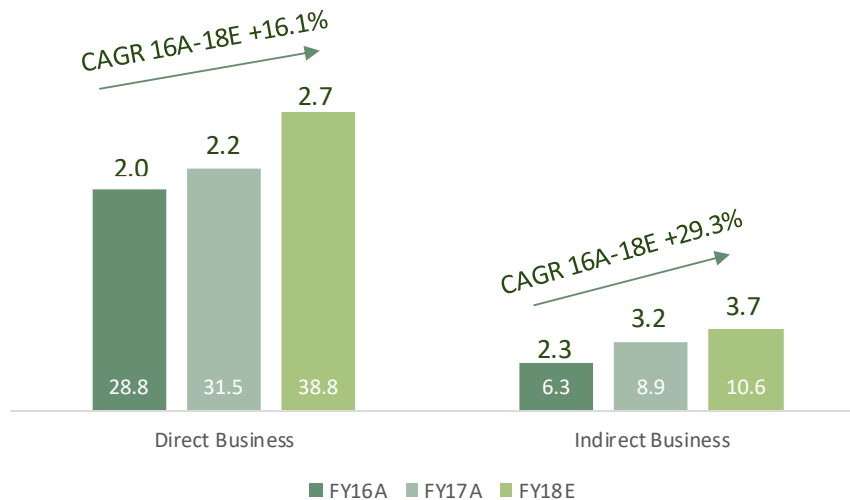
Pharmacy is the main direct channel; food supplements account for ca. 11% of its sales



Source: Net Line, MAT December 2017

Distribution - Direct and Indirect (Value and Volumes, FY16A-FY18E)

Strong growth trends in both value (Eu mn, bottom) and volumes (mn units, top)



Source: Alantra

Foreign countries / Indirect distribution. To speed up the entrance in new markets, Pharmanutra has carefully selected key partners to market and sell its products. Distribution agreements typically includes territorial exclusivity and have a multi-year duration. The international expansion began in 2014 and is expected to account for ca. 25% of revenues and 60% of volumes in 2018.

Recently, 6 new contracts have been signed, covering Pakistan, Thailand, Vietnam, Malaysia, South Africa/Namibia, Egypt, and Poland. Currently, there are 5 new negotiations open and ongoing with additional countries.

Thailand exclusive distribution contract with American Taiwan Biopharma, large biotech multinational, has been signed on the 18th December 2018 and represent an important strategic milestone allowing Pharmanutra to enter in the South East APAC area with Cetilar® patented products (now present in Italy and Israel).

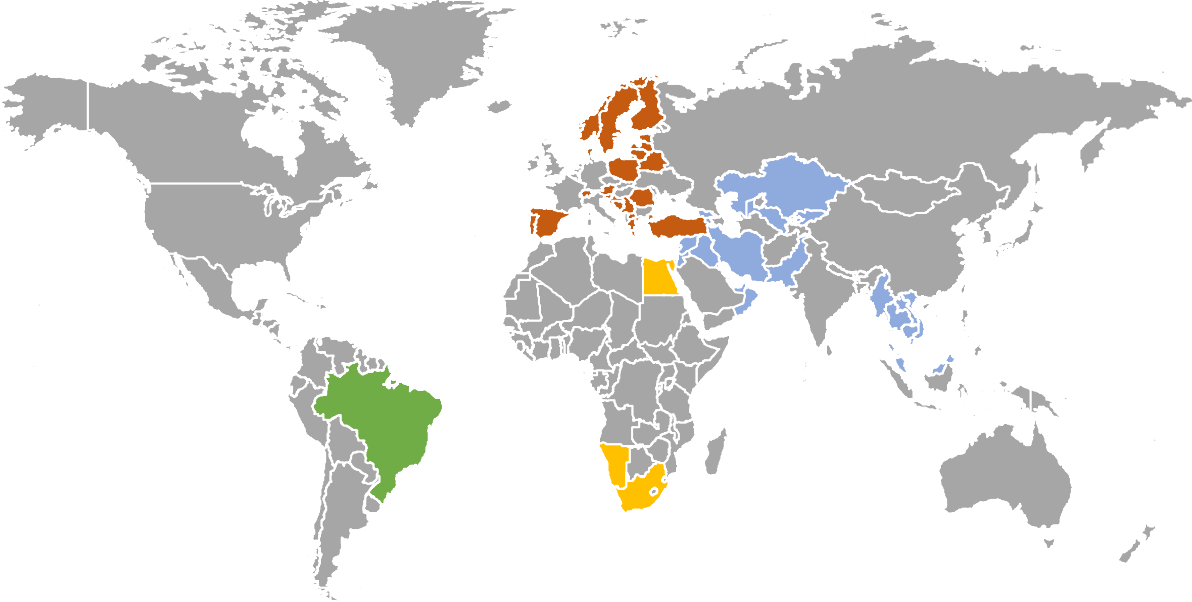
In Pakistan a distribution agreement for SiderAL products was signed on the 15th January 2019 with Trigen Pharma International, a large Pakistan pharma company active in the manufacturing and distribution of medical devices and nutraceutical products. With more than 200 million people population, Pakistan is the most populous country in the world and pharmaceutical is the fastest growing sector with a growing rate ranging around 15%.

Among the key distributors, we highlight:

- **Zambon:** distributing in Spain, Portugal and Brazil in an Italian multinational pharmaceutical Company covering 84 countries and with more than 3,000 agents worldwide.
- **Pharma Point:** distributing in Poland, belonging to Pelion Healthcare group, is the largest distributor in the country (9,400 employees; >Eu2.0bn revenues). Enjoys approximately 20% share in the Polish pharmaceutical distribution market.
- **Renapharma:** Distributing in Northern Countries (Denmark, Finland, Sweden, Norway). Subsidiary of Vifor Pharma Group, leader in intravenous treatment of iron deficiency.
- **Fresenius Kabi:** Distributing in Austria and since September 2018 in Switzerland, an important market for iron diseases.

Indirect distribution channel - Geographical coverage

Still plenty of room to open new markets and to establish subsidiaries in selected countries



Source: company data

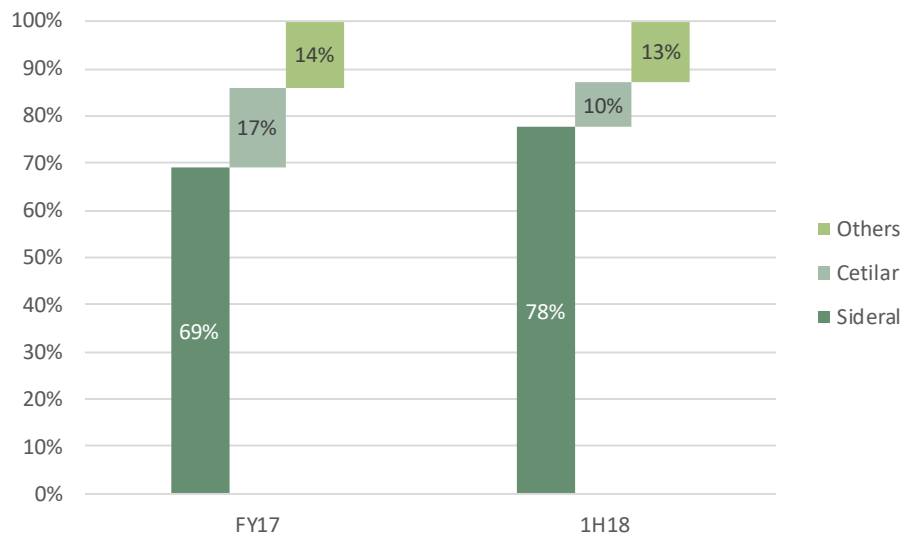
Products

Pharmanutra and Junia Pharma products are unique and have won a strong market positioning thanks to proprietary raw materials, innovative active ingredients and patented technologies (delivery systems) developed internally by Alesco, not available to competitors and resulting in very high barriers to entry.

Pharmanutra group is active in the production and distribution of **nutraceutical supplements and medical devices** for adults. Junia Pharma develops and distributes drugs, medical devices, OTC and nutritional supplements with special attention to the pediatric area.

Revenues by product (FY17A-1H18A)

Sideral and Cetilar represent more than 85% of group revenues



Source: company data

Sideral®

SiderAL

SiderAL forte packaging



Source: company data

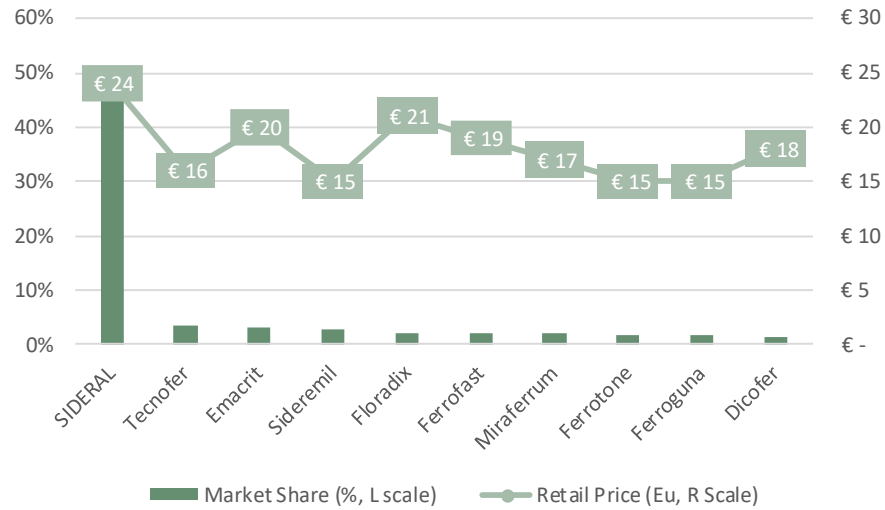
Sideral® is a nutritional supplement that contains **Sucrosomial® Iron** (Sideral r.m.®, a patented ingredient based on Sucrosomial® Iron, a registered trademark), vitamin C and vitamin B12, aimed at treating alimentary deficiency or as a complement when higher organic levels of these nutrients are required.

Sucrosomial® Iron reduces the side effects commonly associated with other types of iron. **SiderAL® r.m.**, using the Sucrosomial® technology, overcomes tolerability and bioavailability issues of traditional iron salts offering important advantages to iron therapy. **SiderAL® r.m.** is incorporated in an innovative sucrosomial membrane allowing the Iron Pyrophosphate to pass undamaged the gastric acid environment. For its sucrosomial style structure, **SiderAL® r.m.** is not harmful to the gastrointestinal mucosa and it is absorbed directly into the bloodstream through the intestine. For this reason, it can be taken anytime of the day with no side effects. Studies carried out to evaluate **SiderAL® r.m.** confirmed **higher absorption and bioavailability** compared to ferrous sulfate.

Sideral® is by far the leading product in the Italian **iron supplementation market**, holding approx. 50% of the market in value and approx. 40% in volumes. Sideral® is selling at a significant premium price thanks to its uniqueness, effectiveness and brand awareness.

Food supplements - Iron market in Italy (Dec 18)

Sideral has won an undisputed leadership in Italy, and deserves a significant premium price

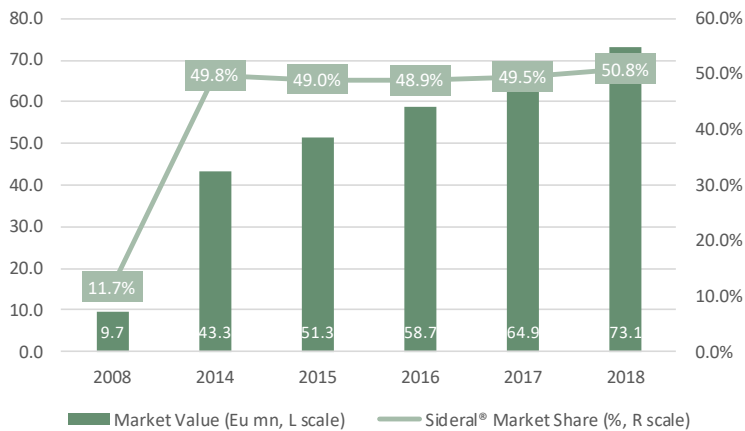


Source: company data

Sideral growth is contributing for more than 55% of iron supplementation market expansion, thus providing a relevant input to the whole iron market growth.

Food supplements - Iron market in Italy (FY08-FY18)

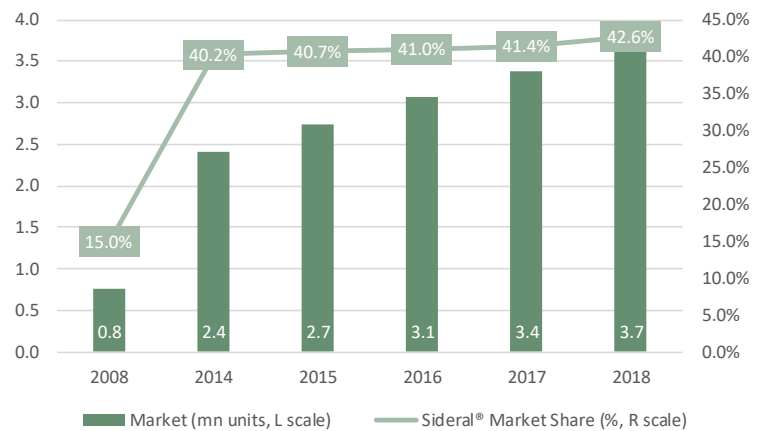
Value: Sideral® commands a relevant premium price



Source: company data

Food supplements - Iron market in Italy (FY08-FY18)

Units: Sideral® is constantly gaining market share



Source: company data

Iron is a micro element essential for many metabolic processes, it performs important functions such as oxygen transfer to tissues, transfer of electrons to the respiratory chain and support the activity of different enzymatic systems. The daily iron requirement varies with the different physiological conditions (menstruation, bleeding, pregnancy). Thus, it is evident the importance of an adequate iron supplement to maintain a good state of health. **The World Health Organization (WHO) estimates that 600 to 700 million people worldwide have iron deficiencies, making this the most widespread nutritional problem, especially in developing countries.**

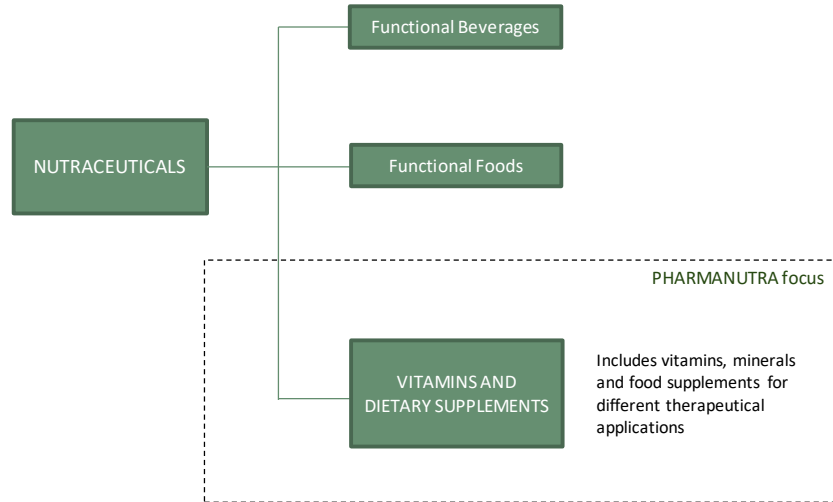
The global Iron supplementation market was valued at USD3.0bn in 2017 and is projected to reach USD6.4bn in 2025, posting a 9.3% CAGR from 2017 to 2025. Demand for iron supplementation is driven by growing health concerns among consumers and by a widening of iron applications.

Sideral – Nutraceutical Market

Sideral® products are nutraceuticals included in the vitamins and dietary supplements segment, weighting ca.30% on total nutraceutical market value.

Nutraceutical market - Segments

Pharmanutra operates in the “Vitamins and Dietary supplements” segment, which accounts for ca. 30% of the Nutraceutical market in Europe



Source: Euromonitor

From 2008 to 2017, food supplements market in Italy registered a 9.3% CAGR in values and 9.1% in volumes, reaching a turnover of Eu2.9bn and more than 210mn units sold. In 2018 growth slowed down to 4.5% in value and to 3% in volumes: after several years of high growth, the market is maturing.

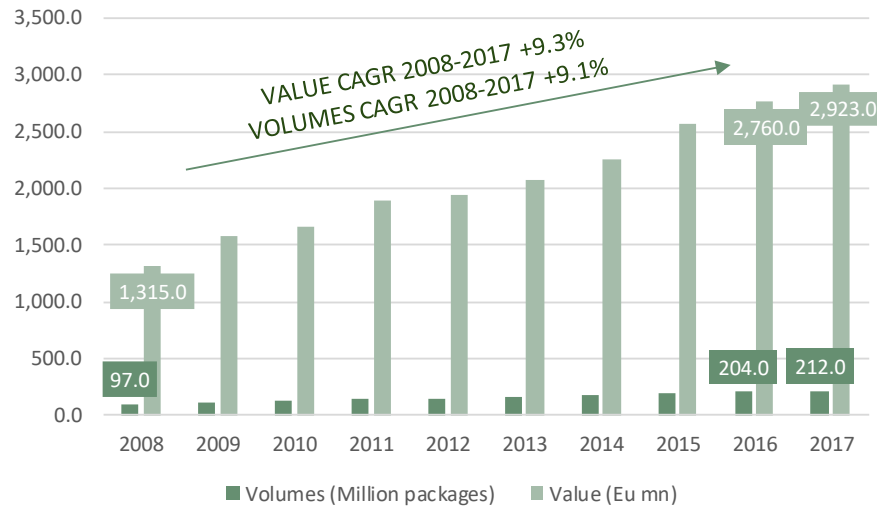
These numbers are related to pharmacy sales (83% of the market), GDO (7.9%) and para-pharmacies (8.5%). Today less than 5% of sales (ca. Eu140mn) are made via e-commerce.

The average pro-capita consumption of food supplements increased from 1.6 units in 2005 to 2.5 units in 2017.

In greater detail, Sideral® products fits into the health category, representing ca. 65% of the market, and growing at a rate of 6% during 2018 (other categories are: strength, 27% of the market and 4% growth YoY; wellness, 8% of the market and flat trend).

Italian Vitamins and Dietary Supplements Market: Growth Trend (2008-17)

2008-2017 CAGR was +9.3% in Value and +9.1% in Volumes

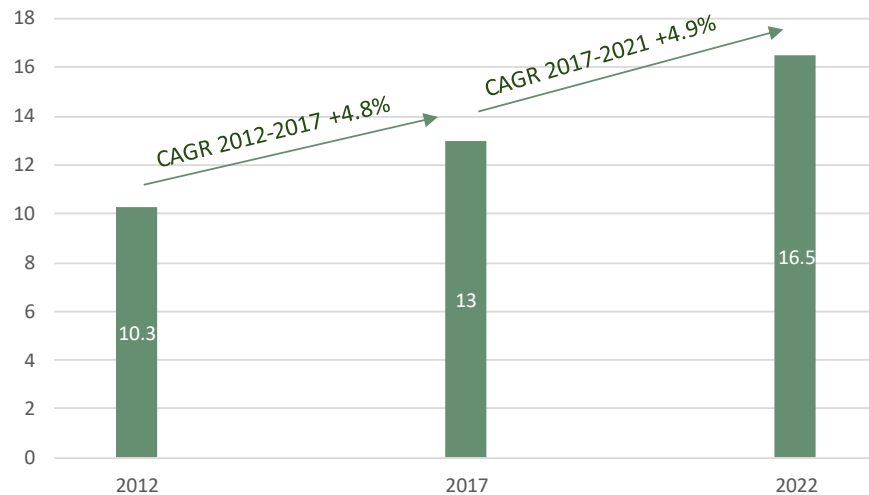


Source: GfK Food supplements 2017 monitor

In Europe the food supplements market posted a 4.8% CAGR from 2012 to 2017; this trend is expected to continue also from 2017 to 2022. Italy accounts for ca. 21% of the whole European food supplements market.

European Vitamins and Dietary Supplements Market: Growth Trend (Eu bn, 2012-22):

Vitamins and Supplements segment is expected to overperform the whole nutraceutical market



Source: Euromonitor International Eastern and Western Europe Data, Vitamins and Dietary supplements

North America represents the largest market for nutraceutical products, accounting for ca 40% of the global market. The US market was estimated to be worth USD64.8bn in 2015 and is expected to post a 5.3% CAGR from 2015 to 2024 to USD102.6bn. The Asia Pacific nutraceutical market is expected to post a 7.5% CAGR from 2018 to 2023 reaching more than USD100bn by 2021.

Sideral – Scientific Recognitions

Sucrosomial technology, at the base of the Sideral product line, achieved during 2018 ample scientific recognition thanks to several publications by national and international scientific journals. Scientific recognition clearly supports a higher **awareness** and **effectiveness** of the product within the national medical community and within international pharmaceutical companies. Latest recognitions include:

- **"Ex Vivo and in Vivo Study of Sucrosomial Iron® Intestinal Absorption and Bioavailability"**, International Journal of Molecular Sciences. Proving higher absorption by the body of Sucrosomial Iron.
- **"Sucrosomial Iron® Supplementation in Mice: Effects on Blood Parameters, Hepcidin, and Inflammation"**, Nutrients. The study shows how Sucrosomial® Iron does not have a prooxidative effect with respect to conventional ferrous sulfate.
- **"Improved patient blood management and cost saving in hip replacement surgery through the implementation of pre-operative Sucrosomial Iron® supplementation: a quality improvement assessment study"**, International Orthopaedics. Demonstrate its correlation with quicker and more effective post-operative recovery, resulting in important savings for hospitals deriving from shorter stays in hospitals and fewer transfusions.
- **"Sucrosomial Iron®: a new generation iron for improving oral supplementation"**, Pharmaceuticals. Pooled together most of the evidence obtained in recent years. Sucrosomial Iron® allows for improved bioavailability of the mineral, together with reduced gastrointestinal compliance compared to traditional mineral salts.
- **"Safety and efficacy of Sucrosomial iron® in inflammatory bowel disease patients with iron deficiency anaemia"**, Internal and Emergency Medicine Journal (Italian journal). It is the first full paper on IBD (Inflammatory Bowel Disease) to demonstrate the efficacy and high tolerability of Sucrosomial Iron® for treating iron deficiency, a frequent complication of IBD. In Italy alone, according to the scientific society IG-IBD (Italian Inflammatory Bowel Disease Group), 200-250 thousand people are estimated to suffer from inflammatory bowel disease.

Cetilar®

Cetilar

Cetilar packaging



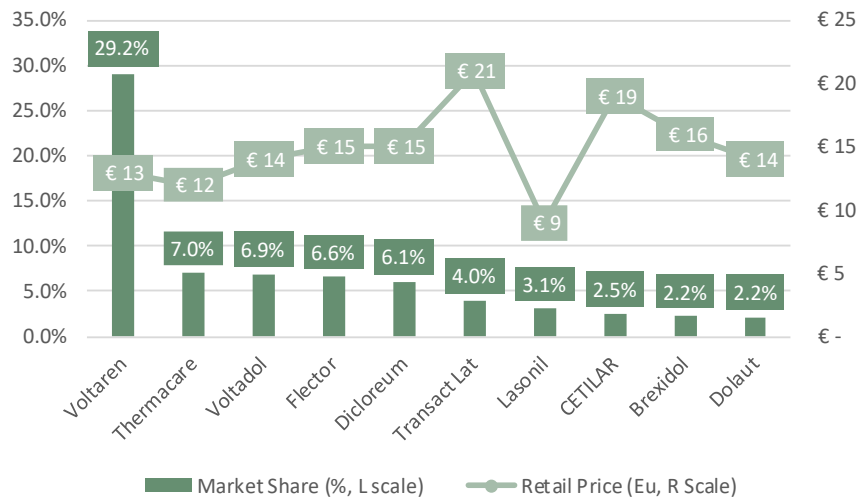
Source: company data

Cetilar® is a medical device approved by the Italian Minister of Health in October 2016. Cetilar®, a massage coadjuvant, improves and brings relief to joints affected by osteoarthritis. Massages help ease joint and musculoskeletal pain, which can also be beneficial to sport related injuries. Cetilar® is based on a patented ingredient (Cetilar r.m.) that increases percutaneous absorption and reaches the injured area more effectively. Cetilar® has been developed both in the form of cream and patches.

In a short time Cetilar® has gained a 2.5% share of the anti-inflammatory topical cream market in Italy, winning the approval of orthopedics and final customers thanks to its effectiveness. Cetilar® is selling at a significant premium to comparable and well-established products and is growing >20% YoY in a flattish market worth Eu301mn (retail price value). Cetilar® brand awareness is constantly on the rise thanks to an intense marketing campaign, typically in occasion of major sportive events. Pharamnutra is targeting a 5% market share for Cetilar® by the end of 2019.

Anti-inflammatory - Topical Market in Italy (Dec 18)

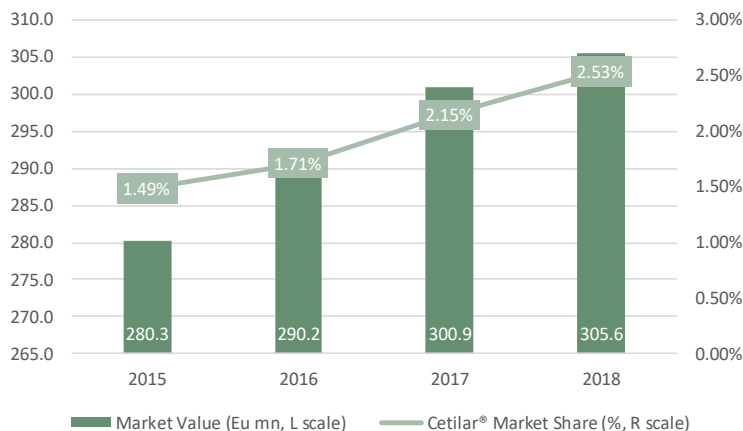
Cetilar® is quickly gaining market share; the product is selling at premium to comparables



Source: company data

Anti-inflammatory - Topical Market in Italy (FY15A-FY18)

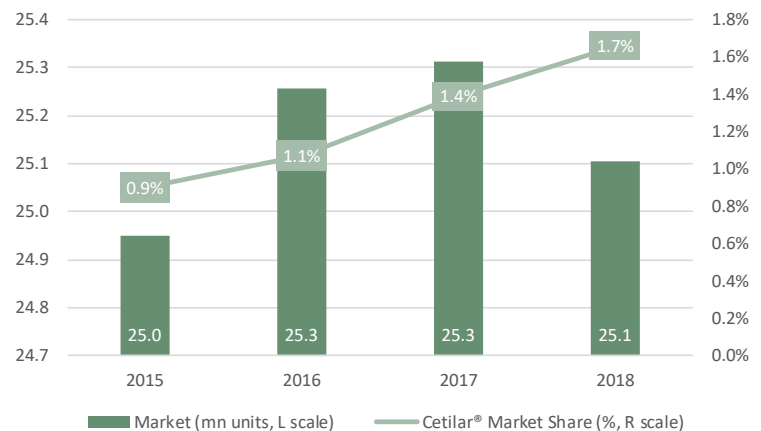
Value: in a mature and fragmented market Cetilar® is rapidly gaining market shares



Source: company data

Anti-inflammatory - Topical Market in Italy (FY15A-FY17)

Units: Cetilar® is selling at a premium price to comparables



Source: company data

The global Topical Pain Relief market was valued at USD7,5bn in 2017, and is projected to reach USD13,3bn in 2025, posting a CAGR of 7.4% from 2017 to 2025. Pain relief products are present as creams, ointments, gels, and transdermal patches. Most of the products are available over-the-counter (OTC), some other are available through prescription only.

Worldwide growth is driven by an increase in the prevalence of arthritis and other bone-related conditions leading to pain. Other demand drivers include the rise in adoption of topical pain relief products as they cause lesser side effects compared to oral pain relief products, the population ageing, and the higher penetration within sports players.

Despite the presence of some large pharmaceutical multinational (e.g. Johnson & Johnson, Novartis, GlaxoSmithKline), Pharmanutra with its unique proprietary technology is well positioned to play a relevant role in the topical pain relief market both in Italy and abroad.

Other Products

Pharmanutra – Other products

A wide range of proprietary products complete Pharmanutra's offer

Product	Company	Description
Novomega®	Pharmanutra	Nutritional supplement containing EPA and DHA aimed at treating alimentary deficiency
Gestaly DHA®	Pharmanutra	Nutritional supplement specifically formulated for pregnant women. It associates folic acid, vegetable DHA and Sucrosomial® iron
Bonecal®	Pharmanutra	Nutritional supplement that contains algal Calcium, Vitamin K2 and Vitamin D3
DiKappa 2®	Pharmanutra	Nutritional supplement containing Vitamin K2 and Vitamin D which promotes intestinal calcium absorption
Nasalt®	Pharmanutra	Nasal spray, natural prevention against hay fever symptoms and inhaled allergies
Celandrin®	Junia Pharma	Celadrin is a topical cream or capsule used to treat arthritis and pain
Neo D3®	Junia Pharma	Nutritional supplement containing vegetable-derived DHA, vitamins, phospholipids and beta-palmitic acid
Blefarette® BABY	Junia Pharma	Wipes for eyes use
Blefarene®	Junia Pharma	Wipes for eyes use
Dolomir® GOLA	Junia Pharma	Specific adjuvant for oropharyngeal mucosa protection
Dolomir® OTO	Junia Pharma	Specific adjuvant for cleansing of the ear canal
Lactozepam®	Junia Pharma	Nutritional supplement based on Lactium (milk hydrolysed protein) and Vitamin E
Ribomicin	Junia Pharma	Drug based on the active ingredient Gentamicin belonging to the category of Antibiotics
Ginesal	Junia Pharma	It is used in the treatment of vulvovaginitis and esocerviciti

Source: web and Alantra elaborations

Growth Strategy

Growth drivers

Different growth paths to be explored by the company...



Source: company data

R&D

At the base of Pharmanutra’s development strategy lies the continuous product innovation and the discovery of new application for existing product families (Sideral and Cetilar).

Pharmanutra promotes basic and clinical researches in collaboration with major universities in Italy and Europe.

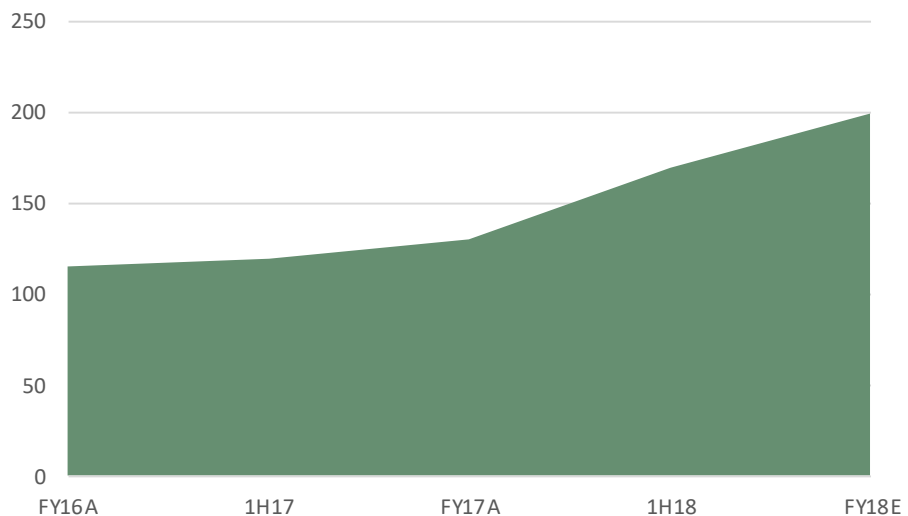
The Group is planning to internalize the manufacturing of Sucrosomial materials, to keep inside its most valuable know-how. To this extent, it is planned the construction of a new R&D center that will be fully operational by end 2020. The total investment is estimated equal to Eu6.0mn (equally split between 2019 and 2020).

Sales Network

The Group is working to expand its Sales Network and is targeting 200 units (from current 150), aiming to consolidate its market positioning in Italy, to have a better coverage of the territory, and to better promote a range of products that is constantly growing.

Sales Network – Trend

A wider range of products requires a better coverage of the market



Source: company data

New products

The Group has launched 8 new products in 2018: new child products, a new application of Sucrosomial iron® (SiderAl Folico 30), a brand-new product line (UltraMag) based on Sucrosomial magnesium, 2 new products in supportive care, 2 new SiderAl products (SiderAl gocce and SiderAl oro14).

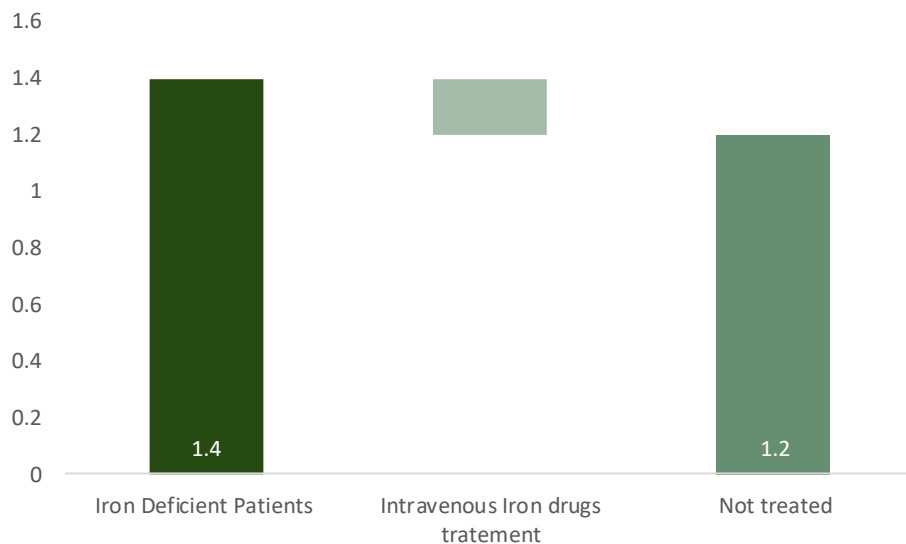
SiderAL® H

The product was developed for hospitals use, as pre- and post-operative treatment, and is a valid alternative to more invasive treatments such as intravenous iron therapy. The treatment guarantees more effective post-operative recovery, resulting in important savings for hospitals deriving from shorter stays in hospitals and fewer blood transfusions.

The Group is entering new fields of use for iron and is expanding its reference market from 8.6mn units (of which 5.2mn units refer to drugs and 3.4mn units to food supplements) to 14.6mn units (the market for Patient Blood Management is estimated to be worth 6.0mn units).

Patient Blood Management – Patients in EU5 (France, Germany, Italy, Spain and UK)

New fields of use may target a huge number of patients not treated



Source: Vitor Pharma presentation

UltraMag®

The product applies Sucrosomial® technology (developed by Alesco) to magnesium applications. The product was launched at the end of April and sold 10,000 units in the first month of commercialization. According to Pharmanutra, the product has the potential to become market leader in single-ingredient magnesium by mid/end-2019. The product has plenty of room also to expand abroad, given the two distribution contracts signed in few months for Greece and Turkey markets.

Clinical tests are ongoing for Sucrosomial magnesium. Recently the European Review for Medical and Pharmacological Sciences, in a publishing named “Magnesium bioavailability after administration of Sucrosomial magnesium: results of an ex-vivo study and a comparative, double-blinded, cross-over study in healthy subjects” has stated how Sucrosomial magnesium was leading to an increased bioavailability of magnesium compared to other formulations.

Apportal®

Apportal® is a complete nutritional supplement that combines the properties of 5 minerals (iron, selenium, zinc, iodine, magnesium), as well as vitamins, amino acids, plant extracts, lycopene and coenzyme Q10.

All the minerals contained in Apportal have been enhanced thanks to the Sucrosomial® Technology, with the result of a unique product, with antioxidant, immunomodulatory, tonic and energizing, muscular properties.

It is also used in the prevention of malnutrition, muscle decay, or generalized lack of tone that occur frequently during oncological therapies, nephropathy, or during long hospital stays.

Geographical expansion

One of the key pillars of Pharmanutra's growing strategy is the international expansion. Sales outside Italy started in 2013 and are expected to represent ca. 25% of turnover in FY18 (or 58% of volumes).

Future actions aim to:

- Expand the product portfolio among existing partners, most of which already hold a leading position in their markets, by means of both existing and new products;
- Open distribution to new markets (Germany, France, UK and US are the main targets), an activity supported by the constant release of scientific publications that are making evident the effectiveness of Pharmanutra's products;
- Create subsidiaries in selected countries of strategic importance for the Group.

According to market researches, North America is expected to account for roughly one third of the global iron supplements market due to an increase in the use of iron as additional supplements, sports nutrition and medicinal supplements.

M&A

Management is also scouting the market for external growth opportunities. We estimate the Group to have a potential firepower of Eu30-50mn.

The main M&A rationales would be:

- to acquire patented product families through which enlarging the offering;
- to develop a direct distribution abroad acquiring an operating company;
- to enlarge the direct sales network in Italy, acquiring an operating company.

Financials

Historical results

Revenues went from Eu15.1mn in FY12 to Eu37.9mn in FY17, posting a +20% CAGR over the period. Volumes sold reached 5.4mn units in 2017. Starting from 2013 the Group has started to sell its products abroad under distribution agreements with trusted local partners. In FY17 the indirect business accounted for 23% of revenues (or 58.7% of volumes sold).

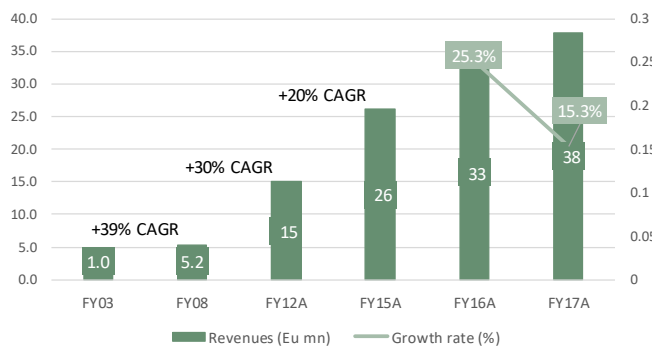
EBITDA went from Eu1.9mn in FY12 to Eu9.5mn in FY17, posting a +38% CAGR over the period.

Net profit reached Eu6.0mn in FY17. The net cash position was positive and equal to Eu9.9mn at December 2017 (at the time of the IPO in July 2017 the Group cashed-in Eu8.5mn).

Structurally low CAPEX and limited outflows for Working Capital have supported a solid cash generation and an attractive dividend policy.

Revenue trend (FY03A-FY17A):

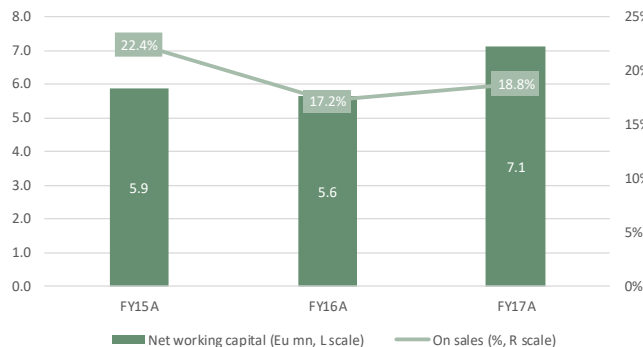
Since 2012 revenues increased more than 2 times



Source: company data and Alantra estimates

Working capital (FY15A-FY17A):

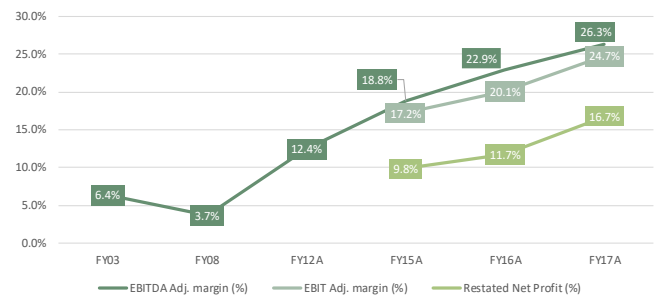
Constantly in the range of 20%



Source: company data and Alantra estimates

Profitability trend (FY03A-FY17A):

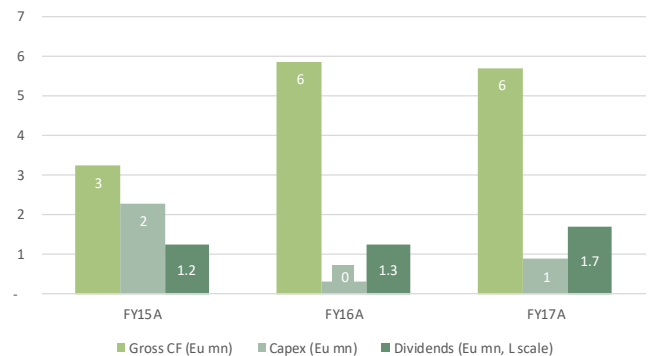
Since 2012 EBITDA margin more than doubled



Source: company data

Cash flow (FY15A-FY17A):

Solid cash flow generation supported a generous dividend policy



Source: company data and Alantra estimates

1H18 results

1H18 results showed revenues of Eu22.0mn, up 19.9% YoY. By channel, direct sales grew 16% thanks to (i) the launch of new products (e.g. Sucrosomial Magnesium recorded impressive results in the first month of commercialization) and (ii) to the expansion of the network of Scientific Commercial Representatives. Indirect sales experienced a 44% growth strengthening group's international presence. Indirect revenues accounted for 22.5% of revenues in 1H18 (or ca. 60% of volumes). By product, Sideral® products (almost 80% of Group's turnover) reached a turnover of Eu17.1mn, up 25% YoY; sales of Cetilar® products reached Eu2.1mn, up 24% YoY.

EBITDA came to Eu5.5mn, up 20% YoY. The EBITDA margin was flat YoY and equal to 24.9% in 1H18. Net profit jumped 20.6% YoY to Eu3.6mn. After the payment of Eu3.2mn dividends, the net cash position went from Eu9.9mn at December 2017 to Eu9.0mn at June 2018.

Pharmanutra - 1H18 results

Very solid business performance

Eu mn	1H17A	1H18A	YoY %	2H17A	2H18E	YoY %	FY17A	FY18E	YoY %
Revenues	18.4	22.1	19.8%	19.5	23.9	22.8%	37.9	46.0	21.5%
<i>on sales %</i>	0.0%	19.8%		0.0%	22.8%		15.3%	21.5%	
EBITDA Adjusted	4.6	5.5	20.0%	4.9	6.0	22.3%	9.5	11.5	21.2%
<i>Ebitda Margin %</i>	24.9%	24.9%		25.3%	25.2%		25.1%	25.0%	
EBIT Adjusted	4.3	5.2	20.3%	4.6	5.7	23.2%	8.9	10.9	21.8%
<i>Ebit Margin %</i>	23.3%	23.4%		23.8%	23.9%		23.6%	23.6%	
Pretax Profit	4.3	5.1	19.6%	4.5	5.6	26.1%	8.8	10.8	22.9%
<i>Pretax Margin %</i>	23.3%	23.3%		23.0%	23.6%		23.2%	23.4%	
Net Profit	3.0	3.6	20.6%	3.1	3.8	25.1%	6.0	7.4	22.9%
<i>Net Profit Margin %</i>	16.1%	16.2%		15.8%	16.1%		15.9%	16.1%	
NFP end of the period	9.1	9.0		0.0	11.1		9.9	11.1	

Source: company data and Alantra estimates

FY18 estimates

According to indications provided by the management, sales should reach more than 6mn units in 2018, of which 42% in Italy and 58% abroad. By value, Italy should account for 75% of revenues.

We forecast an EBITDA of Eu11.5mn in FY18; the EBITDA margin is seen stable at 25.0% due to higher costs for marketing and sales

Net profit is expected to reach Eu7.4mn, +22.9% YoY. The net cash position should be positive to the tune of Eu11.1mn at YE18.

FY17-20 estimates

We expect revenues to achieve a 16.4% CAGR in FY17-20E; volumes should grow faster in the Indirect than in the Direct channel. We have assumed a stable price/mix.

We expect direct sales to be driven by a quick ramp-up of the Cetilar® branded products and of the UltraMag®. SiderAI® should benefit from additional scientific recognitions, and from the entrance into new applications in Italy and by a wider distribution abroad.

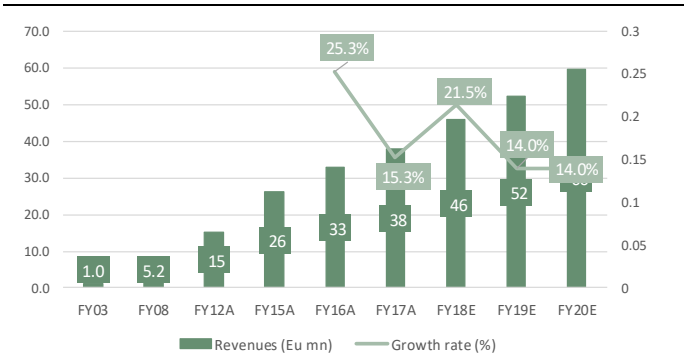
EBITDA is expected to post a 15.5% CAGR in the period; we have assumed a stable margin at 25.0%. In the short term the operating leverage is likely to be neutralized by an expansion of the Sales Network and by higher marketing costs to support the launch of new products.

Net Profit is forecast to post a 15.4% CAGR in FY17-20E. Based on the assumption of a constant 50% dividend payout and of extraordinary CAPEX of Eu6.0mn for the new R&D center, the net cash position is seen positive to the tune of Eu20.9mn at YE20.

High operating margins, low maintenance CAPEX and limited working capital outflows lead to a solid cash flow generation and support an attractive dividend policy: we have assumed a constant 50% payout in the coming years.

Revenues (FY03A-FY20E):

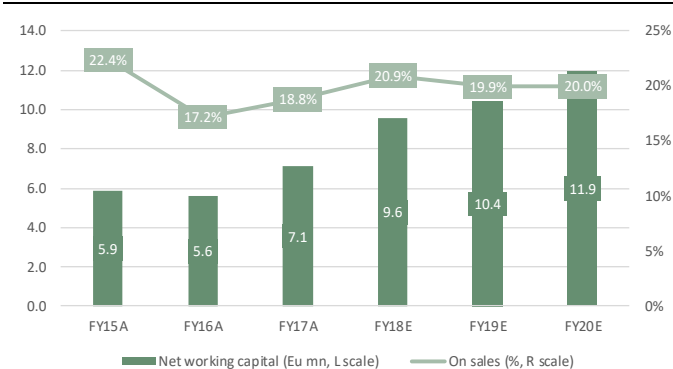
16.6% CAGR expected in 17A-20E period



Source: company data and Alantra estimates

Working capital (FY15A-FY20E):

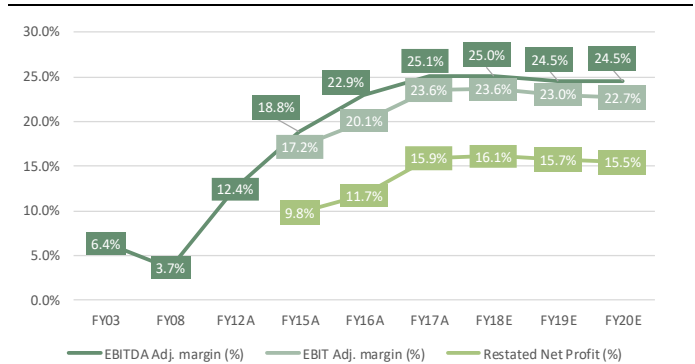
Stable working capital



Source: company data and Alantra estimates

Profitability (FY03A-FY20E):

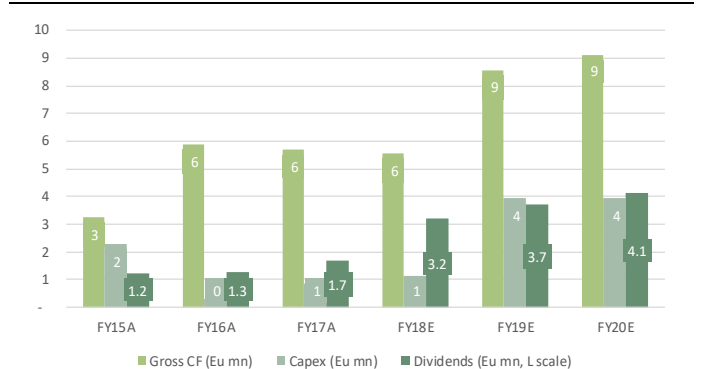
Margins expected to remain stable at high levels



Source: company data

Cash flow (FY15A-FY20E):

Growing cash flow generation supports an attractive dividend policy



Source: company data and Alantra estimates

International

Claver Corporation (CLV-AU): mostly focused on the delivery of bioactive ingredients using proprietary encapsulation technology to produce ready-to-blend products containing tuna oil and/or other nutritional lipids. Claver has developed several new products across 2018 and as a result has made two new patent applications. Encapsulated tuna oil weights for ca. 70% of revenues.

Bio Gaia (BIOG-SE): innovative Swedish healthcare company and a world leader in probiotics. It is involved in the development, marketing and selling of probiotic products. Their products are recommended by pediatricians and healthcare professionals in more than 100 countries.

Vitor Pharma (VIFN-CH): world leader in the discovery, development, manufacturing and marketing of pharmaceutical products for the treatment of iron deficiency. The company also offers a diversified portfolio of prescription medicines as well as non-prescription medicines. Key brands in the iron treatment portfolio are intravenous products

Boiron SA (BOI-FR): engages in the manufactures and markets homeopathic medicines. It operates through the following geographical segments: France; Europe; North America; and Other Countries. It offers non-proprietary, proprietary and branded homeopathic medicines. Proprietary represents 50% of the sales. It operates in the topics market (Argingel) where Pharmanutra is present with Cetilar products family.

Laboratorio Reig Jofre (RJF-ES): pharmaceutical company focused on the research, development, manufacture and marketing of pharmaceutical products and nutritional supplements. 8.1mn R&D investments in 2017. Revenues are made for 50% by OTC activity (20% Nutritional supplements); 50% antibiotics and Injectable products.

Nature's Sunshine (NATR): engages as a natural health and wellness company. It markets and distributes nutritional and personal care products through a global direct sales force.

Life Vantage (LFVN): engages in the identification, research, development and distribution of advanced nutraceutical dietary supplements and skin care products. The company owns several patents and a global sales channel.

Ceapro (CZO-CA): boasts a unique expertise lies in the identification, extraction, production and selling of unique active ingredients originating from natural sources. It owns a proprietary technology for the extraction of active ingredients. The company aims to commercialize soon its products.

Biosearch (BIO-ES): leader in biotechnology with a global innovative vocation. The company discover, produce and market around three products: Omega-3 (Eupoly-3®), Probiotics (Hereditum®), Botanical Extracts (Exxentia®)

USANA (USNA-US): a Utah-based multi-level marketing company that produces various nutritional products, dietary supplements and skincare products. Usana products, most of which are manufactured in company's facility, are sold in 24 countries via a network of independent distributors.

Naturhouse Health (NTH-ES): group working in the nutrition and weight management industry, with its own exclusive business model based on the "Naturhouse Method". The group has a wide range of products, developed in-house, and its own distribution channel.

Jamieson Wellness (JWEL-CA): founded in 1922, Jamieson is Canada's leading branded manufacturer, distributor and marketer of high-quality natural health products. They offer comprehensive and innovative line of branded vitamins, minerals and supplements, sports nutrition and certain over-the-counter remedy products.

Trading multiples

The stock is trading at discount to its closest peers (BioGaia and Clover)

Company	Country	Mkt Cap (Eu mn)	EV/EBITDA			EV/EBIT			PE			EV/Sales		
			FY18E	FY19E	FY20E	FY18E	FY19E	FY20E	FY18E	FY19E	FY20E	FY18E	FY19E	FY20E
PHARMANUTRA	ITALY	164	13.5 x	12.1 x	10.5 x	14.3 x	12.8 x	11.4 x	21.0 x	18.8 x	16.6 x	3.4 x	3.0 x	2.6 x
Premium (discount) to Peers' Median			-1%	5%	11%	-19%	-16%	-9%	-10%	-11%	-4%	23%	17%	15%
PEERS		Average	13.6 x	11.5 x	9.5 x	17.7 x	15.2 x	12.4 x	23.4 x	21.2 x	17.3 x	2.8 x	2.5 x	2.2 x
		Median	12.4 x	11.8 x	9.0 x	19.4 x	14.5 x	13.5 x	24.4 x	22.1 x	18.1 x	1.7 x	1.6 x	1.5 x
Clover Corporation Limited	AUSTRALIA	145	19.8 x	16.4 x	13.5 x	20.5 x	17.3 x	14.2 x	29.2 x	25.3 x	21.1 x	3.5 x	3.0 x	2.4 x
BioGaia AB Class B	SWEDEN	588	22.0 x	21.7 x	17.4 x	22.7 x	22.3 x	17.8 x	30.9 x	30.2 x	24.8 x	8.5 x	7.7 x	6.8 x
Boiron SA	FRANCE	848	4.7 x	4.4 x	4.1 x	5.8 x	5.4 x	4.9 x	12.8 x	12.6 x	11.8 x	1.0 x	1.0 x	0.9 x
LABORATORIO REIG JOFRE, S.A.	SPAIN	170	11.7 x	11.8 x	9.0 x	21.6 x	23.5 x	16.2 x	23.4 x	25.7 x	16.1 x	1.1 x	1.2 x	1.1 x
Nature's Sunshine Products, Inc.	UNITED STATES	134	na	na	na	na	na	na	na	na	na	na	na	na
LifeVantage Corporation	UNITED STATES	182	12.8 x	na	na	na	na	na	25.0 x	na	na	na	na	na
Ceapro Inc.	CANADA	23	24.0 x	na	na	na	na	na	na	na	na	na	na	na
Biosearch, S.A.	SPAIN	91	11.5 x	na	na	na	na	na	24.0 x	na	na	na	na	na
USANA Health Sciences, Inc.	UNITED STATES	2,447	12.0 x	10.8 x	na	13.9 x	12.0 x	na	22.7 x	20.2 x	18.4 x	na	na	na
Naturhouse Health SA	SPAIN	133	5.6 x	5.9 x	6.1 x	5.8 x	6.3 x	6.4 x	8.5 x	9.3 x	9.4 x	1.5 x	1.5 x	1.5 x
Jamieson Wellness, Inc.	CANADA	529	14.0 x	12.1 x	na	19.4 x	14.5 x	na	24.4 x	20.6 x	17.9 x	2.8 x	2.6 x	na
Vifor Pharma AG	SWITZERLAND	7,212	21.0 x	15.5 x	10.4 x	34.9 x	21.7 x	13.5 x	32.5 x	26.9 x	18.6 x	4.9 x	4.3 x	3.7 x

Company	Country	Mkt Cap (Eu mn)	Dividend Yield			FCF Yield			Net Debt/EBITDA			P/BV		
			FY18E	FY19E	FY20E	FY18E	FY19E	FY20E	FY18E	FY19E	FY20E	FY18E	FY19E	FY20E
PHARMANUTRA	ITALY		2.2%	2.5%	2.8%	2.6%	2.8%	3.1%	nm	nm	nm	6.5 x	5.5 x	4.7 x
PEERS		Average	2.7%	2.7%	2.6%	5.3%	6.1%	7.0%	1.8 x	2.1 x	1.9 x	4.1 x	3.8 x	3.4 x
		Median	1.7%	1.9%	2.5%	4.0%	5.3%	6.8%	1.8 x	2.0 x	1.9 x	1.7 x	1.6 x	1.5 x
Clover Corporation Limited	AUSTRALIA	145	1.3%	1.8%	2.3%	2.0%	na	na	nm	nm	nm	nm	nm	nm
BioGaia AB Class B	SWEDEN	588	2.4%	2.5%	2.7%	2.5%	2.9%	3.6%	nm	nm	nm	12.6 x	11.4 x	9.6 x
Boiron SA	FRANCE	848	3.1%	3.2%	3.3%	5.5%	6.9%	7.7%	nm	nm	nm	1.7 x	1.6 x	1.5 x
LABORATORIO REIG JOFRE, S.A.	SPAIN	170	0.0%	0.0%	0.0%	nm	nm	1.9%	1.8 x	2.5 x	1.9 x	1.1 x	1.1 x	1.0 x
Nature's Sunshine Products, Inc.	UNITED STATES	134	na	na	na	na	na	na	na	na	na	na	na	na
LifeVantage Corporation	UNITED STATES	182	na	na	na	na	na	na	na	na	na	na	na	na
Ceapro Inc.	CANADA	23	na	na	na	na	na	na	na	na	na	na	na	na
Biosearch, S.A.	SPAIN	91	na	na	na	na	na	na	na	na	na	na	na	na
USANA Health Sciences, Inc.	UNITED STATES	2,447	na	na	na	4.6%	5.3%	na	na	na	na	na	na	na
Naturhouse Health SA	SPAIN	133	12.7%	10.7%	10.0%	13.5%	10.5%	11.2%	nm	nm	nm	na	na	na
Jamieson Wellness, Inc.	CANADA	529	1.7%	1.7%	na	3.4%	4.9%	na	2.2 x	1.6 x	na	na	na	na
Vifor Pharma AG	SWITZERLAND	7,212	1.6%	1.6%	1.6%	2.5%	4.0%	6.4%	nm	nm	nm	2.6 x	2.5 x	2.3 x

Source: Alantra estimates and Factset

Financials

Higher economics and CAGR compared to a broad panel of international peers

Company	Country	Mkt Cap (Eu mn)	FY18E - FY20E average margins					CAGR FY17A - FY20E			
			EBITDA Margin	EBIT Margin	Net Income Margin	Capex / Sales	Dividend Payout	Sales	EBITDA	EBIT	EPS
PHARMANUTRA	ITALY	164	24.7%	23.1%	15.8%	5.5%	50.0%	16.4%	15.5%	14.9%	15.4%
PEERS		Average	21.7%	17.9%	12.5%	4.7%	40.1%	8.8%	14.4%	26.9%	19.1%
		Median	20.8%	16.9%	11.2%	3.1%	39.4%	8.9%	13.3%	26.7%	19.0%
Clover Corporation Limited	AUSTRALIA	145	17.9%	17.1%	12.0%	2.9%	44.5%	23.0%	42.9%	45.0%	42.4%
BioGaia AB Class B	SWEDEN	588	37.7%	36.6%	28.4%	2.6%	71.9%	13.6%	13.5%	13.5%	13.4%
Boiron SA	FRANCE	848	22.2%	18.2%	11.5%	7.2%	39.4%	0.3%	-2.7%	-2.6%	0.1%
LABORATORIO REIG JOFRE, S.A.	SPAIN	170	10.5%	5.6%	4.3%	10.9%	0.0%	5.2%	14.5%	13.8%	na
Nature's Sunshine Products, Inc.	UNITED STATES	134	na	na	na	na	na	na	na	na	na
LifeVantage Corporation	UNITED STATES	182	na	na	na	na	na	na	na	na	na
Ceapro Inc.	CANADA	23	na	na	na	na	na	na	na	na	na
Biosearch, S.A.	SPAIN	91	na	na	na	na	na	na	na	na	na
USANA Health Sciences, Inc.	UNITED STATES	2,447	18.4%	16.2%	10.9%	2.0%	na	9.9%	na	na	19.4%
Naturhouse Health SA	SPAIN	133	25.7%	24.5%	17.5%	-0.1%	100.5%	-4.7%	-10.8%	-11.3%	-10.3%
Jamieson Wellness, Inc.	CANADA	529	21.4%	16.8%	10.6%	2.9%	38.0%	8.2%	11.8%	55.5%	18.7%
Vifor Pharma AG	SWITZERLAND	7,212	29.2%	20.6%	13.6%	3.2%	41.5%	15.1%	13.0%	61.8%	47.1%

Source: Alantra estimates and Factset

Performance

Positive stock performance since the IPO in July 2017

Company	Country	Mkt Cap (Eu mn)	Performance					
			1M	3M	6M	1YR	3YR	5YR
PHARMANUTRA	ITALY	164	11.9%	9.0%	10.8%	38.0%	na	na
PEERS		Average Median	10.6% 3.4%	3.1% -0.5%	-7.9% -11.5%	29.6% -1.9%	64.8% 26.3%	87.6% 74.1%
Clover Corporation Limited	AUSTRALIA	145	0.7%	-4.8%	-11.5%	102.9%	345.2%	142.1%
BioGaia AB Class B	SWEDEN	588	15.9%	-0.7%	-14.7%	18.1%	54.5%	75.7%
Boiron SA	FRANCE	848	-1.3%	-8.7%	-28.4%	-31.5%	-30.5%	-8.0%
LABORATORIO REIG JOFRE, S.A.	SPAIN	170	14.5%	16.5%	-9.7%	-1.1%	-22.4%	-56.8%
Nature's Sunshine Products, Inc.	UNITED STATES	134	-1.8%	-9.6%	1.3%	-33.9%	-6.8%	-50.8%
LifeVantage Corporation	UNITED STATES	182	12.6%	34.9%	53.7%	234.5%	77.4%	72.5%
Ceapro Inc.	CANADA	23	16.9%	12.5%	-16.7%	-30.8%	18.4%	328.6%
Biosearch, S.A.	SPAIN	91	58.8%	15.8%	-5.1%	160.8%	266.3%	90.9%
USANA Health Sciences, Inc.	UNITED STATES	2,447	-0.5%	0.1%	-11.5%	56.9%	84.6%	291.2%
Naturhouse Health SA	SPAIN	133	41.0%	-2.0%	-34.4%	-49.1%	-38.2%	na
Jamieson Wellness, Inc.	CANADA	529	-1.6%	-7.4%	-15.2%	0.9%	na	na
Vifor Pharma AG	SWITZERLAND	7,212	18.1%	-13.2%	-32.7%	-7.8%	-11.4%	46.0%

Source: Alantra estimates and Factset

Valuation

Summary

We set a target price of Eu21.5 per share. Our valuation is the weighted average of a DCF and peers' multiples analysis.

At our target price PHN would trade at an EV/EBITDA of 17.1x/15.3x/13.3x on our 2018/2019/2020 estimates and at a P/E of 26.6x/23.8x/21.1x on our 2018/2019/2020 estimates.

Valuation – Summary

Our TP is the weighted average of a DCF (70%) and a peers' multiples comparison (30%)

Method	Equity Value		
	(Eu mn)	(Eu per share)	Weight (%)
DCF	220.6	22.8	70%
Peers multiples	177.9	18.4	30%
Weighted AVG	207.8	21.5	
N. of shares (mn)			9.681

Source: Alantra estimates

Multiples Comparison

Our peers' multiples comparison resulted in a fair value of Eu18.4 per share. As a reference we are using EV/EBITDA, EV/EBIT and P/E multiples based on FY18-20 figures. The peers' group includes international pharmaceutical and nutraceutical companies either owning proprietary raw materials (active ingredients) or having a direct distribution. **At our target price PHN would be trading at discount to Clover Corporation and BioGaia, the two closest peers.**

PHN – Multiples comparison

Peers' multiples comparison yields a fair value of Eu18.4 per share

Eu mn	Peer Group Median multiples		
	FY18E	FY19E	FY20E
EBITDA reported	11.5	12.8	14.6
EV/EBITDA Peer Group	14.5x	12.3x	10.1x
EV based on multiples	166.6	158.5	147.3
Net Financial Position	11.1	12.1	13.1
Adjustments	0.0	0.0	0.0
Equity Value on EV/EBITDA	177.7	170.6	160.4
Eu Per Share	18.4	17.6	16.6
EBIT reported	10.9	12.1	13.6
EV/EBIT Peer Group	18.1x	15.4x	12.2x
EV based on multiples	196.4	185.8	165.1
Net Financial Position	11.1	12.1	13.1
Adjustments	0.0	0.0	0.0
Equity Value on EV/EBIT	207.6	197.9	178.2
Eu Per Share	21.4	20.4	18.4
Net profit reported	7.4	8.2	9.3
P/E Peer Group	23.3x	21.4x	17.2x
Equity Value on P/E	172.9	176.0	159.6
Eu Per Share	17.9	18.2	16.5

Source: Alantra estimates

DCF Model

Our DCF model yields a fair value of Eu22.8 per share. Our main assumptions are: cost of equity at 8.0% (risk free rate at 2.5%; equity risk premium at 5.0%; beta at 1.1x); terminal growth rate is set at 2.5%. The TV accounts for 65% of total EV.

PHN – DCF Model

Our DCF model yields a fair value of Eu22.8 per share

(Eu mn)	FY18E	FY19E	FY20E	FY21E	FY22E	FY23E	FY24E	FY25E	FY26E	FY27E	FY28E	TV
EBITDA	11.5	12.8	14.6	16.4	18.3	20.2	22.2	23.9	25.8	27.4	28.5	29.2
taxes on EBIT	(3.4)	(3.8)	(4.2)	(4.8)	(5.4)	(6.0)	(6.6)	(7.1)	(7.7)	(8.2)	(8.6)	(8.6)
Non recurring Cash-out	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
NWC Change	(2.5)	(0.5)	(1.2)	(0.6)	(1.2)	(1.1)	(1.2)	(1.1)	(1.2)	(1.0)	(0.7)	
Capex	(1.1)	(3.9)	(3.9)	(1.0)	(1.0)	(1.0)	(1.0)	(1.0)	(1.0)	(1.0)	(0.9)	(1.5)
Capex/Revenues	-2.5%	-7.5%	-6.6%	-1.5%	-1.3%	-1.2%	-1.1%	-1.0%	-0.9%	-0.9%	-0.8%	-1.3%
Free cash flow	4.5	4.7	5.2	10.0	10.8	12.1	13.3	14.7	16.0	17.2	18.3	343.7
Disc. Free Cash Flow	4.1	4.0	4.2	7.4	7.3	7.6	7.8	8.0	8.0	8.0	7.9	136.5
Year	1	2	3	4	5	6	7	8	9	10	11	12
Total Disc. FCF	74.2											
Terminal value	136.5											
Total EV (Eu mn)	210.7											
NFP FY17E	9.9											
Adjustments	0.0											
TOTAL Equity Value	220.6											
# of shares (mn)	9.7											
Fair Value per share (Eu)	22.8											
WACC	8.0%											
Terminal Growth	2.5%											

Source: Alantra estimates

M&A Multiples

We have selected some M&A transactions occurred in the nutraceutical market in the last few years. Our analysis shows that on average the multiples paid were equal to 13.1x EV/EBITDA and 2.7x EV/Sales.

M&A Multiples – Selected transactions in the Nutraceutical market

On average, EV/EBITDA and EV/Sales paid were equal to 13.1x and 2.7x respectively

DATE	TARGET	COUNTRY	BUSINESS DESCRIPTION	BUYER	REVENUES (Eu mn)	EBITDA (Eu mn)	EV/EBITDA	EV/SALES
Mar-15	Omega Pharma	Belgium	A leading European OTC company providing prescription-free health and personal care products, notably VMS and natural remedies	Perrigo	1,213.4	231.2	14.60 x	2.80 x
Apr-17	Herb's International Service	France	Pharmaceuticals distributor, the Company is a French leader in natural health ingredients.	Dohler	10.0	1.7	15.00 x	2.50 x
Jul-17	Natura Genesis	USA	marketer of proprietary, branded and science-backed nutraceutical ingredients.	Innophos Holding	10.8	2.3	10.60 x	2.30 x
Jul-17	Nutrilinea	Italy	Italy-based producer of food supplements and medical devices (CMO)	White Bridge Investments S.p.A.	51.0	9.0	14.23 x	2.50 x
Aug-17	Novel Ingredients	USA	provider of dietary supplement ingredient solutions	Innophos Holding	85.3	9.1	12.10 x	1.30 x
Aug-17	Nutraceutical International Corporation	USA	Manufactures branded nutritional supplements, vitamins and minerals in the United States and internationally	HGGC Private Equity	184.3	34.3	9.61 x	1.80 x
Oct-17	Weifa	Norway	Manufactures and sells non-prescription, over-the-counter pharmaceutical products	Karo Pharma	44.0	8.9	19.00 x	3.80 x
Jun-18	Natural Point	Italy	Food supplement manufacturer	Recordati	15.0	10.0	7.5x	5.00 x
Sep-18	InterHealth Nutraceuticals	USA	Research, development, manufacture and marketing of value-added nutritional ingredients for use in dietary supplements	Lonza	118.8	23.3	10.00 x	2.00 x
Average							13.1 x	2.7 x
Median							13.2 x	2.5 x

Source: web, merger market and Alantra elaborations

Appendix

Glossary

Nutraceutical: is a broad umbrella term that is used to describe any product derived from food sources with extra health benefits in addition to the basic nutritional value found in foods. They can be considered non-specific biological therapies used to promote general well-being, control symptoms and prevent malignant processes. Most often they are grouped in the following categories: dietary supplements, functional food, functional beverages. A dietary supplement represents a product that contains nutrients derived from food products, and is often concentrated in liquid, capsule, powder or pill form.

Iron deficiency: iron is an important dietary mineral that is involved in various bodily functions, including the transport of oxygen in the blood. This is essential in providing energy for daily life. Iron deficiency results in depleting the iron stores within your body. This can lead to fatigue, tiredness and decreased immunity.

Active Principle: a constituent of a drug, usually an alkaloid or glycoside, that is largely responsible for conferring its characteristic therapeutic properties.

Food supplements intellectual property protection: in nutraceutical fields, it is not possible to patent final products formulations while it is only possible to patent the composition and the manufacturing process of active ingredients (e.g. Sucrosomial Iron® – Sideral R.M.), as well as the indication of usage of a specific product.

Clinical trials: a type of clinical study in which participants are assigned to groups that receive one or more intervention/treatment (or no intervention) so that researchers can evaluate the effects of the interventions on biomedical or health-related outcomes.

Sucrosomial® Technology: innovative phospholipid micelles to help protect mineral supplements optimizing their absorption.

Patient blood management (PBM): is an evidence-based, multidisciplinary, multimodal and individualized approach to optimize the care of patients who might need blood transfusion.

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