

PHARMANUTRA

Sector: Pharmaceutical

STAR Segment Should Call for A Re-Rating

We confirm our BUY rating after release of 3Q20 results and raise our TP from Eu28.0 to Eu33.0 per share, >17% upside. We expect that the upcoming move to the STAR segment will support a further re-rating: the discount vs BioGaia (closer listed peers in our view) on NTM PE could narrow. Pharmanutra has historically traded at 38% average discount and it is now at 47%. At our TP the stock would trade at 28.7x PE on our FY21 estimates, or approx. 30% discount vs BioGaia. 3Q20 results, released last Monday reinforces our FY20 top-line estimates. They also confirm PHN leadership in iron supplementation and topical markets, as the company continues to increase its market share. While Covid-19 could continue to have some short-term impacts on top-line growth over the coming quarters, we continue to focus on the unparalleled mid long-term growth potential, especially abroad.

- Q3 top line reinforces our FY20 estimate.** Pharmanutra reported flat YoY sales in 3Q20, with revenues at Eu11.6mn. This performance, which followed a very strong H1 (sales up 22.2% YoY), was in line with our estimate and consistent with our FY20 expectation. We highlight that revenues in Q3 can be lumpy and impacted by phasing of orders and deliveries. By geography, while Italy reported a slight decline in quarterly sales, international business was slightly better than last year. EBITDA adj. came out at Eu2.9mn in the quarter; EBITDA margin stood at 24.6%, 50bps above last year figure but below the 30.8% margin reached in 1H20. This was the result of a normalization of the costs base, as marketing and commercial activities restarted regularly. FCF generation was positive, thanks to a careful WC management and lower than expected capex: net cash grew from Eu13.1mn at 1H20 to Eu14.1mn at 9M20.
- Leadership confirmed, with growing sell out in Q3.** Following a contact with the management, we understand that sell out of group's products in Italy in Q3 was strong (we estimate a high single-digit growth YoY). Despite facing a challenging environment (due to the virus outbreak), Pharmanutra confirmed its undisputed leadership in the iron supplementation and topical markets: Sideral's market share in values grew from 53% in 1H20 to 53.4% at 9M20; Cetilar increased its market share in volumes from 1.87% to 2.01% over the same period. We appreciate the recent significant R&D and marketing effort: (i) launch of a new product, Cetilar® Tape, expanding the patented Cetylated Ester-based (CFA) line for muscles and joints, (ii) launch of a cross-channel marketing campaign, addressing *Apportal*, to increase the brand awareness; (iii) achievement of 165 ISC (+35 since May), with the aim to reach 200 by YE21 and to continue to strengthen the direct commercial network. Mid-term, we continue see risks on the upside, as the company can leverage on (i) a resilient business, outperforming its reference market and lying on solid growth trends; (ii) a highly cash generative model; (iii) strong R&D capabilities; (iv) a growing presence outside Italy. The stock will soon move to the STAR segment.
- Covid-19 could have some impacts also on FY21; we are slightly fine-tuning our estimates.** We slightly fine tune our FY20 EBITDA estimate, as several new marketing campaigns have been launched in 4Q and we are factoring a slower growth rate in FY21 (due to possible further Covid-19 related restrictions), before an acceleration in FY22. Cash generation should continue to be strong: we expect approx. Eu11mn FCF over FY21-22 period (after Eu13mn Capex), which should drive net cash up to Eu18.6mn (after Eu11mn dividends).
- BUY confirmed; TP lifted from Eu28.0 to Eu33.0.** We confirm our BUY rating and we raise our Target Price from Eu28.0 to Eu33.0 per share (>17% upside), mainly on peers' re-rating. The stock is now trading at 47% discount on NTM PE vs BioGaia against a 38% average discount since listing. The announced move to the STAR segment should trigger a reduction of the discount in our view. At our target price the stock would be trading at 18.7/19.4x EV/EBITDA and 28.2/28.7x P/E on FY20/21 figures. The entrance into new large markets (e.g. Germany) or the establishment of direct subsidiaries into strategic countries (e.g. Spain) could be the most relevant catalyst for the stock.

BUY

Unchanged

TP 33.00

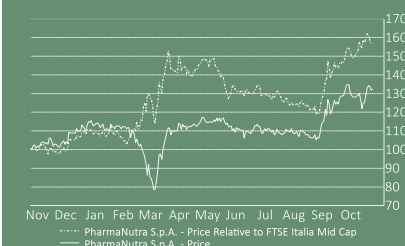
From 28.00

Target price upside: 17%

Change in EPS est.	FY20E	FY21E
	7.3%	-2.1%

Ticker (BBG, Reut)	PHN IM	PHN MI
Share price Ord. (Eu)		28.0
N. of Ord. shares (mn)		9.7
Total N. of shares (mn)		9.7
Market cap (Eu mn)		271
Total Market Cap (EU mn)		271
Free Float Ord. (%)		35%
Free Float Ord. (Eu mn)		95
Daily AVG liquidity Ord. (Eu k)		156

	1M	3M	12M
Absolute Perf.	2.6%	21.1%	31.3%
Rel.to FTSEMidCap	7.1%	23.8%	47.2%
52 weeks range		16.7	28.7



	FY19A	FY20E	FY21E
Sales	54	58	62
EBITDA adj.	13.2	16.1	15.5
Net profit adj.	8.5	10.7	10.5
EPS adj.	0.873	1.105	1.084
DPS - Ord.	0.463	0.553	0.542
EV/EBITDA adj.	12.9x	15.8x	16.3x
P/E adj.	20.1x	23.7x	24.1x
Dividend yield	2.4%	2.0%	1.9%
FCF yield	3.1%	3.4%	2.3%
Net debt/(Net cash)	(13.6)	(17.9)	(18.6)
Net debt/EBITDA	nm	nm	nm

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Key Data

P&L account (Eu mn)	FY18A	FY19A	FY20E	FY21E	FY22E
Sales	48.1	54.2	57.7	61.6	72.7
Gross margin	15.9	17.1	20.8	20.3	24.1
EBITDA reported	12.6	13.2	15.9	15.5	18.4
D&A	(0.4)	(1.0)	(1.5)	(1.4)	(2.0)
EBIT reported	11.9	12.2	14.4	14.1	16.4
Net financial charges	(0.1)	(0.0)	(0.0)	(0.0)	(0.0)
Associates	0.0	0.0	0.0	0.0	0.0
Extraordinary items	0.0	0.0	0.0	0.0	0.0
Pre-tax profit	11.9	12.2	14.4	14.1	16.4
Taxes	(3.3)	(3.7)	0.8	(3.6)	(4.3)
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	8.6	8.5	15.2	10.5	12.2
EBITDA adjusted	11.8	13.2	16.1	15.5	18.4
EBIT adjusted	11.2	12.2	14.4	14.1	16.4
Net profit adjusted	8.0	8.5	10.7	10.5	12.2

Margins (%)	FY18A	FY19A	FY20E	FY21E	FY22E
Gross margin	33.0%	31.5%	36.1%	32.9%	33.1%
EBITDA margin (adj)	24.6%	24.3%	27.9%	25.2%	25.3%
EBIT margin (adj)	23.2%	22.5%	25.0%	22.9%	22.6%
Pre-tax margin	24.6%	22.5%	24.9%	22.8%	22.6%
Net profit margin (adj)	16.5%	15.6%	18.5%	17.0%	16.7%

Growth rates (%)	FY18A	FY19A	FY20E	FY21E	FY22E
Sales	27.1%	12.7%	6.5%	6.8%	18.0%
EBITDA	32.3%	4.8%	20.9%	-2.5%	18.7%
EBITDA adjusted	24.5%	11.3%	22.4%	-3.7%	18.7%
EBIT	33.5%	2.4%	18.1%	-2.2%	16.6%
EBIT adjusted	25.2%	9.2%	18.1%	-2.2%	16.6%
Pre-tax	35.2%	2.9%	18.1%	-2.2%	16.7%
Net profit	41.9%	-1.2%	79.8%	-30.9%	15.9%
Net profit adjusted	32.6%	6.3%	26.6%	-1.9%	15.9%

Per share data	FY18A	FY19A	FY20E	FY21E	FY22E
Shares	9.681	9.681	9.681	9.681	9.681
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	0.884	0.873	1.570	1.084	1.256
EPS adjusted	0.822	0.873	1.105	1.084	1.256
DPS - Ord.	0.500	0.463	0.553	0.542	0.628
DPS - Sav.	0.000	0.000	0.000	0.000	0.000
BVPS	2.525	2.908	4.016	4.547	5.261

Enterprise value (Eu m)	FY18A	FY19A	FY20E	FY21E	FY22E
Share price Ord. (Eu)	14.2	19.0	28.1	28.1	28.1
Market cap	137.5	183.9	272.0	272.0	272.0
Net debt/(Net cash)	(11.4)	(13.6)	(17.9)	(18.6)	(18.6)
Adjustments	0.0	0.0	0.0	0.0	0.0
Enterprise value	126.1	170.3	254.1	253.4	253.4

Cash flow (Eu mn)	FY18A	FY19A	FY20E	FY21E	FY22E
EBITDA adjusted	11.8	13.2	16.1	15.5	18.4
Net financial charges	(0.1)	(0.0)	(0.0)	(0.0)	(0.0)
Cash taxes	(3.3)	(2.0)	(1.0)	(2.5)	(4.3)
Ch. in Working Capital	(2.0)	(1.4)	(4.8)	(1.3)	(1.4)
Other operating items	0.0	0.0	0.0	0.0	0.0
Operating cash flow	6.4	9.8	10.3	11.8	12.8
Capex	(0.8)	(4.1)	(1.2)	(5.5)	(7.3)
FCF	5.6	5.7	9.2	6.2	5.5
Disposals/Acquisitions	0.0	0.0	0.0	0.0	0.0
Changes in Equity	0.0	0.0	0.0	0.0	0.0
Others	(0.1)	(0.8)	0.0	0.0	0.0
Dividends	(3.2)	(4.8)	(4.5)	(5.4)	(5.2)
Ch. in NFP	2.3	(0.0)	4.7	0.9	0.2

Ratios (%)	FY18A	FY19A	FY20E	FY21E	FY22E
Capex/Sales	1.7%	7.6%	2.0%	9.0%	10.0%
Capex/D&A	1.8x	4.2x	0.8x	3.8x	3.6x
FCF/EBITDA	47.6%	42.9%	56.9%	40.2%	29.8%
FCF/Net profit	65.9%	66.9%	60.4%	59.5%	45.2%
Dividend pay-out	-56.6%	-53.0%	-50.0%	-50.0%	-50.0%

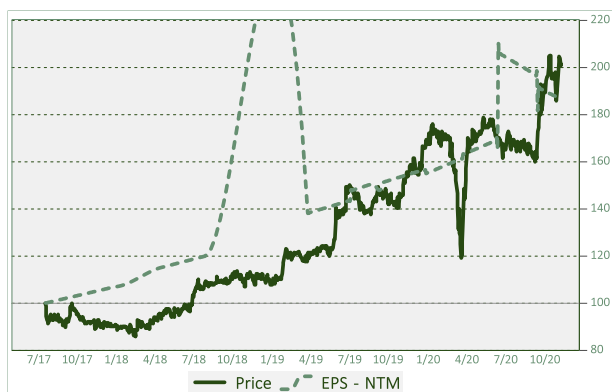
Balance sheet (Eu mn)	FY18A	FY19A	FY20E	FY21E	FY22E
Working capital	8.9	7.0	11.8	13.0	14.4
Fixed assets	6.4	10.0	9.7	13.8	19.1
Provisions & others	(2.3)	(2.5)	(0.6)	(1.4)	(1.2)
Net capital employed	13.0	14.6	20.9	25.4	32.3
Net debt/(Net cash)	(11.4)	(13.6)	(17.9)	(18.6)	(18.6)
Equity	24.4	28.2	38.9	44.0	50.9
Minority interests	0.0	0.0	0.0	0.0	0.0

Ratios (%)	FY18A	FY19A	FY20E	FY21E	FY22E
Working capital/Sales	18.4%	12.9%	20.4%	21.1%	19.8%
Net debt/Equity	nm	nm	nm	nm	nm
Net debt/EBITDA	nm	nm	nm	nm	nm

Valuation	FY18A	FY19A	FY20E	FY21E	FY22E
EV/CE	8.2x	10.0x	11.8x	9.4x	7.6x
P/BV	5.6x	6.5x	7.0x	6.2x	5.3x
EV/Sales	2.6x	3.1x	4.4x	4.1x	3.5x
EV/EBITDA	10.0x	12.9x	16.0x	16.3x	13.7x
EV/EBITDA adjusted	10.6x	12.9x	15.8x	16.3x	13.7x
EV/EBIT	10.6x	14.0x	17.6x	18.0x	15.4x
EV/EBIT adjusted	11.3x	14.0x	17.6x	18.0x	15.4x
P/E	16.1x	20.1x	16.7x	24.1x	20.8x
P/E adjusted	17.3x	20.1x	23.7x	24.1x	20.8x
ROCE pre-tax	81.0%	75.5%	74.8%	58.3%	54.5%
ROE	32.5%	30.0%	27.5%	23.8%	23.9%
EV/FCF	22.4x	30.1x	27.7x	40.6x	46.1x
FCF yield	4.1%	3.1%	3.4%	2.3%	2.0%
Dividend yield	3.5%	2.4%	2.0%	1.9%	2.2%

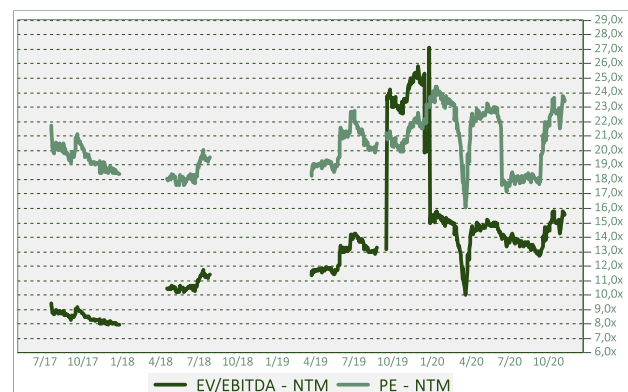
Share price performance

Strong performance since the listing in July 2017



Valuation

Strong re-rating over the past few months

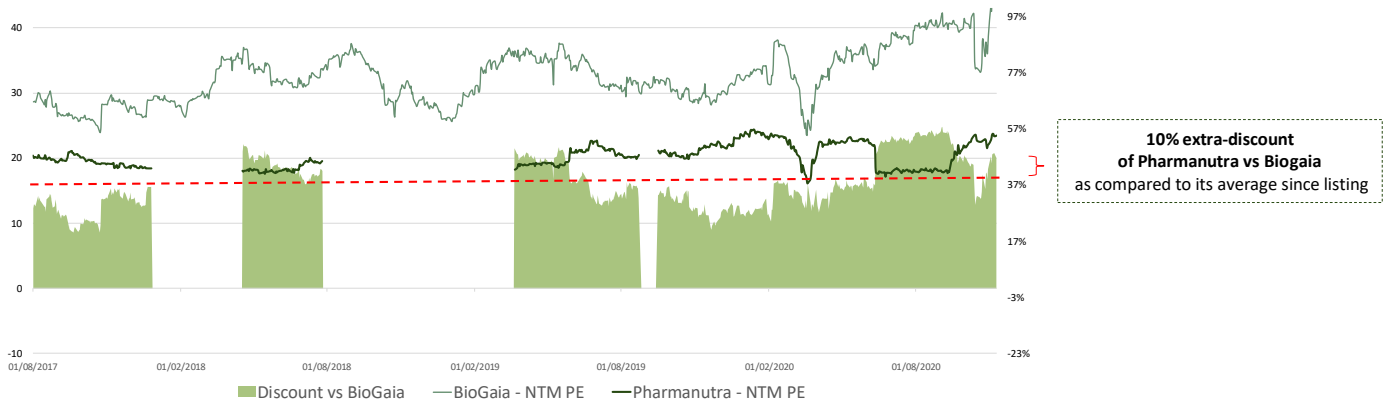


Pharmanutra vs BioGaia valuation

Biogaia is a Swedish nutraceutical company focused on Probiotics. We see Biogaia as a very close peer, given its undisputable R&D capabilities in a specific niche, global reach through distributors and outstanding growth rates with high margin.

Pharmanutra vs BioGaia Valuation

Pharmanutra is now trading at 47% discount vs BioGaia on NTM PE multiple against an average 38% since listing

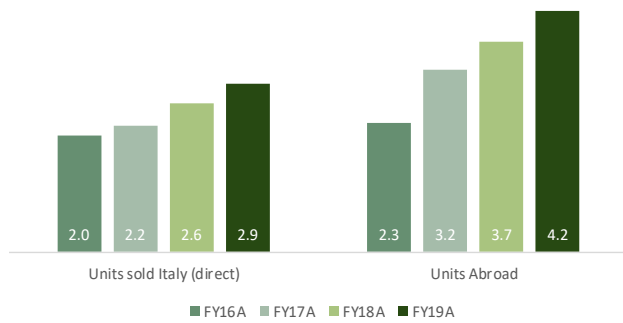


Source: Factset and Alantra

Key Charts

Sales Volumes (FY16A-FY19A)

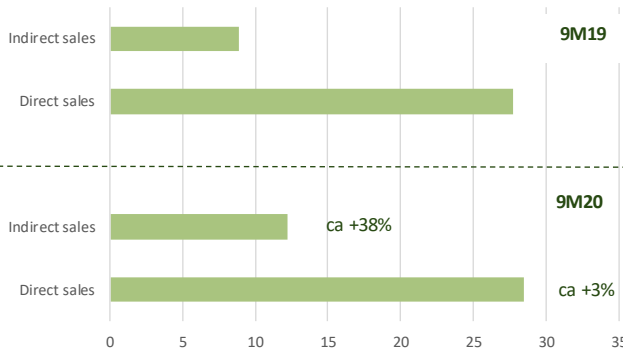
International sales represent >60% of total volumes



Source: company data and Alantra estimates

Revenue breakdown by channel (1H19A-1H20A)

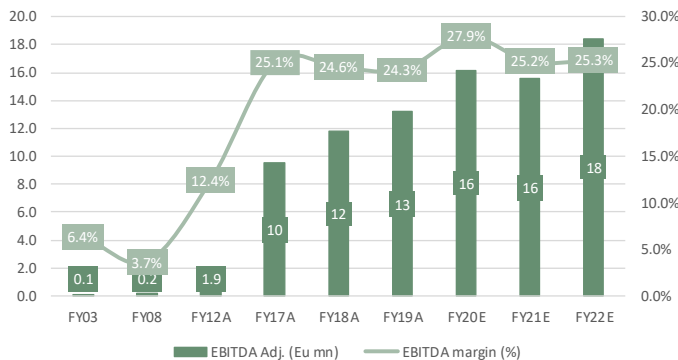
Indirect foreign sales spiked in 2020



Source: company data

Profitability trends (FY03A-FY22E)

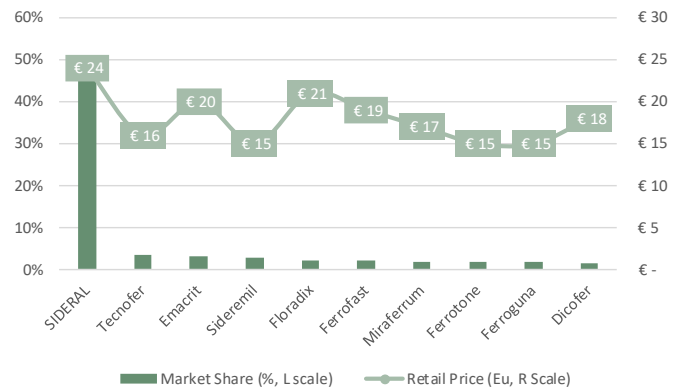
Sustainable high margins from 2017 onwards



Source: company data and Alantra estimates

SiderAL positioning in Italy (FY18A)

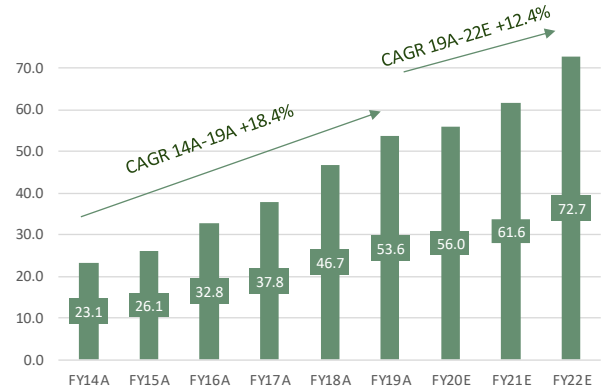
Sideral holds 53.4% market share in volumes as of 9M20



Source: company data

Revenue trends (FY14A-FY22E)

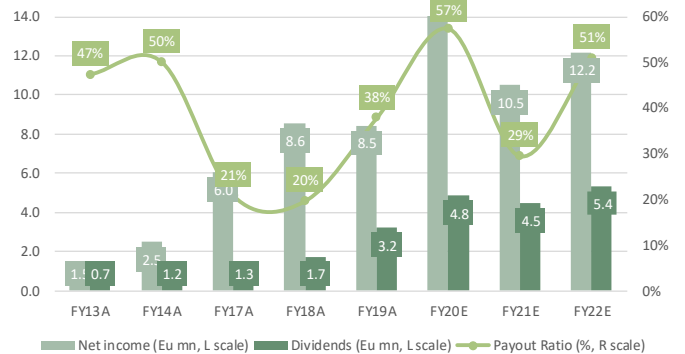
+18.4% CAGR in 2014-19 period; +12.4% CAGR expected in 2019-22 period



Source: company data and Alantra estimates

Dividend (FY13A-FY22E)

Attractive dividends distribution



Source: company data and Alantra estimates

Profile

- 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 company operates in 55 countries with 34 partners (6 contracts are under negotiation). 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 unicorn 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. **At FY19 the group owns 16 (+5 since 2017) proprietary raw materials, 10 (+1) patents based on pure technological innovation, 26 (+4 YoY) registered brands yielding a strong brand awareness in the medical field, and 112 (+36 YoY) completed clinical trials 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 30.3% revenue and a 42.5% EBITDA CAGR from 2003 to 2019. 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 have contributed 31% to revenues and 64% to volumes in 2019). The EBITDA margin increased from 6.3% in 2003 to 24.3% in 2019.
- In FY19-22 we forecast a 10.7%/11.8%/13.0% CAGR for revenues, Adj. EBITDA and Adj. 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;
 - **Sales Network expansion:** to consolidate its market positioning in Italy the Group aims to expand the Sales Network to 200 units by December 2021 (from 165 currently)
 - **Launch of new products:** during 2018-19 8 new products were launched (different new application of Sucrosomial iron®; new child products; a brand-new line on Sucrosomial magnesium®, Apportal®)
 - **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, 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 32.21%
 Roberto Lacorte 23.95%
 Beda srl 11.31%

Management

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

Next events

3Q20 Results

3Q20 Results

Q3 top line reinforces our FY20 estimate

Eu mn	3Q19A	3Q20A	YoY %	9M19A	9M20A	YoY %	4Q19A	4Q20E	YoY %	FY19A	FY20E	YoY %
Net Revenues	11.6	11.6	-0.2%	36.6	40.7	11.2%	17.0	15.4	-9.9%	53.6	56.0	4.5%
on sales %	0.0%	0.2%		0.0%	15.2%		0.0%	-11.9%		12.7%	6.5%	
Other revenues and income	0.0	0.1		0.2	1.7		0.4	0.0		0.6	1.7	
on sales %	0.4%	0.7%		0.4%	3.9%		2.5%	0.2%		1.1%	2.9%	
Total Revenues / Value of Production	11.6	11.7	0.2%	36.8	42.3	15.2%	17.5	15.4	-11.9%	54.2	57.7	6.5%
on sales %	100.0%	100.0%		100.0%	100.0%		100.0%	100.0%		100.0%	100.0%	
EBITDA Adjusted	2.8	2.9	2.3%	9.1	12.3	34.9%	4.1	3.8	-5.7%	13.2	16.1	22.4%
Ebitda Margin %	24.1%	24.6%		24.8%	29.1%		23.2%	24.8%		24.3%	27.9%	
Taxes	(0.7)	(0.4)		(2.6)	0.9		(1.2)	(0.1)		(3.7)	0.8	
Tax rate %	-27.7%	-17.8%		-30.6%	8.8%		-30.9%	-3.2%		-30.7%	-6.0%	
Net Profit	1.8	1.7	-6.5%	5.8	11.4	95.6%	2.6	3.8	44.5%	8.5	15.2	79.8%
Net Profit Margin %	15.8%	14.7%		15.9%	27.0%		15.0%	24.6%		15.6%	26.3%	
NFP end of the period	8.0	14.1		8.0	14.1		13.6	17.9		13.6	17.9	

Source: Factset and Alantra estimates

Estimates

Change in estimates

Covid-19 could have some impacts also on FY21; we are slightly fine-tuning our estimates.

(Eu mn)	NEW estimates				FY19A/E	FY20E	FY21E	FY22E
	FY19A	FY20E	FY21E	FY22E				
Revenues	53.6	56.0	61.6	72.7	0.0%	0.0%	-2.7%	1.7%
EBITDA Reported	13.2	15.9	15.5	18.4	0.0%	-5.0%	-3.0%	1.7%
EBIT Reported	12.2	14.4	14.1	16.4	0.0%	-4.4%	-2.2%	2.0%
Pretax Profit	12.2	14.4	14.1	16.4	0.0%	-4.4%	-2.2%	2.0%
Net profit	8.5	15.2	10.5	12.2	0.0%	7.3%	-2.1%	1.9%
EPS	0.873	1.570	1.084	1.256	0.0%	7.3%	-2.1%	1.9%
Net financial position	13.6	17.9	18.6	18.6	0.0	0.0	(1.9)	(2.6)

Source: Factset and Alantra estimates

Trading multiples

The stock is trading at strong discount vs BioGaia,

Company	Country	Mkt Cap (Eu mn)	EV/EBITDA		EV/EBIT		PE		EV/Sales						
			FY20E	FY21E	FY20E	FY21E	FY20E	FY21E	FY20E	FY21E	FY20E	FY21E			
PHARMANUTRA Premium (discount) to Peers' Median	ITALY	272	16.0 x	16.3 x	13.7 x	17.6 x	18.0 x	15.4 x	16.7 x	24.1 x	20.8 x	4.4 x	4.1 x	3.5 x	46%
PEERS	Average Median		13.7 x 12.1 x	12.4 x 11.2 x	9.1 x 7.0 x	49.9 x 21.7 x	16.0 x 14.1 x	11.5 x 10.4 x	31.4 x 24.5 x	24.2 x 20.9 x	19.2 x 16.7 x	3.3 x 2.6 x	2.8 x 1.7 x	2.4 x 1.4 x	
Clover Corporation Limited	AUSTRALIA	183	15.9 x	21.1 x	14.0 x	16.5 x	22.2 x	14.5 x	23.8 x	32.2 x	19.9 x	3.4 x	3.8 x	2.9 x	
BioGaia AB Class B	SWEDEN	804	29.5 x	26.5 x	23.4 x	31.4 x	28.1 x	24.8 x	46.7 x	44.2 x	39.2 x	10.1 x	9.2 x	8.2 x	
Boiron SA	FRANCE	675	4.3 x	4.3 x	3.5 x	13.8 x	6.5 x	5.0 x	41.6 x	17.5 x	13.8 x	0.8 x	0.8 x	0.8 x	
LifeVantage Corporation	UNITED STATES	130	12.8 x	5.0 x	4.3 x	na	6.7 x	5.7 x	25.0 x	12.0 x	10.8 x	na	0.6 x	0.5 x	
Biosearch, S.A.	SPAIN	74	11.5 x	15.4 x	11.1 x	49.1 x	24.2 x	15.9 x	24.0 x	30.8 x	20.5 x	2.6 x	2.4 x	2.0 x	
USANA Health Sciences, Inc.	UNITED STATES	1,372	12.0 x	10.8 x	na	13.9 x	12.0 x	na	14.2 x	13.2 x	13.9 x	1.2 x	1.1 x	na	
Jamieson Wellness, Inc.	CANADA	1,108	21.3 x	18.7 x	na	29.0 x	22.6 x	na	38.2 x	33.8 x	30.2 x	4.7 x	4.3 x	na	
Vifor Pharma AG	SWITZERLAND	7,000	12.3 x	11.5 x	9.1 x	21.7 x	16.2 x	12.3 x	22.9 x	22.8 x	18.7 x	4.0 x	3.8 x	3.2 x	

Company	Country	Mkt Cap (Eu mn)	Dividend Yield		FCF Yield		Net Debt/EBITDA		P/BV					
			FY20E	FY21E	FY20E	FY21E	FY20E	FY21E	FY20E	FY21E				
PHARMANUTRA	ITALY		2.0%	1.9%	2.2%	3.4%	2.0%	nm	7.0 x	6.2 x	5.3 x			
PEERS	Average Median		0.9% 1.1%	1.2% 1.3%	1.4% 1.7%	4.7% 3.5%	6.8% 7.4%	0.9 x 0.7 x	0.7 x 0.7 x	4.1 x 3.6 x	3.8 x 3.3 x	3.2 x 1.3 x		
Clover Corporation Limited	AUSTRALIA	183	1.4%	1.3%	1.7%	na	na	0.3 x	nm	nm	nm	nm	nm	
BioGaia AB Class B	SWEDEN	804	1.6%	1.6%	1.9%	2.1%	2.2%	nm	nm	nm	nm	8.0 x	7.5 x	7.0 x
Boiron SA	FRANCE	675	1.1%	2.5%	3.3%	7.8%	6.9%	nm	nm	nm	nm	1.3 x	1.2 x	1.2 x
LifeVantage Corporation	UNITED STATES	130	na	na	na	na	1.9%	na	na	na	na	na	na	na
Biosearch, S.A.	SPAIN	74	0.0%	0.0%	0.0%	2.4%	1.5%	0.7 x	0.3 x	nm	na	na	na	na
USANA Health Sciences, Inc.	UNITED STATES	1,372	na	na	na	4.7%	4.9%	nm	nm	na	na	na	na	na
Jamieson Wellness, Inc.	CANADA	1,108	1.1%	1.2%	na	1.8%	2.8%	1.6 x	1.2 x	na	na	5.8 x	5.2 x	na
Vifor Pharma AG	SWITZERLAND	7,000	1.6%	1.6%	1.6%	4.1%	5.9%	nm	nm	nm	nm	2.3 x	2.2 x	2.0 x

Source: Alantra estimates and Factset

Financials

Higher economics compared to a broad panel of international peers

Company	Country	Mkt Cap (Eu mn)	FY20E - FY22E average margins					CAGR FY19A - FY22E			
			EBITDA Margin	EBIT Margin	Net Income Margin	Capex / Sales	Dividend Payout	Sales	EBITDA	EBIT	EPS
PHARMANUTRA	ITALY	272	26.0%	23.5%	20.0%	7.0%	50.0%	10.3%	11.8%	10.4%	12.9%
PEERS		Average	21.0%	15.1%	10.7%	4.0%	32.6%	7.8%	15.0%	24.2%	22.1%
		Median	20.1%	13.2%	8.8%	3.1%	36.0%	7.2%	13.2%	20.6%	13.9%
Clover Corporation Limited	AUSTRALIA	183	20.0%	19.2%	13.6%	1.2%	36.7%	8.8%	13.5%	13.4%	13.6%
BioGaia AB Class B	SWEDEN	804	34.7%	32.7%	25.2%	2.4%	72.6%	5.6%	7.2%	7.3%	4.8%
Boiron SA	FRANCE	675	20.2%	11.3%	6.7%	4.9%	45.3%	-2.8%	3.9%	5.4%	6.3%
LifeVantage Corporation	UNITED STATES	130	11.2%	8.7%	5.6%	1.3%	na	2.1%	16.7%	26.4%	19.2%
Biosearch, S.A.	SPAIN	74	15.3%	9.2%	7.4%	7.5%	0.0%	14.2%	37.9%	69.7%	81.7%
USANA Health Sciences, Inc.	UNITED STATES	1,372	16.8%	15.1%	10.3%	1.8%	na	3.5%	3.9%	6.0%	8.2%
Jamieson Wellness, Inc.	CANADA	1,108	22.6%	17.5%	12.5%	3.4%	41.2%	10.3%	12.1%	na	14.2%
Vifor Pharma AG	SWITZERLAND	7,000	33.8%	22.7%	14.0%	2.8%	35.3%	5.1%	12.8%	20.6%	11.7%

Source: Alantra estimates and Factset

Performance

The stock is up >20% over the last 3M

Company	Country	Mkt Cap (Eu mn)	Performance					
			1M	3M	6M	1YR	3YR	5YR
PHARMANUTRA	ITALY	272	2.6%	21.1%	16.1%	31.3%	118.0%	na
PEERS		Average	-6.2%	-5.7%	-3.7%	2.1%	51.1%	74.3%
		Median	-10.7%	-6.5%	-6.5%	-3.5%	37.1%	22.0%
Clover Corporation Limited	AUSTRALIA	183	-10.7%	-19.1%	-16.5%	-40.8%	214.9%	420.3%
BioGaia AB Class B	SWEDEN	804	-12.7%	-10.8%	4.0%	31.7%	54.8%	99.0%
Boiron SA	FRANCE	675	-12.0%	13.1%	15.1%	15.4%	-49.4%	-51.8%
LifeVantage Corporation	UNITED STATES	130	-11.3%	-19.5%	-28.4%	-27.2%	99.4%	27.2%
Biosearch, S.A.	SPAIN	74	-11.2%	10.7%	14.6%	39.0%	151.8%	159.4%
USANA Health Sciences, Inc.	UNITED STATES	1,372	3.2%	-6.2%	-6.5%	3.3%	19.4%	16.7%
Jamieson Wellness, Inc.	CANADA	1,108	2.1%	12.0%	30.4%	75.1%	112.4%	na
Vifor Pharma AG	SWITZERLAND	7,000	-7.7%	-11.6%	-23.6%	-27.5%	-11.2%	-24.0%

Source: Alantra estimates and Factset

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