

PHARMANUTRA

Sector: Pharmaceutical

Health is the Real Safe Heaven

We believe that current market capitalization does not incorporate yet the hidden value of Pharmedutra's internally developed Sucrosomial technology and the potential breakthrough it could represent in untapped markets (such as the US). We confirm our BUY rating and raise our TP from Eu33.0 to Eu45.0 (>15% upside). Despite the limited possibility for PHN's agents to visit doctors over 2020, the company was able to post a healthy mid-single digit growth. The need of iron deficient patients to use Sideral for a long time and on a regular basis gives a resilient profile. Geographical diversification (>50 countries at YE20) and continuous R&D (1 product launched in 2020) strengthen the resilient profile and could offer unexpressed growth potential. The group could see its market multiples re-rating further over coming months.

- 4Q was tough on seasonal trends of international business; domestic recovery held up well.** Revenues in 4Q came out at Eu15.8mn, posting a 7.5% decline YoY (in line with our estimates). Results were negatively impacted by a tough comparison base on the international business (-25.9% YoY), as orders do not usually follow a linear path. By contrast, the domestic business held up well since September, despite the comeback of Covid-19 in autumn (+2.2% YoY). EBITDA adj. came out at Eu3.7mn in the quarter (22.7% margin on sales. -50bps YoY). This was the result of a normalization of the costs base, as marketing and commercial activities restarted regularly. FCF in 4Q was extremely strong, thanks to a solid operating cash flow generation and a positive WC dynamic. Net cash was up to Eu19.4mn at YE20 (from Eu14.1mn at 9M20). As the company posted a Eu11.6mn restated net profit in FY20 (+37.2% YoY), the BoD approved the distribution of a Eu0.67/share dividend in 2021 (ca +50% YoY).
- Outlook is positive and current trading healthy; the company is beefing up for the entrance into larger markets.** During the CC held yesterday, management gave positive indication on the current trading: the Italian market is now back to strong double-digit growth (since Sept 2020) following some slowdown observed in the first part of FY20, due to covid-19 outbreak; order backlog for foreign markets is strong and should continue to offer interesting growth rates. Overall, management expects to post a healthy high-single digit growth rate in FY21. Margins should normalize at pre Covid-19 levels, as the company should continue to invest in marketing and reinforcement of its sales and organizational structure. Management also cited to be in advanced talks to enter in a large European market: discussions could be finalized as soon as the pandemic restrictions ease. We remind that, as of today, Pharmedutra is still not present with its Sucrosomial® technology for iron deficiency treatment in large European markets (e.g. France, Germany), in UK, US and in Japan. In 2020 the company has signed 9 more agreements for the distribution of its products in foreign countries both (i) enlarging the number of countries and (ii) expanding with new products on existing distributors. Furthermore, in 2020 the company has also launched a new product (Cetilar Tape), which is performing extremely well (according to indication from the management) and is set to launch 2 new products in 2021, addressing new untapped health areas. More disclosure to come over coming months.
- Estimates broadly unchanged; risks seem tilted to the upside.** Following the release of FY20 results, we are leaving our estimates broadly unchanged, as the main assumptions underpinning our numbers are confirmed. In FY21 we expect revenues to grow 10% YoY at Eu62.1mn: domestic sales should bounce back to healthy growth while international sales could slowdown in the first quarter before recovering in 2Q and 2H. EBITDA should be broadly unchanged YoY at Eu15.7mn, as the company should accelerate on business development. Cash generation should be strong with ca Eu12mn operating FCF, while capex needs for the new corporate building and dividends should bring net cash broadly stable YoY at Eu19.1mn. Mid-term, we see risks on our top-line growth estimates tilted to the upside as the company has ample room to grow in new geographies both organically or through M&A. Also a faster than expected rollout of the vaccination campaign could speed up business growth in 2021.
- Still hidden value to be unveiled: BUY reaffirmed and TP lifted from Eu33.0 to Eu45.0.** We confirm our BUY rating and we raise our Target Price from Eu33.0 to Eu45.0 per share (>15% upside), mainly on peers' re-rating and roll-over of our DCF. Today the stock is still trading at 20% discount on NTM PE vs Biogaia: we expect this discount should continue to narrow over the coming months as PHN, despite having a slightly lower marginality, is showing stronger resiliency and a significant unexploited growth potential. 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, US) or the establishment of direct subsidiaries into strategic countries (e.g. Spain) could be the most relevant catalyst for the stock.

BUY

Unchanged

TP 45.00

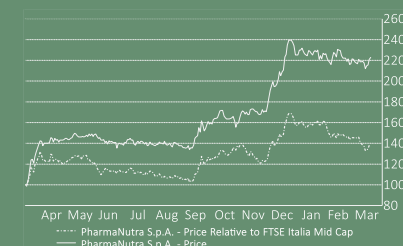
From 33.00

Target price upside: 16%

Change in EPS est.	FY21E	FY22E
	1.9%	1.2%

Ticker (BBG, Reut)	PHN IM	PHN MI
Share price Ord. (Eu)		38.8
N. of Ord. shares (mn)		9.7
Total N. of shares (mn)		9.7
Market cap (Eu mn)		376
Total Market Cap (EU mn)		376
Free Float Ord. (%)		35%
Free Float Ord. (Eu mn)		131
Daily AVG liquidity Ord. (Eu k)		195

	1M	3M	12M
Absolute Perf.	-0.5%	-1.1%	110.9%
Rel. to FTSEMidCap	-7.3%	-14.1%	47.6%
52 weeks range		16.7	40.0



	FY20A	FY21E	FY22E
Sales	56	62	73
EBITDA adj.	16.0	15.7	18.6
Net profit adj.	11.6	10.7	12.3
EPS adj.	1.198	1.105	1.272
DPS - Ord.	0.671	0.608	0.699
EV/EBITDA adj.	10.3x	22.6x	19.3x
P/E adj.	14.2x	33.3x	29.0x
Dividend yield	3.5%	1.6%	1.8%
FCF yield	6.1%	1.7%	1.4%
Net debt/(Net cash)	(19.4)	(19.1)	(18.1)
Net debt/EBITDA	nm	nm	nm

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Key Data

P&L account (Eu mn)	FY19A	FY20A	FY21E	FY22E	FY23E
Sales	53.6	56.4	62.1	73.3	79.9
Gross margin	na	na	na	na	na
EBITDA reported	13.2	15.6	15.7	18.6	20.4
D&A	(1.0)	(2.3)	(1.5)	(2.0)	(2.1)
EBIT reported	12.2	13.2	14.3	16.5	18.3
Net financial charges	(0.0)	0.1	0.1	0.1	0.1
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	12.2	13.3	14.4	16.6	18.4
Taxes	(3.7)	0.8	(3.7)	(4.3)	(5.3)
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	8.5	14.1	10.7	12.3	13.1
EBITDA adjusted	13.2	16.0	15.7	18.6	20.4
EBIT adjusted	12.2	14.7	14.3	16.5	18.3
Net profit adjusted	8.5	11.6	10.7	12.3	13.1

Margins (%)	FY19A	FY20A	FY21E	FY22E	FY23E
Gross margin	na	na	na	na	na
EBITDA margin (adj)	24.6%	28.4%	25.4%	25.3%	25.6%
EBIT margin (adj)	22.8%	26.1%	23.0%	22.6%	22.9%
Pre-tax margin	22.7%	23.6%	23.1%	22.7%	23.0%
Net profit margin (adj)	15.8%	20.5%	17.2%	16.8%	16.3%

Growth rates (%)	FY19A	FY20A	FY21E	FY22E	FY23E
Sales	14.9%	5.3%	10.0%	18.0%	9.0%
EBITDA	4.8%	18.0%	1.2%	18.0%	10.1%
EBITDA adjusted	11.3%	21.5%	-1.7%	18.0%	10.1%
EBIT	2.4%	8.3%	8.1%	15.9%	10.6%
EBIT adjusted	9.2%	20.7%	-3.0%	15.9%	10.6%
Pre-tax	2.9%	9.1%	8.0%	15.8%	10.5%
Net profit	-1.2%	66.5%	-24.0%	15.0%	6.0%
Net profit adjusted	6.3%	37.2%	-7.8%	15.0%	6.0%

Per share data	FY19A	FY20A	FY21E	FY22E	FY23E
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	0.873	1.454	1.105	1.272	1.348
EPS adjusted	0.873	1.198	1.105	1.272	1.348
DPS - Ord.	0.454	0.671	0.608	0.699	0.742
DPS - Sav.	0.000	0.000	0.000	0.000	0.000
BVPS	2.908	3.897	4.332	4.995	5.644

Enterprise value (Eu m)	FY19A	FY20A	FY21E	FY22E	FY23E
Share price Ord. (Eu)	14.2	19.0	38.8	38.8	38.8
Market cap	137.5	183.9	375.6	375.6	375.6
Net debt/(Net cash)	(13.6)	(19.4)	(19.1)	(18.1)	(25.2)
Adjustments	0.0	0.0	0.0	0.0	0.0
Enterprise value	123.9	164.5	356.5	357.5	350.4

Cash flow (Eu mn)	FY19A	FY20A	FY21E	FY22E	FY23E
EBITDA adjusted	13.2	16.0	15.7	18.6	20.4
Net financial charges	(0.0)	0.1	0.1	0.1	0.1
Cash taxes	(2.0)	(1.0)	(2.6)	(4.3)	(5.3)
Ch. in Working Capital	(1.4)	(2.6)	(1.2)	(1.8)	0.1
Other operating items	0.0	0.0	0.0	0.0	0.0
Operating cash flow	9.8	12.5	12.1	12.5	15.3
Capex	(4.1)	(1.3)	(5.6)	(7.3)	(1.2)
FCF	5.7	11.2	6.5	5.2	14.1
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	(0.8)	(0.2)	0.0	0.0	0.0
Dividends	(4.8)	(4.4)	(6.5)	(5.9)	(6.8)
Ch. in NFP	(0.0)	6.6	(0.0)	(0.7)	7.3

Ratios (%)	FY19A	FY20A	FY21E	FY22E	FY23E
Capex/Sales	7.7%	2.4%	9.0%	10.0%	1.5%
Capex/D&A	4.2x	0.6x	3.8x	3.6x	0.6x
FCF/EBITDA	42.9%	69.9%	41.1%	27.8%	69.0%
FCF/Net profit	66.9%	79.6%	60.4%	41.9%	108.1%
Dividend pay-out	52.0%	56.0%	55.0%	55.0%	55.0%

Balance sheet (Eu mn)	FY19A	FY20A	FY21E	FY22E	FY23E
Working capital	7.0	9.6	10.8	12.6	12.5
Fixed assets	10.0	10.5	14.1	19.4	18.7
Provisions & others	(2.5)	(1.7)	(2.1)	(1.8)	(1.8)
Net capital employed	14.6	18.3	22.8	30.2	29.4
Net debt/(Net cash)	(13.6)	(19.4)	(19.1)	(18.1)	(25.2)
Equity	28.2	37.7	41.9	48.4	54.6
Minority interests	0.0	0.0	0.0	0.0	0.0

Ratios (%)	FY19A	FY20A	FY21E	FY22E	FY23E
Working capital/Sales	13.0%	16.9%	17.3%	17.2%	15.6%
Net debt/Equity	nm	nm	nm	nm	nm
Net debt/EBITDA	nm	nm	nm	nm	nm

Valuation	FY19A	FY20A	FY21E	FY22E	FY23E
EV/CE	7.3x	8.2x	14.3x	11.2x	11.2x
P/BV	4.9x	4.9x	9.0x	7.8x	6.9x
EV/Sales	2.3x	2.9x	5.7x	4.9x	4.4x
EV/EBITDA	9.4x	10.6x	22.6x	19.3x	17.1x
EV/EBITDA adjusted	9.4x	10.3x	22.6x	19.3x	17.1x
EV/EBIT	10.1x	12.4x	25.0x	21.6x	19.1x
EV/EBIT adjusted	10.1x	11.2x	25.0x	21.6x	19.1x
P/E	16.3x	11.7x	33.3x	29.0x	26.8x
P/E adjusted	16.3x	14.2x	33.3x	29.0x	26.8x
ROCE pre-tax	75.5%	79.5%	63.6%	58.2%	57.9%
ROE	30.0%	30.7%	25.5%	25.5%	23.9%
EV/FCF	21.9x	14.7x	55.1x	69.3x	24.8x
FCF yield	4.1%	6.1%	1.7%	1.4%	3.8%
Dividend yield	3.2%	3.5%	1.6%	1.8%	1.9%

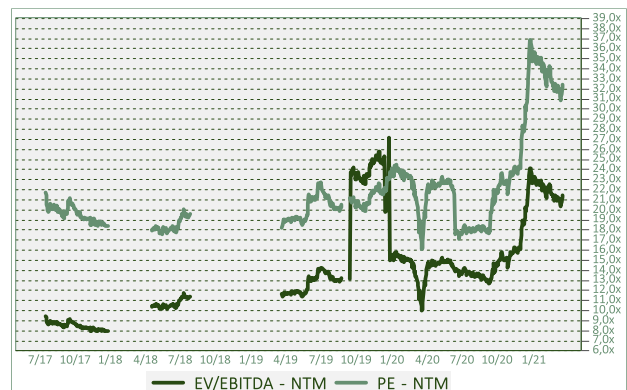
Share price performance

Strong performance since the listing in July 2017



Valuation

Strong re-rating over the past few months

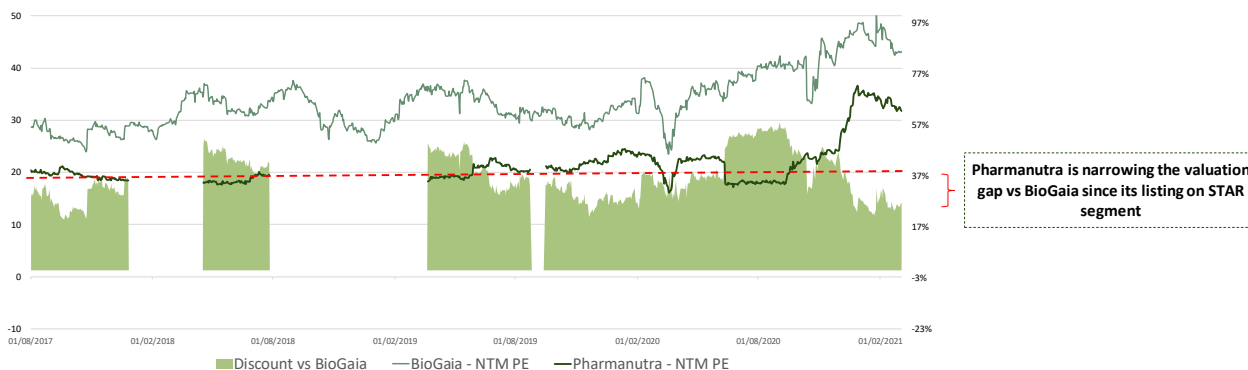


Pharmanutra vs BioGaia valuation

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 (NTM P/E)

Since the listing on the STAR segment of the Italian Stock Exchange PHN is gradually closing the valuation gap vs BioGaia



Source: Factset and Alantra

We believe PHN should completely close the valuation gap vs BioGaia over the coming months as:

- (i) PHN is still at an earlier stage of its development. The company has reported Eu56.4mn revenues in FY20 (vs Eu71mn of BioGaia). Furthermore, while BioGaia is still present in >100 countries including some of the largest food supplements markets (e.g. US, France, Germany, Japan, HK, etc..), PHN is present in ca 50 countries with no presence in largest markets (e.g. UK, France, Germany, China, Japan, US).
- (ii) PHN is delivering comparable gross margins vs BioGaia (ca 80% vs ca 73%). While, as of today, PHN gross margin is benefitting from the larger share of revenues made from direct distribution, we expect foreign expansion should align the two companies' gross margins.
- (iii) Being PHN Sucrosomial® technology internationally patented until 2032, its products are unique in nature and are offering tremendous advantage to iron deficient patients being treated with Sideral® products (iron-related family of products developed by PHN). This translates into limited R&D expenses (approx. 2% of sales) which is related both to the development of new products (e.g. Apportal which has been launched in 2019) and to "long-term" studies on the next generation of Sucrosomial technology.
- (iv) Iron deficient patients need to use Sideral for a long time and on a regular basis, and this is offering a resilient profile to the company, more than BioGaia, focusing on Probiotics, which are strictly linked to the use of antibiotics which saw a sharp decline in 2020

As PHN continues its domestic and international expansion, we expect that the company could benefit from a positive operating leverage effect being Opex mostly skewed towards fixed costs (approx. 70% of costs below the gross margin).

Pharmanutra vs BioGaia

Still at an earlier stage of its development...ample room to expand revenues and margins

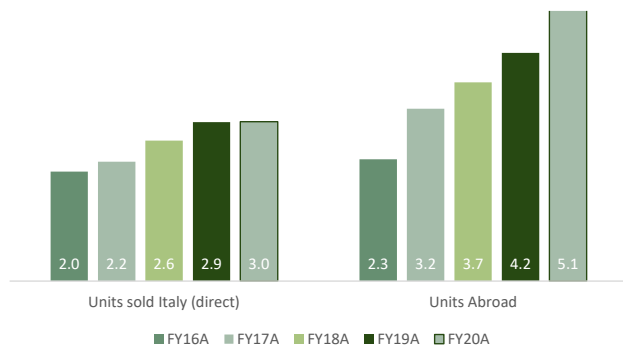
	PHARMANUTRA	BioGaia®
Revenues	Eu56mn	Eu71mn
Geographical Coverage	>50 countries without presence in main markets	>100 countries including US, Japan, etc..
Gross Margin	ca. 80%	ca. 73%
R&D	ca. 2% of sales	ca. 15% of sales
EBIT margin	ca 25.1%	ca. 31.5%

Source: Factset and Alantra

Key Charts

Sales Volumes (FY16A-FY20A)

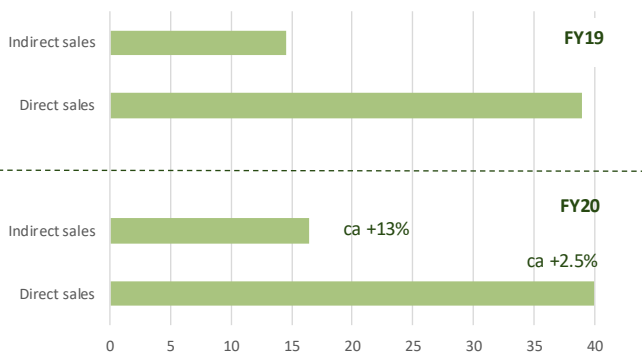
International sales represent >60% of total volumes



Source: company data and Alantra estimates

Revenue breakdown by channel (FY19A-FY20A)

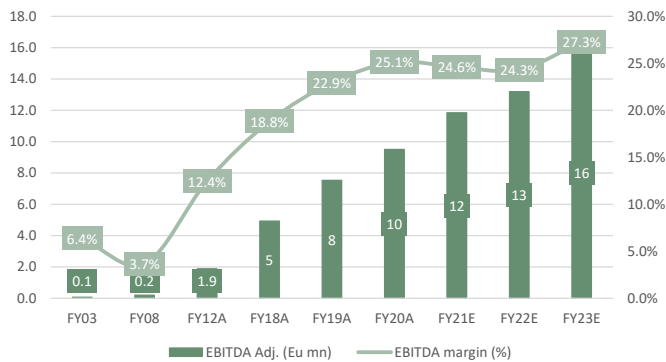
Covid-19 outbreak had an impact on domestic growth



Source: company data

Profitability trends (FY03A-FY23E)

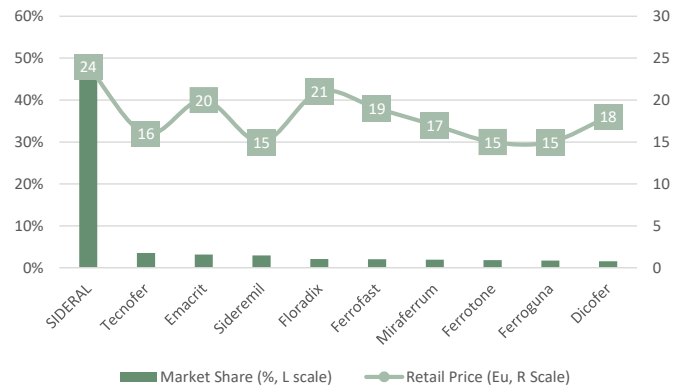
Sustainable high margins from 2017 onwards with room to grow



Source: company data and Alantra estimates

SiderAL positioning in Italy (FY20A)

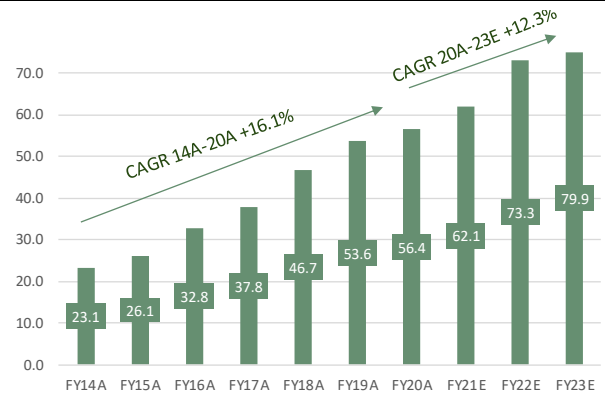
Sideral holds 53.4% market share in volumes as of 9M20



Source: company data

Revenue trends (FY14A-FY23E)

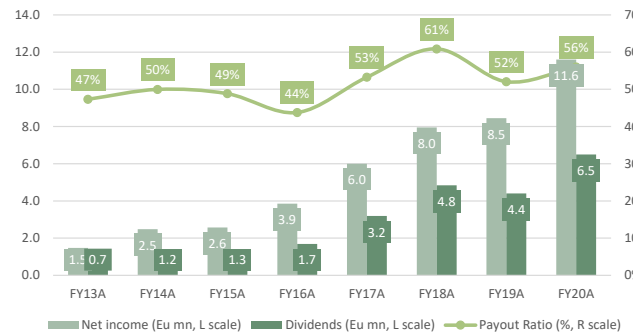
+16.1% CAGR in 2014-20 period; +12.3% CAGR expected in 2020-23 period



Source: company data and Alantra estimates

Dividends (FY13A-FY20A)

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 >50 countries with >35 partners. 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 FY20 the group owns 17 proprietary raw materials, 17 patents based on pure technological innovation, 37 registered brands yielding a strong brand awareness in the medical field, and 122 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 27% revenue and a 38% EBITDA CAGR from 2003 to 2020. 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 29% to revenues and 63% to volumes in 2020). The EBITDA margin increased from 6.3% in 2003 to 27.3% in 2020.
- 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 153 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 dependance 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 31.38%
 Roberto Lacorte 23.13%
 Beda srl 10.48%

Management

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

Next events

1Q21 results: 10th May 2021
 2Q21 results: 6th September 2021
 3Q21 results: 8th November 2021

4Q20 Results

4Q20 Results

4Q was tough on seasonal trends of international business; domestic recovery held up well

Eu mn	4Q19A	4Q20A	YoY %	4Q20E	A vs E	2H19A	2H20A	YoY %	FY19A	FY20A	YoY %
Net Revenues	17.0	15.8	-7.4%	15.4	2.7%	28.6	27.3	-4.5%	53.6	56.4	5.3%
Total Revenues / Value of Production	17.5	16.3	-6.5%	15.4	6.1%	29.1	28.0	-3.8%	54.2	58.7	8.2%
	on sales %	100.0%	100.0%	100.0%		100.0%	100.0%		100.0%	100.0%	
EBITDA Adjusted	4.1	3.7	-8.5%	3.8	-2.9%	6.9	6.6	-4.1%	13.2	16.0	21.5%
	Ebitda Margin %	23.2%	22.7%	24.8%		23.6%	23.5%		24.3%	27.3%	
Taxes	(1.2)	(0.2)		(0.1)		(1.9)	(0.5)		(3.7)	0.8	
	Tax rate %	-30.9%	-5.5%	-3.2%		-29.6%	-10.8%		-30.7%	-6.0%	
Net Profit	2.6	2.7	1.5%	3.8	-29.8%	4.5	4.4	-1.8%	8.5	14.1	66.5%
	Net Profit Margin %	15.0%	16.3%	24.6%		15.3%	15.6%		15.6%	24.0%	
NFP end of the period									13.6	19.4	

Source: Factset and Alantra estimates

Estimates

Change in estimates

Estimates broadly unchanged; risks seem tilted to the upside.

(Eu mn)	NEW estimates				FY20AvE	FY21E	FY22E
	FY20A	FY21E	FY22E	FY23E			
Revenues	56.4	62.1	73.3	79.9	0.7%	0.7%	0.7%
EBITDA Reported	15.6	15.7	18.6	20.4	-2.4%	1.3%	0.7%
EBIT Reported	13.2	14.3	16.5	18.3	-8.3%	1.4%	0.7%
Pretax Profit	13.3	14.4	16.6	18.4	-7.6%	2.0%	1.3%
Net profit	14.1	10.7	12.3	13.1	-7.4%	1.9%	1.2%
EPS	1.454	1.105	1.272	1.348	-7.4%	1.9%	1.2%
Net financial position	19.4	19.1	18.1	25.2	1.5	0.5	(0.4)

Source: Factset and Alantra estimates

Trading multiples

The stock is still trading at discount vs BioGaia,

Company	Country	Mkt Cap (Eu mn)	EV/EBITDA			EV/EBIT			PE			EV/Sales		
			FY21E	FY22E	FY23E	FY21E	FY22E	FY23E	FY21E	FY22E	FY23E	FY21E	FY22E	FY23E
PHARMANUTRA	ITALY	357	22.6 x	19.3 x	17.1 x	25.0 x	21.6 x	19.1 x	33.3 x	29.0 x	26.8 x	5.7 x	4.9 x	4.4 x
Premium (discount) to Peers' Median			59%	56%	47%	30%	40%	34%	25%	31%	26%	64%	59%	35%
PEERS			14.3 x	12.3 x	11.7 x	19.1 x	15.4 x	14.3 x	26.7 x	22.2 x	21.3 x	3.5 x	3.1 x	3.3 x
Average			12.5 x	10.8 x	11.2 x	19.3 x	15.4 x	13.3 x	24.0 x	20.3 x	18.9 x	3.8 x	3.5 x	3.1 x
Clover Corporation Limited	AUSTRALIA	179	24.5 x	17.7 x	13.5 x	26.0 x	18.5 x	13.9 x	38.3 x	26.9 x	20.9 x	4.6 x	3.7 x	3.1 x
BioGaia AB Class B	SWEDEN	789	26.5 x	22.8 x	19.7 x	28.3 x	24.3 x	20.8 x	45.3 x	39.4 x	34.5 x	8.8 x	7.8 x	6.9 x
Boiron SA	FRANCE	625	4.8 x	3.7 x	5.2 x	7.0 x	4.6 x	4.4 x	19.0 x	13.8 x	13.3 x	0.8 x	0.7 x	0.6 x
LifeVantage Corporation	UNITED STATES	111	12.8 x	3.5 x	na	5.5 x	4.7 x	na	25.0 x	9.2 x	na	0.5 x	0.4 x	na
Probi AB	SWEDEN	508	11.5 x	21.2 x	17.9 x	38.5 x	31.6 x	25.2 x	24.0 x	32.1 x	27.9 x	6.4 x	5.6 x	4.9 x
USANA Health Sciences, Inc.	UNITED STATES	1,722	12.0 x	10.8 x	na	13.9 x	12.0 x	na	15.8 x	15.3 x	na	1.3 x	1.2 x	na
Jamieson Wellness, Inc.	CANADA	1,019	16.7 x	14.9 x	na	19.3 x	16.9 x	na	29.4 x	26.1 x	na	3.8 x	3.5 x	na
Vifor Pharma AG	SWITZERLAND	7,302	12.5 x	10.6 x	8.9 x	20.1 x	15.4 x	12.6 x	23.7 x	20.3 x	16.9 x	4.2 x	3.7 x	3.2 x

Company	Country	Mkt Cap (Eu mn)	Dividend Yield			FCF Yield			Net Debt/EBITDA			P/BV		
			FY21E	FY22E	FY23E	FY21E	FY22E	FY23E	FY21E	FY22E	FY23E	FY21E	FY22E	FY23E
PHARMANUTRA	ITALY		1.6%	1.8%	1.9%	1.7%	1.4%	3.8%	nm	nm	nm	9.0 x	7.8 x	6.9 x
PEERS			1.3%	1.6%	1.7%	3.6%	4.9%	6.2%	1.3 x	0.9 x	#DIV/0!	3.2 x	2.9 x	2.8 x
Average			1.2%	1.4%	1.6%	3.2%	4.1%	5.6%	1.3 x	0.9 x	#NUM!	4.1 x	3.7 x	3.4 x
Clover Corporation Limited	AUSTRALIA	179	1.0%	1.4%	1.8%	na	na	na	nm	nm	nm	nm	nm	nm
BioGaia AB Class B	SWEDEN	789	1.1%	1.3%	1.5%	2.0%	2.4%	2.7%	nm	nm	nm	4.4 x	4.2 x	3.9 x
Boiron SA	FRANCE	625	2.3%	3.0%	3.3%	7.2%	10.0%	10.9%	nm	nm	nm	1.2 x	1.1 x	1.1 x
LifeVantage Corporation	UNITED STATES	111	na	na	na	3.5%	4.9%	na	nm	nm	na	na	na	na
Probi AB	SWEDEN	508	0.3%	0.3%	0.3%	2.0%	2.8%	3.7%	nm	nm	nm	4.1 x	3.7 x	3.4 x
USANA Health Sciences, Inc.	UNITED STATES	1,722	na	na	na	3.2%	4.1%	na	nm	nm	na	na	na	na
Jamieson Wellness, Inc.	CANADA	1,019	1.3%	1.3%	na	2.8%	3.9%	na	1.3 x	0.9 x	na	4.6 x	4.0 x	na
Vifor Pharma AG	SWITZERLAND	7,302	1.6%	1.6%	1.6%	5.9%	5.6%	7.5%	nm	nm	nm	2.2 x	2.1 x	1.9 x

Source: Alantra estimates and Factset

Financials

Higher economics compared to a broad panel of international peers. Still room to expand margins

Company	Country	Mkt Cap (Eu mn)	FY21E - FY23E average margins					CAGR FY20A - FY23E			
			EBITDA Margin	EBIT Margin	Net Income Margin	Capex / Sales	Dividend Payout	Sales	EBITDA	EBIT	EPS
PHARMANUTRA	ITALY	357	25.4%	22.8%	16.8%	6.8%	-55.0%	12.3%	9.5%	11.5%	-2.5%
PEERS			22.3%	17.8%	12.4%	2.9%	34.7%	6.3%	6.4%	14.1%	14.4%
Average			21.1%	17.9%	13.1%	2.4%	36.7%	8.4%	10.5%	13.2%	15.6%
Clover Corporation Limited	AUSTRALIA	179	21.1%	20.2%	14.1%	1.6%	37.8%	0.9%	3.6%	3.7%	4.9%
BioGaia AB Class B	SWEDEN	789	34.2%	32.1%	24.8%	2.4%	50.1%	7.7%	10.5%	10.9%	7.9%
Boiron SA	FRANCE	625	16.2%	14.0%	8.7%	3.8%	42.9%	-2.2%	-16.0%	0.2%	21.9%
LifeVantage Corporation	UNITED STATES	111	11.9%	8.9%	6.2%	1.3%	na	na	na	na	na
Probi AB	SWEDEN	508	26.5%	17.9%	14.0%	4.5%	9.8%	9.0%	10.4%	15.5%	17.2%
USANA Health Sciences, Inc.	UNITED STATES	1,722	17.9%	15.0%	10.6%	1.9%	na	na	na	na	na
Jamieson Wellness, Inc.	CANADA	1,019	23.0%	20.1%	13.1%	2.2%	36.7%	na	na	na	na
Vifor Pharma AG	SWITZERLAND	7,302	34.9%	23.4%	13.4%	3.4%	32.5%	9.3%	11.1%	24.2%	14.0%

Source: Alantra estimates and Factset

Performance

Stock price was broadly unchanged over the last 3M

Company	Country	Mkt Cap (Eu mn)	Performance					
			1M	3M	6M	1YR	3YR	5YR
PHARMANUTRA	ITALY	357	-0.5%	-1.1%	42.5%	110.9%	189.4%	na
PEERS	Average		4.0%	8.4%	3.5%	48.7%	50.4%	96.1%
	Median		1.7%	4.8%	-1.6%	28.3%	18.8%	40.2%
Clover Corporation Limited	AUSTRALIA	179	25.0%	6.5%	-26.7%	-6.3%	157.8%	345.9%
BioGaia AB Class B	SWEDEN	789	-6.5%	-20.0%	-27.6%	28.3%	3.1%	99.8%
Boiron SA	FRANCE	625	0.3%	-11.3%	-10.9%	31.9%	-50.3%	-48.3%
LifeVantage Corporation	UNITED STATES	111	7.0%	-9.0%	-30.0%	15.4%	131.4%	0.9%
Biosearch, S.A.	SPAIN	124	0.2%	51.8%	49.3%	235.9%	225.8%	347.9%
USANA Health Sciences, Inc.	UNITED STATES	1,722	8.8%	24.9%	30.7%	115.1%	19.6%	65.2%
Jamieson Wellness, Inc.	CANADA	1,019	10.4%	6.4%	-1.6%	57.9%	83.2%	na
Vifor Pharma AG	SWITZERLAND	7,302	7.7%	-7.7%	-11.2%	20.8%	-13.3%	-7.9%

Source: Alantra estimates and Factset

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