

PHARMANUTRA

Sector: Pharmaceutical

Strong 2Q21. Newsflow supports long term growth

We confirm our BUY rating on PHN and we raise our TP from Eu65 to Eu90 (>25% upside). Half year results came out above our estimates, thanks to a solid performance in the domestic market. Our 2021 FY estimates, in line with management expectation, see a double-digit growth. This seems highly achievable, both at top-line and profitability level. Recent newsflow confirms and strengthen company's impressive (and still unexpressed) long-term growth prospects: the patenting of Cetilar based products in China opens interesting commercial opportunities. M&A could trigger a further valuation step-up.

- 2Q results above our estimates.** Net revenues in 2Q came out at Eu18.0mn, up 17% YoY. Italian (direct) sales grew 32.9% YoY, as commercial activities and scientific information to doctors and pharmacists restarted regularly, also with the support of new interactive digital tools (e.g. AR); foreign sales declined ca 12.5% YoY in the quarter due to a different timing of orders by foreign distributors vs last year. By product, while Sideral products continued to grow at healthy pace (+12% YoY in 2Q), Cetilar (+39%) and Apportal (+136%) grew faster, thanks to the elimination of restriction to sports activities (Cetilar) and the recent publishing of an observational studies on the effect in post-Covid patients' treatment (Apportal). EBITDA adj. came out at Eu6.4mn in the quarter, 20.3% YoY growth and with a sound 35.5% margin on sales despite a yoy increase in marketing, travel, and personnel (reflecting the ongoing organizational strengthening). 2Q confirmed once again the impressive cash generation of PHN with approx. Eu4.5mn FCF in the quarter. Net cash stood at Eu19.4mn at 1H21 (Eu21.8mn at 1Q21) after Eu6.5mn dividends.
- Short term indications are positive; Cetilar patent in China strengthens long term growth prospects.** During the CC, positive indications emerged on the remaining part of the year on the back of a good start to 2H (ca 20% yoy growth in July of domestic sales volumes): management confirmed confidence of double-digit growth in FY21. More in detail (i) domestic sales should continue to grow at a healthy pace, driven by leadership in the market for oral iron and the continuous penetration of Cetilar (jumped from 2.8% market share in 1H20 to 3.3% in 1H21), Apportal and Ultramag products, (ii) foreign business, after reaching better than expected results in 1H, offers an interesting backlog, covering entirely 3Q budget and most of 4Q. Looking at medium-long term, after announcing in June the entrance into the German market, Pharmanutra has achieved a further milestone in its international expansion by obtaining the patent for its Cetilar® products in China. This awarding comes after months of scrutiny from local sanitary institutions and confirms the excellent capabilities of the company in exploiting its IP. While still no commercial agreements have been signed with local partners, the patent opens a completely new chapter of international growth. As of today, Pharmanutra is present in >50 countries across the globe with its products but has still no presence in the largest markets for the sale of nutraceutical products (China, US UK, France, Germany, Japan).
- Short-term estimates unchanged; long-term should benefit from the recent positive newsflow.** While short term we are keeping our estimates on PHN unchanged, we are rising our long-term growth prospects given: (i) the recent patenting of Cetilar products in China; (ii) the beginning of expansion in "key countries"; (iii) the breakthrough innovation introduced with Lipocet, which could open a completely new market for the company. Revenues should continue to grow at a healthy 15% CAGR over FY20-23 period; EBITDA margin is seen close to 27% in 2021-22 while slightly down to 26% in 2023, as we expect that the company should invest in central structure as soon as the new headquarter is completed. We expect approx. Eu24mn FCF over FY21-23 period after Eu16mn capex mainly related to the completion of the new headquarter / production and R&D center. This should lead net cash to grow from Eu19.4mn at YE20 to Eu23.5 at YE23 (after Eu20mn dividend distribution).
- We include more long-term growth opportunities in our DCF: BUY reaffirmed and TP raised to Eu90.** We confirm our BUY rating on PHN and we raise our TP from Eu65.0 to Eu90 (>25% upside). Recent newsflow regarding the approval of Cetilar patent in China opens further, and potentially disruptive, mid-long term commercial opportunities. PHN is now trading ca 15% above BioGaia, one of its closest peers: we deem this premium sustainable, as PHN is showing (i) stronger growth potential, (ii) a more resilient end-market and (iii) a more efficient R&D activity. Our valuation is based on the weighted average of a DCF (70% weight) and Biogaia's multiples (30%). With this report we are expanding our DCF analysis to 15Y of estimates, which include a first stage of mid-teens revenues growth rates (FY22-FY27E) and a slower, normalized, high-single digit growth rate stage (FY28-FY35E). We are then factoring in a 2.5% long term growth rate.

BUY

Unchanged

TP 90.00

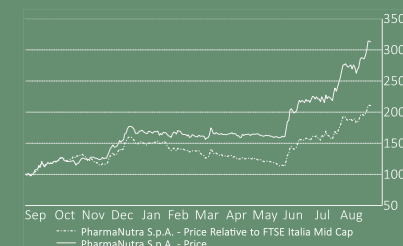
From 65.00

Target price upside: 27%

Change in EPS est.	FY21E	FY22E
	0.0%	0.0%

Ticker (BBG, Reut)	PHN IM	PHN MI
Share price Ord. (Eu)		71.0
N. of Ord. shares (mn)		9.7
Total N. of shares (mn)		9.7
Market cap (Eu mn)		687
Total Market Cap (EU mn)		687
Free Float Ord. (%)		35%
Free Float Ord. (Eu mn)		241
Daily AVG liquidity Ord. (Eu k)		405

	1M	3M	12M
Absolute Perf.	26.8%	94.5%	212.8%
Rel.to FTSEMidCap	22.5%	88.5%	164.9%
52 weeks range		22.4	71.0



	FY20A	FY21E	FY22E
Sales	56	64	76
EBITDA adj.	16.0	17.1	20.1
Net profit adj.	11.6	11.8	13.4
EPS adj.	1.198	1.223	1.379
DPS - Ord.	0.671	0.673	0.758
EV/EBITDA adj.	10.3x	38.8x	33.3x
P/E adj.	14.2x	56.2x	50.1x
Dividend yield	3.5%	0.9%	1.1%
FCF yield	6.1%	1.3%	0.4%
Net debt/(Net cash)	(19.4)	(21.9)	(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	64.1	75.6	86.9
Gross margin	na	na	na	na	na
EBITDA reported	13.2	15.6	17.1	20.1	22.7
D&A	(1.0)	(2.3)	(1.2)	(2.1)	(2.4)
EBIT reported	12.2	13.2	15.9	18.0	20.3
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	16.0	18.1	20.4
Taxes	(3.7)	0.8	(4.1)	(4.7)	(5.9)
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	11.8	13.4	14.5
EBITDA adjusted	13.2	16.0	17.1	20.1	22.7
EBIT adjusted	12.2	14.7	15.9	18.0	20.3
Net profit adjusted	8.5	11.6	11.8	13.4	14.5

Margins (%)	FY19A	FY20A	FY21E	FY22E	FY23E
Gross margin	na	na	na	na	na
EBITDA margin (adj)	24.6%	28.4%	26.7%	26.6%	26.1%
EBIT margin (adj)	22.8%	26.1%	24.8%	23.8%	23.4%
Pre-tax margin	22.7%	23.6%	24.9%	23.9%	23.5%
Net profit margin (adj)	15.8%	20.5%	18.5%	17.7%	16.7%

Growth rates (%)	FY19A	FY20A	FY21E	FY22E	FY23E
Sales	14.9%	5.3%	13.5%	18.0%	15.0%
EBITDA	4.8%	18.0%	10.2%	17.4%	12.9%
EBITDA adjusted	11.3%	21.5%	7.0%	17.4%	12.9%
EBIT	2.4%	8.3%	20.2%	13.4%	12.9%
EBIT adjusted	9.2%	20.7%	7.9%	13.4%	12.9%
Pre-tax	2.9%	9.1%	20.1%	13.3%	12.9%
Net profit	-1.2%	66.5%	-15.8%	12.7%	8.6%
Net profit adjusted	6.3%	37.2%	2.1%	12.7%	8.6%

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	1.223	1.379	1.498
EPS adjusted	0.873	1.198	1.223	1.379	1.498
DPS - Ord.	0.454	0.671	0.673	0.758	0.824
DPS - Sav.	0.000	0.000	0.000	0.000	0.000
BVPS	2.908	3.897	4.450	5.156	5.896

Enterprise value (Eu m)	FY19A	FY20A	FY21E	FY22E	FY23E
Share price Ord. (Eu)	14.2	19.0	71.0	71.0	71.0
Market cap	137.5	183.9	687.3	687.3	687.3
Net debt/(Net cash)	(13.6)	(19.4)	(21.9)	(18.1)	(23.5)
Adjustments	0.0	0.0	0.0	0.0	0.0
Enterprise value	123.9	164.5	665.5	669.2	663.9

Cash flow (Eu mn)	FY19A	FY20A	FY21E	FY22E	FY23E
EBITDA adjusted	13.2	16.0	17.1	20.1	22.7
Net financial charges	(0.0)	0.1	0.1	0.1	0.1
Cash taxes	(2.0)	(1.0)	(3.0)	(4.7)	(5.9)
Ch. in Working Capital	(1.4)	(2.6)	(1.5)	(2.5)	(1.3)
Other operating items	0.0	0.0	0.0	0.0	0.0
Operating cash flow	9.8	12.5	12.7	13.0	15.5
Capex	(4.1)	(1.3)	(3.5)	(10.0)	(2.6)
FCF	5.7	11.2	9.2	3.0	12.9
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)	(6.5)	(7.3)
Ch. in NFP	(0.0)	6.6	2.7	(3.5)	5.6

Ratios (%)	FY19A	FY20A	FY21E	FY22E	FY23E
Capex/Sales	7.7%	2.4%	5.4%	13.2%	3.0%
Capex/D&A	4.2x	0.6x	2.8x	4.8x	1.1x
FCF/EBITDA	42.9%	69.9%	53.9%	15.0%	57.0%
FCF/Net profit	66.9%	79.6%	78.0%	22.5%	89.2%
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	11.0	13.5	14.8
Fixed assets	10.0	10.5	12.2	20.1	20.6
Provisions & others	(2.5)	(1.7)	(2.1)	(1.8)	(1.8)
Net capital employed	14.6	18.3	21.2	31.8	33.6
Net debt/(Net cash)	(13.6)	(19.4)	(21.9)	(18.1)	(23.5)
Equity	28.2	37.7	43.1	49.9	57.1
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%	17.2%	17.9%	17.1%
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	28.6x	19.9x	18.8x
P/BV	4.9x	4.9x	16.0x	13.8x	12.0x
EV/Sales	2.3x	2.9x	10.4x	8.9x	7.6x
EV/EBITDA	9.4x	10.6x	38.8x	33.3x	29.2x
EV/EBITDA adjusted	9.4x	10.3x	38.8x	33.3x	29.2x
EV/EBIT	10.1x	12.4x	41.9x	37.2x	32.6x
EV/EBIT adjusted	10.1x	11.2x	41.9x	37.2x	32.6x
P/E	16.3x	11.7x	56.2x	50.1x	45.8x
P/E adjusted	16.3x	14.2x	56.2x	50.1x	45.8x
ROCE pre-tax	75.5%	79.5%	73.5%	63.4%	59.0%
ROE	30.0%	30.7%	27.5%	26.7%	25.4%
EV/FCF	21.9x	14.7x	72.0x	222.4x	51.3x
FCF yield	4.1%	6.1%	1.3%	0.4%	1.9%
Dividend yield	3.2%	3.5%	0.9%	1.1%	1.2%

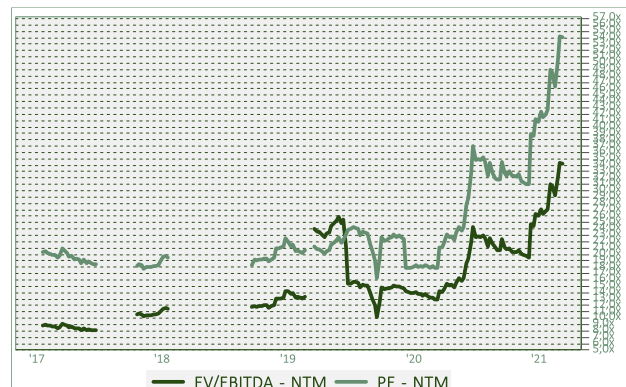
Share price performance

The stock is up >80% YTD...



Valuation

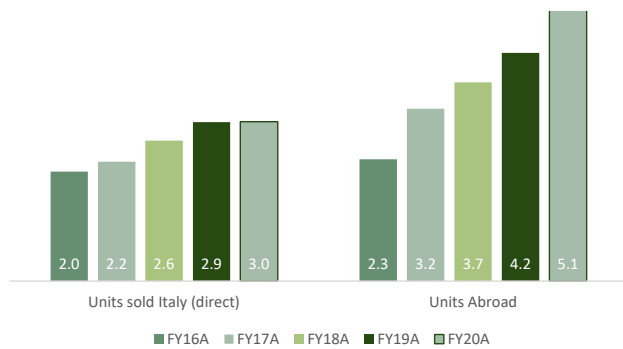
...and is now trading at peak multiples



Key Charts

Sales Volumes (FY16A-FY20A)

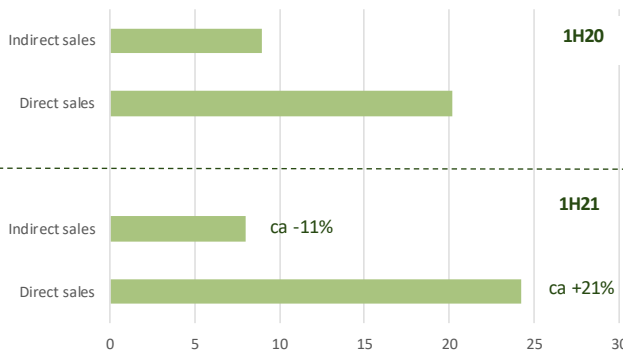
International sales represent >60% of total volumes



Source: company data and Alantra estimates

Revenue breakdown by channel (1H20A-1H21A)

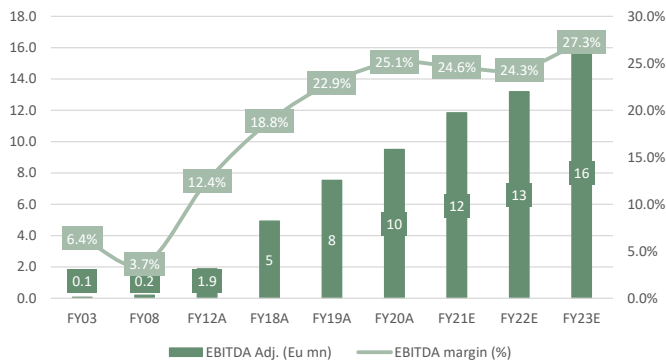
Strong performance in Italy; Indirect business hit by seasonal orders trend



Source: company data

Profitability trends (FY03A-FY23E)

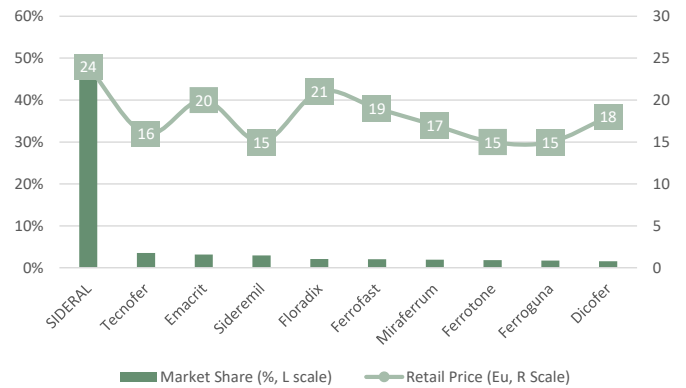
Sustainable high margins from 2017 onwards with room to grow



Source: company data and Alantra estimates

SiderAL positioning in Italy (FY20A)

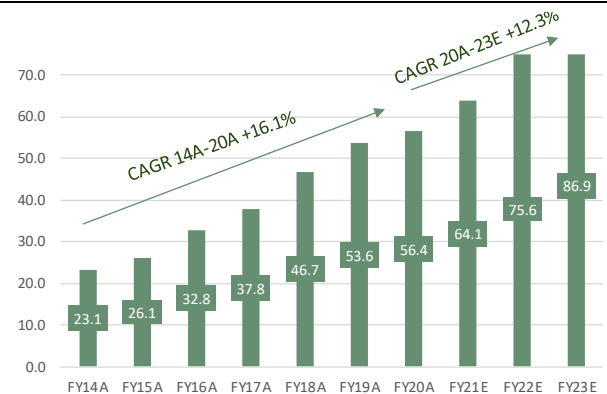
Sideral holds 53.4% market share in volumes as of 9M20



Source: company data

Revenue trends (FY14A-FY23E)

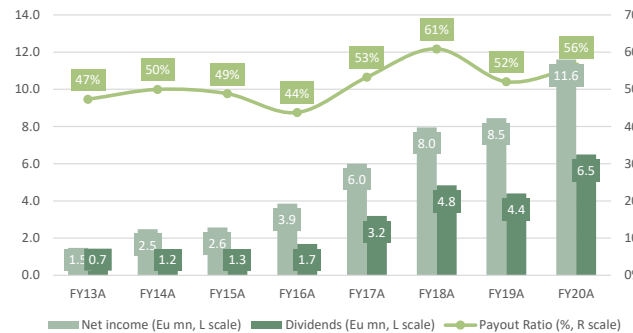
+16.1% CAGR in 2014-20 period; +12.3% CAGR expected in 2020-23 period



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

3Q21 results: 8th November 2021

2Q21 Results

2Q21 Results

2Q results came in line to our estimates at top-line level, well above at EBITDA level

Eu mn	2Q20A	2Q21E	YoY %	2Q21E	A vs E	1H20A	1H21E	YoY %	1H21E	A vs E	2H20A	2H21E	YoY %	FY20A	FY21E	YoY %
Total Revenues / Value of Production	15.8	18.1	14.1%	18.4	-1.5%	30.7	32.4	5.6%	32.7	-0.9%	28.0	31.7	13.1%	58.7	64.1	9.2%
<i>on sales %</i>	100.0%	100.0%		100.0%		100.0%	100.0%		100.0%		100.0%	100.0%		100.0%	100.0%	
EBITDA Adjusted	6.4	6.4	0.1%	5.3	21.2%	9.4	10.3	8.9%	9.2	12.3%	6.6	6.9	4.2%	16.0	17.1	7.0%
<i>Ebitda Margin %</i>	40.4%	35.5%		28.8%		30.8%	31.7%		28.0%		23.5%	21.7%		27.3%	26.7%	
NFP end of the period						13.1	19.4		20.0					19.4	21.9	

Source: Company data, Alantra estimates

Estimates

Change in estimates

Short term estimates broadly unchanged; raised long term forecasts

(Eu mn)	NEW estimates			FY21E	FY22E	FY23E
	FY21E	FY22E	FY23E			
Revenues	64.1	75.6	86.9	0.0%	0.0%	1.8%
EBITDA Reported	17.1	20.1	22.7	0.0%	0.0%	1.9%
EBIT Reported	15.9	18.0	20.3	0.0%	0.0%	2.2%
Pretax Profit	16.0	18.1	20.4	0.0%	0.0%	2.1%
Net profit	11.8	13.4	14.5	0.0%	0.0%	2.1%
EPS	1.223	1.379	1.498	0.0%	0.0%	2.1%
Net financial position	21.9	18.1	23.5	0.0	0.0	(0.0)

Source: Alantra estimates

Trading multiples

The stock is now trading at premium to 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	687	38.8 x	33.3 x	29.2 x	41.9 x	37.2 x	32.6 x	56.2 x	50.1 x	45.8 x	10.4 x	8.9 x	7.6 x	
Premium (discount) to Peers' Median			157%	160%	141%	29%	86%	90%	86%	108%	105%	199%	191%	148%	
PEERS			Average	15.1 x	12.8 x	12.1 x	32.6 x	20.0 x	17.1 x	30.3 x	24.1 x	22.3 x	3.5 x	3.0 x	3.1 x
PEERS			Median	13.8 x	12.3 x	10.6 x	21.5 x	17.1 x	15.7 x	26.3 x	22.0 x	18.6 x	2.1 x	1.8 x	2.7 x
Clover Corporation Limited	AUSTRALIA	164	21.1 x	15.2 x	11.5 x	22.4 x	15.8 x	11.9 x	33.0 x	23.1 x	18.0 x	4.0 x	3.2 x	2.7 x	
BioGaia AB Class B	SWEDEN	969	32.8 x	28.3 x	24.8 x	35.5 x	31.2 x	27.1 x	53.9 x	48.5 x	42.8 x	11.0 x	9.8 x	8.7 x	
Boiron SA	FRANCE	737	7.9 x	5.2 x	5.4 x	15.3 x	8.6 x	7.2 x	38.3 x	20.6 x	18.6 x	1.2 x	1.1 x	1.0 x	
LifeVantage Corporation	UNITED STATES	88	12.8 x	3.7 x	3.4 x	4.2 x	5.1 x	4.7 x	25.0 x	9.1 x	8.1 x	0.4 x	0.4 x	0.4 x	
Probi AB	SWEDEN	547	11.5 x	21.8 x	20.2 x	40.4 x	32.6 x	28.6 x	24.0 x	34.5 x	32.3 x	7.2 x	6.4 x	5.9 x	
USANA Health Sciences, Inc.	UNITED STATES	1,665	12.0 x	10.8 x	na	13.9 x	12.0 x	na	14.9 x	14.1 x	14.4 x	1.3 x	1.2 x	na	
Jamieson Wellness, Inc.	CANADA	968	16.2 x	14.5 x	13.2 x	20.8 x	17.1 x	15.7 x	27.6 x	24.5 x	21.8 x	3.6 x	3.3 x	3.1 x	
Vifor Pharma AG	SWITZERLAND	7,978	13.8 x	11.4 x	9.6 x	21.5 x	17.1 x	13.4 x	24.2 x	20.8 x	18.0 x	4.6 x	4.0 x	3.4 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		0.9%	1.1%	1.2%	1.3%	0.4%	1.9%	nm	nm	nm	16.0 x	13.8 x	12.0 x	
PEERS			Average	0.9%	1.1%	1.3%	3.3%	4.8%	5.2%	1.4 x	1.4 x	1.0 x	3.7 x	3.5 x	3.2 x
PEERS			Median	0.9%	1.2%	1.3%	2.3%	4.0%	4.5%	1.5 x	1.4 x	1.0 x	4.3 x	3.8 x	3.4 x
Clover Corporation Limited	AUSTRALIA	164	1.1%	1.7%	2.1%	na	na	na	nm	nm	nm	nm	nm	nm	
BioGaia AB Class B	SWEDEN	969	0.9%	1.0%	1.2%	1.9%	2.1%	2.3%	nm	nm	nm	5.4 x	5.1 x	4.7 x	
Boiron SA	FRANCE	737	1.2%	1.8%	2.4%	5.4%	7.4%	8.0%	nm	nm	nm	1.4 x	1.4 x	1.3 x	
LifeVantage Corporation	UNITED STATES	88	na	na	na	8.5%	11.1%	9.1%	nm	nm	nm	na	na	na	
Probi AB	SWEDEN	547	0.2%	0.3%	0.3%	2.3%	2.9%	3.1%	nm	nm	nm	4.4 x	4.0 x	3.7 x	
USANA Health Sciences, Inc.	UNITED STATES	1,665	na	na	na	0.6%	2.3%	na	nm	nm	na	na	na	na	
Jamieson Wellness, Inc.	CANADA	968	1.6%	1.7%	1.9%	1.6%	4.0%	4.6%	1.5 x	1.1 x	1.0 x	4.3 x	3.8 x	3.4 x	
Vifor Pharma AG	SWITZERLAND	7,978	1.5%	1.6%	1.6%	4.9%	6.0%	7.2%	nm	nm	nm	2.4 x	2.3 x	2.2 x	

Source: Alantra estimates and Factset

Financials

Better 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	687	26.5%	24.0%	17.6%	7.2%	-55.0%	15.5%	13.4%	15.5%	1.0%	
PEERS			Average	22.4%	16.7%	11.7%	3.2%	35.7%	5.6%	7.3%	12.8%	9.2%
PEERS			Median	21.9%	16.8%	11.7%	2.8%	37.8%	5.6%	7.1%	10.7%	8.5%
Clover Corporation Limited	AUSTRALIA	164	21.1%	20.2%	14.1%	1.6%	37.8%	0.9%	3.6%	3.7%	4.9%	
BioGaia AB Class B	SWEDEN	969	34.4%	31.4%	24.3%	2.5%	49.5%	8.5%	11.1%	10.3%	7.4%	
Boiron SA	FRANCE	737	17.7%	11.1%	6.9%	4.3%	42.5%	-3.6%	-6.8%	-4.6%	14.5%	
LifeVantage Corporation	UNITED STATES	88	10.5%	7.8%	5.5%	1.7%	na	0.5%	0.7%	na	3.4%	
Probi AB	SWEDEN	547	28.6%	19.3%	15.0%	5.5%	9.7%	4.9%	7.1%	11.1%	8.5%	
USANA Health Sciences, Inc.	UNITED STATES	1,665	16.6%	15.0%	10.5%	1.5%	na	5.6%	3.9%	4.8%	5.4%	
Jamieson Wellness, Inc.	CANADA	968	22.8%	18.7%	12.9%	2.8%	42.6%	7.6%	10.2%	15.8%	12.2%	
Vifor Pharma AG	SWITZERLAND	7,978	34.7%	23.5%	14.4%	4.4%	32.7%	10.7%	12.6%	26.5%	14.4%	

Source: Alantra estimates and Factset

Performance

Strong stock performance over the last month

Company	Country	Mkt Cap (Eu mn)	Performance					
			1M	3M	6M	1YR	3YR	5YR
PHARMANUTRA	ITALY	687	26.8%	94.5%	94.5%	212.8%	365.6%	na
PEERS	Average		2.9%	6.4%	13.3%	10.3%	4.6%	77.6%
	Median		0.0%	4.3%	5.0%	20.7%	5.6%	44.7%
Claver Corporation Limited	AUSTRALIA	164	-11.5%	4.3%	26.5%	-34.4%	-0.9%	246.2%
BioGaia AB Class B	SWEDEN	969	-3.3%	13.5%	19.3%	-14.2%	5.6%	96.1%
Boiron SA	FRANCE	737	-2.8%	7.0%	21.7%	20.7%	-36.6%	-50.3%
LifeVantage Corporation	UNITED STATES	88	-3.6%	-7.6%	-15.8%	-48.3%	-38.7%	-37.4%
Biosearch, S.A.	SPAIN	#N/A	0.0%	0.0%	2.3%	33.8%	21.9%	343.4%
USANA Health Sciences, Inc.	UNITED STATES	1,665	1.8%	-6.1%	-1.6%	30.8%	-25.1%	43.1%
Jamieson Wellness, Inc.	CANADA	968	3.8%	-1.4%	5.0%	-4.6%	38.3%	na
Vifor Pharma AG	SWITZERLAND	7,978	3.8%	0.5%	14.8%	7.1%	-25.4%	15.9%

Source: Alantra estimates and Factset

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