

PUBLICATIONS

9 November 2021

PHARMANUTRA

Q3 2021 (+)

(Company)

Good momentum continues

Pharmanutra published last night the figures for the third quarter of 2021. The turnover for the quarter reached €17.3M, confirming the good dynamics observed on the sales volumes. This Q3 brings the turnover for the first nine months of the year to €49.6M, a growth of more than 17% compared to the first nine months of the year 2020. The group's adjusted EBITDA amounted to €15.8m, up 28.6% and representing a margin of 31.8% compared with 28.5% for the same period in 2020.

In detail, the increase in sales is logically accompanied by an increase in the cost base, particularly in production and logistics (+€2.1m) and marketing (+€1.2m), reflecting the strong sales momentum observed since the beginning of the year. With operating costs up by 12% and net sales up by 21%, the operating margin increased to 30% (vs 25% in 2020).

As regards the outlook, this very good third quarter leads us to raise our expectations for 2021 sales and for the coming years. We now expect sales of €68.3m, i.e. growth of 16.4% (vs €65.4m). Our estimate of FCC has also been revised upwards (€9.1m vs. €7m) due to a CAPEX dedicated to the construction of the new headquarters which should be lower than our initial estimate and be transferred to 2022. Our operating margins for the years 2022 and 2023 are also revised to take into account higher sales and marketing expenses to support the group's international development plan. After taking into account these new estimates, our TP is revised upwards (€80 vs. €77.5), we reiterate our Buy recommendation.

Buy, TP of 80€ (vs. €77.5) - Corentin Marty : +33 1 78 95 71 67

Market Data	
Industry	Pharma
Share Price (€)	70,8
Market Cap (€M)	685,4
Market Segment	STAR
Bloomberg	PHN IM

Ownership structure	
Andrea Lacorte	31,4%
Roberto Lacorte	23,1%
Beda srl	10,5%
Floating	35,0%

€M (31/12)	2020	2021e	2022e	2023e
Sales (€M)	58,7	68,3	78,6	89,1
Growth	8,2%	16,4%	15,1%	13,4%
EBIT	13,2	17,4	18,5	21,9
Op. Margin(%)	22,5%	25,5%	23,5%	24,6%
Net income	14,1	12,4	13,2	15,7
EPS €	1,45	1,37	1,37	1,62
EPS growth	66,5%	-5,8%	-0,3%	18,9%
Dividend	0,46	0,67	0,71	0,68
Yield (%)	0,6%	0,9%	1,0%	1,0%
FCF*	10,5	9,1	8,0	11,1
ROCE	44,7%	45,6%	40,5%	41,9%
EV/Sales (x)		9,7	8,4	7,4
VE/EBIT (x)		38,0	35,8	30,1
PE (x)		54,6	51,4	43,2
Net Debt	-12,4	-19,1	-17,2	-18,2
Gearing	n.a	n.a	n.a	n.a

Midcap Partners estimates

Upcoming event : Nd

TOP Peers	Market Cap (€M)	EV/EBIT 2021	EV/EBIT 2022	P/E 2021	P/E 2022
Probi AB	481	42,9	33,9	40,8	34,2
BioGaia AB Class B	1 058	36,5	31,5	54,0	48,1

Source: FACTSET

Analyst certifications

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- 3.Assets and liabilities method: estimate of the value of equity capital based on revalued assets adjusted for the value of the debt.
- 4.Discounted dividend method: discounting of estimated future dividend flows. The discount rate used is generally the cost of capital.
- 5.Sum of the parts: this method consists of estimating the various activities of a company using the most appropriate valuation method for each of them, then realizing the sum of the parts.

Conflict of Interests

Company	Conflict Type
BIOMERIEUX	Nil
DELTA PLUS	D,G
ESPRINET	G
IEG	G
MAISONS DU MONDE	Nil
OENEO	Nil
PHARMANUTRA	G
RENO DE MEDICI	G
WIIT	G

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