

PHARMANUTRA

Sector: Pharmaceutical

FY21 achievements confirm strong future prospects

4Q results came out above our expectations, thanks to a strong performance across the product portfolio. Management maintained its guidance of mid/high teen yoy top line growth for FY22. We slightly revise our estimates upwards. The long-term prospects of the company are confirmed by the 2021 achievements: 1) distribution of the first AFMS formulation based on Sideral; 2) new patents obtained for Cetilar based products in India and the US and the exclusive right of use of these products for 5 years throughout the EU; 3) new international distribution agreements signed in 2021 (6 new countries). M&A could trigger further acceleration of the growth profile. We confirm our BUY rating on PHN but we cut our TP to Eu85/share (>40% upside) from Eu95, on the back of higher cost of capital linked to increase in interest rates

- 4Q21/FY21 results above expectations across the board.** The company delivered strong net revenues at Eu18.8mn in 4Q (up 19.3% yoy and 5% better than our estimate) and at Eu68.1mn for the full year 21 (up 20.7% yoy), driven by a solid performance of the Ultramag, Sideral and Cetilar products (which continue to gain market share in Italy as per IQVIA data), as well as further international expansion. 4Q21 Italian Sales were up 7.8% yoy, reaching Eu12.4mn (Eu47.8mn for FY21, up 19.6% yoy), while international sales were up 50.2% yoy (Eu20.3mn for FY21, up 23.4% yoy). Adj. EBITDA came in at Eu4.3mn for the quarter (Eu20.1mn for FY21), 36% above our expectations and up 14.8% yoy (FY21 up 25.3% yoy). PHN delivered a solid 29.2% Adj. EBITDA margin for the full year. The group generated Eu15.5mn FCF in 2021, resulting in a net cash position at year end of Eu28.1mn (versus our estimate of Eu20.8mn). The BoD approved a DPS of Eu0.71 (+34% yoy).
- No expected short term impacts from current international turmoil, while long term growth prospects have improved.** During the CC, the management reassured that PHN has a limited exposure to Russia and Ukraine. Furthermore, considering the spike in raw material prices as well as energy prices, the company has wisely implemented multiple measures to shield its margins: (i) negotiation with suppliers; (ii) implementation of cost-saving measures; (iii) increase in prices (both on the direct and indirect channels). Looking ahead, PHN has successfully expanded its international distribution network, reaching 6 new countries in 2021 (Germany, Argentina, Malesia, Singapore, Vietnam and Jordan) for its Cetilar and Sideral products. The company is also in advanced talks with a large potential partner (present in >21k stores across the US), which could pave the way for a strong expansion in North America. Six new patents have been granted to the group in 2021 (also in the US and India), which further reinforce the prospect for international growth. The company has also recently launched the distribution of its first AFMS formulation based on Sideral, and it will start selling a new oral version of Cetilar in 2H 2022. PHN plans to participate in multiple high-caliber exhibitions and events in 2022, which should be back to normal.
- 2022 estimates slightly revised upwards.** PHN delivered a strong set of 4Q results across the board, resulting in above-estimate growth and margins for the FY21A. We raise our top line estimates by 1% and 3%, for 2022 and 2023 respectively. We expect a double-digit growth going forward, with 2022E EBITDA margin at 27.2% (down versus 2021), on the back of higher costs related to back-to-normal commercial activities and strong marketing initiatives to strengthen the Sideral leadership positioning in the oral iron market. Cumulated FCF in the period 22E-24E should be approx. Eu33mn, including a Eu14mn CAPEX mainly related to the completion of the new headquarter, production and R&D center. Net cash at YE24 should reach Eu35.7mn (from Eu28.1mn at YE21) after accounting for a Eu24mn dividend distribution.
- BUY reaffirmed with TP cut from Eu95 to Eu85.** We confirm our BUY rating on PHN but we cut our TP to Eu85 (still resulting in a >40% upside) from Eu95. Our valuation is based on the weighted average of a DCF (70% weight) and Biogaia's multiples (30%). Our DCF analysis includes 15Y of estimates to incorporate the long-term potential of the group, but it is very sensitive to changes to the discount rate. We incorporate the increase in interest rates of the last 3 months. At 26x 2022 EV/EBITDA, PHN trades at a slight premium versus Biogaia (its closest peer in our view). However, recent newsflow confirms (i) the strong growth potential of the company, (ii) a more resilient end-market and (iii) a more efficient R&D activity, hence justifying a larger premium.

BUY

Unchanged

TP 85.0

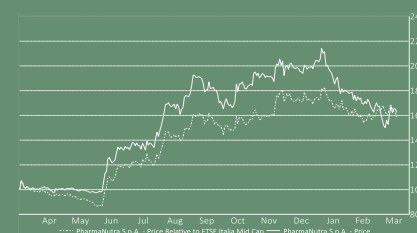
From 95.0

Target price upside: 42%

Change in EPS est.	FY22E	FY23E
	4.2%	4.0%

Ticker (BBG, Reut)	PHN IM	PHN MI
Share price Ord. (Eu)		60.0
N. of Ord. shares (mn)		9.7
Total N. of shares (mn)		9.7
Market cap (Eu mn)		581
Total Market Cap (Eu mn)		581
Free Float Ord. (%)		35%
Free Float Ord. (Eu mn)		203
Daily AVG liquidity Ord. (Eu k)		698

	1M	3M	12M
Absolute Perf.	-6.0%	-16.2%	62.6%
Rel. to FTSEMidCap	-0.4%	-6.6%	60.2%
52 weeks range		36.0	79.0



	FY21A	FY22E	FY23E
Sales	68	78	89
EBITDA adj.	20.1	21.1	24.2
Net profit adj.	13.3	14.1	16.2
EPS adj.	1.375	1.456	1.672
DPS - Ord.	0.782	0.801	0.920
EV/EBITDA adj.	23.7x	26.5x	22.9x
P/E adj.	35.6x	39.7x	34.2x
Dividend yield	1.5%	1.3%	1.5%
FCF yield	3.1%	0.1%	2.4%
Net debt/(Net cash)	(28.1)	(20.8)	(27.1)
Net debt/EBITDA	nm	nm	nm

Head of Research

Giuseppe Marsella
giuseppe.marsella@alantra.com
+39 02 63 671 620

Marco Costantini
marco.costantini@alantra.com
+39 02 63 671 614

ALANTRA

Italian Equity Research

Key Data (IFRS)

P&L account (Eu mn)	FY20A	FY21A	FY22E	FY23E	FY24E
Sales	56.4	68.1	77.6	88.5	100.9
Gross margin	na	na	na	na	na
EBITDA reported	15.6	20.1	21.1	24.2	27.8
D&A	(2.3)	(1.4)	(1.4)	(1.5)	(2.8)
EBIT reported	13.2	18.7	19.7	22.7	25.0
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	0.0	0.0	0.0	0.0	0.0
Pre-tax profit	13.3	18.8	19.9	22.8	25.1
Taxes	0.8	(5.0)	(5.8)	(6.6)	(7.3)
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	14.1	13.8	14.1	16.2	17.8
EBITDA adjusted	16.0	20.1	21.1	24.2	27.8
EBIT adjusted	14.7	18.7	19.7	22.7	25.0
Net profit adjusted	10.2	13.3	14.1	16.2	17.8

Margins (%)	FY20A	FY21A	FY22E	FY23E	FY24E
Gross margin	na	na	na	na	na
EBITDA margin (adj)	28.4%	29.5%	27.2%	27.3%	27.6%
EBIT margin (adj)	26.1%	27.4%	25.4%	25.6%	24.8%
Pre-tax margin	23.6%	27.6%	25.6%	25.8%	24.9%
Net profit margin (adj)	18.0%	19.5%	18.2%	18.3%	17.7%

Growth rates (%)	FY20A	FY21A	FY22E	FY23E	FY24E
Sales	5.3%	20.7%	14.0%	14.0%	14.0%
EBITDA	18.0%	29.1%	5.3%	14.4%	15.1%
EBITDA adjusted	21.5%	25.3%	5.3%	14.4%	15.1%
EBIT	8.3%	41.4%	5.6%	14.9%	10.2%
EBIT adjusted	20.7%	26.9%	5.6%	14.9%	10.2%
Pre-tax	9.1%	41.4%	5.6%	14.8%	10.1%
Net profit	66.5%	-2.1%	2.4%	14.8%	10.1%
Net profit adjusted	20.4%	30.8%	5.9%	14.8%	10.1%

Per share data	FY20A	FY21A	FY22E	FY23E	FY24E
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	1.454	1.422	1.456	1.672	1.842
EPS adjusted	1.051	1.375	1.456	1.672	1.842
DPS - Ord.	0.670	0.782	0.801	0.920	0.921
DPS - Sav.	0.000	0.000	0.000	0.000	0.000
BVPS	3.897	4.657	5.331	6.202	7.124

Enterprise value (Eu mn)	FY20A	FY21A	FY22E	FY23E	FY24E
Share price Ord. (Eu)	19.0	51.8	60.0	60.0	60.0
Market cap	183.9	501.9	580.9	580.9	580.9
Net debt/(Net cash)	(19.4)	(28.1)	(20.8)	(27.1)	(35.7)
Adjustments	1.2	2.5	0.8	(0.7)	(0.7)
Enterprise value	165.7	476.3	560.9	553.1	544.4

Cash flow (Eu mn)	FY20A	FY21A	FY22E	FY23E	FY24E
EBITDA adjusted	16.0	20.1	21.1	24.2	27.8
Net financial charges	0.1	0.1	0.1	0.1	0.1
Cash taxes	(1.0)	(5.0)	(5.8)	(6.6)	(7.3)
Ch. in Working Capital	(4.8)	5.0	(4.7)	(0.8)	(1.3)
Other operating items	1.8	0.2	0.0	0.0	0.0
Operating cash flow	12.0	20.4	10.8	16.9	19.3
Capex	(1.3)	(4.9)	(10.2)	(2.7)	(1.5)
FCF	10.7	15.5	0.6	14.2	17.8
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	(0.2)	(0.3)	0.0	0.0	0.0
Dividends	(4.4)	(6.5)	(7.6)	(7.8)	(8.9)
Ch. in NFP	6.1	8.7	(7.0)	6.5	8.9

Ratios (%)	FY20A	FY21A	FY22E	FY23E	FY24E
Capex/Sales	2.4%	7.2%	13.2%	3.0%	1.5%
Capex/D&A	0.6x	3.5x	7.3x	1.8x	0.5x
FCF/EBITDA	66.9%	77.2%	2.8%	58.8%	64.0%
FCF/Net profit	76.1%	112.6%	4.2%	87.8%	100.0%
Dividend pay-out	56.0%	55.0%	55.0%	55.0%	50.0%

Balance sheet (Eu mn)	FY20A	FY21A	FY22E	FY23E	FY24E
Working capital	9.6	5.7	10.3	11.1	12.5
Fixed assets	10.5	14.3	21.3	21.2	20.1
Provisions & others	(1.6)	(3.0)	(0.8)	0.7	0.7
Net capital employed	18.4	17.0	30.8	33.0	33.2
Net debt/(Net cash)	(19.4)	(28.1)	(20.8)	(27.1)	(35.7)
Equity	37.7	45.1	51.6	60.0	69.0
Minority interests	0.0	0.0	0.0	0.0	0.0

Ratios (%)	FY20A	FY21A	FY22E	FY23E	FY24E
Working capital/Sales	16.9%	8.3%	13.3%	12.6%	12.3%
Net debt/Equity	nm	nm	nm	nm	nm
Net debt/EBITDA	nm	nm	nm	nm	nm

Valuation	FY20A	FY21A	FY22E	FY23E	FY24E
EV/CE	8.3x	23.8x	17.7x	17.1x	16.7x
P/BV	4.9x	11.1x	11.3x	9.7x	8.4x
EV/Sales	2.9x	7.0x	7.2x	6.2x	5.4x
EV/EBITDA	10.7x	23.7x	26.5x	22.9x	19.6x
EV/EBITDA adjusted	10.3x	23.7x	26.5x	22.9x	19.6x
EV/EBIT	12.5x	25.5x	28.4x	24.4x	21.8x
EV/EBIT adjusted	11.3x	25.5x	28.4x	24.4x	21.8x
P/E	13.1x	34.4x	39.7x	34.2x	30.6x
P/E adjusted	18.1x	35.6x	39.7x	34.2x	30.6x
ROCE pre-tax	79.5%	93.4%	76.5%	71.0%	77.1%
ROE	27.0%	29.5%	27.3%	27.0%	25.9%
EV/FCF	15.5x	30.7x	946.8x	38.9x	30.6x
FCF yield	5.8%	3.1%	0.1%	2.4%	3.1%
Dividend yield	3.5%	1.5%	1.3%	1.5%	1.5%

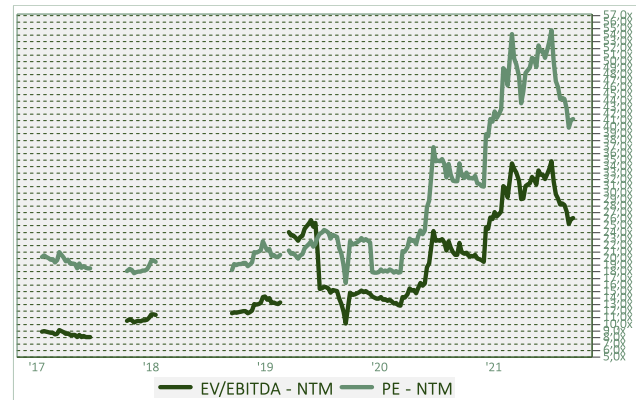
Share price performance

The stock is down 24% from its high in Jan 22...



Valuation

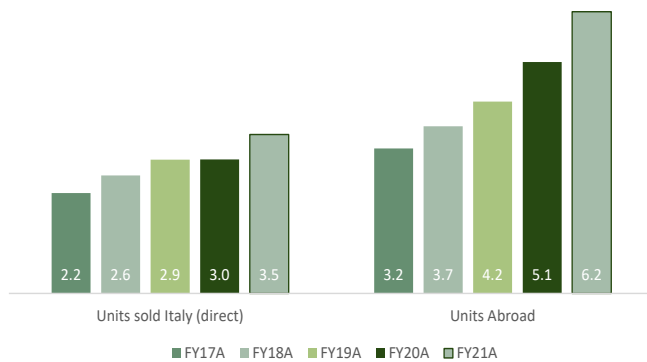
...and its multiples have also come down



Key Charts

Sales Volumes (FY17A-FY21A)

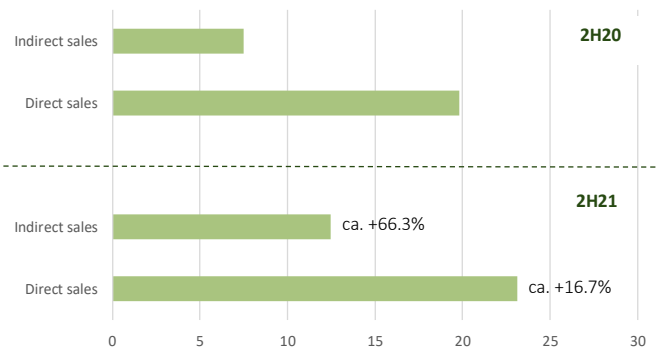
International sales represent >60% of total volumes



Source: company data and Alantra estimates

Revenue breakdown by channel (2H20A-2H21A)

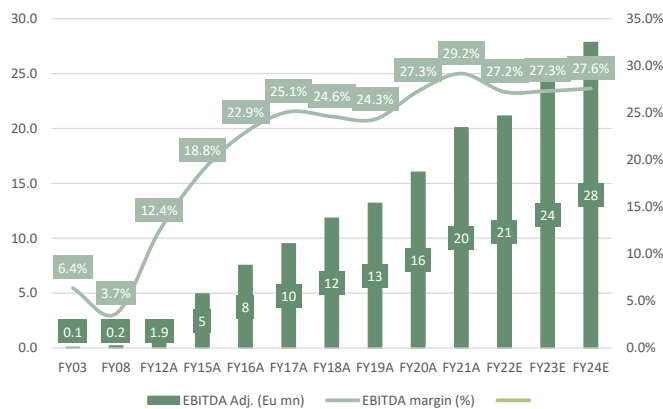
Indirect business posts a >65% yoy growth, Italy at mid double digit growth



Source: company data

Profitability trends (FY03A-FY24E)

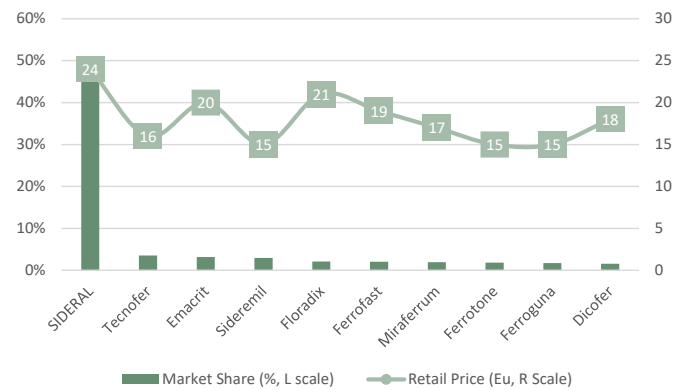
Sustainable high margins from 2017 onwards



Source: company data and Alantra estimates

SiderAL positioning in Italy (FY20A)

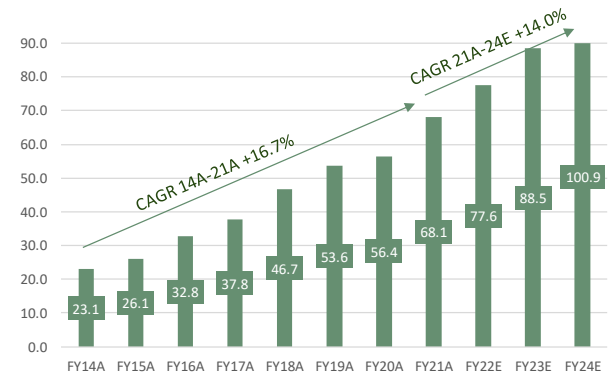
Sideral holds 53.4% market share in volumes as of 2020



Source: company data

Revenues trends (FY14A-FY24E)

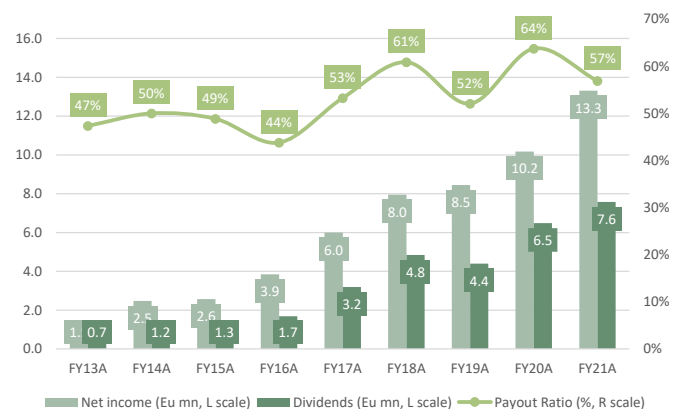
+16.7% CAGR in 2014-21 period; +14.0% CAGR expected in 2021-24 period



Source: company data and Alantra estimates

Dividends (FY13A-FY21A)

Attractive dividends distribution



Source: company data and Alantra estimates

Profile

Background	<p>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:</p> <ul style="list-style-type: none"> - 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	<p>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.</p> <p>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.</p> <p>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.</p>
Growth	<p>The Group has built an impressive growth track record and achieved a 26% revenue and a 38% EBITDA CAGR from 2003 to 2021. 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 30% to revenues and 64% to volumes in 2021). The EBITDA margin increased from 6.3% in 2003 to 29.2% in 2021.</p>
Strategy	<p>The main growth drivers will be:</p> <ul style="list-style-type: none"> - 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 YE22 - Launch of new products: different new application of Sucrosomial iron® (such as Sideral Med®, the first AFMS of Sideral®); 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 31.38%
 Roberto Lacorte 23.13%
 Beda srl 10.48%

Management

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

Next events

9th May 2022 - Q1 2022
 5th September 2022 - H1 2022
 7th November 2022 - Q3 2022

FY21/4Q21 Results

FY21/4Q21 Results

PHN delivered a strong set of 4Q / FY21 results

Eu mn	4Q20A	4Q21A	YoY %	Alantra 4Q21E	A vs E	FY20A	FY21A	YoY %	Alantra FY21E	A vs E
Revenues	15.8	18.8	19.3%	17.9	5.3%	56.4	68.1	20.7%	67.2	1.4%
<i>on sales %</i>	96.5%	98.2%		98.7%		96.2%	99.0%		99.1%	
EBITDA Adjusted	3.7	4.3	14.8%	3.1	35.7%	16.0	20.1	25.3%	19.0	5.9%
<i>Ebitda Margin %</i>	22.7%	22.3%		17.4%		27.3%	29.2%		28.0%	
Exceptional Items	(0.3)	0.0		0.0		(0.5)	0.0		0.0	
EBITDA Reported	3.5	4.3	23.7%	3.1	35.7%	15.6	20.1	29.1%	19.0	5.9%
<i>Ebitda Margin %</i>	21.1%	22.3%		17.4%		26.5%	29.2%		28.0%	
EBIT Reported	2.8	3.8	34.4%	2.7	39.9%	13.2	18.7	41.4%	17.6	6.1%
<i>Ebit Margin %</i>	17.1%	19.6%		14.9%		22.5%	27.2%		26.0%	
Pretax Profit	2.8	3.8	35.0%	2.7	41.1%	13.3	18.8	41.4%	17.7	6.2%
<i>Pretax Margin %</i>	17.2%	19.8%		14.9%		22.7%	27.3%		26.1%	
Taxes	(0.2)	(0.9)		(1.0)		0.8	(5.0)		(5.1)	
<i>Tax rate %</i>	-5.5%	-23.8%		-37.2%		-6.0%	-29.0%		-29.0%	
Net Profit	2.7	2.9	8.8%	1.7	71.0%	14.1	13.8	-2.1%	12.6	9.6%
<i>Net Profit Margin %</i>	16.3%	15.1%		9.3%		24.0%	20.0%		18.5%	
NFP at year end	19.4	28.1	45.0%	20.8	34.7%	19.4	28.1	45.0%	20.8	34.7%

Source: Company data, Alantra estimates

Estimates

Change in estimates

Estimates revised upwards after the strong set of 4Q21/FY21 results

(Eu mn)	NEW estimates			Change		
	FY21A	FY22E	FY23E	FY21AvE	FY22E	FY23E
Revenues	68.1	77.6	88.5	1.4%	2.3%	3.2%
EBITDA Reported	20.1	21.1	24.2	5.9%	3.3%	4.2%
EBIT Reported	18.7	19.7	22.7	6.1%	3.5%	4.5%
Pretax Profit	18.8	19.9	22.8	6.2%	3.7%	4.6%
Net profit	13.8	14.1	16.2	9.6%	3.7%	4.6%
EPS	1.375	1.456	1.672	5.9%	3.7%	4.6%
Net financial position	28.1	20.8	27.1	7.2	3.8	4.5

Source: Alantra estimates

Trading multiples

The stock is now trading at a slight premium versus BioGaia with respect to EV/EBITDA and EV/EBIT 22-23

Company	Country	Mkt Cap (Eu mn)	EV/EBITDA			EV/EBIT			PE			EV/Sales			
			FY22E	FY23E	FY24E	FY22E	FY23E	FY24E	FY22E	FY23E	FY24E	FY22E	FY23E	FY24E	
PHARMANUTRA	ITALY	581	26.5 x	22.9 x	19.6 x	28.4 x	24.4 x	21.8 x	39.7 x	34.2 x	30.6 x	7.2 x	6.2 x	5.4 x	
Premium (discount) to Peers' Median			100%	102%	86%	71%	77%	68%	68%	70%	59%	102%	100%	71%	
PEERS			Average	13.2 x	11.3 x	10.5 x	16.6 x	13.8 x	13.0 x	23.7 x	20.1 x	19.2 x	3.6 x	3.1 x	3.2 x
			Median	14.4 x	12.8 x	11.6 x	19.2 x	15.4 x	13.6 x	25.6 x	21.3 x	19.0 x	3.5 x	3.0 x	3.1 x
Clover Corporation Limited	AUSTRALIA	157	19.8 x	14.8 x	11.9 x	21.1 x	15.4 x	12.4 x	30.7 x	20.7 x	16.8 x	3.7 x	2.9 x	2.3 x	
BioGaia AB Class B	SWEDEN	978	25.3 x	21.8 x	20.2 x	27.5 x	23.6 x	21.8 x	41.2 x	35.8 x	34.2 x	9.1 x	8.0 x	7.4 x	
Boiron SA	FRANCE	681	4.1 x	3.4 x	3.4 x	6.0 x	4.8 x	5.2 x	15.0 x	13.3 x	13.5 x	0.9 x	0.7 x	0.8 x	
LifeVantage Corporation	UNITED STATES	60	2.5 x	2.5 x	2.4 x	3.9 x	3.8 x	3.6 x	8.0 x	6.9 x	5.7 x	0.2 x	0.2 x	0.2 x	
Probi AB	SWEDEN	409	18.1 x	15.8 x	14.0 x	27.6 x	23.4 x	20.0 x	29.0 x	26.3 x	24.0 x	5.4 x	4.8 x	4.3 x	
USANA Health Sciences, Inc.	UNITED STATES	1,399	7.4 x	6.6 x	na	8.4 x	7.5 x	na	14.7 x	12.9 x	na	1.1 x	1.1 x	na	
Jamieson Wellness, Inc.	CANADA	1,065	14.6 x	13.3 x	na	18.0 x	15.3 x	na	25.4 x	22.7 x	na	3.3 x	3.1 x	na	
Vifor Pharma AG	SWITZERLAND	10,298	14.2 x	12.3 x	11.3 x	20.5 x	16.4 x	14.9 x	25.8 x	22.0 x	21.1 x	5.0 x	4.2 x	4.0 x	

Company	Country	Mkt Cap (Eu mn)	Dividend Yield			FCF Yield			Net Debt/EBITDA			P/BV			
			FY22E	FY23E	FY24E	FY22E	FY23E	FY24E	FY22E	FY23E	FY24E	FY22E	FY23E	FY24E	
PHARMANUTRA	ITALY		1.3%	1.5%	1.5%	0.1%	2.4%	3.1%	nm	nm	nm	11.3 x	9.7 x	8.4 x	
PEERS			Average	1.4%	1.7%	1.8%	7.0%	6.1%	8.5%	1.2 x	0.9 x	#DIV/OI	3.5 x	3.2 x	2.9 x
			Median	1.1%	1.8%	1.8%	3.2%	4.2%	7.3%	1.2 x	0.9 x	#NUM!	3.5 x	3.2 x	2.7 x
Clover Corporation Limited	AUSTRALIA	157	1.1%	1.8%	2.5%	na	na	na	nm	nm	nm	nm	nm	nm	
BioGaia AB Class B	SWEDEN	978	1.1%	1.3%	1.2%	2.2%	2.7%	2.8%	nm	nm	nm	5.9 x	5.4 x	4.8 x	
Boiron SA	FRANCE	681	3.0%	3.4%	3.2%	9.1%	9.3%	10.2%	nm	nm	nm	1.2 x	1.2 x	1.1 x	
LifeVantage Corporation	UNITED STATES	60	na	na	na	24.1%	15.3%	16.7%	nm	nm	nm	na	na	na	
Probi AB	SWEDEN	409	0.3%	0.4%	0.4%	3.5%	4.1%	4.4%	nm	nm	nm	3.1 x	2.9 x	2.7 x	
USANA Health Sciences, Inc.	UNITED STATES	1,399	na	na	na	0.5%	1.1%	na	nm	nm	na	na	na	na	
Jamieson Wellness, Inc.	CANADA	1,065	1.7%	1.8%	na	2.9%	4.3%	na	1.2 x	0.9 x	na	3.9 x	3.5 x	na	
Vifor Pharma AG	SWITZERLAND	10,298	1.2%	1.2%	1.2%	4.1%	5.0%	na	nm	nm	nm	2.7 x	2.6 x	2.6 x	

Source: Alantra estimates and Factset

Financials

Better economics compared to a broad panel of international peers

Company	Country	Mkt Cap (Eu mn)	FY22E - FY24E average margins					CAGR FY21A - FY24E				
			EBITDA Margin	EBIT Margin	Net Income Margin	Capex / Sales	Dividend Payout	Sales	EBITDA	EBIT	EPS	
PHARMANUTRA	ITALY	581	27.4%	25.3%	18.0%	5.9%	53.3%	14.0%	11.5%	10.2%	9.0%	
PEERS			Average	23.7%	19.0%	13.5%	2.7%	34.1%	9.4%	12.7%	14.3%	14.5%
			Median	22.4%	18.8%	13.1%	2.8%	39.1%	9.3%	14.0%	18.1%	14.2%
Clover Corporation Limited	AUSTRALIA	157	19.2%	18.2%	13.4%	2.0%	37.0%	17.4%	23.9%	24.9%	32.5%	
BioGaia AB Class B	SWEDEN	978	36.5%	33.7%	25.9%	2.0%	43.5%	15.0%	15.9%	15.2%	14.3%	
Boiron SA	FRANCE	681	21.7%	14.8%	10.0%	4.2%	44.7%	3.5%	17.9%	18.5%	20.9%	
LifeVantage Corporation	UNITED STATES	60	8.7%	5.8%	4.2%	1.1%	na	2.0%	-4.7%	-8.9%	-3.5%	
Probi AB	SWEDEN	409	30.1%	20.4%	16.1%	3.5%	10.1%	8.4%	12.1%	18.4%	14.0%	
USANA Health Sciences, Inc.	UNITED STATES	1,399	15.8%	13.9%	9.5%	1.5%	na	na	na	na	na	
Jamieson Wellness, Inc.	CANADA	1,065	23.0%	19.4%	12.9%	3.7%	41.1%	na	na	na	na	
Vifor Pharma AG	SWITZERLAND	10,298	35.0%	25.6%	15.7%	3.8%	28.1%	10.2%	10.9%	17.9%	8.5%	

Source: Alantra estimates and Factset

ALANTRA

Italian Equity Research

Performance

Negative stock performance in the last few months

Company	Country	Mkt Cap (Eu mn)	Performance					
			1M	3M	6M	1YR	3YR	5YR
PHARMANUTRA	ITALY	581	-6.0%	-16.2%	-13.0%	62.6%	262.5%	na
PEERS	Average		0.1%	-6.4%	2.1%	-0.5%	-2.0%	29.6%
	Median		-1.7%	-3.3%	-3.7%	3.0%	-13.2%	36.5%
Clover Corporation Limited	AUSTRALIA	157	-12.1%	-16.1%	-3.4%	-14.5%	-20.6%	176.5%
BioGaia AB Class B	SWEDEN	978	14.9%	1.9%	10.9%	26.9%	13.4%	67.1%
Boiron SA	FRANCE	681	-4.2%	10.2%	-8.2%	9.0%	-26.0%	-54.0%
LifeVantage Corporation	UNITED STATES	60	-5.1%	-24.9%	-25.4%	-44.8%	-64.6%	1.2%
Biosearch, S.A.	SPAIN	na	na	na	na	na	na	na
USANA Health Sciences, Inc.	UNITED STATES	1,399	-11.1%	-21.1%	-10.0%	-18.8%	-12.4%	36.5%
Jamieson Wellness, Inc.	CANADA	1,065	6.8%	-8.6%	-4.0%	-3.0%	90.0%	na
Vifor Pharma AG	SWITZERLAND	10,298	0.8%	2.3%	34.9%	31.4%	17.9%	36.5%

Source: Alantra estimates and Factset

Disclaimer

Explanation of Ratings: Alantra Capital Markets Sociedad de Valores SAU (Italian Branch) ("Alantra CM (Italian Branch)") Research Department provides six core ratings: BUY, HOLD, SELL, NOT RATED, UNDER REVIEW and SUSPENDED, based on the expected performance over the next 12 months.

BUY: The stock is expected to generate returns of over 10% during the next 12 months.

HOLD: The stock is expected to generate returns of 0-10% during the next 12 months.

SELL: The stock is expected to generate negative returns during the next 12 months.

NOT RATED: The stock is not covered.

UNDER REVIEW: An event occurred with an expected significant impact on our target price and we cannot issue a recommendation before having processed that new information and/or without a new share price reference.

SUSPENDED: Alantra CM (Italian Branch) is precluded from providing an investment rating or price target for compliance reasons.

Due to share price volatility, ratings and target prices may occasionally and temporarily be inconsistent with the above definition.

This report has been prepared by Alantra CM (Italian Branch), which is pertaining to the Alantra Group, a financial Spanish group that provides investment banking, asset management, equities brokerage, capital markets and financial advisory services.

Analyst Certification

Each authoring analyst of Alantra CM (Italian Branch) whose name appears on the front page of this research hereby certifies that (i) the recommendations and opinions expressed in this research accurately reflect the authoring analyst's personal, independent and objective views about any and all of the designated investments or relevant issuers discussed herein that are within such authoring analyst's coverage universe and (ii) no part of the authoring analyst's compensation was, is, or will be, directly or indirectly, related to the specific recommendations or views expressed by the authoring analyst in the research.

This report is solely for the information of clients of Alantra CM (Italian Branch) and for distribution only under such circumstances as may be permitted by applicable law. Alantra CM (Italian Branch) specifically prohibits the redistribution of this material in whole or in part without the prior written permission of Alantra CM (Italian Branch) and therefore Alantra CM (Italian Branch) accepts no liability whatsoever for the actions of third parties in this respect.

Nothing in this report constitutes a representation that any investment strategy or recommendation contained herein is suitable or appropriate to a recipient's individual circumstances or otherwise constitutes a personal recommendation. This report is published solely for information purposes, it does not constitute an advertisement and is not to be construed as a solicitation or an offer to buy or sell any securities or related financial instruments in any jurisdiction. The information contained in this research has been compiled by Alantra CM (Italian Branch) from sources believed to be reliable, but no representation or warranty, either expressed or implied, is provided in relation to the fairness, accuracy, completeness or correctness of the information contained herein, nor it is intended to be a complete statement or summary of the securities or markets referred to in this report. Alantra CM (Italian Branch) nor any of its affiliates has not independently verified the facts, assumptions, and estimates contained herein. All estimates, opinions and other information contained in this research constitute Alantra CM (Italian Branch)'s judgement as of the date of this research, are subject to change without notice and are provided in good faith but without legal responsibility or liability. Alantra CM (Italian Branch) its affiliated companies or any other person does not undertake that investors will obtain profits nor accept any liability for any investment losses arising from any use of this report or its contents. This report should not be regarded by recipients as a substitute for the exercise of their own judgement. Any opinions expressed in this report are subject to change without notice and may differ or be contrary to opinions expressed by other business areas of the Alantra Group as a result of using different assumptions and criteria. Research will be initiated, updated and coverage ceased solely at the discretion of Alantra CM (Italian Branch). The analysis contained herein is based on numerous assumptions. Different assumptions could result in materially different results. Alantra CM (Italian Branch) is under no obligation to keep current the information contained in this report.

From time to time, Alantra CM (Italian Branch) salespeople, traders, and other professionals may provide oral or written market commentary or trading strategies to our clients and our principal trading desk that reflect opinions that are contrary to the opinions expressed in this research. Alantra CM (Italian Branch)'s affiliates, principal trading desk, and investing businesses also from time to time may make investment decisions that are inconsistent with the recommendations or views expressed in this research.

Investments involve risks and investors should exercise prudence in making their investment decisions. The securities described herein may not be eligible for sale in all jurisdictions or to certain categories of investors. Stocks bear significantly risk that typically cannot be valued by normal fundamental criteria. Investments in the stock may result in a material loss. Options, derivative products and futures are not suitable for all investors, and trading in these instruments is considered risky. Past performance is not necessarily indicative of future results. Foreign currency rates of exchange may adversely affect the value, price or income of any security or related instrument mentioned in this report.

Any prices stated in this report are for information purposes only and do not represent valuations for individual securities or other instruments. There is no representation that any transaction can or could have been realized at those prices.

Neither Alantra CM (Italian Branch) nor any of the companies pertaining to the Alantra Group nor any of their shareholders, directors, employees or agents accepts any liability for any loss or damage arising out of the use of all or any part of this report.

Except as otherwise specified herein, this material is exclusively communicated by Alantra CM (Italian Branch) to persons who are eligible counterparties or professional clients and is only available to such persons. The information contained herein does not apply to retail clients.

The analysts responsible for the preparation of this report may interact with trading desk personnel, sales personnel and investment managers. Alantra CM (Italian Branch), any other company pertaining to the Alantra Group, and any of their shareholders, directors, employees may, to the extent permitted by law, have a position or otherwise be interested in any transactions, in any investments directly or indirectly the subject of this publication. The Alantra Group relies on information barriers to control the flow of information contained in one or more areas within the Alantra Group, into other areas, units, groups or affiliates of the Alantra Group. The Alantra Group may do and seek to do business with companies covered in its research reports. As a result, investors should be aware that the Alantra Group may have a conflict of interests. Information regarding transactions in which the Alantra Group has acted as an advisor, or provided professional services, is available on Alantra Group's website (<http://www.alantra.com>). The Alantra Group has established, implemented and maintains an effective conflicts of interest policy appropriate to its size and organization and to the nature, scale and complexity of its business. Investors should consider this report as only a single factor in making their investment decisions.

Conflict of interest

In order to disclose its possible conflicts of interest Alantra states that:

- Alantra is Corporate Broker of the following Companies: Openjobmetis, Pharmanutra, Eurotech, Farmaè, Intred, SEIF, ICF, Tecma Solutions, Planetel, eVISO, Comal, Powersoft, ATON Green Storage, Giglio.com, Almawave, DHH, Soluzione Tasse, Datrix, STAR7

Research Distribution Policy

Alantra CM (Italian Branch) research will be available simultaneously for all of Alantra CM (Italian Branch)'s customers who are entitled to receive the firm's research. Research may be distributed by the firm's sales and trading personnel via email, instant message or other electronic means. Customers entitled to receive research may also receive it via third party vendors. Until such time as research is made available to Alantra CM (Italian Branch)'s customers as described above, Authoring Analysts will not discuss the contents of their research with Sales and Trading or Investment Banking employees without prior compliance consent.

For further information about the proprietary model(s) associated with the covered issuer(s) in this research report, clients should contact their local sales representative.

The disclosures contained in research reports produced by Alantra CM (Italian Branch) shall be governed by and construed in accordance with Spanish and Italian laws.

The receipt of this report implies full acceptance by its recipients of the contents of this disclaimer.

Alantra Capital Markets, S.V. S.A. is the Spanish investment firm located in Madrid, Calle de José Ortega y Gasset 29, registered at the Comisión Nacional del Mercado de Valores (CNMV) with number 258. Alantra CM (Italian Branch) is located in Milano (Italy), Via Borgonuovo 16 with number 155.