

# PHARMANUTRA

**BUY**

Sector: Consumers

Price: Eu55.00 - Target: Eu87.00

## Strong Results as Expected, Higher Visibility on FY Consensus

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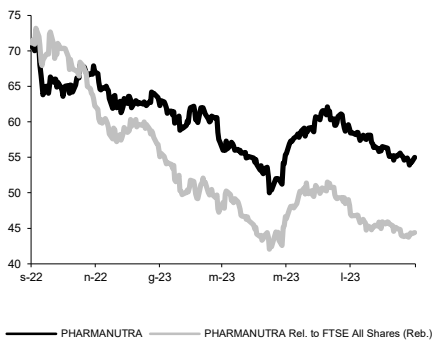
### Stock Rating

<b>Rating:</b>	Unchanged		
<b>Target Price (Eu):</b>	Unchanged		
	<b>2023E</b>	<b>2024E</b>	<b>2025E</b>
<b>Chg in Adj EPS</b>	3.0%	-0.5%	-0.5%

### Next Event

3Q23 Results Out 6 November 2023

### PHARMANUTRA - 12M Performance



### Stock Data

Reuters code:	PHNU.MI		
Bloomberg code:	PHN IM		
<b>Performance</b>	<b>1M</b>	<b>3M</b>	<b>12M</b>
Absolute	-2.7%	-9.4%	-21.2%
Relative	-3.3%	-13.5%	-47.9%
12M (H/L)	71.40/50.00		
3M Average Volume (th):	3.36		

### Shareholder Data

No. of Ord shares (mn):	10
Total no. of shares (mn):	10
Mkt Cap Ord (Eu mn):	532
Total Mkt Cap (Eu mn):	532
Mkt Float - Ord (Eu mn):	186
Mkt Float (in %):	35.0%
Main Shareholder:	
Andrea Lacorte	31.4%

### Balance Sheet Data

Book Value (Eu mn):	55
BVPS (Eu):	5.70
P/BV:	9.6
Net Financial Position (Eu mn):	0
Enterprise Value (Eu mn):	533

■ **1H23 results.** Results broadly in line with estimates on the top line, while adj. EBITDA and bottom line +7/10% above our exp. due to complete reversal of one-offs that boosted 1Q. Net sales confirmed double-digit growth path (1Q23: +25.3%, 2Q: 24.7%), essentially driven by volumes in both the domestic (1Q: +27%, 2Q: +19%, now c. 72% of total sales), and foreign markets (1Q: +22%, 2Q: 44%), on top of boost from Akern (€2.7mn in 1H, 5.4% of total sales), consolidated as of 3Q22. On the other hand, the contribution to sales of other initiatives (Nutrition, Spain, China, USA) was negligible. Regarding the product pipeline, the SiderAL line (72% of sales) grew 20% YoY, reaching 53.5% market share in iron-based supplements, and Cetilar (10% of sales) was up 26.7%; by contrast, Apportal (8%) showed more restrained growth (1H: +7.8%, 2Q: -5.8%), reflecting seasonality and a tough comparison with last year (product indication for post-Covid fatigue, drop in Covid patients). 1H OpEx rose 31.5% YoY to reflect higher sales volume, consolidation of Akern, and marketing investments to implement new projects in order to sustain Group trademarks. Moreover, OpEx included €1.8mn in investments to set up the new businesses (USA, China, Spain, Cetilar® Nutrition). As a result, adjusted EBITDA was €14.1mn, with margin erosion at 28.3% (-2.9pp YoY) or 31.2% (-0.1pp YoY) excluding new initiatives. Reported bottom line was burdened by a c. €2mn tax provision for fiscal period 2017-21. NFP went negative at c. €10mn (vs. net cash of €10.6mn as at YE22) following c.€8mn NWC absorption (higher sales, increased inventories), higher CapEx (c.€10mn, o/w €7mn for new HQ), dividends (€7.7mn), and buybacks (€1.6mn).

■ **Conference call feedback. 2023 outlook:** a) existing business, high DD growth for revenues (management happy with current consensus, implying a bit softer growth in 2H to capture different seasonal patterns in Italy vs abroad), with a flattish EBITDA margin (FY22: 29%); b) new projects: €5mn in investments, of which €3mn for marketing activities, no material revenue contribution in FY23; c) NFP close to zero by YE: reversal of NWC trends (inventory reduction, longer DPOs with suppliers). Germany: already met with Fresenius to define next steps and recover delays, still at start phase (effects may materialise from next year). UK: Lipocet approval as novel food in UK is great result for PHN R&D team. Apportal: new clinical study showing its effectiveness for any type of fatigue.

■ **Change in estimates.** FY outlook coherent with our assumptions when including the €5mn start-up costs related to new projects (c. 5pp dilution vs 29% margin expected for existing business), while we perform minor fine-tuning below the EBITDA line to capture one-offs recorded in 1H and on NFP (reduced from +€6.2mn to -€0.4mn)

■ **BUY confirmed; TP €87.** On the back of a strong 1H, we reiterate our BUY rating and the DCF-based TP at €87. 2023 poised to be a transitional year but recent stock underperformance unjustified: we believe the market is ready to take another look at a story of massive long-term structural growth, especially if some visibility starts to emerge in the near future. Based on management indications provided at the recent Investor Day, new business opportunities could unlock significant additional growth in both turnover (2022-30 CAGR +19% vs. +11% organic) and EBITDA (CAGR +20% vs. 13% organic), resulting in huge, long-term upside worth up to €90-100/share on top of our TP. On the existing business, PHN looks very well placed in a steadily growing industry thanks to undisputed leadership in solid oral iron supplements, high entry barriers due to IP protection, and a relentless commitment to R&D.

Key Figures & Ratios	2021A	2022A	2023E	2024E	2025E
Sales (Eu mn)	68	83	98	113	124
EBITDA Adj (Eu mn)	20	24	24	28	31
Net Profit Adj (Eu mn)	13	15	16	18	20
EPS New Adj (Eu)	1.375	1.554	1.618	1.834	2.096
EPS Old Adj (Eu)	1.375	1.554	1.571	1.844	2.107
DPS (Eu)	0.710	0.800	0.809	0.917	1.048
EV/EBITDA Adj	23.6	25.3	22.3	18.9	16.6
EV/EBIT Adj	25.4	26.8	24.2	21.0	18.4
P/E Adj	40.0	35.4	34.0	30.0	26.2
Div. Yield	1.3%	1.5%	1.5%	1.7%	1.9%
Net Debt/EBITDA Adj	-1.4	-0.4	0.0	-0.3	-0.5

**PHARMANUTRA – Key Figures**

<b>Profit &amp; Loss (Eu mn)</b>	<b>2020A</b>	<b>2021A</b>	<b>2022A</b>	<b>2023E</b>	<b>2024E</b>	<b>2025E</b>
Sales	56	68	83	98	113	124
EBITDA	16	20	24	24	28	31
EBIT	13	19	23	22	25	28
Financial Income (charges)	0	0	0	-0	0	-0
Associates & Others	0	0	0	0	0	0
Pre-tax Profit	13	19	23	22	25	28
Taxes	1	-5	-8	-8	-7	-8
Tax rate	-5.8%	26.8%	35.7%	38.0%	29.5%	27.5%
Minorities & Discontinued Operations	0	0	0	0	0	0
Net Profit	14	14	15	14	18	20
EBITDA Adj	16	20	24	24	28	31
EBIT Adj	15	19	23	22	25	28
Net Profit Adj	10	13	15	16	18	20
<b>Per Share Data (Eu)</b>	<b>2020A</b>	<b>2021A</b>	<b>2022A</b>	<b>2023E</b>	<b>2024E</b>	<b>2025E</b>
Total Shares Outstanding (mn) - Average	10	10	10	10	10	10
Total Shares Outstanding (mn) - Year End	10	10	10	10	10	10
EPS f.d	1.454	1.422	1.554	1.401	1.834	2.096
EPS Adj f.d	1.051	1.375	1.554	1.618	1.834	2.096
BVPS f.d	3.897	4.657	5.263	5.701	6.729	7.911
Dividend per Share ORD	0.670	0.710	0.800	0.809	0.917	1.048
Dividend per Share SAV	0.000	0.000	0.000	0.000	0.000	0.000
Dividend Payout Ratio (%)	46.1%	49.9%	51.5%	57.7%	50.0%	50.0%
<b>Cash Flow (Eu mn)</b>	<b>2020A</b>	<b>2021A</b>	<b>2022A</b>	<b>2023E</b>	<b>2024E</b>	<b>2025E</b>
Gross Cash Flow	16	15	16	16	20	23
Change in NWC	-5	5	-2	-1	-2	-2
Capital Expenditure	-1	-5	-11	-14	-3	-3
Other Cash Items	1	-1	0	0	0	0
Free Cash Flow (FCF)	11	15	3	1	15	19
Acquisitions, Divestments & Other Items	0	0	-11	0	0	0
Dividends	-4	-6	-7	-8	-8	-9
Equity Financing/Buy-back	0	0	0	0	0	0
Change in Net Financial Position	8	6	-19	-7	8	10
<b>Balance Sheet (Eu mn)</b>	<b>2020A</b>	<b>2021A</b>	<b>2022A</b>	<b>2023E</b>	<b>2024E</b>	<b>2025E</b>
Total Fixed Assets	11	15	40	52	52	52
Net Working Capital	10	6	10	11	13	15
Long term Liabilities	-2	-4	-9	-9	-9	-9
Net Capital Employed	18	17	40	53	56	57
Net Cash (Debt)	19	28	11	-0	7	17
Group Equity	38	45	51	55	65	77
Minorities	0	0	0	0	0	0
Net Equity	38	45	51	55	65	77
<b>Enterprise Value (Eu mn)</b>	<b>2020A</b>	<b>2021A</b>	<b>2022A</b>	<b>2023E</b>	<b>2024E</b>	<b>2025E</b>
Average Mkt Cap	243	502	627	532	532	532
Adjustments (Associate & Minorities)	0	0	0	0	0	0
Net Cash (Debt)	19	28	11	-0	7	17
Enterprise Value	223	474	616	533	525	515
<b>Ratios (%)</b>	<b>2020A</b>	<b>2021A</b>	<b>2022A</b>	<b>2023E</b>	<b>2024E</b>	<b>2025E</b>
EBITDA Adj Margin	28.4%	29.5%	29.4%	24.4%	24.6%	24.9%
EBIT Adj Margin	26.1%	27.4%	27.9%	22.4%	22.2%	22.5%
Gearing - Debt/Equity	-51.3%	-62.3%	-20.9%	0.8%	-11.0%	-22.2%
Interest Cover on EBIT	nm	nm	nm	219.8	nm	394.6
Net Debt/EBITDA Adj	-1.2	-1.4	-0.4	0.0	-0.3	-0.5
ROACE*	80.2%	105.6%	80.4%	46.9%	46.0%	49.7%
ROE*	30.9%	32.2%	31.3%	29.5%	29.5%	28.6%
EV/CE	13.5	26.8	21.5	11.4	9.6	9.1
EV/Sales	4.0	7.0	7.5	5.4	4.7	4.1
EV/EBITDA Adj	13.9	23.6	25.3	22.3	18.9	16.6
EV/EBIT Adj	15.2	25.4	26.8	24.2	21.0	18.4
Free Cash Flow Yield	2.1%	2.8%	0.6%	0.1%	2.9%	3.5%
<b>Growth Rates (%)</b>	<b>2020A</b>	<b>2021A</b>	<b>2022A</b>	<b>2023E</b>	<b>2024E</b>	<b>2025E</b>
Sales	5.3%	20.7%	21.4%	18.4%	15.1%	10.5%
EBITDA Adj	21.5%	25.4%	21.3%	-1.7%	16.0%	11.8%
EBIT Adj	20.7%	26.9%	23.3%	-4.6%	14.0%	12.0%
Net Profit Adj	66.4%	-2.1%	9.3%	-9.9%	30.9%	14.3%
EPS Adj	20.4%	30.8%	13.0%	4.1%	13.3%	14.3%
DPS	45.7%	6.0%	12.7%	1.1%	13.3%	14.3%

\*Excluding extraordinary items Source: Intermonte SIM estimates

## 2Q/1H23 Results

### PharmaNutra – 2Q/1H23 Results: P&L

P&L, Eu mn	FY21A	1Q22A	2Q22A	1H22A	3Q22A	9M22A	4Q22A	FY22A	1Q23A	2Q23A	1H23A	1H23E	A/E
<b>Net Revenues</b>	<b>68.1</b>	<b>18.8</b>	<b>20.9</b>	<b>39.7</b>	<b>20.6</b>	<b>60.3</b>	<b>22.5</b>	<b>82.7</b>	<b>23.6</b>	<b>26.0</b>	<b>49.6</b>	<b>49.5</b>	<b>0.4%</b>
YoY growth	20.7%	32.3%	15.7%	23.0%	20.7%	22.2%	19.4%	21.4%	25.3%	24.7%	25.0%	24.5%	
Other revenues	0.7	0.1	0.1	0.2	0.1	0.3	0.4	0.7	1.0	-0.4	0.6	0.6	
<b>Total Revenues</b>	<b>68.8</b>	<b>19.0</b>	<b>21.0</b>	<b>39.9</b>	<b>20.6</b>	<b>60.5</b>	<b>22.9</b>	<b>83.4</b>	<b>24.6</b>	<b>25.7</b>	<b>50.2</b>	<b>50.1</b>	<b>0.4%</b>
YoY growth	17.3%	32.3%	15.9%	23.2%	19.4%	21.9%	19.3%	21.1%	29.6%	22.5%	25.8%	25.3%	
Opex	(48.8)	(13.7)	(13.8)	(27.5)	(13.9)	(41.4)	(17.6)	(59.0)	(18.0)	(19.0)	(37.0)	(36.9)	
<b>Adj. EBITDA</b>	<b>20.1</b>	<b>5.3</b>	<b>7.2</b>	<b>12.4</b>	<b>6.7</b>	<b>19.1</b>	<b>5.3</b>	<b>24.4</b>	<b>6.6</b>	<b>6.7</b>	<b>13.3</b>	<b>13.2</b>	<b>0.6%</b>
YoY growth	25.4%	36.1%	11.5%	20.7%	20.5%	20.7%	23.6%	21.3%	25.0%	-6.6%	6.8%	6.2%	
<b>as % of net sales</b>	<b>29.5%</b>	<b>27.9%</b>	<b>34.3%</b>	<b>31.3%</b>	<b>32.5%</b>	<b>31.7%</b>	<b>23.4%</b>	<b>29.4%</b>	<b>27.9%</b>	<b>25.7%</b>	<b>26.7%</b>	<b>26.7%</b>	
EBITDA	20.1	5.3	7.2	12.4	6.7	19.1	5.3	24.4	7.4	6.7	14.1	14.0	0.6%
YoY growth	29.1%	36.1%	11.5%	20.8%	20.5%	20.7%	23.6%	21.3%	40.2%	-6.6%	13.2%	12.6%	
<b>as % of net sales</b>	<b>29.5%</b>	<b>27.9%</b>	<b>34.3%</b>	<b>31.3%</b>	<b>32.5%</b>	<b>31.7%</b>	<b>23.4%</b>	<b>29.4%</b>	<b>31.3%</b>	<b>25.7%</b>	<b>28.3%</b>	<b>28.3%</b>	
<b>Adj. EBIT</b>	<b>18.7</b>	<b>5.0</b>	<b>6.8</b>	<b>11.8</b>	<b>6.3</b>	<b>18.1</b>	<b>4.9</b>	<b>23.0</b>	<b>6.2</b>	<b>6.2</b>	<b>12.4</b>	<b>12.3</b>	<b>0.9%</b>
<b>as % of net sales</b>	<b>27.4%</b>	<b>26.4%</b>	<b>32.8%</b>	<b>29.8%</b>	<b>30.6%</b>	<b>30.1%</b>	<b>21.9%</b>	<b>27.9%</b>	<b>26.1%</b>	<b>24.0%</b>	<b>25.0%</b>	<b>24.9%</b>	
EBIT	18.7	5.0	6.8	11.8	6.3	18.1	4.9	23.0	7.0	6.2	13.2	13.1	0.9%
<b>as % of net sales</b>	<b>27.4%</b>	<b>26.4%</b>	<b>32.8%</b>	<b>29.8%</b>	<b>30.6%</b>	<b>30.1%</b>	<b>21.9%</b>	<b>27.9%</b>	<b>29.5%</b>	<b>24.0%</b>	<b>26.6%</b>	<b>26.5%</b>	
PBT	18.8	5.0	6.8	11.8	6.6	18.5	5.0	23.4	7.1	6.1	13.2	13.1	0.5%
taxes	(5.0)	(1.5)	(2.1)	(3.6)	(2.0)	(5.6)	(2.8)	(8.4)	(1.7)	(4.3)	(6.0)	(3.9)	
tax rate (%)	26.8%	30.0%	30.6%	30.4%	30.2%	30.3%	56.0%	35.7%	23.3%	70.6%	45.2%	29.5%	
Net income	13.8	3.5	4.7	8.2	4.6	12.8	2.2	15.0	5.4	1.8	7.2	9.3	-21.9%
YoY growth	-2.1%	38.8%	4.7%	16.9%	19.8%	17.9%	-24.3%	9.3%	55.8%	-62.1%	-12.1%	12.5%	
EPS (€)	€ 1.42	€ 0.36	€ 0.49	€ 0.85	€ 0.48	€ 1.33	€ 0.23	€ 1.56	€ 0.56	€ 0.19	€ 0.75	€ 0.96	
<b>Adj. Net income</b>	<b>13.3</b>	<b>3.5</b>	<b>4.7</b>	<b>8.2</b>	<b>4.6</b>	<b>12.8</b>	<b>2.2</b>	<b>15.0</b>	<b>4.6</b>	<b>4.6</b>	<b>9.3</b>	<b>8.5</b>	<b>9.7%</b>
YoY growth	30.8%	38.8%	16.5%	25.0%	19.8%	23.1%	-24.3%	13.0%	32.9%	-2.1%	12.8%	2.8%	
<b>Adj. EPS (€)</b>	<b>€ 1.38</b>	<b>€ 0.36</b>	<b>€ 0.49</b>	<b>€ 0.85</b>	<b>€ 0.48</b>	<b>€ 1.33</b>	<b>€ 0.23</b>	<b>€ 1.56</b>	<b>€ 0.48</b>	<b>€ 0.48</b>	<b>€ 0.96</b>	<b>€ 0.87</b>	
<b>NFP (+cash/-debt)</b>	<b>28.1</b>	<b>27.1</b>	<b>19.6</b>	<b>19.6</b>	<b>7.3</b>	<b>7.3</b>	<b>10.6</b>	<b>10.6</b>	<b>2.9</b>	<b>(10.3)</b>	<b>(10.3)</b>	<b>(10.4)</b>	<b>4.3%</b>
x EBITDA	1.4x							0.4x					

Source: Intermonte SIM (E), Company Data (A)

### PharmaNutra – 2Q/1H23 Results: FCF & Net Financial Position

FCF, Eu mn	FY21A	1Q22A	2Q22A	1H22A	3Q22A	9M22A	4Q22A	FY22A	1Q23A	2Q23A	1H23A	1H23E	A-E
Net income	13.8	3.5	4.7	8.2	4.6	12.8	2.2	15.0	5.4	1.8	7.2	9.3	(2.0)
D&A	1.4	0.3	0.3	0.6	0.4	1.0	0.3	1.3	0.4	0.4	0.9	0.9	(0.0)
NWC & Other	5.3	(2.0)	(1.1)	(3.1)	(5.2)	(8.3)	6.0	(2.3)	(7.9)	0.0	(7.9)	(17.0)	9.1
<b>FCFO</b>	<b>20.4</b>	<b>1.8</b>	<b>4.0</b>	<b>5.7</b>	<b>(0.2)</b>	<b>5.5</b>	<b>8.5</b>	<b>14.1</b>	<b>(2.1)</b>	<b>2.3</b>	<b>0.2</b>	<b>(6.8)</b>	<b>7.0</b>
Capex	(4.9)	(0.9)	(4.4)	(5.3)	(1.5)	(6.9)	(3.9)	(10.7)	(3.6)	(6.0)	(9.6)	(6.4)	(3.1)
<b>as % of net sales</b>	<b>7.2%</b>	<b>5.0%</b>	<b>21.1%</b>	<b>13.4%</b>	<b>7.5%</b>	<b>11.4%</b>	<b>17.2%</b>	<b>13.0%</b>	<b>15.2%</b>	<b>22.9%</b>	<b>19.2%</b>	<b>13.0%</b>	
<b>Equity FCF</b>	<b>14.9</b>	<b>0.8</b>	<b>(0.4)</b>	<b>0.4</b>	<b>(1.8)</b>	<b>(1.4)</b>	<b>4.7</b>	<b>3.3</b>	<b>(6.1)</b>	<b>(3.7)</b>	<b>(9.4)</b>	<b>(13.3)</b>	<b>3.9</b>
M&A	-	-	-	-	(10.1)	(10.1)	(1.2)	(11.3)	-	-	-	-	-
dividend	(6.5)	-	(6.9)	(6.9)	-	(6.9)	-	(6.9)	-	(7.7)	(7.7)	(7.7)	0.0
buybacks	-	(1.9)	(0.3)	(2.2)	-	(2.2)	(0.2)	(2.4)	(1.6)	(0.3)	(1.6)	-	(1.6)
equity financing	-	-	-	-	-	-	-	-	-	-	-	-	-
Other (IFRS16, etc..)	0.3	0.1	0.1	0.1	(0.4)	(0.3)	0.1	(0.2)	0.0	(2.3)	(2.3)	-	(2.3)
<b>Change in NFP</b>	<b>8.7</b>	<b>(1.0)</b>	<b>(7.5)</b>	<b>(8.5)</b>	<b>(12.3)</b>	<b>(20.7)</b>	<b>3.3</b>	<b>(17.4)</b>	<b>(7.7)</b>	<b>(13.2)</b>	<b>(21.0)</b>	<b>(21.0)</b>	<b>0.0</b>
<b>NFP (+cash/-debt)</b>	<b>28.1</b>	<b>27.1</b>	<b>19.6</b>	<b>19.6</b>	<b>7.3</b>	<b>7.3</b>	<b>10.6</b>	<b>10.6</b>	<b>2.9</b>	<b>(10.3)</b>	<b>(10.3)</b>	<b>(10.4)</b>	<b>0.0</b>

Source: Intermonte SIM (E), Company Data (A)

**PharmaNutra – 2Q/1H23 Results: Mix by Product and Geography**

By Product, Eu mn	FY21A	1Q22A	2Q22A	1H22A	3Q22A	9M22A	4Q22A	FY22A	1Q23A	2Q23A	1H23A	1H23E	A/E
<b>Sideral</b>	<b>52.6</b>	<b>14.1</b>	<b>14.8</b>	<b>28.9</b>	<b>14.0</b>	<b>42.9</b>	<b>15.9</b>	<b>58.8</b>	<b>16.1</b>	<b>18.7</b>	<b>34.8</b>	<b>34.0</b>	<b>2%</b>
growth YoY	20.6%	32.3%	7.5%	18.3%	4.9%	13.6%	7.2%	11.8%	14.5%	26.0%	20.4%	17.5%	
as % of FP revenues	79.9%	78.0%	73.3%	75.5%	69.6%	73.5%	72.1%	73.1%	70.7%	73.0%	71.9%	70.7%	
<b>Cetilar</b>	<b>6.6</b>	<b>1.8</b>	<b>2.1</b>	<b>3.9</b>	<b>2.0</b>	<b>5.8</b>	<b>2.3</b>	<b>8.1</b>	<b>2.4</b>	<b>2.5</b>	<b>4.9</b>	<b>5.0</b>	<b>-3%</b>
growth YoY	18.9%	17.4%	26.4%	22.0%	29.1%	24.3%	24.1%	24.2%	33.5%	20.6%	26.7%	30.0%	
as % of FP revenues	10.0%	10.1%	10.1%	10.1%	9.7%	10.0%	10.5%	10.1%	10.6%	9.6%	10.1%	10.5%	
<b>Apportal</b>	<b>3.9</b>	<b>1.4</b>	<b>2.4</b>	<b>3.8</b>	<b>2.5</b>	<b>6.3</b>	<b>1.9</b>	<b>8.2</b>	<b>1.8</b>	<b>2.2</b>	<b>4.1</b>	<b>4.4</b>	<b>-9%</b>
growth YoY	62.5%	88.2%	87.0%	87.5%	%	104.6%	140.8%	%	31.1%	-5.8%	7.8%	18.0%	
as % of FP revenues	5.9%	7.7%	11.8%	9.8%	12.7%	10.8%	8.7%	10.2%	8.0%	8.8%	8.4%	9.3%	
<b>Ultramag</b>	<b>0.9</b>	<b>0.2</b>	<b>0.2</b>	<b>0.4</b>	<b>0.2</b>	<b>0.6</b>	<b>0.2</b>	<b>0.9</b>	<b>0.3</b>	<b>0.3</b>	<b>0.6</b>	<b>0.5</b>	<b>14%</b>
growth YoY	54.7%	16.9%	-16.9%	-4.3%	21.3%	3.2%	-3.8%	1.3%	33.0%	39.4%	36.5%	20.0%	
as % of FP revenues	1.3%	1.1%	1.1%	1.1%	1.1%	1.1%	1.0%	1.1%	1.1%	1.3%	1.2%	1.1%	
<b>Other Trademarks</b>	<b>1.9</b>	<b>0.6</b>	<b>0.7</b>	<b>1.3</b>	<b>0.5</b>	<b>1.8</b>	<b>0.6</b>	<b>2.4</b>	<b>0.6</b>	<b>0.7</b>	<b>1.4</b>	<b>1.6</b>	<b>-15%</b>
growth YoY	-5.5%	35.1%	43.2%	39.6%	19.3%	33.7%	6.1%	25.3%	10.8%	-3.9%	2.5%	20.0%	
as % of FP revenues	2.9%	3.2%	3.7%	3.5%	2.3%	3.1%	2.8%	3.0%	2.8%	2.8%	2.8%	3.3%	
<b>Akern</b>					<b>0.9</b>	<b>0.9</b>	<b>1.1</b>	<b>2.0</b>	<b>1.5</b>	<b>1.2</b>	<b>2.7</b>	<b>2.5</b>	<b>8%</b>
<b>FP Revenues</b>	<b>65.8</b>	<b>18.0</b>	<b>20.3</b>	<b>38.3</b>	<b>20.1</b>	<b>58.3</b>	<b>22.1</b>	<b>80.4</b>	<b>22.8</b>	<b>25.6</b>	<b>48.4</b>	<b>48.0</b>	<b>1%</b>
growth YoY	21.6%	33.6%	15.7%	23.5%	15.3%	22.9%	20.4%	22.2%	26.3%	26.5%	26.4%	25.5%	
<b>Raw Materials</b>	<b>2.3</b>	<b>0.8</b>	<b>0.6</b>	<b>1.4</b>	<b>0.5</b>	<b>1.9</b>	<b>0.4</b>	<b>2.3</b>	<b>0.8</b>	<b>0.4</b>	<b>1.2</b>	<b>1.4</b>	<b>-12%</b>
growth YoY	-2.0%	9.6%	15.3%	11.9%	n.m.	5.0%	-18.5%	0.2%	3.7%	14.8%	11.4%	-0.5%	
as of net sales	3.4%	4.3%	3.0%	3.7%	2.5%	3.3%	1.7%	2.8%	3.5%	1.6%	2.5%	2.9%	
<b>Net Revenues</b>	<b>68.1</b>	<b>18.8</b>	<b>20.9</b>	<b>39.7</b>	<b>20.6</b>	<b>60.3</b>	<b>22.5</b>	<b>82.7</b>	<b>23.6</b>	<b>26.0</b>	<b>49.6</b>	<b>49.5</b>	<b>0%</b>
Growth YoY	20.7%	32.3%	15.7%	23.0%	20.7%	22.2%	19.4%	21.5%	25.3%	24.7%	25.0%	24.5%	

By Geography (Eu mn)	FY21A	1Q22A	2Q22A	1H22A	3Q22A	9M22A	4Q22A	FY22A	1Q23A	2Q23A	1H23A	1H23E	A/E
<b>Italy</b>	<b>47.8</b>	<b>13.1</b>	<b>15.9</b>	<b>28.9</b>	<b>14.3</b>	<b>43.3</b>	<b>16.0</b>	<b>59.2</b>	<b>16.6</b>	<b>18.9</b>	<b>35.5</b>	<b>34.5</b>	<b>3%</b>
growth YoY	19.6%	20.7%	17.5%	18.9%	29.6%	22.3%	28.5%	23.9%	27.1%	18.8%	22.6%	19.2%	
as of net sales	70.2%	69.3%	76.1%	72.9%	69.7%	71.8%	71.1%	71.6%	70.3%	72.5%	71.5%	69.8%	
<b>RoW</b>	<b>20.3</b>	<b>5.8</b>	<b>5.0</b>	<b>10.8</b>	<b>6.2</b>	<b>17.0</b>	<b>6.5</b>	<b>23.5</b>	<b>7.0</b>	<b>7.1</b>	<b>14.2</b>	<b>14.9</b>	<b>-5%</b>
growth YoY	23.4%	69.1%	9.1%	34.8%	4.1%	22.1%	1.8%	15.7%	21.2%	43.5%	31.5%	38.8%	
as of net sales	29.8%	30.7%	23.9%	27.1%	30.3%	28.2%	28.9%	28.4%	29.7%	27.5%	28.5%	30.2%	
<b>Net Revenues</b>	<b>68.1</b>	<b>18.8</b>	<b>20.9</b>	<b>39.7</b>	<b>20.6</b>	<b>60.3</b>	<b>22.5</b>	<b>82.7</b>	<b>23.6</b>	<b>26.0</b>	<b>49.6</b>	<b>49.5</b>	<b>0%</b>
Growth YoY	20.7%	32.3%	15.7%	23.0%	20.7%	22.2%	19.4%	21.5%	25.3%	24.7%	25.0%	24.5%	

Source: Intermonte SIM (E), Company Data (A)

**PharmaNutra – 2Q/1H23 Results: P&L KPIs per new project**

Amounts (€/000)	2023 PHN AS IS	NUTRITION	CINA	AKN	ESPANA	USA	2023 TOTAL GROUP	2022	Δ 2023 PHN AS IS/2022
Net Sales Revenues	46.698	84	153	2.691	6	0	49.632	39.711	<b>17,6%</b>
Operating expenses	32.139	743	237	1.634	298	528	35.578	27.296	<b>17,7%</b>
EBITDA	14.559	(658)	(84)	1.057	(292)	(528)	14.054	12.415	<b>17,3%</b>
<b>% on Net Revenues</b>	<b>31,2%</b>	<i>n.s</i>	<i>n.s</i>	<b>39,3%</b>	<i>n.s</i>	<i>n.s</i>	<b>28,3%</b>	<b>31,3%</b>	<b>-0,1%</b>
Net Result	8.131	(659)	(84)	664	(292)	(528)	7.232	8.232	<b>-1,2%</b>
Net Result excl. non-recurring Items	10.181	(659)	(84)	664	(292)	(528)	9.282	8.232	<b>23,7%</b>
EPS	0,84						0,75	0,85	<b>-1,1%</b>
EPS excl. non-recurring Items	1,05						0,96	0,85	<b>23,8%</b>

Source: Company presentation

## Changes to Estimates

FY outlook is coherent with our assumptions when including the €5mn start-up costs related to new projects (c. 5pp dilution vs 29% margin expected for existing business), while we perform minor fine-tuning below the EBITDA line to capture one-offs recorded in 1H and on the NFP (reduced from +€6.2mn to -€0.4mn).

### PharmaNutra – 2023-25 Change in Estimates

P&L, Eu mn	Actual Results				New Estimates			Old Estimates			New vs Old		
	'19A	'20A	'21A	'22A	'23E	'24E	'25E	'23E	'24E	'25E	'23E	'24E	'25E
<b>Net Revenues</b>	<b>53.6</b>	<b>56.4</b>	<b>68.1</b>	<b>82.7</b>	<b>97.9</b>	<b>112.7</b>	<b>124.5</b>	<b>97.9</b>	<b>112.7</b>	<b>124.5</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>
YoY growth	15.0%	5.3%	20.7%	21.4%	18.4%	15.1%	10.5%	18.4%	15.1%	10.5%			
Other revenues	0.6	2.2	0.7	0.7	1.5	0.7	0.7	1.5	0.7	0.7			
<b>Total Revenues</b>	<b>54.2</b>	<b>58.7</b>	<b>68.8</b>	<b>83.4</b>	<b>99.4</b>	<b>113.4</b>	<b>125.2</b>	<b>99.4</b>	<b>113.4</b>	<b>125.2</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>
YoY growth	12.7%	8.2%	17.3%	21.1%	19.2%	14.1%	10.4%	19.2%	14.1%	10.4%			
Opex	(41.0)	(42.7)	(48.8)	(59.0)	(75.5)	(85.6)	(94.1)	(75.5)	(85.6)	(94.1)			
<b>Adj. EBITDA</b>	<b>13.2</b>	<b>16.0</b>	<b>20.1</b>	<b>24.4</b>	<b>23.9</b>	<b>27.8</b>	<b>31.0</b>	<b>23.9</b>	<b>27.8</b>	<b>31.0</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>
YoY growth	11.3%	21.5%	25.4%	21.3%	-1.7%	16.0%	11.8%	-1.8%	16.1%	11.8%			
as % of net. sales	24.6%	28.4%	29.5%	29.4%	24.4%	24.6%	24.9%	24.4%	24.6%	24.9%			
EBITDA	13.2	15.6	20.1	24.4	23.9	27.8	31.0	24.7	27.8	31.0	-3%	0%	0%
YoY growth	4.8%	18.0%	29.1%	21.3%	-1.7%	16.0%	11.8%	1.5%	12.3%	11.8%			
as % of net. sales	24.6%	27.6%	29.5%	29.4%	24.4%	24.6%	24.9%	25.2%	24.6%	24.9%			
<b>Adj. EBIT</b>	<b>12.2</b>	<b>14.7</b>	<b>18.7</b>	<b>23.0</b>	<b>22.0</b>	<b>25.1</b>	<b>28.1</b>	<b>21.6</b>	<b>25.1</b>	<b>28.1</b>	<b>2%</b>	<b>0%</b>	<b>0%</b>
as % of net. sales	22.8%	26.1%	27.4%	27.9%	22.4%	22.2%	22.5%	22.0%	22.2%	22.5%			
EBIT	12.2	13.2	18.7	23.0	22.0	25.1	28.1	22.4	25.1	28.1	-2%	0%	0%
as % of net. sales	22.8%	23.4%	27.4%	27.9%	22.4%	22.2%	22.5%	22.8%	22.2%	22.5%			
PBT	12.2	13.3	18.8	23.4	21.9	25.2	28.0	22.7	25.3	28.1	-4%	-1%	-1%
taxes	(3.7)	0.8	(5.0)	(8.4)	(8.3)	(7.4)	(7.7)	(6.7)	(7.5)	(7.7)			
tax rate (%)	30.7%	n.m.	26.8%	35.7%	38.0%	29.5%	27.5%	29.5%	29.5%	27.5%			
Net income	8.5	14.1	13.8	15.0	13.6	17.8	20.3	16.0	17.8	20.4	-15%	-1%	-1%
YoY growth	-1.2%	66.4%	-2.1%	9.3%	-9.9%	30.9%	14.3%	6.4%	11.5%	14.3%			
EPS (€)	€ 0.87	€ 1.45	€ 1.42	€ 1.56	€ 1.40	€ 1.83	€ 2.10	€ 1.65	€ 1.84	€ 2.11	-15%	-1%	-1%
<b>Adj. Net income</b>	<b>8.5</b>	<b>10.2</b>	<b>13.3</b>	<b>15.0</b>	<b>15.7</b>	<b>17.8</b>	<b>20.3</b>	<b>15.2</b>	<b>17.8</b>	<b>20.4</b>	<b>3%</b>	<b>-1%</b>	<b>-1%</b>
YoY growth	-1.2%	20.4%	30.8%	13.0%	4.1%	13.3%	14.3%	1.1%	17.3%	14.3%			
<b>Adj. EPS (€)</b>	<b>€ 0.87</b>	<b>€ 1.05</b>	<b>€ 1.38</b>	<b>€ 1.56</b>	<b>€ 1.62</b>	<b>€ 1.83</b>	<b>€ 2.10</b>	<b>€ 1.57</b>	<b>€ 1.84</b>	<b>€ 2.11</b>	<b>3%</b>	<b>-1%</b>	<b>-1%</b>
<b>FCF, Eu mn</b>	<b>'19A</b>	<b>'20A</b>	<b>'21A</b>	<b>'22A</b>	<b>'23E</b>	<b>'24E</b>	<b>'25E</b>	<b>'23E</b>	<b>'24E</b>	<b>'25E</b>	<b>'23E</b>	<b>'24E</b>	<b>'25E</b>
Net income	8.5	14.1	13.8	15.0	13.6	17.8	20.3	16.0	17.8	20.4	(2.4)	(0.1)	(0.1)
D&A	1.0	2.3	1.4	1.3	2.0	2.7	3.0	2.3	2.7	3.0	(0.4)	-	-
NWC & Other	2.6	(4.6)	5.3	(2.3)	(1.3)	(2.2)	(1.5)	(1.6)	(1.8)	(1.5)	0.4	(0.4)	-
<b>FCFO</b>	<b>12.0</b>	<b>11.8</b>	<b>20.4</b>	<b>14.1</b>	<b>14.3</b>	<b>18.2</b>	<b>21.8</b>	<b>16.7</b>	<b>18.7</b>	<b>21.9</b>	<b>(2.5)</b>	<b>(0.5)</b>	<b>(0.1)</b>
Capex	(4.9)	(1.3)	(4.9)	(10.7)	(13.7)	(2.8)	(3.1)	(8.8)	(2.8)	(3.1)	(4.9)	-	-
as % of net sales	9.1%	2.4%	7.2%	13.0%	14.0%	2.5%	2.5%	9.0%	2.5%	2.5%			
<b>Equity FCF</b>	<b>6.7</b>	<b>11.2</b>	<b>14.9</b>	<b>3.3</b>	<b>0.6</b>	<b>15.4</b>	<b>18.6</b>	<b>7.9</b>	<b>15.9</b>	<b>18.8</b>	<b>(7.3)</b>	<b>(0.5)</b>	<b>(0.1)</b>
M&A	-	-	-	(11.3)	-	-	-	(3.0)	-	-	3.0	-	-
dividend	(4.8)	(4.5)	(6.5)	(6.9)	(7.7)	(7.8)	(8.8)	(7.7)	(7.6)	(8.9)	0.0	(0.2)	0.0
buybacks	-	-	-	(2.4)	(1.6)	-	-	(1.6)	-	-	-	-	-
equity financing	-	-	-	-	-	-	-	-	-	-	-	-	-
Other (IFRS16, etc.)	0.3	0.9	0.3	(0.2)	(2.3)	-	-	-	-	-	(2.3)	-	-
<b>Change in NFP</b>	<b>2.2</b>	<b>7.7</b>	<b>8.7</b>	<b>(17.4)</b>	<b>(11.1)</b>	<b>7.6</b>	<b>9.8</b>	<b>(4.4)</b>	<b>8.3</b>	<b>9.9</b>	<b>(6.6)</b>	<b>(0.7)</b>	<b>(0.1)</b>
<b>NFP (+cash/-debt)</b>	<b>13.6</b>	<b>19.4</b>	<b>28.1</b>	<b>10.6</b>	<b>(0.4)</b>	<b>7.2</b>	<b>17.0</b>	<b>6.2</b>	<b>14.5</b>	<b>24.4</b>	<b>(6.6)</b>	<b>(7.3)</b>	<b>(7.4)</b>
ND/EBITDA	-1.0x	-1.2x	-1.4x	-0.4x	0.0x	-0.3x	-0.5x	-0.3x	-0.5x	-0.8x			

Source: Intermonte SIM (E), Company Data (A)

## Comparison with Consensus

## Comparison with Consensus

### PharmaNutra – 2023-25E Intermonte Estimates: Comparison with Consensus

	Actual Results				Intermonte Estimates			Consensus			Delta vs Consensus		
	'19A	'20A	'21A	'22A	'23E	'24E	'25E	'23C	'24C	'25C	'23	'24	'25
<b>Net Revenues</b>	<b>53.6</b>	<b>56.4</b>	<b>68.1</b>	<b>82.7</b>	<b>97.9</b>	<b>112.7</b>	<b>124.5</b>	<b>97.5</b>	<b>112.9</b>	<b>127.9</b>	<b>0%</b>	<b>0%</b>	<b>-3%</b>
YoY growth	15.0%	5.3%	20.7%	21.4%	18.4%	15.1%	10.5%	n.m	15.8%	13.3%			
<b>Adj. EBITDA</b>	<b>13.2</b>	<b>16.0</b>	<b>20.1</b>	<b>24.4</b>	<b>23.9</b>	<b>27.8</b>	<b>31.0</b>	<b>24.0</b>	<b>27.8</b>	<b>32.1</b>	<b>0%</b>	<b>0%</b>	<b>-3%</b>
YoY growth	11.3%	21.5%	25.4%	21.3%	-1.8%	16.1%	11.8%	n.m	15.8%	15.7%			
as % of net. sales	24.6%	28.4%	29.5%	29.4%	24.4%	24.6%	24.9%	24.6%	24.6%	25.1%			
EBITDA	13.2	15.6	20.1	24.4	24.7	27.8	31.0	<b>23.7</b>	<b>28.6</b>	<b>33.9</b>	4%	-3%	-8%
<b>Adj. EBIT</b>	<b>12.2</b>	<b>14.7</b>	<b>18.7</b>	<b>23.0</b>	<b>22.0</b>	<b>25.1</b>	<b>28.1</b>	<b>21.2</b>	<b>25.5</b>	<b>30.4</b>	<b>4%</b>	<b>-2%</b>	<b>-8%</b>
as % of net. sales	22.8%	26.1%	27.4%	27.9%	22.4%	22.2%	22.5%	21.7%	22.5%	23.8%			
EBIT	12.2	13.2	18.7	23.0	22.8	25.1	28.1	<b>21.2</b>	<b>25.5</b>	<b>30.4</b>	<b>7%</b>	<b>-2%</b>	<b>-8%</b>
PBT	12.2	13.3	18.8	23.4	22.7	25.2	28.0	<b>22.5</b>	<b>24.9</b>	<b>29.3</b>	1%	1%	-4%
Net income	8.5	14.1	13.8	15.0	14.0	17.8	20.3	15.1	18.1	21.6	-7%	-2%	-6%
<b>Adj. Net income</b>	<b>8.5</b>	<b>10.2</b>	<b>13.3</b>	<b>15.0</b>	<b>15.2</b>	<b>17.8</b>	<b>20.3</b>	<b>15.2</b>	<b>17.7</b>	<b>20.6</b>	<b>1%</b>	<b>1%</b>	<b>-2%</b>
EPS (€)	€ 0.87	€ 1.45	€ 1.42	€ 1.56	€ 1.45	€ 1.83	€ 2.10	€ 1.53	€ 1.86	€ 2.24			
DPS (€)	€ 0.46	€ 0.67	€ 0.71	€ 0.80	€ 0.79	€ 0.79	€ 0.79	€ 0.81	€ 0.87	€ 1.01			
payout	53%	46%	50%	51%	54%	43%	38%	53%	47%	45%			
Capex	(4.9)	(1.3)	(4.9)	(10.7)	(13.7)	(2.8)	(3.1)	(3.3)	(1.3)	1.3	(10.4)	(1.5)	(4.4)
as % of net. sales	9.1%	2.4%	7.2%	13.0%	14.0%	2.5%	2.5%	3.4%	1.2%	-1.0%			
Equity FCF	6.7	11.2	14.9	3.3	0.8	15.6	18.7	7.2	16.2	20.2			
<b>NFP (Net Debt)</b>	<b>13.6</b>	<b>19.4</b>	<b>28.1</b>	<b>10.6</b>	<b>(0.1)</b>	<b>7.9</b>	<b>17.7</b>	<b>8.2</b>	<b>16.8</b>	<b>(27.9)</b>	<b>(8.3)</b>	<b>(8.9)</b>	<b>45.6</b>
ND/EBITDA	-1.0x	-1.2x	-1.4x	-0.4x	0.0x	-0.3x	-0.6x	-0.3x	-0.6x	n.m.			

Source: Intermonte SIM (E), Company Data (A), Factset Consensus (C)

## DCF Valuation

On the back of a strong 1H, our estimates (almost unchanged) lead us to confirm our DCF-based TP at €87. Further upside may come from M&A (we see at least c.€70-80mn of firepower). The stock is currently trading at 30x P/E on FY24 (restricted group panel: 28x).

### PharmaNutra – DCF Model (WACC still 6.2%, g unchanged at 3%)

(Eu mn)	2023E	2024E	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E	2034E	TV
<b>Net Revenues</b>	<b>97.9</b>	<b>112.7</b>	<b>124.5</b>	<b>136.6</b>	<b>149.1</b>	<b>160.5</b>	<b>170.6</b>	<b>180.0</b>	<b>186.5</b>	<b>193.2</b>	<b>200.0</b>	<b>206.6</b>	<b>212.7</b>
<i>YoY growth</i>	18.4%	15.1%	10.5%	9.7%	9.2%	7.6%	6.3%	5.5%	3.6%	3.6%	3.5%	3.3%	3.0%
<b>Adj. EBITDA</b>	<b>23.9</b>	<b>27.8</b>	<b>31.0</b>	<b>34.1</b>	<b>37.5</b>	<b>40.6</b>	<b>43.4</b>	<b>46.1</b>	<b>48.0</b>	<b>50.0</b>	<b>52.1</b>	<b>54.1</b>	<b>55.3</b>
% margin	24.4%	24.6%	24.9%	25.0%	25.1%	25.3%	25.4%	25.6%	25.7%	25.9%	26.0%	26.2%	26.0%
D&A	(2.0)	(2.7)	(3.0)	(3.3)	(3.6)	(3.9)	(4.1)	(4.3)	(4.5)	(4.6)	(4.8)	(5.0)	(5.2)
<b>EBIT</b>	<b>22.0</b>	<b>25.1</b>	<b>28.1</b>	<b>30.9</b>	<b>33.9</b>	<b>36.7</b>	<b>39.3</b>	<b>41.7</b>	<b>43.5</b>	<b>45.4</b>	<b>47.3</b>	<b>49.2</b>	<b>50.1</b>
% margin	22.4%	22.2%	22.5%	22.6%	22.7%	22.9%	23.0%	23.2%	23.3%	23.5%	23.6%	23.8%	23.6%
Taxes	(5.3)	(6.0)	(6.7)	(7.4)	(8.1)	(8.8)	(9.4)	(10.0)	(10.4)	(10.9)	(11.3)	(11.8)	(12.0)
<i>tax rate</i>	24.0%	24.0%	24.0%	24.0%	24.0%	24.0%	24.0%	24.0%	24.0%	24.0%	24.0%	24.0%	24.0%
Change in WC	(1.3)	(2.2)	(1.5)	(1.5)	(1.6)	(1.5)	(1.3)	(1.2)	(0.9)	(0.9)	(0.9)	(0.9)	-
Capex	(13.7)	(2.8)	(3.1)	(3.4)	(3.7)	(4.0)	(4.3)	(4.5)	(4.7)	(4.8)	(5.0)	(5.2)	(5.2)
as % of sales	14.0%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%
<b>Unlevered FCF</b>	<b>3.7</b>	<b>16.7</b>	<b>19.7</b>	<b>21.8</b>	<b>24.0</b>	<b>26.3</b>	<b>28.4</b>	<b>30.3</b>	<b>32.0</b>	<b>33.4</b>	<b>34.8</b>	<b>36.3</b>	<b>38.1</b>
TV													1,155
year	0	1	2	3	4	5	6	7	8	9	10	11	10
Disc. Factor	1.00	0.94	0.89	0.83	0.78	0.74	0.70	0.65	0.62	0.58	0.55	0.51	0.55
<b>Disc. Flows</b>		<b>15.7</b>	<b>17.4</b>	<b>18.2</b>	<b>18.9</b>	<b>19.4</b>	<b>19.7</b>	<b>19.8</b>	<b>19.7</b>	<b>19.4</b>	<b>19.0</b>	<b>18.6</b>	<b>630.4</b>

Sum of FCF'24-34E	205.9
Terminal value	630.4
<b>Total EV</b>	<b>836.3</b>
Net Cash at YE23	(0.4)
Minorities	0.0
Treasury shares	1.9
<b>Equity Value</b>	<b>837.8</b>
NOSH (mn)	9.7
<b>FV per share (Eu/share)</b>	<b>87</b>
current price (Eu/share)	55.0
<i>upside vs current price</i>	57%

Source: Intermonte SIM (E), Company Data (A)

### PharmaNutra - TP Sensitivity to WACC (%) and g (%)

		g										
		2.5%	2.6%	2.7%	2.8%	2.9%	3.0%	3.1%	3.2%	3.3%	3.4%	3.5%
WACC	5.2%	107	110	113	117	121	125	130	135	141	148	155
	5.4%	99	102	105	108	112	115	119	123	128	133	139
	5.6%	93	95	98	100	103	106	110	113	117	121	126
	5.8%	87	89	91	94	96	99	102	105	108	112	115
	6.0%	82	84	86	88	90	92	95	97	100	103	106
	6.2%	78	79	81	83	85	87	89	91	93	96	99
	6.4%	74	75	77	78	80	81	83	85	87	89	92
	6.6%	70	71	73	74	75	77	78	80	82	84	86
	6.8%	67	68	69	70	71	73	74	76	77	79	81
	7.0%	64	65	66	67	68	69	70	72	73	75	76
7.2%	61	62	63	64	65	66	67	68	69	71	72	

Source: Intermonte SIM

**PharmaNutra: Valuation Multiples**

	Currency	Price	Mkt. Cap (Eu mn)	Abs. Perf. (%)			EV/Sales (x)			EV/EBITDA (x)			EV/EBIT (x)			Adj. P/E (x)			Div. Yield (%)		
				1m	6m	Ytd	23E	24E	25E	23E	24E	25E	23E	24E	25E	23E	24E	25E	23E	24E	25E
PHN(@mkt price, our est.)	EUR	55.0	532	-3%	-7%	-13%	5.4	4.7	4.1	22.3	18.9	16.6	24.2	21.0	18.4	34.0	30.0	26.2	1.5%	1.7%	1.9%
PHN (@mkt price, cons.)	EUR	55.0	532	-3%	-7%	-13%	5.4	4.6	3.9	22.2	17.8	14.2	25.2	20.0	15.9	34.8	30.7	25.0	1.5%	1.6%	1.8%
PHN (@TP, our est.)	EUR	87	838				8.6	7.4	6.6	35.0	29.9	26.4	38.1	33.1	29.3	53.5	47.2	41.3	0.9%	1.1%	1.2%
BioGaia	SEK	96.2	816	-10%	1%	15%	6.4	5.5	4.8	18.5	16.3	14.1	19.6	17.3	14.9	28.6	25.8	22.9	1.6%	1.7%	2.0%
Christian Hansen	DKK	470.4	8,316	-5%	-4%	-6%	6.9	6.5	6.1	19.6	17.9	16.5	25.6	23.0	20.9	33.9	29.6	26.3	1.8%	2.0%	2.3%
Probi	SEK	188.0	180	5%	6%	-6%	3.1	2.8	2.5	16.4	12.5	9.7	87.7	34.2	19.7	42.8	29.3	22.8	0.7%	0.8%	0.8%
<b>Restricted Peer Group</b>							<b>5.4</b>	<b>5.0</b>	<b>4.5</b>	<b>18.2</b>	<b>15.6</b>	<b>13.4</b>	<b>44.3</b>	<b>24.8</b>	<b>18.5</b>	<b>35.1</b>	<b>28.2</b>	<b>24.0</b>	<b>1.4%</b>	<b>1.5%</b>	<b>1.7%</b>
Clower	AUD	1.1	111	12%	-10%	-8%	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	0.0%	0.0%	0.0%
Jamieson W.	CAD	25.7	741	-7%	-18%	-28%	2.0	1.8	1.7	9.4	8.5	7.6	n.a.	n.a.	n.a.	15.8	13.7	12.7	2.8%	3.1%	3.4%
Orion Oyj	EUR	37.9	5,358	8%	-14%	-26%	4.4	4.1	3.7	18.1	15.2	12.5	22.4	17.9	14.3	28.9	22.4	17.3	4.1%	4.3%	4.7%
Recordati	EUR	45.2	9,457	3%	16%	18%	5.2	4.8	4.4	14.4	13.0	12.1	18.3	16.2	14.6	19.4	17.3	16.2	2.6%	2.9%	3.1%
<b>Broader Peer Group</b>							<b>4.7</b>	<b>4.3</b>	<b>3.9</b>	<b>16.1</b>	<b>13.9</b>	<b>12.1</b>	<b>34.7</b>	<b>21.7</b>	<b>16.9</b>	<b>28.2</b>	<b>23.0</b>	<b>19.7</b>	<b>1.9%</b>	<b>2.1%</b>	<b>2.3%</b>

FTSE Italia Mid Cap	41,306	39,165	0%	-8%	5%
<b>FTSE Italia Star</b>	<b>44,032</b>	<b>19,129</b>	<b>-2%</b>	<b>-12%</b>	<b>-5%</b>
FTSE MIB	28,233	421,471	1%	1%	19%
FTSE Italia All-Share	30,209	466,336	1%	0%	17%

Source: Intermonte SIM, FactSet Consensus



## PharmaNutra in Brief

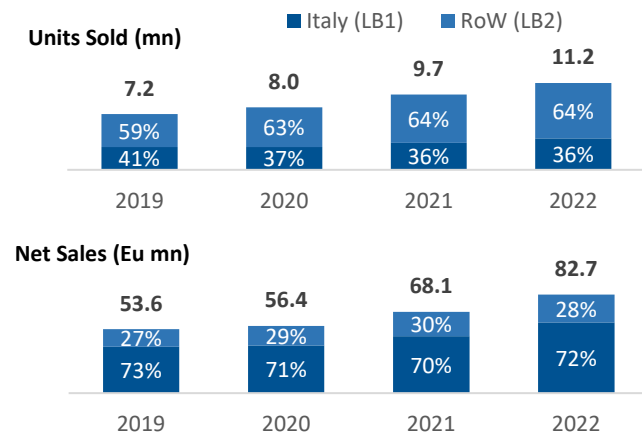
### Company description

Founded by the Lacorte brothers and established in 2003, **PharmaNutra** develops unique nutraceuticals and innovative medical devices, overseeing the entire production process from proprietary raw materials to the finished product. With products distributed in Italy (own network of c.160 sales representatives) and worldwide (via a consolidated network of top-class partners), in fewer than 20 years the group has become a leading player in the iron-based oral food supplements market (SiderAL line), where it boasts major patents linked to Sucrosomial® Technology and enjoys overwhelming market share in value terms (>50%). Since YE20, the company's shares have been listed on the STAR segment.

### Strengths/Opportunities

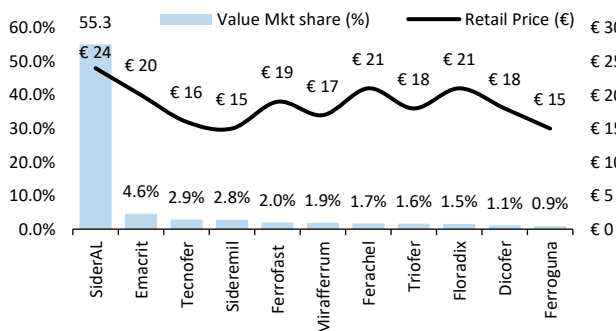
- Unchallenged leadership in the fast-growing niche oral iron supplement market (>55% market share)
- Intellectual property protection of technologies (Sucrosomial®); no patents expiring before 2032
- Wide salesforce coverage (c.160 single-firm agents) in the domestic market
- Product portfolio highly marketable to the medical profession: quality recognised by physicians
- International growth: enlargement of product portfolio with existing partners; gradual penetration of key countries (Germany, UK, France, China, Japan, and USA) using tailored strategies

### PharmaNutra – Net Sales and Units Sold, Breakdown by Region



Source: Company Data

### PharmaNutra – SiderAL had >55% M/S and a retail price premium in FY22



Source: Company Data

### Management

**CEO:** Roberto Lacorte  
**Chairman:** Andrea Lacorte  
**COO:** Carlo Volpi  
**CFO:** Francesco Sarti

**Next BoD renewal:** Spring, 2026  
**BoD independent members:** 3/7  
**BoD women:** 2/7

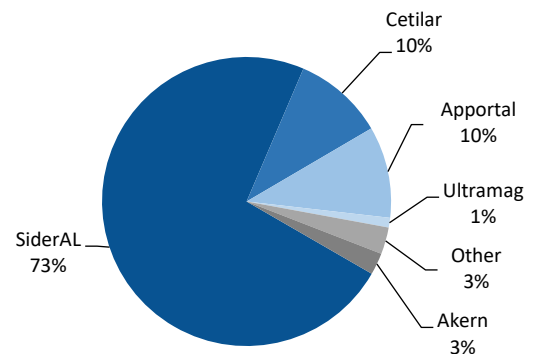
### Shareholders

Andrea Lacorte (Alh S.r.l.)	31.38%
Roberto Lacorte (Rlh S.r.l.)	23.13%
Carlo Volpi (Beda S.r.l.)	10.48%
Market	35.00%

### Weaknesses/Threats

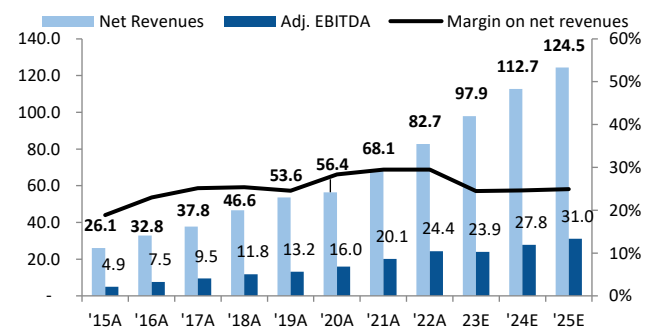
- Pipeline highly concentrated on iron-based products (SiderAL line c. 73% of sales in FY22)
- Subscale in a sector typically dominated by large, global players
- Limited M&A track record abroad so far (Akern)
- Dependence on third-party sale distribution agreements internationally

### PharmaNutra – Breakdown of Finished Product Sales in FY22 (€80.8mn)



Source: Company Data

### PharmaNutra – Revenue, Adj. EBITDA and Margin Trend



Source: Company Data (A), Intermonte Estimates (E)

DETAILS ON STOCKS RECOMMENDATION			
<b>Stock NAME</b>	<b>PHARMANUTRA</b>		
Current Recomm:	BUY	Previous Recomm:	BUY
Current Target (Eu):	87.00	Previous Target (Eu):	87.00
Current Price (Eu):	55.00	Previous Price (Eu):	51.20
Date of report:	12/09/2023	Date of last report:	09/05/2023