

PHARMANUTRA

BUY

Sector: Consumers

Price: Eu50.70 - Target: Eu79.00

Strong April Trends After Volatile 1Q, Outlook Confirmed

Giorgio Tavolini +39-02-77115.279

giorgio.tavolini@intermonte.it

Andrea Randone: +39-02-77115.364

andrea.randone@intermonte.it

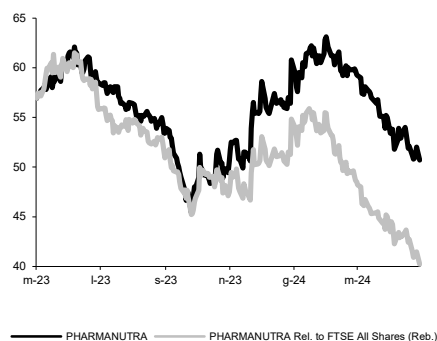
Stock Rating

Rating:	Unchanged		
Target Price (Eu):	Unchanged		
	2024E	2025E	2026E
Chg in Adj EPS	-2.2%	-2.2%	-2.2%

Next Event

2Q24 Results Out 9 September

PHARMANUTRA - 12M Performance



Stock Data

Reuters code:	PHNU.MI		
Bloomberg code:	PHN IM		
Performance	1M	3M	12M
Absolute	-7.8%	-19.3%	-8.6%
Relative	-10.9%	-30.6%	-34.2%
12M (H/L)	63.10/45.40		
3M Average Volume (th):	5.15		

Shareholder Data

No. of Ord shares (mn):	10
Total no. of shares (mn):	10
Mkt Cap Ord (Eu mn):	491
Total Mkt Cap (Eu mn):	491
Mkt Float - Ord (Eu mn):	172
Mkt Float (in %):	35.0%
Main Shareholder:	
Andrea Lacorte	31.4%

Balance Sheet Data

Book Value (Eu mn):	63
BVPS (Eu):	6.54
P/BV:	7.8
Net Financial Position (Eu mn):	6
Enterprise Value (Eu mn):	485

■ **1Q24 results.** 1Q top line and EBITDA were broadly in line with our expectations. Net sales (€23.6mn, +1.1% YoY) benefitted from solid trends in foreign markets (+9.4% YoY, 32% of total sales), partially offset by the expected slowdown in Italy (-3.2% YoY). The latter was affected by dynamics related to the wholesale procurement process and a natural increase in competition due to high market fragmentation (notably, Sideral sales down 2.3% YoY). Akern contributed c.6% of total sales. Start-up costs for new projects (€1.4mn) drove adj. EBITDA down 25% to €5.0mn, a 20.9% margin of net revenues (-7.0pp YoY). Excluding these costs, the EBITDA margin on recurring business was 25.5% (-1.2pp YoY). Adj. net profit came in at €2.6mn (+5% vs our exp., -43% YoY, -17% YoY excluding start-up costs) as a result of lower EBITDA and higher D&A related to the new HQ. FCFO was negative for €2.3mn (our exp. €-2.5mn), reflecting seasonal working capital absorption (-€5.8mn), which coupled with CapEx (€0.8mn) drove net debt to €6.0mn (in line with our exp.), up slightly QoQ (YE23: €2.6mn).

■ **Reassuring messages from conference call.** Management is happy with current consensus on FY24 (revenue up low-teens, EBITDA margin at ~25%, NFP in positive ground). Wholesale trends in Italy normalising, with no further blows in the coming months. Very supportive figures in April in terms of both sell-in and sell-through. Sideral (66% of total sales): slightly declining market share both in units (47.1%, -0.7pp QoQ, -0.4pp YoY) and value (53.1%, -1.0pp QoQ, -0.9pp YoY), but in a growing market, the company targeting a recovery in market share in the coming quarters. USA: a complex but potentially transformative opportunity, working with hospitals, insurance companies and trying to secure reimbursement protocols. Cetilar is showing slightly increasing market share of volumes (+0.4pp QoQ). Apportal: flat volume market share (3.5%) despite the unfavourable comparison with post-pandemic quarters. R&D: exciting feedback from world partner convention held at PHN's Pisa HQ at the end of April, strong interest on the new Sucrosomial vitamins (to be launched by YE). International development: FY trends should see double-digit growth, but no meaningful contribution from recently-added countries yet (e.g. Mexico, Jordan, Kuwait).

■ **Change in estimates.** We are confirming our sales and EBITDA estimates which are consistent with management's outlook, while cutting EPS by 2% to reflect higher D&A.

■ **BUY confirmed; target still €79.** On our current estimates, we reiterate our BUY rating, confirming our DCF-based TP at €79, which offers 55% upside. 2024 is poised to be a transitional year, but we expect full normalisation of the contingent and temporary issues experienced in 1Q. We believe the market is ready to take a new look at a story of massive long-term structural growth, especially if the coming quarters provide greater visibility from new strategic initiatives. Based on hints provided at last year's Investor Day, new business opportunities could unlock significant further growth in both sales (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	2022A	2023A	2024E	2025E	2026E
Sales (Eu mn)	83	100	111	122	134
EBITDA Adj (Eu mn)	24	26	28	31	34
Net Profit Adj (Eu mn)	15	15	17	19	21
EPS New Adj (Eu)	1.554	1.596	1.767	2.007	2.213
EPS Old Adj (Eu)	1.554	1.596	1.808	2.052	2.262
DPS (Eu)	0.800	0.850	0.884	1.003	1.107
EV/EBITDA Adj	25.3	20.6	17.3	15.2	13.5
EV/EBIT Adj	26.8	23.3	20.1	17.6	15.7
P/E Adj	32.6	31.8	28.7	25.3	22.9
Div. Yield	1.6%	1.7%	1.7%	2.0%	2.2%
Net Debt/EBITDA Adj	-0.4	0.1	-0.2	-0.5	-0.8

PHARMANUTRA – Key Figures

Profit & Loss (Eu mn)	2021A	2022A	2023A	2024E	2025E	2026E
Sales	68	83	100	111	122	134
EBITDA	20	24	26	28	31	34
EBIT	19	23	23	24	27	29
Financial Income (charges)	0	0	-0	0	-0	0
Associates & Others	0	0	0	0	0	0
Pre-tax Profit	19	23	23	24	27	30
Taxes	-5	-8	-10	-7	-7	-8
Tax rate	26.8%	35.7%	44.8%	30.0%	27.5%	27.5%
Minorities & Discontinued Operations	0	0	0	0	0	0
Net Profit	14	15	13	17	19	21
EBITDA Adj	20	24	26	28	31	34
EBIT Adj	19	23	23	24	27	29
Net Profit Adj	13	15	15	17	19	21
Per Share Data (Eu)	2021A	2022A	2023A	2024E	2025E	2026E
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	1.422	1.554	1.325	1.767	2.007	2.213
EPS Adj f.d	1.375	1.554	1.596	1.767	2.007	2.213
BVPS f.d	4.657	5.263	5.620	6.540	7.667	8.880
Dividend per Share ORD	0.710	0.800	0.850	0.884	1.003	1.107
Dividend per Share SAV	0.000	0.000	0.000	0.000	0.000	0.000
Dividend Payout Ratio (%)	49.9%	51.5%	64.1%	50.0%	50.0%	50.0%
Cash Flow (Eu mn)	2021A	2022A	2023A	2024E	2025E	2026E
Gross Cash Flow	15	16	16	21	24	26
Change in NWC	5	-2	-4	-1	-1	-1
Capital Expenditure	-5	-11	-13	-3	-3	-3
Other Cash Items	-1	0	0	0	0	0
Free Cash Flow (FCF)	15	3	-1	17	19	21
Acquisitions, Divestments & Other Items	0	-11	0	0	0	0
Dividends	-6	-7	-8	-8	-9	-10
Equity Financing/Buy-back	0	0	0	0	0	0
Change in Net Financial Position	6	-19	-9	9	11	12
Balance Sheet (Eu mn)	2021A	2022A	2023A	2024E	2025E	2026E
Total Fixed Assets	15	40	53	52	51	50
Net Working Capital	6	10	11	12	13	15
Long term Liabilities	-4	-9	-7	-7	-7	-7
Net Capital Employed	17	40	57	57	57	57
Net Cash (Debt)	28	11	-3	6	17	28
Group Equity	45	51	54	63	74	86
Minorities	0	0	0	0	0	0
Net Equity	45	51	54	63	74	86
Enterprise Value (Eu mn)	2021A	2022A	2023A	2024E	2025E	2026E
Average Mkt Cap	502	627	542	491	491	491
Adjustments (Associate & Minorities)	0	0	0	0	0	0
Net Cash (Debt)	28	11	-3	6	17	28
Enterprise Value	474	616	545	485	474	462
Ratios (%)	2021A	2022A	2023A	2024E	2025E	2026E
EBITDA Adj Margin	29.5%	29.4%	26.4%	25.2%	25.5%	25.6%
EBIT Adj Margin	27.4%	27.9%	23.3%	21.7%	22.0%	22.1%
Gearing - Debt/Equity	-62.3%	-20.9%	4.8%	-9.5%	-22.5%	-33.1%
Interest Cover on EBIT	nm	nm	233.6	nm	180.1	nm
Net Debt/EBITDA Adj	-1.4	-0.4	0.1	-0.2	-0.5	-0.8
ROACE*	105.6%	80.4%	48.0%	42.3%	46.9%	51.3%
ROE*	32.2%	31.3%	29.3%	29.1%	28.3%	26.8%
EV/CE	26.8	21.5	11.2	8.5	8.3	8.0
EV/Sales	7.0	7.5	5.4	4.4	3.9	3.5
EV/EBITDA Adj	23.6	25.3	20.6	17.3	15.2	13.5
EV/EBIT Adj	25.4	26.8	23.3	20.1	17.6	15.7
Free Cash Flow Yield	3.0%	0.7%	-0.2%	3.4%	3.9%	4.4%
Growth Rates (%)	2021A	2022A	2023A	2024E	2025E	2026E
Sales	20.7%	21.4%	21.1%	11.0%	10.0%	9.2%
EBITDA Adj	25.4%	21.3%	8.7%	5.9%	11.3%	9.4%
EBIT Adj	26.9%	23.3%	1.4%	3.4%	11.5%	9.4%
Net Profit Adj	30.8%	13.0%	2.7%	10.7%	13.5%	10.3%
EPS Adj	30.8%	13.0%	2.7%	10.7%	13.5%	10.3%
DPS	6.0%	12.7%	6.3%	4.0%	13.5%	10.3%

*Excluding extraordinary items

Source: Intermonte SIM estimates

1Q24 Results

PharmaNutra – 1Q24 Results: P&L

P&L, Eu mn	1Q22A	2Q22A	1H22A	3Q22A	9M22A	4Q22A	FY22A	1Q23A	2Q23A	1H23A	3Q23A	9M23A	4Q23A	FY23A	1Q24A	1Q24E	A-E
Net Revenues	18.8	20.9	39.7	20.6	60.3	22.5	82.7	23.6	26.0	49.6	21.8	71.4	28.8	100.2	23.7	23.6	0.5%
YoY growth	32.3%	15.7%	23.0%	20.7%	22.2%	19.4%	21.4%	25.3%	24.7%	25.0%	6.0%	18.5%	28.1%	21.1%	0.5%	0.0%	
Other revenues	0.1	0.1	0.2	0.1	0.3	0.4	0.7	1.0	-0.4	0.6	0.1	0.8	1.0	1.8	0.3	0.2	
Total Revenues	19.0	21.0	39.9	20.6	60.5	22.9	83.4	24.6	25.7	50.2	21.9	72.2	29.8	102.0	24.0	23.8	0.8%
YoY growth	32.3%	15.9%	23.2%	19.4%	21.9%	19.3%	21.1%	29.6%	22.5%	25.8%	6.5%	19.2%	30.3%	22.3%	-2.2%	-3.0%	
Opex	(13.7)	(13.8)	(27.5)	(13.9)	(41.4)	(17.6)	(59.0)	(18.0)	(18.2)	(36.2)	(17.0)	(53.2)	(22.3)	(75.5)	(19.1)	(18.8)	
Adj. EBITDA	5.3	7.2	12.4	6.7	19.1	5.3	24.4	6.6	7.5	14.1	5.0	19.0	7.5	26.5	5.0	5.0	-1.3%
YoY growth	36.1%	11.5%	20.7%	20.5%	20.7%	23.6%	21.3%	25.0%	4.5%	13.2%	-25.5%	-0.3%	41.6%	8.7%	-24.8%	-23.8%	
as % of net sales	27.9%	34.3%	31.3%	32.5%	31.7%	23.4%	29.4%	27.9%	28.7%	28.3%	22.8%	26.6%	25.9%	26.4%	20.9%	21.3%	
EBITDA	5.3	7.2	12.4	6.7	19.1	5.3	24.4	7.4	6.7	14.1	5.0	19.0	7.5	26.5	5.0	5.0	-1.3%
YoY growth	36.1%	11.5%	20.8%	20.5%	20.7%	23.6%	21.3%	40.2%	-6.6%	13.2%	-25.5%	-0.3%	41.6%	8.7%	-32.9%	-32.0%	
as % of net sales	27.9%	34.3%	31.3%	32.5%	31.7%	23.4%	29.4%	31.3%	25.7%	28.3%	22.8%	26.6%	25.9%	26.4%	20.9%	21.3%	
Adj. EBIT	5.0	6.8	11.8	6.3	18.1	4.9	23.0	6.2	7.0	13.2	4.6	17.8	5.6	23.4	4.1	4.1	0.3%
as % of net sales	26.4%	32.8%	29.8%	30.6%	30.1%	21.9%	27.9%	26.1%	27.0%	26.6%	20.9%	24.9%	19.4%	23.3%	17.2%	17.3%	
EBIT	5.0	6.8	11.8	6.3	18.1	4.9	23.0	7.0	6.2	13.2	4.6	17.8	5.6	23.4	4.1	4.1	0.3%
as % of net sales	26.4%	32.8%	29.8%	30.6%	30.1%	21.9%	27.9%	29.5%	24.0%	26.6%	20.9%	24.9%	19.4%	23.3%	17.2%	17.3%	
PBT	5.0	6.8	11.8	6.6	18.5	5.0	23.4	7.1	6.1	13.2	4.5	17.7	5.6	23.3	4.0	3.9	4.1%
taxes	(1.5)	(2.1)	(3.6)	(2.0)	(5.6)	(2.8)	(8.4)	(1.7)	(4.3)	(6.0)	(2.0)	(8.0)	(2.5)	(10.4)	(1.4)	(1.4)	
tax rate (%)	30.0%	30.6%	30.4%	30.2%	30.3%	56.0%	35.7%	23.3%	70.6%	45.2%	44.3%	45.0%	44.3%	44.8%	34.6%	35.0%	
Net income	3.5	4.7	8.2	4.6	12.8	2.2	15.0	5.4	1.8	7.2	2.5	9.7	3.1	12.8	2.6	2.5	4.7%
YoY growth	38.8%	4.7%	16.9%	19.8%	17.9%	-24.3%	9.3%	55.8%	-62.1%	-12.1%	-45.8%	-24.2%	42.1%	-14.7%	-51.6%	-53.7%	
EPS (€)	€ 0.36	€ 0.49	€ 0.85	€ 0.48	€ 1.33	€ 0.23	€ 1.56	€ 0.56	€ 0.19	€ 0.75	€ 0.26	€ 1.01	€ 0.32	€ 1.33	€ 0.27	€ 0.26	
Adj. Net income	3.5	4.7	8.2	4.6	12.8	2.2	15.0	4.6	4.6	9.3	2.5	11.8	3.7	15.5	2.6	2.5	4.7%
YoY growth	38.8%	16.5%	25.0%	19.8%	23.1%	-24.3%	13.0%	32.9%	-2.1%	12.8%	-45.8%	-8.2%	68.3%	2.7%	-43.2%	-45.8%	
Adj. EPS (€)	€ 0.36	€ 0.49	€ 0.85	€ 0.48	€ 1.33	€ 0.23	€ 1.56	€ 0.48	€ 0.48	€ 0.96	€ 0.26	€ 1.22	€ 0.38	€ 1.60	€ 0.27	€ 0.26	4.7%
NFP (+cash/-debt)	27.1	19.6	19.6	7.3	7.3	10.6	10.6	2.9	(10.0)	(10.0)	(9.9)	(9.9)	(2.6)	(2.6)	(6.0)	(5.9)	3.3%
x EBITDA							0.4x							-0.1x			

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

PharmaNutra – 1Q24 Results: FCF & Net Financial Position

FCF, Eu mn	1Q22A	2Q22A	1H22A	3Q22A	9M22A	4Q22A	FY22A	1Q23A	2Q23A	1H23A	3Q23A	9M23A	4Q23A	FY23A	1Q24A	1Q24E	A-E
Net income	3.5	4.7	8.2	4.6	12.8	2.2	15.0	5.4	1.8	7.2	2.5	9.7	3.1	12.8	2.6	2.5	0.1
D&A	0.3	0.3	0.6	0.4	1.0	0.3	1.3	0.4	0.4	0.9	0.4	1.3	1.9	3.1	0.9	0.9	(0.1)
NWC & Other	(2.0)	(1.1)	(3.1)	(5.2)	(8.3)	6.0	(2.3)	(7.9)	0.0	(7.9)	0.1	(7.8)	3.9	(3.9)	(5.8)	(6.0)	0.2
FCFO	1.8	4.0	5.7	(0.2)	5.5	8.5	14.1	(2.1)	2.3	0.2	3.0	3.2	8.9	12.1	(2.3)	(2.5)	0.3
Capex	(0.9)	(4.4)	(5.3)	(1.5)	(6.9)	(3.9)	(10.7)	(3.6)	(6.2)	(9.8)	(2.5)	(12.3)	(1.0)	(13.2)	(0.8)	(0.6)	(0.2)
as % of net sales	5.0%	21.1%	13.4%	7.5%	11.4%	17.2%	13.0%	15.2%	23.7%	19.7%	11.5%	17.2%	3.4%	13.2%	3.3%	2.5%	
Equity FCF	0.8	(0.4)	0.4	(1.8)	(1.4)	4.7	3.3	(6.1)	(3.9)	(9.6)	0.5	(9.0)	7.9	(1.2)	(3.1)	(3.1)	0.1
M&A	-	-	-	(10.1)	(10.1)	(1.2)	(11.3)	-	-	-	-	-	-	-	-	-	-
dividend	-	(6.9)	(6.9)	-	(6.9)	-	(6.9)	-	(7.7)	(7.7)	-	(7.7)	-	(7.7)	-	-	-
buybacks	(1.9)	(0.3)	(2.2)	-	(2.2)	(0.2)	(2.4)	(1.6)	(0.3)	(1.6)	-	(1.6)	(0.0)	(1.7)	-	(0.1)	0.1
equity financing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other (IFRS16, etc..)	0.1	0.1	0.1	(0.4)	(0.3)	0.1	(0.2)	0.0	(1.8)	(1.8)	(0.4)	(2.2)	(0.6)	(2.7)	(0.4)	-	(0.4)
Change in NFP	(1.0)	(7.5)	(8.5)	(12.3)	(20.7)	3.3	(17.4)	(7.7)	(12.9)	(20.7)	0.1	(20.5)	7.3	(13.3)	(3.4)	(3.2)	(0.2)
NFP (+cash/-debt)	27.1	19.6	19.6	7.3	7.3	10.6	10.6	2.9	(10.0)	(10.0)	(9.9)	(9.9)	(2.6)	(2.6)	(6.0)	(5.9)	(0.2)
x EBITDA							0.4x							-0.1x			

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

PharmaNutra – 1Q24 Results: Mix by Product and Geography

By Product, Eu mn	1Q22A	2Q22A	1H22A	3Q22A	9M22A	4Q22A	FY22A	1Q23A	2Q23A	1H23A	3Q23A	9M23A	4Q23A	FY23A	1Q24A	1Q24E	A/E
Sideral	14.1	14.8	28.9	14.0	42.9	15.9	58.8	16.1	18.7	34.8	15.5	50.3	21.0	71.3	15.7	15.8	-0.4%
growth YoY	32.3%	7.5%	18.3%	4.9%	13.6%	7.2%	11.8%	14.5%	26.0%	20.4%	11.1%	17.4%	31.6%	21.2%	-2.3%	-2.0%	
as % of FP revenues	78.0%	73.3%	75.5%	69.6%	73.5%	72.1%	73.1%	70.7%	73.0%	71.9%	72.9%	72.2%	74.0%	72.7%	69.0%	69.5%	
Cetilar	1.8	2.1	3.9	2.0	5.8	2.3	8.1	2.4	2.5	4.9	2.2	7.1	2.9	10.0	2.6	2.6	0.3%
growth YoY	17.4%	26.4%	22.0%	29.1%	24.3%	24.1%	24.2%	33.5%	20.6%	26.7%	14.0%	22.4%	25.1%	23.2%	7.3%	7.0%	
as % of FP revenues	10.1%	10.1%	10.1%	9.7%	10.0%	10.5%	10.1%	10.6%	9.6%	10.1%	10.5%	10.2%	10.3%	10.2%	11.4%	11.4%	
Apportal	1.4	2.4	3.8	2.5	6.3	1.9	8.2	1.8	2.2	4.1	2.0	6.1	2.0	8.1	2.2	2.0	9.7%
growth YoY	88%	87%	87%	137%	105%	141%	112%	31%	-6%	8%	-20%	-3%	2%	-2%	21%	10%	
as % of FP revenues	7.7%	11.8%	9.8%	12.7%	10.8%	8.7%	10.2%	8.0%	8.8%	8.4%	9.6%	8.8%	7.0%	8.2%	9.6%	8.8%	
Ultramag	0.2	0.2	0.4	0.2	0.6	0.2	0.9	0.3	0.3	0.6	0.2	0.8	0.2	1.0	0.2	0.3	-6.9%
growth YoY	16.9%	-16.9%	-4.3%	21.3%	3.2%	-3.8%	1.3%	33.0%	39.4%	36.5%	-11.7%	19.9%	8.4%	16.9%	-5.0%	2.0%	
as % of FP revenues	1.1%	1.1%	1.1%	1.1%	1.1%	1.0%	1.1%	1.1%	1.3%	1.2%	0.9%	1.1%	0.9%	1.0%	1.1%	1.2%	
Other Trademarks	0.6	0.7	1.3	0.5	1.8	0.6	2.4	0.6	0.7	1.4	0.4	1.7	0.8	2.6	0.6	0.7	-15.8%
growth YoY	35.1%	43.2%	39.6%	19.3%	33.7%	6.1%	25.3%	10.8%	-3.9%	2.5%	-16.8%	-2.6%	30.4%	6.0%	-7.4%	10.0%	
as % of FP revenues	3.2%	3.7%	3.5%	2.3%	3.1%	2.8%	3.0%	2.8%	2.8%	2.8%	1.8%	2.5%	2.9%	2.6%	2.6%	3.1%	
Akern				0.9	0.9	1.1	2.0	1.5	1.2	2.7	0.9	3.6	1.4	5.0	1.4	1.4	3.4%
FP Revenues	18.0	20.3	38.3	20.1	58.3	22.1	80.4	22.8	25.6	48.4	21.3	69.7	28.3	98.0	22.8	22.7	0.3%
growth YoY	33.6%	15.7%	23.5%	15.3%	22.9%	20.4%	22.2%	26.3%	26.5%	26.4%	6.1%	19.4%	28.3%	21.8%	0.1%	-0.1%	
Raw Materials	0.8	0.6	1.4	0.5	1.9	0.4	2.3	0.8	0.4	1.2	0.5	1.8	0.5	2.2	0.9	0.9	6.9%
growth YoY	9.6%	15.3%	11.9%	n.m.	5.0%	-18.5%	0.2%	3.7%	14.8%	11.4%	4.2%	-8.4%	18.7%	-3.9%	10.3%	3.2%	
as of net sales	4.3%	3.0%	3.7%	2.5%	3.3%	1.7%	2.8%	3.5%	1.6%	2.5%	2.4%	2.5%	1.6%	2.2%	3.9%	3.6%	
Net Revenues	18.8	20.9	39.7	20.6	60.3	22.5	82.7	23.6	26.0	49.6	21.8	71.4	28.8	100.2	23.7	23.6	0.5%
Growth YoY	32.3%	15.7%	23.0%	20.7%	22.2%	19.4%	21.5%	25.3%	24.7%	25.0%	6.0%	18.5%	28.1%	21.1%	0.5%	0.0%	

By Geography (Eu mn)	1Q22A	2Q22A	1H22A	3Q22A	9M22A	4Q22A	FY22A	1Q23A	2Q23A	1H23A	3Q23A	9M23A	4Q23A	FY23A	1Q24A	1Q24E	A/E
Italy	13.1	15.9	28.9	14.3	43.3	16.0	59.2	16.6	18.9	35.5	14.8	50.3	17.7	68.0	16.1	16.0	0.1%
growth YoY	20.7%	17.5%	18.9%	29.6%	22.3%	28.5%	23.9%	27.1%	18.8%	22.6%	3.6%	16.3%	10.7%	14.8%	-3.2%	-3.3%	
as of net sales	69.3%	76.1%	72.9%	69.7%	71.8%	71.1%	71.6%	70.3%	72.5%	71.5%	68.1%	70.4%	61.4%	67.8%	67.7%	68.0%	
RoW	5.8	5.0	10.8	6.2	17.0	6.5	23.5	7.0	7.1	14.2	7.0	21.1	11.1	32.2	7.7	7.6	1.5%
growth YoY	69.1%	9.1%	34.8%	4.1%	22.1%	1.8%	15.7%	21.2%	43.5%	31.5%	11.7%	24.3%	71.0%	37.2%	9.4%	7.7%	
as of net sales	30.7%	23.9%	27.1%	30.3%	28.2%	28.9%	28.4%	29.7%	27.5%	28.5%	31.9%	29.6%	38.6%	32.2%	32.3%	32.0%	
Net Revenues	18.8	20.9	39.7	20.6	60.3	22.5	82.7	23.6	26.0	49.6	21.8	71.4	28.8	100.2	23.7	23.6	0.5%
Growth YoY	32.3%	15.7%	23.0%	20.7%	22.2%	19.4%	21.5%	25.3%	24.7%	25.0%	6.0%	18.5%	28.1%	21.1%	0.5%	0.0%	

Units sold ('000)	1Q22A	2Q22A	1H22A	3Q22A	9M22A	4Q22A	FY22A	1Q23A	2Q23A	1H23A	3Q23A	9M23A	4Q23A	FY23A	1Q24A	1Q24E	A/E
Italy (LB1)	922	1,107	2,029	941	2,970	1,075	4,045	1,067	1,301	2,368	932	3,300	1,153	4,453	1,006	1,062	-5.3%
growth YoY	20.5%	12.8%	16.2%	16.8%	16.4%	17.8%	16.8%	15.7%	17.5%	16.7%	-1.0%	11.1%	7.3%	10.1%	-5.7%	-0.5%	
as % of total	36.6%	38.8%	40.2%	28.1%	35.4%	38.4%	36.1%	37.8%	34.8%	36.1%	36.6%	36.2%	25.1%	32.5%	39.1%	38.0%	
RoW (LB2)	1,596	1,425	3,021	2,406	5,427	1,722	7,149	1,756	2,863	4,619	1,188	5,807	3,440	9,247	1,565	1,733	-9.7%
growth YoY	70.7%	17.3%	40.5%	25.5%	33.4%	-21.0%	14.4%	10.0%	100.9%	52.9%	-50.6%	7.0%	99.8%	29.3%	-10.9%	-1.3%	
as % of total	63.4%	61.2%	59.8%	71.9%	64.6%	61.6%	63.9%	62.2%	65.2%	63.9%	63.4%	63.8%	74.9%	67.5%	60.9%	62.0%	
total units sold	2,518	2,532	5,050	3,347	8,397	2,797	11,194	2,823	3,741	6,564	2,543	9,107	4,593	13,700	2,571	2,795	-8.0%
growth YoY	48.2%	30.0%	29.6%	23.0%	27.0%	27.0%	27.0%	27.0%	12.1%	31.0%	30.0%	-24.0%	64.2%	22.4%	-8.9%	-1.0%	

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

Change in Estimates

We are confirming our sales and EBITDA estimates which are consistent with management's outlook, while cutting EPS by 2% to reflect higher D&A.

PharmaNutra – 2024-26 Change in Estimates

P&L, Eu mn	Actual Results					New Estimates			Old Estimates			New vs Old		
	'19A	'20A	'21A	'22A	'23A	'24E	'25E	'26E	'24E	'25E	'26E	'24E	'25E	'26E
Net Revenues	53.6	56.4	68.1	82.7	100.2	111.2	122.3	133.6	111.2	122.3	133.6	0%	0%	0%
YoY growth	15.0%	5.3%	20.7%	21.4%	21.1%	11.0%	10.0%	9.2%	11.0%	10.0%	9.2%			
Other revenues	0.6	2.2	0.7	0.7	1.8	1.0	1.0	1.0	1.0	1.0	1.0			
Total Revenues	54.2	58.7	68.8	83.4	102.0	112.2	123.3	134.6	112.2	123.3	134.6	0%	0%	0%
YoY growth	12.7%	8.2%	17.3%	21.1%	22.3%	10.0%	9.9%	9.1%	10.0%	9.9%	9.1%			
Opex	(41.0)	(42.7)	(48.8)	(59.0)	(75.5)	(84.1)	(92.1)	(100.4)	(84.1)	(92.1)	(100.4)			
Adj. EBITDA	13.2	16.0	20.1	24.4	26.5	28.1	31.2	34.2	28.1	31.2	34.2	0%	0%	0%
YoY growth	11.3%	21.5%	25.4%	21.3%	8.7%	5.9%	11.3%	9.4%	5.9%	11.3%	9.4%			
as % of net. sales	24.6%	28.4%	29.5%	29.4%	26.4%	25.2%	25.5%	25.6%	25.2%	25.5%	25.6%			
EBITDA	13.2	15.6	20.1	24.4	26.5	28.1	31.2	34.2	28.1	31.2	34.2	0%	0%	0%
YoY growth	4.8%	18.0%	29.1%	21.3%	8.7%	5.9%	11.3%	9.4%	5.9%	11.3%	9.4%			
as % of net. sales	24.6%	27.6%	29.5%	29.4%	26.4%	25.2%	25.5%	25.6%	25.2%	25.5%	25.6%			
Adj. EBIT	12.2	14.7	18.7	23.0	23.4	24.2	26.9	29.5	24.7	27.6	30.2	-2%	-2%	-2%
as % of net. sales	22.8%	26.1%	27.4%	27.9%	23.3%	21.7%	22.0%	22.1%	22.2%	22.5%	22.6%			
EBIT	12.2	13.2	18.7	23.0	23.4	24.2	26.9	29.5	24.7	27.6	30.2	-2%	-2%	-2%
as % of net. sales	22.8%	23.4%	27.4%	27.9%	23.3%	21.7%	22.0%	22.1%	22.2%	22.5%	22.6%			
PBT	12.2	13.3	18.8	23.4	23.3	24.4	26.8	29.6	25.0	27.4	30.2	-2%	-2%	-2%
taxes	(3.7)	0.8	(5.0)	(8.4)	(10.4)	(7.3)	(7.4)	(8.1)	(7.5)	(7.5)	(8.3)			
tax rate (%)	30.7%	n.m.	26.8%	35.7%	44.8%	30.0%	27.5%	27.5%	30.0%	27.5%	27.5%			
Net income	8.5	14.1	13.8	15.0	12.8	17.1	19.4	21.4	17.5	19.9	21.9	-2%	-2%	-2%
YoY growth	-1.2%	66.4%	-2.1%	9.3%	-14.7%	33.3%	13.5%	10.3%	36.4%	13.5%	10.2%			
EPS (€)	€ 0.87	€ 1.45	€ 1.42	€ 1.56	€ 1.33	€ 1.77	€ 2.01	€ 2.21	€ 1.81	€ 2.05	€ 2.26	-2%	-2%	-2%
Adj. Net income	8.5	10.2	13.3	15.0	15.5	17.1	19.4	21.4	17.5	19.9	21.9	-2%	-2%	-2%
YoY growth	-1.2%	20.4%	30.8%	13.0%	2.7%	10.7%	13.5%	10.3%	13.2%	13.5%	10.2%			
Adj. EPS (€)	€ 0.87	€ 1.05	€ 1.38	€ 1.56	€ 1.60	€ 1.77	€ 2.01	€ 2.21	€ 1.81	€ 2.05	€ 2.26	-2%	-2%	-2%
FCF, Eu mn	'19A	'20A	'21A	'22A	'23A	'24E	'25E	'26E	'24E	'25E	'26E	'24E	'25E	'26E
Net income	8.5	14.1	13.8	15.0	12.8	17.1	19.4	21.4	17.5	19.9	21.9	(0.4)	(0.4)	(0.5)
D&A	1.0	2.3	1.4	1.3	3.1	3.9	4.3	4.7	3.3	3.7	4.0	0.6	0.6	0.7
NWC & Other	2.6	(4.6)	5.3	(2.3)	(3.9)	(1.4)	(1.4)	(1.3)	(1.4)	(1.4)	(1.3)	-	-	-
FCFO	12.0	11.8	20.4	14.1	12.1	19.6	22.3	24.8	19.4	22.2	24.6	0.2	0.2	0.2
Capex	(4.9)	(1.3)	(4.9)	(10.7)	(13.2)	(2.8)	(3.1)	(3.3)	(2.8)	(3.1)	(3.3)	-	-	-
as % of net sales	9.1%	2.4%	7.2%	13.0%	13.2%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%			
Equity FCF	6.7	11.2	14.9	3.3	(1.2)	16.8	19.3	21.4	16.6	19.1	21.2	0.2	0.2	0.2
M&A	-	-	-	(11.3)	-	-	-	-	-	-	-	-	-	-
dividend	(4.8)	(4.5)	(6.5)	(6.9)	(7.7)	(8.2)	(8.5)	(9.7)	(8.2)	(8.7)	(9.9)	-	0.2	0.2
buybacks	-	-	-	(2.4)	(1.7)	-	-	-	-	-	-	-	-	-
equity financing	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other (IFRS16, etc..)	0.3	0.9	0.3	(0.2)	(2.7)	-	-	-	-	-	-	-	-	-
Change in NFP	2.2	7.7	8.7	(17.4)	(13.3)	8.6	10.7	11.8	8.4	10.4	11.3	0.2	0.4	0.4
NFP (+cash/-debt)	13.6	19.4	28.1	10.6	(2.6)	6.0	16.7	28.5	5.8	16.2	27.5	0.2	0.5	0.9
ND/EBITDA	-1.0x	-1.2x	-1.4x	-0.4x	0.1x	-0.2x	-0.5x	-0.8x	-0.2x	-0.5x	-0.8x			

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

Comparison with Consensus

PharmaNutra – 2024-26E Intermonte Estimates: Comparison with Consensus

	Actual Results					New Estimates			Consensus			Delta vs Consensus		
	'19A	'20A	'21A	'22A	'23A	'24E	'25E	'26E	'24C	'25C	'26C	'24	'25	'26
Net Revenues	53.6	56.4	68.1	82.7	100.2	111.2	122.3	133.6	113.3	128.5	137.0	-2%	-5%	-3%
YoY growth	15.0%	5.3%	20.7%	21.4%	21.1%	11.0%	10.0%	9.2%	13.1%	13.4%	6.6%			
Adj. EBITDA	13.2	16.0	20.1	24.4	26.5	28.1	31.2	34.2	28.3	32.3	36.9	-1%	-3%	-7%
YoY growth	11.3%	21.5%	25.4%	21.3%	8.7%	5.9%	11.3%	9.4%	6.7%	14.3%	14.1%			
as % of net. sales	24.6%	28.4%	29.5%	29.4%	26.4%	25.2%	25.5%	25.6%	24.9%	25.1%	26.9%			
EBITDA	13.2	15.6	20.1	24.4	26.5	28.1	31.2	34.2	29.0	33.9	36.9	-3%	-8%	-7%
Adj. EBIT	12.2	14.7	18.7	23.0	23.4	24.2	26.9	29.5	25.9	30.7	33.3	-7%	-12%	-11%
as % of net. sales	22.8%	26.1%	27.4%	27.9%	23.3%	21.7%	22.0%	22.1%	22.8%	23.9%	24.3%			
EBIT	12.2	13.2	18.7	23.0	23.4	24.2	26.9	29.5	25.9	30.8	33.3	-7%	-12%	-11%
PBT	12.2	13.3	18.8	23.4	23.3	24.4	26.8	29.6	25.2	28.7	33.3	-3%	-7%	-11%
Net income	8.5	14.1	13.8	15.0	12.8	17.1	19.4	21.4	18.0	21.6	23.5	-5%	-10%	-9%
Adj. Net income	8.5	10.2	13.3	15.0	15.5	17.1	19.4	21.4	17.2	20.4	23.5	0%	-5%	-9%
EPS (€)	€ 0.87	€ 1.45	€ 1.42	€ 1.56	€ 1.33	€ 1.77	€ 2.01	€ 2.21	€ 1.87	€ 2.23	€ 2.43			
DPS (€)	€ 0.46	€ 0.67	€ 0.71	€ 0.80	€ 0.85	€ 0.85	€ 0.85	€ 0.85	€ 0.89	€ 1.04	€ 1.21			
payout	53%	46%	50%	51%	64%	48%	42%	38%	47%	47%	50%			
Capex	(4.9)	(1.3)	(4.9)	(10.7)	(13.2)	(2.8)	(3.1)	(3.3)	(3.4)	(3.2)	(3.0)	0.7	0.1	(0.3)
as % of net. sales	9.1%	2.4%	7.2%	13.0%	13.2%	2.5%	2.5%	2.5%	3.0%	2.5%	2.2%			
Equity FCF	6.7	11.2	14.9	3.3	(1.2)	16.8	19.3	21.4	16.4	19.3	21.1			
NFP / (Net Debt)	13.6	19.4	28.1	10.6	(2.6)	6.0	16.7	28.5	2.4	5.9	(1.3)	3.6	10.8	29.8
ND/EBITDA	-1.0x	-1.2x	-1.4x	-0.4x	0.1x	-0.2x	-0.5x	-0.8x	-0.1x	n.m.	n.m.			

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

DCF Valuation

On our current estimates, we reiterate our BUY rating, confirming our DCF-based TP at €79 which offers 55% upside. Further upside may come from M&A (we see at least c.€70-80mn of firepower). The stock is currently trading at 33x P/E on FY24 (restricted group panel: 36x).

PharmaNutra – DCF Model (WACC still 6.3%, g unchanged at 3%)

(Eu mn)	'24E	'25E	'26E	'27E	'28E	'29E	'30E	'31E	'32E	'33E	'34E	'35E	TV
Net Revenues	111.2	122.3	133.6	144.1	154.4	163.5	171.9	178.0	183.6	189.2	194.8	200.6	206.6
<i>YoY growth</i>	11.0%	10.0%	9.2%	7.9%	7.1%	5.9%	5.2%	3.5%	3.1%	3.1%	3.0%	3.0%	3.0%
Adj. EBITDA	28.1	31.2	34.2	37.1	40.0	42.4	44.7	46.3	47.9	49.4	51.0	52.6	53.7
% margin	25.2%	25.5%	25.6%	25.7%	25.9%	25.9%	26.0%	26.0%	26.1%	26.1%	26.2%	26.2%	26.0%
D&A	(3.9)	(4.3)	(4.7)	(5.0)	(5.4)	(5.7)	(6.0)	(6.2)	(6.4)	(6.6)	(6.8)	(7.0)	(5.2)
EBIT	24.2	26.9	29.5	32.0	34.6	36.7	38.6	40.1	41.4	42.8	44.2	45.6	48.5
% margin	21.7%	22.0%	22.1%	22.2%	22.4%	22.4%	22.5%	22.5%	22.6%	22.6%	22.7%	22.7%	23.5%
Taxes	(5.8)	(6.5)	(7.1)	(7.7)	(8.3)	(8.8)	(9.3)	(9.6)	(9.9)	(10.3)	(10.6)	(10.9)	(11.7)
<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	(1.4)	(1.4)	(1.3)	(1.3)	(1.3)	(1.1)	(1.0)	(0.7)	(0.7)	(0.7)	(0.7)	(0.7)	-
Capex	(2.8)	(3.1)	(3.3)	(3.6)	(3.9)	(4.1)	(4.3)	(4.4)	(4.6)	(4.7)	(4.9)	(5.0)	(5.2)
as % of sales	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%
Unlevered FCF	18.1	20.3	22.4	24.5	26.5	28.4	30.1	31.5	32.7	33.7	34.8	36.0	36.9
TV													1,106
year		2	3	4	5	6	7	8	9	10	11	12	12
Disc. Factor		0.91	0.85	0.80	0.75	0.71	0.67	0.63	0.59	0.56	0.52	0.49	0.49
Disc. Flows		18.4	19.1	19.6	20.0	20.2	20.1	19.8	19.3	18.8	18.2	17.7	544.1

Sum of FCF'25-35E	211.1
Terminal value	544.1
Total EV	755.2
Net Cash at YE24	6.0
Minorities	0.0
Treasury shares	1.8
Equity Value	762.9
NOSH (mn)	9.7
FV per share (Eu/share)	79

current price (Eu/share) 50.7

upside vs current price 55%

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	5.3%	97	100	103	106	110	114	118	122	127	133	139
	5.5%	91	93	96	98	101	104	108	112	116	120	125
	5.7%	85	87	89	92	94	97	99	103	106	109	113
	5.9%	80	82	84	86	88	90	92	95	98	101	104
	6.1%	75	77	78	80	82	84	86	88	91	93	96
	6.3%	71	73	74	76	77	79	81	83	85	87	89
	6.5%	68	69	70	71	73	74	76	77	79	81	83
	6.7%	64	65	66	68	69	70	71	73	74	76	78
	6.9%	61	62	63	64	65	66	68	69	70	72	73
	7.1%	58	59	60	61	62	63	64	65	66	68	69
7.3%	56	57	57	58	59	60	61	62	63	64	65	

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	24E	25E	24E	25E	24E	25E	24E	25E	24E	25E
PHN(@mkt price, our est.)	EUR	50.7	491	-4%	4%	-8%	4.4	3.9	17.3	15.2	20.1	17.6	28.7	25.3	1.7%	2.0%
PHN (@mkt price, cons.)	EUR	50.7	491	-4%	4%	-8%	4.3	3.8	16.8	14.3	18.9	15.8	28.6	24.1	1.8%	2.0%
PHN (@TP, our est.)	EUR	79	763				6.8	6.1	27.0	23.9	31.3	27.7	44.6	39.3	1.1%	1.3%
BioGaia	SEK	129.0	1,114	8%	19%	23%	8.2	7.5	22.6	20.9	23.8	22.0	31.2	28.6	1.6%	1.8%
Probi	SEK	211.0	206	-3%	4%	1%	3.2	2.9	17.2	13.3	79.6	35.4	43.7	33.4	0.7%	0.8%
Restricted Peer Group							5.7	5.2	19.9	17.1	51.7	28.7	37.4	31.0	1.1%	1.3%
Jamieson W.	CAD	25.9	738	1%	-2%	-16%	1.9	1.7	9.8	8.8	11.1	10.6	16.2	13.7	3.0%	3.3%
Orion Oyj	EUR	37.1	5,237	15%	3%	-4%	3.9	3.7	15.4	14.9	17.3	16.7	21.2	21.2	4.5%	4.6%
Recordati	EUR	50.5	10,561	2%	15%	4%	5.2	4.8	14.0	12.9	17.3	15.6	19.0	17.4	2.8%	3.0%
Nature's Sunshine Produ	USD	15.5	269	-15%	-3%	-5%	0.4	0.4	4.8	4.1	8.3	7.0	19.4	16.5	0.0%	0.0%
USANA Health Sciences, I	USD	47.3	834	3%	3%	-13%	0.6	0.5	4.6	3.9	6.6	5.1	17.0	16.1	0.0%	0.0%
Broader Peer Group							3.3	3.1	12.6	11.3	23.4	16.1	23.9	21.0	1.8%	1.9%
FTSE Italia Mid Cap		47,833	42,755	1%	17%	7%										
FTSE Italia Star		48,241	19,233	2%	13%	1%										
FTSE MIB		34,816	506,392	2%	22%	14%										
FTSE Italia All-Share		37,022	556,184	2%	21%	13%										

Source: Intermonte SIM, FactSet Consensus

PharmaNutra in Brief

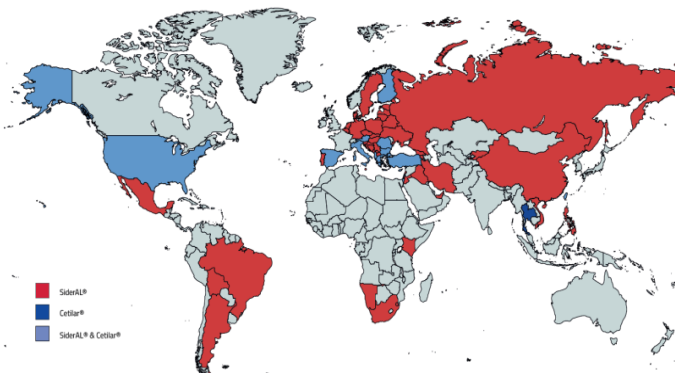
Company description

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

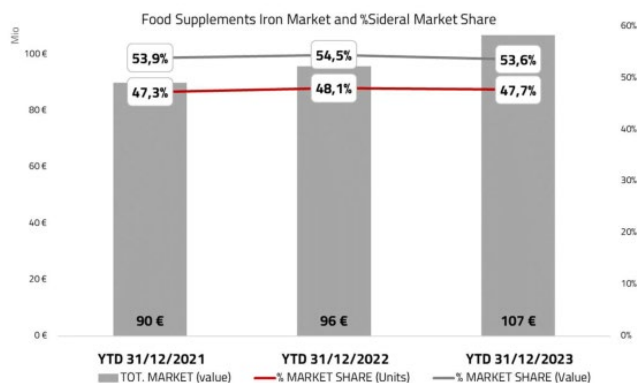
- Unchallenged leadership in the fast-growing niche oral iron supplement market (>53% market share in FY23);
- Intellectual property protection of technologies (Sucrosomial®); no patents expiring before 2032;
- Wide salesforce coverage (c.160 single-firm agents) in the domestic market;
- Product portfolio highly marketable to the medical profession with high 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 – Global Footprint: 76 countries with 44 partners



Source: Company Data

PharmaNutra – SiderAL had >53% M/S and a retail price premium in FY23



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

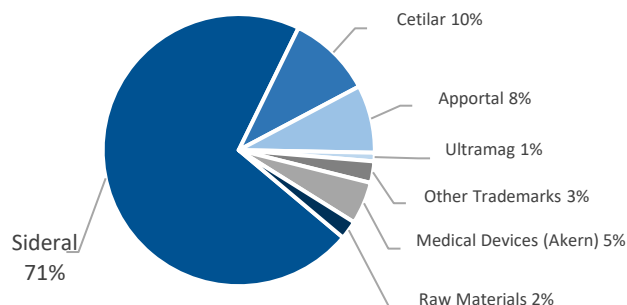
Shareholders

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

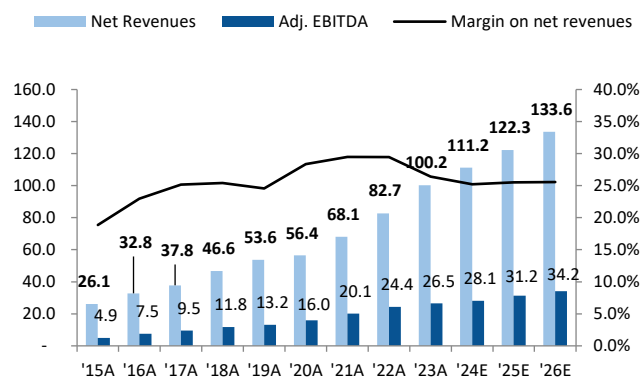
- Pipeline highly concentrated on iron-based products (SiderAL line c.71% of sales in FY23);
- Subscale in a sector typically dominated by large, global players;
- Limited M&A track record abroad so far (Akern);
- Dependence on third-party sale distribution agreements internationally;
- Any failure in executing the start-up phase of the key initiatives (USA, Cetilar Nutrition, España, China, Akern) to support long term growth.

PharmaNutra – Breakdown of Net Sales in FY23A (€100.2mn)



Source: Company Data

PharmaNutra – Revenue, Adj. EBITDA and Margin Trend



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

DETAILS ON STOCKS RECOMMENDATION			
Stock NAME	PHARMANUTRA		
Current Recomm:	BUY	Previous Recomm:	BUY
Current Target (Eu):	79.00	Previous Target (Eu):	79.00
Current Price (Eu):	50.70	Previous Price (Eu):	59.20
Date of report:	14/05/2024	Date of last report:	18/03/2024

DISCLAIMER (for more details go to [DISCLAIMER](#))

IMPORTANT DISCLOSURES

The reproduction of the information, recommendations and research produced by Intermonte SIM contained herein and of any its parts is strictly prohibited. None of the contents of this document may be shared with third parties without authorisation from Intermonte.

This report is directed exclusively at market professional and other institutional investors (Institutions) and is not for distribution to person other than "Institution" ("Non-institution"), who should not rely on this material. Moreover, any investment or service to which this report may relate will not be made available to Non-Institution.

The information and data in this report have been obtained from sources which we believe to be reliable, although the accuracy of these cannot be guaranteed by Intermonte. In the event that there be any doubt as to their reliability, this will be clearly indicated. The main purpose of the report is to offer up-to-date and accurate information in accordance with regulations in force covering "recommendations" and is not intended nor should it be construed as a solicitation to buy or sell securities.

This disclaimer is constantly updated on Intermonte's website www.intermonte.it under LEGAL INFORMATION. Valuations and recommendations can be found in the text of the most recent research and/or reports on the companies in question. For a list of all recommendations made by Intermonte on any financial instrument or issuer in the last twelve months consult the [PERFORMANCE](#) web page.

Intermonte distributes research and engages in other approved activities with respect to Major U.S. Institutional Investors ("Majors") and other Qualified Institutional Buyers ("QIBs"), in the United States, via Brasil Plural Securities LLC under SEC 15a-6 guidelines. Intermonte is not registered as a broker dealer in the United States under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and is not a member of the Securities Investor Protection Corporation ("SIPC"). Brasil Plural Securities LLC is registered as a broker-dealer under the Exchange Act and is a member of SIPC.

ANALYST CERTIFICATION

For each company mentioned in this report the respective research analyst hereby certifies that all of the views expressed in this research report accurately reflect the analyst's personal views about any or all of the subject issuer (s) or securities. The analyst (s) also certifies that no part of their compensation was, is or will be directly or indirectly related to the specific recommendation or view in this report.

The analyst (s) responsible for preparing this research report receive(s) compensation that is based upon various factors, including Intermonte's total profits, a portion of which is generated by Intermonte's corporate finance activities, although this is minimal in comparison to that generated by brokerage activities.

Intermonte's internal procedures and codes of conduct are aimed to ensure the impartiality of its financial analysts. The exchange of information between the Corporate Finance sector and the Research Department is prohibited, as is the exchange of information between the latter and the proprietary equity desk in order to prevent conflicts of interest when recommendations are made.

The analyst responsible for the report is not a) a resident of US; b) an associated person of a U.S. broker-dealer; c) supervised by a supervisory principal of a U.S. broker-dealer. This Research Report is distributed in the U.S. through Brasil Plural Securities LLC, 545 Madison Avenue, New York 10022.

GUIDE TO FUNDAMENTAL RESEARCH

The main methods used to evaluate financial instruments and set a target price for 12 months after the investment recommendation are as follows:

- Discounted cash flow (DCF) model or similar methods such as a dividend discount model (DDM)
- Comparison with market peers, using the most appropriate methods for the individual company analysed: among the main ratios used for industrial sectors are price/ earnings (P/E), EV/EBITDA, EV/EBIT, price /sales.
- Return on capital and multiples of adjusted net book value are the main methods used for banking sector stocks, while for insurance sector stocks return on allocated capital and multiples on net book value and embedded portfolio value are used
- For the utilities sector comparisons are made between expected returns and the return on the regulatory asset base (RAB)

Some of the parameters used in evaluations, such as the risk-free rate and risk premium, are the same for all companies covered, and are updated to reflect market conditions. Currently a risk-free rate of 4.0% and a risk premium of 5.5% are being used.

Frequency of research: quarterly.

Reports on all companies listed on the S&PMB40 Index, most of those on the MIDEX Index and the main small caps (regular coverage) are published at least once per quarter to comment on results and important newsflow.

A draft copy of each report may be sent to the subject company for its information (without target price and/or recommendations), but unless expressly stated in the text of the report, no changes are made before it is published.

Explanation of our ratings system:

BUY: stock expected to outperform the market by over 25% over a 12 month period;

OUTPERFORM: stock expected to outperform the market by between 10% and 25% over a 12 month period;

NEUTRAL: stock performance expected at between +10% and -10% compared to the market over a 12 month period;

UNDERPERFORM: stock expected to underperform the market by between -10% and -25% over a 12 month period;

SELL: stock expected to underperform the market by over 25% over a 12 month period.

Prices: The prices reported in the research refer to the price at the close of the previous day of trading

CURRENT INVESTMENT RESEARCH RATING DISTRIBUTIONS

Intermonte SIM is authorised by CONSOB to provide investment services and is listed at n° 246 in the register of brokerage firms.

As at 31 March 2024 Intermonte's Research Department covered 116 companies. Intermonte's distribution of stock ratings is as follows:

BUY:	25.21 %
OUTPERFORM:	46.22 %
NEUTRAL:	27.73 %
UNDERPERFORM	00.84 %
SELL:	00.00 %

The distribution of stock ratings for companies which have received corporate finance services from Intermonte in the last 12 months (50 in total) is as follows:

BUY:	38.78 %
OUTPERFORM:	51.02 %
NEUTRAL:	10.20 %
UNDERPERFORM	00.00 %
SELL:	00.00 %

CONFLICT OF INTEREST

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

Intermonte is acting as financial advisor to SGG Holding S.p.A. in relation to the voluntary public tender offer launched on SAES Getters S.p.A.

Intermonte SIM has provided in the last 12 months / provides / may provide investment banking services to the following companies: Aedes, Civitanavi Systems, Cy4Gate, Esprinet, GPI, Greenthesis (formerly Ambientthesis), Growens, Illimity Bank, Maire Tecnimont, SAES Getters, Tinexta, Unidata and WIIT.

Intermonte SIM is acting as counterparty to WIIT Fin S.r.l. in connection with call and put options having WIIT S.p.A. shares and dividends as reference underlying.

Intermonte SIM is Specialist and/or Corporate Broker and/or Sponsor and/or Broker in charge of the share buy back activity of the following Companies: Abitare In, Alkemy, Anima Holding, Antares Vision, Aquafil, Avio, Banca Ifis, Banca Sistema, Civitanavi Systems, Cyberoo, Cy4gate, EL.En, Elica, Emak, Esprinet, Fimit - Fondo Alpha, Fine Foods, Franchi Umberto Marmi, Go Internet, GPI, Greenthesis (formerly Ambientthesis), IEG, Iervolino & Lady Bacardi Entertainment, IndelB, Intred, Luve, Matica Fintec, Mondadori, Notorious Pictures, Omer, Pharmanutra, Reevo, Relatech, Reply, Revo Insurance, Sababa Security, Saes Getters, Sciuker Frames, Servizi Italia, Sesa, Seri Industrial, Somec, Star7, Talea, Tamburi, Tinexta, Tesmec, The Italian Sea Group, TXT, Unidata, Webuild and WIIT.

Intermonte SIM has a contractual commitment to act as liquidity provider on behalf of third parties for the following company: Banca Sistema.

Intermonte SIM performs as a market maker for the following companies: A2A, Anima, Atlantia, Autogrill, Azimut Holding, BAMI, Banca Generali, Banca Mediolanum, Brembo, Buzzi, CNHI, Enel, ENI, Exor, Finenco, FCA, FTMBI, Generali, Italgas, Iren, Intesa Sanpaolo, Leonardo, Mediobanca, Moncler, Mediaset, Pirelli&C, Prysmian, Poste, Ferrari, Saipem, Snam, STI, Tenaris, Telecom Italia, Telecom Italia sav, Terna, UBI, Unicredit, Unipol, UnipolSai.

Intermonte SIM, through Websim, which constitute the digital division of Intermonte, acts as a Financial Content Provider on the following companies: Abitare In, Alkemy, Banca Sistema, Bifre S.P.A., B&C Speakers, Cleanbnb, Crowdfundme, Cy4gate, Cyberoo, Digital Bros, Digital Magics, Doxoe, Edilizacrobatica Spa, Eles, Elica, Emak, Esi, Esprinet, Eviso, Fae Technology, Fiera Milano, Fope, FOS, Franchi Umberto Marmi, Giglio Group, GPI, Intercos, Intred, Lventure Group, Maps, Masi Agricola, Matica Fintec, Neodecortech, Notorious Pictures, Osai Automation System, Racing Force Group, Relatech, Reti, Sciuker Frames, Solid World Group, Spindox Digital Soul, Tamburi, Tesmec, Tinexta, Tps Group, Trendevice, Ulisse Biomed, Wiit. Intermonte SIM SpA holds net long or short positions in excess of 0.5% of the overall share capital in the following issuers:

Emitente	%	Long/Short
----------	---	------------

© Copyright 2024 by Intermonte SIM - All rights reserved

It is a violation of national and international copyright laws to reproduce all or part of this publication by email, xerography, facsimile or any other means. The Copyright laws impose heavy liability for such infringement. The Reports of Intermonte SIM are provided to its clients only. If you are not a client of Intermonte SIM and receive emailed, faxed or copied versions of the reports from a source other than Intermonte SIM you are violating the Copyright Laws. This document is not for attribution in any publication, and you should not disseminate, distribute or copy this e-mail without the explicit written consent of Intermonte SIM.

INTERMONTE will take legal action against anybody transmitting/publishing its Research products without its express authorization.

INTERMONTE Sim strongly believes its research product on Italian equities is a value added product and deserves to be adequately paid.

Intermonte Sim sales representatives can be contacted to discuss terms and conditions to be supplied the INTERMONTE research product.

INTERMONTE SIM is MIFID compliant - for our Best Execution Policy please check our Website [MIFID](#)

Further information is available