

## Buy

PT: €86.00

## Key data

Ticker	PHN IM
Price (15 March 2024)	€59.20
Upside to Price Target (%)	45.3
Market Cap (m)	573
Free Float (%)	35.0
No. of Shares (m)	9.68
1mth perf (%)	(4.7)
3mth perf (%)	1.0
12mth perf (%)	3.3
12mth high-low (€)	64 - 44

## Key financials

(In EUR M)

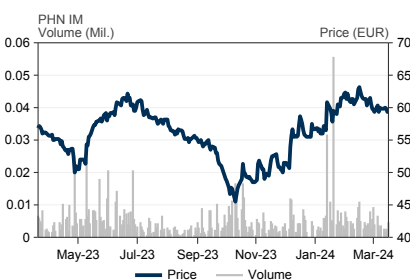
Year to Dec	2023A	2024E	2025E
Group revenue	100	111	124
EBITDA (rep.)	26.5	28.5	33.6
EBIT (rep.)	23.4	25.3	30.5
EPS (adj.) y/y (%)	1.60	1.79	2.15
DPS	0.85	0.89	1.08
Net debt/(cash)	(0.4)	(6.4)	(15)
ROCE (NOPAT) (%)	38.8	40.0	45.3
EPS (adj.) y/y (%)	2.3	12.0	20.3
Net debt/EBITDA	(0.0)	(0.2)	(0.4)
EV/Sales	5.8	5.1	4.5
EV/EBITDA (adj.)	21.8	20.0	16.8
EV/EBIT (adj.)	24.7	22.6	18.5
P/E (adj.)	37.1	33.1	27.5
Dividend yield (%)	1.4	1.5	1.8
Free CF yield (%)	(0.1)	2.1	3.0
EV/CE	9.6	9.0	8.4

Prices are as of close 15 March 2024

Completed: 17 March 2024 14:47EDT  
Disseminated: 18 March 2024 02:00EDT

All sources unless otherwise stated: Company data, FactSet, Stifel estimates

## Share price performance (indexed)



## Ending the year on a high note

## Summary

- PharmaNutra reported better-than-expected FY-23 results across the board, with sales hitting €100m and profitability surprising on the upside, driving higher operating cash generation.
- The outlook for 2024 was cautious, with a flattish Q1 following a record high Q4 and potential opex reinvestments. Nevertheless, management was overall confident it can reach current consensus estimates.
- We have changed our FY-24/25 sales/EBITDA/EPS estimates by 0%/1%/-1% to account for higher reinvestments and tax rate. We maintain our Buy rating and PT after rolling our valuation.

## Key Points

**FY-23 results above expectations.** FY-23 sales, preannounced in January ([see here](#)), amounted to €100.2m, up +21% YoY (+€17.5m) and implied a record-high quarterly turnover of ~€29m (+28% YoY), primarily driven by SiderAL (+32% YoY), Cetilar (+25%) and International (+71%). As for profitability, which was the focus, FY-23 adj. EBITDA increased +9% YoY to €26.5m, ~10% above our and consensus estimates (~€24m), primarily due to lower-than-anticipated start-up costs related to the key projects (€4.6m vs SFe ~€7m), which brought the margin down 300bps YoY to 26.4%. The margin for the recurring business actually increased 100bps YoY to 30.4%. Net income was in line due to higher-than-expected tax charges following the tax provisions related to a collaborative settlement of the tax dispute in 2017-2021. Better-than-expected WC management led to flattish FCF (vs SFe -€7m) and lower net debt (~€3m vs SFe €7m).

**Overly cautious FY-24 outlook?** 2024 will be a challenging year for maintaining organic growth for the recurring business and for developing the new key projects (Cetilar Nutrition, PHN US, and PHN España). Q1 is expected to be flat due to wholesalers being more cautious on inventory management and higher competition. Also, the continuation of the investments to support the key projects could put some pressure on margins. Nevertheless, management appeared confident during the conference call that the company will reach consensus estimates (currently €114m sales / €29m EBITDA, 25% margin).

**Conference call feedback.** (1) SiderAL maintained its leading positioning in the Italian iron supplements market, despite a slight decrease in its market share in 2023 (47.7% vs 48.1% in 2022 for volumes), which management attributed to intense competition; (2) Cetilar, on the contrary, continued to gain market share in 2023 (3.0% vs 2.6% in 2022), as did ApportAL (3.5% vs 3.3% in 2022). (3) Management expects sales trends to recover post Q1 and positive growth for 2024 of around high-single digit to low-double digits. Opex investments will continue to be carried out carefully. (4) A more stable tax rate of 31%-32% should be expected from 2024. (5) The merger of Junia Pharma and Alesco into PharmaNutra should simplify administrative and legal processes and increase the speed of internal procedures.

**Change in estimates.** We left unchanged our FY-24E sales (+11% YoY, implies an average ~15% growth following a flat Q1) and we increased our FY-24E EBITDA by 3% to €28m, after assuming ~€3m in start-up costs and ~5% in inflation for the recurring cost base. The increase at the EPS level is offset by a higher tax rate.

**Buy and PT €86 maintained, after rolling our DCF and multiples mark-to-market.** At ~5x FY-24E EV/sales and ~33x FY-24E P/E PharmaNutra trades in line with its historical average, at a time when its ROCE is still ~40% and the company should return to positive cash generation. With the BP key drivers to support growth over the next 5-10 years, the PharmaNutra story looks compelling. Our PT of €86 reflects a median 6.5x FY-25 EV/sales, assuming a 12% 2023-30 CAGR, which is below the company's target of 18% CAGR. Assuming the company's targets were achieved, a re-rating towards 6.5x could take the stock to >€100/share.

Daniele Alibrandi | +39 (02) 8546 5766 | daniele.alibrandi@stifel.com

Stifel does and seeks to do business with companies covered in its research reports. As a result, investors should be aware that the firm may have a conflict of interest that could affect the objectivity of this report. Investors should consider this report as only a single factor in making their investment decision.

All relevant disclosures and certifications appear on pages 9 - 12 of this report.

## KEY FINANCIALS AND RATIOS

YEAR TO DECEMBER (IN EUR m)	2018A	2019A	2020A	2021A	2022A	2023A	2024E	2025E	2026E
<b>Profit and Loss Account</b>									
Group revenue	46.6	53.6	56.4	68.1	82.7	100	111	124	140
EBITDA (rep.)	12.6	13.2	15.6	20.1	24.4	26.5	28.5	33.6	39.7
EBIT (rep.)	11.91	12.20	13.22	18.69	23.0	23.4	25.3	30.5	36.6
Pre-tax results	11.9	12.2	13.3	18.8	23.4	23.3	25.3	30.4	36.5
Income tax and other items	(3)	(4)	0.77	(5)	(8)	(10)	(8)	(10)	(12)
Net result group	8.56	8.45	14.1	13.8	15.0	12.8	17.3	20.8	25.0
Minorities and other items	0	0	0	0	0	0	0	0	0
Net result shareholders, rep.	8.56	8.45	14.1	13.8	15.0	12.8	17.3	20.8	25.0
EPS	0.88	0.87	1.45	1.42	1.56	1.33	1.79	2.15	2.59
Exceptionals in EBIT	(1)	0.00	0.47	0	0	0	0	0	0
<b>Profit and Loss Account (adj)</b>									
EBITDA	11.8	13.2	16.0	20.1	24.4	26.5	28.5	33.6	39.7
EBIT	12.65	12.20	12.75	18.69	23.0	23.4	25.3	30.5	36.6
Operating result (company definition)	12.7	12.2	12.8	18.7	23.0	23.4	25.3	30.5	36.6
Net result, shareholders	7.86	8.45	11.6	13.3	15.0	15.5	17.3	20.8	25.0
EPS (adj.)	0.81	0.87	1.20	1.38	1.56	1.60	1.79	2.15	2.59
<b>Cash Flow Statement</b>									
EBITDA (rep.)	12.6	13.2	15.6	20.1	24.4	26.5	28.5	33.6	39.7
Change in working capital	0.69	(2)	0.46	(4)	3.57	(1)	(2)	(4)	(4)
Other operating cash flow items	(7)	1.20	(4)	4.27	(10)	(14)	(10)	(10)	(12)
Cash flow before capex	6.43	12.0	11.8	20.4	17.5	12.1	16.2	20.1	24.6
Capital expenditure	(1)	(5)	(1)	(5)	(11)	(13)	(4)	(3)	(3)
Free cash flow	5.64	7.12	10.5	15.4	6.72	(1)	12.2	16.9	21.1
Acquisitions/Disposals/Financial assets	(0)	(0)	0.73	0	(11)	0	0	0	0
Dividends, minority payouts	(3)	(5)	(4)	(6)	(7)	(8)	(8)	(9)	(10)
Equity measures, other	0.31	0.33	(1)	(0)	(6)	(2)	2.00	(0)	(0)
Change in net cash	2.28	2.19	5.80	8.71	(17)	(10)	5.97	8.28	10.7
Net cash (debt)	11	14	19	28	11	0	6	15	25
<b>Balance Sheet</b>									
Fixed assets	5.94	10	10.2	14.1	38.6	48.9	49.7	49.7	50.1
Current Assets	35.5	39.0	41.5	57.2	61.5	63.5	73.3	85.3	100
t/o Inventories	2.15	1.85	1.89	2.87	5.26	8.17	10.0	11.2	12.6
t/o Trade receivables	13.0	15.0	15.1	16.7	21.6	19.2	21.2	23.7	26.6
t/a Cash and equivalents	16.7	20.0	21.0	34.4	28.4	28.5	34.4	42.7	53.4
Group equity	24.4	28.1	37.7	45.1	50.9	54.4	63.5	75.7	90.3
t/o Shareholders equity	24.4	28.1	37.7	45.1	50.9	54.4	63.5	75.7	90.3
Interest-bearing liabilities	5.34	6.40	1.66	6.35	17.7	28.0	28.0	28.0	28.0
Other liabilities and provisions	11.7	14.3	12.3	19.9	31.5	30.0	31.5	31.4	32.1
t/o Trade liabilities	6.67	8.16	7.17	10	16.9	16.1	17.6	17.5	18.2
Balance sheet total	41.5	48.9	51.7	71.4	100	112	123	135	150
Net Working Capital	8.46	8.72	10	10	10.0	11.3	13.6	17.5	21.0
Capital Employed (incl. Goodwill)	14.4	18.6	20.0	23.9	48.6	60.2	63.3	67.2	71.1
<b>Ratios</b>									
Revenue y/y (%)	23.4	15.0	5.3	20.7	21.4	21.1	10.8	12.1	12.1
EBITDA Margin (adj.) (%)	25.4	24.6	28.4	29.5	29.4	26.4	25.7	27.0	28.5
EBIT adj margin (%)	27.1	22.8	22.6	27.4	27.9	23.3	22.8	24.5	26.2
EPS (adj.) y/y (%)	30.3	7.5	37.2	14.8	13.4	2.3	12.0	20.3	20.2
Working capital intensity (%)	18.2	16.3	17.3	14.4	12.1	11.3	12.2	14.0	15.0
DSOs	102	102	97.3	89.3	95.5	70.0	69.5	69.5	69.5
Inventory turnover (Days)	16.8	12.6	12.2	15.4	23.2	29.7	32.9	32.9	32.9
Net debt (cash) / EBITDA (adj.)	(1.0)	(1.0)	(1.2)	(1.4)	(0.4)	(0.0)	(0.2)	(0.4)	(0.6)
EBITDA (adj.) / Capex	14.97	2.71	12.05	4.03	2.27	2.09	7.13	10.76	11.36
Free CF yield (%)	1.0	1.2	1.8	2.7	1.2	(0.1)	2.1	3.0	3.7
Oper. FCF Yield (%)	1.0	1.3	1.9	2.8	1.2	(0.1)	2.1	3.0	3.8

## Company Snapshot

### Investment case summary

PharmaNutra's competitive advantage stems from its proprietary raw materials employed in its products, as well as its patented technologies, which serve as a valuable barrier to entry from the competition. In the past 20 years, the company grew revenue from zero to ~€100m, maintaining healthy profitability and strong free cash generation. As the company is still at an earlier stage of development while enjoying a clear leading position in the OTC oral iron supplements market in Italy, we believe it can benefit from multiple growth opportunities going forward, both organically and externally.

### Target price methodology

A weighted average of DCF valuation, computed using a WACC of 7.0% and a terminal growth rate of 4.0%, and peer multiples.

### Risk to our valuation and rating

- **Macroeconomic and country risk:** Any deterioration in its key markets due to macro-related issues.
- **Strategy execution risk:** Slower/faster-than-expected delivery against the 2022-30 business plan.
- **Operational risk:** Lack of skilled workforce or labor cost inflation; global supply chain constraints leading to higher manufacturing costs; new HQ construction delays; higher than budgeted costs to develop the US market.
- **Capital allocation:** Cheap/expensive M&A or capital injections to accelerate growth.
- **Competition risk:** New product launches undermining/strengthening its leadership in the oral iron market or in the muscle painkillers segment.
- **Regulatory risk:** Change in food supplements regulation.
- **Technological risk:** From the obsolescence of patented technologies and approvals in new markets.

### Company description

Established by Andrea and Roberto Lacorte in 2003, PharmaNutra (PHN) is an Italian operator active in the R&D, commercialisation, and distribution of nutraceutical products and medical devices. The company is the market leader in the OTC oral iron supplement segment, with its SiderAL product line retaining a ~54% market share in Italy. It also focuses on topical muscle pain treatments through its Cetilar product line. Its flagship products are covered by patents. PHN's business model relies on R&D, with a widespread distribution network in Italy, including ~150 scientific sales representatives, providing access to doctors and pharmacies. Abroad, PHN operates in 85 countries through 50 exclusive key partners, selected among the world's primary pharmaceutical companies. As of H1-23, PharmaNutra had 20 patents, 40 trademarks, 21 proprietary raw materials and over 30 products backed by 158 observational studies.

### Key products, clients and end markets

By product:

- **SiderAL line:** Nutritional supplement based on sucrosomial Iron (75% FY-22e reported net revenue)
- **Cetilar line:** Topical muscle pain treatment medical devices (10%)
- **Apportal:** Nutritional supplement containing 19 different ingredients (10%)
- **Ultramag:** Nutritional supplement based on sucrosomial Magnesium (1%)
- **Others:** Including Ribomicin, Dolomir and Lactozepam (4%)
- **Akern:** Medical devices and software for body composition analysis (2% reported; 6% pro-forma)

By region:

- **Italy** (37% of volumes; 71% of revenue in FY-20) and, **RoW** (63%; 29%), with Europe and the Middle East representing the bulk of foreign sales.

### Key shareholders

- Andrea Lacorte, Chairman: 31.4%
- Roberto Lacorte, CEO: 23.1%
- Carlo Volpi, COO: 10.5%
- Free Float: 35.0%

### Senior management

- Andrea Lacorte, Chairman and co-founder
- Roberto Lacorte, CEO, Vice-chariman and co-founder
- Carlo Volpi, COO
- Francesco Sarti, CFO
- Germano Tarantino, Chief Scientific Officer

## Summary of forecast changes

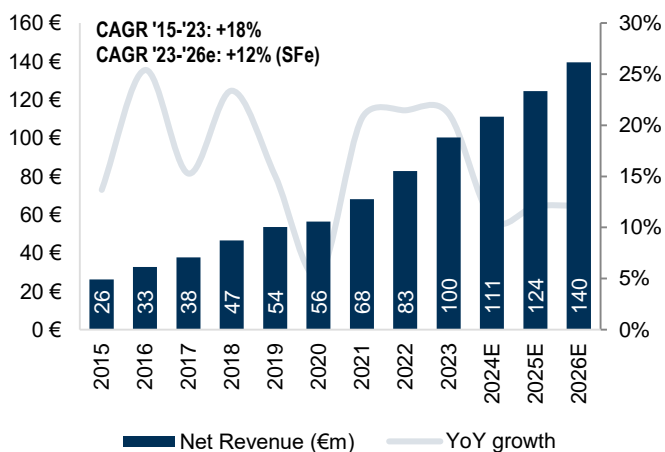
Figure 1: Changes to estimates

	FY23	FY24E			FY25E			FY26E		
		new	old	diff%	new	old	diff%	new	old	diff%
<b>NET REVENUES</b>	<b>100.2</b>	<b>111.0</b>	<b>110.9</b>	0.1%	<b>124.4</b>	<b>124.5</b>	0.0%	<b>139.5</b>		
chge% YoY	21.1%	10.8%	12.3%		12.1%	12.2%		12.1%		
<b>EBITDA</b>	<b>26.5</b>	<b>28.5</b>	<b>27.8</b>	2.7%	<b>33.6</b>	<b>33.5</b>	0.1%	<b>39.7</b>		
chge% YoY	8.7%	7.7%	15.2%		17.7%	20.8%		18.3%		
<b>margin</b>	<b>26.4%</b>	<b>25.7%</b>	<b>25.0%</b>		<b>27.0%</b>	<b>26.9%</b>		<b>28.5%</b>		
ONE-OFFS	0.0	0.0	0.0		0.0	0.0		0.0		
<b>Adj. EBITDA</b>	<b>26.5</b>	<b>28.5</b>	<b>27.8</b>	2.7%	<b>33.6</b>	<b>33.5</b>	0.1%	<b>39.7</b>		
chge% YoY	8.7%	7.7%	15.2%		17.7%	20.8%		18.3%		
<b>margin</b>	<b>26.4%</b>	<b>25.7%</b>	<b>25.0%</b>		<b>27.0%</b>	<b>26.9%</b>		<b>28.5%</b>		
D&A	(3.1)	(3.2)	(2.7)		(3.1)	(2.7)		(3.1)		
<b>EBIT</b>	<b>23.4</b>	<b>25.3</b>	<b>25.1</b>	0.9%	<b>30.5</b>	<b>30.8</b>	-1.1%	<b>36.6</b>		
<b>margin</b>	<b>23.3%</b>	<b>22.8%</b>	<b>22.6%</b>		<b>24.5%</b>	<b>24.7%</b>		<b>26.2%</b>		
Net Financial Result	(0.1)	(0.1)	0.0		(0.1)	0.0		(0.1)		
<b>PRE TAX PROFIT</b>	<b>23.3</b>	<b>25.3</b>	<b>25.1</b>	0.7%	<b>30.4</b>	<b>30.8</b>	-1.3%	<b>36.5</b>		
Taxes	(10.4)	(8.0)	(7.7)		(9.6)	(9.5)		(11.5)		
<b>NET INCOME</b>	<b>12.8</b>	<b>17.3</b>	<b>17.4</b>	-0.3%	<b>20.8</b>	<b>21.3</b>	-2.3%	<b>25.0</b>		
chge% YoY	-14.7%	34.9%	34.4%		20.3%	22.7%		20.2%		
<b>Adj. NET INCOME</b>	<b>15.5</b>	<b>17.3</b>	<b>17.4</b>	-0.3%	<b>20.8</b>	<b>21.3</b>	-2.3%	<b>25.0</b>		
<b>NET DEBT (CASH)</b>	<b>(0.4)</b>	<b>(6.4)</b>	<b>(7.6)</b>		<b>(14.7)</b>	<b>(19.8)</b>		<b>(25.4)</b>		
NET DEBT/EBITDAx	(0.0) x	(0.2) x	(0.3) x		(0.4) x	(0.6) x		(0.6) x		

Source: Company accounts, Stifel Research and estimates

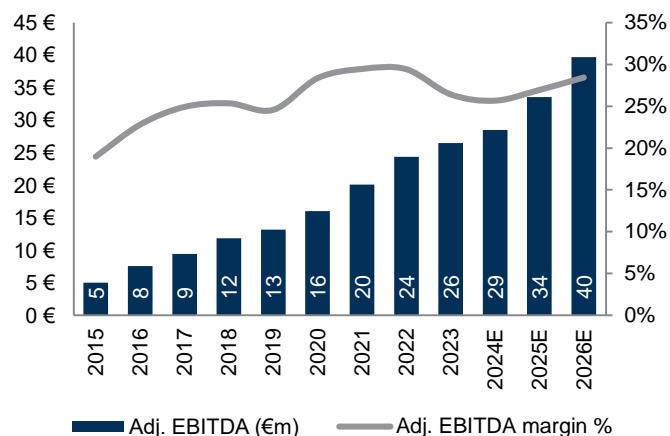
## Top-line growth and EBITDA trends

Figure 2: Revenue trend



Source: Company accounts, Stifel Research and estimates

Figure 3: Adj. EBITDA trend



Source: Company accounts, Stifel Research and estimates

## Q4/FY-23 Results review

Figure 5: PharmaNutra Q4/FY-23 results review

€ Mn	1H22	4Q22	2H22	2022	1H23	4Q23	4Q23-E A. Vs E.	2H23	2023	2023-E A. Vs E.		
<b>P&amp;L</b>												
<b>NET REVENUES</b>	<b>39.7</b>	<b>22.5</b>	<b>43.0</b>	<b>82.7</b>	<b>49.6</b>	<b>28.8</b>	<b>27.4</b>	5%	<b>50.6</b>	<b>100.2</b>	<b>98.8</b>	1%
chge% YoY	23.0%	19.4%	20.0%	21.4%	25.0%	28.2%	21.8%		17.6%	21.1%	19.4%	
<b>Adj. EBITDA</b>	<b>12.4</b>	<b>5.3</b>	<b>11.9</b>	<b>24.4</b>	<b>14.1</b>	<b>7.5</b>	<b>5.1</b>	46%	<b>12.4</b>	<b>26.5</b>	<b>24.1</b>	10%
chge% YoY	20.8%	23.6%	21.9%	21.3%	13.2%	41.7%	-2.7%		4.1%	8.7%	-0.9%	
<b>margin</b>	<b>31.2%</b>	<b>23.3%</b>	<b>27.7%</b>	<b>29.4%</b>	<b>28.2%</b>	<b>25.9%</b>	<b>18.7%</b>		<b>24.5%</b>	<b>26.4%</b>	<b>24.5%</b>	
D&A	(0.6)	(0.3)	(0.7)	(1.3)	(0.9)	(1.9)	(0.7)		(2.3)	(3.1)	(2.0)	
<b>EBIT</b>	<b>11.8</b>	<b>4.9</b>	<b>11.2</b>	<b>23.0</b>	<b>13.2</b>	<b>5.7</b>	<b>4.5</b>	26%	<b>10.2</b>	<b>23.4</b>	<b>22.2</b>	5%
chge% YoY	21.6%	31.0%	25.0%	23.3%	11.7%	16.6%	-7.8%		-9.4%	1.4%	-3.8%	
<b>margin</b>	<b>29.8%</b>	<b>21.9%</b>	<b>26.1%</b>	<b>27.9%</b>	<b>26.6%</b>	<b>19.9%</b>	<b>16.6%</b>		<b>20.1%</b>	<b>23.3%</b>	<b>22.4%</b>	
Net Financial Result	0.0	0.0	0.4	0.4	0.0	(0.0)	0.1		(0.1)	(0.1)	0.0	
<b>PRE TAX PROFIT</b>	<b>11.8</b>	<b>5.0</b>	<b>11.6</b>	<b>23.4</b>	<b>13.2</b>	<b>5.7</b>	<b>4.6</b>	24%	<b>10.1</b>	<b>23.3</b>	<b>22.2</b>	5%
Taxes	(3.6)	(2.8)	(4.8)	(8.4)	(6.0)	(2.5)	(1.4)		(4.5)	(10.4)	(9.4)	
Tax Rate (%)	-30.4%	-56.0%	-41.2%	-35.7%	-45.2%	-43.2%	-30.5%		-44.3%	-44.8%	-42.3%	
<b>NET INCOME</b>	<b>8.2</b>	<b>2.2</b>	<b>6.8</b>	<b>15.0</b>	<b>7.2</b>	<b>3.2</b>	<b>3.2</b>	1%	<b>5.6</b>	<b>12.8</b>	<b>12.8</b>	0%
ONE-OFFS	0.0	0.0	0.0	0.0	(2.1)	(0.6)	(0.6)		(0.6)	(2.6)	(2.6)	
<b>Adj. NET INCOME</b>	<b>8.2</b>	<b>2.2</b>	<b>6.8</b>	<b>15.0</b>	<b>9.3</b>	<b>3.7</b>	<b>3.6</b>	2%	<b>6.2</b>	<b>15.5</b>	<b>15.4</b>	0%
chge% YoY	25.0%	10.7%	17.2%	13.0%	12.8%	68.3%	0.7%		-9.4%	2.7%	-6.4%	
<b>Adj. EPS</b>	<b>0.85</b>	<b>0.23</b>	<b>0.70</b>	<b>1.56</b>	<b>0.96</b>	<b>0.38</b>	<b>0.37</b>		<b>0.64</b>	<b>1.60</b>	<b>1.59</b>	
<b>Cash Flow &amp; Balance Sheet</b>												
Capex	-5.5	-3.9	-5.2	-10.7	-9.6	-0.6	-1.0		-3.1	-12.7	-13.1	-3%
FCF	0.2	8.1	6.5	6.7	(9.4)	8.3	1.8		8.8	(0.6)	(7.1)	
<b>NET DEBT / (CASH)</b>	<b>(19.6)</b>	<b>(10.6)</b>	<b>(10.6)</b>	<b>(10.6)</b>	<b>10.0</b>	<b>0.0</b>	<b>2.6</b>		<b>0.0</b>	<b>2.6</b>	<b>6.8</b>	-62%
NET DEBT/EBITDAx	(1.6) x	(2.0) x	(0.9) x	(0.4) x	0.7 x	0.0 x	0.5 x		0.0 x	0.1 x	0.3 x	
<b>Net Revenue drivers</b>												
<b>Sales by division</b>												
<b>LB1 (Italy)</b>	<b>28.9</b>	<b>15.0</b>	<b>28.5</b>	<b>57.5</b>	<b>33.2</b>	<b>16.5</b>	<b>18.3</b>	-10%	<b>30.4</b>	<b>63.6</b>	<b>65.4</b>	-3%
chge% YoY	19.1%	20.9%	21.4%	20.2%	14.5%	9.6%	21.8%		6.5%	10.6%	10.4%	
<b>LB2 (Row)</b>	<b>10.8</b>	<b>6.4</b>	<b>12.5</b>	<b>23.3</b>	<b>13.8</b>	<b>10.9</b>	<b>8.0</b>	37%	<b>17.8</b>	<b>31.6</b>	<b>28.7</b>	10%
chge% YoY	35.0%	0.0%	1.5%	14.6%	28.1%	70.9%	24.7%		42.5%	35.8%	22.0%	
<b>Akern</b>	<b>-</b>	<b>1.1</b>	<b>2.0</b>	<b>2.0</b>	<b>2.7</b>	<b>0.9</b>	<b>1.1</b>	-17%	<b>0.9</b>	<b>5.0</b>	<b>4.7</b>	7%
chge% YoY	-	n.a.	n.a.	n.a.	n.a.	-13.3%	4.3%		-53.3%	n.m.	n.m.	
<b>Total</b>	<b>39.7</b>	<b>22.5</b>	<b>43.0</b>	<b>82.7</b>	<b>49.6</b>	<b>28.3</b>	<b>27.4</b>		<b>49.1</b>	<b>100.2</b>	<b>98.8</b>	
chge% YoY	23.0%	19.4%	20.0%	21.4%	25.0%	28.2%	17.1%		17.6%	21.1%	19.4%	
<b>Sales by product line</b>												
<b>Sideral</b>	<b>28.9</b>	<b>15.9</b>	<b>29.9</b>	<b>58.8</b>	<b>34.8</b>	<b>21.0</b>	<b>19.6</b>	7%	<b>36.5</b>	<b>71.3</b>	<b>70.0</b>	2%
chge% YoY	18.3%	7.2%	6.1%	11.8%	20.4%	31.6%	23.4%		22.0%	21.2%	19.0%	
<b>Cetilar</b>	<b>3.9</b>	<b>2.3</b>	<b>4.3</b>	<b>8.1</b>	<b>4.9</b>	<b>2.9</b>	<b>2.6</b>	10%	<b>5.1</b>	<b>10.0</b>	<b>9.8</b>	3%
chge% YoY	22.0%	24.1%	26.3%	24.2%	26.7%	25.1%	13.9%		20.1%	23.2%	20.0%	
<b>Apportal</b>	<b>3.8</b>	<b>1.9</b>	<b>4.5</b>	<b>8.2</b>	<b>4.1</b>	<b>2.0</b>	<b>1.6</b>	26%	<b>4.0</b>	<b>8.1</b>	<b>7.7</b>	5%
chge% YoY	87.5%	141%	138.4%	112.0%	7.8%	2%	-19%		-10.2%	-2.0%	-7.0%	
<b>UltraMag</b>	<b>0.4</b>	<b>0.2</b>	<b>0.4</b>	<b>0.9</b>	<b>0.6</b>	<b>0.2</b>	<b>0.2</b>	7%	<b>0.4</b>	<b>1.0</b>	<b>1.0</b>	2%
chge% YoY	-4.3%	-3.8%	7.2%	1.3%	36.5%	8.4%	0.9%		-1.6%	16.9%	15.0%	
<b>Others</b>	<b>1.3</b>	<b>0.6</b>	<b>1.1</b>	<b>2.4</b>	<b>1.4</b>	<b>0.8</b>	<b>1.6</b>	-50%	<b>1.2</b>	<b>2.6</b>	<b>3.4</b>	-24%
chge% YoY	39.6%	6.1%	11.4%	25.3%	2.5%	30.4%	161.1%		10.2%	6.0%	39.7%	
<b>Total FP</b>	<b>38.3</b>	<b>21.0</b>	<b>40.2</b>	<b>78.5</b>	<b>45.7</b>	<b>26.9</b>	<b>25.7</b>	5%	<b>47.3</b>	<b>93.0</b>	<b>91.8</b>	1%
chge% YoY	23.5%	14.6%	15.4%	19.2%	19.4%	27.9%	22.3%		17.6%	18.5%	17.0%	
<b>Raw Materials</b>	<b>1.4</b>	<b>0.4</b>	<b>0.9</b>	<b>2.3</b>	<b>1.2</b>	<b>0.4</b>	<b>0.5</b>	-13%	<b>1.0</b>	<b>2.2</b>	<b>2.3</b>	-3%
chge% YoY	11.8%	-18.5%	-14.1%	0.2%	-12.8%	14.7%	32.4%		10.3%	-3.9%	-1.0%	
<b>Akern</b>	<b>-</b>	<b>1.1</b>	<b>2.0</b>	<b>2.0</b>	<b>2.7</b>	<b>1.4</b>	<b>1.1</b>	30%	<b>2.3</b>	<b>5.0</b>	<b>4.7</b>	7%
chge% YoY	-	na	na	na	na	35.2%	4.3%		19.4%	156.6%	140.0%	
<b>Total</b>	<b>39.7</b>	<b>22.5</b>	<b>43.0</b>	<b>82.7</b>	<b>49.6</b>	<b>28.8</b>	<b>27.4</b>	5%	<b>50.6</b>	<b>100.2</b>	<b>98.8</b>	1%
chge% YoY	23.0%	19.4%	20.0%	21.4%	25.0%	28.2%	17.1%		17.6%	21.1%	19.4%	

Source: Company accounts, Stifel Research and estimates

## Our detailed model assumptions

Figure 7: Revenue and earnings model

Year to December (EUR m)	2017	2018	2019	2020	2021	2022	2023	2024E	2025E	2026E
<b>Net Revenue</b>	<b>38</b>	<b>47</b>	<b>54</b>	<b>56</b>	<b>68</b>	<b>83</b>	<b>100</b>	<b>111</b>	<b>124</b>	<b>140</b>
YoY Growth	15.3%	23.4%	15.0%	5.3%	20.7%	21.4%	21.1%	10.8%	12.1%	12.1%
<b>Net Revenue by product</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021E</b>	<b>2022</b>	<b>2023</b>	<b>2024E</b>	<b>2025E</b>	<b>2026E</b>
Sideral	n.a.	37	40	44	53	59	71	79	89	100
YoY Growth	n.a.	n.a.	10%	8%	21%	12%	21%	11%	13%	13%
Cetilar	n.a.	4	5	6	7	8	10	11	13	15
YoY Growth	n.a.	n.a.	21%	2%	19%	24%	23%	15%	15%	11%
Apportal	n.a.	0	2	2	4	8	8	8	9	9
YoY Growth	n.a.	n.a.	421%	24%	62%	112%	-2%	5%	5%	5%
Ultramag	n.a.	0	1	1	1	1	1	1	1	1
YoY Growth	n.a.	n.a.	84%	-36%	55%	1%	17%	0%	0%	0%
Others	n.a.	3	3	2	2	2	3	3	3	4
YoY Growth	n.a.	n.a.	1%	-30%	-6%	25%	6%	4%	9%	26%
<b>Total Finished Products</b>	<b>36</b>	<b>45</b>	<b>52</b>	<b>54</b>	<b>66</b>	<b>78</b>	<b>93</b>	<b>103</b>	<b>115</b>	<b>129</b>
% YoY growth	15%	23%	15%	5%	21%	21%	21%	11%	12%	12%
Raw Materials	2	2	2	2	2	2	2	2	2	2
Akern	-	-	-	-	-	2	5	6	7	8
<b>Total Net Revenue</b>	<b>38</b>	<b>47</b>	<b>54</b>	<b>56</b>	<b>68</b>	<b>83</b>	<b>100</b>	<b>111</b>	<b>124</b>	<b>140</b>
<b>Net Revenue by channel</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024E</b>	<b>2025E</b>	<b>2026E</b>
<b>Italy (LB1)</b>	<b>30</b>	<b>34</b>	<b>39</b>	<b>40</b>	<b>48</b>	<b>57</b>	<b>64</b>	<b>69</b>	<b>76</b>	<b>83</b>
YoY Growth	22%	15%	14%	3%	20%	20%	11%	9%	10%	10%
% of sales	79%	74%	73%	71%	70%	69%	62%	62%	61%	60%
<b>RoW (LB2)</b>	<b>8</b>	<b>12</b>	<b>15</b>	<b>16</b>	<b>20</b>	<b>23</b>	<b>32</b>	<b>36</b>	<b>41</b>	<b>48</b>
YoY Growth	-4%	52%	18%	13%	23%	15%	36%	14%	15%	15%
% of sales	21%	26%	27%	29%	30%	31%	38%	38%	39%	40%
<b>Total Net Revenue</b>	<b>38</b>	<b>47</b>	<b>54</b>	<b>56</b>	<b>68</b>	<b>81</b>	<b>95</b>	<b>105</b>	<b>117</b>	<b>131</b>
<b>Adjusted EBITDA</b>	<b>9.4</b>	<b>11.8</b>	<b>13.2</b>	<b>16.0</b>	<b>20.1</b>	<b>24.4</b>	<b>26.5</b>	<b>28.5</b>	<b>33.6</b>	<b>39.7</b>
% yoy growth	25.4%	25.4%	11.3%	21.5%	25.4%	21.3%	8.7%	7.7%	17.7%	18.3%
% Margin	24.9%	25.4%	24.6%	28.4%	29.5%	29.4%	26.4%	25.7%	27.0%	28.5%
<b>Adjusted diluted EPS</b>	<b>0.62</b>	<b>0.81</b>	<b>0.87</b>	<b>1.20</b>	<b>1.38</b>	<b>1.56</b>	<b>1.60</b>	<b>1.79</b>	<b>2.15</b>	<b>2.59</b>
% yoy growth	+44.8%	+30.3%	+7.5%	+37.2%	+14.8%	+13.4%	+2.3%	+12.0%	+20.3%	+20.2%
<b>DPS (€)</b>	<b>0.33</b>	<b>0.50</b>	<b>0.46</b>	<b>0.67</b>	<b>0.71</b>	<b>0.80</b>	<b>0.85</b>	<b>0.89</b>	<b>1.08</b>	<b>1.29</b>
Payout	53%	62%	53%	56%	52%	51%	53%	50%	50%	50%
<b>Free cash flow</b>	<b>5</b>	<b>6</b>	<b>7</b>	<b>10</b>	<b>15</b>	<b>7</b>	<b>-1</b>	<b>12</b>	<b>17</b>	<b>21</b>
Capex	-1	-1	-5	-1	-5	-11	-13	-4	-3	-3
Operating net working capital	7	8	9	10	10	11	11	14	17	21
<b>Net Debt / (cas)</b>	<b>9</b>	<b>11</b>	<b>14</b>	<b>19</b>	<b>28</b>	<b>11</b>	<b>0</b>	<b>6</b>	<b>15</b>	<b>25</b>

Source: Company accounts, Stifel Research & estimates

## Valuation

We derive our €86.0 price target for PharmaNutra using a combination of a discounted cash flow model and peer group multiples. We assign a higher weight to our DCF (60%), as we believe it is the best way to capture the long-term prospects of the business, while the visibility on the group's cash flow is good, in our view.

**Figure 8: PharmaNutra – Price Target summary**



Source: Stifel Research & estimates

## Peer multiples

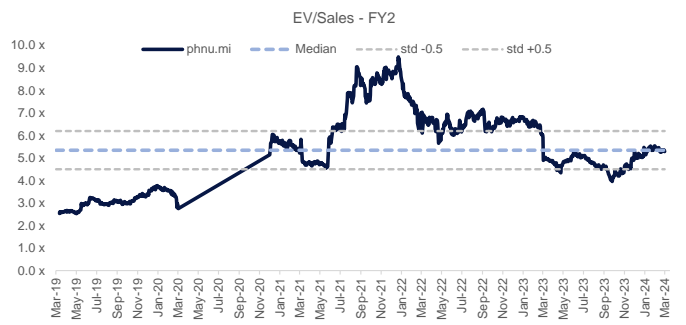
**Figure 9: PharmaNutra– Peer multiples analysis and valuation snapshot**

	HQ	MC (EUR mn)	EV/Sales			EV/EBITDA			EV/EBIT			PE		
			2024E	2025E	2026E	2024E	2025E	2026E	2024E	2025E	2026E	2024E	2025E	2026E
<b>Pharmanutra SpA @ consensus est.</b>	IT	573	5.1 x	4.4 x	4.3 x	20.2 x	16.9 x	17.1 x	22.9 x	19.2 x	18.9 x	31.9 x	26.2 x	
<b>Nutraceuticals</b>														
Biogaia AB	SE	1,142	7.6 x	6.8 x	6.1 x	21.2 x	19.1 x	17.1 x	22.4 x	20.1 x	18.1 x	32.0 x	28.9 x	26.0 x
Probi AB	SE	213	3.2 x	3.0 x	2.8 x	17.3 x	14.3 x	12.7 x	85.1 x	41.7 x	30.8 x	127.9 x	62.4 x	46.6 x
<b>Median</b>			<b>5.4 x</b>	<b>4.9 x</b>	<b>4.5 x</b>	<b>19.3 x</b>	<b>16.7 x</b>	<b>14.9 x</b>	<b>53.8 x</b>	<b>30.9 x</b>	<b>24.4 x</b>	<b>79.9 x</b>	<b>45.7 x</b>	<b>36.3 x</b>
<b>Average</b>			<b>5.4 x</b>	<b>4.9 x</b>	<b>4.5 x</b>	<b>19.3 x</b>	<b>16.7 x</b>	<b>14.9 x</b>	<b>53.8 x</b>	<b>30.9 x</b>	<b>24.4 x</b>	<b>79.9 x</b>	<b>45.7 x</b>	<b>36.3 x</b>
<b>European Mid-cap Pharma</b>														
Recordati Industria Chimica e Farmaceutica Sp	IT	21,998	5.5 x	5.2 x	5.0 x	14.8 x	14.0 x	13.3 x	18.1 x	16.8 x	16.4 x	21.4 x	19.6 x	18.5 x
Bachem Holding AG	CH	6,320	8.6 x	7.0 x	5.7 x	30.1 x	23.3 x	18.2 x	41.5 x	31.6 x	24.8 x	51.4 x	39.7 x	32.1 x
Dermapharm Holding SE	DE	1,939	2.5 x	2.4 x	2.3 x	9.4 x	8.8 x	8.4 x	12.8 x	11.7 x	10.7 x	15.2 x	13.4 x	
Laboratorios Farmaceuticos ROVI SA	ES	4,189	5.2 x	4.7 x	4.1 x	17.8 x	15.0 x	12.0 x	20.0 x	16.6 x	13.1 x	24.5 x	20.2 x	15.3 x
Almirall SA	ES	1,675	1.7 x	1.6 x	1.4 x	9.0 x	7.4 x	6.3 x	25.6 x	15.5 x	11.5 x	29.3 x	17.5 x	11.5 x
<b>Median</b>			<b>5.2 x</b>	<b>4.7 x</b>	<b>4.1 x</b>	<b>14.8 x</b>	<b>14.0 x</b>	<b>12.0 x</b>	<b>20.0 x</b>	<b>16.6 x</b>	<b>13.1 x</b>	<b>24.5 x</b>	<b>19.6 x</b>	<b>16.9 x</b>
<b>Average</b>			<b>4.7 x</b>	<b>4.2 x</b>	<b>3.7 x</b>	<b>16.2 x</b>	<b>13.7 x</b>	<b>11.7 x</b>	<b>23.6 x</b>	<b>18.4 x</b>	<b>15.3 x</b>	<b>28.4 x</b>	<b>22.1 x</b>	<b>19.3 x</b>
<b>OTC Focused operators</b>														
Perrigo Company PLC	IE	3,780	1.6 x	1.5 x	1.5 x	10.4 x	9.3 x	9.0 x	14.8 x	12.6 x	11.7 x	13.2 x	10.5 x	9.5 x
Prestige Consumer Healthcare Inc	US	3,405	4.3 x	4.2 x	4.1 x	12.6 x	12.3 x	12.0 x	13.8 x	13.4 x	13.2 x	17.2 x	16.1 x	15.4 x
Karo Healthcare AB	SE	1,534												
Boiron SA	FR	570	0.6 x	0.6 x		3.5 x	3.2 x		5.3 x	4.7 x		11.9 x	10.6 x	
<b>Median</b>			<b>1.6 x</b>	<b>1.5 x</b>	<b>2.8 x</b>	<b>10.4 x</b>	<b>9.3 x</b>	<b>10.5 x</b>	<b>13.8 x</b>	<b>12.6 x</b>	<b>12.4 x</b>	<b>13.2 x</b>	<b>10.6 x</b>	<b>12.5 x</b>
<b>Average</b>			<b>2.2 x</b>	<b>2.1 x</b>	<b>2.8 x</b>	<b>8.8 x</b>	<b>8.3 x</b>	<b>10.5 x</b>	<b>11.3 x</b>	<b>10.2 x</b>	<b>12.4 x</b>	<b>14.1 x</b>	<b>12.4 x</b>	<b>12.5 x</b>
			EV/Sales			EV/EBITDA			EV/EBIT			PE		
			2024E	2025E	2026E	2024E	2025E	2026E	2024E	2025E	2026E	2024E	2025E	2026E
Nutraceuticals	Median		5.4 x	4.9 x	4.5 x	19.3 x	16.7 x	14.9 x	53.8 x	30.9 x	24.4 x	79.9 x	45.7 x	36.3 x
European Mid-cap Pharma	Median		5.2 x	4.7 x	4.1 x	14.8 x	14.0 x	12.0 x	20.0 x	16.6 x	13.1 x	24.5 x	19.6 x	16.9 x
<b>Reference peer group</b>	<b>W. Agv.</b>		<b>5.3 x</b>	<b>4.8 x</b>	<b>4.3 x</b>	<b>17.0 x</b>	<b>15.3 x</b>	<b>13.5 x</b>	<b>36.9 x</b>	<b>23.8 x</b>	<b>18.8 x</b>	<b>52.2 x</b>	<b>32.6 x</b>	<b>26.6 x</b>

Source: Refinitiv Eikon

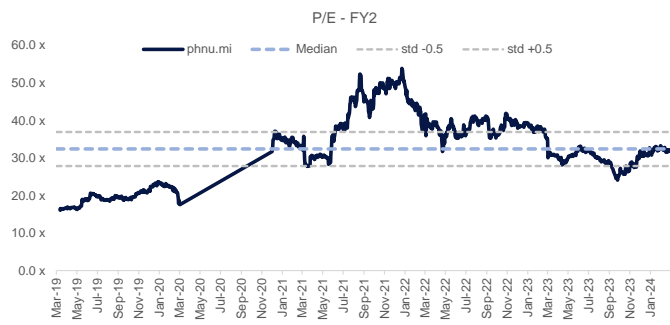
Historical valuation charts

Figure 10: PharmaNutra - 2-year forward EV/sales



Source: Refinitiv Eikon

Figure 11: PharmaNutra - 2-year forward EV/sales vs sector



Source: Refinitiv Eikon

The recommendation contained in this report was produced at 18 March 2024 02:00EDT and disseminated at 17 March 2024 14:47E



## Important Disclosures and Certifications

I, Daniele Alibrandi, research analyst, certify that the views expressed in this research report accurately reflect my personal views about the subject securities or issuers; and I, Daniele Alibrandi, certify that no part of my compensation was, is, or will be directly or indirectly related to the specific recommendations or views contained in this research report.

Our European Policy for Managing Research Conflicts of Interest is available at [www.stifel.com/institutional/ImportantDisclosures](http://www.stifel.com/institutional/ImportantDisclosures).

Completed: 17 March 2024 14:47EDT  
Disseminated: 18 March 2024 02:00EDT

### PharmaNutra (PHN IM) as of March 15, 2024 (in EUR)



\*Represents the value(s) that changed.

Buy=B; Hold=H; Sell=S; Discontinued=D; Suspended=SU; Discontinued=D; Initiation=I

For a price chart with our ratings and any applicable target price changes for PHN IM go to <http://stifel2.bluematrix.com/sellside/Disclosures.action?ticker=PHN IM>

Stifel is party to an agreement with PharmaNutra relating to the production of the research (this includes agreements concerning the production of company sponsored research).

PharmaNutra is a client of Stifel or an affiliate was a client of Stifel or an affiliate within the past 12 months.

Stifel or an affiliate expects to receive or intends to seek compensation for investment banking services from PharmaNutra in the next 3 months.

Stifel or an affiliate is a market maker or liquidity provider in the securities of PharmaNutra.

PharmaNutra is provided with non-investment banking, securities related services by Stifel or an affiliate or was provided with non-investment banking, securities related services by Stifel or an affiliate within the past 12 months.

Stifel or an affiliate has received compensation for non-investment banking, securities related services from PharmaNutra in the past 12 months.

The equity research analyst(s) responsible for the preparation of this report receive(s) compensation based on various factors, including Stifel's overall revenue, which includes investment banking revenue.

### Investment Rating System

Our investment rating system is defined as follows:

**Buy** - We expect a total return of greater than 10% over the next 12 months with total return equal to the percentage price change plus dividend yield.

**Speculative Buy**<sup>1</sup> - We expect a total return of greater than 30% over the next 12 months, with total return equal to the percentage price change plus dividend yield, accompanied by substantially higher than normal risk including the possibility of a binary outcome.

**Hold** - We expect a total return between -5% and 10% over the next 12 months with total return equal to the percentage price change plus dividend yield.

**Sell** - We expect a total return below -5% over the next 12 months with total return equal to the percentage price change plus dividend yield.

Occasionally, we use the ancillary rating of **Suspended (SU)** to indicate a long-term suspension in rating and/or target price, and/or coverage due to applicable regulations or Stifel policies. Alternatively, **Suspended** may indicate the analyst is unable to determine a “reasonable basis” for rating/target price or estimates due to lack of publicly available information or the inability to quantify the publicly available information provided by the company and it is unknown when the outlook will be clarified. **Suspended** may also be used when an analyst has left the firm.

<sup>1</sup> This rating is only utilised by Stifel Canada.

Of the securities we rate, 54% are rated Buy, 1% are rated Speculative Buy, 23% are rated Hold, 1% are rated Sell and 20% are rated Suspended.

Within the last 12 months, Stifel or an affiliate has provided investment banking services for 14%, 2%, 6% and 4% of the companies whose shares are rated Buy (includes Speculative Buy), Hold, Sell and Suspended, respectively.

Within the last 12 months, Stifel or an affiliate has provided material services for 32%, 38%, 22%, 18% and 14% of the companies whose shares are rated Buy, Speculative Buy, Hold, Sell and Suspended, respectively.

The securities of the company or companies mentioned in this report may not be registered in certain states or other jurisdictions and as a result, the securities may not be eligible for sale in some states or jurisdictions. Additionally, the securities of non-U.S. issuers may not be registered with, nor be subject to the reporting requirements of, the U.S. Securities and Exchange Commission. The information contained herein is not an offer to sell or the solicitation of an offer to buy any security in any state or jurisdiction where such an offer or solicitation would be prohibited.

### Additional Disclosures

Please visit the [Stifel Research Page](#) for the current research disclosures applicable to the companies mentioned in this publication that are within the Stifel coverage universe. For a discussion of target price methodology and risks pertaining to the covered companies mentioned in this report, please refer to the [Stifel Research Library](#) or the most recently published company-specific report on the applicable names.

The information contained herein has been prepared from sources believed to be reliable but is not guaranteed by us and is not a complete summary or statement of all available data, nor is it considered an offer to buy or sell any securities referred to herein. Opinions expressed are as of the date of this publication and are subject to change without notice. These opinions do not constitute a personal recommendation and do not take into account the particular investment objectives, financial situation or needs of individual investors. Employees of Stifel, or its affiliates may, at times, release written or oral commentary, technical analysis or trading strategies that differ from the opinions expressed within. Stifel or any of its affiliates may have positions in the securities mentioned and may make purchases or sales of such securities from time to time in the open market or otherwise and may sell to or buy from customers such securities on a principal basis; such transactions may be contrary to recommendations in this report. Past performance should not and cannot be viewed as an indicator of future performance. Unless otherwise noted, the financial instruments mentioned in this report are priced as of market close on the previous trading day and presumed performance is calculated always over the next 12 months.

As a multi-disciplined financial services firm, Stifel regularly seeks investment banking assignments and compensation from issuers for services including, but not limited to, acting as an underwriter in an offering or financial advisor in a merger or acquisition, or serving as a placement agent in private transactions.

### Affiliate Disclosures

References to “**Stifel**” (collectively “Stifel”) refer to SFC and other associated affiliated subsidiaries including (i) Stifel, Nicolaus & Company, Incorporated (“**SNC**”); (ii) Keefe, Bruyette & Woods, Incorporated (“**KBWI**”), which are both U.S. broker-dealers registered with the United States Securities and Exchange Commission (“**SEC**”) and members of the Financial Industry National Regulatory Authority (“**FINRA**”), respectively; (iii) Stifel Nicolaus Canada Inc. (“**Stifel Canada**”), which is authorised and regulated by the Canadian Investment Regulatory Organization (“**CIRO**”); (iv) Stifel Nicolaus Europe Limited (“**SNEL**”), which is authorised and regulated by the Financial Conduct Authority (“**FCA**”) (FRN 190412) and is a member of the London Stock Exchange and also trades under the name Keefe, Bruyette & Woods Europe (“**KBW Europe**”); (v) Stifel Europe Bank AG (“**SEBA**”), which is regulated by the German Federal Financial Supervisory Authority (Bundesanstalt für Finanzdienstleistungsaufsicht; “**BaFin**”) and is a member of Deutsche Boerse and SIX Swiss Exchange and (vi) Stifel Schweiz AG (“**STSA**”), which is representative of SEBA in Switzerland and regulated by the Eidgenössische Finanzmarktaufsicht (“**FINMA**”). SNEL, SEBA and STSA are collectively referred to as **Stifel Europe**.

**Registration of non-US Analysts:** Any non-US research analyst employed by Stifel contributing to this report is not registered/qualified as a research analyst with FINRA and is not an associated person of the US broker-dealer and therefore may not be subject to FINRA Rule 2241 restrictions on communications with a subject company, public appearances, and trading securities held by a research analyst account.

**Global Research Notes:** Research analysts contributing content to these reports are subject to different regulatory requirements based on the jurisdiction in which they operate. Clients seeking additional information should contact the Stifel entity through which they conduct business.

**SEBA & STSA Sponsored research:** At SEBA & STSA, analysts may produce issuer paid research ('sponsored research'). This research is produced by analysts in accordance with local regulatory requirements relating to such research. In certain jurisdictions, this issuer paid research may be deemed to be independent research albeit not produced to the same conflicts of interest standards required by all jurisdictions for independent research. Where research has been paid for by an issuer, this will be clearly labelled. Please see our [European Policy for Managing Research Conflicts of Interest](#) for additional information.

### Country Specific and Jurisdictional Disclosures

**United States:** Research produced and distributed by Stifel Europe is distributed by Stifel Europe to "Major US Institutional Investors" as defined in Rule 15a-6 under the US Securities Exchange Act of 1934, as amended. SNC may also distribute research prepared by Stifel Europe directly to US clients, including US clients that are not Major US Institutional Investors. In these instances, SNC accepts responsibility for the content. Stifel Europe is a non-US broker-dealer and accordingly, any transaction by a US client in the securities discussed in the document must be effected by SNC. US clients wishing to place an order should contact their SNC representative.

**UK:** This report is distributed in the UK by SNEL, which is authorised and regulated by the Financial Conduct Authority (FCA). In these instances, SNEL accepts responsibility for the content. Research produced by Stifel Europe is not intended for use by and should not be made available to retail clients as defined by the FCA.

**European Economic Area (EEA):** This report is distributed in the EEA by SEBA, which is authorized and regulated by the German Federal Financial Supervisory Authority (Bundesanstalt für Finanzdienstleistungsaufsicht; "BaFin"). In these instances, SEBA accepts responsibility for the content. Research produced by Stifel Europe is not intended for use by and should not be made available to retail clients as defined under MiFID II.

The complete preceding 12-month recommendations history related to recommendation(s) in this research report is available at <https://stifel2.bluematrix.com/sellside/MAR.action>

**Australia:** Research produced by Stifel is distributed by SNEL under the Australian Securities and Investments Commission ("ASIC") Class Order [CO 03/1099] exemption from the requirement to hold an Australian Financial Services Licence ("AFSL"). This research may only be distributed to a "Wholesale Client" within the meaning of section 761G of the Corporations Act 2001 (Cth).

**Brunei:** This document has not been delivered to, registered with or approved by the Brunei Darussalam Registrar of Companies, Registrar of International Business Companies, the Brunei Darussalam Ministry of Finance or the Autoriti Monetari Brunei Darussalam. This document and the information contained within will not be registered with any relevant Brunei Authorities under the relevant securities laws of Brunei Darussalam. The interests in the document have not been and will not be offered, transferred, delivered or sold in or from any part of Brunei Darussalam. This document and the information contained within is strictly private and confidential and is being distributed to a limited number of accredited investors, expert investors and institutional investors under the Securities Markets Order, 2013 ("Relevant Persons") upon their request and confirmation that they fully understand that neither the document nor the information contained within have been approved or licensed by or registered with the Brunei Darussalam Registrar of Companies, Registrar of International Business Companies, the Brunei Darussalam Ministry of Finance, the Autoriti Monetari Brunei Darussalam or any other relevant governmental agencies within Brunei Darussalam. This document and the information contained within must not be acted on or relied on by persons who are not Relevant Persons. Any investment or investment activity to which the document or information contained within is only available to, and will be engaged in only with Relevant Persons.

**Canada:** Stifel Canada is a member of CIRO and a participant of the TSX, and TSX Venture Exchange. All relevant disclosures required by regulatory rules (including CIRO) and Stifel Canada's recommendation statistics and research dissemination policies can be obtained at [www.Stifel.com/Research](http://www.Stifel.com/Research) or by calling Stifel Canada's Compliance Department. Stifel Canada will provide, upon request, a statement of its financial condition and a list of the names of its Directors and senior officers. Research produced by Stifel Europe is distributed in Canada by Stifel Canada in reliance on the international dealer exemption. This material is intended for use only by professional or institutional investors. None of the

investments or investment services mentioned or described herein is available to other persons or to anyone in Canada who is not a “permitted client” as defined under applicable Canadian securities laws.

**Republic of South Africa:** Research produced by Stifel is distributed by SNEL to “Clients” as defined in FSCA FAIS Notice 20 of 2018 (the “FAIS Notice”) issued by the Financial Sector Conduct Authority. Research distributed by SNEL is pursuant to an exemption from the licensing requirements under Section 7(1) of the Financial Advisory and Intermediary Services Act, 2002.

In jurisdictions where Stifel is not already licensed or registered to trade securities, transactions will only be affected in accordance with local securities legislation which will vary from jurisdiction to jurisdiction and may require that a transaction is carried out in accordance with applicable exemptions from registration and licensing requirements. Non-US customers wishing to effect transactions should contact a representative of the Stifel entity in their regional jurisdiction except where governing law permits otherwise. US customers wishing to effect transactions should contact their US salesperson.

The securities discussed in this report may not be available for sale in all jurisdictions and may have adverse tax implications for investors. Clients are advised to speak with their legal or tax advisor prior to making an investment decision.

### **Additional Information Is Available Upon Request**

© 2024 Stifel. This report is produced for the use of Stifel customers and may not be reproduced, re-distributed or passed to any other person or published in whole or in part for any purpose without the prior consent of Stifel.