

PHARMANUTRA

Sector: Pharmaceutical

Strong FY18 results; Plenty of Room to Grow

We confirm our BUY rating and our Target Price of EUR21.50 per share, providing 30% upside to the current share price. FY18 results came strong and above our expectations. Both domestic direct sales and international indirect sales posted a solid growth. Profitability remained at a very high level. We expect the impressive growth track record to continue in the medium term (we forecast a low-teens revenue and profit CAGR in 2018-21) driven by: the development of new formulations/applications for Sideral® and Cetilar® families of products, the launch of brand-new products (e.g. Sucrosomial magnesium®), and a wider penetration of foreign markets (YTD new distribution agreements were signed for Sideral® in Pakistan, Greece and Ukraine, and for Cetilar® in Sweden, Norway and Austria). The Group is constantly developing its intangible assets: it now owns 13 proprietary raw materials, 10 patents based on pure technological innovation, 25 registered brands, and has 91 completed clinical trials. Finally, a solid cash flow generation paved the way for the distribution of an attractive dividend (50% pay-out).

- Newsflow.** FY18 results came above our estimates. Revenues went up 24.9% to Eu47.3mn (vs our estimate of Eu46.0mn). Direct domestic sales (74% of FY18 revenues) grew by 15.6% (+17.6% in volumes) to Eu34.3mn; indirect international sales (26%) grew by 52.4% YoY (+33.6% in volumes) to Eu12.4mn. Adj. EBITDA stood at Eu11.8mn (vs our estimate of Eu11.5mn), growing by 24.5% YoY. The Adj. EBITDA margin was flat YoY and equal to 25.0%. Adjusted net profit jumped 28% YoY to Eu7.8mn. Reported EBITDA and net profit benefited from Eu0.7mn tax credit. Net cash increased from Eu9.1mn at YE17 to Eu11.4mn at YE18 after Eu3.2mn dividends payment.
- Catalysts.** We expect Pharmanutra to benefit from several sustainable drivers of growth: the development of **new formulations/applications** for Sideral® and Cetilar® families of products, the launch of brand-new products (leveraging on proprietary Sucrosomial technology), **the expansion of the Sales Network in Italy** (targeting 200 units by December 2019 from current 150), aiming to consolidate its market positioning in Italy, to have a better coverage of the territory, and to better promote a range of products that is constantly growing, and **a better penetration of foreign markets** (with the aim to expand the product portfolio among existing partners, to open distribution to new markets, to create subsidiaries in selected countries). Finally, **M&A** may also become a catalyst: management is scouting the market for external growth opportunities to acquire patented product families through which enlarging the offering and/or to develop a direct distribution abroad and/or to enlarge the direct Sales Network in Italy. We estimate the Group to have a potential firepower of Eu30-50mn.
- Estimates.** Following the release of FY18 results, we have made minor changes to our estimates. We now foresee in FY18-21E a 11.9%/11.5%/10.1% CAGR for revenues, adj. EBITDA and adj. net profit respectively. FY19 revenues are expected to grow 12.2% to Eu53.0mn: indirect international sales should outperform direct domestic sales driven by the agreements closed during 2018. EBITDA is seen at Eu12.8mn (+8.5% YoY); we are prudentially assuming a small decline in the EBITDA margin (-80bps to 24.2%) due to higher costs for marketing, sales and R&D. Net profit is expected to reach Eu8.1mn, +4.2% YoY. The net cash position is seen positive to the tune of Eu11.3mn at YE19 after CAPEX for Eu2.5mn (the majority for a new R&D center) and dividends for Eu4.8mn.
- Recommendation and valuation.** We confirm our BUY rating and our Target Price of EUR21.50 per share, providing 30% upside to the current share price. Our valuation is the weighted average of a DCF (70%) and a multiples analysis (30%). At our target price the stock would be trading at 15.3x EV/EBITDA and 24.2x P/E on FY19 figures. The stock is trading at discount to its closest international peers.

BUY

Unchanged

TP 21.50

Unchanged

Target price upside: +30%

Change in EPS est.	FY19E	FY20E
	-1.2%	-0.1%

Ticker (BBG, Reut)	PHN IM	PHN MI
Share price Ord. (Eu)		16.6
N. of Ord. shares (mn)		9.7
Total N. of shares (mn)		9.7
Market cap (Eu mn)		161
Total Market Cap (EU mn)		161
Free Float Ord. (%)		
Free Float Ord. (Eu mn)		0
Daily AVG liquidity Ord. (Eu k)		59

	1M	3M	12M
Absolute Perf.	-0.9%	9.4%	29.6%
Rel.to FTSEMidCap	-4.5%	-4.5%	38.1%
52 weeks range		12.8	17.3



	FY18A	FY19E	FY20E
Sales	47	53	61
EBITDA adj.	11.8	12.8	14.6
Net profit adj.	7.8	8.1	9.3
EPS adj.	0.808	0.841	0.956
DPS - Ord.	0.500	0.421	0.478
EV/EBITDA adj.	7.1x	11.6x	10.1x
P/E adj.	10.9x	18.3x	16.0x
Dividend yield	5.0%	2.5%	2.9%
FCF yield	5.8%	2.9%	3.4%
Net debt/(Net cash)	(11.4)	(11.3)	(12.7)
Net debt/EBITDA	nm	nm	nm

Analyst

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Key Data

P&L account (Eu mn)	FY17A	FY18A	FY19E	FY20E	FY21E
Sales	37.9	47.3	53.0	60.8	66.3
Gross margin	12.4	15.2	16.8	19.1	21.3
EBITDA reported	9.5	12.6	12.8	14.6	16.4
D&A	(0.5)	(0.4)	(0.7)	(0.9)	(1.0)
EBIT reported	8.9	11.2	11.9	13.5	15.2
Net financial charges	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)
Associates	0.0	0.0	0.0	0.0	0.0
Extraordinary items	(0.1)	0.7	0.0	0.0	0.0
Pre-tax profit	8.8	11.9	11.8	13.5	15.2
Taxes	(2.7)	(3.3)	(3.7)	(4.2)	(4.7)
Minorities	0.0	0.0	0.0	0.0	0.0
Discontinued activities	0.0	0.0	0.0	0.0	0.0
Net profit reported	6.0	8.6	8.1	9.3	10.4
EBITDA adjusted	9.5	11.8	12.8	14.6	16.4
EBIT adjusted	8.9	11.2	11.9	13.5	15.2
Net profit adjusted	6.0	7.8	8.1	9.3	10.4

Margins (%)	FY17A	FY18A	FY19E	FY20E	FY21E
Gross margin	32.6%	32.1%	31.7%	31.5%	32.2%
EBITDA margin (adj)	25.1%	25.0%	24.2%	24.1%	24.8%
EBIT margin (adj)	23.6%	23.6%	22.4%	22.2%	23.0%
Pre-tax margin	23.2%	25.1%	22.3%	22.1%	22.9%
Net profit margin (adj)	15.8%	16.5%	15.4%	15.2%	15.7%

Growth rates (%)	FY17A	FY18A	FY19E	FY20E	FY21E
Sales	15.3%	24.9%	12.2%	14.6%	9.1%
EBITDA	26.2%	32.5%	2.0%	13.9%	12.3%
EBITDA adjusted	26.2%	24.5%	8.5%	13.9%	12.3%
EBIT	35.5%	25.2%	6.5%	13.6%	12.7%
EBIT adjusted	35.5%	25.2%	6.5%	13.6%	12.7%
Pre-tax	44.9%	35.2%	-0.1%	13.6%	12.8%
Net profit	56.6%	41.9%	-4.8%	13.6%	12.8%
Net profit adjusted	55.8%	30.3%	4.2%	13.6%	12.8%

Per share data	FY17A	FY18A	FY19E	FY20E	FY21E
N. of shares AVG	9.681	9.681	9.681	9.681	9.681
N. of shares diluted AVG	9.681	9.681	9.681	9.681	9.681
EPS	0.623	0.884	0.841	0.956	1.078
EPS adjusted	0.620	0.808	0.841	0.956	1.078
DPS - Ord.	0.330	0.500	0.421	0.478	0.539
DPS - Sav.	0.000	0.000	0.000	0.000	0.000
BVPS	2.235	3.478	3.819	4.355	4.955

Enterprise value (Eu m)	FY17A	FY18A	FY19E	FY20E	FY21E
Share price Ord. (Eu)	10.0	10.0	16.6	16.6	16.6
Market cap	96.8	96.8	160.7	160.7	160.7
Net debt/(Net cash)	(9.1)	(11.4)	(11.3)	(12.7)	(16.6)
Adjustments	(0.8)	(0.8)	(0.8)	(0.8)	(0.8)
Enterprise value	86.9	84.6	148.6	147.2	143.3

Cash flow (Eu mn)	FY17A	FY18A	FY19E	FY20E	FY21E
EBITDA adjusted	9.5	11.8	12.8	14.6	16.4
Net financial charges	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)
Cash taxes	(2.7)	(3.3)	(3.7)	(4.2)	(4.7)
Ch. in Working Capital	(0.9)	(2.0)	(1.4)	(2.4)	(1.1)
Operating cash flow	5.7	6.4	7.7	8.0	10.5
Capex	(0.9)	(0.8)	(3.0)	(2.5)	(2.0)
FCF	4.8	5.6	4.7	5.5	8.5
Disposals/Acquisitions	0.0	0.0	0.0	0.0	0.0
Changes in Equity	8.6	0.0	0.0	0.0	0.0
Others	6.5	(0.1)	0.0	0.0	0.0
Dividends	(1.7)	(3.2)	(4.8)	(4.1)	(4.6)
Ch. in NFP	18.2	2.3	(0.1)	1.4	3.9

Ratios (%)	FY17A	FY18A	FY19E	FY20E	FY21E
Capex/Sales	2.3%	1.7%	5.6%	4.1%	3.0%
Capex/D&A	1.9x	1.8x	4.0x	2.7x	2.0x
FCF/EBITDA	50.8%	47.6%	36.8%	37.4%	52.0%
FCF/Net profit	80.1%	65.9%	58.1%	59.1%	81.8%
Dividend pay-out	-53.0%	-56.6%	-50.0%	-50.0%	-50.0%

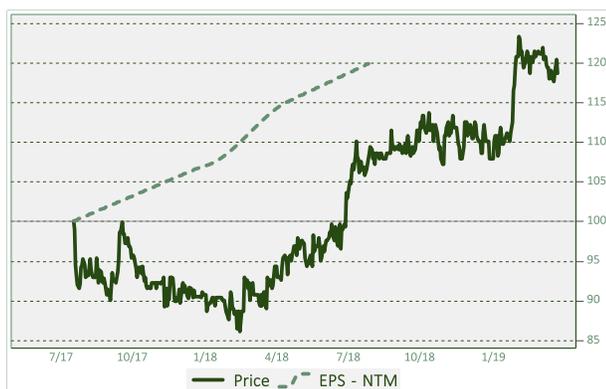
Balance sheet (Eu mn)	FY17A	FY18A	FY19E	FY20E	FY21E
Working capital	5.5	8.9	10.3	12.7	13.8
Fixed assets	6.8	7.3	9.1	10.7	11.6
Provisions & others	0.3	6.1	6.3	6.1	5.9
Net capital employed	12.5	22.3	25.7	29.5	31.4
Net debt/(Net cash)	(9.1)	(11.4)	(11.3)	(12.7)	(16.6)
Equity	21.6	33.7	37.0	42.2	48.0
Minority interests	0.0	0.0	0.0	0.0	0.0

Ratios (%)	FY17A	FY18A	FY19E	FY20E	FY21E
Working capital/Sales	14.5%	18.7%	19.3%	20.8%	20.8%
Net debt/Equity	nm	nm	nm	nm	nm
Net debt/EBITDA	nm	nm	nm	nm	nm

Valuation	FY17A	FY18A	FY19E	FY20E	FY21E
EV/CE	7.1x	5.2x	7.7x	6.3x	5.6x
P/BV	4.5x	2.9x	4.3x	3.8x	3.4x
EV/Sales	2.3x	1.8x	2.8x	2.4x	2.2x
EV/EBITDA	9.1x	6.7x	11.6x	10.1x	8.7x
EV/EBITDA adjusted	9.1x	7.1x	11.6x	10.1x	8.7x
EV/EBIT	9.7x	7.6x	12.5x	10.9x	9.4x
EV/EBIT adjusted	9.7x	7.6x	12.5x	10.9x	9.4x
P/E	16.1x	10.0x	18.3x	16.0x	13.8x
P/E adjusted	16.1x	10.9x	18.3x	16.0x	13.8x
ROCE pre-tax	80.2%	78.5%	67.0%	63.4%	62.5%
ROE	27.7%	23.2%	22.0%	22.0%	21.8%
EV/FCF	18.0x	15.0x	31.4x	26.9x	16.8x
FCF yield	5.0%	5.8%	2.9%	3.4%	5.3%
Dividend yield	3.3%	5.0%	2.5%	2.9%	3.2%

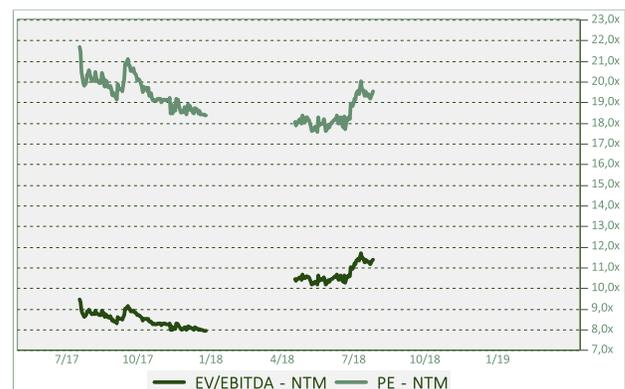
Share price performance

Strong performance since the listing in July 2017



Valuation

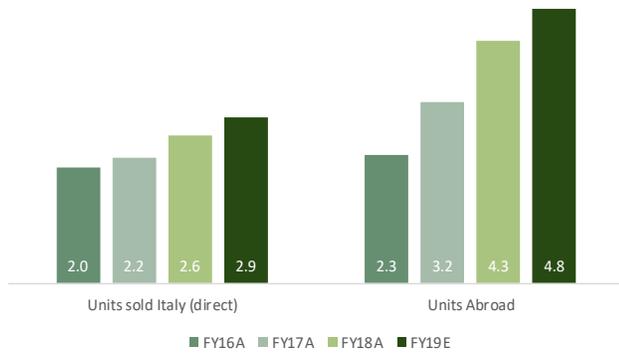
Very limited consensus available



Key Charts

Sales Volumes (FY16A-FY19E)

FY18 foreign volumes came above our estimates



Source: company data

Revenue breakdown by channel (FY17A-FY18A)

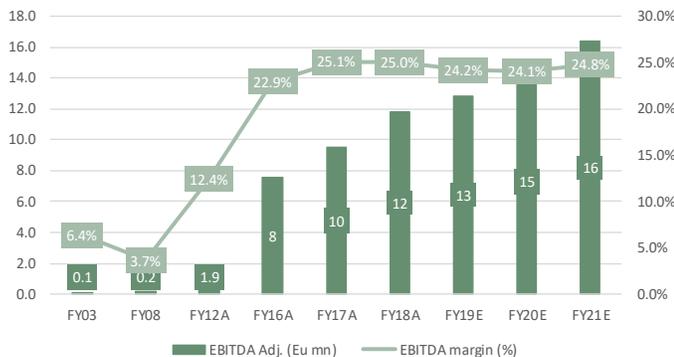
Solid double-digit growth in direct sales; booming acceleration in foreign sales...



Source: company data

Profitability trends (FY03A-FY21E)

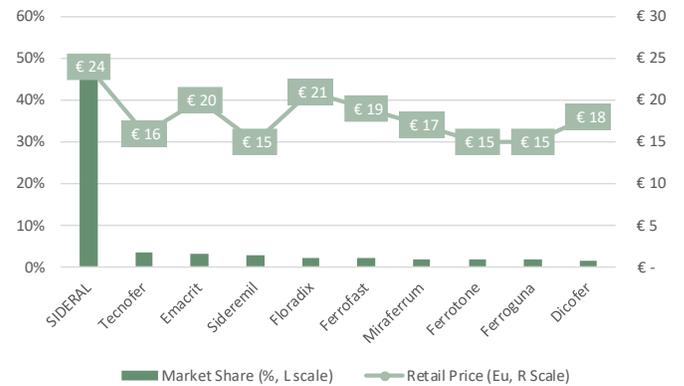
Sustainable high margins from 2017 onwards



Source: company data and Alantra estimates

SiderAL positioning in Italy (FY18A)

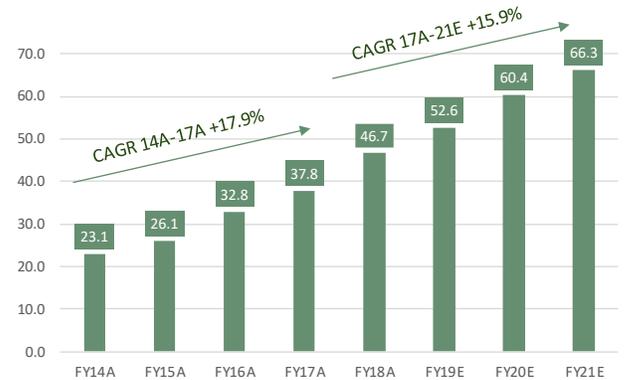
Sideral holds 50% of the market and deserves a relevant premium price



Source: company data

Revenue trends (FY14A-FY21E)

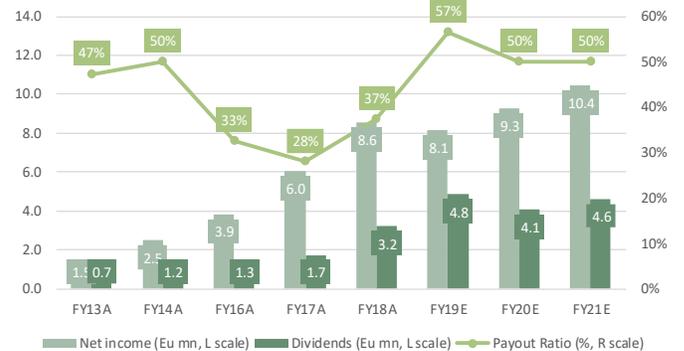
+17.9% CAGR in 2014-17 period; +15.9% CAGR expected in 2017-21 period



Source: company data and Alantra estimates

Dividend (FY13A-FY21E)

Attractive dividends distribution



Source: company data and Alantra estimates

ALANTRA

Italian Equity Research

Profile

Background	<p>Pharmanutra, a pharmaceutical company established in Pisa in 2003, develops nutraceutical supplements and medical devices. The Group is mostly active in the markets for iron supplementation (through the SiderAL® branded products based on patented Sucrosomial Iron®) and for joint pain relief (through the Cetilar® branded products). The company operates in 49 countries with 33 partners. The Group's perimeter includes:</p> <ul style="list-style-type: none"> - Pharmanutra (holding company, listed, established in 2003) --> active in the distribution of proprietary medical devices and dietary supplements for adults; - Junia Pharma (established in 2010, fully owned since 2015) --> active in development and distribution of drugs, medical devices, OTC and nutritional supplements with special attention to the pediatric area; - Alesco (established in 2000) --> active in the manufacturing of proprietary raw materials (active ingredients) and in the distribution under exclusivity in Italy of functional ingredients chosen from the world's most important producers.
Positioning	<p>Pharmanutra represents an unicorn in the pharmaceutical industry. The Group has successfully developed a fully integrated business model, ranging from pure discovery to direct sale to customers. The Group has the know-how to internally manage the following phases of the value chain: design, development and registration of a new product, manufacturing of raw materials (active ingredients), marketing and communication, sales and training of the Sales Network.</p> <p>Pharmanutra's business model carries the clear advantage to have strongly reduced the Time to Market of the commercialization of a new product from 3-8 years to 1-3 years with respect to traditional pharmaceutical companies where substance discovery and efficacy development is separated from the marketing and sales.</p> <p>The sophisticated Intellectual Property (IP) production and management strategy of Pharmanutra is aiming to create long-lasting competitive advantages and high barriers to protect its assets. The Group has put in place an IP protection strategy incomparable within the dietary supplements and medical devices industry. At YE18 the group owns 13 (+2 YoY) proprietary raw materials, 10 (+1 YoY) patents based on pure technological innovation, 25 (+3 YoY) registered brands yielding a strong brand awareness in the medical field, and 91 (+15 YoY) completed clinical trials (13 more are on-going) providing a significant amount of clinical evidence. Manufacturing and logistics are outsourced to qualified third-parties (CMO) and closely monitored by the Group.</p>
Growth	<p>The Group has built an impressive growth track record and achieved a 29% revenue and a 43% EBITDA CAGR from 2003 to 2018. Results were mainly driven by (i) the development of new proprietary formulations (Sucrosomial® technology), (ii) the launch of brand-new products, (iii) the establishment of an innovative marketing and sales model (efficient Sales Network), (iv) the expansion abroad (sales outside Italy started in 2013 and have contributed 26% to revenues and 62% to volumes in 2018). The EBITDA margin increased from 6.3% in 2003 to 25.0% in 2018.</p> <p>In FY18-21 we forecast a 13.4%/12.3%/11.0% CAGR for revenues, Adj. EBITDA and Adj. net profit respectively, driven by the development of new applications/formulations for Sideral® and Cetilar® families of products, by the launch of brand-new products, and by a wider penetration of foreign markets.</p>
Strategy	<p>The main growth drivers will be:</p> <ul style="list-style-type: none"> - Continuous R&D efforts: a new R&D center is under development (ca.6mn CAPEX in 2019/2020 period); - Sales Network expansion: to consolidate its market positioning in Italy the Group aims to expand the Sales Network to 200 units by December 2019 (from 150 currently) - Launch of new products: during 2018 8 new products were launched (different new application of Sucrosomial iron®; new child products; a brand-new line on Sucrosomial magnesium®) - Geographical expansion: the objective is to expand the product portfolio among existing partners and to open distribution to new markets (Germany, France, UK and US as main targets) - M&A: targeting Sales Network expansion, acquisition of new families of product, creation of foreign direct subsidiaries

Strengths

Reduced time to market of products thanks to a fully integrated value chain
 Proprietary active principles and delivery systems (Sucrosomial technology)
 Efficient Sales Network

Weaknesses

Strong dependance on iron food supplements market
 No direct presence in foreign countries

Opportunities

New product and formulations development
 Geographical expansion through existing and new distributors
 Enlargement of the Sales network

Threats

Regulatory limits on food supplement somministrazione
 New formulations developed by competitors in the iron market

Key shareholders

Andrea Lacorte 30.73%
 Roberto Lacorte 22.47%
 Beda srl 9.70%

Management

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

Next events

1Q19 trading statement: 28th May 2019
 1H19 results: 16th September 2019
 3Q19 trading statement: 28th Oct 2019

Results

Results

FY18 results came above our estimates

Eu mn	2H17A	2H18A	YoY %	2H18E	A vs E	FY17A	FY18A	YoY %	FY18E	A vs E
Revenues	19.5	24.7	26.7%	23.9	3.2%	37.9	47.3	24.9%	46.0	2.8%
<i>on sales %</i>	0.0%	26.7%		22.8%		15.3%	24.9%		21.5%	
EBITDA Adjusted	4.9	6.3	28.7%	6.0	5.3%	9.5	11.8	24.5%	11.5	2.8%
<i>Ebitda Margin %</i>	25.3%	25.7%		25.2%		25.1%	25.0%		25.0%	
EBIT Adjusted	4.6	6.0	29.9%	5.7	5.4%	8.9	11.2	25.2%	10.9	2.8%
<i>Ebit Margin %</i>	23.8%	24.4%		23.9%		23.6%	23.6%		23.6%	
Pretax Profit	4.5	6.7	50.1%	5.6	19.0%	8.8	11.9	35.2%	10.8	10.0%
<i>Pretax Margin %</i>	23.0%	27.2%		23.6%		23.2%	25.1%		23.4%	
Net Profit	3.1	5.0	62.3%	3.8	29.7%	6.0	8.6	41.9%	7.4	15.4%
<i>Net Profit Margin %</i>	15.8%	20.2%		16.1%		15.9%	18.1%		16.1%	
NFP end of the period	0.0	11.4		11.1		9.1	11.4		11.1	

Source: Factset and Alantra estimates

Estimates

Change in estimates

Following the release of FY18 results, we have made minor changes to our estimates

(Eu mn)	FY18A	FY19E	FY20E	FY21E	FY18A	FY19E	FY20E	FY21E	FY18A	FY19E	FY20E	FY21E
Total Revenues / Value of Production	47.3	53.0	60.8	66.3	2.8%	1.2%	1.7%	-0.9%	46.0	52.4	59.7	66.9
EBITDA Adjusted	11.8	12.8	14.6	16.4	2.8%	0.0%	0.0%	0.3%	11.5	12.8	14.6	16.4
EBIT Adjusted	11.2	11.9	13.5	15.2	2.8%	-1.5%	-0.3%	-0.5%	10.9	12.1	13.6	15.3
Pretax Profit	11.9	11.8	13.5	15.2	10.0%	-1.3%	-0.1%	-0.3%	10.8	12.0	13.5	15.2
Net profit	8.6	8.1	9.3	10.4	15.4%	-1.2%	-0.1%	-0.3%	7.4	8.2	9.3	10.5
Net profit restated	7.8	8.1	9.3	10.4	5.5%	-1.2%	-0.1%	-0.3%	7.4	8.2	9.3	10.5
EPS	0.808	0.841	0.956	1.078	5.5%	-1.2%	-0.1%	-0.3%	0.766	0.852	0.956	1.081
Net financial position	11.4	11.3	12.7	16.6	2.4%	-6.4%	-3.3%	-10.0%	11.1	12.1	13.1	18.4

Source: Factset and Alantra estimates

Trading multiples

The stock is trading at discount to its closest peers (BioGaia and Clover)

Company	Country	Mkt Cap (Eu mn)	EV/EBITDA			EV/EBIT			PE			EV/Sales			
			FY19E	FY20E	FY21E	FY19E	FY20E	FY21E	FY19E	FY20E	FY21E	FY19E	FY20E	FY21E	
PHARMANUTRA	ITALY	163	11.6 x	10.1 x	8.7 x	12.5 x	10.9 x	9.4 x	18.3 x	16.0 x	13.8 x	2.8 x	2.4 x	2.2 x	
Premium (discount) to Peers' Median			-19%	-9%	-19%	-28%	-23%	-22%	-20%	-19%	-23%	-8%	-9%	-36%	
PEERS			Average	14.2 x	11.0 x	10.7 x	17.4 x	14.1 x	12.0 x	23.0 x	19.8 x	17.8 x	3.0 x	2.7 x	3.4 x
			Median	12.0 x	10.2 x	9.8 x	14.3 x	12.5 x	13.3 x	23.2 x	19.0 x	16.0 x	2.0 x	1.8 x	3.2 x
Clover Corporation Limited	AUSTRALIA	193	24.7 x	19.1 x	14.4 x	25.7 x	19.8 x	15.0 x	35.7 x	28.3 x	21.9 x	4.8 x	3.9 x	3.2 x	
BioGaia AB Class B	SWEDEN	732	27.5 x	21.3 x	18.9 x	28.1 x	21.8 x	19.3 x	37.4 x	29.8 x	26.7 x	9.6 x	8.5 x	7.6 x	
Boiron SA	FRANCE	922	5.0 x	4.5 x	4.3 x	6.0 x	5.4 x	6.0 x	13.1 x	12.7 x	15.2 x	1.1 x	1.0 x	0.9 x	
LABORATORIO REIG JOFRE, S.A.	SPAIN	160	11.4 x	9.7 x	na	22.3 x	18.8 x	na	22.5 x	19.0 x	na	1.1 x	1.1 x	na	
Nature's Sunshine Products, Inc.	UNITED STATES	155	na	na	na	na	na	na	na	na	na	na	na	na	
LifeVantage Corporation	UNITED STATES	187	12.8 x	na	na	na	na	na	25.0 x	24.7 x	na	na	na	na	
Ceapro Inc.	CANADA	19	24.0 x	na	na	na	na	na	na	na	na	na	na	na	
Biosearch, S.A.	SPAIN	74	11.5 x	8.0 x	na	13.1 x	10.6 x	na	24.0 x	15.3 x	na	2.2 x	1.8 x	na	
USANA Health Sciences, Inc.	UNITED STATES	1,814	12.0 x	10.8 x	na	13.9 x	12.0 x	na	15.4 x	13.6 x	na	na	na	na	
Naturhouse Health SA	SPAIN	139	6.2 x	6.0 x	6.0 x	6.6 x	6.3 x	6.3 x	9.7 x	9.3 x	9.3 x	1.6 x	1.6 x	1.5 x	
Jamieson Wellness, Inc.	CANADA	490	11.6 x	10.2 x	na	14.3 x	12.5 x	na	20.8 x	17.8 x	na	2.5 x	2.2 x	na	
Vifor Pharma AG	SWITZERLAND	7,838	17.0 x	11.7 x	9.8 x	25.4 x	15.6 x	13.3 x	28.6 x	20.2 x	16.0 x	4.7 x	4.1 x	3.7 x	

Company	Country	Mkt Cap (Eu mn)	Dividend Yield			FCF Yield			Net Debt/EBITDA			P/BV			
			FY19E	FY20E	FY21E	FY19E	FY20E	FY21E	FY19E	FY20E	FY21E	FY19E	FY20E	FY21E	
PHARMANUTRA	ITALY		2.5%	2.9%	3.2%	2.9%	3.4%	5.3%	nm	nm	nm	4.3 x	3.8 x	3.4 x	
PEERS			Average	2.3%	2.2%	4.4%	5.9%	5.3%	7.4%	2.1 x	1.8 x	#DIV/OI	4.4 x	4.1 x	6.2 x
			Median	1.5%	0.8%	2.7%	6.2%	5.6%	7.8%	2.1 x	1.7 x	#NUM!	1.8 x	1.5 x	6.2 x
Clover Corporation Limited	AUSTRALIA	193	1.1%	1.5%	1.8%	na	na	na	0.4 x	0.1 x	nm	nm	nm	nm	
BioGaia AB Class B	SWEDEN	732	2.1%	2.3%	2.6%	2.4%	3.2%	3.6%	nm	nm	nm	14.8 x	12.4 x	10.8 x	
Boiron SA	FRANCE	922	3.0%	3.2%	2.8%	6.3%	7.9%	7.8%	nm	nm	nm	1.8 x	1.6 x	1.6 x	
LABORATORIO REIG JOFRE, S.A.	SPAIN	160	0.0%	0.0%	na	nm	0.2%	na	2.5 x	2.3 x	na	1.0 x	1.0 x	na	
Nature's Sunshine Products, Inc.	UNITED STATES	155	na	na	na	na	na	na	na	na	na	na	na	na	
LifeVantage Corporation	UNITED STATES	187	na	na	na	6.4%	5.6%	na	na	na	na	na	na	na	
Ceapro Inc.	CANADA	19	na	na	na	na	na	na	na	na	na	na	na	na	
Biosearch, S.A.	SPAIN	74	0.0%	0.0%	na	7.2%	5.7%	na	nm	nm	na	na	na	na	
USANA Health Sciences, Inc.	UNITED STATES	1,814	na	na	na	4.6%	2.6%	na	na	na	na	na	na	na	
Naturhouse Health SA	SPAIN	139	10.3%	10.3%	10.3%	9.9%	10.8%	10.8%	nm	nm	nm	na	na	na	
Jamieson Wellness, Inc.	CANADA	490	na	na	na	6.1%	6.8%	na	1.7 x	1.1 x	na	na	na	na	
Vifor Pharma AG	SWITZERLAND	7,838	1.5%	1.5%	1.5%	4.0%	5.6%	6.9%	nm	nm	nm	2.7 x	2.5 x	2.3 x	

Source: Alantra estimates and Factset

Financials

Higher economics compared to a broad panel of international peers

Company	Country	Mkt Cap (Eu mn)	FY19E - FY21E average margins					CAGR FY18A - FY21E				
			EBITDA Margin	EBIT Margin	Net Income Margin	Capex / Sales	Dividend Payout	Sales	EBITDA	EBIT	EPS	
PHARMANUTRA	ITALY	163	24.4%	22.5%	15.4%	4.2%	50.0%	11.9%	9.2%	10.9%	6.8%	
PEERS			Average	21.3%	17.5%	12.2%	3.8%	35.4%	7.4%	13.8%	14.5%	12.9%
			Median	21.7%	17.5%	11.1%	2.8%	36.1%	7.8%	14.4%	13.2%	12.5%
Clover Corporation Limited	AUSTRALIA	193	20.6%	19.9%	13.8%	1.0%	39.7%	17.5%	27.6%	27.5%	25.7%	
BioGaia AB Class B	SWEDEN	732	38.3%	37.5%	29.0%	2.0%	72.5%	10.8%	12.2%	12.5%	12.5%	
Boiron SA	FRANCE	922	22.1%	17.5%	11.0%	5.0%	40.8%	0.5%	0.2%	-2.6%	1.7%	
LABORATORIO REIG JOFRE, S.A.	SPAIN	160	11.1%	6.0%	4.6%	11.1%	0.0%	4.8%	16.6%	14.0%	na	
Nature's Sunshine Products, Inc.	UNITED STATES	155	na	na	na	na	na	na	na	na	na	
LifeVantage Corporation	UNITED STATES	187	7.5%	4.6%	3.4%	1.1%	na	na	na	na	na	
Ceapro Inc.	CANADA	19	na	na	na	na	na	na	na	na	na	
Biosearch, S.A.	SPAIN	74	22.4%	16.7%	13.4%	6.8%	0.0%	na	na	na	na	
USANA Health Sciences, Inc.	UNITED STATES	1,814	17.8%	15.5%	10.5%	2.3%	na	na	na	na	na	
Naturhouse Health SA	SPAIN	139	25.4%	24.2%	17.4%	1.2%	97.3%	-0.7%	-2.2%	-2.2%	-1.3%	
Jamieson Wellness, Inc.	CANADA	490	21.7%	17.7%	11.1%	2.8%	na	na	na	na	na	
Vifor Pharma AG	SWITZERLAND	7,838	33.5%	24.2%	14.1%	3.1%	32.4%	11.6%	28.5%	38.1%	26.0%	

Source: Alantra estimates and Factset

Performance

Positive stock performance since the IPO in July 2017

Company	Country	Mkt Cap (Eu mn)	Performance					
			1M	3M	6M	1YR	3YR	5YR
PHARMANUTRA	ITALY	163	-0.9%	9.4%	10.9%	29.6%	na	na
PEERS		Average Median	-0.7% 0.9%	14.5% 11.8%	-4.6% -5.4%	25.5% 3.6%	58.0% 7.4%	75.3% 60.2%
Clover Corporation Limited	AUSTRALIA	193	3.9%	39.6%	20.6%	136.7%	419.4%	246.3%
BioGaia AB Class B	SWEDEN	732	7.7%	45.8%	0.0%	12.7%	114.5%	130.9%
Boiron SA	FRANCE	922	2.1%	9.4%	-9.5%	-22.8%	-27.0%	-7.5%
LABORATORIO REIG JOFRE, S.A.	SPAIN	160	-6.8%	7.0%	-5.4%	4.7%	-29.7%	-53.4%
Nature's Sunshine Products, Inc.	UNITED STATES	155	8.2%	27.0%	3.1%	-19.3%	2.8%	-32.9%
LifeVantage Corporation	UNITED STATES	187	-3.5%	25.8%	25.0%	272.8%	61.0%	56.6%
Ceapro Inc.	CANADA	19	-5.0%	11.8%	2.7%	-26.9%	-22.4%	216.7%
Biosearch, S.A.	SPAIN	74	-16.8%	16.3%	-25.5%	64.7%	167.7%	63.7%
USANA Health Sciences, Inc.	UNITED STATES	1,814	-14.5%	-22.4%	-25.9%	6.9%	46.6%	165.1%
Naturhouse Health SA	SPAIN	139	0.0%	38.6%	-24.0%	-42.1%	-46.9%	na
Jamieson Wellness, Inc.	CANADA	490	9.8%	-8.0%	-27.0%	-5.3%	na	na
Vifor Pharma AG	SWITZERLAND	7,838	8.5%	26.6%	-20.0%	-5.1%	-1.6%	61.8%

Source: Alantra estimates and Factset

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