

# PHARMANUTRA

**BUY**

Sector: Consumers

Price: Eu55.00 - Target: Eu87.00

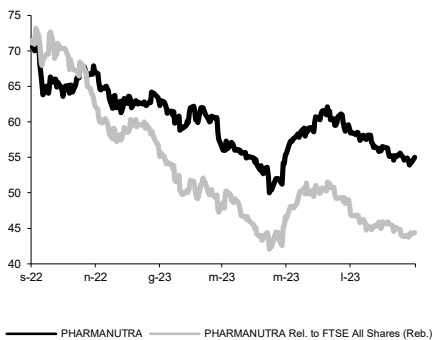
## Strong Results as Expected, Higher Visibility on FY Consensus

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| Stock Rating       |           |       |       |
|--------------------|-----------|-------|-------|
| Rating:            | Unchanged |       |       |
| Target Price (Eu): | Unchanged |       |       |
|                    | 2023E     | 2024E | 2025E |
| Chg in Adj EPS     | 3.0%      | -0.5% | -0.5% |

**Next Event**  
 3Q23 Results Out 6 November 2023

### PHARMANUTRA - 12M Performance



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

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

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

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

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

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

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

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

**PHARMANUTRA – Key Figures**

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

\*Excluding extraordinary items Source: Intermonte SIM estimates

## 2Q/1H23 Results

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

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

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

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

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

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

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

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

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

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

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

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

Source: Company presentation

## Changes to Estimates

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

### PharmaNutra – 2023-25 Change in Estimates

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

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

## Comparison with Consensus

## Comparison with Consensus

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

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

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

## DCF Valuation

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

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

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

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

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

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

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

Source: Intermonte SIM

**PharmaNutra: Valuation Multiples**

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

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

Source: Intermonte SIM, FactSet Consensus



## PharmaNutra in Brief

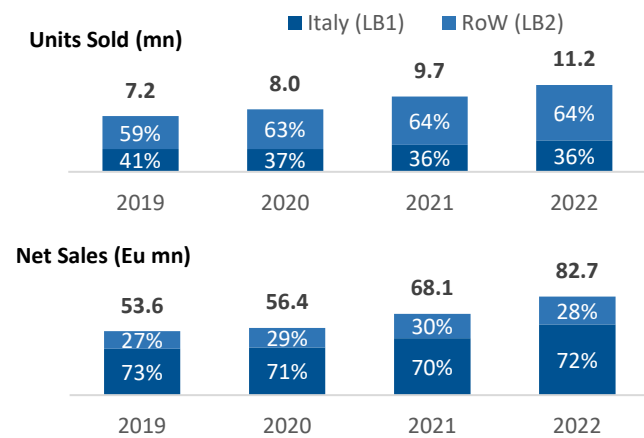
### Company description

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

### Strengths/Opportunities

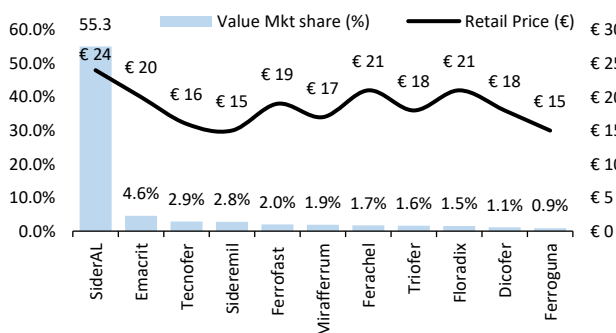
- Unchallenged leadership in the fast-growing niche oral iron supplement market (>55% market share)
- Intellectual property protection of technologies (Sucrosomial®); no patents expiring before 2032
- Wide salesforce coverage (c.160 single-firm agents) in the domestic market
- Product portfolio highly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

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



Source: Company Data

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



Source: Company Data

### Management

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

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

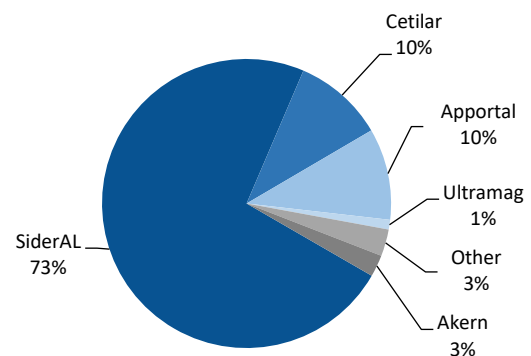
### Shareholders

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

### Weaknesses/Threats

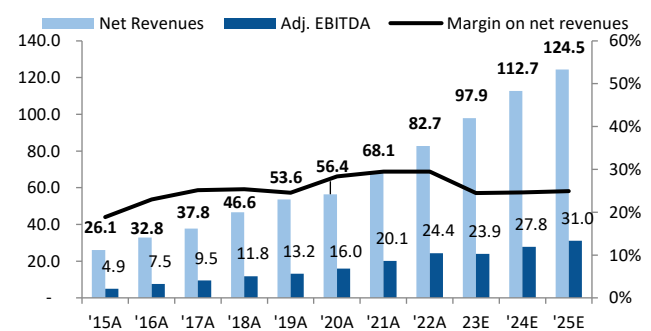
- Pipeline highly concentrated on iron-based products (SiderAL line c. 73% of sales in FY22)
- Subscale in a sector typically dominated by large, global players
- Limited M&A track record abroad so far (Akern)
- Dependence on third-party sale distribution agreements internationally

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



Source: Company Data

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



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

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

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- 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.

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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

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|              |         |
|--------------|---------|
| BUY:         | 23.08 % |
| OUTPERFORM:  | 52.99 % |
| NEUTRAL:     | 22.22 % |
| UNDERPERFORM | 01.71 % |
| SELL:        | 00.00 % |

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

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|-----------|---|------------|
|           |   |            |

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