

# FARMAÈ

Sector: Consumer

## Switch to IFRS

*Farmaè released the full set of FY21 results with the first-time-adoption of IFRS (2021 preliminary revenues were already disclosed in February, under Italian GAAP). Profitability improved versus 2020 with yoy Adj. EBITDA growth of 4x and profitability to 3.3% versus 0.9% (IRFS). We adjust our 2022/23 estimated revenues slightly downwards (due to reclassification of co-marketing from top line to deduction of operating costs under IFRS). We increase net debt to reflect lease liabilities. The competitive environment could become increasingly challenging. However, after the acquisition of Amica Farmacia, Farmaè has become the undisputed leader in the Italian market, targeting further consolidation of its online leadership. Further M&A could accelerate the ongoing expansion in new verticals (beauty). We maintain our BUY rating, but we cut our TP from Eu26 to Eu23.2/share as a result of the downward adjustment of 22/23E revenues and increased net debt*

- FY21 with first time adoption of IFRS. EBITDA growth in 2021.** Farmaè released the full set of FY21 results with the first-time adoption of IFRS. Preliminary top line figures under the Italian GAAP were unveiled in February. At Eu82.5mn, 2021 sales under IFRS (up 29% yoy) were slightly lower than preliminary figures under Italian GAAP (Eu85.9mn). The difference was mainly due to the reclassification of sales from co-marketing within COGS and operating costs. The group consolidated Amica Farmacia for the first time in 4Q. Adjusted EBITDA, EBIT and Net profit all improved versus 2020 under IFRS. Adjusted EBITDA was Eu2.7mn versus Eu0.6mn in 2020 (our estimate was Eu2.8mn). A positive effect linked to the elimination of rental costs was offset by reclassification of some financial costs within operating items. Net debt came out at Eu14.1mn versus our estimate of Eu4.8mn. Most of the difference was due to IFRS16, which implied Eu6mn additional debt from real estate leases.
- Consolidation of online leadership in an environment of raising competition.** The competitive landscape has evolved recently: 1) Shop Apotheke (leading European player) has announced the opening of a new logistic hub in the north of Italy; 2) eFarma (2nd player in the Italian market) has been acquired by Atida (international group in the field); 3) Farmacosmo (an alternative online player) has recently raised funds with its IPO to expand its B2C offer. Despite competition, we believe that Farmaè should deliver its growth strategy, considering (i) the recent acquisition of Amica Farmacia (that created the undisputed leader in the Italian market), (ii) the newly implemented pricing techniques to increase conversion rate, and (iii) the expected opening (2H22) of a new 5k-sqm logistic hub in the North of Italy. The group is also working to consolidate the online leadership, leveraging on a multi-channel approach, enlarging the product offer (launch of the pet product line in March, entering the online pet food/care/wellness market), and implementing AI solutions and loyalty programs in its offer. We believe the Farmaè is successfully working to improve some business KPIs (notably AOV and repeat orders).
- Revenues adjusted slightly downwards post co-marketing sales reclassification; Net Debt up after IFRS adoption.** We incorporate the adoption of IFRS in our figures. Revenues are adjusted slightly downwards (-4% both in 2022 and 2023) to reflect the reclassification of co-marketing revenues. Our EBIT estimates are roughly unchanged. Our estimated NFP is impacted by the ca. Eu6mn additional debt from real estate leases.
- BUY rating confirmed, TP cut from Eu26/share to Eu23.2.** We confirm our BUY rating, but we cut our TP to Eu23.2 from Eu26 as a result of (i) a decrease in revenues, due to the reclassification of sales from co-marketing within costs, and (ii) an increased level of net debt, as a consequence of IFRS adoption. We value Farmaè with 2022 EV/Sales multiples of Shop Apotheke with a 20% premium. This premium, in our view, is justified by Farmaè's (i) exposure to an early-stage market offering sizable positive optionality (e.g. deregulation of online Rx sales), (ii) strong competitive positioning (significant gap vs the second largest player in Italy), (iii) attractiveness to international players as a potential acquisition target. The move to IFRS has increased comparability of Farmaè with its largest peers, but it has overall produced a negative effect on EV/Sales multiples.

## BUY

Unchanged

## TP 23.2

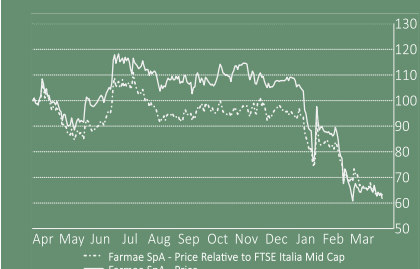
From 26.0

Target price upside: 27%

Change in EPS est.	FY22E	FY23E
	mn	nm

Ticker (BBG, Reut)	FAR MI	FARMA MI
Share price Ord. (Eu)		18.28
N. of Ord. shares (mn)		6.8
Total N. of shares (mn)		6.8
Market cap (Eu mn)		125
Total Market Cap (Eu mn)		125
Free Float Ord. (%)		28%
Free Float Ord. (Eu mn)		35
Daily AVG liquidity Ord. (Eu k)		222

	1M	3M	12M
Absolute Perf.	-2.8%	-4.1%	-38%
Rel.to FTSEMidCap	-10.5%	-28%	-36%
52 weeks range		18.0	35.0



	FY21A	FY22E	FY23E
Sales	82	119	143
EBITDA adj.	2.7	4.1	5.4
Net profit adj.	0.2	0.6	1.2
EPS adj.	0.0298	0.0927	0.176
BVPS	6.398	5.9709	6.147
EV/Sales	2.7x	1.2x	1.0x
EV/EBITDA adj.	83.5x	34.8x	26.0x
Dividend yield	0.0%	0.0%	0.0%
FCF yield	-1.2%	-2.3%	3.4%
Net debt/(Net cash)	14.1	17.0	12.8
Net debt/EBITDA	5.2x	4.1x	2.4x

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## Key Data (IFRS from 2021)

P&L account (Eu mn)	FY20A	FY21A	FY22E	FY23E	FY24E
Sales	65.5	82.5	119.3	142.6	168.0
Gross margin	21.2	27.8	40.3	48.3	57.0
EBITDA reported	1.0	2.0	4.1	5.4	7.1
D&A	0.0	(1.7)	(2.2)	(2.4)	(2.4)
EBIT reported	1.0	0.3	1.9	3.0	4.7
Net financial charges	(1.2)	(0.3)	(0.8)	(1.0)	(0.8)
Associates	0.0	0.0	0.0	0.0	0.0
Extraordinary items	0.0	0.0	0.0	0.0	0.0
Pre-tax profit	(0.3)	(0.0)	1.1	2.0	3.8
Taxes	(0.3)	(0.1)	(0.4)	(0.8)	(1.5)
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	(0.5)	(0.1)	0.6	1.2	2.3
<b>EBITDA adjusted</b>	<b>1.0</b>	<b>2.7</b>	<b>4.1</b>	<b>5.4</b>	<b>7.1</b>
<b>EBIT adjusted</b>	<b>1.0</b>	<b>1.0</b>	<b>1.9</b>	<b>3.0</b>	<b>4.7</b>
<b>Net profit adjusted</b>	<b>(0.5)</b>	<b>0.2</b>	<b>0.6</b>	<b>1.2</b>	<b>2.3</b>

Margins (%)	FY20A	FY21A	FY22E	FY23E	FY24E
Gross margin	32.4%	33.6%	33.7%	33.8%	33.9%
EBITDA margin (adj)	1.5%	3.3%	3.5%	3.8%	4.2%
EBIT margin (adj)	1.5%	1.2%	1.6%	2.1%	2.8%
Pre-tax margin	-0.4%	0.0%	0.9%	1.4%	2.3%
Net profit margin (adj)	-0.8%	0.2%	0.5%	0.8%	1.4%

Growth rates (%)	FY20A	FY21A	FY22E	FY23E	FY24E
Sales	74.1%	25.9%	44.6%	19.6%	17.8%
EBITDA	-45.1%	108.4%	101.2%	30.0%	31.9%
EBITDA adjusted	-45.1%	175.1%	52.4%	30.0%	31.9%
EBIT	19.9%	-68.7%	514.2%	56.4%	57.7%
EBIT adjusted	19.9%	2.6%	87.4%	56.4%	57.7%
Pre-tax	nm	nm	nm	nm	nm
Net profit	nm	nm	nm	nm	nm
Net profit adjusted	nm	nm	nm	nm	nm

Per share data	FY20A	FY21A	FY22E	FY23E	FY24E
Shares	5.734	6.846	6.846	6.846	6.846
N. of shares AVG	5.734	6.290	6.846	6.846	6.846
N. of shares diluted AVG	5.734	6.290	6.846	6.846	6.846
<b>EPS</b>	<b>(0.091)</b>	<b>(0.014)</b>	<b>0.093</b>	<b>0.176</b>	<b>0.337</b>
<b>EPS adjusted</b>	<b>(0.091)</b>	<b>0.030</b>	<b>0.093</b>	<b>0.176</b>	<b>0.337</b>
<b>DPS - Ord.</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>
DPS - Sav.	0.000	0.000	0.000	0.000	0.000
BVPS	2.053	6.398	5.971	6.147	6.484

Enterprise value (Eu mn)	FY20A	FY21A	FY22E	FY23E	FY24E
Share price Ord. (Eu)	10.7	30.7	18.3	18.3	18.3
Market cap	61.1	210.5	125.1	125.1	125.1
Net debt/(Net cash)	(3.4)	14.1	17.0	12.8	8.8
Adjustments	1.0	1.0	1.0	1.0	1.0
Enterprise value	58.8	225.6	143.1	138.9	134.9

Cash flow (Eu mn)	FY20A	FY21A	FY22E	FY23E	FY24E
EBITDA reported	1.0	2.0	4.1	5.4	7.1
Net financial charges	(1.2)	(0.3)	(0.8)	(1.0)	(0.8)
Cash taxes	(0.0)	(0.1)	(0.4)	(0.8)	(1.5)
Ch. in Working Capital	3.5	(1.8)	1.2	3.2	1.8
Other operating items	0.2	0.3	-	-	-
<b>Operating cash flow</b>	<b>3.4</b>	<b>0.2</b>	<b>4.1</b>	<b>6.8</b>	<b>6.5</b>
Capex	(1.8)	(2.8)	(7.0)	(2.6)	(2.5)
<b>FCF</b>	<b>1.6</b>	<b>(2.6)</b>	<b>(2.9)</b>	<b>4.2</b>	<b>4.0</b>
Disposals/Acquisitions	(0.4)	(39.6)	0.0	0.0	0.0
Changes in Equity	0.0	32.0	0.0	0.0	0.0
Others	0.0	(7.4)	0.0	0.0	0.0
Dividends	0.0	0.0	0.0	0.0	0.0
<b>Ch. in NFP</b>	<b>1.2</b>	<b>(17.6)</b>	<b>(2.9)</b>	<b>4.2</b>	<b>4.0</b>

Ratios (%)	FY20A	FY21A	FY22E	FY23E	FY24E
<b>Capex/Sales</b>	<b>2.8%</b>	<b>3.4%</b>	<b>5.9%</b>	<b>1.8%</b>	<b>1.5%</b>
Capex/D&A	1.7x	3.1x	1.1x	1.1x	1.0x
FCF/EBITDA	159.4%	-128.2%	-70.2%	79.0%	56.4%
FCF/Net profit	-298.3%	nm	nm	350.7%	172.7%
<b>Dividend pay-out</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>

Balance sheet (Eu mn)	FY20A	FY21A	FY22E	FY23E	FY24E
Working capital	(0.8)	(6.1)	(7.4)	(10.6)	(12.4)
Fixed assets	9.9	65.8	70.5	70.7	70.8
Provisions & others	(0.7)	(5.3)	(5.3)	(5.3)	(5.3)
<b>Net capital employed</b>	<b>8.4</b>	<b>54.3</b>	<b>57.9</b>	<b>54.8</b>	<b>53.2</b>
<b>Net debt/(Net cash)</b>	<b>(3.4)</b>	<b>14.1</b>	<b>17.0</b>	<b>12.8</b>	<b>8.8</b>
Equity	11.8	40.2	40.9	42.1	44.4
Minority interests	0.0	0.0	0.0	0.0	0.0

Ratios (%)	FY20A	FY21A	FY22E	FY23E	FY24E
<b>Working capital/Sales</b>	<b>-1.2%</b>	<b>-7.4%</b>	<b>-6.2%</b>	<b>-7.4%</b>	<b>-7.4%</b>
<b>Net debt/Equity</b>	<b>nm</b>	<b>35.0%</b>	<b>41.6%</b>	<b>30.3%</b>	<b>19.8%</b>
<b>Net debt/EBITDA</b>	<b>nm</b>	<b>5.2x</b>	<b>4.1x</b>	<b>2.4x</b>	<b>1.2x</b>

Valuation	FY20A	FY21A	FY22E	FY23E	FY24E
EV/CE	6.5x	3.8x	2.3x	2.3x	2.3x
P/BV	5.2x	5.2x	3.1x	3.0x	2.8x
<b>EV/Sales</b>	<b>0.9x</b>	<b>2.7x</b>	<b>1.2x</b>	<b>1.0x</b>	<b>0.8x</b>
EV/EBITDA	59.9x	110.3x	34.8x	26.0x	19.1x
<b>EV/EBITDA adjusted</b>	<b>59.9x</b>	<b>83.5x</b>	<b>34.8x</b>	<b>26.0x</b>	<b>19.1x</b>
EV/EBIT	59.9x	733.7x	75.8x	47.0x	29.0x
<b>EV/EBIT adjusted</b>	<b>59.9x</b>	<b>223.9x</b>	<b>75.8x</b>	<b>47.0x</b>	<b>29.0x</b>
P/E	nm	nm	nm	nm	nm
<b>P/E adjusted</b>	<b>nm</b>	<b>nm</b>	<b>nm</b>	<b>nm</b>	<b>nm</b>
ROCE pre-tax	10.2%	2.9%	3.1%	4.8%	7.9%
<b>ROE</b>	<b>-4.5%</b>	<b>0.5%</b>	<b>1.6%</b>	<b>2.9%</b>	<b>5.2%</b>
EV/FCF	37.6x	-86.0x	-49.6x	32.9x	33.9x
<b>FCF yield</b>	<b>2.6%</b>	<b>-1.2%</b>	<b>-2.3%</b>	<b>3.4%</b>	<b>3.2%</b>
<b>Dividend yield</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>

### Share price performance

Negative recent market performance



Source: Factset

### Valuation

Strong recent de-rating

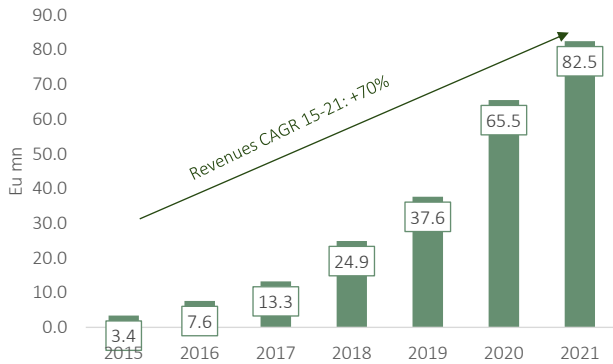


Source: Factset

## Key Charts

### Revenues (FY15A-21A)

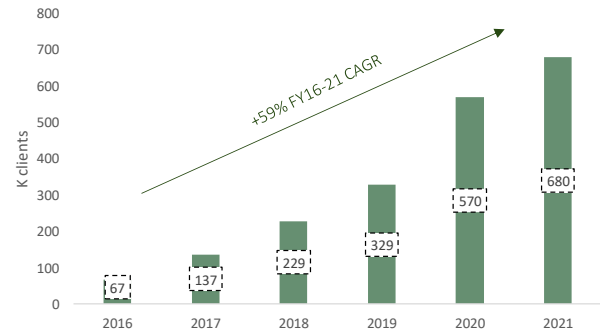
Revenues posted a 70% CAGR over the period



Source: company data

### Active Users (FY16A-21A)

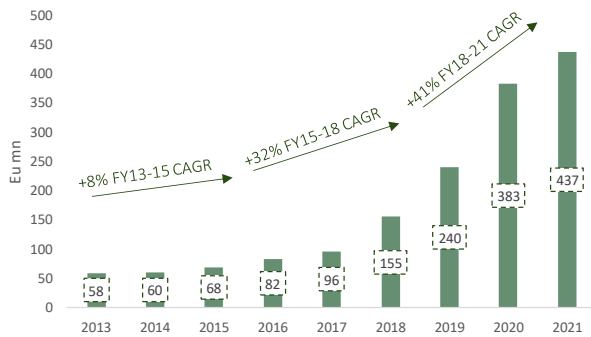
Sharp growth in active users



Source: company data, Alantra

### Online BPC & OTC – Market trend (FY13A-FY21A)

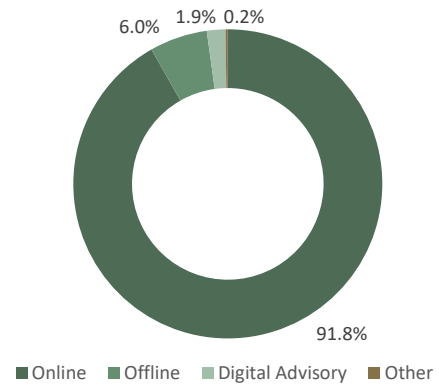
The online BPC & OTC market accelerated in the last three years



Source: company data, IQVIA, Alantra

### FY21 revenues breakdown

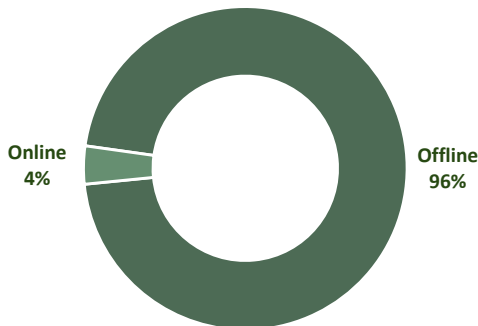
Online is by far the main stream of sales as of 2021



Source: Company data, Alantra

### Online BPC & OTC – Market penetration (FY21A)

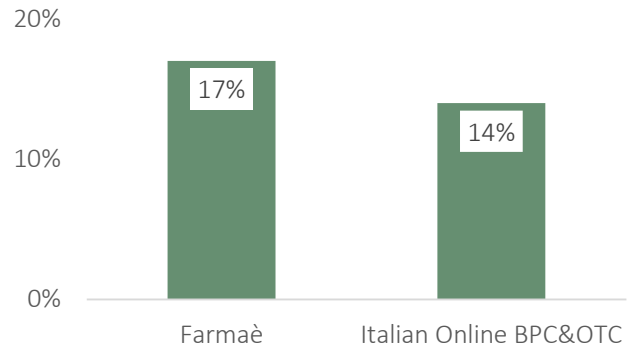
Still low penetration of online sales over total Italian BPC & OTC sales



Source: IQVIA, Alantra

### Farmaè vs market – 2021 yoy growth

Farmaè continued to outperform its reference market in 2021



Source: company data, IQVIA

# Profile

## Background

Farmaè, through its websites farmaè.it and amicafarmacia.com (acquired in 2021), is the leading Italian online retailer of beauty & personal care and OTC products (BPC&OTC), i.e. products sold in pharmacies without prescription such as OTC medications, food supplements, cosmetics and medical devices. At the end of 2019 the company also enlarged its value proposition by launching beautyè.it, an online store dedicated to luxury cosmetics and professional hair products usually sold in perfumeries and hair salons. With the acquisition of Sanort in 2020, the group entered the heavy orthopedics market

Online (92% FY21 sales): in 2021 Farmaè.it recorded >40mn site visits and sold >8.0mn products to >650k active customers. Farmaè.it provides its customers with a comprehensive product offering (>40k SKUs) at attractive prices (avg 31% discount vs offline), user-friendly shopping experience 24/7, effective customer care and timely delivery.

Offline (6%): along with its online platform, Farmaè operates 9 brick-and-mortar para-pharmacies in Tuscany. At the end of 2019 the company opened the first Beautyè shop in Viareggio.

Digital Advisory (2%): the group also provides consulting services (through Valnan S.r.l.) in the field of communication and online marketing, offering a mix of services, technology, coaching, etc. to support Italian companies (primarily in the pharma, beauty, wine and tech sectors) in their path towards digitalization.

The company was founded and is owned by Riccardo Iacometti: 30+ years' experience in the Health and Beauty sector reaching the role of Country General Manager for Italy of Alliance Healthcare (Walgreen Boots Alliance group). The Group has ca 80 employees and is listed on EGM since July 2019.

## Positioning

As of today, while Italian regulation does not allow the online sale of prescription drugs, only pharmacies and para-pharmacies are allowed to sell OTC and other non-prescription drugs online. The online sale of food supplements and cosmetics is not subject to any restriction. According to IQVIA, in 2020 the online market of beauty & personal care products was worth Eu390mn (ca. 3.8% of the ca Eu10.3bn Italian reference market), and Farmaè was the leading player (we estimate a 25-30% share). Online penetration in Italy is still very low compared to both other product categories and other countries (e.g. online penetration in Germany is >20%) due to the late introduction of favorable regulation. Main Farmaè's competitors are offline Italian pharmacies operating an e-commerce website, international online pharmacies (e.g. Shop Apotheke), Amazon (direct and marketplace).

With the launch of Beautyè, the group is addressing new attractive markets, worth ca Eu3bn if we put together perfumeries, hair salons and ecommerce, that would be highly complementary to Farmaè's existing product range. The online sale of perfumes and cosmetics in 2020 was worth around Eu700mn (ca 7% penetration) and it is expected to have grown by 40% during 2020. Main players in the beauty market are represented by large retail chains like Sephora, Douglas, Profumerie Pinalli, Marionnaud, which have developed their own e-commerce website. An example of a pure pan-European online player is represented by Notino.

## Growth

Farmaè was established in 2015, when revenues amounted to Eu3.4mn. In 2021 revenues reached Eu82.5mn (first-time-adoption of IFRS), resulting in an outstanding 15-21 CAGR of 70%. Growth was organic, driven by the sharp expansion of online sales and the openings of brick & mortar stores. Since its launch Farmaè has always achieved operating break-even, thanks especially to a disciplined approach in pricing policy and marketing investments. EBITDA grew from Eu0.1mn in FY15 to Eu2.7mn in FY21 supported by volume increase. Operating leverage allowed Farmaè to almost completely offset the impact of the decreasing gross margin (from 42.2% in FY15 to 33.6% in FY21).

## Strategy

Farmaè aims to consolidate its position as a privileged partner of beauty and pharma companies, helping them introducing new and innovative standards for effective product marketing and distribution. To accelerate its growth Farmaè aims to address new attractive end markets (e.g. the recent launch of Beautyè, pet care and accessories could be another segment), improve fulfillment capacity (e.g. new automated warehouse), invest in technology and hire new experienced professionals, open new offline stores to develop an omnichannel strategy, increase marketing efforts to acquire new customers. Management is also scouting M&A opportunities to consolidate its leadership in Italy, enlarge product offering, acquire tech know-how and enter into foreign markets.

### Strengths

Leadership in the online sale of BPC & OTC products in Italy  
Data property and partnerships with Beauty and Pharma companies  
Tech capabilities, wide product offer and attractive prices

### Weaknesses

Small size compared to international peers  
Still limited brand visibility  
Need to reinforce internal resources in key areas

### Opportunities

Expansion in adjacent product categories  
M&A to acquire market share, technology, or to enter into foreign markets  
Potential increase of TAM if Italy allows online sale of prescription medicine

### Threats

Tightening competition leading to price pressure  
Adverse regulation  
Execution risk in the roll-out of the omnichannel strategy

### Key shareholders

Riccardo Iacometti - 55.71%  
MDF 16.25%  
Free float - 28.04%

### Management

Riccardo Iacometti - CEO  
Giuseppe Cannarozzi - CFO  
Alberto Maglione - Business Development

### Next events

1Q22 preliminary: 20/04/22  
2Q22 preliminary: 22/07/22  
1H22 results: 26/09/22

## Results

### Release of FY21 numbers

FY21 numbers with first-time-adoption of IFRS (our previous estimates were based on Italian GAAP)

Eu mn	FY20A	FY21A	YoY %	Alantra FY21E	A vs E
Net Revenues	65.5	82.5	25.9%	85.9	-4.0%
<i>on net sales %</i>	100.0%	100.0%		100.0%	
Gross Margin	21.2	27.8	nm	26.9	nm
<i>on sales %</i>	32.4%	33.6%			
EBITDA Adj.	1.0	2.7	nm	2.8	nm
<i>Ebitda Margin %</i>	1.5%	3.3%		3.3%	
EBITDA	1.0	2.0	nm	2.8	nm
<i>Ebitda Margin %</i>	1.5%	2.5%		3.3%	
EBIT	1.0	0.3	nm	0.9	nm
<i>Ebit Margin %</i>	1.5%	0.4%		1.1%	
Net Profit	(0.5)	(0.1)	nm	(0.6)	nm
<i>Net Profit Margin %</i>	-0.8%	-0.1%		-0.7%	
NFP at YE (debt)/cash	3.4	(14.1)		(4.8)	nm

Source: Farmaè, Alantra estimates

## Estimates

### Change in estimates

Revenues are adjusted slightly downwards (-4% both in 2022 and 2023) to reflect the reclassification of co-marketing revenues. EBITDA estimate decrease by 9% and 7% in 2022 and 2023 respectively. The NFP is strongly impacted by the ca. Eu6mn additional debt from real estate leases

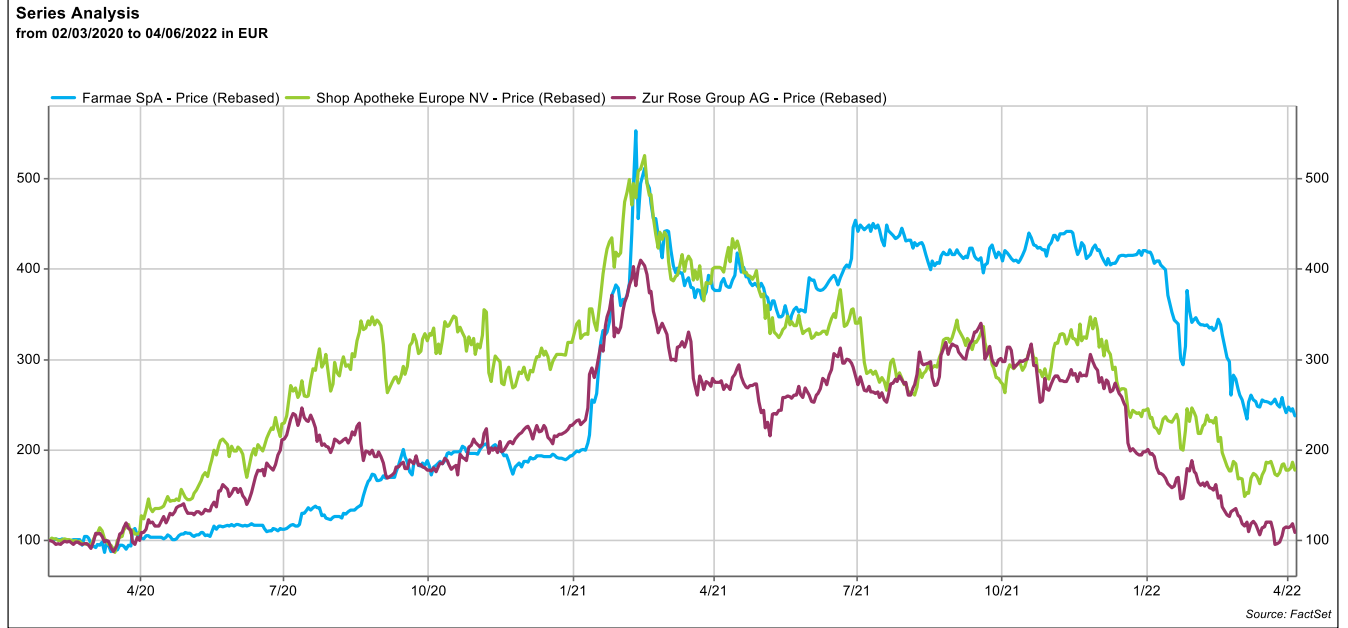
(Eu mn)	NEW Estimates			% Change			OLD Estimates		
	FY21A	FY22E	FY23E	FY21A	FY22E	FY23E	FY21A	FY22E	FY23E
Net Sales	82.5	119.3	142.6	-4%	-4%	-4%	85.9	124.0	148.3
EBITDA	2.7	4.1	5.4	-5%	-9%	-7%	2.8	4.5	5.7
EBIT	1.0	1.9	3.0	6%	7%	-1%	0.9	1.8	3.0
Pretax Profit	(0.0)	1.1	2.0	mn	mn	nm	(0.6)	(0.4)	0.4
Net profit	(0.1)	0.6	1.2	mn	mn	nm	(0.6)	(0.4)	0.3
EPS	(0.013)	0.093	0.176	mn	mn	nm	(0.086)	(0.059)	0.037
Net financial position	(14.1)	(17.0)	(12.8)	mn	mn	mn	(4.8)	(9.6)	(7.3)

Source: Factset and Alantra estimates

# Comparison with listed OTC Online pharmacies

Farmaè - Price performance since the Covid outbreak vs international peers (rebased)

*Farmaè outperformed its two closest peers since the Covid outbreak*



Source: Factset

## Peers

### Trading multiples

AmicaFarmacia is fully consolidated from 2022. Farmaè is currently trading in line with Shop Apotheke on EV/Sales multiples

Company	Country	Mkt Cap (Eu mn)	EV/Sales			EV/EBITDA			EV/EBIT			PE		
			FY22E	FY23E	FY24E	FY22E	FY23E	FY24E	FY22E	FY23E	FY24E	FY22E	FY23E	FY24E
FARMAÈ	ITALY	125	1.2 x	1.0 x	0.8 x	34.8 x	26.0 x	19.1 x	76	47.0 x	29.0 x	nm	nm	nm
Premium (discount) to Peers' Median			38%	39%	41%	-58%	92%	31%	317%	-52%	94%	nm	nm	nm
<b>PEERS</b> Average			0.9 x	0.7 x	0.6 x	83.5 x	13.5 x	14.6 x	18.2 x	97.9 x	15.0 x	28.8 x	20.2 x	23.1 x
Zalando SE	GERMANY	12,336	0.9 x	0.8 x	0.6 x	15.5 x	11.7 x	9.2 x	26.5 x	18.7 x	14.1 x	48.8 x	34.0 x	25.6 x
HelloFresh SE	GERMANY	7,273	1.0 x	0.8 x	0.7 x	14.3 x	9.5 x	7.1 x	20.2 x	13.0 x	9.5 x	31.5 x	20.6 x	15.7 x
ASOS plc	UNITED KINGDOM	1,952	0.3 x	0.3 x	0.2 x	5.3 x	4.0 x	3.0 x	11.8 x	8.4 x	5.7 x	20.6 x	14.6 x	11.8 x
boohoo group Plc	UNITED KINGDOM	1,354	0.5 x	0.4 x	0.3 x	7.9 x	5.4 x	3.8 x	12.7 x	8.2 x	6.0 x	16.8 x	11.5 x	11.7 x
<b>Zur Rose Group AG</b>	<b>SWITZERLAND</b>	<b>1,413</b>	<b>1.1 x</b>	<b>0.8 x</b>	<b>0.6 x</b>	na	na	51.4 x	na	na	na	na	na	na
<b>Shop Apotheke Europe NV</b>	<b>GERMANY</b>	<b>1,495</b>	<b>1.2 x</b>	<b>1.0 x</b>	<b>0.8 x</b>	445.5 x	40.3 x	19.3 x	na	523.7 x	42.2 x	na	na	56.1 x
zooplus SE	GERMANY	2,924	na	na	na	na	na	na	na	na	na	na	na	na
Boozt AB	SWEDEN	763	1.1 x	0.9 x	0.7 x	12.5 x	10.2 x	8.4 x	19.6 x	15.3 x	12.3 x	26.3 x	20.4 x	17.7 x

Source: Alantra estimates and Factset

### Financials

Farmaè's EBIT and EBITDA margins are higher than those of its close peers (Shop Apotheke and Zur Rose)

Company	Country	Mkt Cap (Eu mn)	FY22E - FY24E average margins					CAGR FY21A - FY24E			
			EBITDA Margin	EBIT Margin	Net Income Margin	Capex / Sales	Dividend Payout	Sales	EBITDA	EBIT	EPS
FARMAÈ	ITALY		3.8%	2.1%	0.9%	3.1%	0.0%	26.8%	51.1%	147.4%	37.8%
<b>PEERS</b> Average			5.4%	2.8%	1.5%	4.0%	0.0%	18.6%	-57.2%	15.4%	19.1%
<b>PEERS</b> Median			6.9%	4.0%	2.4%	3.9%	0.0%	18.2%	17.7%	19.5%	22.6%
Zalando SE	GERMANY	12,336	6.4%	4.0%	2.4%	3.9%	0.0%	16.8%	17.7%	21.1%	27.9%
HelloFresh SE	GERMANY	7,273	8.1%	5.9%	3.9%	3.9%	0.0%	18.2%	20.2%	19.8%	23.3%
ASOS plc	UNITED KINGDOM	1,952	6.9%	3.3%	2.2%	4.6%	0.0%	12.7%	6.9%	1.6%	3.1%
boohoo group Plc	UNITED KINGDOM	1,354	7.4%	4.7%	3.7%	5.7%	0.0%	16.5%	nm	nm	nm
Zur Rose Group AG	SWITZERLAND	1,413	-1.7%	-3.9%	-4.7%	2.2%	0.0%	22.9%	nm	nm	nm
Shop Apotheke Europe NV	GERMANY	1,495	2.2%	0.0%	-0.9%	2.2%	0.0%	24.7%	-349.2%	nm	nm
zooplus SE	GERMANY	2,924	na	na	na	na	na	na	na	nm	nm
Boozt AB	SWEDEN	763	8.6%	5.7%	4.1%	5.3%	0.0%	18.2%	18.5%	19.2%	22.0%

Source: Alantra estimates and Factset

**Performance**

*Performance in line with peers over the last 6 months in the slowdown of online retailers*

Company	Country	Mkt Cap (Eu mn)	Performance					
			1M	3M	6M	1YR	3YR	5YR
FARMAÈ	ITALY	125	-2.8%	-41.4%	-42.5%	-38.2%	na	na
PEERS								
		Average	7.5%	-27.4%	-40.4%	-40.5%	113.4%	61.7%
		Median	7.2%	-27.9%	-40.7%	-50.7%	60.3%	19.0%
Zalando SE	GERMANY	12,336	3.2%	-29.9%	-38.8%	-45.8%	30.1%	19.0%
HelloFresh SE	GERMANY	7,273	11.3%	-31.3%	-48.5%	-34.5%	418.1%	na
ASOS plc	UNITED KINGDOM	1,952	1.2%	-25.9%	-41.9%	-72.0%	-48.3%	-70.1%
boohoo group Plc	UNITED KINGDOM	1,354	26.1%	-19.1%	-53.8%	-73.9%	-54.7%	-47.9%
Zur Rose Group AG	SWITZERLAND	1,413	-4.8%	-44.7%	-67.1%	-63.8%	47.8%	na
Shop Apotheke Europe NV	GERMANY	1,495	19.8%	-21.1%	-39.5%	-55.7%	108.4%	206.0%
zooplus SE	GERMANY	2,924	16.5%	-14.7%	-15.7%	59.0%	332.8%	201.5%
Boozt AB	SWEDEN	763	-12.9%	-32.7%	-18.1%	-37.5%	72.7%	na

Source: Alantra estimates and Factset



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