

FARMAÈ

Sector: Consumer

Margin improvement in 1H

Farmaè reported a yoy expansion of margins in 1H22, with EBITDA margin at 3.5% from 3.2% in 1H21. This result was achieved in a context of flat pro-forma yoy top line growth (already disclosed in July). We believe that the increased scale, linked to the acquisition of Amica Farmacia, enabled cost savings in procurement, logistics and marketing. The group expects an acceleration in 2H22E, which is consistent with our FY estimates. The recent acquisition of Farmaeurope.it and the launch of the PET offer should help. Net debt increased during 1H22 to support business development. We expect a slight decrease by YE. We reiterate our BUY rating but we cut our target price to Eu15.0/share on the back of a strong de-rating of peers and increase in interest rates.

- 1H22A profitability up yoy. Net debt increased, due to CAPEX and inventory build-up.** Farmaè had already released 1H22 revenues. Net Sales came out at Eu52.8mn up 34.5% yoy and flat on a pro-forma basis. We remind that, sales were up 3% in 2Q with a sequential improvement versus 1Q. Co-marketing revenues (which are no longer reported as net revenues but in deduction of operating costs) grew 31% yoy in 1H22, reaching Eu2.1mn. Profitability experienced a sequential improvement vs both 1H21 and FY21. The company reported 1H22 EBITDA of Eu1.9mn, up 45.3% yoy, reaching a margin of 3.5% (from the 3.2% of 1H21). EBIT and net profit also experienced substantial yoy growth (respectively at 80% and 73%), posting margins of 1.6% and 0.8% (vs 1.2% and 0.6% in 1H21). We believe that, in a context of flat organic growth, margin improvement was linked to the integration of Amica Farmacia. The increased scale enabled cost savings in procurement, logistics and marketing. Finally, the company posted a net debt position of Eu19.7mn, up from Eu14.1mn in FY21. The change was mainly linked to business development: 1) CAPEX (investments related to the new logistic hub); 2) the acquisition of Farmaeurope.it; 3) an increase in NWC (driven by the enlargement of the product offer and inventory build-up ahead of expected increases in future sales volumes and procurement prices).
- An acceleration in 2H22 is expected.** We believe that a re-balancing of distribution mix is ongoing in 2022 in the Italian market of pharmaceutical and beauty products, after the growth of the online business triggered by the virus outbreak. However, online is structurally poised to gain share and a scenario of macroeconomic weakness could help (due to higher average discounts in the online channel) Farmaè should see additional upside from the newly acquired Farmaeurope.it (which reported 71k subscribers and Eu1.6mn revenues in 2021), coupled with the enrichment of the overall offer (including the recent launch of the Pet division). The company expects an acceleration in the second half of 2022.
- We keep our estimates unchanged.** We do not revise our estimates. Despite remaining almost flat yoy (on a pro-forma basis) in the first half of 2022, the company managed to increase its profitability across the board consistently with our FY estimated EBITDA, EBIT and Net profit margins. Our FY 2022 top line assume an acceleration in 2H22, which is again consistent with the outlook provided by the group. We expect the NFP to slightly decrease in the second part of the year as a consequence of reduced CAPEX and destocking.
- BUY rating confirmed, TP cut to Eu15.0/share from Eu23.2.** We confirm our BUY rating, but we cut our TP to Eu15.0 from Eu23.2 as a result of sector de-rating and increase in interest rates. From a multiple based valuation, we switch to the average of multiples and DCF. We use 2023 EV/Sales multiples of Shop Apotheke with a 30% premium (from 20% previous). 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. In the current scenario, the profitable business of Farmaè is an additional factor to justify a premium (according to consensus estimates, Shop Apotheke should deliver negative EBITDA margin of 1% in 2022E). In our DCF (Eu17/share), we assume that the group is able to achieve a 10% EBITDA margin at full steam.

BUY

Unchanged

TP 15.0

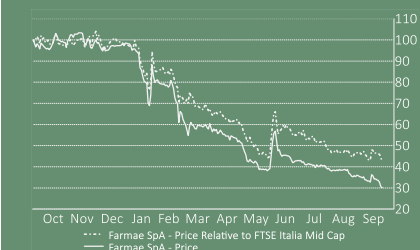
From 23.2

Target price upside: 47%

Change in EPS est.	FY22E	FY23E
	0.0%	nm

Ticker (BBG, Reut)	FAR MI	FARMA MI
Share price Ord. (Eu)		10.2
N. of Ord. shares (mn)		6.8
Total N. of shares (mn)		6.8
Market cap (Eu mn)		70
Total Market Cap (EU mn)		70
Free Float Ord. (%)		28%
Free Float Ord. (Eu mn)		20
Daily AVG liquidity Ord. (Eu k)		106

	1M	3M	12M
Absolute Perf.	-16.4%	-27%	-69%
Rel.to FTSEMidCap	-4.4%	-19%	-38%
52 weeks range		10.0	33.9



	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	0.7x	0.6x
EV/EBITDA adj.	83.5x	21.3x	15.6x
Dividend yield	0.0%	0.0%	0.0%
FCF yield	-1.2%	-4.1%	6.1%
Net debt/(Net cash)	14.1	17.0	12.8
Net debt/EBITDA	5.2x	4.1x	2.4x

Head Of Research

Giuseppe Marsella
giuseppe.marsella@alantra.com
+39 02 63 671 620

Marco Costantini
marco.costantini@alantra.com
+39 02 63 671 614

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
EBITDA adjusted	1.0	2.7	4.1	5.4	7.1
EBIT adjusted	1.0	1.0	1.9	3.0	4.7
Net profit adjusted	(0.5)	0.2	0.6	1.2	2.3

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
EPS	(0.091)	(0.014)	0.093	0.176	0.337
EPS adjusted	(0.091)	0.030	0.093	0.176	0.337
DPS - Ord.	0.000	0.000	0.000	0.000	0.000
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	10.2	10.2	10.2
Market cap	61.1	210.5	69.8	69.8	69.8
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	87.8	83.6	79.6

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	-	-	-
Operating cash flow	3.4	0.2	4.1	6.8	6.5
Capex	(1.8)	(2.8)	(7.0)	(2.6)	(2.5)
FCF	1.6	(2.6)	(2.9)	4.2	4.0
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
Ch. in NFP	1.2	(17.6)	(2.9)	4.2	4.0

Ratios (%)	FY20A	FY21A	FY22E	FY23E	FY24E
Capex/Sales	2.8%	3.4%	5.9%	1.8%	1.5%
Capex/D&A		1.7x	3.1x	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%
Dividend pay-out	0.0%	0.0%	0.0%	0.0%	0.0%

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)
Net capital employed	8.4	54.3	57.9	54.8	53.2
Net debt/(Net cash)	(3.4)	14.1	17.0	12.8	8.8
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
Working capital/Sales	-1.2%	-7.4%	-6.2%	-7.4%	-7.4%
Net debt/Equity	nm	35.0%	41.6%	30.3%	19.8%
Net debt/EBITDA	nm	5.2x	4.1x	2.4x	1.2x

Valuation	FY20A	FY21A	FY22E	FY23E	FY24E
EV/CE	6.5x	3.8x	1.4x	1.4x	1.4x
P/BV	5.2x	5.2x	1.7x	1.7x	1.6x
EV/Sales	0.9x	2.7x	0.7x	0.6x	0.5x
EV/EBITDA	59.9x	110.3x	21.3x	15.6x	11.3x
EV/EBITDA adjusted	59.9x	83.5x	21.3x	15.6x	11.3x
EV/EBIT	59.9x	733.7x	46.5x	28.3x	17.1x
EV/EBIT adjusted	59.9x	223.9x	46.5x	28.3x	17.1x
P/E	nm	nm	nm	nm	nm
P/E adjusted	nm	nm	nm	nm	nm
ROCE pre-tax	10.2%	2.9%	3.1%	4.8%	7.9%
ROE	-4.5%	0.5%	1.6%	2.9%	5.2%
EV/FCF	37.6x	-86.0x	-30.4x	19.8x	20.0x
FCF yield	2.6%	-1.2%	-4.1%	6.1%	5.7%
Dividend yield	0.0%	0.0%	0.0%	0.0%	0.0%

Share price performance

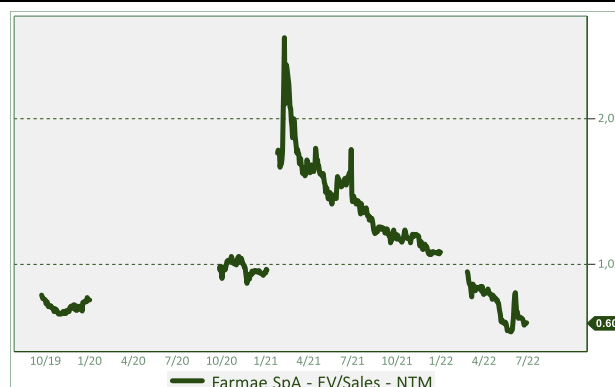
Negative recent market performance



Source: Factset

Valuation

Strong recent de-rating

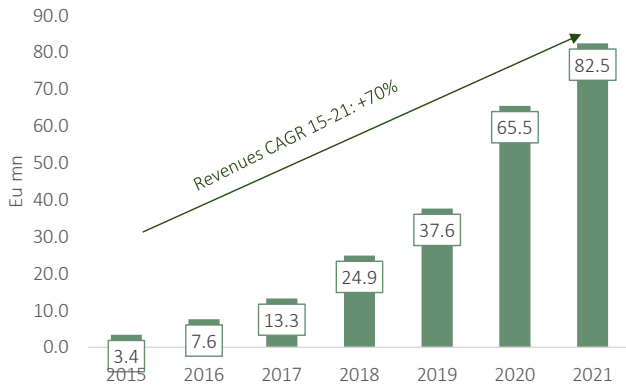


Source: Factset

Key Charts

Revenues (FY15A-21A)

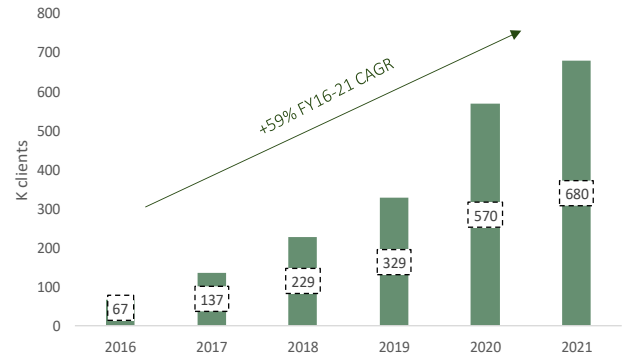
Revenues posted a 70% CAGR over the period



Source: company data

Active Users (FY16A-21A)

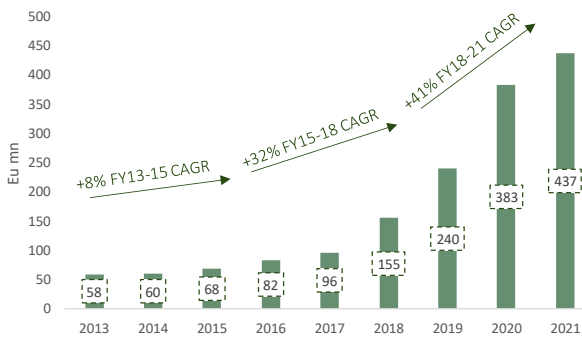
Sharp growth in active users



Source: company data, Alantra

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

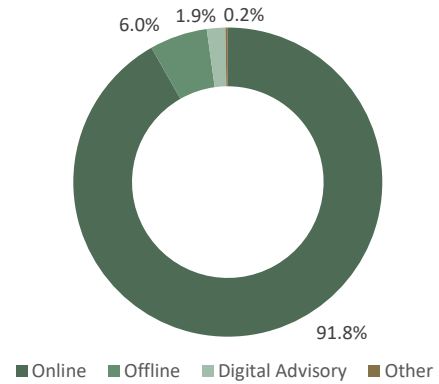
The online BPC & OTC market accelerated in the last three years



Source: company data, IQVIA, Alantra

FY21 revenues breakdown

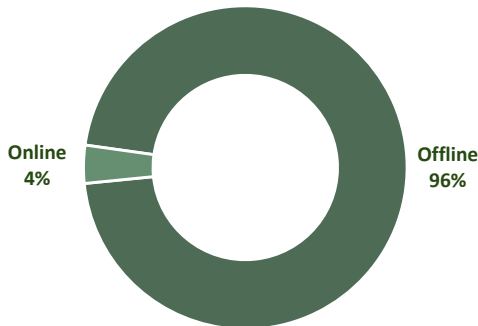
Online is by far the main stream of sales as of 2021



Source: Company data, Alantra

Online BPC & OTC – Market penetration (FY21A)

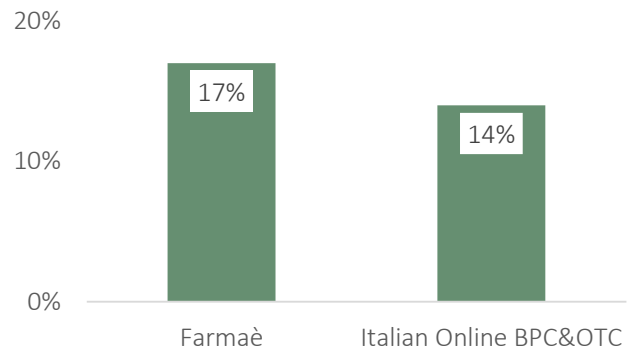
Still low penetration of online sales over total Italian BPC & OTC sales



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 - Chairman and CEO
Alberto Maglione - Vice Chairman
Marco Baroni - CFO

Next events

3Q22 preliminary: 19/10/22

Results

Release of 1H22 numbers

1H22A profitability in line with full-year estimates, while net debt increases due to CAPEX and inventory build-up

Eu mn	Alantra								
	1H21A	1H22A	YoY %	2H21A	2H22E	YoY %	FY21A	FY22E	YoY %
Net Revenues	39.3	52.8	34.5%	42.5	66.5	56.4%	82.5	119.3	44.6%
<i>on net sales %</i>	100.0%	100.0%		100.0%	100.0%		100.0%	100.0%	
Gross Margin	12.5	17.1	36.5%	15.4	23.2	nm	27.8	40.3	45.0%
<i>on sales %</i>	31.8%	32.3%		36.2%	34.9%		33.6%	33.7%	
EBITDA	1.3	1.9	45.3%	0.8	2.3	nm	2.0	4.1	101.2%
<i>Ebitda Margin %</i>	3.2%	3.5%		1.8%	3.4%		2.5%	3.5%	
EBIT	0.5	0.8	80.0%	(0.3)	1.0	nm	0.3	1.9	nm
<i>Ebit Margin %</i>	1.2%	1.6%		-0.6%	1.6%		0.4%	1.6%	
Net Profit	0.2	0.4	72.7%	0.0	0.2	nm	(0.1)	0.6	nm
<i>Net Profit Margin %</i>	0.6%	0.8%		0.1%	0.3%		-0.1%	0.5%	
NFP at YE (debt)/cash	4.3	(19.7)		(14.1)	(17.0)		(14.1)	(17.0)	

Source: Farmaè, Alantra estimates

Estimates

Estimates Unchanged

We keep our estimates unchanged

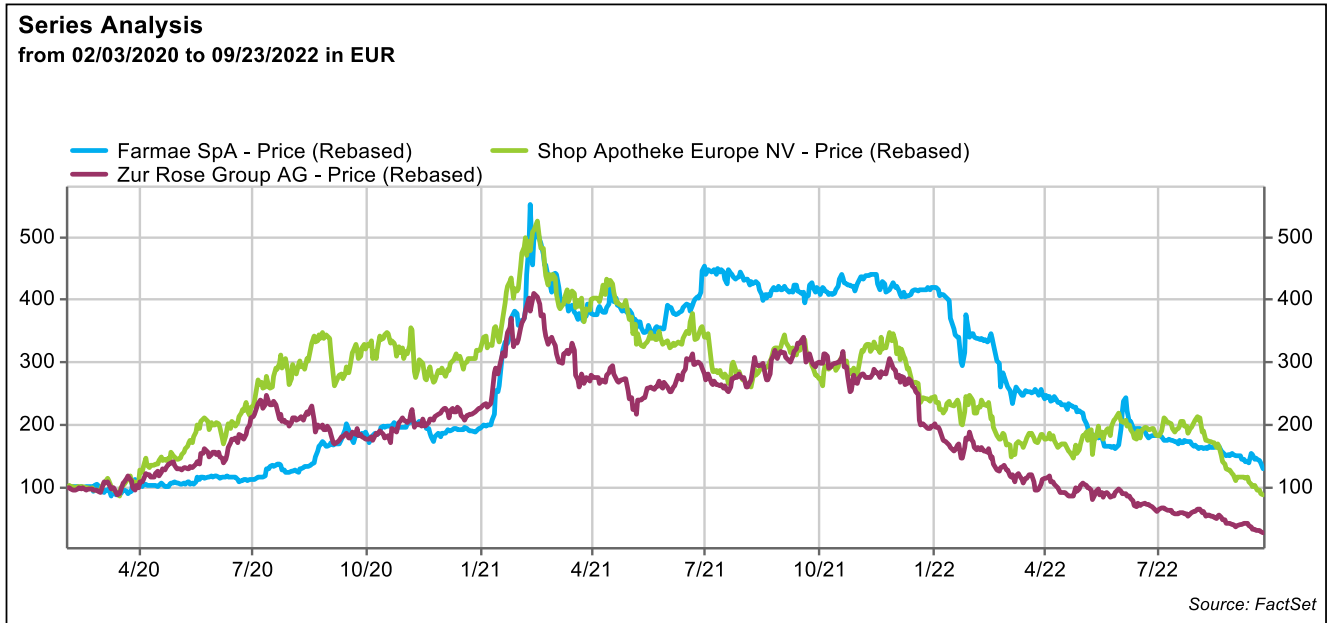
(Eu mn)	NEW Estimates			% Change			OLD Estimates		
	FY22E	FY23E	FY24E	FY22E	FY23E	FY24E	FY22E	FY23E	FY24E
Net Sales	119.3	142.6	168.0	0.0	0.0	0.0	119.3	142.6	168.0
EBITDA	4.1	5.4	7.1	0.0	0.0	0.0	4.1	5.4	7.1
EBIT	1.9	3.0	4.7	0.0	0.0	0.0	1.9	3.0	4.7
Pretax Profit	1.1	2.0	3.8	0.0	0.0	0.0	1.1	2.0	3.8
Net profit	0.6	1.2	2.3	0.0	0.0	0.0	0.6	1.2	2.3
EPS	0.093	0.176	0.337	0.000	0.000	0.000	0.093	0.176	0.337
Net financial position	(17.0)	(12.8)	(8.8)	mn	mn	mn	(17.0)	(12.8)	(8.8)

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	70	0.7 x	0.6 x	0.5 x	21.3 x	15.6 x	11.3 x	47	28.3 x	17.1 x	nm	nm	nm
Premium (discount) to Peers' Median			61%	49%	44%	138%	16%	20%	153%	164%	18%	nm	nm	nm
PEERS Average			0.5 x	0.4 x	0.3 x	9.0 x	13.5 x	9.4 x	18.4 x	10.7 x	14.5 x	46.4 x	25.0 x	128.8 x
Zalando SE	GERMANY	5,151	0.4 x	0.4 x	0.3 x	10.0 x	7.5 x	5.7 x	26.8 x	15.5 x	10.3 x	84.5 x	33.6 x	21.2 x
HelloFresh SE	GERMANY	3,828	0.5 x	0.4 x	0.4 x	8.1 x	5.9 x	4.2 x	12.7 x	8.5 x	6.1 x	20.4 x	13.9 x	10.9 x
ASOS plc	UNITED KINGDOM	675	0.2 x	0.2 x	0.1 x	3.9 x	2.8 x	2.1 x	16.5 x	8.9 x	5.3 x	25.1 x	14.3 x	8.8 x
boohoo group Plc	UNITED KINGDOM	568	0.3 x	0.2 x	0.2 x	5.7 x	4.1 x	3.4 x	16.2 x	8.8 x	6.2 x	38.5 x	12.8 x	7.6 x
Zur Rose Group AG	SWITZERLAND	406	0.5 x	0.5 x	0.4 x	na	na	34.2 x	na	na	na	na	na	na
Shop Apotheke Europe NV	GERMANY	739	0.7 x	0.6 x	0.4 x	na	57.3 x	14.1 x	na	na	58.0 x	na	na	712.4 x
zooplus SE	GERMANY	2,395	na	na	na	na	na	na	na	na	na	72.4 x	53.8 x	na
Boozt AB	SWEDEN	347	0.6 x	0.5 x	0.4 x	7.9 x	6.2 x	5.0 x	14.6 x	10.1 x	7.7 x	20.8 x	14.8 x	12.0 x
Farmacosmo S.P.A.	ITALY	64	0.6 x	0.4 x	0.3 x	18.2 x	10.9 x	6.8 x	23.4 x	12.6 x	7.8 x	63.3 x	31.7 x	na

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%
PEERS Average			4.2%	1.8%	0.6%	3.7%	0.0%	14.6%	-40.7%	15.0%	1.6%
PEERS Median			5.0%	2.4%	1.5%	4.0%	0.0%	11.9%	5.8%	8.1%	5.7%
Zalando SE	GERMANY	5,151	5.0%	2.4%	1.1%	3.7%	0.0%	7.9%	2.1%	-0.9%	2.6%
HelloFresh SE	GERMANY	3,828	7.3%	5.0%	3.2%	4.3%	0.0%	16.5%	15.5%	12.1%	13.2%
ASOS plc	UNITED KINGDOM	675	5.4%	1.8%	1.1%	5.0%	0.0%	6.4%	-4.8%	-17.4%	-18.3%
boohoo group Plc	UNITED KINGDOM	568	5.8%	2.7%	1.8%	5.5%	0.0%	8.0%	nm	nm	nm
Zur Rose Group AG	SWITZERLAND	406	-1.5%	-4.4%	-5.9%	2.4%	0.0%	9.9%	nm	nm	nm
Shop Apotheke Europe NV	GERMANY	739	1.0%	-1.6%	-2.4%	2.9%	0.0%	22.5%	-326.5%	nm	nm
zooplus SE	GERMANY	2,395	3.6%	2.3%	1.5%	na	0.0%	na	nm	nm	nm
Boozt AB	SWEDEN	347	7.5%	4.6%	3.1%	4.9%	0.0%	14.0%	9.5%	8.1%	8.8%
Farmacosmo S.P.A.	ITALY	64	4.0%	3.4%	1.9%	1.4%	0.0%	31.9%	59.6%	73.0%	na

Source: Alantra estimates and Factset

Performance

Performance slightly better than 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	69	-16.4%	-27.2%	-48.6%	-69.2%	27.6%	na
PEERS Average			-20.3%	-30.2%	-53.4%	-72.1%	-0.7%	-29.8%
PEERS Median			-18.5%	-27.2%	-55.5%	-76.4%	-31.1%	-52.9%
Zalando SE	GERMANY	5,151	-21.0%	-23.5%	-60.1%	-77.7%	-50.6%	-52.9%
HelloFresh SE	GERMANY	3,828	-19.6%	-27.2%	-46.2%	-75.1%	66.4%	na
ASOS plc	UNITED KINGDOM	675	-18.5%	-32.3%	-63.2%	-82.0%	-76.7%	-89.6%
boohoo group Plc	UNITED KINGDOM	568	-14.8%	-32.8%	-56.3%	-85.2%	-85.2%	-84.1%
Zur Rose Group AG	SWITZERLAND	406	-42.5%	-63.1%	-76.0%	-92.1%	-64.5%	-75.6%
Shop Apotheke Europe NV	GERMANY	739	-38.1%	-54.8%	-51.4%	-71.8%	24.9%	-14.9%
zooplus SE	GERMANY	2,395	-1.5%	-16.3%	-19.5%	-28.3%	191.8%	129.5%
Boozt AB	SWEDEN	347	-12.1%	-12.1%	-54.7%	-64.6%	-11.6%	-20.6%
Farmacosmo S.P.A.	ITALY	64	-15.2%	-10.2%	na	na	na	na

Source: Alantra estimates and Factset

Disclaimer

Explanation of Ratings: Alantra Capital Markets Sociedad de Valores SAU (Italian Branch) ("Alantra CM (Italian Branch)") Research Department provides six core ratings: BUY, HOLD, SELL, NOT RATED, UNDER REVIEW and SUSPENDED, based on the expected performance over the next 12 months.

BUY: The stock is expected to generate returns of over 10% during the next 12 months.

HOLD: The stock is expected to generate returns of 0-10% during the next 12 months.

SELL: The stock is expected to generate negative returns during the next 12 months.

NOT RATED: The stock is not covered.

UNDER REVIEW: An event occurred with an expected significant impact on our target price and we cannot issue a recommendation before having processed that new information and/or without a new share price reference.

SUSPENDED: Alantra CM (Italian Branch) is precluded from providing an investment rating or price target for compliance reasons.

Due to share price volatility, ratings and target prices may occasionally and temporarily be inconsistent with the above definition.

This report has been prepared by Alantra CM (Italian Branch), which is pertaining to the Alantra Group, a financial Spanish group that provides investment banking, asset management, equities brokerage, capital markets and financial advisory services.

Analyst Certification

Each authoring analyst of Alantra CM (Italian Branch) whose name appears on the front page of this research hereby certifies that (i) the recommendations and opinions expressed in this research accurately reflect the authoring analyst's personal, independent and objective views about any and all of the designated investments or relevant issuers discussed herein that are within such authoring analyst's coverage universe and (ii) no part of the authoring analyst's compensation was, is, or will be, directly or indirectly, related to the specific recommendations or views expressed by the authoring analyst in the research.

This report is solely for the information of clients of Alantra CM (Italian Branch) and for distribution only under such circumstances as may be permitted by applicable law. Alantra CM (Italian Branch) specifically prohibits the redistribution of this material in whole or in part without the prior written permission of Alantra CM (Italian Branch) and therefore Alantra CM (Italian Branch) accepts no liability whatsoever for the actions or third parties in this respect.

Nothing in this report constitutes a representation that any investment strategy or recommendation contained herein is suitable or appropriate to a recipient's individual circumstances or otherwise constitutes a personal recommendation. This report is published solely for information purposes, it does not constitute an advertisement and is not to be construed as a solicitation or an offer to buy or sell any securities or related financial instruments in any jurisdiction. The information contained in this research has been compiled by Alantra CM (Italian Branch) from sources believed to be reliable, but no representation or warranty, either expressed or implied, is provided in relation to the fairness, accuracy, completeness or correctness of the information contained herein, nor it is intended to be a complete statement or summary of the securities or markets referred to in this report. Alantra CM (Italian Branch) nor any of its affiliates has not independently verified the facts, assumptions, and estimates contained herein. All estimates, opinions and other information contained in this research constitute Alantra CM (Italian Branch)'s judgement as of the date of this research, are subject to change without notice and are provided in good faith but without legal responsibility or liability. Alantra CM (Italian Branch) its affiliated companies or any other person does not undertake that investors will obtain profits nor accept any liability for any investment losses arising from any use of this report or its contents. This report should not be regarded by recipients as a substitute for the exercise of their own judgement. Any opinions expressed in this report are subject to change without notice and may differ or be contrary to opinions expressed by other business areas of the Alantra Group as a result of using different assumptions and criteria. Research will be initiated, updated and coverage ceased solely at the discretion of Alantra CM (Italian Branch). The analysis contained herein is based on numerous assumptions. Different assumptions could result in materially different results. Alantra CM (Italian Branch) is under no obligation to keep current the information contained in this report.

From time to time, Alantra CM (Italian Branch) salespeople, traders, and other professionals may provide oral or written market commentary or trading strategies to our clients and our principal trading desk that reflect opinions that are contrary to the opinions expressed in this research. Alantra CM (Italian Branch)'s affiliates, principal trading desk, and investing businesses also from time to time may make investment decisions that are inconsistent with the recommendations or views expressed in this research.

Investments involve risks and investors should exercise prudence in making their investment decisions. The securities described herein may not be eligible for sale in all jurisdictions or to certain categories of investors. Stocks bear significantly risk that typically cannot be valued by normal fundamental criteria. Investments in the stock may result in a material loss. Options, derivative products and futures are not suitable for all investors, and trading in these instruments is considered risky. Past performance is not necessarily indicative of future results. Foreign currency rates of exchange may adversely affect the value, price or income of any security or related instrument mentioned in this report.

Any prices stated in this report are for information purposes only and do not represent valuations for individual securities or other instruments. There is no representation that any transaction can or could have been realized at those prices.

Neither Alantra CM (Italian Branch) nor any of the companies pertaining to the Alantra Group nor any of their shareholders, directors, employees or agents accepts any liability for any loss or damage arising out of the use of all or any part of this report.

Except as otherwise specified herein, this material is exclusively communicated by Alantra CM (Italian Branch) to persons who are eligible counterparties or professional clients and is only available to such persons. The information contained herein does not apply to retail clients.

The analysts responsible for the preparation of this report may interact with trading desk personnel, sales personnel and investment managers. Alantra CM (Italian Branch), any other company pertaining to the Alantra Group, and any of their shareholders, directors, employees may, to the extent permitted by law, have a position or otherwise be interested in any transactions, in any investments directly or indirectly the subject of this publication. The Alantra Group relies on information barriers to control the flow of information contained in one or more areas within the Alantra Group, into other areas, units, groups or affiliates of the Alantra Group. The Alantra Group may do and seek to do business with companies covered in its research reports. As a result, investors should be aware that the Alantra Group may have a conflict of interests. Information regarding transactions in which the Alantra Group has acted as an advisor, or provided professional services, is available on Alantra Group's website (<http://www.alantra.com>). The Alantra Group has established, implemented and maintains an effective conflicts of interest policy appropriate to its size and organization and to the nature, scale and complexity of its business. Investors should consider this report as only a single factor in making their investment decisions.

Conflict of interest

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

- Alantra is Corporate Broker of the following Companies: Openjobmetis, Eurotech, Farmaè, Intred, SEIF, ICF, Tecma Solutions, Planetel, eVISO, Powersoft, ATON Green Storage, Giglio.com, Almawave, Allcore, Datrix, Star7, Bifire, Unidata, ESI

Research Distribution Policy

Alantra CM (Italian Branch) research will be available simultaneously for all of Alantra CM (Italian Branch)'s customers who are entitled to receive the firm's research. Research may be distributed by the firm's sales and trading personnel via email, instant message or other electronic means. Customers entitled to receive research may also receive it via third party vendors. Until such time as research is made available to Alantra CM (Italian Branch)'s customers as described above, Authoring Analysts will not discuss the contents of their research with Sales and Trading or Investment Banking employees without prior compliance consent.

For further information about the proprietary model(s) associated with the covered issuer(s) in this research report, clients should contact their local sales representative.

The disclosures contained in research reports produced by Alantra CM (Italian Branch) shall be governed by and construed in accordance with Spanish and Italian laws.

The receipt of this report implies full acceptance by its recipients of the contents of this disclaimer.

Alantra Capital Markets Sociedad de Valores SAU is the Spanish investment firm located in Madrid, Calle de José Ortega y Gasset 29, registered at the Comisión Nacional del Mercado de Valores (CNMV) with number 258. Alantra CM (Italian Branch) is located in Milano (Italy), Via Borgonuovo 16 with number 155.