

## FARMAÈ

Sector: Consumer

### Much more than a rebranding

*Farmaè has announced its re-branding in Talea and its strategic evolution, which will involve: 1) the consolidation of the core B2C business; 2) the expansion of the B2B digital services; 3) the enhancement of the logistic operations; 4) the potential international expansion, also through M&A. Over the last few years, Farmaè has achieved undisputed Italian leadership in its reference market with a diversified offer of products and strong links with top suppliers. The group has also developed a remarkable digital and logistic know-how. Building on these foundations, we believe that Talea is poised to outstand in a variegated competitive environment as a reliable and accretive digital partner for both brands and consumers. The sequential quarterly improvement shown in 2022 in the post-COVID world (sales up 38% yoy in 4QPF and 13% in FY22PF) is very encouraging for the future of Talea. We confirm our BUY rating and increase our TP to Eu18.0/share from Eu15.0, after the strong re-rating of peers.*

- Announcement of a strategic evolution and rebranding in Talea.** Farmaè has announced its rebranding in Talea (to be approved by the GM on 28<sup>th</sup> April 2023), together with a new strategic roadmap. The group should adopt a vertical structure that foresees 3 areas of activities: 1) "Consumer", the traditional B2C ePharma business based on its e-commerce brands; 2) "Industrial", a B2B division that offers (through the brands Valnan and the newly established Talea Media) digital services leveraging on the know-how developed with the various platforms of the group; 3) "Supply Chain" (through Talea Logistics), focused on enhanced internal support to the core B2C business, but also with the possibility to offer logistics services to third parties. A new large logistic hub of 12k sqm in Piedmont should be finalized before the end of 2023. Process automation should improve efficiency and decrease time-to-delivery.
- Consolidation of the B2C core business. Expansion in B2B and outside Italy.** Talea targets a consolidation of its leadership in the B2C business (brands Farmaè, AmicaFarmacia, Farmaeurope, Sanort and Beautyè) with 22mn products sold in 2025 (or 22% CAGR versus 12mn in 2022) and 1.7mn active clients (from 1.0mn in 2022). The weight of the B2B business should increase to 6-8% of sales in 2025. The group should serve 400 corporates from 180 today. Talea also announced its intention to pursue a strong international expansion (targeting Germany, France, Spain and the UK), mainly through a multi-store approach, strategic partnerships and cross-border acquisitions.
- Sequential quarterly improvements in PF sales during 2022.** Revenues came out at Eu34.9mn in 4Q22 (Eu116.1mn in FY22), up 38% yoy on a pro-forma basis (13% for the full year). Despite revenues being 8% below our estimated Eu38.1mn (down 3% on the full year), the results are very encouraging as the quarter marks another solid sequential improvement in yoy PF growth of the company (-3.8% in Q1, +2.6% in Q2, +17.8% in Q3, +38% in Q4), which surpassed the growth experienced by the Italian ePharma market (14.3% in 4Q22 according to IQVIA). Co-marketing revenues grew by 10% yoy in 4Q22 (from Eu1.0mn to Eu1.1mn) totaling Eu4.2mn for FY22 (+24% yoy). The group reached 695k orders in 4Q22 (+37% yoy PF), 3.6mn products sold (+39%), 4% conversion rate.
- We keep our estimates unchanged.** We do not revise our estimates for the time being. 2022 revenues were slightly below our expectations, but the strategic plan bodes well for the growth of the business in the coming years. Considering the growth expected in products and clients on the B2C segment (ca. 20% CAGR to 2025), we see a potential upside risk to our estimates. The management has also highlighted a strategic focus on EBITDA generation.
- BUY rating confirmed, TP raised to Eu18.0/share from Eu15.0.** We confirm our BUY rating, and we increase our TP to Eu18.0 from Eu15.0 as a result of peers re-rating (Shop Apotheke up ca. 50% YTD). Our valuation is based on the average of 2023 EV/Sales multiples of Shop Apotheke with a 30% premium and DCF. Zur Rose should become another potential close peer of Farmaè subsequent to the sale of its Swiss division, as soon as the deal is fully incorporated in consensus estimates. We believe that Farmaè commands a premium versus the two peers, due to its leadership on an immature market and proven profitability.

## BUY

Unchanged

### TP 18.0

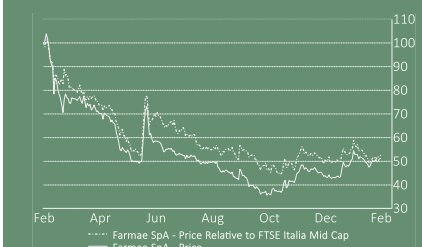
From 15.0

Target price upside: 33%

Change in EPS est.	FY22E	FY23E
	0.0%	nm

Ticker (BBG, Reut)	FAR MI	FARMA MI
Share price Ord. (Eu)		13.4
N. of Ord. shares (mn)		6.8
Total N. of shares (mn)		6.8
Market cap (Eu mn)		92
Total Market Cap (Eu mn)		92
Free Float Ord. (%)		28%
Free Float Ord. (Eu mn)		26
Daily AVG liquidity Ord. (Eu k)		63

	1M	3M	12M
Absolute Perf.	0.3%	24%	-50%
Rel. to FTSEMidCap	-5.5%	14%	-45%
52 weeks range		9.1	26.5



	FY21A	FY22E	FY23E
Sales	82	116	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	1.0x	0.7x
EV/EBITDA adj.	83.5x	26.8x	19.8x
Dividend yield	0.0%	0.0%	0.0%
FCF yield	-1.2%	-3.1%	4.6%
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	116.1	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%	34.7%	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%	40.8%	22.9%	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	13.5	13.5	13.5
Market cap	61.1	210.5	92.4	92.4	92.4
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	110.4	106.2	102.2

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>6.0%</b>	<b>1.8%</b>	<b>1.5%</b>
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%
<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>-6.4%</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	1.7x	1.8x	1.7x
P/BV	5.2x	5.2x	2.3x	2.2x	2.1x
<b>EV/Sales</b>	<b>0.9x</b>	<b>2.7x</b>	<b>1.0x</b>	<b>0.7x</b>	<b>0.6x</b>
EV/EBITDA	59.9x	110.3x	26.8x	19.8x	14.5x
<b>EV/EBITDA adjusted</b>	<b>59.9x</b>	<b>83.5x</b>	<b>26.8x</b>	<b>19.8x</b>	<b>14.5x</b>
EV/EBIT	59.9x	733.7x	58.5x	36.0x	21.9x
<b>EV/EBIT adjusted</b>	<b>59.9x</b>	<b>223.9x</b>	<b>58.5x</b>	<b>36.0x</b>	<b>21.9x</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	-38.2x	25.1x	25.7x
<b>FCF yield</b>	<b>2.6%</b>	<b>-1.2%</b>	<b>-3.1%</b>	<b>4.6%</b>	<b>4.3%</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

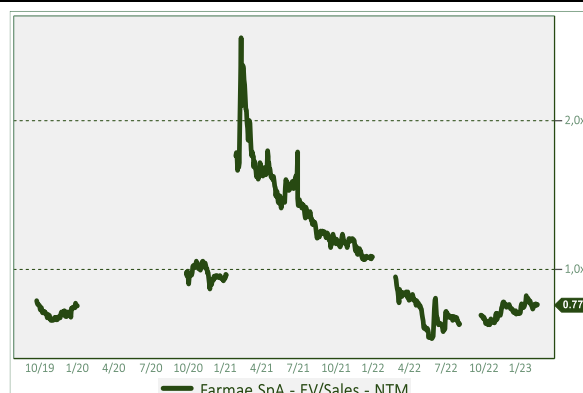
The stock price rebounded YTD



Source: Factset

### Valuation

EV/Sale multiple remains significantly below the historical average

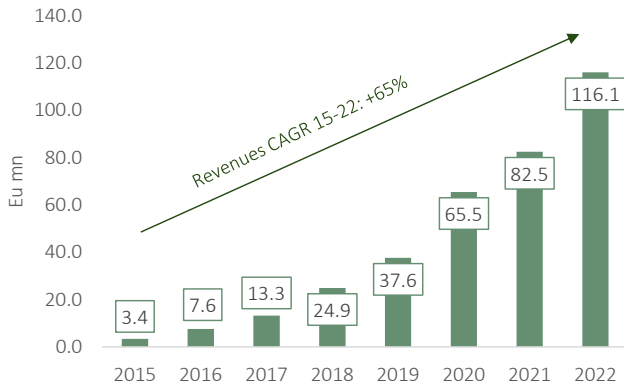


Source: Factset

## Key Charts

### Revenues (FY15A-22A)

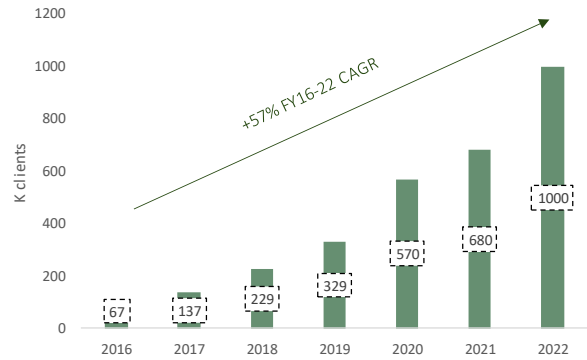
Revenues posted a 65% CAGR over the period



Source: company data

### Active Users (FY16A-22A)

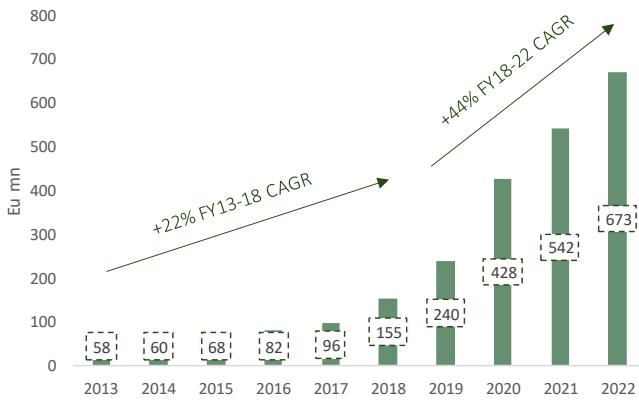
Sharp growth in active users



Source: company data, Alantra

### Online BPC & OTC – Market trend (FY13A-FY22A)

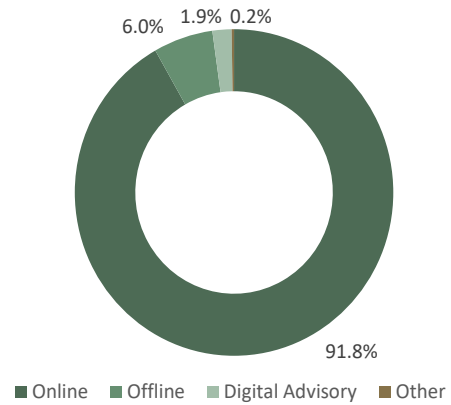
The online BPC & OTC market accelerated in the last 4 years



Source: company data, IQVIA, Alantra

### FY21 revenues breakdown

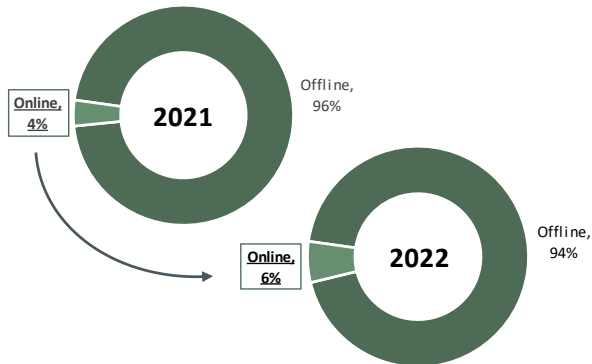
Online is by far the main stream of sales as of 2021



Source: Company data, Alantra

### Online BPC & OTC – Market penetration (2021/22)

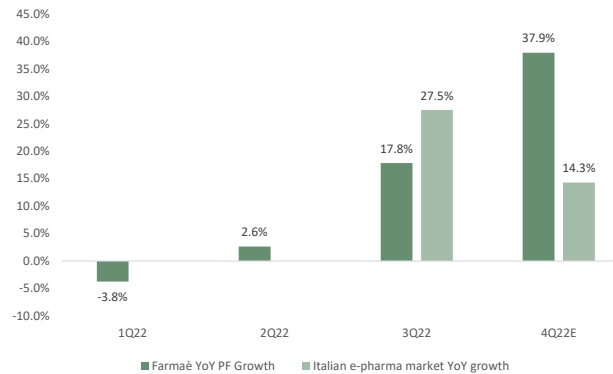
Online penetration of BPC & OTC sales in Italy grows but still remains very limited



Source: IQVIA, Alantra

### Farmaè's pro-forma vs market

Farmaè's top line growth showed sequential quarterly improvements in 2022



Source: company data, IQVIA

# Profile

## Background

Farmaè is the leading Italian online retailer of beauty & personal care and OTC products (BPC&OTC). The historical core of the group was in OTC, i.e. products usually sold in pharmacies without prescription such as OTC medications, food supplements, cosmetics and medical devices. The group manages three websites farmaè.it, amicafarmacia.com (acquired in 2021) and farmaeurope.eu (acquired in 2022). 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% 1H22 sales): in FY22 Farmaè recorded 2.4mn orders and sold more than 12mn products. Farmaè.it provides its customers with a comprehensive product offering (>100k SKUs) at attractive prices, user-friendly shopping experience 24/7, effective customer care and timely delivery.

Offline (7%): 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 physical shop in Viareggio.

Digital Advisory (1%): 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 220 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 2022 the online pharmacy market was worth Eu673mn (ca. 6% penetration rate vs full Italian pharmacy market), and Farmaè was the leading player (we estimate a ca. 18% 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 other Italian online retailers, 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 e-commerce, that would be highly complementary to Farmaè's existing product range. The online sale of perfumes and cosmetics in 2021 was worth around Eu870mn (ca 8% penetration) and it is expected to have grown by 20% during 2022. 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 2022 revenues reached Eu116.1mn, resulting in an outstanding 15-22 CAGR of 65%. Growth was organic, driven by the sharp expansion of online sales and the openings of brick & mortar stores and through M&A (Amica Farmacia has been an important deal). 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

After the announcement of its proposed rebranding in Talea and its strategic evolution, Farmaè should increasingly focus on: 1) the consolidation of the core B2C business (based on its e-commerce brands); 2) the expansion of the B2B digital services (through the brands Valnan and the newly established Talea Media); 3) the enhancement of the logistic operations (focused on enhanced internal support to the core B2C business, but also with the possibility to offer logistics services to third parties); 4) the potential international expansion, also through M&A. We believe that Talea is poised to withstand in a variegated competitive environment as a reliable and accretive digital partner for both brands and consumers.

### 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

### 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

### Weaknesses

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

### 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

FY22: 28 March 2023  
KPIs 1Q23: 20 April 2023  
KPIs 2Q23: 19 July 2023  
1H23: 26 September 2023

## Results

### Release of 4Q22 numbers

4Q22 top line slightly below estimates with yoy PF growth reaching a strong 38%

Eu mn	4Q21A	4Q21PF	4Q22A	YoY %	YoY PF %	Alantra 4Q22E	A vs E	FY21A	FY21PF	FY22A	YoY %	YoY PF %	Alantra FY22E	A vs E
Orders (k)	507	507	695	37%	37%	611	14%	1,707	2,068	2,384	40%	15%	2,301	4%
Products sold (mn)	2.6	2.6	3.6	39%	39%			8.5	10.2	12	42%	19%		
Conversion rate	3.4%	na	na	na	na			3.9%	na	4.0%	3%	na		
<b>Net Revenues</b>	<b>nm</b>	<b>25.3</b>	<b>34.9</b>	<b>nm</b>	<b>38%</b>	<b>38.1</b>	<b>-8%</b>	<b>82.5</b>	<b>102.5</b>	<b>116.1</b>	<b>41%</b>	<b>13%</b>	<b>119.3</b>	<b>-3%</b>
<b>Co-Marketing</b>	<b>1.0</b>		<b>1.1</b>	<b>10%</b>				<b>3.4</b>		<b>4.2</b>	<b>24%</b>			

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	116.1	142.6	168.0	-3%	0%	0%	119.3	142.6	168.0
EBITDA	4.1	5.4	7.1	0%	0%	0%	4.1	5.4	7.1
EBIT	1.9	3.0	4.7	0%	0%	0%	1.9	3.0	4.7
Pretax Profit	1.1	2.0	3.8	0%	0%	0%	1.1	2.0	3.8
Net profit	0.6	1.2	2.3	0%	0%	0%	0.6	1.2	2.3
EPS	0.093	0.176	0.337	0%	0%	0%	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

## New Strategic Plan & Rebranding

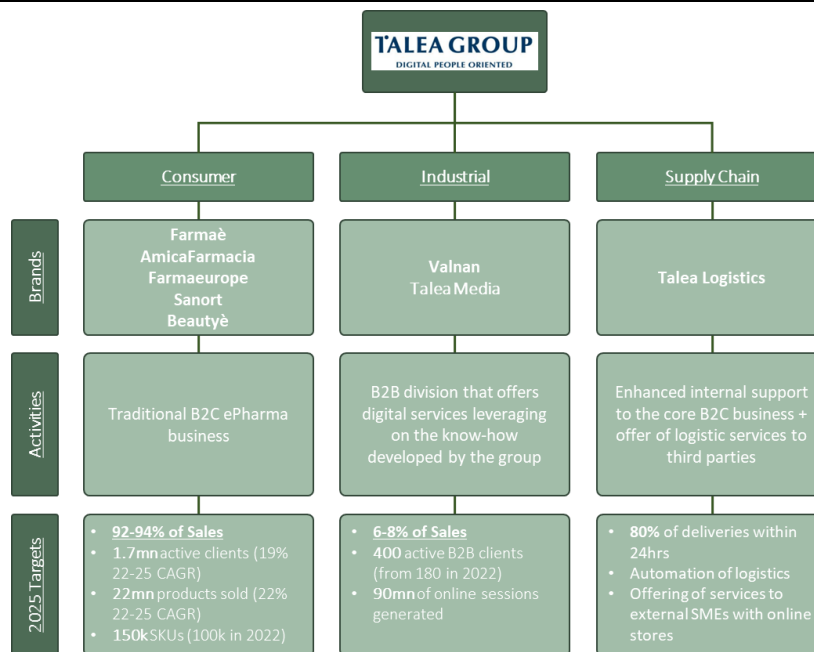
Farmaè has announced its rebranding in Talea (to be approved by the OGM on 28th April 2023), together with a new strategic roadmap. The group should adopt a vertical structure that foresees 3 areas of activities:

1. **“Consumer”**, the traditional B2C ePharma business based on its e-commerce brands (Farmaè, AmicaFarmacia, Farmaeurope, Sanort and Beautyè). Talea expects this division to account for 92-94% of 2025 sales, with a total of 1.7mn active clients, 150k SKUs offered online and 22mn products sold by then
2. **“Industrial”**, a B2B division that offers (through the brands Valnan and the newly established Talea Media) digital services leveraging on the know-how developed with the various platforms of the group. Clients are expected to grow to 400 in 2025 (from 180 in 2022), with revenues expected to reach 6-8% of sales
3. **“Supply Chain”** (through Talea Logistics), focused on enhanced internal support to the core B2C business, but also with the possibility to offer logistics services to third parties. A new large logistic hub of 12k sqm in Piedmont should be finalized before the end of 2023 and process automation should improve efficiency and decrease time-to-delivery. As a result, the group expects 80% of orders to be delivered within 24 hours

Finally, Talea also announced its intention to pursue a strong international expansion (targeting Germany, France, Spain and the UK), mainly through a multi-store approach, strategic partnerships and cross-border acquisitions.

### A vertical structure that foresees 3 areas of activities for Talea

*Consumer, Industrial and Logistics are the new 3 areas of business, with 2025 targets indicating substantial growth at the horizon*



Source: Alantra, Farmaè

## Peers

### Trading multiples

AmicaFarmacia is fully consolidated from 2022. Farmaè is currently trading below 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	93	0.9 x	0.7 x	0.6 x	26.9 x	19.9 x	14.5 x	59	36.0 x	22.0 x	nm	nm	nm	
Premium (discount) to Peers' Median			33%	17%	9%	87%	-48%	-25%	-44%	-29%	8%	nm	nm	nm	
<b>PEERS</b>			<b>Average</b>	<b>0.7 x</b>	<b>0.6 x</b>	<b>0.6 x</b>	<b>14.4 x</b>	<b>38.1 x</b>	<b>19.3 x</b>	<b>104.5 x</b>	<b>51.0 x</b>	<b>20.4 x</b>	<b>97.2 x</b>	<b>42.9 x</b>	<b>266.6 x</b>
Zalando SE	GERMANY	10,570	0.9 x	0.9 x	0.8 x	21.9 x	16.6 x	13.0 x	77.5 x	40.0 x	24.6 x	199.3 x	76.7 x	43.8 x	
HelloFresh SE	GERMANY	3,874	0.5 x	0.5 x	0.4 x	8.2 x	6.6 x	4.7 x	15.2 x	11.6 x	6.9 x	24.3 x	17.9 x	11.5 x	
ASOS plc	UNITED KINGDOM	934	0.3 x	0.3 x	0.2 x	5.5 x	6.0 x	4.4 x	22.6 x	31.5 x	13.4 x	36.4 x	49.6 x	18.4 x	
boohoo group Plc	UNITED KINGDOM	725	0.4 x	0.4 x	0.4 x	11.1 x	10.4 x	8.2 x	448.2 x	185.9 x	51.8 x	na	na	1,232.5	
<b>Zur Rose Group AG</b>	<b>SWITZERLAND</b>	<b>689</b>	<b>0.7 x</b>	<b>0.7 x</b>	<b>0.7 x</b>	na	na	61.7 x	na	na	na	na	na	na	
<b>Shop Apotheke Europe NV</b>	<b>GERMANY</b>	<b>1,196</b>	<b>1.0 x</b>	<b>0.9 x</b>	<b>0.8 x</b>	na	201.7 x	44.2 x	na	na	na	na	na	na	
zooplus SE	GERMANY	2,089	na	na	na	na	na	na	na	na	na	na	na	na	
Boozt AB	SWEDEN	742	1.1 x	1.0 x	0.9 x	14.6 x	12.8 x	10.4 x	25.9 x	22.1 x	17.2 x	38.2 x	32.9 x	26.8 x	
Farmacosmo S.P.A.	ITALY	62	0.7 x	0.5 x	0.4 x	25.1 x	12.4 x	7.4 x	37.6 x	15.0 x	8.5 x	188.0 x	37.6 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%	
<b>PEERS</b>			<b>Average</b>	<b>4.0%</b>	<b>1.0%</b>	<b>-0.2%</b>	<b>3.7%</b>	<b>0.0%</b>	<b>9.6%</b>	<b>-34.5%</b>	<b>11.6%</b>	<b>-2.4%</b>
			<b>Median</b>	<b>4.5%</b>	<b>1.8%</b>	<b>0.9%</b>	<b>3.8%</b>	<b>0.0%</b>	<b>9.0%</b>	<b>6.0%</b>	<b>6.1%</b>	<b>4.1%</b>
Zalando SE	GERMANY	10,570	5.3%	2.2%	1.1%	3.6%	0.0%	5.8%	2.2%	-2.1%	1.1%	
HelloFresh SE	GERMANY	3,874	7.0%	4.3%	2.7%	4.5%	0.0%	15.5%	12.6%	9.3%	10.8%	
ASOS plc	UNITED KINGDOM	934	5.0%	1.3%	0.7%	4.6%	0.0%	3.0%	-10.4%	-27.3%	-28.5%	
boohoo group Plc	UNITED KINGDOM	725	4.0%	0.3%	-0.3%	5.1%	0.0%	-0.1%	nm	nm	nm	
Zur Rose Group AG	SWITZERLAND	689	-1.6%	-4.8%	-6.6%	2.8%	0.0%	-7.4%	nm	nm	nm	
Shop Apotheke Europe NV	GERMANY	1,196	0.4%	-2.6%	-3.8%	3.0%	0.0%	17.1%	-280.1%	nm	nm	
zooplus SE	GERMANY	2,089	na	na	na	na	na	na	nm	nm	nm	
Boozt AB	SWEDEN	742	7.8%	4.6%	3.2%	4.1%	0.0%	12.2%	9.7%	6.1%	7.0%	
Farmacosmo S.P.A.	ITALY	62	3.9%	3.1%	1.7%	1.9%	0.0%	30.8%	58.7%	72.0%	na	

Source: Alantra estimates and Factset

### Performance

Opportunity to catch up after recent rally of Shop Apotheke and Zur Rose

Company	Country	Mkt Cap (Eu mn)	Performance						
			1M	3M	6M	1YR	3YR	5YR	
FARMAÈ	ITALY	89	0.3%	24.5%	3.3%	-49.5%	67.4%	na	
<b>PEERS</b>			<b>Average</b>	<b>1.8%</b>	<b>10.8%</b>	<b>-6.6%</b>	<b>-46.0%</b>	<b>24.1%</b>	<b>6.3%</b>
			<b>Median</b>	<b>-5.8%</b>	<b>13.5%</b>	<b>-17.1%</b>	<b>-42.3%</b>	<b>-10.1%</b>	<b>16.7%</b>
Zalando SE	GERMANY	10,570	-5.8%	21.2%	25.4%	-35.8%	-16.2%	-12.3%	
HelloFresh SE	GERMANY	3,874	-16.6%	-19.5%	-25.0%	-54.7%	-3.9%	73.3%	
ASOS plc	UNITED KINGDOM	934	10.7%	4.7%	-16.5%	-59.5%	-75.9%	-88.2%	
boohoo group Plc	UNITED KINGDOM	725	11.8%	-6.1%	-20.2%	-44.6%	-84.5%	-71.8%	
Zur Rose Group AG	SWITZERLAND	689	38.1%	49.3%	-17.1%	-73.6%	-57.8%	-48.8%	
Shop Apotheke Europe NV	GERMANY	1,196	2.6%	23.7%	-19.6%	-40.0%	38.6%	71.6%	
zooplus SE	GERMANY	2,089	-8.4%	-3.6%	-15.3%	-37.8%	225.0%	80.6%	
Boozt AB	SWEDEN	742	-9.8%	14.3%	47.4%	-22.1%	167.6%	45.8%	
Farmacosmo S.P.A.	ITALY	62	-6.4%	13.5%	-18.1%	na	na	na	

Source: Alantra estimates and Factset

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