

COMPANY UPDATE



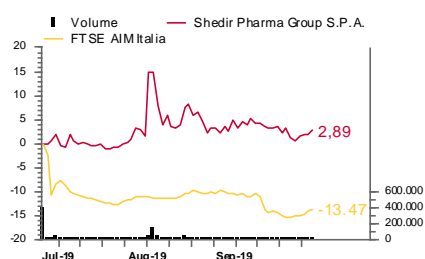
Fair Value: €9.93
(Prev. €10.26)

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Relative Performance Chart since IPO



Market Data:

Current Price (€)	7.36
Fair Value (€)	9.93
Market Cap (€mn)	84.12
52 Wk High (€)	8.80
52 Wk Low (€)	6.61
Free Float (%)	0.2
Avg. Daily Trading 90d	22966
Price Change 1w (%)	140.52
Price Change 1m (%)	99.46
Price Change YTD (%)	n.a.
EV/EBITDA 2019E	7.91
EV/EBITDA 2020E	6.73
P/E 2019E	11.56
P/E 2020E	9.57

Running Four-Legged with the Pet Launch

Overview. Shedir Pharma Group SpA (“the company”), founded in 2008, is one of the main Italian nutraceutical companies. Shedir focuses on the most value-creating phases of the value chain: a) R&D, a team of 13 people which has developed 120+ brands in 15+ therapeutic areas; b) Marketing and Sales, leveraging on a capillary sales network of 800+ exclusive agents, which ranked 2nd in Italy for number of contacts with doctors (*Abacam data*). In 2017, the company entered the pharmaceutical market, acquiring ca. 20 drugs.

Snapshot of the market. The Italian nutraceutical market reached €3.1bn, with a CAGR 2012-18 of 8.5%. Increasing life expectancy (ca. 77 years in Europe - WHO) and related chronic diseases have focused attention on prevention and healthy nutrition. Nutraceuticals - defined as food or food supplements with health benefits - have attracted both food players - for the interesting profitability - and pharmaceutical companies - for the lower R&D and regulatory burden and their mass market. We also find pure-play nutraceutical companies such as Shedir, which enjoys the characteristics required to lead the market: an internal R&D division and a strong sales network. Thanks to its competitive advantages, in 2018 Shedir ranked 2nd for growth and 8th for market share in the Italian nutraceutical market, among multinational players.

1H19 developments. During the first 6 months of the year, Shedir strengthened its product portfolio by launching nutraceutical pet products, positioning itself in a fast-growing market. The main contributor to 1H19 sales growth is the pharma division, which registered +36% YoY, whereas the Shedir division grew by ca. 8%, outpacing its reference market by 5% and the combined effect result in €24.4mn (+9.0% YoY). Furthermore, during the last 3 months, Shedir obtained 6 new patents, launched new gastrointestinal references and renewed an agreement for product distribution in Vietnam. The 1H19 EBITDA adjusted (for €1.3mn extraordinary costs related to both tax assessment and IPO) reached €5.2mn, up by 10.9% YoY and 12.4% lower than our estimate, mainly because of lower than expected revenues. On the bottom line, adjusted net income equaled €3.2mn, higher than both 1H18 and our 1H19 estimate of 21.2% and 11.1%, respectively. However, considering the after-tax effect of the adjustments, our estimate of 1H19 Net income would be equal to €2.7mn. The 1H19 NFP, which does not factor in the €8.5mn IPO net proceeds, equaled €13.4mn, improving by €2.7mn with respect to 2018.

Estimates revision. On the back of the 1H19 results, we slightly reduced our 2019-20 revenue estimates by 4.1% and 3.2% respectively, while we kept unchanged the EBITDA margin and net margin forecast. Finally, we slightly increased our NFP estimate due to lower revenues and higher investments.

Valuation. Factoring in our new estimates, we lowered our Shedir fair value by 3%. Our market multiples model returns an equity value of €113.5mn or €9.93ps, a potential upside of 35% on the current market price (€7.36ps).

€ Million	Total Revenues	EBITDA	EBITDA Margin	EBIT	Net Profit	Net Margin
2017A PF	40.2	7.0	17.5%	5.3	3.5	8.7%
2018A PF	46.9	11.1	23.6%	9.1	6.4	13.7%
2019E Adj*	52.4	12.5	23.9%	10.5	7.3	13.9%
2020E	60.9	14.8	24.2%	12.7	8.8	14.4%
2021E	68.3	16.8	24.6%	14.7	10.2	14.9%
2022E	73.3	18.2	24.8%	16.0	11.2	15.2%

Source: Company data, KT&Partners' estimates; *2019 results have been adjusted for extraordinary costs.

Shedir Pharma Group SpA - Key Figures

Current price (€)	Fair Value (€)			Sector	Free Float (%)	
7.36	9.93			Healthcare	15%	
Per Share Data						
	2017A	2018A	2019E Adj*	2020E	2021E	2022E
Total shares outstanding (mn)	n.m.	n.m.	11.43	11.43	11.43	11.43
EPS	n.m.	n.m.	0.00	0.00	0.00	0.00
Dividend per share (ord)	n.a.	n.a.	-	-	-	-
Dividend pay out ratio (%)	n.a.	n.a.	0%	0%	0%	0%
Profit and Loss (EUR million)						
Revenues	40.2	46.9	52.4	60.9	68.3	73.3
EBITDA	7.0	11.1	12.5	14.8	16.8	18.2
EBIT	5.3	9.1	10.5	12.7	14.7	16.0
EBT	5.2	8.9	8.9	12.4	14.4	15.7
Taxes	(1.7)	(2.5)	(3.2)	(3.6)	(4.2)	(4.6)
Tax rate	33%	28%	36%	29%	29%	29%
Net Income	3.5	6.4	7.3	8.8	10.2	11.2
Net Income attributable to the Group	3.5	6.4	7.3	8.8	10.2	11.2
Balance Sheet (EUR million)						
Total fixed assets	15.0	12.4	12.0	10.7	9.3	7.8
Net Working Capital (NWC)	7.3	13.8	17.0	18.3	19.3	20.1
Provisions	(0.3)	(0.5)	(1.7)	(2.3)	(2.9)	(3.6)
Total Net capital employed	21.9	25.7	27.4	26.7	25.6	24.3
Net financial position/(Cash)	14.4	15.1	1.9	(7.5)	(18.8)	(31.3)
Total Shareholder's Equity	7.5	10.6	25.4	34.2	44.4	55.6
Cash Flow (EUR million)						
Net operating cash flow	n.a.	n.a.	8.0	11.1	12.6	13.6
Change in NWC	n.a.	n.a.	(3.2)	(1.3)	(1.0)	(0.8)
Capital expenditure	n.a.	n.a.	(0.5)	(0.5)	(0.5)	(0.5)
Other cash items/Uses of funds	n.a.	n.a.	0.1	0.4	0.4	0.4
Free cash flow	n.a.	n.a.	4.3	9.7	11.5	12.7
Enterprise Value (EUR million)						
Market Cap	n.a.	n.a.	84.1	84.1	84.1	84.1
Minorities	-	-	-	-	-	-
Net financial position/(Cash)	14.4	15.1	1.9	(7.5)	(18.8)	(31.3)
Enterprise value	n.a.	n.a.	86.1	76.6	65.3	52.8
Ratios						
EBITDA margin	17.5%	23.6%	23.9%	24.2%	24.6%	24.8%
EBIT margin	13.2%	19.4%	20.1%	20.8%	21.5%	21.8%
Gearing - Debt/equity	192.3%	143.3%	7.6%	-21.9%	-42.3%	-56.3%
Interest cover on EBIT	2.7%	2.2%	3.5%	2.4%	2.0%	1.9%
NFP/EBITDA	205.1%	136.6%	15.5%	-50.9%	-111.6%	-172.0%
ROCE	24.2%	35.5%	38.5%	47.5%	57.2%	65.9%
ROE	46.5%	60.8%	28.6%	25.7%	23.0%	20.1%
EV/Sales	n.m.	n.m.	1.89x	1.63x	1.45x	1.35x
EV/EBITDA	n.m.	n.m.	7.91x	6.73x	5.90x	5.45x
P/E	n.m.	n.m.	11.56x	9.57x	8.24x	7.54x
Free cash flow yield	n.m.	n.m.	0.04x	0.10x	0.12x	0.13x
Growth Rates (%)						
Sales	n.a.	16.7%	11.8%	16.2%	12.1%	7.3%
EBITDA	n.a.	57.6%	13.3%	17.6%	14.1%	8.1%
EBIT	n.a.	71.6%	15.8%	20.2%	15.8%	9.1%
Net Income	n.a.	84.1%	13.4%	20.8%	16.2%	9.3%

Source: Company Data, KT&Partners' elaborations; *2019 results have been adjusted for extraordinary costs.

1H2019 Results Summary

During the first half of the year, Shedir continued to strengthen its business thanks to the consolidation of portfolio products, reaching €24.4mn of 1H19 sales revenues, +9.0% YoY and -6.4% with respect to our estimates. Looking at each division, the main contributor to sales growth is the Dymalife division, which registered an increase of 36% of revenues, reaching €1.6mn, whereas Shedir division grew by ca. 8%, outpacing market growth by ca. 5%.

Furthermore, in the first 6 months of 2019, Shedir expanded the marketed portfolio, launching its first pet products, which are distributed both through a dedicated sales network and directly to veterinaries. According to the management, the pet market is not crowded, thus offering interesting business opportunities.

Finally, in recent months Shedir has: a) launched a new anti-inflammatory nutraceutical product; b) renewed the agreement for the distribution of a gastrointestinal product in Vietnam; and c) obtained a new European patent and 5 Italian patents for its products.

On the profitability side, 1H19 EBITDA adjusted for the extraordinary costs (€0.6mn for tax assessment and €0.7mn related to the IPO) came in at €5.2mn, growing by 10.9% with respect to 1H18, while it is 12.4% lower than our estimate, mainly because of lower than expected revenues. The EBITDA margin adjusted reached 21.3% (+40bp), affected by the consolidation of the products launched during 2018 and higher costs related to pharmaceutical inventories and hiring of new people.

On the bottom line, 1H19 net income adjusted (for tax assessment, IPO costs as for EBITDA and extraordinary taxes of €0.6mn) resulted in €3.2mn, up by 21.2% YoY while 20% lower than our estimate. However, considering the after-tax effect of the adjustment, our estimate for 1H19 Net income would be equal to €2.7mn.

The 1H19 net financial position improved by €2.7mn, reaching €13.4mn. It is worth pointing out that 1H19 NFP does not factor in the net proceeds from the IPO of ca. €8.5mn.

Shedir 1H19 Results (€mn)

€ million	1H18	1H19	YoY %	1H19E	A vs E %
Shedir Division	21.2	22.8	7.7%	24.6	-7.2%
Dymalife Division	1.2	1.6	35.8%	1.5	7.4%
Sales Revenues	22.4	24.4	9.0%	26.0	-6.4%
Other Revenues	0.2	0.1		0.2	
Total Revenues	22.5	24.5	8.8%	26.2	-6.6%
Products and Raw materials	(4.4)	(5.1)		(5.1)	
Gross Profit	18.2	19.4	6.7%	21.1	-8.3%
Gross Margin	80.6%	79.0%		80.5%	
Cost of Sales Network	(6.8)	(7.1)		(8.0)	
Cost of Services	(4.6)	(5.6)		(5.3)	
Personnel Expenses	(1.8)	(1.9)		(2.1)	
Other Operating Expenses	(0.3)	(0.9)		(0.4)	
EBITDA	4.7	3.9	-16.7%	5.3	-26.6%
EBITDA margin	20.9%	16.0%		20.4%	
Growth %		-16.7%		13.5%	
EBITDA adj.	4.7	5.2	10.9%	6.0	-12.4%
EBITDA margin adj.	20.9%	21.3%		22.7%	
Growth %		10.9%		26.6%	
D&A and Provisions	(0.7)	(1.1)		(0.8)	
EBIT	4.0	2.8	-28.5%	4.6	-38.1%
EBIT margin	17.6%	11.6%		17.5%	
Growth %		-28.5%		15.6%	
EBIT adj.	3.8	4.2	9.5%	5.2	-20.1%
EBIT margin	16.9%	17.0%		19.9%	
Financial Income and Expenses	(0.1)	(0.2)		(0.1)	
EBT	3.9	2.7	-31.6%	4.5	-40.6%
Taxes	(1.2)	(1.5)		(1.7)	
Tax Rate		56.5%		-37.0%	
Net Income	2.7	1.2	-57.4%	2.8	-59.0%
Net margin	12.1%	4.7%		10.8%	
Net Income adj.	2.6	3.2	21.2%	3.9	-19.9%
Net margin		12.9%		15.0%	
Growth %		21.2%		51.4%	

Source: Company Data; KT&Partners' elaborations

Estimates Revision

On the back of 1H19 results, we slightly revised downwards our 2019-20 estimates.

On the top line, we expect 2019E revenues to reach €52.4mn (4.1% lower than our previous estimate) and recover slightly the following year with €60.9mn for 2020E (-3.2% with respect to our previous estimate), with the main revision on Dymalife division.

We forecast an EBITDA margin (adjusted for 2019) basically in line with our previous forecast, with our estimated EBITDA down due to lower estimated revenues for 2019 and 2020.

The increase in NFP for 2019 and 2020 is the result of lower than expected revenues and higher than expected investments.

Change in Estimates 2019-20

€ mn	2017A	2018 Actual	2019E Old*	2019E New*	Change	2020E Old	2020E New	Change
Total Revenues	40.2	46.9	54.7	52.4	-4.1%	63.0	60.9	-3.2%
YoY Change (%)	n.a.	16.7%	16.6%	11.8%		20.1%	16.2%	
EBITDA	7.0	11.1	13.0	12.5	-3.5%	15.2	14.8	-3.1%
YoY Change (%)	n.a.	57.6%	17.5%	13.3%		21.3%	17.6%	
EBITDA Margin	17.5%	23.6%	23.8%	23.9%		24.2%	24.2%	
EBIT	5.3	9.1	11.0	10.5	-4.2%	13.1	12.7	-3.5%
YoY Change (%)	n.a.	71.6%	20.8%	15.8%		24.6%	20.2%	
EBIT Margin	13.2%	19.4%	20.1%	20.1%		20.9%	20.8%	
Net Income	3.5	6.4	7.6	7.3	-4.3%	9.1	8.8	-3.6%
YoY Change (%)	n.a.	84.1%	18.5%	13.4%		25.3%	20.8%	
Net Margin	8.7%	13.7%	13.9%	13.9%		14.5%	14.4%	
NFP	21.9	25.7	24.1	27.4	13.7%	24.5	26.7	9.0%
YoY Change (%)		17.3%	-6.25%	6.6%		2%	-2.4%	

Source: Company Data, KT&Partners' elaborations

*2019 results adjusted for extraordinary costs.

Valuation

Following the projections for Shedir's future financials, we carried out the valuations of the company by applying 2 major methods: i) 2019-20 EV/EBITDA multiple; and ii) 2019-20 Price/Earnings multiple.

According to the different valuation methods, our estimate of Shedir's fair value is equal to €113.5mn or €9.93ps, resulting from the average of:

- EV/EBITDA method: €93.0mn or €8.14ps;
- P/E method: €134.0mn or €11.73ps.

Peer Comparison

We carried out an in-depth analysis of potential public companies that could be considered as peers of Shedir, taking into account both the company's nutraceutical business and its recently launched pharmaceutical activity.

We built an 8-company sample, which includes:

- **Laboratorio Reig Jofre SA:** listed on the Spanish stock exchange, with a market capitalization of ca. €180mn. Laboratorio Reig Jofre engages in the research, development, manufacture and trade of pharmaceutical products and distribution and trade of nutritional supplements segments. In 2018, the company reached revenues of €180mn.
- **Usana Health Sciences:** listed on the NYSE exchange, with a market capitalization of ca. €1.4bn. Usana develops and manufactures nutritional, personal care and weight-management products. In 2018, the company reached revenues of €1.0bn.
- **Naturhouse Health SA:** listed on the Spanish stock exchange, with a market capitalization of ca. €110mn. Naturhouse engages in the exportation, wholesale and retail sale of products related to dietetics, medicinal herbs and natural cosmetics. In 2018, the company reached revenues of €87mn.
- **Jamieson Wellness Inc.:** listed on the Toronto stock exchange, with a market capitalization of ca. €640mn. Jamieson Wellness engages in the manufacture and sale of sports nutrition products and specialty supplements. In 2018, the company reached revenues of €209mn.
- **Pharmanutra SpA:** listed on the AIM Italia market, with a market capitalization of ca. €190mn. Pharmanutra develops nutraceutical products and medical devices. In 2018, the company reached revenues of €38mn.
- **Balchem Corporation:** listed on NASDAQ, with a market capitalization of ca. €2.9bn. Balchem engages in the development, manufacture and marketing of specialty performance ingredients and products. It operates through the human nutrition, animal nutrition, specialty products and industrial products segments. In 2018, the company reached revenues of €546mn.

- **Kolinpharma SpA:** listed on the AIM Italia market, with a market capitalization of ca. €15mn. Kolinpharma engages in the research, development and marketing of food supplements based on raw materials of natural origin. In 2018, the company reached revenues of €7.2mn.
- **Herbalife Nutrition Ltd.:** listed on the NYSE, with a market capitalization of ca. €5.4bn. Herbalife engages in the development and sale of nutrition solutions. In 2018, the company reached revenues of €4.1bn.

We analyzed the peer companies by considering their marginalities and historical growth rates and compared their average results to Shedir's historical and expected financials.

The peer companies have a level of marginality which is below Shedir's: the average EBITDA margin in 2018 recorded by the peers was 20.4%, whereas Shedir's margin registered in the same period was 23.6%. At net income level, the peers' average net margin was equal to 10.3%, while Shedir's was 13.7%.

Peers Comparison - EBITDA Margin and Net Margin

Company Name	EBITDA Margin					Net Margin				
	2017	2018	2019	2020	2021	2017	2018	2019	2020	2021
LABORATORIO REIG JOFRE, S.A.	16.8%	17.0%	10.3%	13.0%	14.6%	5.3%	5.1%	3.3%	4.7%	6.2%
USANA Health Sciences, Inc.	14.2%	17.2%	14.5%	14.9%	n.a.	6.0%	10.6%	8.3%	8.4%	n.a.
Naturhouse Health SA	30.1%	26.6%	n.a.	n.a.	n.a.	21.0%	17.6%	n.a.	n.a.	n.a.
Jamieson Wellness, Inc.	17.8%	18.5%	21.8%	22.0%	n.a.	neg	8.3%	11.0%	11.9%	n.a.
PharmaNutra S.p.A.	25.8%	25.1%	13.5%	13.6%	14.2%	16.0%	18.3%	16.0%	16.2%	16.8%
Balchem Corporation	24.1%	23.9%	23.8%	23.4%	n.a.	15.1%	12.2%	13.8%	14.7%	n.a.
Kolinpharma S.p.A.	14.7%	19.3%	22.9%	25.4%	26.2%	neg	3.8%	8.9%	11.1%	9.8%
Herbalife Nutrition Ltd.	15.3%	15.5%	15.2%	15.7%	n.a.	4.8%	6.1%	7.2%	7.8%	n.a.
Peers Average	19.8%	20.4%	17.4%	18.3%	18.3%	11.4%	10.3%	9.8%	10.7%	10.9%
Shedir Group	17.5%	23.6%	23.9%	24.2%	24.6%	8.7%	13.7%	13.9%	14.4%	14.9%

Source: Shedir's company presentation, FactSet, KT&Partners' estimates

Note: 2019E EBITDA and net income adjusted for extraordinary costs related to fiscal assessment.

Looking at revenue growth rates, in 2018 Shedir outperformed its peers by 11%, growing by 16.7% (vs the peers' average of 5.7%).

Looking at EBITDA growth from 2017 to 2018, Shedir grew by more than 50%, or 28% adjusting for non-recurring items, while its peers grew on average by 3.1%.

Peers Comparison - Sales (€mn) and Sales CAGR (%)

Company Name	Sales			YoY 17-18	Sales			CAGR 2018-'21
	2017	2018	2019		2020	2021	2021	
LABORATORIO REIG JOFRE, S.A.	168	180	7.4%	203	230	244	10.6%	
USANA Health Sciences, Inc.	928	1,008	8.6%	945	988	n.a.	n.a.	
Naturhouse Health SA	95	87	-7.8%	#N/A	#N/A	n.a.	n.a.	
Jamieson Wellness, Inc.	205	209	1.8%	236	254	n.a.	n.a.	
PharmaNutra S.p.A.	38	47	23.5%	53	60	68	13.4%	
Balchem Corporation	527	546	3.5%	601	673	n.a.	n.a.	
Kolinpharma S.p.A.	4	7	n.m.	10	12	16	31.8%	
Herbalife Nutrition Ltd.	3,925	4,146	5.6%	4,412	4,675	5,223	8.0%	
Peers Average	736	779	5.8%	#N/A	#N/A	n.m.	n.m.	
SHEDIR	40	47	16.7%	52	61	68	13.3%	

Source: Shedir's company presentation, FactSet, KT&Partners' estimates

Peers Comparison - EBITDA (€mn) and EBITDA CAGR (%)

Company Name	Sales			YoY 17-18	Sales			CAGR 2018-'21
	2017	2018			2019	2020	2021	
LABORATORIO REIG JOFRE, S.A.	168	180	7.4%	203	230	244	10.6%	
USANA Health Sciences, Inc.	928	1,008	8.6%	945	988	n.a.	n.a.	
Naturhouse Health SA	95	87	-7.8%	n.a.	n.a.	n.a.	n.a.	
Jamieson Wellness, Inc.	205	209	1.8%	236	254	n.a.	n.a.	
PharmaNutra S.p.A.	38	47	23.5%	53	60	68	13.4%	
Balchem Corporation	527	546	3.5%	601	673	n.a.	n.a.	
Kolinpharma S.p.A.	4	7	n.m.	10	12	16	31.8%	
Herbalife Nutrition Ltd.	3,925	4,146	5.6%	4,412	4,675	5,223	8.0%	
Peers Average	736	779	5.8%	923	985	n.m.	n.m.	
SHEDIR	40	47	16.7%	52	61	68	13.3%	

Source: Shedir's company presentation, FactSet, KT&Partners' estimates

Note: 2019E EBITDA adjusted for extraordinary costs related to fiscal assessment.

Market Multiple Valuation

Following the comparables analysis, we proceeded with the definition of market multiples of the peer group, focusing on 2019 and 2020 data.

Peers Comparison - Market Multiples 2018-2020

	Exchange	Market Cap	EV/SALES 2018	EV/SALES 2019	EV/SALES 2020	EV/EBITDA 2018	EV/EBITDA 2019	EV/EBITDA 2020	EV/EBIT 2018	EV/EBIT 2019	EV/EBIT 2020	P/E 2018	P/E 2019	P/E 2020
LABORATORIO REIG JOFRE, S.A.	Spain	180	1.0x	0.9x	0.8x	6.1x	9.0x	6.3x	8.1x	21.8x	13.7x	16.8x	26.6x	17.1x
USANA Health Sciences, Inc.	NYSE	1,379	1.2x	1.2x	1.2x	6.8x	8.5x	8.0x	7.4x	10.3x	9.5x	14.3x	18.0x	15.4x
Naturhouse Health SA	Spain	109	1.2x	n.a.	n.a.	4.6x	n.a.	n.a.	4.8x	n.a.	n.a.	7.1x	n.a.	n.a.
Jamieson Wellness, Inc.	Toronto	644	3.6x	3.2x	3.0x	19.6x	14.8x	13.6x	23.1x	19.4x	17.0x	36.1x	25.7x	22.4x
PharmaNutra S.p.A.	Milan	194	3.7x	3.2x	2.8x	14.6x	23.8x	20.9x	15.5x	26.1x	22.8x	22.6x	22.7x	19.8x
Balchem Corporation	NASDAQ	2,924	5.7x	5.1x	4.6x	23.7x	21.6x	19.6x	33.3x	26.7x	21.8x	44.0x	36.5x	32.7x
Kolinpharma S.p.A.	Milan	13	2.1x	1.6x	1.2x	10.9x	6.9x	4.9x	27.5x	12.6x	7.4x	n.m.	19.6x	12.3x
Herbalife Nutrition Ltd.	NYSE	5,352	1.5x	1.5x	1.4x	10.0x	9.6x	8.8x	11.5x	11.5x	10.4x	21.0x	14.5x	12.4x
Average peer group		1,349	2.5x	2.4x	2.1x	12.0x	13.4x	11.7x	16.4x	18.3x	14.6x	23.1x	23.4x	18.8x
Median peer group		419	1.8x	1.6x	1.4x	10.4x	9.6x	8.8x	13.5x	19.4x	13.7x	21.0x	22.7x	17.1x

Source: FactSet

We included in our evaluation a liquidity discount of 15%, and our estimates of Shedir's EBITDA and net income for 2019 and 2020.

Market Multiple Valuation - EV/EBITDA and P/E

Multiple Valuation (€mn)	2019E	2020E
EV/EBITDA Comps	9.6x	8.8x
Shedir EBITDA*	12.55	14.75
Enterprise value	119.9	129.3
Shedir FY18E Net Debt	15.1	15.1
Equity Value	104.7	114.2
Average Equity Value	109.4	
Liquidity Discount	15%	
Equity Value Post-Discount	93.0	
Number of shares (thousand)	11	
Value per Share €	8.14	

Multiple Valuation (€mn)	2019E	2020E
P/E Comps	22.7x	17.1x
Shedir Net Income*	7.28	8.79
Equity Value	165.4	150.0
Average Equity Value	157.7	
Liquidity Discount	15%	
Equity Value Post-Discount	134.0	
Number of shares (thousand)	11.4	
Value per Share €	11.73	
Avg Equity Value (EV/EBITDA;P/E)	113.5	
Avg Value ps € (EV/EBITDA;P/E)	9.93	

Source: FactSet, KT&Partners' estimates

*2019E EBITDA and net income adjusted for extraordinary costs related to fiscal assessment.

** FY18 net debt adjusted for net IPO proceeds.

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