

Farmacosmo

Sector: E-Commerce



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Margins First: Farmacosmo's Wellness Reset

Farmacosmo (COSMO) is a Health, Pharma & Beauty e-retailer for OTC and SOP pharmaceuticals (without prescription) and BPC (beauty and personal care) SKUs. COSMO also boasts pharmacies and digital health services.

FY24 Results Validate the Shift on Margin over Volume

FY24 results confirm that Farmacosmo's strategic repositioning, centered on profitability and business quality over revenue volume, is continuing. Value of Production declined 12% y/y to €64.3mn (7% below our estimates), largely due to the strategic downsizing of the B2B segment (-37% y/y), while B2C remained stable. Importantly, EBITDA turned positive at €424k (or €869k excluding ContactU, still in its development phase), up from -€285k in FY23. Net Debt rose to €4.1mn (vs. €1.2mn in FY23), impacted by €2mn in NWC absorption and a €1.5mn equity reduction following Innovation Pharma deconsolidation.

A More and More Integrated Wellness Ecosystem

Farmacosmo's journey into an integrated and diversified wellness platform is starting to deliver results, with FY24 marked by the strong scale-up of Bau Cosmesi (sales nearly doubling and margins firmly in double digit space), and by the continued growth of ContactU, which is gaining traction in digital health thanks to strong KPIs and brand equity (e.g. 23% recurring patient rate). Operational efficiencies began to materialize through the launch of Farmacosmo Logistics, while the portfolio was streamlined with the exit from Innovation Pharma and the full acquisition of FarmaWow.

Slower Growth for Better Margin Enhancement

We appreciate COSMO's strategic shift toward profitability through the exit from low-margin B2B. That said, we believe a more controlled expansion should allow the Group to better activate efficiency levers and scale more profitably. Accordingly, by 2027E, we now expect:

- ◆ Value of Production at €73.2mn, growing at 4% CAGR_{24A-27E};
- ◆ EBITDA at €2.5mn and (3% margin), primarily driven by Bau Cosmesi;
- ◆ Net Debt at €8.6mn, with OpFCF/EBITDA conversion rate at 75%.

Fair Value at €1.00 p/s (from €1.20 p/s)

We revised downward our Fair Equity Value to €1.00 p/s, embedding the adjustment to our forecasts and a slight compression in peer group valuation multiples. Our valuation could see an upward revision depending on the magnitude of synergies achieved across the Group's various legal entities, the growth trajectory of Bau Cosmesi and ContactU, and (iii) potential regulatory developments.

Fair Value (€)	1.00
Market Price (€)	0.65
Market Cap. (€mn)	25.3

KEY FINANCIALS (€mn)	2024A	2025E	2026E
VALUE OF PRODUCTION	64.3	61.8	67.7
EBITDA	0.4	0.8	1.5
EBIT	-2.2	-1.9	-1.1
NET PROFIT	-3.0	-2.8	-2.1
EQUITY	10.8	8.1	6.0
NET FIN. POS.	-4.1	-5.0	-9.4
EPS ADJ. (€)	-0.08	-0.07	-0.06
DPS (€)	0.00	0.00	0.00

Source: Farmacosmo (historical figures)
Value Track (2025E-26E estimates)

KEY RATIOS (*)	2024A	2025E	2026E
EBITDA MARGIN (%)	0.7	1.3	2.3
EBIT MARGIN (%)	-3.5	-3.1	-1.6
NET DEBT / EBITDA (x)	9.6	6.3	6.1
NET DEBT / EQUITY (x)	0.4	0.6	1.6
EV/SALES (x)	0.63	0.49	0.51
EV/EBITDA (x)	nm	nm	22.6
EV/EBIT (x)	nm	nm	nm
P/E ADJ. (x)	nm	nm	nm

Source: Farmacosmo (historical figures)
Value Track (2025E-26E estimates)

STOCK DATA (*)	
FAIR VALUE (€)	1.00
MARKET PRICE (€)	0.65
SHS. OUT. (m)	38.9
MARKET CAP. (€m)	25.3
FREE FLOAT (%)	26.5
AVG. 20D VOL. (#)	19,036
RIC / BBG	COSMO.MI / COSMO IM
52 WK RANGE	€0.37 - €0.98

Source: Stock Market Data

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Business Description

Farmacosmo is a e-retailer for OTC and SOP pharmaceuticals (“over the counter”, i.e. that do not need prescriptions) and BPC products (“beauty and personal care”, such as cosmetics) in Italy. Thanks to a wide catalogue with over 70k references, long shelf-life products selling at discount vs. physical stores and end-to-end customer-centric approach, Farmacosmo is generating ever improving KPIs. Thanks to recent M&A, Farmacosmo now also boast a physical pharmacy and digital health services.

Key Financials

€mn	2024A	2025E	2026E	2027E
Value of Production	64.3	61.8	67.7	73.2
y/y (%)	-11.5%	-3.8%	9.5%	8.2%
EBITDA	0.4	0.8	1.5	2.5
EBITDA Margin (%)	0.7%	1.3%	2.3%	3.4%
EBIT	-2.2	-1.9	-1.1	0.6
EBIT Margin (%)	-3.5%	-3.1%	-1.6%	0.8%
Net Profit	-3.0	-2.8	-2.1	-0.5
y/y (%)	nm	nm	nm	nm
Adjusted Net Profit	-3.0	-2.8	-2.1	-0.5
y/y (%)	nm	nm	nm	nm
Net Fin. Position	-4.1	-5.0	-9.4	-8.6
Net Fin. Pos. / EBITDA (x)	9.6	6.3	6.1	3.4
Capex	-1.1	-0.7	-0.7	-0.6
OpFCF b.t.	-2.6	-0.1	0.3	1.9
OpFCF b.t. as % of EBITDA	nm	nm	16.4%	75.1%

Source: Farmacosmo (historical figures), Value Track (estimates)

Investment case

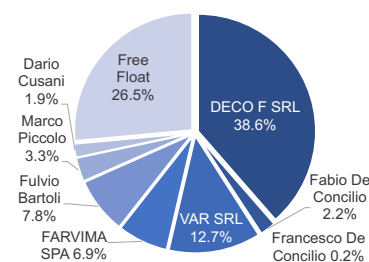
Strengths / Opportunities

- ◆ Very high flexibility to demand thanks to “sell and buy” approach and almost non-existent inventory risk due to the “zero warehouse” policy;
- ◆ All-around value proposition in the Health, Beauty & Pharma industry with online portals, physical pharmacy and digital health services;
- ◆ End-to-end customer centric approach resulting in high conversion rate and above competition average order value (AOV).

Weaknesses / Risks

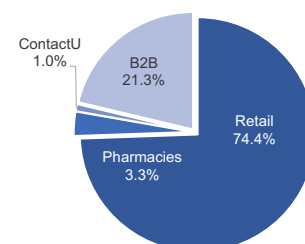
- ◆ Increasing competition trying to exploit current low online penetration;
- ◆ Risk of potential changes in current legal and regulatory framework;
- ◆ Risk of sales concentration, operating in B2B channel with one major client.

Shareholders Structure



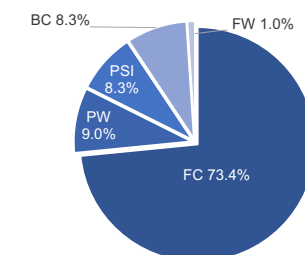
Source: Farmacosmo

Revenues by Business Line



Source: Farmacosmo, FY24

Retail Revenues by Portal



Source: Farmacosmo, FY24

Stock Multiples @ €1.00 Fair Value

	2025E	2026E
EV / SALES (x)	0.71	0.71
EV / EBITDA (x)	nm	nm
EV / EBIT (x)	nm	nm
EV / CAP.EMP. (x)	3.3	3.1
OpFCF Yield (%)	1.1	1.8
P / E (x)	nm	nm
P / BV (x)	5.0	6.8
Div. Yield. (%)	0.0	0.0

Source: Value Track

FY24 Financial Results

Key Financials & Messages

Farmacosmo's FY24 results reaffirm the effectiveness of its strategic repositioning, which prioritizes margin expansion over top-line growth. The Group is transitioning toward a more sustainable, quality-driven model. Key financials include:

- ◆ **Value of Production at €64.3mn**, down 12% y/y but only 7% below our estimates;
- ◆ **EBITDA at €424k** vs. -€285k in FY23, despite the ongoing development phase of ContactU;
- ◆ **EBITDA Adjusted** (i.e., excluding ContactU), at **€869k** vs. €200k in FY23;
- ◆ **Net Debt at €4.1mn** (vs. €1.2mn in FY23), reflecting €2mn in Net Working Capital absorption and €1.5mn in equity reduction post-Innovation Pharma deconsolidation.

Farmacosmo: Key Financials FY22-FY24

(IT GAAP, €mn)	FY22	FY23	FY24	y/y	FY24E	A/E
Value of Production	66.6	72.6	64.3	-12%	69.0	-7%
EBITDA	0.0	-0.3	0.4	>100%	0.7	-52%
EBITDA Margin (%)	0.15	-0.4%	0.7%	110bps	1.1%	-50bps
EBITDA Adj.	na	0.2	0.9	>100%	na	na
EBITDA Adj. Margin (%)	na	0.3%	1.4%	110bps	na	na
Net Financial Position [Debt(-)/Cash(+)]	5.2	-1.2	-4.1	-2.8	-2.0	-2.1

Source: Farmacosmo, Value Track Analysis, (*) FY23

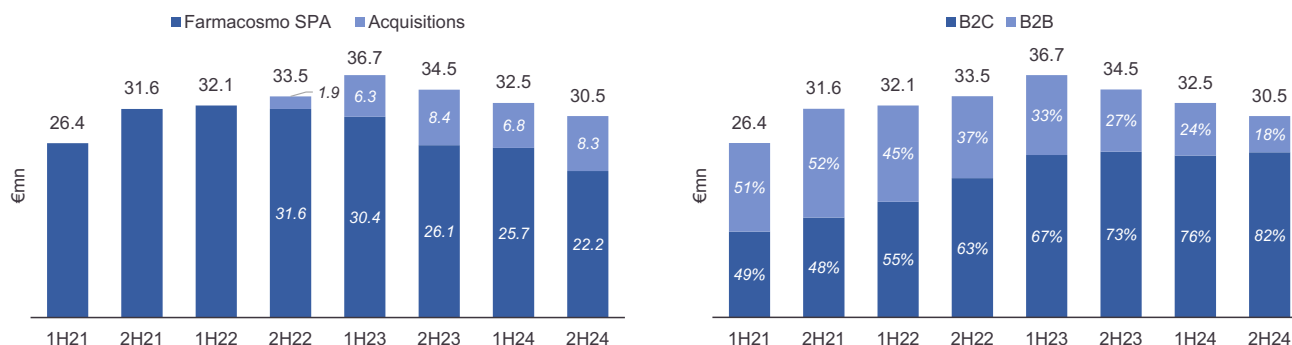
Three key themes frame the FY24 performance:

1. **Strategic revenue rebalancing in favour of higher-margin B2C;**
2. **Margin improvement supported by a more profitable revenue mix;**
3. **Cash flow pressure due to investments in ContactU and working capital.**

Strategic revenue rebalancing in favour of higher-margin B2C

FY24 **Revenues from Sales** came in at **€63.0mn**, down 12% y/y (-9% like-for-like, excluding Innovation Pharma). This reflects a strategic contraction of the **B2B** channel (**€13.4mn**, -37% y/y), aligned with the Group's shift toward the higher-margin **B2C** segment (**€49.6mn**, flat y/y). Notably, B2B revenues have now declined for five consecutive semesters (now 18% of sales vs. 51% in 1H21).

Farmacosmo: Revenues from Sales Evolution



Source: Farmacosmo, Value Track Analysis

Within B2C, **Bau Cosmesi** exceeded expectations, generating **€3.9mn** (vs. €1.8mn in FY23), supported by the integration of high-margin, recurring products that improved AOV (€47.2 vs. €40 as of FY23). Other contributors included **Farmacia De Leo** (physical pharmacy, €2.1mn) and ContactU (digital health, €606k), which continues to show strong KPI progression, including a >20% conversion rate from survey to repeat patient, reinforcing its strategic positioning

Farmacosmo: Value of Production Breakdown

(IT GAAP, €mn)	FY22	FY23	FY24	y/y
Retail	38.2	45.5	46.9	3%
o/w Farmacosmo	36.7	35.0	34.5	-2%
o/w Profumeria Web	0.9	4.1	4.2	2%
o/w Pharmasi	0.6	4.5	3.9	-14%
o/w Bau Cosmesi	//	1.8	3.9	>100%
o/w FarmaWow	//	0.1	0.5	>100%
Physical Pharmacies	0.4	4.0	2.1	-48%
ContactU	//	0.2	0.6	>100%
B2B	27.0	21.5	13.4	-37%
Revenues from Sales	65.7	71.2	63.0	-12%
Δ Fixed Assets	0.8	0.9	0.7	-20%
Other Revenues	0.2	0.5	0.6	4%
Value of Production	66.6	72.6	64.3	-12%

Source: Farmacosmo, Value Track Analysis

Farmacosmo: Revenues from Sales by Business Line and Retail Revenues by Portal



Source: Farmacosmo, Value Track Analysis

Margins on the rise thanks to a more profitable revenue mix

Group **EBITDA** improved significantly to **€424k** in FY24 (-€285k in FY23), driven by (i) a reduced exposure to the B2B channel, (ii) better platforms' KPIs, including higher AOVs (Farmacosmo.it at €104 vs. €100 in FY23) and a higher share of revenue from recurring orders (84% vs. 80% for Farmacosmo.it), (iii) exponential growth of pet-focused Bau Cosmesi (boasting an EBITDA Margin of ~13%), and (iv) internalization of logistics, accounting and IT services. All in all, management's diversification strategy has been successful, with the B2C stream more than offsetting the reduction in B2B's EBITDA. Analyzing this metric by legal entities, we highlight:

- ◆ **Farmacosmo SPA:** €314k (0.7% margin, +20bps y/y), helped by catalog margin expansion and greater SKU concentration per order;
- ◆ **Profumeria Web:** -€152k (-€107k), due to higher marketing costs tied to its repositioning toward higher-end products. Benefits of targeted marketing campaigns and logistic efficiencies should be more visible starting from FY25;
- ◆ **Farmacia De Leo** (including both the physical pharmacy and Pharmasi): €228k vs. -€278k in FY23, mainly thanks to the turnaround of the online portal (flat EBITDA of the pharmacy);
- ◆ **Bau Cosmesi:** €515k (vs. €168k in FY23), implying an EBITDA Margin of ca. 13% thanks to the launch of new recurring products;
- ◆ **ContactU:** -€445k (-€100k y/y), consistent with expectations and reflecting ongoing development costs. Notably, cash burn is improving;
- ◆ **Farmacosmo Logistics:** €60k of group-level savings from centralized operations.

Adjusted for ContactU, Group's **EBITDA Adj.** reached **€869k** vs. €200k in FY23.

Farmacosmo: EBITDA Breakdown

(IT GAAP, €mn)	FY22	FY23	FY24
Farmacosmo SpA (B2B+B2C)	0.1	0.4	0.3
Profumeria Web	-0.1	-0.1	-0.2
Bau Cosmesi	//	0.2	0.5
FarmaWow	//	0.0	-0.1
Farmacia De Leo	0.0	-0.3	0.2
Innovation Pharma	0.1	0.0	//
ContactU	//	-0.3	-0.4
Farmacosmo Logistics	//	//	0.1
Group EBITDA	0.0	-0.3	0.4

Source: Farmacosmo, Value Track Analysis

On the costs side, the Group demonstrated efficiency, with lower Raw Materials, G&A, Costs of Rent, and Labour Costs, despite key management reinforcements.

EBIT improved by ca. €900k to **-€2.3mn** (-€3.2mn in FY23), driven by the drop in goodwill amortization following the Innovation Pharma deconsolidation (now ca. €900k/year).

Net Loss narrowed to **€3.0mn** vs. the Net Loss of €3.2mn in FY23, aided by lower taxes and the gain from Innovation Pharma's sale, despite higher financial charges.

Cash flow pressure due to investments in ContactU and working capital dynamics

Cash flow erosion amounted to ~€2.8mn, resulting in a **Net Debt** of **€4.1mn**. Key factors include:

- ◆ **Net Working Capital** absorption of €1.8mn, primarily due to inventory buildup aimed at improving gross margins by stocking high-turnover products;
- ◆ **Capex** of ca. €1.1mn, mainly tied to the launch and development of ContactU;
- ◆ **Net Equity** reduction of €1.5mn from the deconsolidation of Innovation Pharma.

Financial Statements FY22-FY24

Farmacosmo: P&L FY22-FY24

(IT GAAP, €mn)	FY22	FY23	FY24	y/y
Value of Production	66.6	72.6	64.3	-12%
Raw Materials (incl. Δ Inventory)	-56.4	-56.5	-47.4	-16%
Costs of Services	-7.7	-11.5	-12.1	6%
Labour Costs	-2.3	-4.0	-3.6	-11%
Other Operating Expenses	-0.3	-0.9	-0.8	-10%
EBITDA	0.0	-0.3	0.4	>100%
EBITDA Margin (%)	0.1%	-0.4%	0.7%	110bps
D&A	-1.6	-2.9	-2.6	-9%
EBIT	-1.6	-3.2	-2.2	nm
EBIT Margin (%)	-2.4%	-4.5%	-3.5%	100bps
Net Financial Charges	-0.6	-1.0	-0.8	-17%
Taxes	0.2	0.2	0.0	-87%
Minorities	0.7	0.7	0.1	-86%
Net Profit	-1.3	-3.2	-3.0	nm

Source: Farmacosmo, Value Track Analysis

Farmacosmo: Balance Sheet FY22-FY24

(IT GAAP, €mn)	FY22	FY23	FY24
Net Fixed Assets	17.4	16.3	12.8
Net Working Capital	-3.0	1.0	2.9
Provisions	0.6	0.7	0.8
Total Capital Employed	13.8	16.6	14.9
Group Net Equity	19.0	15.4	10.8
Net Financial Position	5.2	-1.2	-4.1

Source: Farmacosmo, Value Track Analysis

Farmacosmo: Cash Flow Statement FY22-FY24

Cash Flow (IT GAAP, €mn)	FY22	FY23	FY24
EBITDA	-0.1	-0.4	0.4
Δ NWC (incl. Provisions)	2.3	-3.9	-1.8
Capex	-16.9	-2.2	-1.1
OpFCF (b.t.)	-14.8	-6.6	-2.6
As a % of EBITDA	nm	nm	nm
Cash Taxes	0.2	0.2	0.0
Capital Injections	17.2	0.0	-1.5
Others (incl. Fin. Investments)	2.7	0.8	2.4
Net Financial Charges	-0.5	-0.9	-1.2
Dividends Paid	-0.4	0.0	0.0
Δ Net Financial Position	4.4	-6.5	-2.8

Source: Farmacosmo, Value Track Analysis

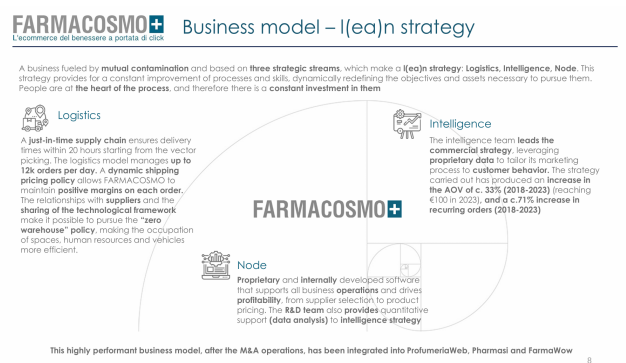
Business Development

Strategic Execution Driving Profitable Growth

In FY24, Farmacosmo continued to evolve into an **integrated wellness ecosystem**, focused on sustainable growth and margin expansion across its core verticals: **Pharma**, **Beauty**, **Pet**, and **Digital Health**. The Group's transformation strategy has begun to bear fruit, reflected in both improved financial fundamentals and a series of strategic initiatives aimed at strengthening operational synergies and broadening its business mix. Key developments include:

- ◆ **Bau Cosmesi Scale-Up**, unlocking impressive growth and profitability in the pet care space;
- ◆ **ContactU Performance**, showing scalable potential in digital health through strong KPIs and strategic positioning;
- ◆ **Farmacosmo Logistics** set up, centralizing operations to drive cross-brand efficiency;
- ◆ **Portfolio Optimization**, with the divestment from Innovation Pharma and the buyout of FarmaWow minorities.

Farmacosmo: Value Proposition & Business Model



Source: Farmacosmo

Bau Cosmesi: Digital and Scalable Pet Care Leader

In FY24, Bau Cosmesi confirmed its position as one of the Group's most dynamic and profitable brands, supported by category expansion, rising recurrence, and a highly efficient **digital-first model**. Initially focused on a narrow range of products, Bau now offers an extended catalogue including **integrators** (boosting AOV and recurrence due to therapeutic cycles of ~90 days), **pet food** (high purchase frequency), and **accessories** (smaller volumes but high margins).

Brand awareness has grown significantly thanks to consistent marketing investments (~€100k-120k per month), positioning Bau as a reference player in the fully digital pet wellness segment.

Looking ahead, Bau Cosmesi should continue to evolve into a broader platform, with several strategic directions under development:

- ◆ **"Miao"**: the launch of "Miao", a dedicated line for cats, marks the first step in expanding horizontally into other pet categories;
- ◆ **More Private Labels**: plans are underway to introduce more private label food products, with greater personalization to strengthen margins;
- ◆ **Replicability Potential**: based on Bau's strong brand equity and recurring revenue model, we believe the brand shows high replicability potential, not only across pet types but also geographically.

ContactU Positioned for Continued Expansion via Capital Increase

ContactU continues to scale in the telepsychology and digital health space, backed by strong brand equity (evidenced by highly positive Trustpilot reviews), scalable KPIs, and a low market penetration rate that suggests considerable room for growth.

The platform has built a compelling value proposition for both patients and therapists through its B2C, B2P, and more recently, B2B offerings (corporate welfare services). Business development remains robust, as highlighted by FY24 financials (in line with expectations) and:

- ◆ Over 5,500 therapy sessions conducted in 1H24, surpassing the full-year total for FY23;
- ◆ More than 11,000 therapy hours completed;
- ◆ Conversion rate at approximately 44% from initial survey to first session;
- ◆ Recurring patient conversion rate at about 23%.

These metrics underpin a well-executed marketing strategy and a strong market position. To sustain growth and support further investments in marketing and operations, management is continuing to explore external capital-raising opportunities.

Farmacosmo: ContactU Offering

contactU
Il primo passo verso il benessere

Telepsychology service

ContactU offers a team of professionals capable of integrating different psychotherapeutic models. All therapy courses begin with a free **cognitive interview** with the professional who will be assigned to you after the questionnaire. ContactU is guided by a **Scientific Committee** with a scientific method, and select the most suitable therapist to follow the patient.

B2C

- Individual Therapy
- Parent Therapy
- Couples Therapy
- Group Therapy

B2B

- Psychological well-being for companies
- In-house training for therapists
- Webinars and training events

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Source: Farmacosmo

Farmacosmo Logistics Driving Cost Synergies

On July 15, 2024, Farmacosmo established Farmacosmo Logistics S.r.l., consolidating logistics operations across the Group under a centralized entity. The move enhances efficiency, cuts costs, and paves the way for future third-party logistics services. Early benefits are already materializing through the integration of acquired businesses into the Nola hub, with the newly established subsidiaries already recording savings of ca. €60k at EBITDA level, as reported in the previous chapter.

Portfolio Optimization: Innovation Pharma Exit and FarmaWow Buyout

In February 2024, Farmacosmo sold its 67% stake in Innovation Pharma back to G&Ph Holding S.r.l., citing strategic misalignment and underperformance. The Group remains committed to its omnichannel model, with a renewed focus on strengthening Farmacia De Leo.

Separately, on December 11, 2024, Farmacosmo finalized the buyout of the remaining 49% stake in FRCM1 S.r.l. (FarmaWow.it) from Laboratorio Farmaceutico Erfo for €151.9k (€50k at closing, balance by January 7th, 2025). In FY25, the Group plans to relaunch the portal with a new visual identity focused on personal care and nutraceuticals, supported by ongoing efficiency initiatives.

Forecasts 2025E-27E

Estimates Revision

We remain supportive of Farmacosmo's strategic focus on improving profitability and cash generation by shifting toward higher-margin retail and phasing out low-margin B2B operations. However, given that FY24 results came in below expectations (particularly in terms of margin and cash flow performance) we believe that a more measured growth trajectory is necessary to unlock operational efficiencies and drive faster margin expansion. As such, we revised our projections as follows:

- ◆ **Value of Production** down by 18% annually due to: (i) a sharper-than-anticipated decline in B2B volumes; (ii) a more gradual growth of Farmacosmo.it, Profumeria Web (following strategic repositioning started in 2H24), Pharmasi, and Farma Wow; and (iii) a more cautious ramp-up of ContactU. Conversely, we have upgraded our outlook for Bau Cosmesi, and maintain steady expectations for Farmacia De Leo;
- ◆ **EBITDA** down more than proportionally vs. to top line, though only with a 70 bps reduction in margin terms, supported by (i) sustained high margins at Bau Cosmesi, thanks to its recurring and value-added product base; (ii) continued emphasis on premium SKUs across online portals; (iii) efficiencies from Farmacosmo Logistics integration; and (iv) tighter and more targeted marketing expenses. Over time, ContactU's scaling should also contribute to margin uplift;
- ◆ **Net Debt** to be burdened by lower Net Profits and longer Net Working Capital cycle following the sharper decline in B2B.

Farmacosmo: Old vs. New Estimates

(IT GAAP, €mn)	2025E			2026E			2027E		
	Old	New	Δ	Old	New	Δ	Old	New	Δ
Value of Production	75.6	61.8	-18%	82.5	67.7	-18%	//	73.2	//
EBITDA	1.5	0.8	-47%	2.5	1.5	-39%	//	2.5	//
EBITDA Margin (%)	2.0%	1.3%	-70bps	3.0%	2.3%	-70bps	//	3.4%	//
EBIT	-1.1	-1.9	nm	0.0	-1.1	nm	//	0.6	//
EBIT Margin (%)	-1.5%	-3.1%	-160bps	0.0%	-1.6%	-160bps	//	0.8%	//
Net Profit	-1.7	-2.8	nm	-0.8	-2.1	nm	//	-0.5	//
Net Financial Position	-1.9	-5.0	-3.1	-4.3	-9.4	-5.1	//	-8.6	//

Source: Value Track Analysis

New Estimates 2025E-27E

Key Forecasts & Drivers

By 2027E, we now expect Farmacosmo to reach:

- ◆ **Value of Production at €73.2mn**, growing at 4% CAGR_{24A-27E} despite the continuous voluntarily decrease of B2B leg, more than offset by online retail and ContactU development;
- ◆ **EBITDA at €2.5mn** and EBITDA Margin at 3%, mainly boosted by Bau Cosmesi;
- ◆ **Net Debt at €8.6mn**, with OpFCF/EBITDA at ~75%, after reaching break-even in 2026E as EBITDA and NWC cycle should be enough to cover Capex (ca. 1% of top line)

Farmacosmo: Revenues from Sales Breakdown 2024A-27E

(IT GAAP, €mn)	2024A	2025E	2026E	2027E	CAGR _{24A-27E}
Retail	46.9	51.4	56.0	61.1	9%
<i>o/w Farmacosmo</i>	34.5	35.6	36.7	37.8	3%
<i>o/w Profumeria Web</i>	4.2	4.8	5.3	5.7	11%
<i>o/w Pharmasi</i>	3.9	4.5	4.9	5.3	11%
<i>o/w Bau Cosmesi</i>	3.9	6.0	8.1	10.6	40%
<i>o/w FarmaWow</i>	0.5	0.5	1.0	1.7	52%
Physical Pharmacies	2.1	2.2	2.3	2.3	4%
ContactU	0.6	1.2	2.4	3.5	79%
B2B	13.4	6.0	6.0	6.0	-24%
Revenues from Sales	63.0	60.8	66.7	72.9	5%
Δ Fixed Assets	0.7	0.5	0.5	0.0	-100%
Other Revenues	0.6	0.5	0.5	0.3	-19%
Value of Production	64.3	61.8	67.7	73.2	4%

Source: Farmacosmo, Value Track Analysis

Farmacosmo: EBITDA Breakdown 2024A-27E

EBITDA Breakdown (IT GAAP, €mn)	2024A	2025E	2026E	2027E
Farmacosmo SPA	0.3	0.4	0.4	0.5
Profumeria Web	-0.2	-0.1	0.0	0.1
Bau Cosmesi	0.5	0.8	1.1	1.4
FarmaWow	-0.1	0.0	0.0	0.1
Farmacia De Leo (incl. Pharmasi)	0.2	0.3	0.4	0.5
ContactU	-0.4	-0.7	-0.4	-0.1
Farmacosmo Logistics	0.1	0.1	0.1	0.1
EBITDA	0.4	0.8	1.5	2.5

Source: Farmacosmo, Value Track Analysis

Financial Statements 2024A-27E

Farmacosmo: P&L 2024A-27E

P&L (IT GAAP, €mn)	2024A	2025E	2026E	2027E	CAGR _{24A-27E}
Value of Production	64.3	61.8	67.7	73.2	4%
Raw Materials (incl. Δ Inventory)	-47.4	-44.8	-48.7	-52.0	3%
Costs of Services	-12.1	-11.7	-12.9	-13.9	5%
Labour Costs	-3.6	-3.6	-3.7	-3.9	3%
Other Operating Expenses	-0.8	-0.8	-0.9	-0.9	5%
EBITDA	0.4	0.8	1.5	2.5	92%
EBITDA Margin (%)	0.7%	1.3%	2.3%	3.4%	270bps
D&A	-2.6	-2.7	-2.6	-2.0	-9%
EBIT	-2.2	-1.9	-1.1	0.6	nm
EBIT Margin (%)	-3.5%	-3.1%	-1.6%	0.8%	430bps
Net Financial Charges	-0.8	-0.8	-1.0	-1.1	10%
Taxes	0.0	0.0	0.0	0.0	nm
Minorities	0.1	0.0	-0.1	0.0	-100%
Net Profit	-3.0	-2.8	-2.1	-0.5	nm

Source: Farmacosmo, Value Track Analysis

Farmacosmo: Balance Sheet 2024A-27E

Balance Sheet (IT GAAP, €mn)	2024A	2025E	2026E	2027E
Net Fixed Assets	12.8	10.8	12.6	11.2
Net Working Capital	2.9	3.1	3.7	3.7
Provisions	0.8	0.8	0.8	0.8
Total Capital Employed	14.9	13.1	15.4	14.1
Group Net Equity	10.8	8.1	6.0	5.5
Net Financial Position	-4.1	-5.0	-9.4	-8.6

Source: Farmacosmo, Value Track Analysis

Farmacosmo: Cash Flow Statement 2024A-27E

Cash Flow (IT GAAP, €mn)	2024A	2025E	2026E	2027E
EBITDA	0.4	0.8	1.5	2.5
Δ NWC (incl. Provisions)	-1.8	-0.2	-0.6	0.0
Capex	-1.1	-0.7	-0.7	-0.6
OpFCF (b.t.)	-2.6	-0.1	0.3	1.9
As a % of EBITDA	nm	nm	16.8%	75.1%
Cash Taxes	0.0	0.0	0.0	0.0
Capital Injections	-1.5	0.0	0.0	0.0
Others (incl. Fin. Investments)	2.4	0.0	-3.7	0.0
Net Financial Charges	-1.2	-0.8	-1.0	-1.1
Δ Net Financial Position	-2.8	-0.9	-4.4	0.8

Source: Farmacosmo, Value Track Analysis

Valuation

Fair Equity Value at €1.00 p/s (from €1.20 p/s)

We revised our **Fair Equity Value** to **€1.00 p/s**, embedding the downward adjustment to our forecasts and a slight compression in peer group valuation multiples.

Our valuation could see an upward revision depending on the realization of certain key factors: (i) the magnitude of synergies achieved across the Group's various legal entities, (ii) the growth trajectory of Bau Cosmesi and ContactU, and (iii) potential regulatory developments, such as news in electronic prescription (eRx) adoption.

Farmacosmo: Multiples Sensitivity at Various Stock Price Levels

Fair Equity Value p/s (€)	EV/Sales (x)		
	2025E	2026E	2027E
€ 0.40	0.33	0.37	0.33
€ 0.60	0.46	0.48	0.44
€ 0.80	0.58	0.60	0.54
€ 1.00	0.71	0.71	0.65
€ 1.20	0.83	0.83	0.75
€ 1.40	0.96	0.94	0.86
€ 1.60	1.09	1.06	0.97

Source: Value Track Analysis

Sum-of-the-Parts Valuation

Our valuation is based on a bottom-up Sum-of-the-Parts (SOTP) model, which accounts for the heterogeneous risk and growth profiles of Farmacosmo's key businesses:

- ◆ **Retail Platforms** (Farmacosmo.it, ProfumeriaWeb, Pharmasi): valued at 0.57x EV/Sales 2025E, in line with comparable B2C peers, as these assets have reached a more mature commercial stage;
- ◆ **FarmaWow and Bau Cosmesi**: given their differentiated growth trajectories, we applied 1.0x EV/Sales to FarmaWow and 3.0x EV/Sales to Bau Cosmesi, reflecting the latter's strong scalability, recurring revenue profile, potential international scalability, and brand positioning;
- ◆ **Farmacia De Leo**: valued at approximately 1.0x EV/Sales, closer with transactions observed in the physical pharmacy market, which tend to command higher multiples due to stable cash flows and visibility;
- ◆ **ContactU**: we maintain an Enterprise Value of €6mn for 100% of the business, acknowledging its growth potential in the underpenetrated digital health space. Should KPIs continue to strengthen, we may re-rate the business in line with venture-backed valuations observed in comparable digital health companies;
- ◆ **B2B Segment**: assigned a valuation based on the EV/Sales multiples of listed wholesale peers, in light of its declining contribution and strategic positioning.

Farmacosmo: Sum of the Parts Valuation

Fair Equity Value p/s (€)	FC B2C	FC B2B	Prof.Web	Pharmasi	De Leo	Bau Cosm.	FarmaWow	ContactU	Group
Fair EV/Sales 2025E	0.57	0.50	0.57	0.57	1.00	3.00	1.00	//	
Enterprise Value (€mn)	20.5	3.0	2.8	2.6	2.2	18.1	0.5	6.0	55.5
Stake (%)	100%	100%	100%	67%	67%	67%	51%	51%	
EV Pro-Quota (€mn)	20.5	3.0	2.8	1.7	1.5	12.0	0.3	3.1	44.8
Net Financial Position									-5.0
Fair Equity Value (€mn)									39.8
NOSH									38.9
Fair Equity Value p/s (€)									1.00

Source: Value Track Analysis

Farmacosmo: Peers Trading Multiples

Peers	EV/Sales (x)		EV/EBITDA (x)	
	2025E	2026E	2025E	2026E
B2C E-Retailers				
DocMorris	0.44	0.40	nm	nm
Redcare Pharmacy	0.91	0.75	nm	20.9
Talea Group	0.37	0.29	9.0	4.8
Average	0.57	0.48	9.0	12.8
Median	0.44	0.40	9.0	12.8
B2B Wholesalers				
Sysco Corporation	0.60	0.57	11.1	10.4
Marr	0.41	0.41	6.8	6.4
Average	0.50	0.49	9.0	8.4
Median	0.50	0.49	9.0	8.4
Total Average	0.55	0.48	9.0	10.6
Total Median	0.44	0.41	9.0	8.4
Farmacosmo	0.49	0.51	nm	22.6

Source: Market Consensus, Value Track Analysis

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