

FARMACOSMO

E-Commerce

Higher value from PET business

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

1H25: Key Financials & Messages

Farmacosmo's 1H25 financial results resemble the strong decrease of B2B activities (€2.9mn, -64% y/y while B2C revenues stood at €24.9mn, +1% y/y) not immediately accompanied by a corresponding reduction in costs, thus leading to an operating and net loss and to an increase in Net Debt. Key 1H25 figures are: Value of Production at €28.3mn, -15% y/y; EBITDA at €-0.8mn vs. €0.3mn in 1H24; Adj. EBITDA at ca. €-0.2mn, vs. €0.6mn in 1H24; Net Debt at €5.6mn, up from €3.9mn as of 2024YE.

We note that the decrease of B2B and farmacosmo.it portal (-7% y/y) was partially offset by the strong growth of BauCosmesi (more than doubling 1H24 revenues at €2.7mn), Physical pharmacies (€1.1mn sales, +3% y/y), and ContactU (€0.39mn, +37% y/y),

Strategy: Changing the Mix and Cutting Costs

In its effort to find the more profitable business profile, Farmacosmo group is strongly decreasing the incidence of B2B on total (it now represents only 10% of total revenues vs. 51% in 1H21), while pushing hard on Bau Cosmesi, that is gaining more and more traction, supported by category expansion (integrators, pet food, accessories, dedicated line for cats) and by higher brand awareness.

At the same time, to counter the negative profitability trend, the Group is implementing a series of cost efficiency measures on personnel and marketing costs worth €1.9mn annually, due to increase further.

2025E-27E Estimates Revision

We are revising our 2025E-27E estimates to take into account the strategy to exit the B2B business, partially offset by the brighter outlook for Bau Cosmesi and by the lower group costs base. By FY27E, we now expect Farmacosmo to reach: 1) VoP at ca. €62mn, almost in line with 2024A; 2) €3.0mn EBITDA, out of which 70% represented by Bau Cosmesi and ca. 17% by Farmacia De Leo; 3) €11.3mn Net Debt, after ca. €3.8mn cash out related to minorities squeeze out.

Fair Equity Value at €0.83 p/s (from €1.00 p/s)

We revise our Fair Equity Value to €0.83 p.s. (down from €1.00), embedding the downward adjustment to our forecasts. In absolute terms, €0.83 p.s. would imply ca. €32mn Equity Value and €38.6mn Enterprise Value, with farmacosmo.it portal still accounting for ca. 42% of total EV and Bau Cosmesi growing up to 30% of total EV, and poised to grow even more in the future.

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FAIR VALUE (€) **0.83**

MARKET PRICE (€) **0.45**

MARKET CAP (€mn) **17.4**

KEY FINANCIALS	FY24	FY25E	FY26E
VALUE OF PRODUCTION	64.3	54.9	56.5
EBITDA	0.4	-1.0	1.3
EBIT	-2.2	-3.7	-1.3
NET PROFIT	-3.0	-5.3	-3.1
EQUITY	10.8	5.8	3.0
NET FIN. POS.	-3.9	-6.3	-11.5
EPSADJ. (€)	-0.08	-0.14	-0.08
DPS (€)	0.00	0.00	0.00

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

RATIOS AND MULTIPLES	FY24	FY25E	FY26E
EBITDA MARGIN (%)	0.5	<0	2.3
EBIT MARGIN (%)	<0	<0	<0
NET DEBT / EBITDA (x)	>10	nm	8.9
NET DEBT / EQUITY (x)	0.4	1.1	3.8
EV/SALES (x)	0.63	0.61	0.62
EV/EBITDA (x)	nm	nm	26.9
EV/EBIT (x)	nm	nm	nm
P/EADJ. (x)	nm	nm	nm

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

STOCK DATA	
MARKET PRICE (€)	0.45
SHS. OUT. (m)	38.9
MARKET CAP. (€m)	17.4
ENTERPRISE VALUE (€m)	33.3
FREE FLOAT (%)	26.5
AVG. -20D VOL. ('000)	4,500
RIC / BBG	COSMO.MI / COSMO.IM
52 WK RANGE	0.37-0.98

Source: Stock Market Data

Description

Farmacosmo is a e-retailer for OTC and SOP pharmaceuticals (“over the counter”, i.e. that do not need prescriptions), BPC products (“beauty and personal care”, such as cosmetics) and PET ones in Italy.

Thanks to a wide catalogue, long shelf-life products selling at discount vs. physical stores and end-to-end customer-centric approach, Farmacosmo is generating ever improving KPIs.

Farmacosmo also boasts a physical pharmacy and digital health services.

Financial Highlights

KEY FINANCIALS (IT GAAP, €mn)	FY24	FY25E	FY26E	FY27E
Value of Production	64.3	54.9	56.5	61.7
y/y (%)	-3.6%	-14.5%	2.9%	9.2%
EBITDA	0.4	-1.0	1.3	3.0
EBITDA Margin (%)	0.7%	-1.9%	2.3%	4.8%
EBIT	-2.2	-3.7	-1.3	1.0
EBIT Margin (%)	-3.5%	-6.8%	-2.3%	1.6%
Net Profit	-3.0	-5.3	-3.1	-1.0
y/y (%)	nm	76.8%	-41.7%	-66.2%
Adj. Net Profit	-3.0	-5.3	-3.1	-1.0
y/y (%)	nm	76.8%	-41.7%	-66.2%
Net Fin. Pos. [Net Debt (-) / Cash(+)]	-3.9	-6.3	-11.5	-11.3
Net. Fin. Pos. / EBITDA (x)	9.2	nm	8.9	3.8
Capex	-1.1	-0.8	-0.8	-1.0
OpFCF b.t.	-2.4	-1.0	0.0	1.8
OpFCF b.t. / EBITDA (%)	-571.6%	102.3%	-2.9%	61.9%

Source: Farmacosmo, Value Track Analysis

Investment Case

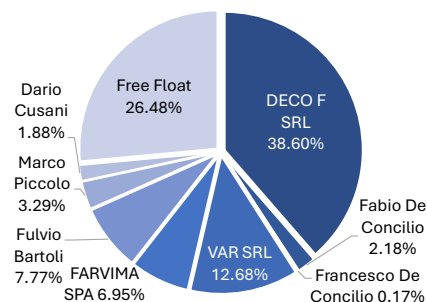
Strengths / Opportunities

- 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, Pet 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

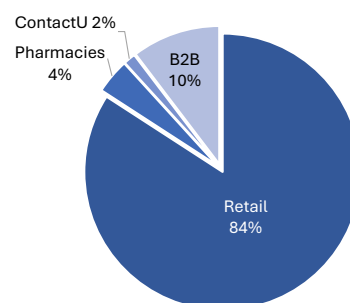
- Increasing price competition trying to exploit current low online penetration;
- Risk of potential changes in current legal and regulatory framework;
- Few financial resources to devote to marketing expenditure could make it impossible to exploit growth opportunities.

SHAREHOLDERS' STRUCTURE



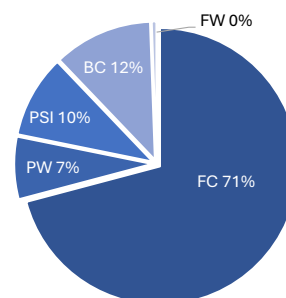
Source: Farmacosmo

REVENUES FROM SALES BY BUSINESS LINE



Source: Farmacosmo, 1H25

RETAIL REVENUES BY PORTAL



Source: Farmacosmo, 1H25

STOCK MULTIPLES @ FV	FY26E	FY27E
EV / SALES (x)	0.88	0.80
EV / EBITDA (x)	>30	16.5
EV / EBIT (x)	nm	>50
EV / CAP. EMPLOYED	3.4	3.6
OpFCF Yield (%)	nm	3.7
P / E (x)	nm	nm
P / BV (x)	14.2	26.2
Dividend Yield (%)	0.0	0.0

Source: Value Track Analysis

1H25 Financial Results

Key Financials & Messages

Farmacosmo's 1H25 financial results resemble the strong decrease of B2B activities not immediately accompanied by a corresponding reduction in costs, thus leading to an operating and net loss and to an increase in Net Debt.

Key highlights include:

- **Value of Production** at **€28.3mn**, -15% y/y;
- **EBITDA** at **€-0.8mn** vs. €0.3mn in 1H24;
- **Adj. EBITDA** at ca. **€-0.2mn**, vs. €0.6mn in 1H24;
- **Net Debt** at **€5.6mn**, up from €3.9mn as of 2024YE.

Farmacosmo: Key Financials 1H23-1H25

(IT GAAP, €mn)	1H23	1H24	1H25	y/y
Value of Production	37.4	33.1	28.3	-15%
EBITDA	0.0	0.3	-0.8	nm
EBITDA Margin (%)	0.1%	1.0%	-2.8%	nm
Adj. EBITDA	0.1	0.6	-0.2	nm
Adj. EBITDA Margin (%)	0.3%	1.7%	-0.7%	nm
Net Debt	nm	3.9 (*)	5.6	nm

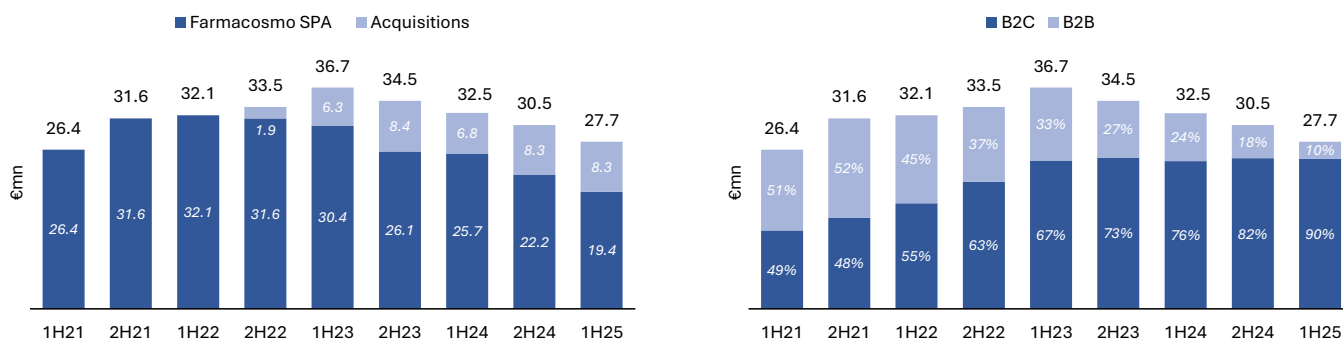
Source: Farmacosmo, Value Track Analysis, (*) FY24

Top Line

Farmacosmo reported 1H25 **Revenue from Sales** at **€27.7mn**, down 15% y/y, as a result of:

- The strategic **contraction** of the **B2B** channel (**€2.9mn**, -64% y/y while B2C revenues stood at **€24.9mn**, +1% y/y). Notably, B2B sales have now declined for six consecutive semesters, and now represent only 10% of total revenues vs. 51% in 1H21;
- The **7% decrease** of **farmacosmo.it** portal revenues (B2C) reaching approximately €16.5 million; both decreases being driven by the company's willingness to pivot towards higher margin products.

Farmacosmo: Revenue from Sales Evolution



Source: Farmacosmo, Value Track Analysis

On the contrary, on the positive side we flag that:

- **BauCosmesi** (B2C) exceeded expectations, more than doubling 1H24 revenues at **€2.7mn**, supported by the integration of high-margin and recurring products (e.g. supplements, food, and new cosmetic references) that improved the AOV (€47.2 vs. €40.0 at the end of FY24);
- **Physical pharmacies** (Farmacia De Leo and the Naples parapharmacy) at **€1.1mn** sales, +3% y/y;
- **ContactU** (€0.39mn, +37% y/y), which continues to show strong KPIs, including over 25,000 hours of therapies provided.

Farmacosmo: Value of Production Breakdown

(IT GAAP, €mn)	1H23	1H24	1H25	y/y
Retail	22.4	23.1	23.3	1%
<i>Farmacosmo</i>	18.3	17.7	16.5	-7%
<i>ProfumeriaWeb</i>	1.7	1.9	1.7	-8%
<i>Pharmasi</i>	2.2	1.9	2.3	18%
<i>BauCosmesi</i>	0.2	1.3	2.7	>100%
<i>Farmawow</i>	//	0.3	0.1	-53%
Physical Pharmacies	2.2	1.1	1.1	3%
ContactU	0.0	0.3	0.4	37%
B2B	12.1	7.9	2.9	-64%
Revenues from Sales	36.7	32.5	27.7	-15%
Δ Fixed Assets	0.5	0.4	0.3	-28%
Other Revenues	0.2	0.2	0.2	1%
Value of Production	37.4	33.1	28.3	-15%

Source: Farmacosmo, Value Track Analysis

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



Source: Farmacosmo, Value Track Analysis

Operating and Net Profitability

Operating profitability for the Farmacosmo Group and its main components deteriorated significantly in the first half of 2025 compared to the first half of 2024, primarily due to the Parent Company, Farmacosmo SpA. Indeed, **Farmacosmo SpA** recorded a negative **€-1.3mn EBITDA** in 1H25 (from a positive €383k in 1H24) with the €1.7mn decrease mainly attributable to the sharp decline in B2B turnover, which was not immediately accompanied by a corresponding reduction in costs.

On the positive side, we note that **BauCosmesi** recorded some **€0.6mn EBITDA**, i.e. ca. 21% EBITDA Margin.

As a result, the **Group** reported a **negative EBITDA of €-801k in 1H25**, compared to the positive EBITDA of €334k in 1H24.

Net of ContactU startup loss and of some una tantum costs, **Adjusted EBITDA** stands at **€-0.2mn** compared to €0.6mn positive figure as of 1H24.

Farmacosmo: EBITDA Breakdown

(IT GAAP, €mn)	1H23	1H24	1H25	y/y
Farmacosmo S.p.A. (B2B+B2C)	0.3	0.4	-1.3	nm
Vin.Ci. S.r.l. (ProfumeriaWeb)	-0.1	-0.1	-0.1	nm
Baubau S.r.l. (BauCosmesi)	0.0	0.1	0.6	>100%
Farmacia De Leo S.r.l. (Physical Pharmacies)	0.0	0.1	0.2	34%
Innovation Pharma	-0.1	//	//	//
Telepsicologia S.r.l. (ContactU)	-0.1	-0.2	-0.2	18%
FRMC1 S.r.l. (Farmawow)	//	-0.1	0.0	26%
Farmacosmo Logistics S.r.l.	//	//	0.1	nm
EBITDA	-0.1	0.3	-0.8	nm

Source: Farmacosmo, Value Track Analysis

Below the EBITDA line we note that:

- **EBIT** was negative by **€-2,1mn** marking a 119% deterioration from the €-937k loss recorded in 1H24. This result was reached after imputing €1.3mn D&A charges and €627k financial charges.
- Total **Net Loss** for the period stood at **€-2.9mn**, more than double vs.€-1.1mn loss in 1H24.

Farmacosmo: P&L 1H23-1H25

(IT GAAP, €mn)	1H23	1H24	1H25	y/y
Value of Production	37.4	33.1	28.3	-15%
Raw Materials (incl. Δ Inventory)	-29.8	-25.0	-20.0	-20%
Costs of Services	-5.2	-5.7	-6.6	16%
Labour Costs	-2.0	-1.8	-2.1	18%
Other Operating Expenses	-0.4	-0.4	-0.4	7%
EBITDA	-0.1	0.3	-0.8	-357%
<i>EBITDA Margin (%)</i>	<i>-0.1%</i>	<i>1.0%</i>	<i>-2.9%</i>	<i>-385bps</i>
D&A	-1.5	-1.3	-1.3	2%
EBIT	-1.5	-1.0	-2.1	119%
<i>EBIT Margin (%)</i>	<i>-4.2%</i>	<i>-3.0%</i>	<i>-7.6%</i>	<i>-461bps</i>
Net Financial Charges	-0.4	-0.2	-0.6	195%
Taxes	-0.2	0.0	-0.2	331%
Minorities	0.4	0.1	0.0	-121%
Net Profit	-1.7	-1.1	-2.9	172%

Source: Farmacosmo, Value Track Analysis

Cash Flow Statement and Balance Sheet

Cash flow erosion in the semester amounted to **~€1.7mn**, resulting in a **Net Debt** of **€5.6mn** (€3.9mn as of 2024 year-end). Key dynamics include:

- Net Working Capital generated some €0.4mn cash thanks to €1mn reduction in Trade Receivables only partially offset by an Inventory increase;
- Capex absorbed only €0.336k, entirely related to web platform development costs.

Farmacosmo: Cash Flow Statement 1H23-1H25

(IT GAAP, €mn)	1H23	1H24	1H25
EBITDA	-0.1	0.3	-0.8
Δ Net Working Capital (incl. Provisions)	-5.2	-0.5	0.4
Capex	-1.2	-5.9	-0.3
OpFCF (b.t.)	-6.5	-6.1	-0.7
Cash Taxes	-0.2	0.0	-0.2
Capital Injections	0.0	-1.5	0.0
Others (incl. Financial Investments)	0.5	7.4	-0.1
Net Financial Charges	-0.4	-0.2	-0.6
Dividends Paid	0.0	0.0	0.0
Δ Net Financial Position	-6.5	-0.5	-1.7

Source: Farmacosmo, Value Track Analysis

Farmacosmo: Balance Sheet 1H23-1H25

(IT GAAP, €mn)	1H23	1H24	1H25
Net Fixed Assets	16.6	13.5	11.8
Net Working Capital	2.3	1.5	2.3
Provisions	0.6	0.7	0.8
Total Capital Employed	18.3	14.3	13.3
Group Net Equity	16.9	12.6	7.7
Net Financial Position	-1.3	-1.7	-5.6

Source: Farmacosmo, Value Track Analysis

Strategy: Changing the Mix

Since the IPO, Farmacosmo has been evolving into an **integrated wellness ecosystem**, across its core verticals: **Pharma**, **Beauty**, **Pet**, and **Digital Health**.

Farmacosmo: Value Proposition and Business Model



Source: Farmacosmo

In its effort to find the more profitable business profile, Farmacosmo group is pivoting the focus of its activities, with some of them strongly decreasing the incidence on total (B2B above all), while other ones on the contrary (Bau Cosmesi in particular) are getting more and more important.

Divesting from B2B

As we saw before, the company is deliberately reducing the incidence of the **B2B** channel that now represent only 10% of total revenues vs. 51% in 1H21.

The reduction of the B2B channel is due to continue in 2H25 and beyond. This reflects the Group's ongoing effort to diversify its business clientele and restructure its turnover composition to be less dependent on the single major global operator in the B2BTC sector.

Investing in BauCosmesi

In the latest couple of years Bau Cosmesi has been confirming 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), **accessories** (smaller volumes but high margins), and has also expanded horizontally into other pet categories through the launch of "Miao", a dedicated line for cats.

Brand awareness is steadily growing 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:

- **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, the brand shows high replicability potential, not only across pet types but also geographically.

Last but not least, we note that in order to incentive the management of BauCosmesi, the Board of Farmacosmo has approved the **transfer of a 5% stake** in BauCosmesi — currently held by **Farmacosmo** —

to BauCosmesi itself, thus enabling BauCosmesi itself to create a reserve of treasury shares, which will later be allocated to its management as part of the approved incentive plan.

The **transfer**, valued at **€500,000**, was determined based on market multiples applied to comparable transactions. Following completion, Farmacosmo's ownership in BauCosmesi will decrease from 67% to 62%.

Fine Tuning All the Rest

Farmacosmo.it new portal

Farmacosmo.it portal is reducing its size trying to achieve a more profitable profile. Pivotal for this effort, is the recent (16 July 2025) launch of the completely re-designed Farmacosmo.it website.

The entire project was developed internally following customer feedback, with a complete redesign intended to offer a superior digital experience.

The main improvements introduced across the platform include:

- **New Visual Identity:** A new logo optimized for versatility across digital and physical supports;
- **Enhanced User Experience (UI/UX):** The interface is designed to easily guide the user from entry to order confirmation. The search engine has been enhanced with dynamic suggestions and advanced filters.
- **Customer Care and Personalisation:** The user area has been revamped to include purchase history, smart wishlists, and recommendations based on buying behaviour. A significant addition is an AI-assisted chat active 24 hours a day (H24), complementing strengthened customer service.
- **Product Sheets:** The site now features new-generation product sheets with high-definition images, interactive zoom, integrated videos, and certified reviews.
- **Technological Performance:** Loading times have been reduced due to a new hardware infrastructure, and there is integration with all major payment methods and digital wallets.

ContactU Positioned for Sustainable Expansion

ContactU is slowly but constantly scaling in the telepsychology and digital health space, backed by highly positive reviews (e.g. Trustpilot), growing KPIs, and a low market penetration rate that suggests considerable room for growth.

The platform is building 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, with over 25,000 therapy hours completed from launch up to end of June 2025.

To accelerate growth and support further investments in marketing and operations, management is continuing to explore external capital-raising opportunities.

ProfumeriaWeb

Thanks to the substantial cost reductions already applied (including transferring the legal headquarters and terminating four employment contracts, resulting in savings of €203 thousand annually, plus marketing efficiency for projected 2026 savings of €290 thousand), this portal is expected to benefit from an improvement in marginality.

Farmacia De Leo

Farmacia De Leo Srl: Very well managed, it should further increase its profitability on sales alongside efficient marketing spend.

Forecasts FY25E-27E

Cutting Costs to Achieve Operational Focus and Efficiency

To counter the negative profitability trend, the Group initiated a series of efficiency measures in 1H25 to reduce and streamline fixed costs.

Cost efficiency measures implemented in 1H25 according to the company are totaling €1.9mn on an annual basis (€1.2mn for Farmacosmo S.p.A. alone and ca. €600k at the Group level), out of which:

- **Personnel Reduction:** Savings of over €1mn on an annual basis were achieved by reducing the Group workforce by 26 units by the end of 2025 compared to the previous year.
- **Marketing Efficiency:** Marketing optimization leveraging Artificial Intelligence is expected to generate an annual saving of approximately €750k in advertising expenditure for the Group.

During 2H25, the Group is willing to continue to focus on efficient operating leverage, with a further reduction in personnel and marketing costs, to boost profitability.

Estimates Revision

We are revising our 2025E-27E estimates to take into account:

- An ever brighter outlook for Bau Cosmesi that is growing in size and profitability;
- the voluntarily strategy to substantially exit the B2B business (only less than €1mn annual revenue should be maintained to profit from some arbitrage opportunities);
- the decision to go for higher profitability at the farmacosmo.it portal level, which is implying a reduction in revenue as the company is more and more avoiding to compete on prices;
- a smoother growth pace for ContactU as the necessary marketing expenses are currently very selective
- the lower group costs base (personnel and marketing) which should result from the ongoing cost efficiency effort.

The result of such pivoting (once finalized) should be a smaller but more profitable Farmacosmo Group. Indeed, we are revising Top Line estimates downwards by ca. 15% on average, while EBITDA should turn back positive in 2026E and be a bit higher than previously forecasted in 2027E mainly thanks to Bau Cosmesi and to Farmacia De Leo.

Net Debt as well has been revised in a more negative way due to the higher losses in 2025. We remind that in 2026E and 2028E the company will have the opportunity to exercise its call option on Bau Cosmesi and Farmacia De Leo minorities thus further burdening (temporarily) the Net Debt position.

Farmacosmo: Estimates Old vs. New

Key Financials (IT GAAP, €mn)	FY25E			FY26E			FY27E		
	Old	New	Δ	Old	New	Δ	Old	New	Δ
Value of Production	61.8	54.9	-11%	67.7	56.5	-17%	73.2	61.7	-16%
EBITDA	0.8	-1.0	-229%	1.5	1.3	-16%	2.5	3.0	19%
EBITDA Margin (%)	1.3%	-1.9%	-315bps	2.3%	2.3%	3bps	3.4%	4.8%	142bps
EBIT	-1.9	-3.7	96%	-1.1	-1.3	25%	0.6	1.0	77%
EBIT Margin (%)	-3.1%	-6.8%	-371bps	-1.6%	-2.3%	-78bps	0.8%	1.6%	82bps
Net Profit	-2.8	-5.3	88%	-2.1	-3.1	43%	-0.5	-1.0	90%
Net Fin. Pos.	-5.0	-6.3	-1.3	-9.4	-11.5	-2.1	-8.6	-11.3	-2.7

Source: Value Track Analysis

New Estimates FY25E-27E

Key Forecasts & Drivers

By FY27E, we now expect Farmacosmo to reach:

- Value of Production at ca. €62mn, almost in line with 2024A;
- EBITDA at €3.0mn, i.e. ca. 4.8% EBITDA margin, out of which 70% represented by Bau Cosmesi and ca. 17% by Farmacia De Leo;
- OpFCF before tax at €1.8mn, as the EBITDA will be partially devoted to finance capex (€1mn) and Net Working Capital (€-0.1mn);
- Net Debt at €11.3mn, after €2.6mn cumulated capex 2025E-27E, and ca. €3.8mn cash out related to minorities squeeze out.

Farmacosmo: Value of Production FY25E-27E

(IT GAAP, €mn)	FY24	FY25E	FY26E	FY27E	CAGR _{FY24-27E}
Retail	46.9	47.0	50.8	54.9	5%
<i>Farmacosmo</i>	34.5	32.0	32.7	33.3	-1%
<i>ProfumeriaWeb</i>	4.2	4.0	4.1	4.2	0%
<i>Pharmasi</i>	3.9	4.5	4.9	5.3	11%
<i>BauCosmesi</i>	3.9	6.2	8.7	11.7	45%
<i>Farmawow</i>	0.5	0.3	0.4	0.4	-6%
Physical Pharmacies	2.1	2.2	2.2	2.3	3%
ContactU	0.6	0.9	1.5	2.5	60%
B2B	13.4	3.8	1.0	1.0	-58%
Revenues from Sales	63.0	53.9	55.5	60.7	-1%
Δ Fixed Assets	0.7	0.6	0.6	0.6	-5%
Other Revenues	0.6	0.5	0.4	0.4	-11%
Value of Production	64.3	54.9	56.5	61.7	-1%

Source: Farmacosmo, Value Track Analysis

Farmacosmo: EBITDA FY25E-27E

(IT GAAP, €mn)	FY24	FY25E	FY26E	FY27E
Farmacosmo S.p.A. (B2B+B2C)	0.3	-2.3	-0.8	0.2
Vin.Ci. S.r.l. (ProfumeriaWeb)	-0.2	-0.1	0.2	0.2
Baubau S.r.l. (BauCosmesi)	0.5	1.2	1.6	2.1
Farmacia De Leo S.r.l. (Pharmacies + Pharmasi)	0.2	0.5	0.5	0.5
Telepsicologia S.r.l. (ContactU)	-0.4	-0.3	-0.2	-0.1
FRMC1 S.r.l. (Farmawow)	-0.1	-0.1	0.0	0.0
Farmacosmo Logistics S.r.l.	0.1	0.1	0.1	0.1
EBITDA	0.4	-1.0	1.3	3.0

Source: Farmacosmo, Value Track Analysis

Financial Statements FY24-27E

Farmacosmo: P&L FY24-27E

(IT GAAP, €mn)	FY24	FY25E	FY26E	FY27E	CAGR _{FY24-27E}
Value of Production	64.3	54.9	56.5	61.7	-1%
Raw Materials (incl. Δ Inventory)	-47.4	-38.4	-39.3	-42.6	-4%
Costs of Services	-12.1	-12.6	-12.7	-13.0	2%
Labour Costs	-3.6	-4.1	-2.4	-2.3	-13%
Other Operating Expenses	-0.8	-0.8	-0.8	-0.9	2%
EBITDA	0.4	-1.0	1.3	3.0	104%
<i>EBITDA Margin (%)</i>	<i>0.6%</i>	<i>-1.9%</i>	<i>2.3%</i>	<i>4.9%</i>	<i>436bps</i>
D&A	-2.7	-2.7	-2.6	-2.0	-9%
EBIT	-2.3	-3.7	-1.3	1.0	-175%
<i>EBIT Margin (%)</i>	<i>-3.6%</i>	<i>-6.9%</i>	<i>-2.4%</i>	<i>1.6%</i>	<i>522bps</i>
Net Financial Charges	-0.9	-1.3	-1.4	-1.6	25%
Taxes	0.0	0.0	0.0	0.0	-100%
Minorities	0.1	-0.2	-0.3	-0.4	-260%
Net Profit	-3.0	-5.3	-3.1	-1.0	-30%

Source: Farmacosmo, Value Track Analysis

Farmacosmo: Balance Sheet FY24-27E

(IT GAAP, €mn)	FY24	FY25E	FY26E	FY27E
Net Fixed Assets	12.8	10.9	12.8	11.8
Net Working Capital	2.7	2.1	2.2	2.3
Provisions	0.8	0.9	0.5	0.5
Total Capital Employed	14.7	12.1	14.5	13.7
Group Net Equity	10.8	5.8	3.0	2.4
Net Financial Position	-3.9	-6.3	-11.5	-11.3

Source: Farmacosmo, Value Track Analysis

Farmacosmo: Cash Flow Statement FY24-27E

(IT GAAP, €mn)	FY24	FY25E	FY26E	FY27E
EBITDA	0.4	-1.0	1.3	3.0
Δ Net Working Capital (incl. Prov.)	-1.6	0.8	-0.5	-0.1
Capex	-1.1	-0.8	-0.8	-1.0
OpFCF (b.t.)	-2.4	-1.0	0.0	1.8
Cash Taxes	0.0	0.0	0.0	0.0
Capital Injections	-1.5	0.0	0.0	0.0
Others (incl. Financial Investments)	2.4	0.0	-3.8	0.0
Net Financial Charges	-1.2	-1.3	-1.4	-1.6
Dividends Paid	0.0	0.0	0.0	0.0
Δ Net Financial Position	-2.7	-2.4	-5.3	0.2

Source: Farmacosmo, Value Track Analysis

Valuation

Fair Equity Value at €0.83 p/s (from €1.00 p/s)

We revise our **Fair Equity Value to €0.83 p.s.** (down from €1.00), embedding the downward adjustment to our forecasts.

At €0.83 Farmacosmo shares would trade at 0.70x EV/Sales 2025, higher than international pure e-retailers active in the e-pharmacy business, but we believe that such premium is justified by the optionality related to Bau Cosmesi growth trajectory.

In absolute terms, €0.83 per share would imply ca. €32mn Equity Value and €38.6mn Enterprise Value. We note that farmacosmo.it portal still accounts for ca. 42% of total Enterprise Value but **Bau Cosmesi has grown up to 30% of total EV**, and we expect it could grow even more in the future.

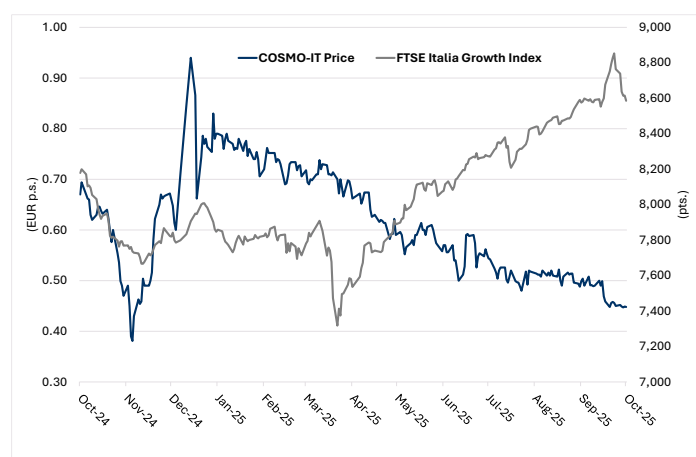
Farmacosmo: Multiples Sensitivity at various Stock Price Levels

Fair Equity Value p/s (€)	EV/Sales (x)		
	FY25E	FY26E	FY27E
0.53	0.49	0.57	0.52
0.63	0.56	0.64	0.58
0.73	0.63	0.71	0.64
0.83	0.70	0.77	0.71
0.93	0.77	0.84	0.77
1.03	0.84	0.91	0.83
1.13	0.91	0.98	0.89

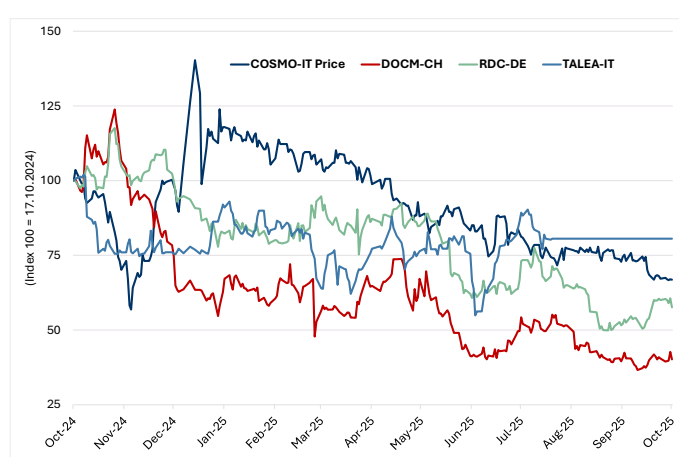
Source: Value Track Analysis

Farmacosmo -1y share price evolution vs. FTSE IT Growth and vs. Comparables

Farmacosmo shares vs. FTSE IT Growth



Farmacosmo shares vs. e-pharmacy retailers



Source: FactSet, 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 0.50x EV/Sales FY25E, in line with comparable B2C peers, as these assets have reached a mature commercial stage;
- **Farmawow and BauCosmesi**: given their differentiated growth trajectories, we applied a 1.0x EV/Sales FY25E to Farmawow, and a 3.0x EV/Sales to BauCosmesi, reflecting the latter strong scalability, potential international scalability, and brand positioning;
- **Farmacia De Leo**: valued at 1.5x EV/Sales FY25E, 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**: valuation based on the EV/Sales FY25E multiples of listed wholesale peers, in light of its declining contribution and positioning.

Farmacosmo: Sum of the Parts Valuation

Fair Equity Value	FC B2C	FC B2B	ProfWeb	Pharmasi	De Leo	BauCosm.	Farmawow	ContactU	Group
Fair EV/Sales FY25E (x)	0.50	0.52	0.50	0.50	1.50	3.00	1.00	//	
Enterprise Value (€mn)	16.1	2.0	2.0	2.2	3.3	18.6	0.3	6.00	50.6
Stake (%)	100%	100%	100%	67%	67%	62%	51%	51%	
EV Pro-Quota (€mn)	16.1	2.0	2.0	1.5	2.2	11.6	0.2	3.1	38.6
Net Debt (€mn)									6.3
Fair Equity Value (€mn)									32.3
NOSH									38.9
Fair Equity Value p/s (€)									0.83

Source: Value Track Analysis

Farmacosmo: Peers Trading Multiples

Peers	EV/Sales (x)			EV/EBITDA (x)		
	FY25E	FY26E	FY27E	FY25E	FY26E	FY27E
B2C E-Retailers						
DocMorris Ltd	0.36	0.36	0.34	<0	<0	>30
Redcare Pharmacy N.V.	0.63	0.53	0.44	29.3	16.2	10.6
Talea Group S.p.A.	0.51	0.43	0.34	9.2	5.7	3.5
Average	0.50	0.44	0.37	19.2	10.9	7.0
Median	0.51	0.43	0.34	19.2	10.9	7.0
B2B Wholesalers						
Sysco Corporation	0.64	0.62	0.58	12.0	11.6	10.8
MARR SpA	0.41	0.40	0.38	7.2	6.4	5.9
Average	0.52	0.51	0.48	9.6	9.0	8.3
Median	0.52	0.51	0.48	9.6	9.0	8.3
Farmacosmo	0.61	0.62	0.56	<0	>20	11.6

Source: FactSet

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