

## BioDue (BIO2.IM)

Sector: Healthcare

Flash Note: BioDue start a direct presence on the American continent

January 13<sup>th</sup>, 2017

### Investment summary

- BioDue S.p.A. develops, manufactures and markets cosmetics, solid and liquid food supplements and medical devices both on behalf of national and international pharmaceutical companies (Industrial division), both under its own brands (Pharcos, BiOfta and Selerbe).
- Mr. Benedetti has signed the corporate and commercial agreements for the immediate operational start of Pharcomed Corp., a joint venture (50% each) with Suco International Group for distribution on American territory - initially in Latin America, with an initial capital - fully paid up in cash - of 0,4M US\$.

### Latest news

- BioDue granted to the JV, exclusively for the Americas, the license of use and distribution of the lines of products under its own brand *Pharcos* and an option to purchase the property of their brands *Tricovit*, *Sebosedil* and *Sunlat*.
- The Suco Group, likewise, will transfer to JV the ownership of its trademarks *Peptix*, *Renueve C* and *Vanece* that will be produced at BioDue plants.
- The JV will then be responsible for the promotion and distribution through: a) the consolidated channel of medical promotion with a sales force of 150 medical representatives previously managed by Suco, b) local distributors with the possibility to enter the capital of some of them, c) online sales.
- BioDue will apply its production and logistical know-how to the JV, in addition to taking charge of the whole production, will directly manage the warehouse and the logistics of the JV in their properties in Tavarnelle, with significant advantages in terms of cost and efficiency in programming production and distribution.
- The corporate governance of Pharcomed, sanctioned by shareholders' agreements, is entrusted to a Board consisting of six members, three appointed by BioDue and three Suco appointment.

### Valuation

- BioDue finally start the first operation aimed at external growth, the opening on the American continent offers the possibility of an increase in margins on the sell-out and the chance to massively land on the US market.
- Currently we confirm the estimates and the evaluation, pending a comprehensive review of the financial plan on the occasion of the publication of annual results.

### Risks

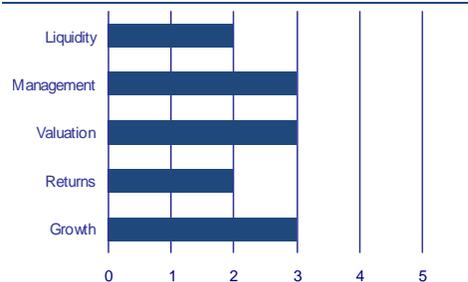
- Increase in business complexity linked to territorial expansion.

Forecast	15A	16E	17E	18E
Sales (€M)	33.6	37.3	41.0	43.6
EBIT (€M)	3.6	4.7	5.5	6.4
EPS (€)	0.21	0.25	0.29	0.34
Valuation	15A	16E	17E	18E
SHARE PRICE	6.61	4.50	5.20	8.21
EV/EBITDA	16.1	9.1	8.8	11.8
P/E	31.1	17.9	16.6	24.1
Dividend yield	0.8%	1.7%	2.3%	1.5%

### Key Data

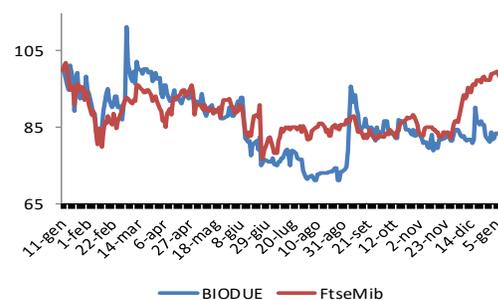
Price (€)	5.20
Market cap (€M)	57.9
Equity Value (€M)	82.3
<b>Fair Value (€)</b>	<b>7.38</b>
P/E LTM	21.2
P/E TTM	21.1

### Investment Profile from 1 worst to 5 best



### Stock data

Ticker Bloomberg	BIO2.IM
N° of shares (M)	11.1
Free float	10.1%
Main shareholder	Benedetti family (68.5%)
Daily trading volume	3,575 shares



Share Price perf (%)	3M	6M	1A
Absolute	-1.5%	8.3%	-17.8%
Rel. to FtseMib	-19.8%	-11.5%	-16.5%

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