NattoPharma

Food, Beverages and Ingredients
Norway

Healthy outlook and M&A optionality

We raise our 2020-22 EPS estimates by 3-13% after a strong Q2 and ambitious guidance for both 2020 and 2022. We note that competitor Kappa Bioscience attempted a takeover of NattoPharma in Q2 and we believe that M&A lends positive optionality to the equity case ahead. As a result of higher estimates, we raise our DCF- and multiples-based fair value range to NOK 20-24 (17-21), implying 2020E EV/EBITDA (adjusted) of 14-17x.

Strong 2020 and ambitious 2022 guidance

NattoPharma reported revenue of NOK 48.4m and adjusted EBITDA of NOK 6.2m for Q2, which was in line with the guidance it provided. The company now guides for 2020 revenue growth of 50-60% and an EBITDA margin of 13-18%. Moreover, it guides for 2022 revenue of NOK 350m with a 20% EBITDA margin – including some sales from the new ingredient. We make only limited revisions to our H2 2020 estimates. Excluding the (yet to be approved) new ingredient, we forecast sales of NOK 271m and a 15.5% EBITDA margin for 2022. As such, we note that there could be upside to our estimates, if management delivers on its ambitions.

Takeover attempt and strategic review

One of NattoPharma's main competitors, Kappa Bioscience ("Kappa"), initiated and later withdrew an attempt to acquire NattoPharma (at NOK 12.75 per share) in Q2. In the process, Kappa also accused NattoPharma of infringing on two patents and threatened legal action. NattoPharma claims to be confident in its patent situation and has initiated a strategic review to explore different options (continued organic growth or a sale to a potential buyer). As such, a sale to an industrial or financial buyer could still be on the cards. The possibility that Kappa could return with a higher offer in the future is also likely to support NattoPharma's valuation going forward, we believe.

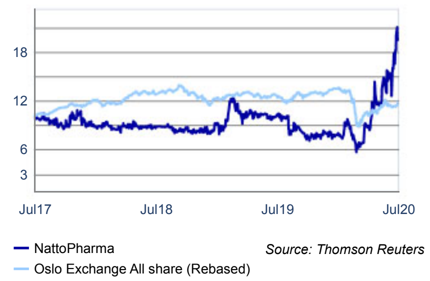
Valuation range

At 2020E EV/EBITDA of ~14x, NattoPharma trades at the high end of its historical valuation range but still at a discount to peers. After raising our estimates for NattoPharma, we increase our DCF- and multiples-based fair value range to NOK 20-24 (17-21). This implies 2020E EV/EBITDA of 14-17x.

KEY DATA

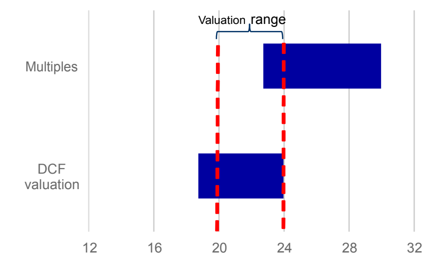
Stock country	Norway
Bloomberg	NATTO NO
Reuters	NATTO.OL
Share price (close)	NOK 19.50
Free Float	54%
Market cap. (bn)	EUR 0.04/NOK 0.41
Website	www.nattopharma.com
Next report date	11 Nov 2020

PERFORMANCE



Source: Thomson Reuters

VALUATION APPROACH



Source: Nordea estimates

ESTIMATE CHANGES

Year	2020E	2021E	2022E
Sales	2%	1%	0%
EBIT (adj)	18%	5%	3%

Source: Nordea estimates

Nordea Markets - Analysts
Oliver Schüler Pisani
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SUMMARY TABLE - KEY FIGURES

NOKth	2016	2017	2018	2019	2020E	2021E	2022E
Total revenue	53,342	66,606	107,241	131,151	200,940	226,194	271,037
EBITDA (adj)	484	5,269	6,652	11,003	28,818	32,812	42,028
EBIT (adj)	-6,413	-2,095	-625	2,971	20,502	24,080	32,859
EBIT (adj) margin	-12.0%	-3.1%	-0.6%	2.3%	10.2%	10.6%	12.1%
EPS (adj)	-0.79	1.34	0.11	0.27	0.97	1.07	1.47
EPS (adj) growth	58.3%	270.2%	-91.8%	148.2%	255.9%	9.8%	37.4%
DPS (ord)	0.00	0.00	0.00	0.00	0.00	0.00	0.00
EV/Sales	2.6	2.3	1.3	1.0	2.0	1.7	1.4
EV/EBIT (adj)	n.m.	n.m.	n.m.	44.3	19.2	15.9	11.2
P/E (adj)	n.m.	6.8	73.5	27.4	20.0	18.3	13.3
P/BV	2.1	1.5	1.4	1.3	2.7	2.4	2.1
Dividend yield (ord)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
FCF Yield bef A&D, lease	-4.0%	-7.1%	1.5%	-5.7%	3.0%	3.3%	4.2%
Net debt	-19,818	-13,558	-18,655	-15,620	-33,580	-43,812	-57,584
Net debt/EBITDA	n.m.	-4.9	-3.7	-1.5	-1.3	-1.3	-1.4
ROIC after tax	-6.7%	-1.6%	-0.4%	2.0%	12.0%	11.9%	15.0%

Source: Company data and Nordea estimates

Estimates and revisions

ESTIMATE REVISIONS

	New estimates			Old estimates			Difference %		
NOKth	**2020E**	**2021E**	**2022E**	**2020E**	**2021E**	**2022E**	**2020E**	**2021E**	**2022E**
Sales (ex other)	**198,659**	**226,194**	**271,037**	**194,871**	**224,127**	**270,302**	**2%**	**1%**	**0%**
Gross profit adj	**84,090**	**95,745**	**114,726**	**84,041**	**96,659**	**116,573**	**0%**	**-1%**	**-2%**
Adj. gross margin	42.3%	42.3%	42.3%	43.1%	43.1%	43.1%	-0.8pp	-0.8pp	-0.8pp
EBITDA adj	**28,818**	**32,812**	**42,028**	**25,603**	**31,688**	**40,920**	**13%**	**4%**	**3%**
Adj. EBITDA margin	14.5%	14.5%	15.5%	13.1%	14.1%	15.1%	1.4pp	0.4pp	0.4pp
Adj. EBIT	**20,502**	**24,080**	**32,859**	**17,340**	**23,012**	**31,810**	**18%**	**5%**	**3%**
Adj. EBIT margin	10.3%	10.6%	12.1%	8.9%	10.3%	11.8%	1.4pp	0.4pp	0.4pp
Adj. EPS	**0.97**	**1.07**	**1.47**	**0.86**	**1.02**	**1.42**	**13%**	**5%**	**3%**

Source: Nordea estimates

GROUP ANNUAL P&L

NOKth	**2015**	**2016**	**2017**	**2018**	**2019**	**2020E**	**2021E**	**2022E**	**2023E**
Sales	**31,687**	**51,830**	**66,418**	**101,722**	**127,120**	**198,659**	**226,194**	**271,037**	**314,961**
Growth y/y	24.2%	63.6%	28.1%	53.2%	25.0%	56.3%	13.9%	19.8%	16.2%
Other	0	1,512	188	5,519	4,031	2,281	0	0	0
Total revenue	**31,687**	**53,342**	**66,606**	**107,241**	**131,151**	**200,940**	**226,194**	**271,037**	**314,961**
Growth y/y	24.2%	68.3%	24.9%	61.0%	22.3%	53.2%	12.6%	19.8%	16.2%
COGS	-22,567	-28,923	-35,013	-57,978	-73,532	-114,569	-130,449	-156,310	-181,642
Gross profit adj	**9,120**	**22,907**	**31,405**	**43,744**	**53,588**	**84,090**	**95,745**	**114,726**	**133,319**
Gross margin adj	28.8%	44.2%	47.3%	43.0%	42.2%	42.3%	42.3%	42.3%	42.3%
Gross profit	**9,120**	**24,419**	**31,593**	**49,263**	**57,619**	**86,371**	**95,745**	**114,726**	**133,319**
Gross margin (% of revenue)	28.8%	45.8%	47.4%	45.9%	43.9%	43.0%	42.3%	42.3%	42.3%
Salaries	-14,018	-13,323	-18,534	-28,433	-30,943	-40,077	-41,721	-45,926	-48,645
Other opex	-24,577	-12,560	-10,301	-15,760	-16,405	-20,138	-21,212	-26,772	-32,686
Opex/sales	-121.8%	-48.5%	-43.3%	-41.2%	-36.1%	-30.0%	-27.8%	-26.8%	-25.8%
Non-recurring items	0	-1,948	-2,511	-1,583	-731	-2,663	0	0	0
EBITDA adjusted	**-29,475**	**484**	**5,269**	**6,652**	**11,003**	**28,818**	**32,812**	**42,028**	**51,988**
Margin (% of sales)	-93.0%	0.9%	7.9%	6.5%	8.7%	14.5%	14.5%	15.5%	16.5%
EBITDA	**-29,475**	**-1,464**	**2,758**	**5,069**	**10,272**	**26,155**	**32,812**	**42,028**	**51,988**
Margin (% of revenue)	-93.0%	-2.7%	4.1%	4.7%	7.8%	13.0%	14.5%	15.5%	16.5%
D&A	-5,829	-6,897	-7,364	-7,277	-8,032	-8,316	-8,732	-9,169	-9,627
EBIT adjusted	**-35,304**	**-6,413**	**-2,095**	**-625**	**2,971**	**20,502**	**24,080**	**32,859**	**42,361**
Margin (% of sales)	-111.4%	-12.4%	-3.2%	-0.6%	2.3%	10.3%	10.6%	12.1%	13.4%
EBIT	**-35,304**	**-8,361**	**-4,606**	**-2,208**	**2,240**	**17,839**	**24,080**	**32,859**	**42,361**
Margin (% of revenue)	-111.4%	-15.7%	-6.9%	-2.1%	1.7%	8.9%	10.6%	12.1%	13.4%
Interest income	165	159	100	2,837	2,688	1,355	0	0	0
Interest expense	-106	-834	-22	-201	-771	-631	-612	-624	-637
Other finance	4,720	0	-95	-133	0	762	0	0	0
Revaluations	0	-2,123	-135	754	-15,588	21,723	0	0	0
Net financials	4,779	-2,798	-152	3,256	-13,671	23,208	-612	-624	-637
PTP	**-30,525**	**-11,159**	**-4,758**	**1,048**	**-11,431**	**41,047**	**23,468**	**32,235**	**41,724**
Tax	675	656	678	708	701	-875	-1,173	-1,612	-2,086
Tax rate (%)	2.2%	5.9%	14.2%	-67.6%	6.1%	2.1%	5.0%	5.0%	5.0%
Net profit from cont. op.	**-29,850**	**-10,503**	**-4,080**	**1,756**	**-10,730**	**40,172**	**22,295**	**30,623**	**39,638**
Discontinued operations	0	-6,835	27,071	0	0	0	0	0	0
Net profit to equity	-29,850	-17,338	22,991	1,756	-10,730	40,172	22,295	30,623	39,638
Net profit to equity adjusted	**-29,850**	**-13,851**	**24,884**	**2,111**	**5,370**	**20,313**	**22,295**	**30,623**	**39,638**
Wavg diluted no of shares (m)	15,822	17,569	18,594	19,161	19,638	20,873	20,873	20,873	20,873
EPS adj	**-1.9**	**-0.8**	**1.3**	**0.1**	**0.3**	**1.0**	**1.1**	**1.5**	**1.9**
DPS	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**

Source: Company data and Nordea estimates

GROUP INTERIM P&L

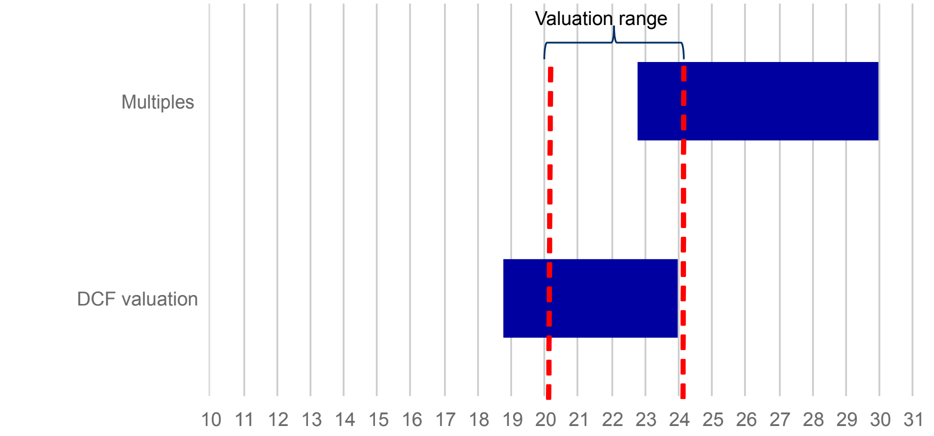
NOKth	2019	Q1 2020	Q2 2020	Q3 2020E	Q4 2020E	H1 2020E	H2 2020E	9M 2020E	2020E
Sales	**127,120**	**56,265**	**48,383**	**41,414**	**52,597**	**104,648**	**94,011**	**146,062**	**198,659**
Growth y/y	25.0%	102.6%	61.3%	34.2%	36.6%	81.2%	35.6%	64.8%	56.3%
Other	4,031	1,000	1,281	0	0	2,281	0	2,281	2,281
Total revenue	**131,151**	**57,265**	**49,664**	**41,414**	**52,597**	**106,929**	**94,011**	**148,343**	**200,940**
Growth y/y	22.3%	99.2%	59.7%	29.3%	33.9%	78.7%	31.8%	61.5%	53.2%
COGS	-73,532	-32,517	-28,936	-23,399	-29,717	-61,453	-53,116	-84,852	-114,569
Gross profit adj	**53,588**	**23,748**	**19,447**	**18,015**	**22,880**	**43,195**	**40,895**	**61,210**	**84,090**
Gross margin adj	42.2%	42.2%	40.2%	43.5%	43.5%	41.3%	43.5%	41.9%	42.3%
Gross profit	**57,619**	**24,748**	**20,728**	**18,015**	**22,880**	**45,476**	**40,895**	**63,491**	**86,371**
Gross margin (% of revenue)	43.9%	43.2%	41.7%	43.5%	43.5%	42.5%	43.5%	42.8%	43.0%
Salaries	-30,943	-10,055	-10,092	-10,274	-9,656	-20,147	-19,930	-30,421	-40,077
Other opex	-16,405	-4,559	-6,685	-3,794	-5,101	-11,244	-8,894	-15,038	-20,138
Opex/sales	-36.1%	-26.0%	-34.7%	-34.0%	-28.1%	-29.4%	-30.7%	-30.6%	-30.0%
Non-recurring items	-731	-368	-2,295	0	0	-2,663	0	-2,663	-2,663
EBITDA adjusted	**11,003**	**10,501**	**6,246**	**3,948**	**8,123**	**16,747**	**12,071**	**20,695**	**28,818**
Margin (% of sales)	8.7%	18.7%	12.9%	9.5%	15.4%	16.0%	12.8%	14.2%	14.5%
EBITDA	**10,272**	**10,133**	**3,951**	**3,948**	**8,123**	**14,084**	**12,071**	**18,032**	**26,155**
Margin (% of revenue)	7.8%	17.7%	8.0%	9.5%	15.4%	13.2%	12.8%	12.2%	13.0%
D&A	-8,032	-2,035	-2,073	-2,094	-2,115	-4,108	-4,208	-6,202	-8,316
EBIT adjusted	**2,971**	**8,466**	**4,173**	**1,854**	**6,009**	**12,639**	**7,863**	**14,493**	**20,502**
Margin (% of sales)	2.3%	15.0%	8.6%	4.5%	11.4%	12.1%	8.4%	9.9%	10.3%
EBIT	**2,240**	**8,098**	**1,878**	**1,854**	**6,009**	**9,976**	**7,863**	**11,830**	**17,839**
Margin (% of revenue)	1.7%	14.1%	3.8%	4.5%	11.4%	9.3%	8.4%	8.0%	8.9%
Interest income	2,688	5	1,350	0	0	1,355	0	1,355	1,355
Interest expense	-771	-156	-175	-150	-150	-331	-300	-481	-631
Other finance	0	2520	-1686	-36	-36	834	-72	798	762
Revaluations	-15588	0	21723	0	0	21723	0	21723	21723
Net financials	-13,671	2,369	21,211	-186	-186	23,580	-372	23,394	23,208
PTP	**-11,431**	**10,467**	**23,089**	**1,668**	**5,823**	**33,556**	**7,491**	**35,224**	**41,047**
Tax	701	-600	100	-83	-291	-501	-375	-584	-875
Tax rate (%)	6.1%	5.7%	-0.4%	5.0%	5.0%	1.5%	5.0%	1.7%	2.1%
Net profit from cont. op.	**-10,730**	**9,867**	**23,189**	**1,585**	**5,532**	**33,056**	**7,116**	**34,640**	**40,172**
Discontinued operations	0	0	0	0	0	0	0	0	0
Net profit to equity	-10,730	9,867	23,189	1,585	5,532	33,056	7,116	34,640	40,172
Net profit to equity adjusted	**5,370**	**10,125**	**3,072**	**1,585**	**5,532**	**13,197**	**7,116**	**14,781**	**20,313**
Wavg diluted no of shares (m)	19,638	20,873	20,873	20,873	20,873	20,873	20,873	20,873	20,873
EPS adj	**0.3**	**0.5**	**0.1**	**0.1**	**0.3**	**0.6**	**0.3**	**0.7**	**1.0**
DPS	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Source: Company data and Nordea estimates

Valuation

We raise our estimates on the back of the Q2 report, after a strong result and ambitious guidance. Based on our higher estimates, we find support for a fair value range of NOK 20-24 per share, implying 2020E EV/EBITDA (adjusted)of 14-17x. We also believe that proven takeout optionality (after Kappa Bioscience's recent bid) is likely to support higher valuation multiples going forward.

VALUATION SUMMARY



Source: Nordea estimates

IMPLIED 2020E EV/SALES AND EV/EBITDA BY SHARE PRICE

Share price	Market cap, NOKm	EV, NOKm	EV/Sales, x	EV/EBITDA, x
8	167	153	0.76	5.3
9	188	174	0.87	6.0
10	209	195	0.97	6.8
11	230	216	1.07	7.5
12	250	237	1.18	8.2
13	271	258	1.28	8.9
14	292	278	1.39	9.7
15	313	299	1.49	10.4
16	334	320	1.59	11.1
17	355	341	1.70	11.8
18	376	362	1.80	12.6
19	397	383	1.91	13.3
20	417	404	2.01	14.0
21	438	425	2.11	14.7
22	459	445	2.22	15.5
23	480	466	2.32	16.2
24	501	487	2.42	16.9
25	522	508	2.53	17.6
26	543	529	2.63	18.4
27	564	550	2.74	19.1
28	584	571	2.84	19.8
29	605	592	2.94	20.5
30	626	612	3.05	21.3

Source: Nordea estimates

DCF valuation

Below, we present our DCF valuation output and calculation inputs. Our DCF-derived range assumes a +/-1 pp EBIT margin and +/-1 pp sales growth versus our base-case assumptions. We set ROIC equal to WACC in the terminal period. Due to changes in Nordea's standard DCF assumptions, we change some WACC parameters in this report, including the risk-free rate (now 2.0% versus previously 2.5%) and the market risk premium (previously 4.0% and now 4.5%).

WACC ASSUMPTIONS

WACC components	
Risk-free interest rate	2.0%
Market risk premium	4.5%
Forward looking asset beta	2.3
Beta debt	0.20
Forward looking equity beta	2.33
Cost of equity	12.5%
Cost of debt	6.0%
Tax-rate used in WACC	30.0%
Equity weight	100.0%
WACC	**12.5%**

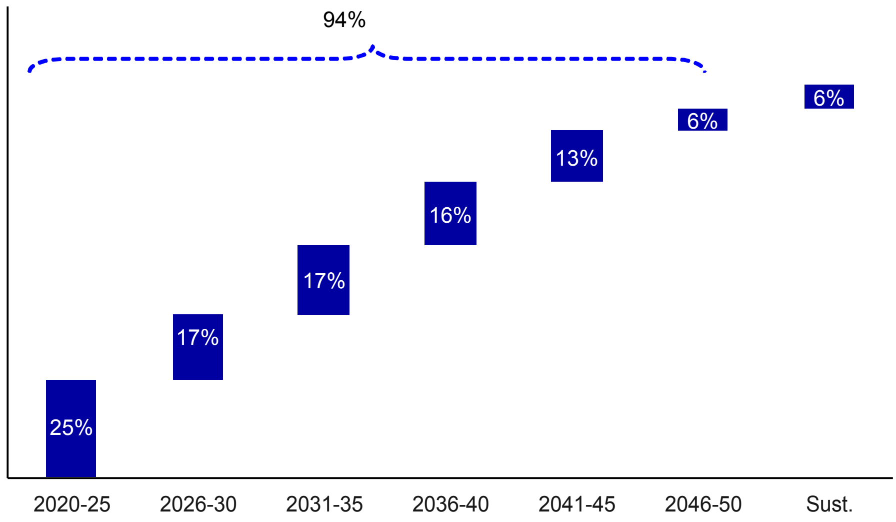
Source: Nordea estimates

LONG-TERM FCFF ASSUMPTIONS

Averages and assumptions	2020-25	2026-30	2031-35	2036-40	2041-45	Sust.
Sales growth, CAGR	14.9%	12.0%	9.0%	5.0%	3.0%	
EBIT-margin, excluding associates	12.5%	14.4%	14.9%	14.9%	14.9%	
Capex/depreciation, x	1.38	1.38	1.38	1.38	1.10	
Capex/sales	4.4%	4.4%	4.4%	4.4%	4.4%	
NWC/sales	21.0%	21.0%	21.0%	21.0%	21.0%	
FCFF, CAGR	0.0%	12.9%	12.6%	8.2%	4.5%	2.5%

Source: Nordea estimates

DCF VALUE DISTRIBUTION OVER TIME



Source: Nordea estimates

DCF VALUE PER SHARE SENSITIVITY: SALES GROWTH AND EBIT MARGIN CHANGE

		Sales growth change				
		-2.0pp	-1.0pp		+1.0pp	+2.0pp
EBIT margin change	+2.0pp	21	23	24	26	27
	+1.0pp	20	21	23	**24**	26
		19	20	**21**	22	24
	-1.0pp	18	**19**	20	21	22
	-2.0pp	17	17	18	19	20

Source: Nordea estimates

DCF VALUE PER SHARE SENSITIVITY: SALES GROWTH AND WACC CHANGE

		WACC				
		10.5%	11.5%	12.5%	13.5%	14.5%
Sales gr. change	+2.0pp	32	28	24	21	18
	+1.0pp	30	26	22	20	17
		28	24	**21**	19	17
	-1.0pp	26	23	20	18	16
	-2.0pp	25	22	19	17	15

Source: Nordea estimates

DCF VALUE PER SHARE SENSITIVITY: EBIT MARGIN VERSUS WACC CHANGE

		WACC				
		10.5%	11.5%	12.5%	13.5%	14.5%
EBIT marg. change	+2.0pp	32	28	24	21	19
	+1.0pp	30	26	23	20	18
		28	24	**21**	19	17
	-1.0pp	26	22	20	17	16
	-2.0pp	24	21	18	16	15

Source: Nordea estimates

Peer valuation

After the strong share price performance recently, NattoPharma's EV/EBITDA multiple has expanded recently, such that the company is trading at the higher end of its historical valuation range. However, we note that the company's operating performance has also improved recently, such that a higher multiple than historically may be warranted.

We believe it is hard to find a fully representative peer group for NattoPharma and we thus mostly focus on our DCF. However, based on the peer group (mostly within food ingredients), we find that NattoPharma is trading at discounted multiples. In this report, we adjust the methodology to calculate the multiples-based fair value range (seen in the valuation summary chart). While we previously looked at the implied share prices at the peer median EV/EBITDA multiples for 2020 and 2021, we now calculate based on a discount of 0-25% to the peer group 2021E median EV/EBITDA. Historically, NattoPharma has traded at a discount to peers and we note that factors such as a small market cap, more limited liquidity and an early-phase nature of its business model may warrant a certain discount to larger peers – although its high growth prospects of course count on the positive side.

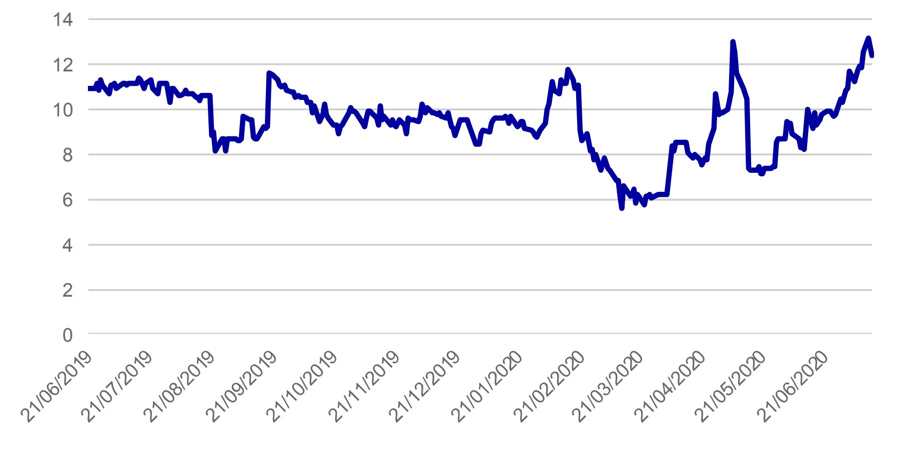
Very strong share price performance recently

NETTOPHARMA'S SHARE PRICE (NOK)

Source: Refinitiv

Trading at the high end of the historical valuation range but not at extreme levels

NTM EV/EBITDA FOR NATTOPHARMA, 2019-20



Source: Refinitiv

PEER TABLE 1

Company	Share price (Local)	EV/Sales			EV/EBITDA (adj.)			EV/EBIT (adj.)		
		2020E	2021E	2022E	2020E	2021E	2022E	2020E	2021E	2022E
Biogaia AB	528.0	9.5x	8.4x	7.4x	28.5x	25.2x	21.9x	29.6x	26.2x	22.8x
Chr Hansen Holding A/S	708.2	10.8x	10.0x	9.2x	30.1x	27.6x	25.3x	36.5x	33.6x	29.9x
Croda International PLC	54.8	5.7x	5.3x	5.0x	19.2x	17.5x	16.4x	23.4x	21.2x	19.7x
Koninklijke DSM NV	128.0	2.8x	2.6x	2.5x	15.2x	13.8x	12.6x	24.5x	21.2x	19.0x
Givaudan SA	3,688.0	5.8x	5.5x	5.2x	27.1x	25.1x	23.5x	36.2x	32.7x	29.3x
Novozymes A/S	395.8	6.6x	6.3x	6.1x	18.6x	17.8x	17.0x	24.1x	22.8x	21.6x
Probi AB	304.5	4.9x	4.3x	3.8x	17.0x	13.4x	11.6x	28.3x	20.0x	18.1x
Symrise AG	107.5	4.3x	4.0x	3.8x	20.7x	18.9x	17.3x	28.8x	26.1x	23.5x
Overall mean		**6.3x**	**5.8x**	**5.4x**	**22.1x**	**19.9x**	**18.2x**	**28.9x**	**25.5x**	**23.0x**
Overall median		**5.7x**	**5.4x**	**5.1x**	**20.0x**	**18.3x**	**17.1x**	**28.6x**	**24.4x**	**22.2x**
NattoPharma (Nordea)	**19.9**	**2.0x**	**1.7x**	**1.4x**	**13.9x**	**11.9x**	**9.0x**	**19.6x**	**16.3x**	**11.5x**
Diff from mean		-68%	-70%	-74%	-37%	-40%	-51%	-32%	-36%	-50%
Diff from median		**-65%**	**-68%**	**-73%**	**-30%**	**-35%**	**-48%**	**-31%**	**-33%**	**-48%**

Source: Refinitiv and Nordea estimates (NattoPharma)

PEER TABLE 2

Company	Mcap. (EUR)	P/E (adj.)			FCF Yield (adj.)			Dividend yield		
		2020E	2021E	2022E	2020E	2021E	2022E	2020E	2021E	2022E
Biogaia AB	836	42.5x	37.6x	32.9x	-	-	-	1.6%	1.8%	1.9%
Chr Hansen Holding A/S	12,486	46.4x	42.7x	39.9x	1.7%	1.9%	2.3%	1.3%	1.5%	1.5%
Croda International PLC	7,780	31.4x	28.3x	26.3x	3.1%	3.3%	3.6%	1.8%	1.8%	2.3%
Koninklijke DSM NV	23,108	28.1x	24.0x	21.7x	3.3%	3.3%	3.9%	1.9%	2.0%	2.1%
Givaudan SA	31,745	41.2x	37.1x	33.6x	2.4%	2.7%	3.0%	1.8%	1.8%	2.0%
Novozymes A/S	12,239	37.0x	33.9x	31.3x	2.8%	2.8%	3.0%	1.4%	1.5%	1.6%
Probi AB	338	38.2x	27.6x	23.6x	3.4%	4.1%	5.0%	0.5%	0.7%	0.8%
Symrise AG	14,480	39.7x	36.2x	32.9x	2.6%	2.9%	3.1%	1.0%	1.1%	1.2%
Overall mean		**38.1x**	**33.4x**	**30.3x**	**2.8%**	**3.0%**	**3.4%**	**1.4%**	**1.5%**	**1.7%**
Overall median		**39.0x**	**35.0x**	**32.1x**	**2.8%**	**2.9%**	**3.1%**	**1.5%**	**1.6%**	**1.8%**
NattoPharma (Nordea)	36	**20.4x**	**18.6x**	**13.6x**	**3.0%**	**3.3%**	**4.1%**	**0.0%**	**0.0%**	**0.0%**
Diff from mean		-46%	-44%	-55%	7%	9%	21%	-	-	-
Diff from median		**-48%**	**-47%**	**-58%**	**7%**	**14%**	**33%**	**-**	**-**	**-**

Source: Refinitiv and Nordea estimates (NattoPharma)

Reported numbers and forecasts

INCOME STATEMENT

NOKth	2012	2013	2014	2015	2016	2017	2018	2019	2020E	2021E	2022E
Total revenue	**11,090**	**27,452**	**25,509**	**31,687**	**53,342**	**66,606**	**107,241**	**131,151**	**200,940**	**226,194**	**271,037**
Revenue growth	30.0%	147.5%	-7.1%	24.2%	68.3%	24.9%	61.0%	22.3%	53.2%	12.6%	19.8%
of which organic	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
of which FX	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
EBITDA	-13,316	-10,002	-18,500	-29,475	-1,464	2,758	5,069	10,272	26,155	32,812	42,028
Depreciation and impairments PPE	-178	-172	-1,096	-1,166	-1,379	-1,473	-1,455	-1,606	-1,663	-1,746	-1,834
of which leased assets	0	0	0	0	0	0	0	0	0	0	0
EBITA	-13,494	-10,174	-19,596	-30,641	-2,844	1,285	3,614	8,666	24,492	31,066	40,194
Amortisation and impairments	-712	-689	-4,386	-4,663	-5,518	-5,891	-5,822	-6,426	-6,653	-6,986	-7,335
EBIT	-14,206	-10,863	-23,982	-35,304	-8,361	-4,606	-2,208	2,240	17,839	24,080	32,859
of which associates	0	0	0	0	0	0	0	0	0	0	0
Associates excluded from EBIT	0	0	0	0	0	0	0	0	0	0	0
Net financials	-1,139	11,250	2,131	4,779	-675	-17	2,502	1,917	1,485	-612	-624
of which lease interest	0	0	0	0	0	0	0	0	0	0	0
Changes in value, net	0	0	0	0	-2,123	-135	754	-15,588	21,723	0	0
Pre-tax profit	**-15,345**	**387**	**-21,851**	**-30,525**	**-11,159**	**-4,758**	**1,048**	**-11,431**	**41,047**	**23,468**	**32,235**
Reported taxes	0	53	630	675	656	678	708	701	-875	-1,173	-1,612
Net profit from continued operations	-15,345	440	-21,221	-29,850	-10,503	-4,080	1,756	-10,730	40,172	22,295	30,623
Discontinued operations	0	0	0	0	-6,835	27,071	0	0	0	0	0
Minority interests	0	0	0	0	0	0	0	0	0	0	0
Net profit to equity	-15,345	440	-21,221	-29,850	-17,338	22,991	1,756	-10,730	40,172	22,295	30,623
EPS	**-4.70**	**0.05**	**-1.67**	**-1.89**	**-0.98**	**1.24**	**0.09**	**-0.55**	**1.92**	**1.07**	**1.47**
DPS	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
of which ordinary	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
of which extraordinary	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Profit margin in percent											
EBITDA	-120.1%	-36.4%	-72.5%	-93.0%	-2.7%	4.1%	4.7%	7.8%	13.0%	14.5%	15.5%
EBITA	-121.7%	-37.1%	-76.8%	-96.7%	-5.3%	1.9%	3.4%	6.6%	12.2%	13.7%	14.8%
EBIT	-128.1%	-39.6%	-94.0%	-111.4%	-15.7%	-6.9%	-2.1%	1.7%	8.9%	10.6%	12.1%
Adjusted earnings											
EBITDA (adj)	-13,316	-10,002	-18,500	-29,475	484	5,269	6,652	11,003	28,818	32,812	42,028
EBITA (adj)	-13,494	-10,174	-19,596	-30,641	-895	3,796	5,197	9,397	27,155	31,066	40,194
EBIT (adj)	-14,206	-10,863	-23,982	-35,304	-6,413	-2,095	-625	2,971	20,502	24,080	32,859
EPS (adj)	-4.70	0.05	-1.67	-1.89	-0.79	1.34	0.11	0.27	0.97	1.07	1.47
Adjusted profit margins in percent											
EBITDA (adj)	-120.1%	-36.4%	-72.5%	-93.0%	0.9%	7.9%	6.2%	8.4%	14.3%	14.5%	15.5%
EBITA (adj)	-121.7%	-37.1%	-76.8%	-96.7%	-1.7%	5.7%	4.8%	7.2%	13.5%	13.7%	14.8%
EBIT (adj)	-128.1%	-39.6%	-94.0%	-111.4%	-12.0%	-3.1%	-0.6%	2.3%	10.2%	10.6%	12.1%
Performance metrics											
CAGR last 5 years											
Net revenue	-11.6%	6.8%	2.0%	8.5%	44.3%	43.1%	31.3%	38.7%	44.7%	33.5%	32.4%
EBITDA	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	72.4%
EBIT	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.
EPS	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	12.6%	n.m.	n.m.	n.m.	3.5%
DPS	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.
Average last 5 years											
Average EBIT margin	-90.5%	-70.9%	-79.1%	-95.0%	-62.2%	-40.6%	-26.2%	-12.4%	0.9%	5.1%	8.0%
Average EBITDA margin	-84.8%	-66.0%	-69.5%	-81.7%	-48.8%	-27.7%	-14.6%	-3.3%	7.7%	10.5%	12.4%

VALUATION RATIOS - ADJUSTED EARNINGS

NOKth	2012	2013	2014	2015	2016	2017	2018	2019	2020E	2021E	2022E
P/E (adj)	n.m.	n.m.	n.m.	n.m.	n.m.	6.8	73.5	27.4	20.0	18.3	13.3
EV/EBITDA (adj)	n.m.	n.m.	n.m.	n.m.	289.7	29.5	20.5	12.0	13.6	11.7	8.8
EV/EBITA (adj)	n.m.	n.m.	n.m.	n.m.	n.m.	41.0	26.3	14.0	14.5	12.3	9.2
EV/EBIT (adj)	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	44.3	19.2	15.9	11.2

VALUATION RATIOS - REPORTED EARNINGS

NOKth	2012	2013	2014	2015	2016	2017	2018	2019	2020E	2021E	2022E
P/E	n.m.	n.m.	n.m.	n.m.	n.m.	7.4	88.4	n.m.	10.1	18.3	13.3
EV/Sales	0.52	3.83	4.34	3.19	2.63	2.34	1.27	1.00	1.96	1.69	1.36
EV/EBITDA	n.m.	n.m.	n.m.	n.m.	n.m.	56.4	26.9	12.8	15.0	11.7	8.8
EV/EBITA	n.m.	n.m.	n.m.	n.m.	n.m.	121.1	37.8	15.2	16.1	12.3	9.2
EV/EBIT	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	58.8	22.0	15.9	11.2
Dividend yield (ord.)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
FCF yield	-29.9%	-13.6%	-20.8%	-22.5%	-4.0%	-7.1%	1.8%	-5.7%	7.6%	3.3%	4.2%
FCF Yield bef A&D, lease adj	-29.9%	-14.0%	-20.8%	-22.5%	-4.0%	-7.1%	1.5%	-5.7%	3.0%	3.3%	4.2%
Payout ratio	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

Source: Company data and Nordea estimates

BALANCE SHEET

NOKth	2012	2013	2014	2015	2016	2017	2018	2019	2020E	2021E	2022E
Intangible assets	1,883	57,962	56,482	53,858	46,244	44,185	42,080	49,115	95,436	97,951	100,644
of which R&D	0	0	0	0	0	0	0	0	0	0	0
of which other intangibles	1,883	51,636	49,663	46,599	39,387	36,759	34,573	41,671	87,092	89,607	92,300
of which goodwill	0	6,326	6,819	7,259	6,857	7,426	7,507	7,444	8,344	8,344	8,344
Tangible assets	22	659	9	3,195	2,410	1,715	601	2,269	2,213	2,276	2,611
of which leased assets	0	0	0	0	0	0	0	1,750	1,750	1,750	1,750
Shares associates	0	0	0	0	0	57,501	40,275	19,880	0	0	0
Interest bearing assets	0	0	0	0	0	0	0	0	0	0	0
Deferred tax assets	0	0	0	0	0	0	0	0	0	0	0
Other non-IB non-current assets	0	0	0	0	0	0	0	0	0	0	0
Other non-current assets	0	0	0	0	0	168	0	0	0	0	0
Total non-current assets	1,905	58,621	56,491	57,053	48,654	103,569	82,956	71,264	97,650	100,227	103,255
Inventory	377	619	5,085	6,327	3,767	12,953	11,565	33,667	48,226	54,287	65,049
Accounts receivable	3,063	6,924	13,552	18,546	22,610	26,474	21,943	14,370	24,113	28,274	35,235
Short-term leased assets	0	0	0	0	0	0	0	0	0	0	0
Other current assets	0	1,047	524	2,032	1,498	639	12,217	14,573	22,328	25,134	30,117
Cash and bank	22,214	21,918	13,101	24,761	19,818	13,558	18,655	23,819	43,772	54,004	67,776
Total current assets	25,654	30,508	32,262	51,666	47,693	53,624	64,380	86,429	138,438	161,699	198,176
Assets held for sale	0	0	0	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Total assets	**27,559**	**89,129**	**88,753**	**108,719**	**96,347**	**157,193**	**147,336**	**157,693**	**236,088**	**261,926**	**301,431**
Shareholders equity	19,173	76,440	75,719	92,802	76,207	111,004	109,753	113,396	148,389	167,344	194,628
Of which preferred stocks	0	0	0	0	0	0	0	0	0	0	0
Of which equity part of hybrid debt	0	0	0	0	0	0	0	0	0	0	0
Minority interest	0	0	0	0	0	0	0	0	19,830	19,830	19,830
Total Equity	19,173	76,440	75,719	92,802	76,207	111,004	109,753	113,396	168,219	187,174	214,458
Deferred tax	0	6,273	6,081	5,747	4,787	4,393	3,691	2,915	2,915	2,915	2,915
Long term interest bearing debt	88	59	29	0	0	0	0	0	358	358	358
Pension provisions	0	0	0	0	0	0	0	0	0	0	0
Other long-term provisions	0	0	0	0	0	0	0	0	0	0	0
Other long-term liabilities	0	0	0	0	0	22,003	12,027	0	0	0	0
Non-current lease debt	0	0	0	0	0	0	0	788	1,841	1,841	1,841
Convertible debt	0	0	0	0	0	0	0	0	0	0	0
Shareholder debt	0	0	0	0	0	0	0	0	0	0	0
Hybrid debt	0	0	0	0	0	0	0	0	0	0	0
Total non-current liabilities	88	6,332	6,110	5,747	4,787	26,396	15,718	3,703	5,114	5,114	5,114
Short-term provisions	0	0	0	0	0	0	0	0	0	0	0
Accounts payable	4,235	3,342	5,394	3,509	10,178	14,526	18,579	29,185	44,715	50,335	60,314
Current lease debt	0	0	0	0	0	0	0	1,053	0	0	0
Other current liabilities	4,063	1,548	1,530	6,661	5,175	5,267	3,285	3,998	10,047	11,310	13,552
Short term interest bearing debt	0	1,467	0	0	0	0	0	6,358	7,993	7,993	7,993
Total current liabilities	8,298	6,357	6,924	10,170	15,353	19,793	21,865	40,594	62,755	69,638	81,859
Liabilities for assets held for sale	0	0	0	0	0	0	0	0	0	0	0
Total liabilities and equity	**27,559**	**89,129**	**88,753**	**108,719**	**96,347**	**157,193**	**147,336**	**157,693**	**236,088**	**261,926**	**301,431**
Balance sheet and debt metrics											
Net debt	-22,126	-20,392	-13,072	-24,761	-19,818	-13,558	-18,655	-15,620	-33,580	-43,812	-57,584
of which lease debt	0	0	0	0	0	0	0	1,841	1,841	1,841	1,841
Working capital	-4,858	3,700	12,237	16,735	12,522	20,273	23,860	29,427	39,904	46,050	56,535
Invested capital	-2,953	62,321	68,728	73,788	61,176	123,842	106,816	100,691	137,554	146,277	159,790
Capital employed	19,261	77,966	75,748	92,802	76,207	111,004	109,753	121,595	178,411	197,366	224,650
ROE	n.m.	0.9%	-27.9%	-35.4%	-20.5%	24.6%	1.6%	-9.6%	30.7%	14.1%	16.9%
ROIC	n.m.	-25.6%	-25.6%	-34.7%	-6.7%	-1.6%	-0.4%	2.0%	12.0%	11.9%	15.0%
ROCE	n.m.	-22.0%	-31.0%	-41.7%	-7.4%	-2.1%	2.0%	4.9%	14.6%	12.8%	15.6%
Net debt/EBITDA	n.m.	n.m.	n.m.	n.m.	n.m.	-4.9	-3.7	-1.5	-1.3	-1.3	-1.4
Interest coverage	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.
Equity ratio	69.6%	85.8%	85.3%	85.4%	79.1%	70.6%	74.5%	71.9%	62.9%	63.9%	64.6%
Net gearing	-115.4%	-26.7%	-17.3%	-26.7%	-26.0%	-12.2%	-17.0%	-13.8%	-20.0%	-23.4%	-26.9%

Source: Company data and Nordea estimates

CASH FLOW STATEMENT											
NOKth	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020E**	**2021E**	**2022E**
EBITDA (adj) for associates	**-13,316**	**-10,002**	**-18,500**	**-29,475**	**-1,464**	**2,758**	**5,069**	**10,272**	**26,155**	**32,812**	**42,028**
Paid taxes	0	0	0	0	0	0	389	701	-875	-1,173	-1,612
Net financials	0	0	0	0	0	0	2,574	1,917	1,485	-612	-624
Change in provisions	0	0	0	0	0	0	0	0	0	0	0
Change in other LT non-IB	0	0	0	0	0	21,835	-9,808	-12,027	0	0	0
Cash flow to/from associates	0	0	0	0	0	0	0	0	0	0	0
Dividends paid to minorities	0	0	0	0	0	0	0	0	0	0	0
Other adj to reconcile to cash flow	2,217	-2,461	-3,851	9,969	-7,876	-27,905	11,683	12,441	2,368	0	0
Funds from operations (FFO)	**-11,099**	**-12,463**	**-22,351**	**-19,506**	**-9,340**	**-3,312**	**9,907**	**13,304**	**29,133**	**31,027**	**39,792**
Change in NWC	3,208	-5,073	-2,620	-5,228	4,403	-7,917	-3,419	-7,630	-10,477	-6,146	-10,484
Cash flow from operations (CFO)	**-7,891**	**-17,536**	**-24,971**	**-24,734**	**-4,937**	**-11,229**	**6,488**	**5,674**	**18,656**	**24,881**	**29,307**
Capital expenditure	-437	0	-776	-3,618	-1,477	-864	-4,146	-14,140	-6,296	-11,310	-12,197
Free cash flow before A&D	**-8,328**	**-17,536**	**-25,747**	**-28,352**	**-6,414**	**-12,093**	**2,342**	**-8,466**	**12,360**	**13,571**	**17,111**
Proceeds from sale of assets	0	0	0	0	0	0	489	0	0	0	0
Acquisitions	0	413	0	0	0	0	0	0	18,444	0	0
Free cash flow	-8,328	-17,123	-25,747	-28,352	-6,414	-12,093	2,831	-8,466	30,804	13,571	17,111
Free cash flow bef A&D, lease adj	-8,328	-17,536	-25,747	-28,352	-6,414	-12,093	2,342	-8,466	12,360	13,571	17,111
Dividends paid	0	0	0	0	0	0	0	0	0	0	0
Equity issues / buybacks	29,914	21,890	17,376	45,225	1,109	6,939	429	14,048	10,325	0	0
Net change in debt	0	0	0	0	0	0	0	696	1,993	0	0
Other financing adjustments	0	0	0	0	0	0	-379	0	21,723	0	0
Other non-cash adjustments	-667	-5,063	-446	-5,213	362	-1,106	2,216	-1,114	-44,892	-3,339	-3,339
Change in cash	20,919	-296	-8,817	11,660	-4,943	-6,260	5,097	5,164	19,953	10,232	13,772
Cash flow metrics											
Capex/D&A	49.1%	0.0%	14.2%	62.1%	21.4%	11.7%	57.0%	n.m.	75.7%	n.m.	n.m.
Capex/Sales	3.9%	0.0%	3.0%	11.4%	2.8%	1.3%	3.9%	10.8%	3.1%	5.0%	4.5%
Key information											
Share price year end (/current)	9	14	10	8	9	9	8	8	20	20	20
Market cap.	27,875	125,465	123,838	125,785	160,102	169,205	155,204	147,287	407,028	407,028	407,028
Enterprise value	5,749	105,073	110,766	101,024	140,284	155,647	136,549	131,667	393,278	383,046	369,274
Diluted no. of shares, year-end (th)	3,263.5	8,693.4	12,677.0	15,822.0	17,613.0	18,594.0	19,160.9	19,638.2	20,873.2	20,873.2	20,873.2

Source: Company data and Nordea estimates

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