

UK – Food Processing

November 12, 2024

BUY

HIGH RISK

Objective: €1.00

Positives —

- ❖ Good industry outlook
- ❖ Good management
- ❖ Strong brand presence
- ❖ Strong client relationship

Negatives —

- ❖ Low market penetration
- ❖ Inflation
- ❖ Competition risk
- ❖ Limited pricing power

Rapid Nutrition PLC

Proactive management – €1!

- **Trading Call.** We are reiterating our **BUY HIGH RISK** recommendation on Rapid Nutrition PLC (ALRPD.PA) with a price objective of €1.00 per share. Over the past 3 months, the shares have risen by 162.3%, outperforming the peer group, which is down 11.1%, and the Euronext 100, which is up 1.8%. We continue to recommend accumulating the shares.
- **Double 11 Festival.** Consumers are prioritizing spending on health, and according to preliminary e-commerce data, sales of supplementary health products were up by double digits, exceeding market expectations. Globally, we expect this momentum to continue with *Black Friday, Cyber Monday*, and the upcoming holiday season. We note that in 1H24, e-commerce sales of supplementary health products in China were up by 15-17% compared to 1H23.
- **Paid in Full.** The Atlas convertible loan is fully paid off two months before year-end. We commend management for their proactive approach in fulfilling their commitment to shareholder returns. We expect liquidity to gradually increase as global investors begin to consider Rapid Nutrition PLC for potential inclusion in their portfolios in 2025.
- **Take Advantage of Momentum.** We expect the momentum to continue and strongly recommend accumulating the shares. We are reiterating our **BUY HIGH RISK** rating and our price objective of €1.00 per share.

Earnings/Share	Mar.	Jun.	Sep.	Dec.	Year	P/E Ratio
	2023	\$-	\$-	\$-	\$-	\$-
2024E	-	-	-	-	-	N/Ax
2025E	-	-	-	-	-	N/Ax

Market Profile

52-Week Range	€0.02-0.30	EPS Growth Rate (3-Yrs)	N/A%
Avg. Volume (3 Month)	6,949,606	EBITDA Growth Rate (3-Yrs)	N/A%
Shares Outstanding	72,553 M	ROE (LTM)	N/A%
Market Capitalization	€4,336.9 M	Debt to Total Cap.	51.9%
Floating Market Cap.	€4,336.9 M	Book Value Per Share	€0.04
Institutional Owner.	0.0%	Indicated Dividend/Yield	€0.00/0.0%
Insider Holdings	N/A%	Revenue (LTM)	\$A1,953 MM
Shares Float	100.0%	Shares Short	---

ALRPD.PA: €0.06

N100: 1,459.72

CAC40: 7,426.88

ALASI*: 871.26

*Alternext All Share Index

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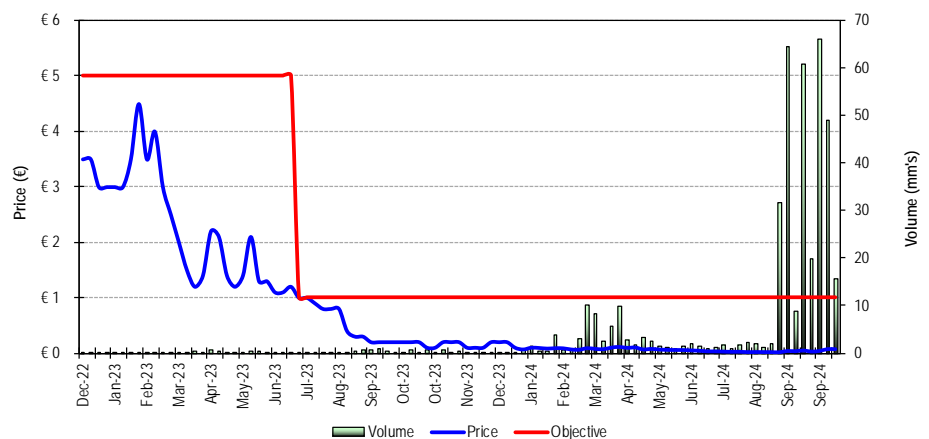
Company Description

Rapid Nutrition PLC, a natural healthcare company, researches, develops, and produces a range of science-based health and wellness products in the United Kingdom, Australia, the United States, and the rest of Europe. The company offers scientific-based health food supplements under the *Leisa's Secret* and *SystemLS'* brands. The company also provides oral anti-viral therapy products to combat flu and common cold under the name *Azurene*. In addition, the company offers online fitness streaming services under the name *DiCED* which is currently available in approximately 54 countries. As of the end of 2023, Plant Based accounted for approximately 59.0% of total revenues and Health & Supplemental Products accounted for approximately 41.0% of total revenues. The company distributes its products in the United Kingdom, Australia, the United States, Brazil, France, Italy, Switzerland, Saudi Arabia, Ghana, Japan, South Korea, China, Jamaica, and in the Caribbean. The company Australian subsidiaries (Rapid Nutrition Pty Ltd.) was incorporated in 2001. The U.K parent company was incorporated in 2012 and is based in London, the United Kingdom.

Risk

Risk to our investment conclusion and price objectives include: 1- a sharp decline of the global economy, 2- adverse consumer behavior change, 3- lower than expected market expansion, 4- liquidity and 5- high dependence on one market.

Exhibit 3. Rapid Nutrition PLC Rating Price Volume Chart*



Source: Industry data and The Zephyrin Group, Inc. (ZGI) research *Split adjusted 1:1000

Date	Price	Target	Rating	Notable Reports
09-Feb-22	€0.03	€1.00	Buy SR	Emerging Growth – €1.00...!
06-May-22	€0.07	--	--	The right path – €1.00...!
16-Jun-22	€0.03	--	--	Remain Optimistic – €1.00...!
30-Aug-22	€0.02	--	--	It's all about September...!



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Rating System: STRONG BUY – The stock, securities or shares are expected to achieve a total return of 20% or more over the next 12-18 months, or are expected to outperform its industry and the S&P 500. BUY – The stock, securities or shares are expected to achieve a total return of 15% or more over the next 12-18 months, or are expected to outperform its industry peers and the S&P 500. HOLD – The stock, securities or shares are expected to achieve a total return of 10% or less, or are expected to perform in-line with its industry peers and the S&P 500 over the next 12-18 months. SELL – The stock, securities or shares are expected to underperform its industry peers and the S&P 500 over the next 12-18 months. STRONG SELL – The stock, securities or shares are expected to underperform its industry peers and the S&P 500 over the next 6-12 months. SUSPENDED – The stock, securities or shares are temporarily suspended due to market events that made coverage impracticable. Small and mid-sized company stocks involve greater risks than those customarily associated with larger companies.

Risk Rating: LOW RISK (LR) – Return of 0-10%; MEDIUM RISK (MR) – Return of 0-20%; HIGH RISK (HR) – Return of 0-30% and SPECULATIVE RISK (SR) – Return of 0-50%. **Distribution of Rating:** Strong Buy = 0 (0.0%); Buy = 15 (34.1%); Hold = 11 (25.0%); Sell = 2 (4.5%); Strong Sell = 3 (6.8%); Suspended = 13 (29.5%).

All of the recommendation and views about the securities and companies in this report accurately reflect the personal views of the research analyst named on the cover of this report. In particular the report intended to promote the integrity of research including those designed to ensure the identification and avoidance of conflict of interest.

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