

UK – Food Processing

December 13, 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

APAC positioning – €1...!

- **Trading Call.** We are maintaining our BUY HIGH RISK recommendation on Rapid Nutrition PLC (ALRPD.PA) with a price objective of €1.00 per share. We continue to recommend accumulating the shares on any weakness.
- **APAC Momentum.** The Herbal and Nutritional Supplements Market in APAC is valued at \$140-150 billion, with a projected CAGR of 7-9% from 2023 to 2030, potentially exceeding \$200 billion in 5-10 years. This growth reflects increasing consumer demand for health-focused products, driven by a shift toward preventative healthcare, wellness, and natural remedies, especially post-pandemic.
- **Strategic Position.** Rapid Nutrition is well-positioned to capitalize on this growth. The company strategy in APAC, focusing on expanding distribution channels and addressing rising demand, offers a competitive edge. **This success will depend on management ability to execute the brand value in key markets like China, Japan, and Korea.**
- **APAC Investor Sentiment.** Investor interest is increasing, as demonstrated by Bright Lifecare Pvt. Ltd. (HealthKart – India), whose valuation rose from \$370 million to \$450-500 million in two years, and Herbs Generation Group Holdings Ltd.'s upcoming Hong Kong IPO, targeting HK\$125-138 million. **These transactions reflect growing investor confidence, fueled by strong consumer demand and post-pandemic recovery.**
- **Poised for Growth.** In our opinion, Rapid Nutrition is a compelling investment opportunity, strategically positioned in the growing APAC market. **With increasing demand for natural health products, expanding distribution, and strong investor interest, the company is poised for significant valuation growth, particularly from 2025, driven by long-term health trends in the region.**

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

Market Profile

52-Week Range	€0.02-0.20	EPS Growth Rate (3-Yrs)	N/A%
Avg. Volume (3 Month)	7,228,345	EBITDA Growth Rate (3-Yrs)	N/A%
Shares Outstanding	72,553 M	ROE (LTM)	N/A%
Market Capitalization	€3,191.0 M	Debt to Total Cap.	51.9%
Floating Market Cap.	€3,191.0 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: €0.04

N100: 1,467.29

CAC40: 7,420.94

ALASI*: 860.71

**Alternext All Share Index*

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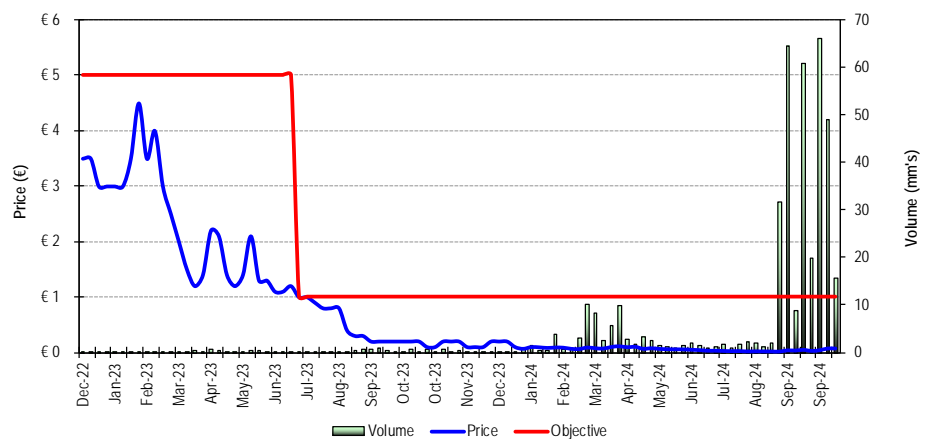
Company Description

Rapid Nutrition PLC (Euronext Paris: ALRPD.PA) is an innovative HealthTech company focused on advancing global health. We develop evidence-based, personalized nutrition solutions using advanced technologies, AI, and scientific research. The company's goal is to optimize nutrition, improve wellness, and support sustainable, healthier lifestyles worldwide. The company offers science-based health food supplements under the *Leisa's Secret* and *SystemLS* brands. It also provides oral antiviral therapy products to combat the 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 products accounted for approximately 59.0% of total revenues, while Health & Supplemental Products accounted for approximately 41.0%. 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 the Caribbean. The company's Australian subsidiary, Rapid Nutrition PLC, was incorporated in 2001. The U.K. parent company was incorporated in 2012 and is based in London, 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 1. 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%).

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