

UK – Food Processing

January 17, 2025

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

Growth momentum – €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.
- **Growth Momentum.** Azurene and the SystemLS brand's growth momentum in APAC aligns with rising demand for alternative wellness products. The brands have gained strong market traction and are poised for significant sales growth with robust margins by 2025. Continued product expansion and deeper channel penetration will further drive growth across APAC, Europe, the US, and Australia.
- **Expansion Strategies:** In 2025, alongside further global market channel expansion, Rapid Nutrition is open to strategic partnerships that could enhance market penetration synergies. In our view, this approach should lead to strong shareholder returns aligned with the company's growth strategy.
- **ZGI Hong Kong Wellness Small Cap.** We have established a universe of 12 small-cap wellness companies, including Rapid Nutrition, using a conversion rate of (€1 = HK\$8.012), resulting in a total market capitalization (valuation) of HK\$1.6 billion. The exhibit highlights listed companies operating in the Herbal and Wellness sector in China (APAC). Within this universe, Rapid Nutrition ranks 3rd based on YTD performance. See Exhibit 1.
- We reiterate our view that the company is well-positioned for significant valuation growth, particularly from 2025, driven by long-term health trends both in the region and globally.

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

Market Profile

52-Week Range	€0.02-0.17	EPS Growth Rate (3-Yrs)	N/A%
Avg. Volume (3 Month)	4,432,250	EBITDA Growth Rate (3-Yrs)	N/A%
Shares Outstanding	72,553 M	ROE (LTM)	N/A%
Market Capitalization	€3,111.0 M	Debt to Total Cap.	0.0%
Floating Market Cap.	€3,111.0 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: 1,505.86

CAC40: 7,634.74

ALASI*: 864.99

*Alternext All Share Index

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Please refer to the global disclaimer of this research at the end of document.



Exhibit 1. ZGI Hong Kong Wellness Small-Cap*

Symbol	Company Name	Price 1/16/25	Current Market cap	Share Price Performance						YTD Perf Rank
				1W	1M	3M	6M	YTD	1Y	
1962	Evergreen Products Gp Ltd	HK\$0.50	HK\$349.0	-8.9%	-16.3%	-21.4%	4.4%	3.2%	-5.3%	2
2593	Herbs Generation Group Hldgs Ltd	2.08	270.7	2.5%	-17.1%	-55.7%	-55.7%	-55.7%	-25.2%	11
1861	Precious Dragon Tech Hldgs Ltd	0.96	224.6	-2.0%	-2.0%	-16.5%	-41.8%	-36.0%	-8.6%	10
1338	Bawang International (Group) Hldgs	0.05	158.1	-10.0%	-4.3%	-10.0%	-18.2%	-8.2%	-10.0%	4
1323	Huasheng International Holdings Ltd	0.21	157.9	-3.2%	4.5%	-12.2%	72.7%	83.3%	-1.4%	1
1259	Prosperous Future Hldgs Ltd	0.05	110.2	-8.0%	2.2%	-25.8%	-9.8%	-34.3%	-16.4%	9
932S	Hunten International (Hldgs) Ltd	0.03	87.0	0.0%	-9.7%	7.7%	-20.0%	-17.7%	-9.7%	5
8436	Takbo Group Holdings Ltd	0.18	71.2	1.7%	-3.8%	-1.7%	-8.3%	-25.5%	-1.1%	7
8176	Superrobotics Holdings Ltd	0.10	59.5	0.0%	-7.6%	-16.2%	-38.8%	-67.3%	-7.6%	12
8451	Sunlight (1977) Hldgs Ltd	0.06	48.0	-3.2%	0.0%	-15.5%	-20.0%	-28.6%	0.0%	8
8200	Sau San Tong Hldgs	0.40	33.1	-4.8%	-3.6%	-20.0%	-23.1%	-20.0%	-10.1%	6
ALRPD	Rapid Nutrition PLC	0.33	25.2	2.0%	-6.0%	-44.8%	41.7%	-2.9%	-32.0%	3
Total Mkt Cap & Average Return			HK\$1,594.5	-2.8%	-5.3%	-19.3%	-9.7%	-17.5%	-10.6%	

*ALRPD = €1 = HK\$8.012. Source: Industry data and The Zephyrin Group, Inc. (ZGI) research



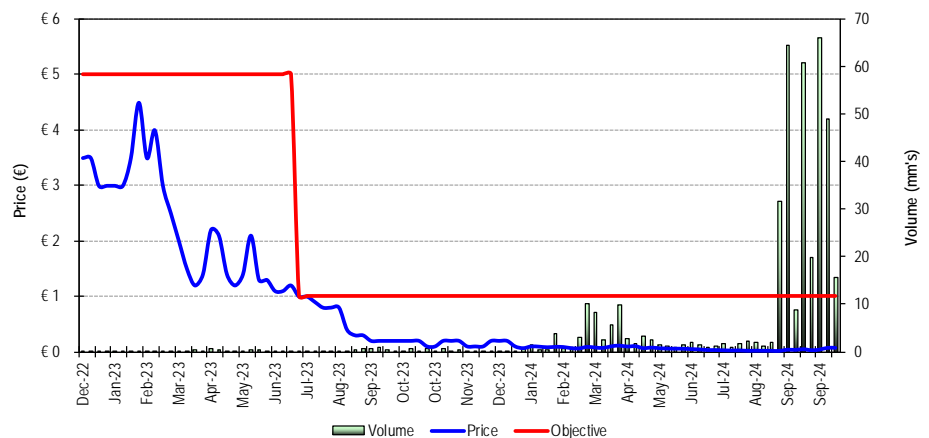
Company Description

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 2. 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 = 16 (35.6%); Hold = 11 (24.4%); Sell = 1 (2.2%); Strong Sell = 4 (8.9%); Suspended = 13 (28.9%).

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