

UK – Food Processing

May 23, 2025

BUY

HIGH RISK

Objective: €0.50

#### 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

### Mkt expansion – PO €0.50...!

- **Trading Call.** We are maintaining our BUY HIGH RISK rating on Rapid Nutrition PLC (ALRPD.PA) and our price objective of €0.50 per share, based on a discounted gross profit (DGP) model using a 9.0% WACC and a 40.0x terminal value, which represents the mid-point of the peer range.
- **Accumulation Opportunity.** We continue to see limited downside risk at current levels and recommend accumulating, supported by the company's exposure to structural health and wellness trends and early traction in international markets.
- **European Expansion.** The company's entry into strategic discussions to expand the SystemLS brand into Europe is well-timed, as demand for science-backed, plant-based wellness products continues to rise, particularly in Germany, France, and the Nordics. Rapid Nutrition's competitive edge—clean-label formulations, clinical positioning, and value-based pricing—positions the brand well in a fragmented and premium-priced market.
- **China Momentum.** Following a recent discussion with management, we note a positive outlook on the China market, where initial traction and brand awareness are gaining momentum. Management expects this progress to lay the groundwork for deeper market penetration.
- The company anticipates that the current momentum in China should translate into meaningful volume or revenue contributions in the second half, supported by expanding distribution channels and increasing demand for wellness-oriented products.
- **Revenue Growth.** The subscription model should help the company promote the brand, gaining both market and consumer attention, which should drive revenue growth of 10.2% to AU\$1.970 million in 2025 and 12.2% to AU\$2.212 million in 2026.

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

#### Market Profile

52-Week Range	€0.01-0.09	EPS Growth Rate (3-Yrs)	N/A%
Avg. Volume (3 Month)	2,187,310	EBITDA Growth Rate (3-Yrs)	N/A%
Shares Outstanding	144,907 M	ROE (LTM)	N/A%
Market Capitalization	€579.6 M	Debt to Total Cap.	0.0%
Floating Market Cap.	€579.6 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	---

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

ALRPD.PA: €0.004

N100: 1,592.13

CAC40: 7,864.44

ALASI\*: 885.97

*\*Alternext All Share Index*

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## Model Unchanged

### Model Unchanged

We reiterate our positive investment view on the U.S. strategy, as the company's recent launch of a **subscription-based model** positions it well within the evolving health and wellness landscape. With its **premium protein powder priced at \$30.48**, the product is attractively placed in the **\$20–60 category**, offering a compelling value proposition compared to **herbal alternatives priced at \$100–360** and **prescription treatments ranging from \$900–1,500/month**. The U.S. market entry aligns with rising consumer demand for **affordable, natural health solutions**, and the subscription model is expected to **boost brand visibility and recurring revenue streams**, supporting our forecast for **10.2% revenue growth to AU\$1.970 million in 2025**, and **12.2% growth to AU\$2.212 million in 2026**.

#### Exhibit 1. Rapid Nutrition PLC Financial Summary (in A\$ AUD = M {Thousands})

	2021	2022	2023	2024	2025	2026	2027
Total Revenue	\$3,001.8	\$2,956.6	\$1,655.3	\$1,787.7	\$1,970.6	\$2,212.0	\$2,491.8
Gross Profit	1,956.3	2,113.2	380.3	1,019.0	1,221.8	1,371.4	1,594.7
EBITDA (Adj.)	361.3	(244.5)	(1,904.7)	(143.0)	(59.1)	44.2	124.6
Net Income	238.1	(8,797.3)	(2,015.4)	(141.0)	(57.1)	46.2	126.6
EPS	-	-	-	(\$0.00)	(\$0.00)	\$0.00	\$0.00
EBITDA per share	-	-	-	(\$0.00)	(\$0.00)	\$0.00	\$0.00
CFPS	-	-	-	(\$0.00)	\$0.00	\$0.00	\$0.00
<b>Profit &amp; Loss Statement</b>							
Health & Supplemental Products	-	-	\$678.5	\$732.7	\$820.7	\$935.6	\$1,067.9
Plant Based	-	-	976.8	1,055.0	1,149.9	1,276.4	1,423.8
Closing Inventory	-	-	-	-	-	-	-
Total Revenue	\$3,001.8	\$2,956.6	\$1,655.3	\$1,787.7	\$1,970.6	\$2,212.0	\$2,491.8
Operating Expenses	1,045.5	843.4	1,275.0	768.7	748.8	840.5	897.0
Gross Profit	1,956.3	2,113.2	380.3	1,019.0	1,221.8	1,371.4	1,594.7
SG&A	1,594.9	2,357.7	2,285.0	1,162.0	1,280.9	1,327.2	1,470.1
EBITDA (Adj.)	\$361.3	(\$244.5)	(\$1,904.7)	(\$143.0)	(\$59.1)	\$44.2	\$124.6
EBIT	238.1	(8,797.3)	(2,015.4)	(141.0)	(57.1)	46.2	126.6
Net Int. Exp.	-	-	-	-	-	-	-
PBT	\$238.1	(\$8,797.3)	(\$2,015.4)	(\$141.0)	(\$57.1)	\$46.2	\$126.6
Income Tax	-	-	-	-	-	-	-
Net Inc. from Op.	\$238.1	(\$8,797.3)	(\$2,015.4)	(\$141.0)	(\$57.1)	\$46.2	\$126.6
<b>Cash Flow</b>							
Net Income	\$238.1	(\$8,797.3)	(\$2,015.4)	(\$141.0)	(\$57.1)	\$46.2	\$126.6
Other	(510.5)	7,496.1	463.4	213.5	213.0	212.5	212.0
Cash From Operations	(\$272.4)	(\$1,301.2)	(\$1,552.0)	\$72.5	\$155.9	\$258.7	\$338.6
Capital Expenditures	11.2	-	-	0.0	0.0	0.0	0.0
Dividend	-	-	-	-	-	-	-
Free Cash Flow	(\$261.3)	(\$1,301.2)	(\$1,552.0)	\$72.5	\$155.9	\$258.7	\$338.6
Cash From Financing	(117.2)	1,459.8	1,803.8	(25.0)	(25.0)	(200.0)	(300.0)
Net Change in Cash	(\$378.5)	\$158.6	\$251.8	\$47.5	\$130.9	\$58.7	\$38.6
<b>Balance Sheet</b>							
Cash	\$77.5	\$236.1	\$487.9	\$535.4	\$666.3	\$725.0	\$763.6
Total Assets	305.1	588.3	918.3	1,209.4	1,309.4	1,309.4	1,309.4
Total Debt	730.1	356.0	194.9	-	-	-	-
Shareholders' Equity	(909.8)	107.9	180.4	666.4	766.4	766.4	766.4

Source: Company data and The Zephyrin Group, Inc. (ZG) estimates



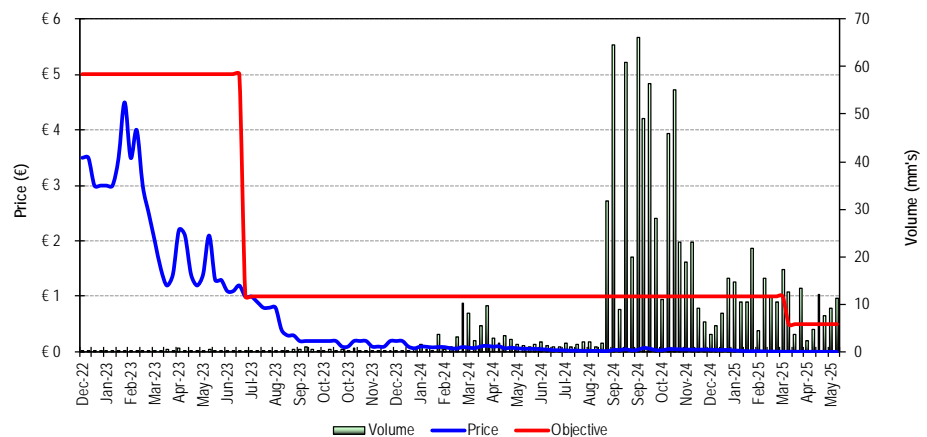
## Company Description

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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