

Company:	Rating:	Target Price:	Sector:
Svas Biosana	BUY	€14.8 (from €14.7)	Health Care Equipment and Supplies

## Consistent execution and margin accretive acquisitions

May 8, 2025 at 18:00

### FY24 Net profit above our estimates

In FY24, Revenues were up by 1.7% yoy to €120.3mln (vs our €122.1mln). The sales divisional breakdown (including €1.7mln infra-group sales) is as follows: Farmex was flat yoy at €34.9mln, while Svas decreased by 12.6% to €20.2mln, due to cyclical market trends, as some orders intake in 2024 will be reflected in FY25 for their nature and complexity. Medical decreased by 11.8% to €8.2mln as the BU approached the services which always represented a marginal activity. Conversely, Mark Medical increased by 11.5% to €40.6mln and Bormia rose by 12.5% to €18mln. EBITDA was €15.3mln (in line with our €15.2mln, 12.7% margin vs our 12.5%), up by 7.4% yoy. EBIT came in at €9.8mln (vs our €9.3mln) with margin of 8.1% (vs our 7.6%), up by 17.8% yoy. Net profit was €5.9mln (vs our €5.0mln), and up 14.6% yoy. The Company will distribute €0.25DPS (3.4% dividend yield). Net debt was €26.9mln (vs our €27mln), from €23.8mln at YE23.

### Two margin accretive acquisitions at 5.2x EV/EBITDA

In March, Svas completed the acquisition of two Belgrade-based companies operating in the distribution of medical devices in Serbia for €6.5mln cash + a variable earnout to be paid in two tranches in FY25 and FY26, totaling €0.5mln. Hermes Pharma generated €4.93mln of revenues in FY23, EBITDA of €0.78mln (4.9x EV/EBITDA) with 15.8% EBITDA margin (vs Svas 12% in FY23 and 13.3% in 1H24) and €0.54mln of net income (6.5x PE). The Company had a net debt of €0.3mln at YE23. Megapharm generated €2.98mln of revenues in FY23, EBITDA of €0.63mln (5.6x EV/EBITDA) with 21.1% EBITDA margin (vs Svas 12% in FY23 and 13.3% in 1H24) and €0.5mln of net income (6x PE). The Company had a net debt of €0.53mln at YE23.

### Medical device portfolio expansion in Serbia

Based on discussions with management, the rationale for the deals is to expand the medical devices portfolio, with a focus on leading brands that are already successfully distributed by the Company in other areas. Svas plans to keep the operating structure of the two companies; therefore, we do not see significant cost synergies to be unlocked. We are positive on the acquisitions, as they are margin accretive (EBITDA margin of 17.8% in FY23 vs 12% Svas in FY23) which is reflected in the ~11% takeover premium (5.2x EV/EBITDA 23 vs 4.7x Svas FY23 in January). Moreover, Svas has a good track record on integrations and with targets, with the most recent one (Bormia, acquired in 2022) growing from €11mln revenues in FY20 up to €18mln in FY24 (13.1% CAGR).

### Estimates confirmed

We confirm our estimates [Company Update on 30 January 2025] which have been slightly fine tuned. We see FY25E revenues growing by 12% to €134.6mln thanks to consolidation of acquisitions and still see 5% yoy growth in FY26E and FY27E. New acquisitions should support EBITDA margin expansion to 13% in FY25E. EPS has been upgraded by 3% thanks to lower forecasted interest expenses.

### Valuation: BUY confirmed; 12-month target price increased to €14.8/sh

We update our 12-month Target Price to €14.8/sh (from €14.7). Our Target Price is the weighted average between DCF (68%) and relative market multiples (32%) valuation. DCF valuation was trimmed to €11.8/sh (from €12.1/sh) due to higher WACC. For the market multiples valuation, we considered the EV/EBITDA 2025E of 10.9x (from previous 10.5x), to which we apply a 20% discount as Svas is less exposed to the production of advanced medical devices compared to some of its peers. This leads us to an Equity Value of €21.2/sh (from €20.2). Svas Biosana trades at a discount (3.9x) on EV/EBITDA25E vs comparable (10.9x) due to lower marginality and reduced exposure to the production of advanced medical devices. Given the significant potential upside vs current price and undemanding 0.7x P/BV, we confirm our BUY recommendation.

Company Profile					
Bloomberg	SVS IM				
FactSet	SVS-IT				
Stock Exchange	Italian Stock Exchange				
Reference Index	FTSE Italia Growth				
Market Data					
<b>Last Closing Price</b>	7.60				
Number of shares (mln)	5.6				
Market cap. (mln)	42.6				
<b>1Y Performance</b>					
Absolute	-6%				
Max / Min	8.4 / 6.5				
(€mln)	2023	2024	2025E	2026E	2027E
Revenues	118.3	120.3	134.6	142.0	148.7
yoy (%)	22%	2%	12%	5%	5%
EBITDA	14.2	15.3	17.5	18.8	20.0
margin (%)	12%	13%	13%	13%	13%
EBIT	8.6	9.8	11.5	11.6	13.1
margin (%)	7%	8%	9%	8%	9%
Net Income	5.1	5.9	7.3	7.5	8.8
margin (%)	4%	5%	5%	5%	6%
Net Debt	23.8	26.9	31.0	29.1	26.7
Sh. Equity	59.0	62.8	69.0	75.8	83.9
Capex	(5.8)	(6.1)	(5.5)	(8.7)	(8.5)
FCFs			3.1	4.0	4.1



**Francesca Sabatini**  
Head of Equity Research  
francesca.sabatini@bancaprofilo.it  
+39 02 58408 461

**Michele Calusa**  
Equity Research Analyst  
michele.calusa@bancaprofilo.it

Sales Desk  
+39 02 58408 478

## SWOT analysis

### STRENGTHS

- Multinational Company
- Well diversified portfolio
- Focus on innovation and R&D
- Distinctive Know-How
- Dense commercial network
- Resilience to global recession
- Long-lasting client relationships
- Distribution sites close to end-customer
- Successful M&A track record
- Products customization
- High quality offer
- Diversified and complementary product portfolio
- Top end customers

### WEAKNESSES

- Italian revenues highly related to National Health System relationship
- Revenues associated to tenders

### OPPORTUNITY

- Strategically positioned to boost long term expansion
- Growth through M&A
- Production capacity expansion
- Logistics updates to reduce time to market
- New product lines development

### THREATS

- Intensifying competition within large manufacturers
- High growth rates could lead to cost management issues
- Internalization of Svas' processes by its main customers
- Cannibalization risk of products under Svas' brand and third-party brand
- Substitute products competition
- High and persistent raw materials and energy costs

## FY24 Results

### Mark medical drives revenue growth

In FY24, Revenues were up by 1.7% yoy to €120.3m, this is slightly below (-1.5%) our estimates of €122.1m. The sales divisional breakdown (including €1.7m infra-group sales) is as follows: Farmex was flat yoy at €34.9m (+2.6% vs our estimates) while Svas decreased by 12.6% to €20.2m (-12.6% vs our estimates) due to cyclical market trend, as some orders obtained 2024 due to their nature and complexity will be reflected in FY25. Medical decreased by 11.8% to €8.2m (-28.7% vs our estimates) as the BU approached the services which always represented a marginal activity. Conversely, Mark Medical increased by 11.5% to €40.6m (+6.8% vs our estimates) and Bormia increased by 12.5% to €18m (+2.9% vs our estimates).

### Growing share of international revenues

At a geographical level, 52% of revenues were generated in Italy (vs 55% in FY23) and 48% abroad (vs 45% in FY23), confirming the internationalization path. Slovenia is the main foreign market where Svas increased revenues and market share in main product lines such as orthopedics, cardiology, cardiac surgery and radiology sectors. Croatia, the second largest foreign market for Svas, saw growing revenues driven by strengthening of the Croatian health system and the receptive medical device market towards innovation.

Figure 1: Revenue breakdown FY22-FY24 (€, mln)

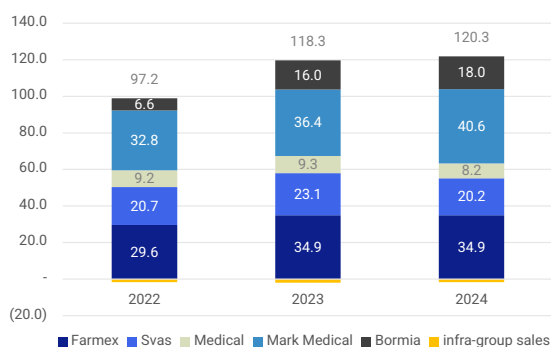
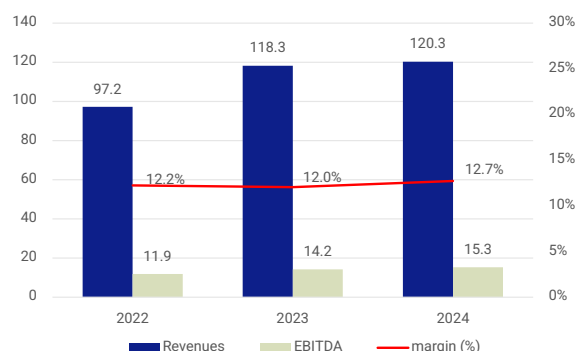


Figure 2: EBITDA (€, mln) and EBITDA margin (%)



Source: Banca Profilo elaborations and estimates on Company data

### Net profit above our estimate

EBITDA was €15.3m (in line with our €15.2m, 12.7% margin vs our 12.5%), up by 7.4% yoy. EBIT came in at €9.8m (vs our €9.3m) with margin of 8.1% (vs our 7.6%), up by 17.8% yoy. Net profit was €5.9m (vs our €5.0m), and up 14.6% yoy.

### €0.25DPS

Operating net working capital was €51.2m (in line with our estimates €50.6m) and Net debt stood at €26.9m (vs our €27m estimate at YE24), compared to €23.8m at the end of FY23. The Company will distribute €0.25DPS (3.4% dividend yield).

Table 1: Revenue by division FY23-FY24 (€, mln)

Revenues	2023	2024 old	2024 actual
Farmex	34.9	34.0	34.9
yoy (%)	18%	-3%	0%
on revenues (%)	30%	28%	29%
Svas	23.1	23.1	20.2
yoy (%)	12%	0%	-13%
on revenues (%)	20%	19%	17%
Medical	9.3	11.5	8.2
yoy (%)	1%	24%	-12%
on revenues (%)	8%	9%	7%
Mark Medical	36.4	38.0	40.6
yoy (%)	11%	4%	12%
on revenues (%)	31%	31%	34%
Bormia	16.0	17.5	18.0
on revenues (%)	14%	14%	15%
infra-group sales	(2.0)	(2.0)	(1.7)
<b>Revenues</b>	<b>118.3</b>	<b>122.1</b>	<b>120.3</b>

Source: Banca Profilo elaborations and estimates on Company data

Table 2: Income Statement FY23-FY24 (€, mln)

Income Statement	2023	2024 old	2024 actual
Revenues	118.3	122.1	120.3
yoy (%)	22%	3%	2%
Other revenues	3.4	2.7	2.0
<b>Total revenues (VoP)</b>	<b>121.6</b>	<b>124.8</b>	<b>122.3</b>
Raw materials	(72.8)	(74.3)	(72.1)
Costs of services	(17.3)	(17.3)	(16.3)
Lease and rent	(1.9)	(2.0)	(2.0)
Changes in inventories	0.7	1.2	0.4
Other costs	(2.4)	(2.9)	(2.7)
Labour Cost	(13.8)	(14.4)	(14.5)
<b>EBITDA</b>	<b>14.2</b>	<b>15.2</b>	<b>15.3</b>
margin (%)	12.0%	12.5%	12.7%
yoy (%)	20%	7%	7%
<b>D&amp;A</b>	<b>(5.7)</b>	<b>(5.9)</b>	<b>(5.5)</b>
<b>EBIT</b>	<b>8.6</b>	<b>9.3</b>	<b>9.8</b>
margin (%)	7%	7.6%	8.1%
yoy (%)	37%	9%	14%
Net financial expenses	(1.8)	(2.8)	(1.8)
Taxes	(1.7)	(1.5)	(2.1)
Tax rate (%)	25%	23%	27%
<b>Net profit</b>	<b>5.1</b>	<b>5.0</b>	<b>5.9</b>
yoy (%)	44%	-3%	15%

Source: Banca Profilo elaborations and estimates on Company data

Table 3: Balance Sheet FY23-FY24 (€, mln)

		2024	2024
Balance Sheet	2023	old	actual
Inventory	32.7	37.8	34.0
Accounts receivables	41.4	43.8	46.1
Accounts payables	(31.0)	(31.0)	(28.9)
<b>Operating Net Working Capital</b>	<b>43.0</b>	<b>50.6</b>	<b>51.2</b>
Other current asset and liabilities	3.7	3.7	1.1
<b>Net Working Capital</b>	<b>46.7</b>	<b>54.3</b>	<b>52.3</b>
Intangibles	11.4	11.3	11.9
Tangibles	26.8	26.0	27.1
Financials	0.1	0.1	0.1
<b>Fixed Asset</b>	<b>38.3</b>	<b>37.4</b>	<b>39.2</b>
Provision for risk and Charges	(0.2)	(0.2)	-
Pensions	(1.8)	(1.9)	(1.7)
Funds	(2.0)	(2.1)	(1.7)
Other asset and liabilities	(0.2)	(0.2)	(0.1)
<b>Net Invested Capital</b>	<b>82.8</b>	<b>89.4</b>	<b>89.7</b>
<b>Equity</b>	<b>59.0</b>	<b>62.4</b>	<b>62.8</b>
<b>Net debt (cash)</b>	<b>23.8</b>	<b>27.0</b>	<b>26.9</b>

Source: Banca Profilo elaborations and estimates on Company data

## Strategy and estimates

### Acquisitions

<b>Two acquisitions in December 2024</b>	At the end of December 2024 Svas agreed to acquire two Belgrade-based companies for €6.5mln, with closing on March 10 2025. Both acquisitions include a variable earnout to be paid in two tranches (€250k), totaling €0.5mln.
<b>Mark Medical acquired Hermes Pharma, 4.9x EV/EBITDA23</b>	<p>The first deal was announced on 23 December 2024, with the subsidiary Mark Medical agreeing to acquire 100% of Hermes Pharma D.o.o for €3.5mln (without additional financing) plus a variable earn-out of approximately €250k. The latter will be paid in two installments in FY25 and FY26.</p> <p>Hermes Pharma was founded in 2017 and is based in Belgrade (Serbia), it operates in the distribution of medical devices and medical equipment, with a focus on cardiology and cardiac surgery. It currently employs 12 professionals, focusing on the Serbian healthcare market.</p> <p>In FY23 the Company generated €4.93mln of revenues, EBITDA of €0.78mln (4.9x EV/EBITDA, Svas trades at 4.7x FY23) with 15.8% EBITDA margin (vs Svas 12% in FY23 and 13.3% in 1H24) and €0.54mln of net income (6.5x PE). The Company had a net debt of €0.3mln at YE23.</p>
<b>Levante (Bormia) acquired Megapharm, 5.6x EV/EBITDA23</b>	<p>The second acquisition was announced on December 30, with Levante HC Holding (parent company of Bormia) agreeing to buy 100% of Megapharm D.o.o for €3mln (without additional financing) plus a variable earn-out of approximately €250k. The latter will be paid in two installments in FY25 and FY26.</p> <p>Megapharm was founded in 2021 and is based in Belgrade (Serbia), it operates in the distribution of medical devices and medical equipment. Megapharm currently employs 13 professionals, the reference market is the Serbian healthcare system.</p> <p>In FY23 the Company generated €2.98mln of revenues, EBITDA of €0.63mln (5.6x EV/EBITDA, Svas trades at 4.7x FY23) with 21.1% EBITDA margin (vs Svas 12% in FY23 and 13.3% in 1H24) and €0.5mln of net income (6x PE). The Company had a net debt of €0.53mln at YE23.</p>
<b>Portfolio expansion</b>	Based on discussions with management, the rationale for the acquisition is to expand the Company's portfolio of medical devices, with a focus on leading brands that are already successfully distributed by the Company in other areas. Svas plans to keep the operating structure of the two companies mostly unchanged therefore we do not see significant cost synergies to be unlocked.
<b>Margin accretive</b>	We are positive on the transaction and the terms, as it is margin accretive (EBITDA margin of 17.8% in FY23 vs 12% Svas in FY23) which is reflected in the ~11% takeover premium (5.2x EV/EBITDA 23 vs 4.7x Svas in FY23). Moreover, Svas has a good track record on integrations and with targets, with the most recent one (acquired in 2022) Bormia growing from €11mln revenues in FY20 up to €16mln in FY23 (13.3% CAGR).

### Corporate strategies

<b>New plant</b>	In 1H23, Svas announced the plan to develop a new production plant for incontinence products that should significantly increase production capacity. Based on discussions with management the Company is still waiting for the relevant permits.
------------------	--

## 2025-2027 estimates revision

EBITDA Margin  
expansion thanks to  
acquisitions

We confirm our estimates [Company Update on 30 January 2025] which have been slightly fine tuned. We see FY25E revenues growing by 12% to €134.6mIn thanks to consolidation of acquisitions and still see 5% yoy growth in FY26E and FY27E. New acquisitions should support EBITDA margin expansion to 13% in FY25E. EPS has been upgraded by 3% thanks to lower forecasted interest expenses.

Figure 3: Revenue breakdown by unit (22-27E)

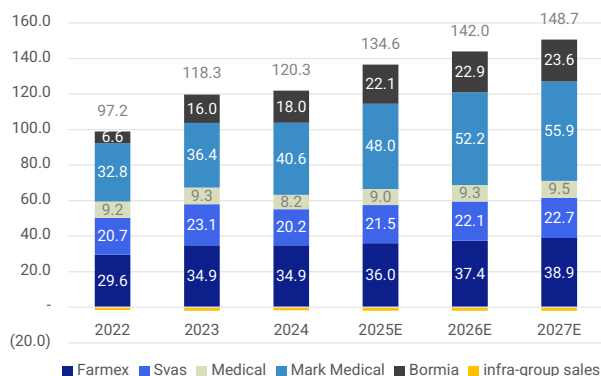
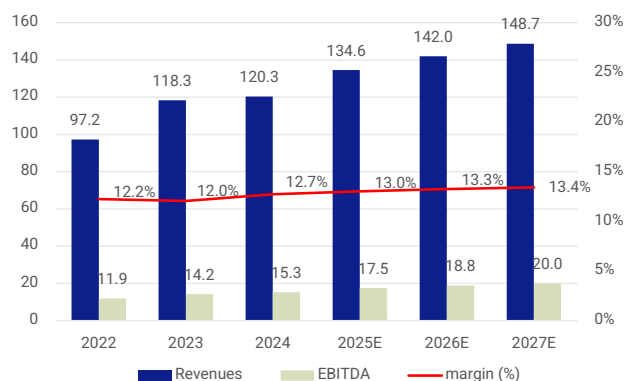


Figure 4: Revenue, EBITDA and margin (22-27E)



Source: Banca Profilo elaborations and estimates on Company data

Table 4: Revenue breakdown by division 23-27E (€, mln)

			2025E	2025E	2026E	2026E	2027E	2027E
Revenues	2023	2024	old	new	old	new	old	new
Farmex	34.9	34.9	35.4	36.0	36.8	37.4	38.2	38.9
yoy (%)	18%	0%	4%	3%	4%	4%	4%	4%
on revenues (%)	30%	29%	26%	27%	26%	26%	26%	26%
Svas	23.1	20.2	23.7	21.5	24.4	22.1	25.0	22.7
yoy (%)	12%	-13%	3%	6%	3%	3%	3%	3%
on revenues (%)	20%	17%	18%	16%	17%	16%	17%	15%
Medical	9.3	8.2	11.8	9.0	12.2	9.3	12.6	9.5
yoy (%)	1%	-12%	3%	10%	3%	3%	3%	3%
on revenues (%)	8%	7%	9%	7%	9%	7%	8%	6%
Mark Medical	36.4	40.6	45.1	48.0	49.2	52.2	52.6	55.9
yoy (%)	11%	12%	19%	18%	9%	9%	7%	7%
on revenues (%)	31%	34%	34%	36%	35%	37%	35%	38%
Bormia	16.0	18.0	20.5	22.1	21.3	22.9	22.0	23.6
on revenues (%)	14%	15%	15%	16%	15%	16%	15%	16%
infra-group sales	(2.0)	(1.7)	(2.0)	(2.0)	(2.0)	(2.0)	(2.0)	(2.0)
Revenues	118.3	120.3	134.6	134.6	141.9	142.0	148.4	148.7

Source: Banca Profilo elaborations and estimates on Company data

Table 5: Income statement FY23-27E (€, mln)

Income Statement	2023	2024	2025E	2025E	2026E	2026E	2027E	2027E
			old	new	old	new	old	new
Revenues	118.3	120.3	134.6	134.6	141.9	142.0	148.4	148.7
yoy (%)	22%	2%	10%	12%	5%	5%	5%	5%
Other revenues	3.4	2.0	3.0	3.1	3.2	3.3	3.3	3.4
<b>Total revenues (VoP)</b>	<b>121.6</b>	<b>122.3</b>	<b>137.6</b>	<b>137.7</b>	<b>145.0</b>	<b>145.2</b>	<b>151.8</b>	<b>152.1</b>
Raw materials	(72.8)	(72.1)	(82.0)	(82.0)	(86.4)	(86.5)	(90.5)	(90.6)
Costs of services	(17.3)	(16.3)	(19.5)	(19.5)	(20.6)	(20.6)	(21.5)	(21.6)
Lease and rent	(1.9)	(2.0)	(2.2)	(2.2)	(2.2)	(2.2)	(2.3)	(2.3)
Changes in inventories	0.7	0.4	1.3	1.3	1.4	1.4	1.5	1.5
Other costs	(2.4)	(2.7)	(2.8)	(2.8)	(2.9)	(2.9)	(2.9)	(2.9)
Labour Cost	(13.8)	(14.5)	(15.0)	(15.0)	(15.6)	(15.6)	(16.3)	(16.3)
<b>EBITDA</b>	<b>14.2</b>	<b>15.3</b>	<b>17.5</b>	<b>17.5</b>	<b>18.7</b>	<b>18.8</b>	<b>19.8</b>	<b>20.0</b>
margin (%)	12%	12.7%	13.0%	13.0%	13.2%	13.3%	13.4%	13.4%
yoy (%)	20%	7%	15%	14%	7%	7%	6%	6%
<b>D&amp;A</b>	<b>(5.7)</b>	<b>(5.5)</b>	<b>(6.0)</b>	<b>(6.0)</b>	<b>(7.2)</b>	<b>(7.2)</b>	<b>(6.9)</b>	<b>(6.9)</b>
<b>EBIT</b>	<b>8.6</b>	<b>9.8</b>	<b>11.4</b>	<b>11.5</b>	<b>11.5</b>	<b>11.6</b>	<b>12.9</b>	<b>13.1</b>
margin (%)	7%	8.1%	8.5%	8.5%	8.1%	8.2%	8.7%	8.8%
yoy (%)	37%	14%	23%	17%	1%	1%	12%	13%
Net financial expenses	(1.8)	(1.8)	(2.2)	(2.0)	(2.0)	(1.8)	(1.8)	(1.6)
Taxes	(1.7)	(2.1)	(2.1)	(2.2)	(2.2)	(2.3)	(2.6)	(2.7)
Tax rate (%)	25%	27%	23%	23%	23%	23%	23%	23%
<b>Net profit</b>	<b>5.1</b>	<b>5.9</b>	<b>7.0</b>	<b>7.3</b>	<b>7.3</b>	<b>7.5</b>	<b>8.5</b>	<b>8.8</b>
margin (%)	4%	5%	5%	5%	5%	5%	6%	6%
yoy (%)	44%	15%	41%	24%	3%	3%	17%	17%

Source: Banca Profilo elaborations and estimates on Company data



Table 6: Balance Sheet FY23-27E (€, mln)

Balance Sheet			2025E	2025E	2026E	2026E	2027E	2027E
	2023	2024	old	new	old	new	old	new
Inventory	32.7	34.0	42.4	38.7	44.7	40.8	47.2	43.2
Accounts receivables	41.4	46.1	48.3	49.8	52.1	52.1	54.9	54.6
Accounts payables	(31.0)	(28.9)	(34.6)	(31.7)	(37.5)	(33.4)	(39.3)	(34.7)
<b>Operating Net Working Capital</b>	<b>43.0</b>	<b>51.2</b>	<b>56.1</b>	<b>56.8</b>	<b>59.2</b>	<b>59.5</b>	<b>62.8</b>	<b>63.0</b>
Other current asset and liabilities	3.7	1.1	3.7	1.1	3.7	1.1	3.7	1.1
<b>Net Working Capital</b>	<b>46.7</b>	<b>52.3</b>	<b>59.7</b>	<b>57.9</b>	<b>62.9</b>	<b>60.6</b>	<b>66.5</b>	<b>64.1</b>
Intangibles	11.4	11.9	15.5	16.1	15.7	16.3	15.8	16.4
Tangibles	26.8	27.1	26.6	27.8	28.7	29.8	30.7	31.9
Financials	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
<b>Fixed Asset</b>	<b>38.3</b>	<b>39.2</b>	<b>42.2</b>	<b>44.0</b>	<b>44.5</b>	<b>46.2</b>	<b>46.6</b>	<b>48.4</b>
Provision for risk and Charges	(0.2)	-	(0.2)	-	(0.2)	-	(0.2)	-
Pensions	(1.8)	(1.7)	(2.0)	(1.8)	(2.1)	(1.8)	(2.2)	(1.9)
Funds	(2.0)	(1.7)	(2.2)	(1.8)	(2.3)	(1.8)	(2.4)	(1.9)
Other asset and liabilities	(0.2)	(0.1)	(0.2)	(0.1)	(0.2)	(0.1)	(0.2)	(0.1)
<b>Net Invested Capital</b>	<b>82.8</b>	<b>89.7</b>	<b>99.6</b>	<b>100.0</b>	<b>105.0</b>	<b>104.9</b>	<b>110.6</b>	<b>110.5</b>
<b>Equity</b>	<b>59.0</b>	<b>62.8</b>	<b>68.9</b>	<b>69.0</b>	<b>75.5</b>	<b>75.8</b>	<b>83.3</b>	<b>83.9</b>
<b>Net debt (cash)</b>	<b>23.8</b>	<b>26.9</b>	<b>30.7</b>	<b>31.0</b>	<b>29.4</b>	<b>29.1</b>	<b>27.2</b>	<b>26.7</b>

Source: Banca Profilo elaborations and estimates on Company data

Table 7: FCF 25-28E (€, mln)

FCF (€/mln)	2025E	2025E	2026E	2026E	2027E	2027E	2028E	2028E
	old	new	old	new	old	new	old	new
EBIT	11.4	11.5	11.5	11.6	12.9	13.1	14.7	14.9
taxes	(3.4)	(3.4)	(3.5)	(3.5)	(3.9)	(3.9)	(4.4)	(4.5)
<b>NOPAT</b>	<b>8.0</b>	<b>8.0</b>	<b>8.1</b>	<b>8.1</b>	<b>9.0</b>	<b>9.1</b>	<b>10.3</b>	<b>10.4</b>
D&A	6.0	6.0	7.2	7.2	6.9	6.9	6.2	6.1
<b>Operating cash flow</b>	<b>14.0</b>	<b>14.1</b>	<b>15.3</b>	<b>15.3</b>	<b>15.9</b>	<b>16.0</b>	<b>16.4</b>	<b>16.6</b>
NWC change (ex M&A)	(5.5)	(5.6)	(3.2)	(2.7)	(3.6)	(3.5)	(3.0)	(3.0)
Other funds	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Capex (ex M&A)	(5.5)	(5.5)	(8.7)	(8.7)	(8.5)	(8.5)	(7.3)	(7.3)
<b>FCF</b>	<b>3.2</b>	<b>3.1</b>	<b>3.5</b>	<b>4.0</b>	<b>4.0</b>	<b>4.1</b>	<b>6.2</b>	<b>6.3</b>

Source: Banca Profilo elaborations and estimates on Company data

## Key risks

### Revenues are highly related to National Health System

Downside risks to our estimates can be related to:

- Intensifying competition within large manufacturers;
- High growth rates could lead to cost management issues;
- Internalization of Svas Biosana's processes by its main customers;
- Cannibalization of products under Svas Biosana's brand and third-party brand;
- Substitute products competition;
- Price competition from countries with cheap labour;
- Revenues associated to tenders;
- Italian revenues highly related to National Health System relationship;

- Maintaining high quality standards of products;
- High and persistent raw materials and energy costs, also in relation to inflationary pressures on prices and wages;

Figure 5: Risk matrix

Impact	Very high					
	High	Cost management issues with M&A	Substitute product competition	Revenues highly related to National Health System relationship	High and persistent raw materials and energy costs	
	Medium	Cannibalization of products		Price competition from countries with cheap labour		
	Medium-Low					
	Low					
Potential impact on the business VS likelihood of occurrence		Low	Medium-Low	Medium	High	Very high
Likelihood						

Source: Banca Profilo elaborations on Company data

## Valuation

### Valuation methods

#### DCF method and market multiples

Given Svas Biosana's cash generating business, the DCF method well adapts as a valuation approach. Furthermore, we have selected a sample of listed international "comparable" to Svas Biosana, for the relative valuation through market multiples.

#### DCF value at €11.8/sh

Our DCF model leads to an Equity Value of €66.3mln or €11.8/share (vs previous €12.1/share), due to higher WACC. For net debt we considered FY24 of €26.9mln + €6.8mln related to the acquisitions including the first earn out.

#### Market multiples valuation: €21.2/share

To assess our relative market multiples valuation, we chose the median EV/EBITDA 2025E, which is at 10.9x (as of May 8, 2025) discounted by 20% to reflect Svas lower exposure to the production of medical devices. We derived an implied Equity Value of €118.6mln or €21.2/share (vs previous €20.2/share).

#### BUY confirmed; 12-month TP €14.8/sh (from €14.7)

Our weighted average of DCF (68%) and relative market multiples (32%) valuation brings our 12-month Target Price to €14.8/share (from €14.7). Given the significant upside on Svas closing price (as of May 8, 2025), we confirm our BUY recommendation.

### DCF valuation

#### €17.5mln of cumulated FCFs in 25E-28E

To run the DCF model, we used our projections of FCFs for the 2025-28E explicit period: €17.5mln of cumulated FCFs (vs previous 2025-28E of €19.3mln).

We consider the FY28E FCF of €6.3mln as the Terminal Value cash flow (vs previous €6.2mln).

#### 7.6% WACC

We use our WACC at 7.6% (from 7.5%), more precisely:

- 4.3% Risk Free rate (vs previous 4.2%) as implicitly expected by consensus on the 30Y Italian BTP yield curve in a scenario of next-to come easing monetary policy;
- 5.5% market risk premium (unchanged);
- 1.2 beta (unchanged), coming from the average of chosen listed peers;
- 100% target Debt-to-Equity structure (unchanged).

Table 8: DCF Valuation

DCF	2024	2025E	2026E	2027E	2028E	TV	Valuation		WACC Assumption	
Free Cash Flows (€ mln)		3.1	4.0	4.1	6.3	6.3	Enterprise Value €	99.9	Perpetual growth rate	2.0%
years (#)		1	2	3	4		Net debt (cash) €	33.6	<b>WACC</b>	<b>7.6%</b>
discount factor		0.93	0.86	0.80	0.75		Equity Value €	66.3	Risk free rate (30Y)	4.3%
Terminal Value						114.9	Number of shares	5.6	Equity risk premium	5.5%
NPV		2.8	3.4	3.3	4.7	85.7	<b>Price per share €</b>	<b>11.8</b>	Beta	1.2
Sum of NPVs (€ mln)		2.8	6.3	9.6	14.3	99.9			KE	11.0%
									Cost of debt	6%
									Tax rate	30%
									KD	4.2%
									Target D/E	100%

Source: Banca Profilo elaborations and estimates

## Market multiples valuation

12 comparables to Svas Biosana for business similarity

We provide the updated multiples table, compared to our latest research *[Please refer to our Company Update on January 30, 2025]*. Svas Biosana trades at a significant discount compared to its peers partially due to lower marginality and reduced exposure to the production of advanced medical devices.

**Table 9: Sample EBITDA margin and Revenue Growth**

	Revenue Growth				EBITDA Margin			
	2023	2024	2025E	2026E	2023	2024	2025E	2026E
GVS	9.6%	2.7%	5.5%	6.8%	21.7%	23.8%	26.3%	27.1%
Medtronic	-1.4%	3.6%	3.5%	4.7%	26.9%	24.8%	29.2%	30.3%
Coloplast	8.5%	10.3%	7.0%	8.4%	32.0%	31.9%	32.6%	33.4%
Convatec	3.4%	6.9%	3.8%	6.0%	22.3%	23.8%	25.9%	26.8%
Stryker Corp	11.1%	10.2%	8.6%	7.6%	24.8%	21.8%	28.4%	28.9%
Becton Dickinson	4.2%	8.1%	5.0%	5.0%	24.2%	29.1%	29.6%	29.7%
Cardinal Health	13.0%	10.7%	-1.6%	8.6%	0.8%	0.9%	1.4%	1.5%
Terumo	31.1%	0.0%	11.5%	6.2%	20.3%	23.5%	24.7%	25.6%
Teleflex	6.6%	2.4%	0.2%	4.9%	26.2%	14.9%	29.8%	28.7%
Integra LifeSciences	-1.0%	4.5%	4.3%	4.3%	16.8%	12.0%	19.8%	20.1%
Shandong Weigao Medical	-4.8%	0.0%	9.7%	7.8%	24.6%	26.5%	25.2%	25.2%
Ontex	7.3%	7.6%	4.1%	4.3%	8.9%	12.2%	12.4%	12.6%
<b>Mean</b>	<b>7.3%</b>	<b>5.6%</b>	<b>5.1%</b>	<b>6.2%</b>	<b>20.8%</b>	<b>20.4%</b>	<b>23.8%</b>	<b>24.2%</b>
<b>Median</b>	<b>6.9%</b>	<b>5.7%</b>	<b>4.6%</b>	<b>6.1%</b>	<b>23.2%</b>	<b>23.7%</b>	<b>26.1%</b>	<b>26.9%</b>
Svas	21.7%	1.7%	11.8%	5.5%	12.0%	12.7%	13.0%	13.3%

Source: Banca Profilo estimates and elaborations on Bloomberg (as of May 7, 2025)

EV/EBITDA 2025 at 10.9x

In order to assess our relative market multiples valuation, we chose the median EV/EBITDA 2025E, which is at 10.9x as of May 8 (vs previous 10.5x) to which we apply a 20% discount, as Svas is less exposed to the production of advanced medical devices.

**Table 10: Comparable EV/EBITDA multiples**

	EV/EBITDA			
	2024	2025E	2026E	12M
GVS	9.6	8.4	7.6	10.7
Medtronic	15.7	12.9	11.9	15.4
Coloplast	21.9	20.2	18.2	22.0
Convatec	11.7	10.4	9.5	15.0
Stryker Corp	30.3	21.5	19.6	30.3
Becton Dickinson	12.1	11.3	10.7	16.2
Cardinal Health	16.3	11.7	10.5	14.2
Terumo	19.1	16.0	14.5	16.0
Teleflex	16.5	8.3	8.2	16.5
Integra LifeSciences	15.5	9.0	8.5	15.5
Shandong Weigao Medical	6.5	6.3	5.8	6.5
Ontex	5.9	5.6	5.3	9.3
<b>Mean</b>	<b>15.1</b>	<b>11.8</b>	<b>10.9</b>	<b>15.6</b>
<b>Median</b>	<b>15.6</b>	<b>10.9</b>	<b>10.0</b>	<b>15.4</b>
Svas	4.5	3.9	3.6	3.4

Source: Banca Profilo estimates and elaborations on Bloomberg (as of May 8, 2025)

**Table 11: Multiple Valuation**

Multiples Valuation	
Median EV/EBITDA25	10.9x
Discount	20%
<b>EV/EBITDA 2025</b>	<b>8.7x</b>
EBITDA 2025E	17.5
Enterprise Value	152.2
Net Debt FY24E	33.6
Equity Value (Multiples)	118.6
<b>Price per share (Multiples)</b>	<b>21.2</b>

## APPENDIX

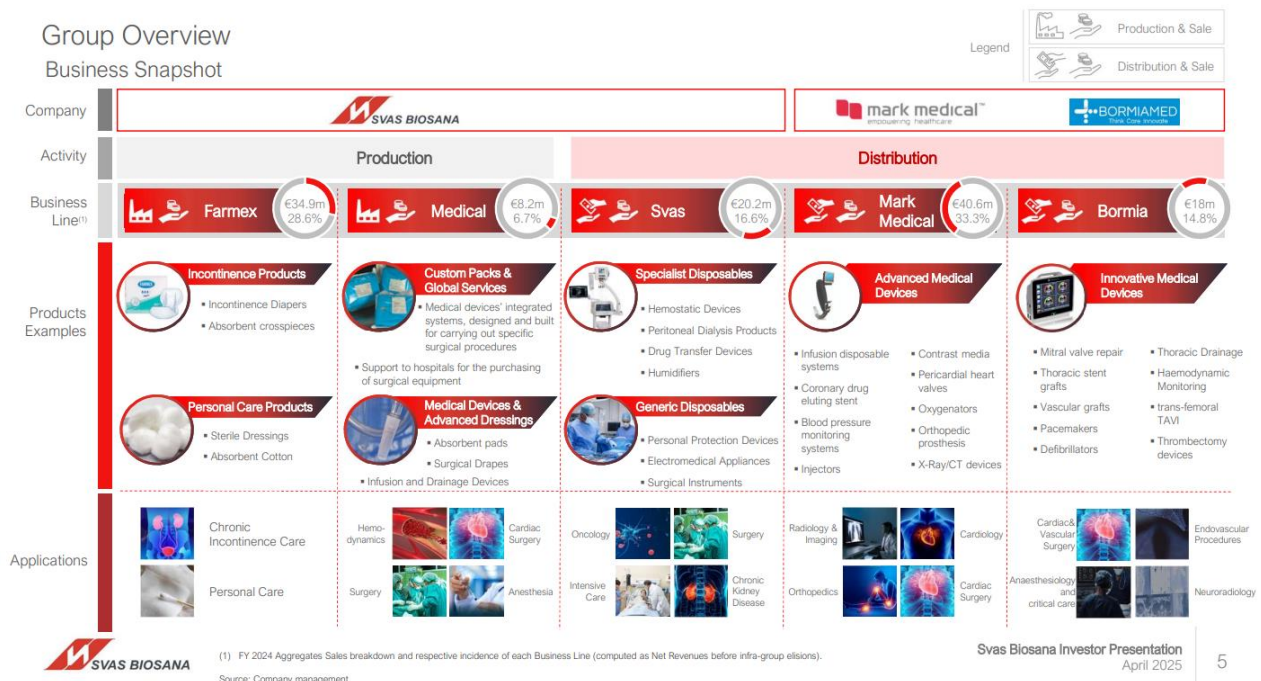
### Overview and business model

#### Business model and activities

5 business units Svas business model comprises 5 business units:

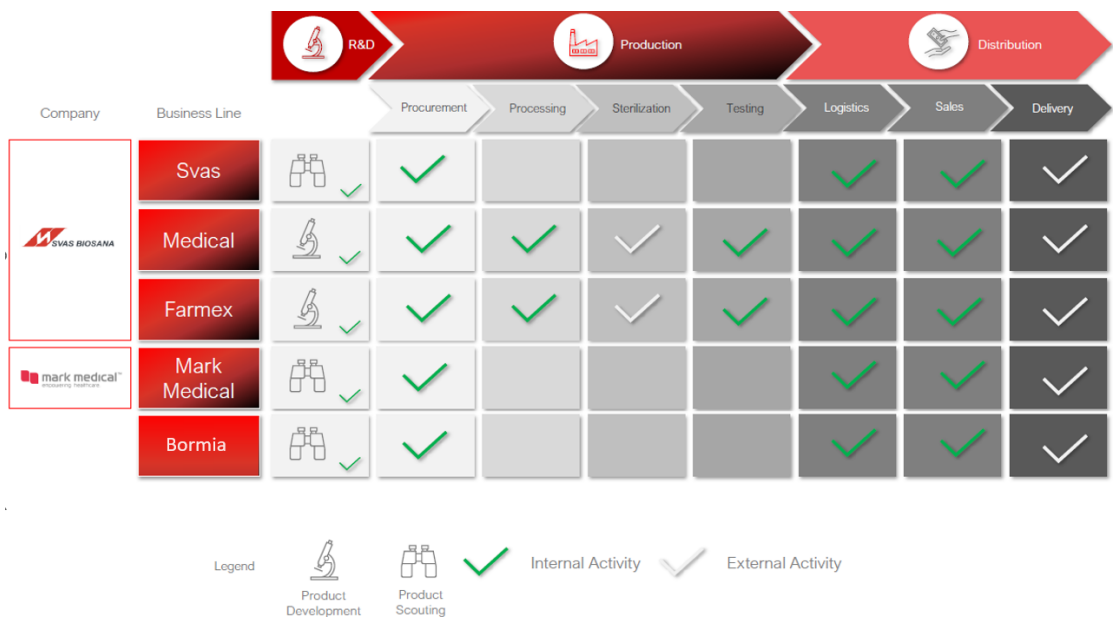
- Farmex (Svas Biosana): production and sale of incontinence aids, traditional dressing, cotton wool and personal care products;
- Svas (Svas Biosana): distribution of consumables addressed to a vast range of medical and surgical situations;
- Medical (Svas Biosana): production and sale of procedural packs, medical devices for surgical infusion and suction, medical drapes, advanced dressings and lubricating gels for urology;
- Mark Medical and Bormia: export of advanced medical devices in foreign countries (Slovenia, Croatia, Serbia, Bosnia and Herzegovina).

Figure 6: Svas Biosana's business snapshot



Source: Company data

Figure 7: Svas Biosana’s supply chain



Source: Company data and Banca Profilo Elaborations

Company History

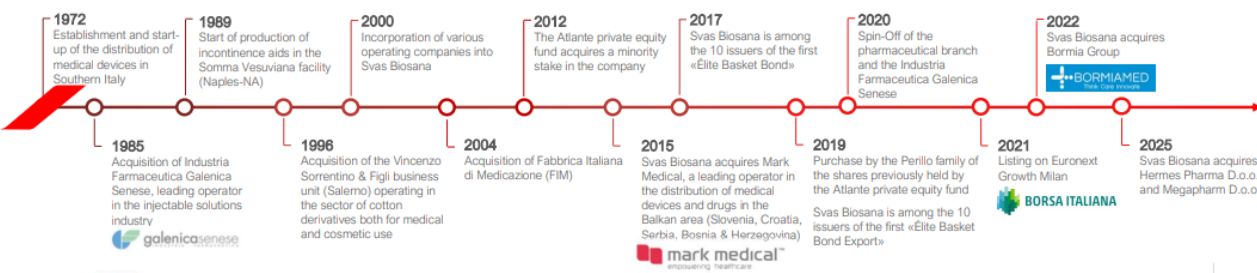
A successful M&A track record since the '90s

Svas Biosana Group is an Italian leading player in the Medical Devices and Consumables, acting as both a manufacturer and distributor.

The Group was founded in Southern Italy in 1972 by Francesco Fausto Perillo with the aim of providing medical devices in the area. Since then, Svas Biosana has started its growth path. Svas has a long track record in M&A:

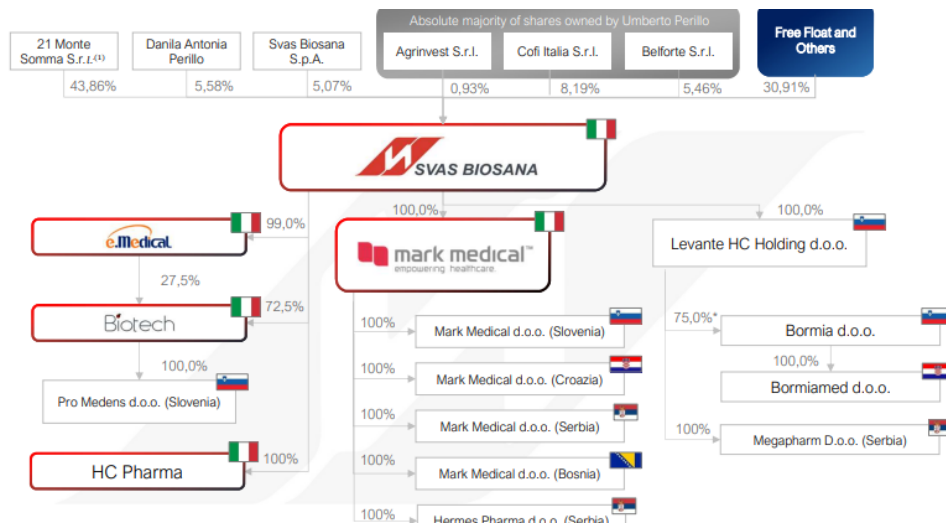
- in 1985 it acquired Galenica Senese to start the production of injectable solutions;
- in the '90s it acquired Vincenzo Sorrentino & Figli and started the production of cotton derivatives, used in health care and cosmetics;
- in 2004, it acquired Fabbrica Italiana di Medicazione (FIM);
- in 2015 it entered the Balkan area through the acquisition of Mark Medical, a leading distributor of medical devices and drugs in Slovenia, Croatia, Serbia, Bosnia & Herzegovina;
- in 2022 it acquired Bormia, for €4.8mln a distributor of Specialist Medical Devices operating in Slovenia, Croatia, Serbia and Bosnia.
- in 2025 it acquired Hermes Pharma and Megaphram, distributor of Medical Devices in Serbia for €6.5mln.

Figure 8: Svas Biosana’s timeline



Source: Company data

Figure 9: Svas Biosana's structure



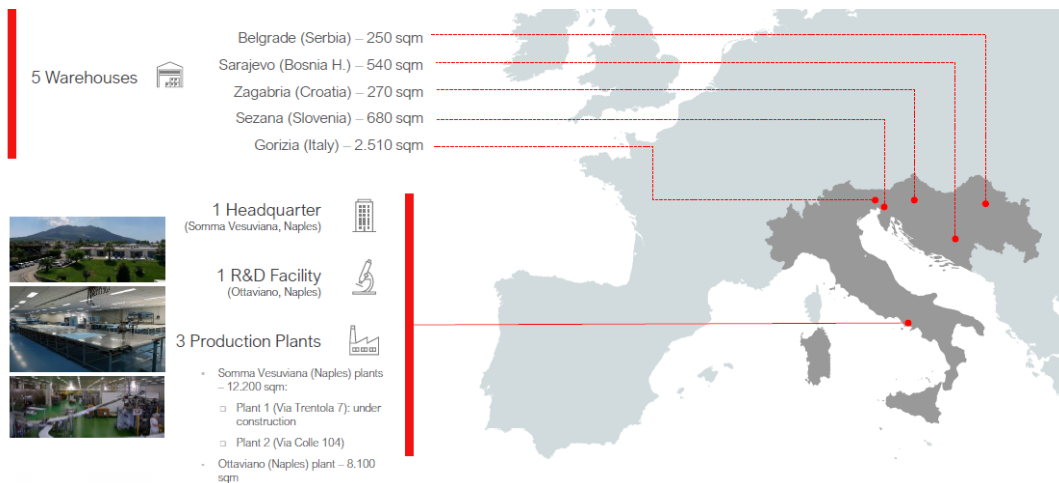
Source: Company data

### Svas Biosana: Italian and Eastern Europe presence

The Headquarter is in Somma Vesuviana (Naples), whereas the R&D facility is in Ottaviano (Naples).

Svas Biosana has three production plants in Naples: two in Somma Vesuviana (12,200 sqm) one of which in development and one in Ottaviano. Moreover, the Group includes five warehouses located in Eastern Europe, to support Mark Medical activity: Belgrade (Serbia), Sarajevo (Bosnia and Herzegovina), Zagabria (Croatia), Sezana (Slovenia) and Gorizia (Italy).

Figure 10: Group's plants and facilities



Source: Company data

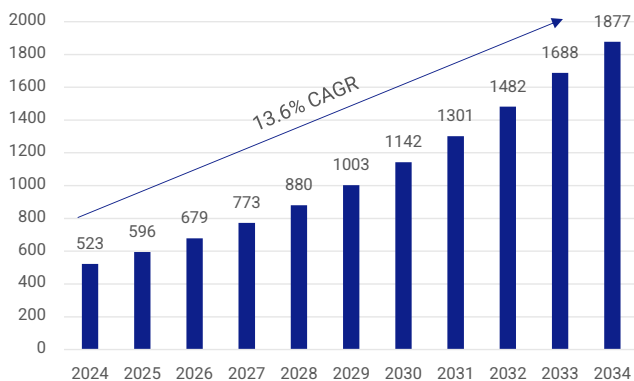
# The reference market

## The Global Medical Devices Industry

**Global Medical Disposable market:**  
13.6% CAGR 24-34E

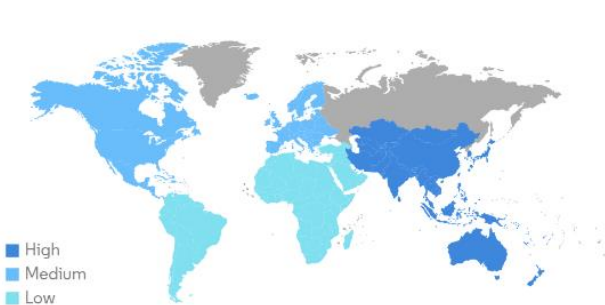
Medical Disposables are considered the medical apparatus intended for one-time or temporary use. The Global Medical Disposable market was worth \$523bn in 2024 and it is seen growing at a 13.6% CAGR 2023-2034E to \$1.9bn.

Figure 11: Value of Global Medical Devices market 2024-2034E (\$/bn)



Source: Banca Profilo elaborations on Precedence Research: Medical Device Market, January 2025

Figure 12: Expected Medical Devices market growth by Region



Source: Mordor Intelligence

**Asia Pacific region expected to be the fastest growing**

The North America region is expected to hold the largest market share owing to the increasing medical device innovations in the US and Canada. Furthermore, Asia Pacific region is estimated to be the fastest growing in the overall medical devices industry due rising ageing population, higher per capita income and increasing investment on healthcare infrastructure. The European region is predicted to grow at a steady rate owing to the rising product launches. The Middle East and Africa region is growing due to the increasing demand for cutting-edge advancements in medical devices.

## The Italian market

**Italian market worth €18.3bn**

The Italian Medical Devices market is worth €18.3bn; it includes 4,641 companies and 117,607 employees. It is characterized by a strong prevalence of small and mid-sized companies (94% of the total).

**Public health expenditure increased by 6.7% in 2023**

In 2023, the public expenditure for medical devices accounts for 7.3% of total health expenditure; it increased by 6.7% yoy in 2023. Imports from China declined by 20.6% yoy while exports to US declined by 5.4% yoy. Finally, in 2022, the sector invested €1bn in R&D, thus returning to the levels recorded before the pandemic crisis.



Figure 13: Italian healthcare expenditure (€, bn)

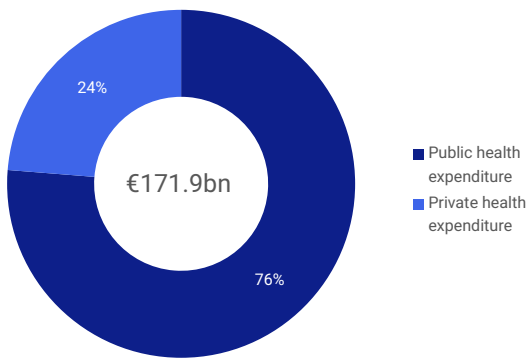
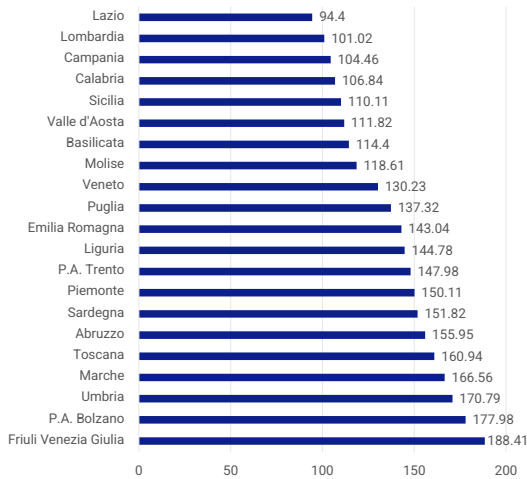


Figure 14: Italian healthcare expenditure/person (€)



Source: Banca Profilo elaborations on Centro Studi Confindustria Dispositivi Medici

Southern Italy is characterized by start-ups

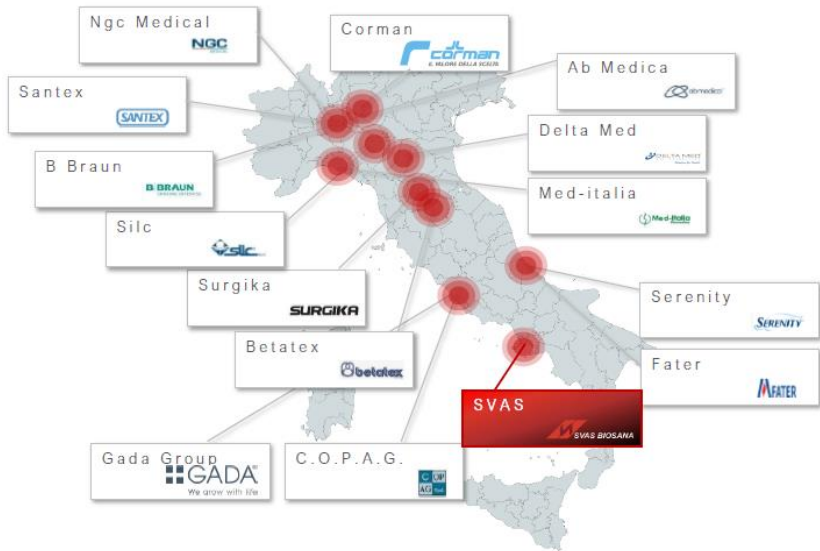
In the Center of Italy, small and large companies coexist, especially in Lazio and Toscana. Finally, in the South, where Svas Biosana is based, there is less concentration of large companies and a strong presence of start-ups.

Svas competitive arena

Svas: main player in the South of Italy

Main Italian Medical Devices companies are mostly concentrated in the North of Italy: 8 Companies representing the sample of Italian comparable that we have selected are located in the North, whereas 4 in Central Italy and 2 in Southern Italy, one of which is Svas Biosana. The Company has a strategic position in the South of Italy operating as main player.

Figure 15: Main Italian medical devices companies



Source: Company data

Svas Biosana: a unique business model in Italy

Following Svas Biosana wide portfolio products, we selected the companies that are comparable at least for one business unit. However, no Italian player is considered strictly similar to Svas Biosana’s business model.

Figure 16: Main Italian medical devices companies' activity

Company	Headquarter	Distribution	Incontinence Aids & Cotton products	Custom Pack	Intravenous solutions
Fater S.p.A.	Pescara				
Ab Medica S.p.A.	Milano				
Serenity S.p.A.	Chieti				
B. Braun Milano S.p.A.	Milano				
NGC Medical S.r.l.	Como				
Silc S.p.A.	Cremona				
Corman S.p.A.	Milano				
Santex S.p.A.	Milano				
C.O.P.A.G. S.p.A.	Roma				
Gada S.p.A.	Roma				
Med-Italia Biomedica S	Genova				
Betatex S.p.A.	Perugia				
Delta Med S.p.A.	Viadana				
Surgika S.r.l.	Arezzo				

Source: Banca Profilo elaborations

#### A sample of 13 listed companies

As no one of the main Italian Competitors are listed, we decided to select a different sample of listed companies that operate in the Medical Device sector. There are not listed companies that can be considered as good as “comparable” to Svas Biosana as the company is exposed to both production and distribution of third-party medical devices. To build our sample, we firstly conducted a comparative analysis based on three main macro-categories: business model, product range and positioning and company size. Secondly, we concentrated on growth prospects, cash generation and debt leverage.

The sample includes Ontex (Belgium) the closest peer to Farmex based on offered products; Cardinal Health Inc (US) a distributor of medical devices; GVS (Italy) and Medica (Italy), both operating in the production of devices destined for medical use; several international companies focused primarily on the production of medical devices with varying degree of complexity such as Integra LifeSciences Holding Corp (US), Shandong Weigao Group Medical Polymer (Hong Kong), Terumo Corp (Japan), Teleflex Inc (US), Coloplast (Denmark), ConvaTec Group Plc (UK), Becton, Dickinson and Co. (US), Stryker Corp (US) and Medtronic Plc (US).

#### GVS (ITA)

The GVS Group is one of the world's leading manufacturers of filter solutions for applications in the Healthcare & Life Sciences, Energy & Mobility and Health & Safety sectors. In addition to the corporate office in Bologna, GVS currently has 15 plants in Italy, United Kingdom, Brazil, United States, China, Mexico, Romania and Puerto Rico and 18 sales offices located across the world.

#### Medtronic (US)

Medtronic Plc is a medical technology company which engages in the development, manufacture, distribution and sale of device-based medical therapies and services. It operates through the following segments: Cardiac and Vascular Group; Minimally Invasive Technologies Group; Restorative Therapies Group and Diabetes Group. The Cardiac and Vascular Group segment consists of products for the diagnosis, treatment, and management of cardiac rhythm disorders and cardiovascular disease. The Minimally Invasive Technologies Group segment focuses on respiratory system, gastrointestinal tract, renal system, lungs, pelvic region, kidneys and obesity diseases. The Restorative Therapies Group segment comprises of neurostimulation therapies and drug delivery systems for the treatment of chronic pain, as well as areas of the spine and brain, along with pelvic health and conditions of the ear, nose and throat. The Diabetes Group segment offers insulin pumps, continuous glucose monitoring systems and insulin pump consumables. The company was founded in 1949 and is headquartered in Dublin, Ireland.

#### Coloplast (DEN)

Coloplast develops, manufactures and markets medical products. It operates through the following segments: Chronic Care, Interventional Urology and Wound & Skin Care. The Chronic

Care segment covers the sale of ostomy care products and continence care products. The Interventional Urology segment covers the sale of urological products, including disposable products. The Wound & Skin Care segment covers the sale of wound and skin care products. The company was founded by Aage Louis-Hansen and Johanne Louise-Hansen in 1954 and is headquartered in Humlebaek, Denmark.

**ConvaTec (UK)**

ConvaTec Group operates as holding company which engages in medical business. Its activities include development, manufacture and sales of medical products and technologies related to therapies for the management of chronic conditions, including products used for advanced chronic and acute wound care, ostomy care and management, continence and critical care and infusion devices used in the treatment of diabetes and other conditions. The company was incorporated in 1978 and is headquartered in Reading, the United Kingdom.

**Stryker Corporation (US)**

Stryker engages in the provision of medical technology products and services. It operates through the following segments: Orthopaedics, MedSurg, and Neurotechnology & Spine. The Orthopaedics segment provides reconstructive and trauma implant systems. The MedSurg segment deals with surgical equipment and navigation systems, endoscopy, patient handling and reprocessed medical devices. The Neurotechnology & Spine segment pertains to spinal implants and neurovascular products. The company was founded by Homer H. Stryker in 1941 and is headquartered in Kalamazoo, MI.

**Becton, Dickinson & Co (US)**

Becton, Dickinson & Co. is a medical technology company. The firm engages in the development, manufacture and sale of medical supplies, devices, laboratory equipment and diagnostic products used by healthcare institutions, physicians, life science researchers, clinical laboratories, the pharmaceutical industry and the general public. It operates through the following segments: BD Medical, BD Life Sciences and BD Interventional. The BD Medical segment produces medical technologies and devices that are used to help improve healthcare delivery. The BD Life Sciences segment provides products for the safe collection and transport of diagnostics specimens and instruments and reagent systems to detect infectious diseases, healthcare-associated infections and cancers. The BD Interventional segment offers vascular, urology, oncology and surgical specialty products to hospitals, individual healthcare professionals, extended care facilities, alternate site facilities and patients via Homecare business. The company was founded by Maxwell W. Becton and Fairleigh S. Dickinson in 1897 and is headquartered in Franklin Lakes, NJ.

**Cardinal Health (US)**

Cardinal Health is a healthcare services and products company which engages in the provision of customized solutions for hospitals, healthcare systems, pharmacies, ambulatory surgery centers, clinical laboratories and physician offices. It also provides medical products and pharmaceuticals and cost-effective solutions that enhance supply chain efficiency. The firm operates through the following segments: Pharmaceutical and Medical. The Pharmaceutical segment distributes branded and generic pharmaceutical, specialty pharmaceutical and over-the-counter healthcare and consumer products. The Medical segment manufactures, sources and distributes Cardinal Health branded medical, surgical, and laboratory products. Cardinal Health was founded by Robert D. Walter in 1971 and is headquartered in Dublin, OH.

**Terumo Corporation (JP)**

Terumo engages in the manufacturing and sale of medical products and equipment. It operates through the following segments: Cardiac and Vascular Company, General Hospital Company and Blood Management Company. The Cardiac and Vascular Company segment offers services and treatments including cardiac and vascular surgery and interventional therapies performed inside blood vessels. The General Hospital Company segment provides infusion and closed anticancer drug infusion systems, measuring devices system with communication functions, diabetes management, adhesion barrier and peritoneal dialysis. The Blood Management Company segment offers a combination of apheresis collections, manual and automated whole blood processing and pathogen reduction. The company was founded by Shibasaburo Kitasato on September 17, 1921 and is headquartered in Tokyo, Japan.

<b>Teleflex (US)</b>	Teleflex provides medical technology products which enables healthcare providers to improve patient outcomes and enhance patient and provider safety. The firm designs, develops, manufactures and supplies single-use medical devices used by hospitals and healthcare providers for common diagnostic and therapeutic procedures in critical care and surgical applications. It operates through the following business segments: Americas, EMEA (Europe, the Middle East and Africa), Asia (Asia Pacific) and OEM. The Americas segment engages in the sales of interventional urology products. The EMEA engages in the sales of urology products. The Asia segment designs, manufactures and distributes medical devices primarily used in critical care, surgical applications and cardiac care and generally serves hospitals and healthcare providers. The OEM segment designs, manufactures and supplies devices and instruments for other medical device manufacturers. The company was founded in 1943 and is headquartered in Wayne, PA.
<b>Integra LifeSciences (US)</b>	Integra LifeSciences Holdings engages in the manufacture and sale of medical instruments, devices and equipment. It operates through the Codman Specialty Surgical and Orthopaedics and Tissue Technologies segments. The Codman Specialty Surgical segment refers to the company's neurosurgery business, which sells a full line of products for neurosurgery and neuro critical care such as tissue ablation equipment, dural repair products, cerebral spinal fluid management devices, intracranial monitoring equipment and cranial stabilization equipment and precision tools and instruments business, which sells instrument patterns and surgical and lighting products to hospitals, surgery centers and dental, podiatry and veterinary offices. The Orthopaedics and Tissue Technologies segment includes offerings such as skin and wound repair, bone and joint fixation implants in the upper and lower extremities, bone grafts and nerve and tendon repair. The company was founded by Richard E. Caruso in 1989 and is headquartered in Princeton, NJ.
<b>Ontex (BEL)</b>	Ontex Group is an international personal hygiene group. It offers products for baby care, feminine care and adult care and is the partner of choice for consumers, retailers and institutional and private healthcare providers. Ontex's commercial activities are organized in three Divisions: Europe, which is predominantly focused on providing retailers with their own brands; Americas, Middle East Africa and Asia, which is predominantly focused on local Ontex brands and Healthcare, which focuses on Ontex adult incontinence brands in institutional channels. The company was founded in 1979 and is headquartered in Aalst, Belgium.
<b>Shandong Weigao Group Medical Polymer (CHN)</b>	Shandong Weigao Group Medical Polymer engages in the research and development, production and sale of medical devices. It operates through the following segments: Medical Device Products, Orthopedic Products, Interventional Products, Pharma Packaging Products and Others. The Medical Device Products segment produces and sells clinical care, wound management, medical testing, anesthesia and surgical related products and consumables. The Orthopedic Products segment focuses on the provision of orthopedic products. The Interventional Products segment comprises of tumor and blood vessel interventional instruments. The Pharma Packaging Products includes pre-filled syringes and flushing syringes, The Blood Management Products segment consists of blood collection, storage, separation and sterilization products. The Other segment pertains to the finance lease and factoring business. The company was founded in 1988 and is headquartered in Weihai, China.

**Svas Biosana**

Recommendation  
**BUY**

Target Price  
**14.8 €**

Upside  
**91%**

**Company Overview**

Svas Biosana Group is an Italian leading player in medical devices and consumables, acting as both manufacturer and distributor. The Group was founded in 1972 in Southern Italy by Francesco Fausto Perillo to provide medical devices in the area. Since '90s, the Company has started its growth path with a successful M&A track record: i) it acquired Galenica Senese to enter the injectable solutions market; ii) in 1996, it bought Vincenzo Sorrentino & Figli, active in cotton derivatives used in healthcare and cosmetics; iii) in 2004, it acquired Fabbrica Italiana di Medicazione; iv) in 2015, it entered the Balkans area through the purchase of Mark Medical, a distributor of medical devices and drugs in Slovenia, Croatia, Serbia and Bosnia; v) in 2019, it bought back the minority stake held by Atlante private equity fund; vi) in 2022, it acquired 75% (the rest being own shares) of Bormia, a distributor of Specialist Medical Devices in Slovenia, Croatia, Serbia and Bosnia; vii) in 2024 it acquired two Belgrade-based companies operating in the distribution of medical devices in Serbia. As of today, Svas Biosana has a clear and focused M&A strategy for further national and international expansion.

**SWOT Analysis****Strengths**

- Multinational Company
- Well diversified portfolio
- Focus on innovation and R&D
- Distinctive Know-How
- Resilience to global recession
- Long-lasting client relationships
- Top end customers
- Distribution site close to its end-customer
- Successful M&A track record
- Products customization
- High quality offer
- Complementary products

**Weaknesses**

- Italian revenues highly related to National Health System relationship
- Revenues associated to tenders

**Opportunities**

- Strategically positioned to boost long term expansion
- Growth through M&A
- Production capacity expansion
- Logistics updates to reduce the time to market
- New product lines development

**Threats**

- Intensifying competition within large manufacturers
- High growth rates could lead to cost management issues
- Internalization of Svas process by its main customer
- Cannibalization risk of products under Svas Biosana's brand and Third-Party brand
- Substitute products competition
- Maintaining high quality standard products

**Main catalysts**

M&A deals to expand the offering range and build economies of scale  
Production capacity expansion  
Development of new-generation products

**Main risks**

Intensifying competition within large manufacturers  
High growth rates could lead to cost management issues  
Substitute products competition  
Revenues associated to tenders  
Italian revenues highly related to National Health System relationship  
Maintaining high quality standards of products

## Svas Biosana

Recommendation

**BUY**

Target Price

**14.8 €**

Upside

**91%**

### Main Financials

(€/mln)

	2023	2024	2025E	2026E	2027E
<b>Total revenue</b>	<b>118.3</b>	<b>120.3</b>	<b>134.6</b>	<b>142.0</b>	<b>148.7</b>
<i>yoY change</i>	<i>21.7%</i>	<i>1.7%</i>	<i>11.8%</i>	<i>5.5%</i>	<i>4.7%</i>
<b>EBITDA</b>	<b>14.2</b>	<b>15.3</b>	<b>17.5</b>	<b>18.8</b>	<b>20.0</b>
<i>EBITDA margin (%)</i>	<i>12.0%</i>	<i>12.7%</i>	<i>13.0%</i>	<i>13.3%</i>	<i>13.4%</i>
<b>EBIT</b>	<b>8.6</b>	<b>9.8</b>	<b>11.5</b>	<b>11.6</b>	<b>13.1</b>
<i>EBIT margin (%)</i>	<i>7.2%</i>	<i>8.1%</i>	<i>8.5%</i>	<i>8.2%</i>	<i>8.8%</i>
<b>Group Net income</b>	<b>5.1</b>	<b>5.9</b>	<b>7.3</b>	<b>7.5</b>	<b>8.8</b>
<i>Margin (%)</i>	<i>4.3%</i>	<i>4.9%</i>	<i>5.4%</i>	<i>5.3%</i>	<i>5.9%</i>
<b>Net debt/(cash)</b>	<b>23.8</b>	<b>26.9</b>	<b>31.0</b>	<b>29.1</b>	<b>26.7</b>
Shareholders Equity	59.0	62.8	69.0	75.8	83.9
Net Operating Working Capital	46.7	52.3	57.9	60.6	64.1
Capex and acquisitions	(5.8)	(6.1)	(5.5)	(8.7)	(8.5)
Free Cash Flow	0.0	0.3	3.1	4.0	4.1

### Revenue breakdown by business unit

(€/000)

	2023	2024	2025E	2026E	2027E
Farmex	34.9	34.9	36.0	37.4	38.9
Svas	23.1	20.2	21.5	22.1	22.7
Medical	9.3	8.2	9.0	9.3	9.5
Mark Medical	36.4	40.6	48.0	52.2	55.9
Bormia	16.0	18.0	22.1	22.9	23.6

### Key Ratios

	2023	2024	2025E	2026E	2027E
Net Debt (cash)/Equity	0.4x	0.4x	0.4x	0.4x	0.3x
Net Debt (cash)/EBITDA	1.7x	1.8x	1.8x	1.5x	1.3x
Tax rate	25%	27%	23%	23%	23%
ROE	9%	9%	11%	10%	10%
ROIC	7%	8%	8%	8%	8%
Days Inventory Outstanding	101	103	105	105	106
Days Sales Outstanding	128	140	135	134	134
Days Payables Outstanding	126	119	114	114	113
Capex/VoP	5%	5%	4%	6%	6%

Source: Bloomberg, Banca Profilo estimates and elaborations

### Company Description

Company Sector	<b>Health Care Equipment and Supplies</b>
Price (€)	7.6
Number of shares (mln)	5.6
Market Cap (€ mln)	42.6
Reference Index	FTSE ITALIA GROWTH
Main Shareholders	Perillo's Family
Main Shareholder stake	65%
Free Float	31%
Daily Average Volumes	2,916
Sample of comparables	GVS, Medtronic, Coloplast, ConvaTec, Stryker Corporation, Becton, Dickinson and Company, Cardinal Health, Terumo Incorporated, Teleflex Incorporated, Integra LifeSciences, Shandong Weigao Group Medical Polymer and Ontex

### Multiples of peers

	2024	2025E	2026E
Average EV/EBITDA	15.1x	11.8x	10.9x
Median EV/EBITDA	15.6x	10.9x	10.0x

# Disclaimer

## ANALYST'S AND BANK'S INFORMATION

THIS DOCUMENT CONCERNING SVAS BIOSANA (THE "ISSUER" OR THE "COMPANY") HAS BEEN DRAFTED BY FRANCESCA SABATINI WHO IS EMPLOYED BY BANCA PROFILO S.P.A. ("THE BANK") AS FINANCIAL ANALYST; FRANCESCA SABATINI IS RESPONSIBLE FOR THE DRAFTING OF THE DOCUMENT.

BANCA PROFILO S.P.A. IS A BANK AUTHORISED TO PERFORM BANKING AND INVESTMENT SERVICES; IT IS PART OF BANCA PROFILO BANKING GROUP (THE "GROUP") AND IT IS SUBJECT TO THE MANAGEMENT AND CO-ORDINATION OF AREPO BP S.P.A. (THE "PARENT COMPANY"). SATOR PRIVATE EQUITY FUND "A" LP (THE "PARENT ENTITY") HOLDS INDIRECT CONTROL PARTICIPATION INTERESTS IN BANCA PROFILO.

THE BANK IS REGISTERED WITH THE ITALIAN BANKING ASSOCIATION CODE NO. 3025 AND IS SUBJECT TO THE REGULATION AND SURVEILLANCE OF THE BANK OF ITALY AND OF CONSOB (COMMISSIONE NAZIONALE PER LE SOCIETÀ E LE BORSE). THE BANK HAS PREPARED THIS DOCUMENT FOR ITS PROFESSIONAL CLIENTS ONLY, PURSUANT TO DIRECTIVE 2004/39/EC AND ANNEX 3 OF THE CONSOB REGULATION ON INTERMEDIARIES (RESOLUTION N. 16190). THIS DOCUMENT IS BEING DISTRIBUTED AS OF [May 9, 9:00].

THE ANALYST FRANCESCA SABATINI WHO HAS DRAFTED THIS DOCUMENT HAS SIGNIFICANT EXPERIENCE IN BANCA PROFILO S.P.A. AND OTHER INVESTMENT COMPANIES. THE ANALYST AND ITS RELATIVES DO NOT OWN FINANCIAL INSTRUMENTS ISSUED BY THE ISSUER AND SHE DOES NOT ACT AS SENIOR MANAGER, DIRECTOR OR ADVISOR FOR THE ISSUER. THE ANALYST DOES NOT RECEIVE BONUSES, INCOME OR ANY OTHER REMUNERATION CORRELATING, DIRECTLY OR INDIRECTLY, TO THE SUCCESS OF THE INVESTMENT BANKING OPERATIONS OF BANCA PROFILO S.P.A.

A REDACTED VERSION OF THIS REPORT HAS BEEN DISCLOSED TO THE ISSUER TO PERMIT TO IT TO REVIEW AND COMMENT ON FACTUAL INFORMATION RELATING TO THE ISSUER AND THIS REPORT HAS BEEN AMENDED FOLLOWING SUCH DISCLOSURE PRIOR TO ITS FINAL DISSEMINATION.

THIS DOCUMENT IS BASED UPON INFORMATION THAT WE CONSIDER RELIABLE, BUT THE BANK HAS NOT INDEPENDENTLY VERIFIED THE CONTENTS HEREOF. THE OPINIONS, ESTIMATES AND PROJECTIONS EXPRESSED IN IT ARE AS OF THE DATE HEREOF AND ARE SUBJECT TO CHANGE WITHOUT NOTICE TO THE RECIPIENT. PAST PERFORMANCE IS NOT GUARANTEE OF FUTURE RESULTS.

THIS REPORT HAS BEEN PREPARED BY ITS AUTHORS INDEPENDENTLY OF THE COMPANY AND ITS SHAREHOLDERS, SUBSIDIARIES AND AFFILIATES. THE BANK HAS NO AUTHORITY WHATSOEVER TO GIVE ANY INFORMATION OR MAKE ANY REPRESENTATION OR WARRANTY ON BEHALF OF THE COMPANY, ANY OTHER PERSON IN CONNECTION THEREWITH. IN PARTICULAR, THE OPINIONS, ESTIMATES AND PROJECTIONS EXPRESSED IN IT ARE ENTIRELY THOSE OF THE AUTHOR HEREOF.

NO REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, IS MADE AS TO AND NO RELIANCE SHOULD BE PLACED ON THE FAIRNESS, ACCURACY, COMPLETENESS OR REASONABLENESS OF THE INFORMATION, OPINIONS AND PROJECTIONS CONTAINED IN THIS DOCUMENT, AND NONE OF THE BANK, THE COMPANY, NOR ANY OTHER PERSON ACCEPTS ANY LIABILITY WHATSOEVER FOR ANY LOSS HOWSOEVER ARISING FROM ANY USE OF THIS DOCUMENT OR ITS CONTENTS OR OTHERWISE ARISING IN CONNECTION THEREWITH.

## NO DUPLICATION

NO PART OF THE CONTENT OF THE DOCUMENT MAY BE COPIED, FORWARDED OR DUPLICATED IN ANY FORM OR BY ANY MEANS WITHOUT THE PRIOR CONSENT OF THE BANK. BY ACCEPTING THIS REPORT, YOU AGREE TO BE BOUND BY THE FOREGOING LIMITATIONS.

## NO OFFER OR SOLICITATION

THIS DOCUMENT DOES NOT CONSTITUTE AN OFFER OR INVITATION OR FORM PART OF AN OFFER, SOLICITATION OR INVITATION TO PURCHASE ANY SECURITIES, AND NEITHER THIS DOCUMENT NOR ANYTHING CONTAINED HEREIN SHALL FORM THE BASIS OF ANY CONTRACT OR COMMITMENT WHATSOEVER.

## RECIPIENTS

THIS DOCUMENT IS GIVEN TO YOU SOLELY FOR YOUR INFORMATION ON A CONFIDENTIAL BASIS AND MAY NOT BE REPRODUCED OR REDISTRIBUTED, IN WHOLE OR IN PART, TO ANY OTHER PERSON. IN PARTICULAR, NEITHER THIS DOCUMENT NOR ANY COPY HEREOF MAY BE TAKEN OR TRANSMITTED IN OR INTO THE UNITED STATES (THE "U.S."), AUSTRALIA, CANADA OR JAPAN OR REDISTRIBUTED, DIRECTLY OR INDIRECTLY, IN THE U.S., AUSTRALIA, CANADA OR JAPAN. ANY FAILURE TO COMPLY WITH THIS RESTRICTION MAY CONSTITUTE A VIOLATION OF U.S., AUSTRALIAN, CANADIAN OR JAPANESE SECURITIES LAWS.

THIS DOCUMENT IS BEING DISTRIBUTED ONLY TO, AND IS DIRECTED ONLY AT, PERSONS WHO ARE QUALIFIED INVESTORS WITHIN THE MEANING OF ARTICLE 2(1) (E) OF THE PROSPECTUS DIRECTIVE (DIRECTIVE 2003/71/EC) (ALL SUCH PERSONS BEING REFERRED TO AS "RELEVANT PERSONS"). THIS DOCUMENT MUST NOT BE ACTED ON OR RELIED ON BY PERSONS WHO ARE NOT RELEVANT PERSONS. ANY INVESTMENT OR INVESTMENT ACTIVITY TO WHICH THIS COMMUNICATION RELATES IS AVAILABLE ONLY TO RELEVANT PERSONS AND WILL BE ENGAGED IN ONLY WITH RELEVANT PERSONS.

IN CASE THAT THIS DOCUMENT IS DISTRIBUTED IN ITALY IT SHALL BE DIRECTED ONLY AT QUALIFIED INVESTORS WITHIN THE MEANING OF ARTICLE 100(1) (A) OF LEGISLATIVE DECREE NO. 58 OF FEBRUARY 24, 1998, AS AMENDED, AND ARTICLE 34-TER, PARA. 1, LETT B), OF CONSOB REGULATION NO. 11971 OF 1999, AS AMENDED. THIS DOCUMENT IS NOT ADDRESSED TO ANY MEMBER OF THE GENERAL PUBLIC IN ITALY. IN NO CIRCUMSTANCES SHOULD THIS DOCUMENT CIRCULATE AMONG OR BE DISTRIBUTED TO (I) A MEMBER OF THE GENERAL PUBLIC, (II) INDIVIDUALS OR ENTITIES FALLING OUTSIDE THE DEFINITION OF "QUALIFIED INVESTORS" AS SPECIFIED ABOVE OR (III) TO DISTRIBUTION CHANNELS THROUGH WHICH INFORMATION IS OR IS LIKELY TO BECOME AVAILABLE TO A LARGE NUMBER OF PERSONS.

THE DISTRIBUTION OF THIS DOCUMENT IN OTHER JURISDICTIONS MAY BE RESTRICTED BY LAW AND PERSONS INTO WHOSE POSSESSION THIS DOCUMENT COMES SHOULD INFORM THEMSELVES ABOUT, AND OBSERVE, ANY SUCH RESTRICTION. ANY FAILURE TO COMPLY WITH THESE RESTRICTIONS MAY CONSTITUTE A VIOLATION OF THE LAWS OF ANY SUCH OTHER JURISDICTION.

## CONFLICTS OF INTEREST

THE BANK MAY, FROM TIME TO TIME, DEAL IN, HOLD OR ACT AS MARKET MAKER OR ADVISER, BROKER OR BANKER IN RELATION TO THE FINANCIAL INSTRUMENTS, OR DERIVATIVES THEREOF, OF PERSONS, FIRMS OR ENTITIES MENTIONED IN THIS DOCUMENT, OR BE REPRESENTED IN THE GOVERNING BODIES OF THE COMPANY. IN FACT, THE BANK ACTED AS GLOBAL COORDINATOR IN THE IPO OF THE ISSUER, THE BANK IS PRESENTLY NOMAD, CORPORATE BROKER, LIQUIDITY PROVIDER AND SPECIALIST OF THE ISSUER.

BANCA PROFILO S.P.A. HAS ADOPTED INTERNAL PROCEDURES FOR THE PREVENTION AND AVOIDANCE OF CONFLICTS OF INTEREST WITH RESPECT TO THE RECOMMENDATIONS, WHICH CAN BE CONSULTED ON THE RELEVANT SECTION OF ITS WEBSITE ([WWW.BANCAPROFILO.IT](http://WWW.BANCAPROFILO.IT), IN THE SECTION "CLIENTI AZIENDALI E ISTITUZIONALI/ANALISI E RICERCA").

## EQUITY RESEARCH PUBLICATIONS IN LAST 12M

THE BANK PUBLISHES ON ITS WEBSITE [WWW.BANCAPROFILO.IT](http://WWW.BANCAPROFILO.IT), ON A QUARTERLY BASIS, THE PROPORTION OF ALL RECOMMENDATIONS THAT ARE 'BUY', 'HOLD', 'SELL' OR EQUIVALENT TERMS OVER THE PREVIOUS 12 MONTHS, AND THE PROPORTION OF ISSUERS CORRESPONDING TO EACH OF THOSE CATEGORIES TO WHICH SUCH PERSON HAS SUPPLIED MATERIAL SERVICES OF INVESTMENT FIRMS SET OUT IN SECTIONS A AND B OF ANNEX I TO DIRECTIVE 2014/65/EU OVER THE PREVIOUS 12 MONTHS.

## ADDITIONAL INFORMATION

THE BANK PROVIDES ALL OTHER ADDITIONAL INFORMATION, ACCORDING TO ARTICLE 114, PARAGRAPH 8 OF LEGISLATIVE DECREE 58/98 ("FINANCIAL DECREE") AND COMMISSION DELEGATED REGULATION (EU) 2016/958 AS OF 9 MARCH 2016 (THE "COMMISSION REGULATION") ON THE RELEVANT SECTION OF ITS WEBSITE ([WWW.BANCAPROFILO.IT](http://WWW.BANCAPROFILO.IT), IN THE SECTION "CLIENTI AZIENDALI E ISTITUZIONALI/ANALISI E RICERCA").