

## Important news

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## Business description

Biosearch (BIOS) is a small Spanish biotech company based in Granada, specialising in the research, development and sale of functional ingredients (natural extracts, omega-3 and probiotics) for the nutrition and healthcare markets. It has an international presence (80% of revenues). A former subsidiary of the former EBRO-Puleva, its core shareholder remains the Kerry Group (90.3% of capital).

## Market Data

Market Cap (Mn EUR and USD)	126.4	149.0
EV (Mn EUR and USD) <sup>(2)</sup>	125.1	147.5
Shares Outstanding (Mn)	57.7	
-12m (Max/Med/Min EUR)	2.20 / 1.67 / 0.99	
Daily Avg volume (-12m Mn EUR)	0.65	
Rotation <sup>(3)</sup>	132.0	
Factset / Bloomberg	BIO-ES / BIO SM	
Close fiscal year	31-Dec	

## Shareholders Structure (%)

Kerry Iberia Taste & Nutrition	90.3
Free Float	9.7

## Relative performance (Base 100)



## Stock performance (%)

	-1m	-3m	-12m	-5Y
Absolute	0.0	2.1	113.0	447.5
vs Ibex 35	3.5	-0.9	79.2	395.2
vs Ibex Small Cap Index	2.5	2.7	50.7	162.6
vs Eurostoxx 50	0.5	-1.0	73.5	273.2
vs Sector benchmark <sup>(4)</sup>	-5.9	-9.7	99.0	313.2

(1) The opinion regarding the results is on reported EBITDA with respect to our estimate for the year (12m). The impact reflects whether, due to the results, we envisage a significant revision (>5% - 10%, depending on the sector) of our EBITDA estimate (for any of the estimated years).

(2) Please refer to Appendix 2.

(3) Rotation is the % of the capitalisation traded - 12m.

(4) vs Eurostoxx 600 Health Care.

(\*) Unless otherwise indicated, all the information contained in this report is based on: The Company, Factset and Lighthouse.

## After the success of the Kerry bid, its de-listing has been planned

**THE KERRY GROUP TAKEOVER BID FOR BIOS HAS SUCCEEDED IN THE FIRST ROUND (90.3% OF CAPITAL).** The offer made last February by Kerry Iberia Taste & Nutrition (the Spanish subsidiary of Irish food giant Kerry Group) to 100% of the capital of Biossearch (57,699,522 shares; EUR 126.9Mn) has been accepted by shareholders representing 90.33% of capital (52,121,923 shares).

**THE DEAL WILL BE SETTLED ON JULY 8,** two business days after the result of the takeover bid is announced in the trading bulletins of the stock exchanges. Kerry will pay a total of EUR 114.7Mn (EUR 2.2/share).

**THE SUCCESS OF THE TAKEOVER BID WILL ALLOW THE DE-LISTING OF BIOS TO BE BROUGHT FORWARD,** via a squeeze-out of the rest of the capital to be carried out on July 27, 2021. The payment to be made will be identical to the original offer (EUR 2.2/share), with the associated expenses of the deal being borne by the offerer.

**AND TRADING IN THE STOCK IS LIKELY TO BE SUSPENDED FROM JULY 15** until its definitive de-listing, once the squeeze-out has been settled.

**THIS DEAL CONFIRMS THE MOVEMENT IN THE FOOD INDUSTRY TOWARDS HEALTHY FOODS/NUTRITION.** The Irish group is a leading supplier for the food, beverages and pharmaceutical products (excipients) industries. The integration of BIOS will extend its range of higher added value solutions for the industry: the Spanish biotech company is present in the probiotics market (in expansion), in omega-3 (from fish and vegetables) and in dietary supplements (natural extracts).

**AND IS ALSO SYNERGIC FOR BIOS:** as it will be able to lever its current business on the commercial structure of the Irish multi-national, allowing it to accelerate the development of its pipeline (the GERAS and Gesta Health projects, plus its library of probiotics).

**WITH THE MARKET CONTINUING TO REFLECT THE GROWING INTEREST IN PROBIOTICS.** The multiples of the deal amount to 26.5x 2021e EV/EBITDA, vs. 30.5x on average for peers in probiotics (+12% vs multiples at the beginning of June) and 15.9x in lipids, c. 20% and 40% of 2021e revenue respectively; these being the business lines with the highest margins.

## Appendix 1. EV breakdown at the date of this report

	EUR Mn	Source
Market Cap	126.4	
+ Minority Interests	-	3m Results 2021
+ Provisions & Other L/T Liabilities	1.9	3m Results 2021
+ Net financial debt	(2.2)	3m Results 2021
- Financial Investments	0.9	3m Results 2021
+/- Others		3m Results 2021
<b>Enterprise Value (EV)</b>	<b>125.1</b>	

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Date of report	Recommendation	Price (EUR)	Target price (EUR)	Period of validity	Reason for report	Analyst
08-Jul-2021	n.a.	2.19	n.a.	n.a.	Important news	Ana Isabel González García, CIA
02-Jun-2021	n.a.	2.19	n.a.	n.a.	Important news	Ana Isabel González García, CIA
30-Apr-2021	n.a.	2.13	n.a.	n.a.	3m Results 2020	Ana Isabel González García, CIA
26-Feb-2021	n.a.	2.13	n.a.	n.a.	12m Results 2020	Ana Isabel González García, CIA
16-Feb-2021	n.a.	2.11	n.a.	n.a.	Important news	Ana Isabel González García, CIA
05-Nov-2020	n.a.	1.30	n.a.	n.a.	9m Results 2020	Ana Isabel González García, CIA
28-Jul-2020	n.a.	1.22	n.a.	n.a.	6m Results 2020	Ana Isabel González García, CIA
30-Apr-2020	n.a.	1.15	n.a.	n.a.	Estimates downgrade	Ana Isabel González García, CIA
02-Mar-2020	n.a.	1.10	n.a.	n.a.	12m Results 2019	Ana Isabel González García, CIA
29-Oct-2019	n.a.	0.95	n.a.	n.a.	9m Results 2019 - Estimates downgrade	Ana Isabel González García, CIA
30-Jul-2019	n.a.	1.02	n.a.	n.a.	6m Results 2019 - Estimates downgrade	Ana Isabel González García, CIA
14-May-2019	n.a.	1.24	n.a.	n.a.	3m Results 2019	Ana Isabel González García, CIA
28-Feb-2019	n.a.	1.62	n.a.	n.a.	12m Results 2018	Ana Isabel González García, CIA
31-Jan-2019	n.a.	1.56	n.a.	n.a.	Initiation of Coverage	Ana Isabel González García, CIA

