

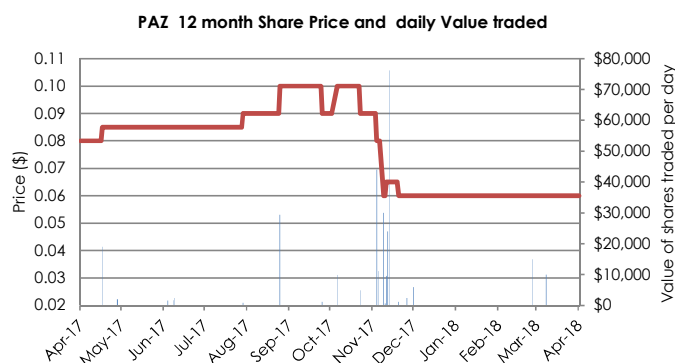
Issuer Profile



Pharmazen Limited



Code	PAZ
Last Price	\$0.060
Issuer Profile Date	24/04/2018
Market	USX
Listed	Jul-04
Year End	31-Dec
Shares issued	195,422,324
Market Cap	\$11,725,339
Dividend yield (Gross)	0.0%
Website	www.waitakibio.com



Company Overview

PharmaZen Ltd ('PAZ') trading as Waitaki Biosciences is a biotechnology company based in Christchurch, New Zealand.

The principal activity of PAZ is the development, manufacture and business to business marketing of specialised nutritional ingredients for human and companion animal dietary supplement products. Exported product typically generates in excess of 90% of revenue annually.

PAZ offers its international customer base a portfolio of branded ingredients with specific functionality in bone and joint health, anti-inflammation, immune support, digestive health and anti-oxidant capability.

Financial Summary (NZ\$000's)

	31-Dec-13	31-Dec-14	31-Dec-15	31-Dec-16	31-Dec-17
Financial Performance					
Total Revenue	7,062	6,850	7,129	7,775	7,406
EBITDA	1,088	561	1,495	1,344	443
EBIT	802	194	1,063	821	(148)
EBIT Margin	11.4%	2.8%	14.9%	10.6%	(2.0%)
Net Profit/Comprehensive Income	540	(4)	632	426	(286)
Financial Position					
Current Assets (ex cash)	2,874	2,655	2,403	2,861	2,992
Current Liabilities (ex debt)	(939)	(902)	(922)	(822)	(1,214)
Net Working Capital	1,935	1,753	1,481	2,039	1,778
Non-Current Assets	8,645	10,643	11,245	12,945	16,508
Non-Current Liabilities (ex debt)	(432)	(454)	(497)	(521)	(455)
Total Net Assets (ex cash/debt)	10,148	11,942	12,229	14,463	17,831
(Cash)	(619)	190	226	590	430
Debt	3,450	4,439	4,057	5,501	6,876
Net Debt	2,831	4,629	4,283	6,091	7,306
Shareholder Funds	7,317	7,313	7,946	8,372	10,525
Total Capital Employed	10,148	11,942	12,229	14,463	17,831
Total Assets (incl cash)	12,139	13,108	13,422	15,217	19,070
Cash Flows					
Operating Cash Flows	196	561	1,398	421	442
Investing Cash Flows	(2,520)	(2,359)	(1,053)	(2,228)	(4,096)
Financing Cash Flows	2,650	989	(382)	1,444	5,014
Net Increase/(Decrease) in Cash	326	(809)	(36)	(363)	1,360

Disclaimer

The information contained in this Issuer Profile has been prepared by Armillary Private Capital ('Armillary'), on behalf of Efficient Market Services Limited ('Unlisted'). While the intention is to provide accurate information based on historical performance and market information, Armillary and Unlisted accept no liability for any errors or inaccuracies in this Issuer Profile. The reader is advised to perform their own research to confirm the accuracy of the information contained in this Issuer Profile before relying on it for any investment decision making. This Issuer Profile has been prepared as a 'class service' as defined by the Financial Advisers Act and is general in nature.

Analysis

	31-Dec-13	31-Dec-14	31-Dec-15	31-Dec-16	31-Dec-17
Investment Performance					
Closing Share Price (\$)	0.070	0.050	0.050	0.085	0.060
Annual Total Return (including net dividends)	40.0%	(28.6%)	0.0%	70.0%	(29.4%)
A Profitability (EBIT/Revenue)	11.4%	2.8%	14.9%	10.6%	(2.0%)
B Activity (Rev/Average Total Net Assets)	0.81	0.62	0.59	0.58	0.46
Return on Capital Employed (A x B)	9.2%	1.8%	8.8%	6.1%	(0.9%)
Return on Equity (NPAT/Average Shareholders Funds)	7.4%	(0.1%)	8.3%	5.2%	(3.0%)
Shares on Issue (m)	160.0	160.0	160.0	160.0	195.4
Reported Net Profit / Comprehensive Income (\$m)	0.5	(0.0)	0.6	0.4	(0.3)
Payout Ratio	0.0%	0.0%	0.0%	0.0%	0.0%
Net Dividend Yield	-	-	-	-	-
Imputation Credits	-	-	-	-	-
Gross Dividend Yield	-	-	-	-	-
Per Share (cents)					
EBITDA	0.7	0.4	0.9	0.8	0.2
EPS - Basic	0.3	(0.0)	0.4	0.3	(0.1)
EPS - Diluted	0.3	(0.0)	0.4	0.3	(0.1)
Net Dividend	-	-	-	-	-
Net Tangible Assets	4.6	4.6	5.0	5.2	5.4
Cash Flow from Operations	0.1	0.4	0.9	0.3	0.2
Valuation (as at year end)					
Trailing P/E (multiple)	20.7	(2,019.7)	12.6	31.9	(41.0)
Market Value (\$m)	11.2	8.0	8.0	13.6	11.7
Net (Cash)/Debt (\$m)	2.8	4.6	4.3	6.1	7.3
Enterprise Value 'EV' (\$m)	14.0	12.6	12.3	19.7	19.0
EV/EBITDA (multiple)	12.9	22.5	8.2	14.7	42.9
Price/Net Tangible Assets (multiple)	1.5	1.1	1.0	1.6	1.1
Operating Ratios					
EBIT Margin	11.4%	2.8%	14.9%	10.6%	(2.0%)
NPAT Margin	7.7%	(0.1%)	8.9%	5.5%	(3.9%)
Net Capex to Sales	35.7%	34.4%	14.8%	28.7%	55.3%
Annual Growth Rates					
Revenue	2.5%	(3.0%)	4.1%	9.1%	(4.7%)
EBITDA	28.2%	(48.4%)	166.4%	(10.2%)	(67.0%)
NPAT	23.7%	(100.7%)	16067.5%	(32.6%)	(167.0%)
Net Assets	39.3%	17.7%	2.4%	18.3%	23.3%
Equity	8.0%	(0.1%)	8.6%	5.4%	25.7%
Capital Structure					
Equity to Total Assets	60.3%	55.8%	59.2%	55.0%	55.2%
Net Debt/(Net Debt+Equity)	27.9%	38.8%	35.0%	42.1%	41.0%
Net Debt to Equity	38.7%	63.3%	53.9%	72.7%	69.4%
Interest Cover (multiple)	14.9	1.2	6.4	5.3	(0.7)

Directors	Position	Appointed
Maxwell Shepherd	Chair	12-Nov-01
Kenneth Fergus	Director	18-Aug-06
Wayne Burt	Director	6-Nov-09
Peter Dobbs	Director	15-May-15

Top Ten Shareholders *	Shares	Ownership
Downie Stewart Trustee Limited	35,077,333	17.95%
CitiBank Nominees New Zealand Limited	29,299,190	14.99%
Downie Stewart Trustee Limited	25,333,333	12.96%
Lee Paterson Family Trust Company Limited	11,557,312	5.91%
Lee Joanne PATERSON	9,010,020	4.61%
Dalmore Trustees limited	8,308,000	4.25%
Craig Lachlan MCINTOSH	7,080,000	3.62%
Ronald Joseph GILLAT	5,240,423	2.68%
SFT Investments Limited	4,260,728	2.18%
Investment Custodial Services Limited	3,548,129	1.82%
Total	138,714,468	70.98%

* As at 24 April 2018