

Date de première diffusion / Publication date : 22 novembre 2022 /
November 22nd 2022**Jean Pierre LOZA**Analyste Financier / Equity Analyst
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+ 33 1.41.09.44.80**Implanet****T3 2022 en progression et Sanyou au capital**Avec un T3 à +5% YoY à 1,86 M€, Implanet affiche son 3^{ème} trimestre consécutif de croissance. En outre, Implanet vient de renforcer sa trésorerie en réalisant une augmentation de capital avec DPS d'un montant de 2,77 M€. Achat Fort avec un TP de 0,60 €.**Q3 2022 growth and Sanyou as a shareholder**

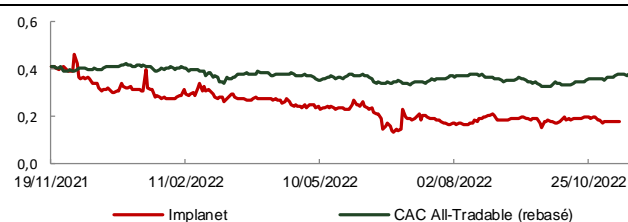
With a Q3 increase by 5% YoY to € 1.86 million, Implanet has posted its third consecutive quarter of growth. In addition, Implanet has just strengthened its cash position by carrying out a capital increase with DPS for an amount of € 2.77 million. Strong Buy with a TP: €0.60.

Recommendation 1. Strong Buy
Closing Price on 21 Nov. 2022 0,17 €
Target price 0,60 € (+260,1 %)**Implanet affiche son 3^{ème} trimestre de croissance à +5% YoY et génère 1,86 M€ de CA. Le millésime 2022 se poursuit sous de bons auspices, car les 9 premiers mois montrent une croissance de 37% du CA global. Succès de l'augmentation de capital de 2,77 M€ et entrée au capital de Sanyou.**

Implanet poursuit son exercice 2022 sur une tendance haussière, puisque le CA du T3 2022 est en augmentation de 5% (YoY) à 1,86 M€. De même, le CA à 9 mois s'apprécie fortement +37% (YoY) à 5,97 M€. Une poursuite de la croissance du CA à mettre au crédit de l'international (USA compris) tandis que la France est quasi stable à -8% sur le T3. Implanet et Sanyou signent un double accord de partenariat portant à la fois sur la distribution en Chine de la gamme JAZZ et sur le développement d'une nouvelle gamme de fixations hybrides.

Opinion Achat Fort maintenue sur la valeur avec un TP à 0,60 €**Implanet posted its 3rd quarter of growth at +5% YoY and generates € 1.86 million in turnover. The 2022 vintage continues to be promising, as the first 9 months sowed a 37% growth of the global turnover. Successful capital increase of € 2.7 million and entry as shareholder of Sanyou.**

Implanet continues its 2022 fiscal year on an upward trend, as Q3 2022 sales are up by 5% (YoY) to € 1.86 million. Likewise, the 9-month turnover has risen sharply by 37% (YoY) to € 5.97 million. The continuation of sales growth can be attributed to the international market (including the USA), while France is almost stable at -8% in Q3. Implanet & Sanyou sign a double partnership agreement for distribution in China of the JAZZ platform and the development of a new hybrid bindings.

Strong Buy opinion maintained on the stock with a TP of €0.60**Performances**Absolute perf. 1 month 6 months 12 months
+ 13 % -18,6 % -59,7 %**Current shareholding structure**Free float : 77 % ; Financial Investors : 18 % ; Management : 4 % ;
Auto control: 1 %**Key figures**

	2020	2021	2022E	2023E	2024E
Sales* (€m)	3,89	6,12	7,97	9,34	10,30
Change (%)	-14,5%	57,3%	30,1%	17,3%	10,2%
EBITDA (€m)	-3,3	-4,3	-1,8	-1,0	-0,5
EBIT (€m)	-3,3	-4,3	-2,0	-1,2	-0,8
EBIT margin (%)	-85,0%	-70,8%	-25,3%	-13,1%	-7,3%
Net profit gp sh. (€m)	-4,0	-3,1	-2,1	-0,8	-0,8
Net margin (%)	-102,1%	-50,6%	-26,1%	-8,4%	-8,0%
EPS	-0,03	-0,01	-0,02	-0,01	-0,02

* MADISON activity restated according IFRS 5

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<https://finance.inextenso.fr/debt-equity-advisory>**Market data**

	ALIMP.PA / ALIMP:FP
Reuters / Bloomberg ticker	ALIMP.PA / ALIMP:FP
Market capitalisation (€m)	5,2 M€
Enterprise value (€m)	5,4 M€
Free Float	4,0 M€ (77 %)
Number of shares	31 180 838
Daily volume	36 844 €
Capital turnover rate (1 year)	185,7%
High (52 weeks)	0,46 €
Low (52 weeks)	0,13 €

Agenda

Jan 17, 2023: 2022 Annual Revenue

Ratios

	2020	2021	2022E	2023E	2024E
VE / CA	2,3	1,3	1,5	1,9	2,4
VE / EBE	NS	NS	NS	NS	NS
VE / REX	NS	NS	NS	NS	NS
P / E	-1,3	-1,7	-2,5	-6,5	-6,3
Gearing (%)	NS	NS	NS	NS	NS
Dettes nette / EBE	-1,1	-0,7	-3,9	-12,6	-39,9
RCE (%)	-64,3%	-135,9%	-55,1%	-30,5%	-17,8%

Un T3 d'atterrissage ou de relance...

Le CA du T3 2022 à 1,86 M€ ne croit que de 5% YoY, dans une dynamique inférieure au T1 et au T2. Les USA, en progressant de 17% YoY, rattrapent légèrement leur déficit annuel tout comme les autres pays à l'international, dont l'activité croît de 13% à 0,696 M€. Seule la France recule sur le trimestre à 0,691 M€, soit -8% par rapport à la même période en 2021. Peut-être faut-il y voir la fin du rattrapage en termes d'interventions chirurgicales, à la suite de différents plans blancs, déprogrammations et multiples mesures de confinement et couvre-feux, qui ont touché la France durant la crise sanitaire et encore récemment. A en croire l'activité USA et reste du monde, nous serions plutôt dans une dynamique de relance pour finir sur un T4 de bon aloi. Toutefois, la situation économique mondiale (inflation galopante, récession économique, hausses des taux) sont autant d'éléments qui pourraient influencer sur l'activité hospitalière.

...avec un CA 9 mois en phase...

Le chiffre d'affaires 9 mois au 30 septembre 2022, est caractérisé par une croissance de 37% portée exclusivement par l'activité Rachis. Cet accroissement est principalement dû à une activité soutenue à l'international (+73% YoY) à 2,18 M€, ainsi qu'à des ventes importantes en France à 2,49 M€ (+40%). Ainsi, les ventes de JAZZ en France, qui se sont arrogées +169% et +25% de croissance, respectivement au T1 et au T2 2022, ont-elles assuré l'essentiel de la croissance au premier semestre. Toutefois, comme nous le soulignons plus haut, les USA peinent à retrouver leur niveau d'avant Covid, puisqu'ils reculent globalement de 2% sur les 9 premiers mois de l'année à 1,28 M€. Une situation, qui nécessite une diversification des partenariats et peut expliquer les nouveaux accords Implanet-Sanyou.

...avec un renforcement de la trésorerie...

La société a réalisé une augmentation de capital avec maintien du droit préférentiel de souscription qui lui a permis de lever 2,77 M€ en émettant 9 879 254 ABSA (Actions avec des Bons de Souscription Attachés). Une opération qui a permis à Sanyou International Medical Holdings d'entrer à hauteur de 28,96% du capital. Par ailleurs, Sanyou Medical devrait encore « monter » au capital durant le S1 2023, lors de l'exercice des BSA qu'elle détient pour 2,5 M€. De plus, Implanet devrait aussi recevoir 0,6 M€ en 2022 et 0,9 M€ en 2023, montants qui représentent le solde des 2,3 M€ reçus lors de la vente de l'activité MADISON.

...et un partenariat accru avec Sanyou...

Par-delà sa prise de participation capitalistique, la firme chinoise entend collaborer plus étroitement avec Implanet. Cet accord de distribution pour la Chine porte initialement sur la gamme JAZZ et devrait offrir à la société bordelaise, l'accès au grand marché chinois (750 000 chirurgies du rachis par an). En outre, Sanyou et Implanet devraient développer une nouvelle gamme de fixations hybrides cherchant à répondre aux nombreux besoins médicaux de la chirurgie du rachis.

...conduit à une Opinion Achat fort maintenue

A la suite de cette publication, nous ajustons nos prévisions de croissance à court et moyen termes, grâce notamment à ce T3 2022 qui semble nous donner une bonne indication de l'exercice 2022.

Toutefois, l'accroissement automatique du nombre d'actions en circulation qui passe ainsi de près de 15 millions à plus de 31 millions, ainsi que la mise à jour des données de marchés (taux sans risque), ont pour effet de diviser par deux notre objectif de cours.

Notre OC ressort donc à 0,60 €. Opinion Achat fort maintenue.

A landing or recovery Q3 ...

Q3 2022 sales, at € 1.86 million, grew by only 5% YoY, with a lower dynamic than in Q1 and Q2. The USA, with a 17% YoY increase, is slightly catching up with its annual deficit, as are certain other countries whose activity grew by 13% to € 0.696 million. Only France is down for the quarter at € 0.691 million, or -8% compared to the same period in 2021. This may reflect the end of the catch-up period in terms of surgical interventions, following the various white plans, deprogramming and multiple containment and curfew measures that affected France during the health crisis and again recently. If we are to believe the activity in the USA and the rest of the world, we would be in a recovery dynamic to end on a good Q4. However, the global economic situation (galloping inflation, economic recession, and rising interest rates) are all elements that could influence hospital activity.

...with nine-months sales in line with...

Nine-month revenues ended September 30, 2022 were up 37%, driven exclusively by the spinal surgery business. This increase is mainly due to sustained international activity (+73% YoY) at € 2.18 million, as well as strong sales in France at € 2.49 million (+40%). As well as JAZZ sales, which grew by 169% and 25% respectively in Q1 and Q2 2022, have accounted for most of the growth in the first half-year. However, as mentioned above, the USA is struggling to return to its pre-Covid level, as it has fallen by 2% overall over the first nine months of the year to € 1.28 million. A situation, which requires a real diversification in term of market and partnership and may enlighten the new Implanet-Sanyou agreements.

...with a reinforcement of the cash

The company carried out a capital increase with preferential subscription rights, which enabled it to raise € 2.77 million by issuing 9,879,254 ABSAs (shares with attached warrants). This operation allowed Sanyou International Medical Holdings to acquire 28.96% of the capital. Furthermore, Sanyou Medical is expected to increase its stake in the company during the first half of 2023, when it will exercise the warrants it holds for € 2.5 million. In addition, Implanet should also receive € 0.6 million in 2022 and € 0.9 million in 2023, amounts that represent the balance of the € 2.3 million paid at the sale of the MADISON business.

...and an increase partnership with Sanyou...

In addition to its capital investment, the Chinese firm intends to work more closely with Implanet. This distribution agreement for China initially concerns the JAZZ range and should give the Bordeaux-based company access to the large Chinese market (750,000 spinal surgeries per year). In addition, Sanyou and Implanet are expected to develop a new range of hybrid fixation devices that will address the many medical needs of spine surgery.

...leads to Strong Buy rating maintained

Following this publication, we adjust our short and medium-term growth forecasts, thanks to Q2, which seems to give us a good indication of the 2022 fiscal year.

However, the automatic increase in the number of shares in circulation, which goes from nearly 15 million to more of 31 million, as well as the update of market data (risk-free rate), have the effect of halving our target price.

Our target price is therefore €0.60. Strong Buy opinion maintained.

Important Disclosure

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In Extenso Financement & Marché stock market recommendations reflect the absolute change expected in the share price from a six to twelve-month perspective (in local currencies).

1. Strong Buy	The absolute share price performance is expected to be at least +25 %
2. Buy	The absolute share price performance is expected to be comprised between +10% and +25 %
3. Neutra	The absolute share price performance is expected to be comprised between +10% and -10 %
4. Sell	The absolute share price performance is expected to be comprised between -10% and -25 %
5. Strong Sell	The absolute share price performance is expected to be at least -25 %

Details of valuation methods used by In Extenso Financement & Marché in target price calculations are available at www.genesta-finance.com.

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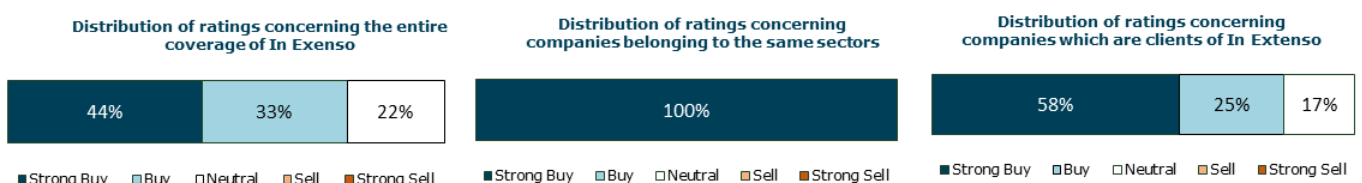
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Rating and target price evolution throughout the last 12 months

Date of 1 st publication	Rating	Target Price
22 nd November 2022	Equity Flash Strong Buy	€ 0.60
18 th July 2022	Equity Flash Strong Buy	€ 1.21
6 th July 2022	Equity Flash Strong Buy	€ 1.21
27 th April 2022	Equity Flash Strong Buy	€ 2.10
6 th April 2022	Equity Flash Strong Buy	€ 2.10
26 th January 2022	Equity Flash Strong Buy	€ 1.86

Ratings distribution



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