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**Implanet****+33% pour le T2 et +58% pour le S1**

Le CA du T2 progresse de 33% YoY, alors que le CA semestriel s'apprécie de 58% porté par la performance domestique (+74%) et un intérêt à l'international renouvelé (+130%). Achat Fort avec un TP de 1,21 €.

+33% for Q2 and +58% for H1

Q2 sales up 33% YoY, while H1 sales appreciate 58% driven by strong domestic performance (+74%) and renewed international interest (+130%). Strong buy with a TP: €1.21.

Recommendation **1. Strong Buy**
Closing Price on 19 Jul. 2022 **0,19 €**
Target price **1,21 € (+536,2 %)**

La dynamique du premier trimestre 2022 se poursuit et se maintient à un niveau élevé au T2, conduisant à un très bon semestre pour Implanet. Par ailleurs, la société vient de signer un accord structurant sur la Chine, pays où elle n'était pas encore présente.

Implanet poursuit son exercice 2022 sur la tendance initiée au premier trimestre, puisque le CA du T2 2022 est en augmentation de 35% (YoY) à 2,09 M€. De même, le CA semestriel s'apprécie fortement +58% (YoY) à 4,09 M€, supérieur à nos attentes (3,78 M€ est.). Cette accélération de la croissance du CA est principalement le fait d'une demande forte à l'international (excepté les USA qui stagnent à -10%) ainsi qu'un rattrapage au niveau français à la suite des nombreuses déprogrammations et autres « Plans Blancs » qui ont touché les services hospitaliers français durant le paroxysme de la crise sanitaire.

Opinion Achat Fort maintenue sur la valeur avec un TP à 1,21 €

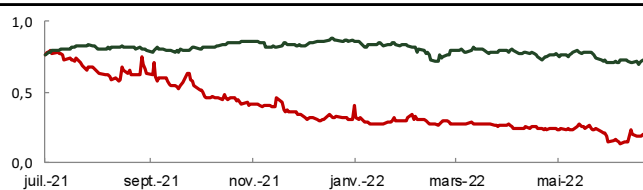
The momentum of the first quarter of 2022 continues and remains at a high level in Q2, leading to a very good half-year for Implanet. In addition, the company has just signed a structuring agreement for China, a country where it is not yet present.

Implanet continues the trend initiated in the first quarter, as Q2 2022 sales increased by 35% (YoY) to € 2.088 million. Similarly, half-year sales rose sharply by 58% (YoY) to €4.09 million, exceeded our expectations (€3.78 million est.). This acceleration in sales is mainly due to strong international demand (excepted the USA, which stagnated at -10%), as well as a catch-up in France following the numerous deprogrammings and other "White Plans" that affected French hospital services during the height of the health crisis.

Strong Buy opinion maintained on the stock with a TP of €1.21

Performances

Absolute perf. 1 month 6 months 12 months
 + 40,1 % -35,4 % -73,9 %

**Current shareholding structure**

Free float : 77 % ; Financial Investors : 18 % ; Management : 4 % ;
 Auto control: 1 %

Key figures

	2020	2021	2022E	2023E	2024E
Sales (€m)	3,9	6,1	7,9	9,7	11,6
Change (%)	11,2%	-14,5%	57,8%	22,7%	19,5%
EBITDA (€m)	-3,3	-4,3	-1,8	-0,7	0,3
EBIT (€m)	-3,3	-4,3	-2,0	-1,0	0,0
EBIT margin (%)	-85,0%	-70,3%	-25,8%	-10,3%	0,4%
Net profit gp sh. (€m)	-4,0	-3,1	-2,1	-0,6	0,0
Net margin (%)	-102,1%	-50,2%	-26,6%	-5,8%	-0,2%
EPS *	-0,03	-0,01	-0,02	-0,01	-0,01

Market data

	ALIMP.PA / ALIMP:FP
Reuters / Bloomberg ticker	ALIMP.PA / ALIMP:FP
Market capitalisation (€m)	2,5 M€
Enterprise value (€m)	2,7 M€
Free Float	1,9 M€ (77 %)
Number of shares	20 120 250
Daily volume	64 687 €
Capital turnover rate (1 year)	677,4%
High (52 weeks)	0,79 €
Low (52 weeks)	0,13 €

Agenda

Sep 20, 2022 : First-Half Results; Oct 18, 2022:Third-Quarter Sales

Ratios

	2020	2021	2022E	2023E	2024E
VE / CA	1,6	0,9	1,2	1,5	1,8
VE / EBE	NS	NS	NS	NS	NS
VE / REX	NS	NS	NS	NS	NS
P / E	-0,6	-0,8	-1,2	-4,5	-130,8
Gearing (%)	NS	NS	NS	NS	NS
Dettes nette / EBE	-1,1	-0,7	-3,8	-16,4	54,3
RCE (%)	-64,3%	-135,2%	-56,0%	-24,3%	1,0%

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Un T2 de très bonne facture...

Le CA du T2 2022 est dans la même dynamique que le T1, peut-être même amplifié, puisqu'il s'établit à 2,09 M€ en progression YoY de 33%. Si l'on ne considère que le CA Rachis, celui-ci progresse de 35% YoY. Le marché français progresse fortement en s'arrogeant 25% de croissance sur T2 2021 à 0,85M€. Une croissance d'autant plus remarquable quand on connaît les problèmes que vit aujourd'hui l'hôpital français (manque de personnel, succession de Plans Blancs, déprogrammations multiples). A l'international, Implanet et ses distributeurs affichent une progression impressionnante +106% à 0,810 M€. Toutefois, nous sommes un peu désappointés par les USA qui reculent de 10% à 0,429 M€. Faut-il y voir encore un effet de la crise sanitaire ?

...avec un S1 en phase...

Au S1 2022, l'activité Rachis s'est accrue de 59% YoY passant de 2,57 M€ à 4,09 M€ (soit un multiple de 1,6). Cet accroissement est principalement dû à une accélération forte de l'activité à l'international (+130% YoY) multipliée par 2,3 à 1,49 M€. Comme nous le soulignons plus haut, les USA peinent à retrouver leur niveau d'avant Covid, puisqu'ils reculent de 10% à 0,80 M€. Implanet devra peut-être renforcer sa présence aussi bien auprès de ses distributeurs historiques qu'auprès de ses partenaires privilégiés (cf. SeaSpine).

...avec une internationalisation croissante

L'accord avec Sanyou Medical est le reflet de l'internationalisation croissante d'Implanet. Bien qu'elle trouve encore des relais de croissance sur son marché domestique (+74% en France pour le S1 2022 YoY), Implanet se doit de se renforcer à l'international.

Tout d'abord aux USA, où son implantation est « ancienne » aussi bien grâce à ses structures de vente directe qu'aux différents partenariats mis en place.

Aujourd'hui avec Sanyou Medical, Implanet fait sienne la vieille admonestation attribuée prétendument à Horace P Greeley en le transformant à sa sauce "Go East, young man, go East and grow up with the country." Sanyou Medical est un acteur de premier plan de la chirurgie du rachis en Chine. Fondée en 2005, Shanghai Sanyou Medical Co., Ltd. est une société qui se consacre à la recherche et au développement, à la fabrication et à la vente de produits orthopédiques innovants et indépendants. Depuis sa création, Shanghai Sanyou Medical, a semble-t-il mis l'accent sur l'amélioration des produits, grâce notamment à des infrastructures de R&D particulièrement performantes ainsi qu'à des outils de gestion de projets tout aussi avancés. Avec un CA 21 de 84,9 M€ en progression de 39,3 % YoY, avec un EBIT aussi en progression de 36,2% à 29,2 M€, Sanyou Medical apparaît de prime abord comme le partenaire idéal pour aborder les rives chinoises. De plus son engagement capitalistique auprès d'Implanet nous semble de bon aloi pour soutenir les hypothèses de croissance du groupe chinois qui aura besoin d'innovations importantes pour son marché domestique.

Opinion Achat fort maintenue

A la suite de cette publication, nous maintenons nos prévisions de croissance à court et moyen termes, grâce notamment à ce T2 2022 qui semble nous donner une bonne indication de l'exercice 2022.

Nous demeurons confiants dans la capacité de la société à capitaliser avec succès sur son recentrage sur le rachis. Il est toutefois évident que la commercialisation aux USA ne correspond pas aux attentes de la société ainsi qu'aux nôtres. Nous espérons beaucoup de la reprise en mains de son activité commerciale à l'international, et plus particulièrement aux USA.

Notre TP ressort donc à 1,21 €. Opinion Achat fort maintenue.

A very good Q2...

The Q2 2022 turnover is in the same dynamic as Q1, perhaps even amplified, since it stands at €2.09 million, up 33% YoY. If we consider only the spinal column sales, they increased by 35% YoY. The French market is making strong progress, with 25% growth in Q2 2021 to €0.849 million. This growth is even more remarkable given the problems that French hospitals are experiencing today (lack of personnel, succession of White Plans, multiple deprogramming). Internationally, Implanet and its distributors show an impressive +106% increase to €0.810 million. However, we are a little disappointed by the USA, which is down by 10% to €0.429 million. Should we see this as another effect of the health crisis?

...with an exceptional H1...

In H1 2022, the Spinal activity increased by 59% YoY from €2.57 million to €4.09 million (a multiple of 1.6). This increase is mainly due to a strong acceleration of the international activity (+130% YoY) multiplied by 2.3 to €1.49 million. As mentioned above, the USA is struggling to regain its pre-Covid level, since it is down 10% to €0.802 million. Implanet may have to reinforce its presence with its historical distributors as well as with its privileged partners (cf. SeaSpine).

... with increasing internationalization

The agreement with Sanyou Medical reflects Implanet's growing internationalization. Although it is still finding growth drivers in its domestic market (+74% in France for H1 2022 YoY), Implanet needs to strengthen its international presence.

First of all, in the USA, where it has been established for a long time, both through its direct sales structures and the various partnerships it has set up.

Today with Sanyou Medical, makes the adage allegedly of Horace P Greeley, its own by transforming it to its sauce "Go East, young man, go East and grow up with the country." Sanyou Medical is a leading player in spine surgery in China. Founded in 2005, Shanghai Sanyou Medical Co, Ltd. is a company dedicated to the research and development, manufacturing, and sales of innovative and independent orthopedic products. Since its inception, Shanghai Sanyou Medical, Ltd. has been focusing on product improvement, with a strong R&D infrastructure and advanced project management tools. With a turnover of €84.9 million, up 39.3% YoY, and an EBIT also up 36.2% to €29.2 million, Sanyou Medical appears at first glance to be the ideal partner to approach the Chinese shores. Moreover, its capital commitment to Implanet seems to us to be the right one to support the growth assumptions of the Chinese group, which will need important innovations for its domestic market.

Strong Buy rating maintained

Following this publication, we are maintaining our short and medium-term growth forecasts, thanks to Q2, which we believe gives a good indication of fiscal 2022.

We remain confident in the company's ability to successfully capitalize on its refocus on spine. However, the marketing in the US is not in line with the company's and our expectations. We have high hopes for the resumption of its international commercial activity, particularly in the USA.

Our TP is therefore €1.21/share. Strong Buy opinion maintained.

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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 %

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Rating and target price evolution throughout the last 12 months

Date of 1 st publication	Rating	Target Price
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
4 th October 2021	Equity Flash Strong Buy	€ 1.96

Ratings distribution



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