

Date de première diffusion / Publication date : 17 juillet 2020 /  
July 17<sup>th</sup> 2020

**Jean Pierre LOZA**

Analyste Financier / Equity Analyst  
jploza@genesta-finance.com  
+ 33 1.45.63.68.87

**Implanet****Un S1 infecté par la Covid-19**

La pandémie de Covid-19, en réduisant l'activité quotidienne hospitalière, a fortement affecté le chiffre d'affaires d'Implanet au second trimestre (-46%). Le CA du 1<sup>er</sup> semestre 2020 s'établit à 2,595 M€, en recul de 32% par rapport à 2019. Opinion Achat avec un objectif de cours de 1,44 €.

**H1 infected with Covid-19**

The Covid-19 pandemic, by reducing daily hospital activity, strongly affected Implanet's second quarter sales (-46%). Sales for the H1 2020 stood at € 2.595 million, down 32% from same period last year. Buy Opinion with a target price of 1.44 €.

<b>Recommendation</b>	<b>2. Buy</b>
<b>Closing price on 16 July 2020</b>	<b>1,18 €</b>
<b>Target price</b>	<b>1,44 € (+21,9 %)</b>

**Implanet : Un S1 affecté par la Covid**

Les résultats du S1 2020 montrent que le CA s'est réduit de 32% à 2,595 M€ contre 3,818 M€ au S1 2019, affecté par la réduction drastique des opérations non urgentes au sein des institutions hospitalières au plus fort de la pandémie de Covid-19. La dynamique de croissance de JAZZ à l'exportation a été fortement perturbée. Après un T1 en demi-teinte, le T2 a été marqué par une baisse importante du CA global de 46% à 1,03 M€ contre 1,91 M€ au T2 2019.

De nombreux pays, pour faire face de manière satisfaisante à la pandémie de Covid-19, ont dû mobiliser leurs systèmes de santé contre le virus au détriment de l'activité « normale » de leurs hôpitaux et reporter près de 28 millions d'interventions chirurgicales.

Opinion néanmoins à l'Achat sur la valeur, avec un TP à 1,44 €.

**Implanet: H1 affected by Covid**

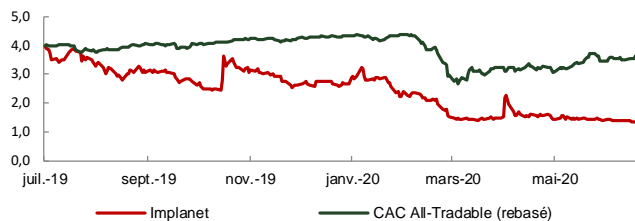
H1 2020 results show that sales decreased by 32% to € 2,595 million compared to € 3,818 M in H1 2019, affected by the drastic reduction of non-emergency operations in hospital institutions at the height of the pandemic. JAZZ's export growth momentum has been severely halted by the pandemic. After a mixed Q1, Q2 was marked by a significant drop in overall turnover of 46% to € 1.03 million compared to € 1.91 million in Q2 2019.

Many countries, to cope satisfactorily to the Covid-19 pandemic, had to mobilize their health systems against the virus to the detriment of the "normal" activity of their hospitals and postpone nearly 28 million surgeries.

Opinion however Buy on the stock, with a TP at 1.44 €.

**Performances**

Absolute perf.	1 mois	6 mois	12 mois
	-17,9 %	-60 %	-70,5 %

**Market data**

Reuters / Bloomberg ticker	ALIMP.PA / ALIMP:FP
Market capitalisation (€m)	3,8 M€
Enterprise value (€m)	4,1 M€
Free Float	3,0 M€ (77 %)
Number of shares	3 028 472
Daily volume	82 932 €
Capital turnover rate (1 year)	566,9%
High (52 weeks)	4,00 €
Low (52 weeks)	1,34 €

**Current shareholding structure**

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

**Agenda**

July 7, 2020 : 2020 H1 revenue ;  
Sept 15 2020 : 2020 H1 results.

**Key figures**

	2017	2018	2019	2020E	2021E
Sales (M€)	7,8	6,7	7,4	6,6	11,6
Change (%)	0,2%	-14,3%	10,2%	-11,0%	75,2%
EBITDA (M€)	-5,5	-5,2	-3,3	-4,0	6,2
EBIT (M€)	-6,2	-5,4	-3,4	-4,2	5,8
EBIT margin (%)	-79,5%	-79,9%	-46,3%	-63,6%	50,3%
Net profit gp sh. (€r)	-6,6	-5,6	-3,6	-4,5	5,7
Net margin (%)	-84,3%	-82,6%	-49,2%	-68,1%	49,7%
EPS	-0,28	-0,17	-0,11	-0,14	0,17

**Ratios**

	2017	2018	2019	2020E	2021E
VE / CA	1,8	1,4	1,1	1,8	0,5
VE / EBE	NS	NS	NS	NS	NS
VE / REX	NS	NS	NS	NS	NS
P / E	-2,1	-0,7	-1,1	-0,9	0,7
Gearing (%)	-24,5%	-5,7%	88,1%	66,3%	122,4%
Dette nette / EBE	0,4	0,1	-1,1	-1,2	-1,9
RCE (%)	-118,3%	-119,5%	-109,2%	-70,0%	-104,1%

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## Un T2 en forte contraction

Si les trois premiers mois de l'année n'avaient que peu été touchés par la crise sanitaire avec un CA qui ne s'était que peu réduit à -18% par rapport au T1 2019, le T2 2020 s'est fortement contracté à -46%. Le CA global du T2 s'est établi à 1,029 M€ contre 1,915 M€ au T2 2019. La franchise JAZZ a notablement reculé de 37% à 0,782 M€ (vs 1,244 M€ au T2 2019) ainsi que la franchise MADISON qui accuse un recul encore plus importante -63% de 0,67 M€ au T2 2019 à 0,246 M€ au T2 2020.

Cette dégradation de l'activité est consécutive à la situation épidémique mondiale et à la mise en place concomitamment dans les différents systèmes de santé de plans de préservation de l'activité hospitalière (cf. le plan blanc en France). Toutefois, depuis le déconfinement en France et depuis le début du mois de juin, Implanet constate un accroissement continu des pourcentages de réalisation des ventes. En effet cet indicateur avait décliné en mars (42%) pour toucher un plus bas en avril à 11% pour repartir à la hausse en mai et juin (37% et 80%). Des taux de réalisation des ventes très différents de ceux observés en janvier et février 2020 respectivement 111% et 115%.

## Le Covid-19 met un coup d'arrêt au S1 2020

Le premier semestre 2020 est marqué par un recul de 32% du CA global. Sur la même période en 2019, Implanet avait enregistré un CA à 3,818 M€, conséquences de plusieurs trimestres de croissance. Au S1 2020, Implanet affiche un CA à 2,595 M€, marqué par le recul de 37% de l'activité JAZZ qui passe ainsi de 2,284 M€ en 2019 (T1) à 1,510 M€ au T1 2020. Par ailleurs, la franchise MADISON a subi elle aussi un fort ralentissement de l'ordre de -24% à 1,085 M€ contre 1,434 M€ en 2019. Ces franchises sont fortement impactées par la crise sanitaire, notamment par les dispositions hospitalières qui ont modifié en profondeur les plannings opératoires et donc les commandes et ce de manière mondiale, d'où le ralentissement de l'activité d'exportation d'Implanet car nombre de pays clients de la société bordelaise ont ralenti voire stoppé leur activité (cf. USA, Brésil).

## Covid-19 : 28 millions d'opérations reportées

Une récente étude (publié dans Sciences & Avenir) de chercheurs de l'Université de Birmingham, nommée COVIDSurg, a permis de déterminer à l'échelle internationale le nombre exact d'opérations chirurgicales annulées sur une période de 12 semaines. Menée de manière rétrospective par un questionnaire envoyé à 359 hôpitaux dans 71 pays et alimenté par d'autres contributions statistiques qui portent le nombre de pays à 193.

Les conclusions montrent que c'est plus de 28 millions d'opérations chirurgicales qui auraient été reporté à travers le monde. A 90,2% ces chirurgies étaient bénignes (la vie des patients n'étant pas menacée, elles pouvaient être repoussées), pour 8,2% ces interventions étaient pour traiter des cancers et pour 1,6% des actes d'obstétriques.

Pour les interventions bénignes pouvant être annulées, elles touchaient majoritairement l'orthopédie. Ainsi, en France ce ne sont pas moins de 58 708 interventions chirurgicales de tout type qui auraient été reportées ou annulées par semaine. Aux USA, c'est 343 670 opérations /semaine, 247 444/semaine au Brésil et 326 177 en Chine. Les chercheurs de COVIDSurg ont donc modélisé le temps nécessaire pour rattraper le retard. Celui-ci se situerait entre 29 et 95 semaines en fonction de la montée en puissance de la volumétrie des services de 10 à 30% de plus.

Ce qui pourrait permettre d'expliquer la rapide montée en puissance du mois de juin pour Implanet ainsi que pour les mois qui viennent si aucun nouvel épisode de confinement ne survient.

## A T2 in strong contraction

If the first three months of the year had been only slightly affected by the health crisis with a turnover which had only slightly reduced to -18% compared to Q1 2019, Q2 2020 contracted sharply to -46%. Q2 overall sales amounted to € 1.029 million compared to € 1.915 million in Q2 2019. The JAZZ franchise fell significantly by 37% to € 0.782 million (vs € 1.244 million in Q2 2019) as well as the MADISON franchise which shows an even greater decline -63% from € 0.67 million in Q2 2019 to € 0.246 million in Q2 2020.

This deterioration in activity is due to the global epidemic situation and the simultaneous implementation in the various systems of health of hospital activity preservation plans (cf. the white plan in France). However, since the deconfinement in France and since the beginning of June, Implanet has noted a continuous increase in the percentages of sales achievements. Indeed, this indicator had declined in March (42%) to reach a low in April to 11% to start rising again in May and June (37% and 80%). Sales achievement rates quite different from those observed in January and February 2020 respectively 111% and 115%.

## Covid-19 halts H1 2020

The first half of 2020 was marked by a 32% drop in overall turnover. Over the same period in 2019, Implanet had sales of € 3.818 million, the result of several quarters of growth. In H1 2020, Implanet posted sales of € 2,595 million, marked by a 37% decline in JAZZ activity, which went from € 2,284 million in 2019 (Q1) to € 1,510 million in Q1 2020. Furthermore, the franchise MADISON also suffered a sharp slowdown in the order of -24% to € 1.085 million compared to € 1.434 million in 2019. These franchises are strongly impacted by the health crisis, in particular by hospital provisions which have significantly modified operating schedules and therefore orders and this globally hence the slowdown in Implanet's export activity because many of the Bordeaux company's client countries have slowed down or even stopped their activity (cf. USA, Brazil).

## Covid-19: 28 million operations carried over

A recent study (published in Sciences & Avenir) by researchers at the University of Birmingham, named COVIDSurg, has made it possible to determine internationally the exact number of operations canceled over a 12-week period. Carried out retrospectively by a questionnaire sent to 359 hospitals in 71 countries and fed by other statistical contributions which bring the number of countries to 193.

The conclusions show that more than 28 million surgical operations have been reported worldwide. At 90.2% these surgeries were benign (the life of the patients not being threatened they could be postponed), for 8.2% these interventions were for treating cancers and for 1.6% of obstetric acts.

For benign interventions that can be canceled, they mainly involved orthopedics. Thus, in France, no less than 58,708 surgical operations of all types have been postponed or canceled per week. In the USA, it was 343,670 procedures / week, 247,444 / week in Brazil and 326,177 in China. COVIDSurg researchers have therefore modeled the time needed to catch up. It would be between 29 and 95 weeks depending on the increase in the volume of services from 10 to 30% more.

This could explain the June rapid ramp-up for Implanet as well as for the months to come if no new episode of containment occurs.

## Important Disclosure

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<b>1. Strong buy</b>	The absolute share price performance is expected to be at least +25 %
<b>2. Buy</b>	The absolute share price performance is expected to be comprised between +10 % and +25 %
<b>3. Neutral</b>	The absolute share price performance is expected to be comprised between +10 % et -10 %
<b>4. Sell</b>	The absolute share price underperformance is expected to be comprised between -10 % et -25 %
<b>5. Strong Sell</b>	The absolute share price underperformance is expected to be at least -25 %

Details of valuation methods used by Genesta Equity Research in target price calculations are available at [www.genesta-finance.com](http://www.genesta-finance.com).

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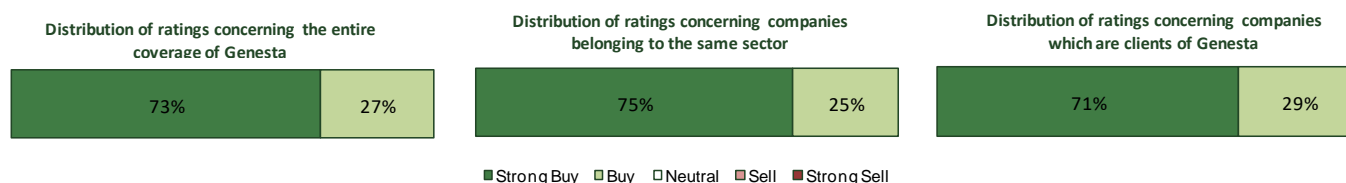
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### Rating and target price evolution throughout the last 12 months

Date of 1 <sup>st</sup> publication	Rating	Target Price
17 <sup>th</sup> July 2020	Equity Flash <b>Buy</b>	€ 1.44
20 <sup>th</sup> May 2020	Equity Flash <b>Suspended / Covid-19</b>	<b>Suspended / Covid-19</b>
11 <sup>th</sup> March 2020	Equity Flash <b>Strong buy</b>	€ 1.97
29 <sup>th</sup> January 2020	Equity Flash <b>Strong buy</b>	€ 0.55
21 <sup>st</sup> October 2019	Equity Flash <b>Strong buy</b>	€ 0.55
11 <sup>th</sup> July 2019	Equity Flash <b>Strong buy</b>	€ 0.71
23 <sup>rd</sup> July 2019	Equity Flash <b>Strong buy</b>	€ 0.70

### Ratings distribution



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