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**Implanet****Le T4 clôture en beauté une année de croissance (+20%)**

Le T4 2019 à +20% marque le quatrième trimestre de croissance avec un CA de 1,8 M€. Le CA annuel s'établit à 7,4 M€ enregistrant une croissance de 10% pour l'année 2019 par rapport à 2018. Opinion Achat Fort avec un objectif de cours de 0,55 € / action.

**Q4 ends a successful year of growth (+ 20%)**

Q4 2019 at + 20% marks the fourth quarter of growth with turnover of € 1.8 million. Annual sales amounted to € 7.4 million, recording 10% growth for 2019 compared to 2018. Strong Buy Opinion with a price target of € 0.55 / share.

<b>Recommendation</b>	<b>1. Strong Buy</b>
<b>Closing price on 27 January 2020</b>	<b>0,07 €</b>
<b>Target price</b>	<b>0,55 € (+678,2 %)</b>

**Implanet : un exercice en accord avec les objectifs**

Avec un S2 2019, qui progresse de 16%, Implanet affiche une croissance soutenue notamment avec un T4 à +20% par rapport à la même période en 2018. Le CA du T4 s'établit donc à 1,8 M€ contre 1,54 M€ en 2018. Le CA pour l'exercice 2019 progresse de 10% à 7,4 M€ contre 6,7 M€ en 2018. Ce CA est quasiment en ligne avec nos estimations (7,8 M€), soutenu par la croissance forte de l'activité des gammes MADISON et JAZZ aussi bien en Europe qu'aux Etats-Unis. Par ailleurs, les partenaires d'Implanet (SeaSpine & Kico) ont réalisé leurs premières commandes au cours de ce second semestre.

Avec cette publication, nous maintenons nos estimations sur la valeur ainsi que notre opinion positive Achat Fort sur la valeur, avec un TP à 0,55 €.

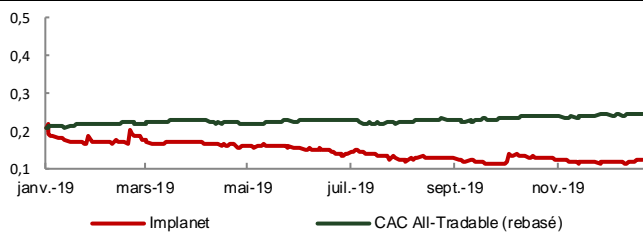
**Implanet: an exercise in line with the objectives**

With H2 2019, which rose by 16%, Implanet posted sustained growth, in particular with Q4 at + 20% compared to the same period in 2018. Q4 turnover therefore stood at € 1.8 million against € 1,54 million in 2018. Revenue for the 2019 financial year increased by 10% to € 7.4 million compared to € 6.7 million in 2018. This turnover is nearly in line with our estimates (€ 7.8 million), supported by the strong growth in the activity of the MADISON and JAZZ ranges both in Europe and in the United States. In addition, Implanet's partners (SeaSpine & Kico) placed their first orders during the second half of the year.

With this publication, we maintain our estimates on the company as well as our positive Buy Strong opinion on the share, with a TP at 0.55 €.

**Performances**

Absolute perf.	1 mois	6 mois	12 mois
	+2,5 %	-19,9 %	-55,4 %

**Market data**

Reuters / Bloomberg ticker	ALIMP.PA / ALIMP:FP
Market capitalisation (€m)	4,8 €
Enterprise value (€m)	5,1 M€
Free Float	3,7 M€ (77 %)
Number of shares	55 507 441
Daily volume	40 197 €
Capital turnover rate (1 year)	216,6%
High (52 weeks)	0,17 €
Low (52 weeks)	0,06 €

**Agenda**

24 Feb 20 : 2019 Full-year results;  
21 Apr 20 : 2020 Q1 revenue.

**Ratios**

	2017	2018	2019E	2020E	2021E
VE / CA	1,9	1,5	1,1	1,0	0,7
VE / EBE	NS	NS	NS	NS	NS
VE / REX	NS	NS	NS	NS	NS
P / E	-2,3	-0,9	-1,7	-2,3	-43,6
Gearing (%)	-24,5%	-5,7%	88,1%	55,6%	97,7%
Dette nette / EBE	0,4	0,1	-1,1	-1,6	-4,3
RCE (%)	-118,3%	-119,5%	-109,2%	-51,1%	-32,9%

**Current shareholding structure**

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

**Key figures**

	2017	2018	2019E	2020E	2021E
Sales (M€)	7,8	6,7	7,4	11,2	15,5
Change (%)	0,2%	-14,3%	10,1%	51,7%	38,2%
EBITDA (M€)	-5,5	-5,2	-2,2	-1,4	0,4
EBIT (M€)	-6,2	-5,4	-2,5	-1,8	0,0
EBIT margin (%)	-79,5%	-79,9%	-33,8%	-16,0%	-0,3%
Net profit gp sh. (€)	-6,6	-5,6	-2,8	-2,1	-0,1
Net margin (%)	-84,3%	-82,6%	-37,9%	-18,7%	-0,7%
EPS	-0,28	-0,17	-0,08	-0,06	0,00

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### Un T4 2019 : quatrième trimestre de croissance en 2019

Avec un CA T4 de 1,85 M€, Implanet engrange près de 20% de hausse sur le T4 2018 signant ainsi son quatrième trimestre de croissance (T1 : +2%, T2 : +8%, T3 : +12% et T4 : +20%). Cette année 2019 se termine donc sur cette note positive.

Si jusqu'alors la croissance avait été portée principalement par le dynamisme de la franchise JAZZ, qui au T4 2019 s'adjuge +16% à 0,979 M€, c'est la gamme MADISON qui a surperformé au T4. En effet, avec une progression de 25%, l'activité prothèse de genou génère près de 0,871 M€ sur le T4. Sur ce trimestre, l'activité JAZZ n'aurait représenté que 53% du CA, alors que MADISON s'en adjugeait 47%. Ainsi, cette forte accélération serait en partie due aux premières livraisons du contrat Kico et aux ventes à l'international.

### 2019 : une année de croissance forte

Avec un CA 2019 de 7,4 M€, Implanet enregistre l'une des plus fortes croissances de la période (+10%). La franchise JAZZ, qui contribue pour 61% (4,55 M€) au CA d'Implanet, a poursuivi sa progression aux USA (+12%) à 2,17 M€ tout en demeurant stable sur la France à 1,56 M€. Par contre en Europe (hors France) et dans le reste du monde, JAZZ affiche une croissance forte à +43% (0,83 M€) boostée à la fois par l'approche directe (équipes dédiées chez Implanet) comme en Allemagne et aux USA, mais aussi par le partenariat avec SeaSpine notamment aux USA. Ainsi, Implanet a commercialisé en 2019, 9 171 unités JAZZ contre 8 246 en 2018, soit +11% en volume. L'Europe (hors France) et le reste du monde affichent la plus forte progression en volume (commercialisation en direct) avec +28%, suivi des USA (approche en direct et par les équipes de SeaSpine) avec +17% de volumes supplémentaires. La franchise Genou portée maintenant par la commercialisation de la prothèse MADISON, qui s'est octroyé + 9% de croissance (2,86 M€) sur l'année 2019 avec un T4 à plus de 25%. Il convient de souligner le fait que les commandes de Kico notamment pour la prothèse ne sont entrées dans le P&L d'Implanet que pour le T4.

### Opinion Achat Fort maintenue

Suite à cette publication, nous maintenons notre recommandation d'achat sur le titre avec un objectif de cours ajusté à 0,55 € / action.

Notre opinion positive sur le titre est confortée par 1) la réorganisation des ventes sur les USA, la France et l'Allemagne, 2) les deux partenariats structurants avec SeaSpine et Kico.

### Q4 2019: fourth quarter of growth in 2019

With a Q4 turnover of € 1.85 million, Implanet reaped almost 20% increase in Q4 2018, thus marking its fourth quarter of growth (Q1: + 2%, Q2: + 8%, Q3: + 12% and Q4: + 20%).

This year 2019 therefore ends on this positive note. If growth had been driven mainly by the dynamism of the JAZZ franchise, which in Q4 2019 was + 16% at € 0.979 million, it was the MADISON range that outperformed in Q4. Indeed, with a 25% increase, the knee prosthesis activity generated nearly € 0.871 million in Q4. In this quarter, JAZZ activity would have represented only 53% of turnover, while MADISON claimed 47%. Thus, this strong acceleration would be partly due to the first deliveries of the Kico contract and to international sales.

### 2019: a year of strong growth

With net sales of € 7.4 million in 2019, Implanet recorded one of the strongest growths of the period (+ 10%). The JAZZ franchise, which contributes 61% (€ 4.55 million) to Implanet's turnover, continued its growth in the USA (+ 12%) at € 2.17 million while remaining stable in France at € 1.56 million. On the other hand, in Europe (except France) and in the rest of the world, JAZZ posted strong growth at + 43% (€ 0.83 million) boosted both by the direct approach (dedicated teams at Implanet) as in Germany and in the USA, but also through the partnership with SeaSpine, especially in the USA. Implanet marketed 9,171 JAZZ units in 2019 compared to 8,246 in 2018, i.e. + 11% in volume. Europe (excluding France) and the rest of the world posted the strongest growth in volume (direct marketing) with + 28%, followed by the USA (direct approach and by SeaSpine teams) with + 17% additional volumes. The Knee franchise now carried by the marketing of the MADISON prosthesis, which gained + 9% growth (2.86 M €) in 2019 with a Q4 above 25%. It should be emphasized that Kico's orders, particularly for the prosthesis, only entered the P&L of Implanet for the T4.

### Strong Buy Opinion maintained

Following this publication, we are maintaining our recommendation to buy the stock with a target price adjusted to € 0.55 / share.

Our positive opinion on the value is comforted by 1) the reorganization of sales on the most buoyant countries (USA, France, Germany), 2) the structuring partnerships set up (SeaSpine, Kico) with joint commercial actions.

## Important Disclosure

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Genesta Equity Research stock market recommendations reflect the absolute change expected in the share price from a six to twelve-month perspective (in local currencies).

<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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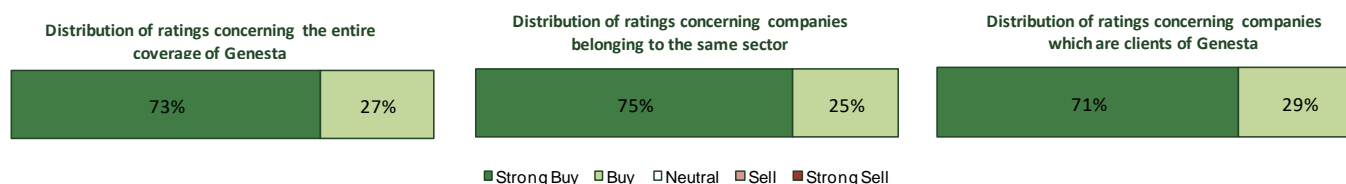
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No	No	No	No	Yes	No	Yes

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

Date of 1 <sup>st</sup> publication	Rating	Target Price
31 <sup>st</sup> January 2020	Equity Flash <b>Strong buy</b>	€ 0.55
23 <sup>rd</sup> October 2019	Equity Flash <b>Strong buy</b>	€ 0.55
11 <sup>th</sup> September 2019	Equity Flash <b>Strong buy</b>	€ 0.71
23 <sup>rd</sup> July 2019	Equity Flash <b>Strong buy</b>	€ 0.70
23 <sup>rd</sup> May 2019	Equity Flash <b>Strong buy</b>	€ 0.70
14 <sup>th</sup> March 2019	Equity Flash <b>Strong buy</b>	€ 0.93

### Ratings distribution



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