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**Implanet****CA FY 2020 de 6,0 M€, à la recherche de masse critique**

Implanet, qui vient d'annoncer son CA pour l'exercice 2020 en retrait de 19% par rapport à 2019, est en négociations exclusives pour acquérir un fabricant européen d'implants pour la chirurgie du rachis, grâce notamment à un nouveau financement. Opinion Achat Fort avec un objectif de cours de 1,40 €.

**FY 2020 revenue at €6.0 million, looking for critical mass**

Implanet, which has just announced its sales for fiscal year 2020, down by 19% compared to 2019, is in exclusive negotiations to acquire a European manufacture of spinal implants, thanks in particular to new financing. Strong Buy with a TP of € 1.40.

**Recommendation** **1. Strong Buy**  
**Closing Price on 21 Jan. 2021** **1,05 €**  
**Target price** **1,40 € (+33,8 %)**

**Malgré la crise sanitaire, Implanet modère le recul de son CA à 6,012 M€ (-19%). Par ailleurs, la société est entrée en négociations exclusives pour acquérir un fabricant européen d'implants.**

Avec son CA de 6 M€, Implanet a su limiter l'effet négatif de la crise sanitaire pandémique en réalisant un T4 certes en recul de 10% sur l'exercice précédent. Par ailleurs, Implanet est en bonne voie pour réaliser une acquisition dans le domaine des implants rachidiens afin d'atteindre une taille critique de CA, opération qui lui permettrait d'accroître sa visibilité et son pouvoir de négociation lors de certains appels d'offres hospitaliers.

**Après mise à jour de notre modèle (estimations CA, nombre actions), nous ajustons notre TP à 1,40 € par action et maintenons notre opinion Achat Fort sur la valeur. Toutefois, nous attendons des informations supplémentaires sur cette opération de M&A attendue qui nous amènerait à amender notre modèle.**

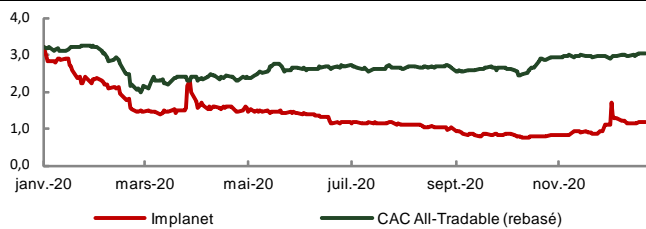
**Despite the health crisis, Implanet moderates the decline in sales to €6.012 million (-19%). In addition, the company entered exclusive negotiations to acquire a European implant manufacturer.**

With sales of €6 million, Implanet was able to limit the negative impact of the pandemic health crisis by achieving a Q4 that was admittedly 10% lower than the previous year. In addition, Implanet is on track to complete an acquisition in the field of spinal implants in order to reach a critical turnover size, an operation which would allow it to increase its visibility and its negotiating power during certain hospital tenders.

**After updating our model (revenue estimates, number of shares), we are adjusting our TP to € 1.40 per share and maintaining our Strong Buy opinion on the stock. However, we are awaiting additional information on this expected M&A transaction which would lead us to amend our model.**

**Performances**

Absolute perf.	1 mois	6 mois	12 mois
	-0,9 %	-6,1 %	-66 %

**Market data**

Reuters / Bloomberg ticker	ALIMP.PA / ALIMP.FP
Market capitalisation (€m)	6,1 M€
Enterprise value (€m)	6,3 M€
Free Float	4,7 M€ (77 %)
Number of shares	5 800 419
Daily volume	114 298 €
Capital turnover rate (1 year)	493,6%
High (52 weeks)	3,20 €
Low (52 weeks)	0,75 €

**Agenda**

Feb 16 2021: 2020 FY Results; Mar 31 2021: AGM; Apr 20 2021: Q1 Revenue

**Ratios**

	2018	2019	2020E	2021E	2022E
VE / CA	1,3	1,3	2,3	1,0	1,1
VE / EBE	NS	NS	NS	NS	NS
VE / REX	NS	NS	NS	NS	NS
P / E	-1,1	-1,7	-1,5	-2,6	-3,1
Gearing (%)	NS	NS	NS	NS	NS
Dette nette / EBE	0,4	0,1	-0,5	-1,1	-2,0
RCE (%)	-112,4%	-67,8%	-71,2%	-47,3%	-36,5%

**Current shareholding structure**

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

**Key figures**

	2018	2019	2020E	2021E	2022E
Sales (M€)	6,7	7,4	6,0	9,8	11,2
Change (%)	-14,3%	10,2%	-18,8%	63,3%	12,8%
EBITDA (M€)	-4,8	-3,4	-3,8	-2,0	-1,6
EBIT (M€)	-5,3	-3,5	-3,8	-2,3	-1,9
EBIT margin (%)	-79,6%	-46,6%	-63,8%	-23,2%	-16,8%
Net profit gp sh. (€)	-5,5	-3,7	-4,1	-2,3	-2,0
Net margin (%)	-82,3%	-49,5%	-68,8%	-23,9%	-17,4%
EPS *	-0,16	-0,06	-0,71	-0,40	-0,34

\* : 1 for 40 reverse stock split executed January 2020 (40 existing shares for one new share)

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### Un T4 qui limite les dégâts

Avec un T4 qui s'établit à 1,667 M€ en retrait de 10% par rapport au T4 2019, Implanet atténue les effets de la crise sanitaire. Toutefois, la ventilation de ce CA trimestriel montre que la contribution US (ventes directes et en partenariat avec SeaSpine) est essentielle en croissance de 34% dans la franchise JAZZ. Alors que l'on assiste à un recul de 18% en France et en Allemagne, deux pays touchés de plein fouet par les re-confinements et divers couvre-feux, de multiples pressions pesant sur le système hospitalier ont conduit à reprogrammer de très nombreux actes chirurgicaux. Nous en voulons pour preuve la baisse importante de la franchise MADISON à -31% sur le trimestre et -21% sur l'exercice. Malgré tout, l'activité JAZZ progresse de 9% à 1,063 M€ durant le T4 et n'abandonne que 17% sur l'année 2020 à 3,768 M€ contre 4,552 M€ en 2019. Par ailleurs, il existe des raisons de se réjouir notamment grâce à la performance internationale de la franchise JAZZ qui progresse au T4 de +45% aux USA et de +32% dans le reste du monde.

La situation de trésorerie au 31 décembre était de 1,1 M€.

### Rapprochement et financement

En phase de négociations exclusives, Implanet souhaite faire l'acquisition d'une entreprise de fabrication d'implants rachidiens. Ce projet d'acquisition, déjà avancé, devrait se finaliser en avril 2021 et sera réalisé en numéraire et en titres Implanet. La « société cible » aurait réalisé un CA de 4 M€ en 2019, pour une large gamme de produits destinés à la chirurgie du rachis. La société, qui commercialise ces produits marqués en direct et par des partenariats de distribution, a récemment reçu une homologation de la FDA (510(k)). Cette opération devrait élargir le périmètre des produits commercialisés par Implanet, avec notamment une gamme plus complète sur les implants spinaux. Afin de réaliser cette opération, Implanet a d'ores et déjà négocié une nouvelle ligne de financement obligataire d'un montant de 5 M€ (500 OC de 10 000 € chacune) avec Nice & Green en complément du solde de 0,9 M€ au titre du précédent programme d'OC de février 2020.

### Sur le front des bonnes nouvelles

En décembre dernier, suite à l'avis positif de la COFEPRIS (organe de réglementation des appareillages médicaux au Mexique) à propos de la gamme JAZZ, Implanet signait un accord commercial de distribution de la gamme JAZZ au Mexique avec la société Novovascular Technologies. Par ailleurs, l'avancée de JAZZ demeure toujours forte aux USA, pays qui affiche près de 34% de croissance sur le dernier trimestre de l'exercice, une situation probablement confortée par l'enregistrement du Mariner Cap System, fruit de la collaboration entre Implanet et SeaSpine. Enfin, comme déjà indiqué, Implanet doit concrétiser à court terme cette acquisition dans le domaine des implants rachidiens et ce afin d'atteindre une masse critique de CA dès 2021.

### Recommandation Achat Fort

A la suite à cette publication, nous ajustons à la baisse nos estimations de CA pour les prochains exercices et ce compte tenu du niveau de CA de l'exercice 2020, consécutivement à l'aggravation de la crise sanitaire pandémique. Malgré cette situation exogène à Implanet, nous continuons à apprécier le titre au sein de notre univers biotech/medtech compte tenu 1/ de la volonté du groupe de se renforcer par l'acquisition d'un fabricant d'implants rachidiens ; 2/ du renforcement du partenariat avec SeaSpine, notamment grâce à l'homologation du Mariner Cap System.

Après mise à jour de notre modèle (estimations CA, nombre actions), nous ajustons notre TP à 1,40 € par action et notre opinion est maintenue à Achat Fort sur la valeur.

### A T4 that limits the damage

With Q4 at €1.667 million, down 10% compared to Q4 2019, Implanet mitigates the effects of the health crisis. However, the breakdown of this quarter's sales shows that the US contribution (direct sales and sales in partnership with SeaSpine) is essential, with growth of 34% in the JAZZ franchise. While we are witnessing a decline of 18% in France and Germany, two countries hit hard by re-containment and various curfews, multiple pressures on the hospital system have led to the rescheduling of many surgical procedures. This is evidenced by the significant decline in the MADISON franchise, which fell by 31% for the quarter and 21% for the full year. Despite all this, the JAZZ business grew by 9% to €1.063 million in Q4 and decreased only 17% over the year 2020 to €3.768 million compared to €4.552 million in 2019. In addition, there are reasons to be pleased with the international performance of the JAZZ franchise which grew in Q4 by +45% in the USA and +32% in the rest of the world.

The cash position on 31 December was €1.1 million.

### Reconciliation and financing

In the phase of exclusive negotiations, Implanet wishes to acquire a spinal implant manufacturing company. This acquisition project, already advanced, should be finalized in April 2021 and will be carried out in cash and Implanet shares. The "target company" would have achieved sales of €4 million in 2019, for a wide range of spine surgery products. The company, which markets these branded products directly and through distribution partnerships, has recently received FDA approval (510(k)). This operation should broaden the scope of products marketed by Implanet, with a more complete range of spinal implants. To complete this transaction, Implanet has already negotiated a new €5 million bond financing (500 convertible bonds of €10,000 each) with Nice & Green in addition to the €0.9 million balance from the previous bond program of February 2020.

### On the good news front

Last December, following the positive opinion of the COFEPRIS (regulatory body for medical devices in Mexico) about the JAZZ range, Implanet signed a commercial agreement for the distribution of the JAZZ range in Mexico with the company Novovascular Technologies. In addition, JAZZ continues to make strong progress in the USA, country which posted nearly 34% growth in the last quarter of the fiscal year, a situation probably reinforced by the registration of the Mariner Cap System, the result of the collaboration between Implanet and SeaSpine. Finally, as already indicated, Implanet must materialize this acquisition in the field of spinal implants in the short term in order to reach a critical mass of sales by 2021.

### Opinion Strong Buy

Following this publication, we are adjusting our sales estimates for the coming years downwards, considering the level of sales for fiscal year 2020, following the worsening of the pandemic health crisis. Despite this exogenous situation at Implanet, we continue to appreciate the share price within our biotech/medtech universe, considering 1/ the Group's desire to strengthen its position through the acquisition of a manufacturer of spinal implants; 2/ the strengthening of the partnership with SeaSpine, through the approval of the Mariner Cap System.

After updating our model (sales estimates, number of shares), we are adjusting our TP to € 1.40 per share and maintaining our Strong Buy opinion on the stock.

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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 %

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

Date of 1 <sup>st</sup> publication	Rating	Target Price
25 <sup>th</sup> January 2021	Equity Flash <b>Strong buy</b>	€ 1.40
9 <sup>th</sup> November 2020	Equity Flash <b>Strong buy</b>	€ 1.44
15 <sup>th</sup> October 2020	Equity Flash <b>Strong buy</b>	€ 1.44
17 <sup>th</sup> September 2020	Equity Flash <b>Strong Buy</b>	€ 1.44
15 <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

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Distribution of ratings concerning the entire coverage of Genesta



Distribution of ratings concerning companies belonging to the same sector



Distribution of ratings concerning companies which are clients of Genesta



■ Strong Buy ■ Buy □ Neutral ■ Sell ■ Strong Sell

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