

Date de première diffusion / Publication date : 9 novembre 2020 /
November 9th 2020

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**Implanet****Implanet s'implante au Mexique.**

Implanet vient d'annoncer une homologation des produits JAZZ au Mexique ainsi que la signature d'un accord de commercialisation et de distribution avec Novovascular Technologies, une entreprise mexicaine. Opinion Achat Fort avec un TP de 1,44 €.

Implanet sets up in Mexico.

Implanet has just announced the approval of JAZZ products in Mexico as well as the signature of a marketing and distribution agreement with Novovascular Technologies, a Mexican company. Strong Buy Opinion with a TP of € 1.44.

Recommendation **1. Strong Buy**
Closing price on 6 Nov. 2020 **0,76 €**
Target price **1,44 € (+88,5 %)**

Implanet vient de réussir deux homologations, l'une avec son partenaire SeaSpine sur le Mariner Cap System et l'autre au Mexique avec la COFEPRIS sur les produits de la gamme JAZZ.

Implanet poursuit le renforcement de sa gamme JAZZ en homologuant respectivement, le Mariner Cap System aux USA avec son partenaire SeaSpine Holdings auprès de la FDA. Par ailleurs, Implanet a reçu le Ok de la part de la COFEPRIS, la Commission fédérale pour la protection contre les risques sanitaires, pour sa gamme JAZZ. La société bordelaise a dans la foulée signé un accord de distribution avec la société mexicaine Novovascular Technologies pour la commercialisation au Mexique.

Nous maintenons notre opinion Achat Fort sur la valeur, avec un TP à 1,44 €.

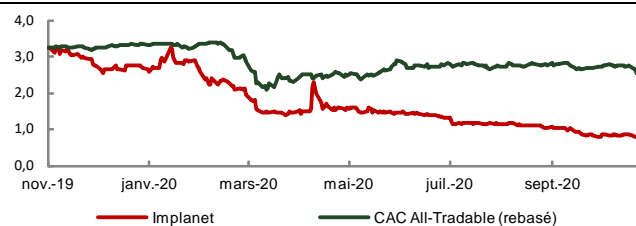
Implanet has just passed two approvals, one with its partner SeaSpine on the Mariner Cap System and the other in Mexico with COFEPRIS on the JAZZ range of products.

Implanet continues to strengthen its JAZZ range by respectively approving the Mariner Cap System in the USA with its partner SeaSpine Holdings with the FDA. In addition, Implanet received the Ok from COFEPRIS, the Federal Commission for Protection against Health Risks, for its JAZZ range. The Bordeaux-based company also signed a distribution agreement with the Mexican company, Novovascular Technologies, for marketing in Mexico.

We maintain our Achat Fort opinion on value, with a TP at 1.44 €.

Performances

Absolute perf.	1 mois	6 mois	12 mois
	-2,1 %	-51,8 %	-76,5 %

**Market data**

Reuters / Bloomberg ticker	ALIMP.PA / ALIMP:FP
Market capitalisation (€m)	3,2 M€
Enterprise value (€m)	3,4 M€
Free Float	2,5 M€ (77 %)
Number of shares	3 028 472
Daily volume	36 017 €
Capital turnover rate (1 year)	294,0%
High (52 weeks)	3,25 €
Low (52 weeks)	0,77 €

Current shareholding structure

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

Agenda

Jan 19 2021 : 2020 revenues.

Key figures

	2018	2019	2020E	2021E	2022E
Sales (M€)	6,7	7,4	6,6	11,6	15,7
Change (%)	-14,3%	10,2%	-11,0%	75,2%	38,1%
EBITDA (M€)	-5,2	-3,3	-4,1	-1,0	1,1
EBIT (M€)	-5,4	-3,4	-4,3	-1,4	0,6
EBIT margin (%)	-79,9%	-46,3%	-64,6%	-11,9%	3,6%
Net profit gp sh. (€r)	-5,6	-3,6	-4,6	-1,4	0,5
Net margin (%)	-82,6%	-49,2%	-69,2%	-2,4%	3,2%
EPS	-0,17	-0,11	-0,14	-0,04	0,02

Ratios

	2018	2019	2020E	2021E	2022E
VE / CA	1,3	1,1	1,8	1,2	2,9
VE / EBE	NS	NS	NS	NS	NS
VE / REX	NS	NS	NS	NS	NS
P / E	-0,6	-0,9	-0,7	-2,2	6,4
Gearing (%)	88,8%	84,1%	138,1%	166,7%	681,7%
Dette nette / EBE	0,4	0,1	-1,1	-1,6	-2,1
RCE (%)	-109,2%	-70,0%	-105,8%	-27,8%	2,6%

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Mariner Cap System d'Implanet et SeaSpine : Accord de la FDA

Le Mariner Cap System, qui est l'association de la vis pédiculaire de SeaSpine Mariner avec le JAZZ Cap d'Implanet, permet une stabilisation temporaire de la colonne avant fusion osseuse avec un ancrage osseux. Ce nouveau système est destiné à traiter les pathologies dégénératives de la colonne vertébrale chez l'adulte. Ce nouvel implant a reçu l'autorisation 510(k) de la part de la Food and Drug Administration (FDA) en août dernier avec les revendications suivantes :

1. Chirurgie des traumatismes rachidiens, utilisée dans les techniques de câblage sous-laminaire ou à facettes ;
2. Chirurgie reconstructive de la colonne vertébrale, incorporée dans des constructions dans le but de corriger des difformités de la colonne vertébrale telles que la scoliose idiopathique chez l'adolescent, la scoliose chez l'adulte, la cyphose et le spondylolisthésis ;
3. Chirurgie dégénérative de la colonne vertébrale, en complément des fusions vertébrales.

Le système Mariner Cap doit être utilisé en conjonction avec le système de vis pédiculaires SeaSpine Mariner chaque fois que le "câblage" peut aider à sécuriser la fixation d'autres implants. Le système Mariner Cap est un autre moyen de fixer les bandes à la colonne vertébrale. Cette innovation, qui permet la fixation du passe-fil JAZZ à la vis pédiculaire Mariner grâce à la JAZZ Cap, est particulièrement intéressante car réalisée conjointement par Implanet et SeaSpine. Elle marque peut-être encore plus la coopération entre les deux entreprises.

Implanet s'implante sur le marché mexicain

Implanet vient de signer un accord commercial de distribution de la gamme JAZZ au Mexique avec la société Novovascular Technologies. Cette société, située à Mexico City, était jusqu'à présent très active dans le domaine des pathologies cardiovasculaires (stents). La signature de cet accord a été grandement facilitée par l'avis positif de la COFEPRIS (organe de réglementation des appareillages médicaux au Mexique) qui vient d'homologuer la gamme JAZZ dans ce pays, en permettant la commercialisation.

Le marché mexicain des implants spinaux est l'un des plus importants du continent sud-américain, avec des estimations pour les implants et les compressions de fractures vertébrales qui devraient passer de 100 millions de dollars en 2017 à près de 124 millions de dollars en 2024, affichant ainsi une croissance de 3,1 % par an (iData Research). Pour d'autres (Millenium Research Group), le marché pour l'Amérique Centrale serait de 60 millions de dollars. Une croissance portée comme dans nombre de pays par le vieillissement de la population et l'incidence accrue des maux de dos souvent liée à la sédentarisation. On estime que la population des 60 ans et plus devrait passer de 13 millions de personnes (10 % en 2018) à plus de 32 millions en 2050 (21 %). L'espérance de vie a progressé de 40 ans durant les 70 dernières années pour atteindre aujourd'hui 76 ans et elle devrait être de 81 ans en 2050. Par ailleurs, les estimations (2005) montrent que la prévalence des fractures des vertèbres serait de 19,2 % chez les femmes et de 9,8 % chez les hommes dans la population des plus de 50 ans.

Recommandation

Nous maintenons donc notre opinion sur la valeur, car il semble que l'homologation du Mariner Cap System, qui a été présenté à l'homologation par la FDA conjointement par SeaSpine et Implanet, pourrait indiquer un cran supplémentaire dans le partenariat entre les deux sociétés.

Notre TP est de 1,44 €

Implanet and SeaSpine's Mariner Cap System: Approved by the FDA

The Mariner Cap System, which is the combination of the SeaSpine Mariner pedicle screw with Implanet's JAZZ Cap, allows temporary stabilization of the spine before bone fusion with a bone anchor. This new system is designed to treat degenerative pathologies of the spine in adults. This new implant received 510(k) clearance from the Food and Drug Administration (FDA) last August with the following claims:

1. Spinal trauma surgery, used in sub-laminar or faceted wiring techniques ;
2. Reconstructive surgery of the spine, incorporated in constructions to correct spinal deformities such as idiopathic scoliosis in adolescents, scoliosis in adults, kyphosis, and spondylolisthesis ;
3. Degenerative spinal surgery to complement spinal fusions.

The Mariner Cap system should be used in conjunction with the SeaSpine Mariner pedicle screw system whenever "wiring" can help secure the fixation of other implants. The Mariner Cap system is another way to secure the bands to the spine. This innovation, which allows the attachment of the JAZZ grommet to the Mariner pedicle screw thanks to the JAZZ Cap, is particularly interesting because it is jointly realized by Implanet and SeaSpine. It marks perhaps even more the cooperation between the two companies.

Implanet enters the Mexican market

Implanet has just signed a commercial agreement for the distribution of the JAZZ range in Mexico with Novovascular Technologies. This company, located in Mexico City, was until now highly active in the field of cardiovascular pathologies (stents). The signing of this agreement was greatly facilitated by the positive opinion of COFEPRIS (the regulatory body for medical devices in Mexico) which has just approved the JAZZ range in this country, allowing it to be marketed.

The Mexican market for spinal implants is one of the most important in South America, with estimates for implants and spinal fracture compressions that are expected to grow from \$100 million in 2017 to nearly \$124 million in 2024, showing a growth of 3.1 % per year (iData Research). For others (Millenium Research Group), the market for Central America would be \$ 60 million. This growth is being driven, as in many countries, by the aging population and the increased incidence of back pain often linked to sedentary lifestyles. It is estimated that the population aged 60 and over should increase from 13 million people (10 % in 2018) to more than 32 million in 2050 (21 %). Life expectancy has increased by 40 years over the last 70 years to reach 76 years today and is expected to be 81 years in 2050. Furthermore, estimates (2005) show that the prevalence of vertebral fractures would be 19.2 % in women and 9.8 % in men in the population over 50 years of age.

Opinion

We maintain our opinion on the value, as it appears that the approval of the Mariner Cap System, which was submitted for FDA approval jointly by SeaSpine and Implanet, could indicate a further step forward in the partnership between the two companies.

Our TP is € 1.44.

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).

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. Neutral	The absolute share price performance is expected to be comprised between +10 % et -10 %
4. Sell	The absolute share price underperformance is expected to be comprised between -10 % et -25 %
5. Strong Sell	The absolute share price underperformance is expected to be at least -25 %

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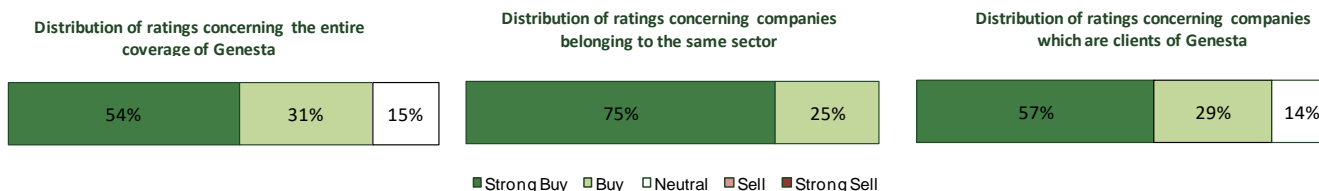
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Rating and target price evolution throughout the last 12 months

Date of 1 st publication	Rating	Target Price
9 th November 2020	Equity Flash Strong buy	€ 1.44
15 th October 2020	Equity Flash Strong buy	€ 1.44
17 th September 2020	Equity Flash Strong Buy	€ 1.44
15 th July 2020	Equity Flash Buy	€ 1.44
20 th May 2020	Equity Flash Suspended / Covid-19	Suspended / Covid-19
11 th March 2020	Equity Flash Strong buy	€ 1.97
29 th January 2020	Equity Flash Strong buy	€ 0.55

Ratings distribution



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