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**Implanet****2022, un T1 de bon augure**

Le CA du T1 2022 d'Implanet s'établit à 2,016 M€ en progression de 96% YoY. Caractérisé par une forte progression de la France et du reste du monde hors USA, qui est le résultat du rattrapage des chirurgies repoussées lors des crises sanitaires. **Achat Fort avec un TP: 2,10 €.**

2022, a promising Q1

Implanet's Q1 2022 sales amounted to €2.016 M, up 96% YoY. Characterized by strong growth in France and the rest of the world excluding the USA, which is the result of catching up on surgeries postponed during health crises.

Strong buy with a TP: €2.10.

Recommendation**1. Strong Buy**

Closing Price on 25 Apr. 2022

0,25 €

Target price

2,10 € (+755,1 %)**A 2,01 M€, un T1 2022 de très bonne facture**

Au titre du T1 2022, Implanet a publié un CA de 2,01 M€ en forte progression +96% yoy au-delà de nos estimations. En France, le CA s'établit à 0,953 M€ en progression de +169% soutenu par la croissance de la franchise JAZZ ainsi que de l'offre OSD. Dans le reste du monde (hors USA), on assiste à une croissance aussi forte qu'en France : +164%. Toutefois, la dynamique aux USA semble toujours en retrait par rapport aux exercices précédents (-10%).

Nous réitérons nos estimations initiales d'un exercice 2022 non seulement de rattrapage mais de référence pour l'activité Rachis d'Implanet grâce, notamment, à l'accélération de la commercialisation des produits de la gamme JAZZ et ORIGIN dans un marché porteur de manière structurelle et conjoncturelle et toujours avide d'innovation.

Opinion Achat Fort maintenue avec un TP à 2,10 €

At €2.01 M, a very good Q1 2022

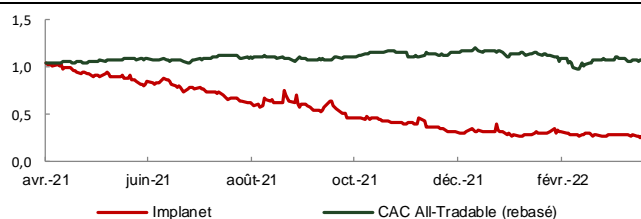
For the first quarter of 2022, Implanet has published a turnover of €2.01 M, a strong increase of 96% YoY beyond our estimates. In France, sales reached €0.953 M, up 169%, driven by the growth of the JAZZ franchise and the OSD offer. In the rest of the world (excluding the USA), growth was as strong as in France: +164%. However, the dynamic in the USA still seems to be down compared to previous years (-10%).

We reiterate our initial estimates of a fiscal year 2022 not only of catching up but of setting a benchmark for Implanet's spinal activity, thanks to the acceleration of the marketing of the JAZZ and ORIGIN product lines in a structurally and cyclically buoyant market that is always eager for innovation.

Strong Buy maintained on the stock with a TP of €2.10

Performances

Absolute perf.	1 month	6 months	12 months
	-10,8 %	-47,1 %	-76,6 %

**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

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	14 084 286
Daily volume	94 676 €
Capital turnover rate (1 year)	768,9%
High (52 weeks)	1,04 €
Low (52 weeks)	0,24 €

Agenda

Jul 11, 2022: H1 Revenue; Sep 20, 2022 : H1 Results

Ratios

	2020	2021	2022E	2023E	2024E
VE / CA	1,8	1,0	1,3	1,6	1,9
VE / EBE	NS	NS	NS	NS	NS
VE / REX	NS	NS	NS	NS	NS
P / E	-0,8	-1,0	-1,5	-5,7	-168,0
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 CA T1 2022 en forte croissance ...

Implanet vient de publier un T1 2022 d'excellente facture marquée par une croissance forte du CA à 2,01 M€. Cette croissance a été réalisée en France ainsi qu'à l'international.

- En France, l'activité Rachis s'arroge +169% de croissance YoY à 0,953 M€ (vs 0,354 M€ au T1 2021). Cette dynamique est très certainement portée par le rattrapage des opérations chirurgicales n'ayant pu se dérouler durant les différentes périodes de confinement. Toutefois, l'activité est toujours impactée par le manque de ressource comme on a pu le constater sur les deux premiers mois de 2022.
- A l'international, et plus précisément, pour les pays hors USA, l'activité Rachis enregistre une progression de + de 164% en passant de 0,256 M€ (T1 2021) à 0,677 M€. Là encore, nous pouvons faire l'hypothèse que cet accroissement est dû au rattrapage des chirurgies dites électives qui avaient le plus pâti de la crise sanitaire et des réorientations hospitalières.
- Cependant, l'activité US est toujours retrait de -10% à 0.372 M€ par rapport au T1 2021 (0,416 M€).

...avec une contribution forte d'OSD.

Les produits d'OSD dont la gamme ORIGIN ont contribué pour 0,77 M€ à la constitution du CA du T1 2022, soit 38,2% du CA. Nous avons dans une note précédente évoqué la probable croissance plus rapide de la gamme rachis d'OSD (contribution 2022 pour OSD 2,5 M€). Il semble qu'en ce T1 2022, ce soit déjà le cas puisqu'en nous basant sur ce T1, la contribution globale d'OSD au CA 2022 serait de 3,08 M€ (0,77x4), pouvant ultimement conduire à un CA pour 2022 supérieur à notre estimation de 8,06 M€. D'ailleurs, nous avons tout lieu de le penser, puisque certains hôpitaux US ont débuté leurs premières chirurgies avec les plaques cervicales ORIGIN.

Une croissance conjoncturelle et structurelle

Ainsi donc, la croissance du marché des chirurgies de la colonne vertébrale est à la fois conjoncturelle et structurelle. Durant la crise sanitaire, ces chirurgies « dites électives » ont été en majorité reportées, mais pas annulées, car le problème qu'elles devaient solutionner s'est bien souvent aggravé. Dans un article du NYU Langrone Health, accepté en juillet 2021 et publié dans The Spine Journal, près de 33% des interventions reportées au plus fort de la crise n'avaient pas encore été réalisées. Comme nous l'évoquions dans une note précédente, l'arriéré est impressionnant et permet d'expliquer une croissance conjoncturelle de certains chiffres. Selon le cabinet marketing Research and Markets, les procédures liées à la colonne vertébrale devraient connaître un TCAC de 7,9 % entre 2017 et 2022.

Par ailleurs, le vieillissement de la population générale ainsi que l'obésité observée devraient soutenir, de manière structurelle, la croissance du marché des procédures de la colonne vertébrale, +7,13% selon Mordor Intelligence. Une constatation étayée par les travaux de O'Lynnner et al. qui souligne que la population de plus de 65 ans devrait passer de 12% (2000) à 20% d'ici 2030 avec une probabilité accrue de troubles spinaux : un secteur (notamment la dégénérescence spinale) ciblé par Implanet avec sa franchise JAZZ.

Opinion Achat fort maintenue

A la suite de cette publication, nous maintenons nos prévisions de croissance à court et moyen termes, en attente notamment du T2 qui devrait donner une bonne indication de l'exercice. En effet dans notre précédente note en date du 6 avril 2022, nous avons déjà révisé nos estimations. Nous demeurons confiants dans la capacité de la société à capitaliser avec succès sur son recentrage sur le rachis et son activité commerciale aussi bien en France qu'à l'international, et notamment aux USA. Notre TP ressort donc à 2,10€/titre. Opinion Achat fort maintenue.

Strong growth in Q1 2022 revenues...

Implanet has just published an excellent Q1 2022, marked by a strong growth in sales to €2.01 M. This growth was achieved in France and internationally.

- In France, the spinal column activity has achieved a 169% YoY growth to €0.953 M (€0.354 M in Q1 2021). This dynamic is most certainly driven by the catching up of surgeries that could not be performed during the various containment periods. However, the activity is still impacted by the lack of resources as seen in the first two months of 2022.
- Internationally, and more precisely, for countries outside the USA, the spinal activity recorded an increase of + 164% from €0.256 M (Q1 2021) to €0.677 M. Here again, we can assume that this increase is due to the catching up of so-called elective surgeries which had suffered the most from the health crisis and hospital reorientations.
- However, US activity is still down -10% to €0.372 M compared to Q1 2021 (€0.416 M).

...with a strong contribution from OSD.

OSD's products, including the ORIGIN range, contributed €0.77 M to Q1 2022 sales, i.e., 38.2% of sales. In a previous note, we mentioned the probable faster growth of OSD's spine range (2022 contribution for OSD €2.5 M). It seems that in this Q1 2022, this is already the case since, based on this Q1, the overall contribution of OSD to the 2022 sales would be €3.08 M (0.77x4), which could ultimately lead to sales for 2022 higher than our estimates at €8.06 M. Moreover, we have every reason to believe so, as some US hospitals have started their first surgeries with ORIGIN cervical plates.

A cyclical and structural growth

Thus, the growth of the spine surgery market is both cyclical and structural. During the health crisis, these "elective" surgeries were mostly postponed, but not cancelled, because the problem they were intended to solve often worsened. In a NYU Langrone Health paper accepted in July 2021 and published in The Spine Journal, nearly 33% of the procedures postponed at the height of the crisis had not yet been performed. As we discussed in a previous note, the backlog is impressive and helps explain a cyclical growth in some numbers. According to marketing firm Research and Markets, spine-related procedures are expected to grow at a CAGR of 7.9% between 2017 and 2022.

In addition, the aging of the general population, as well as the observed obesity, should structurally support the growth of the spine procedures market, +7.13% according to Mordor Intelligence. This finding is supported by the work of O'Lynnner et al., who point out that the population over 65 years of age is expected to increase from 12% (2000) to 20% by 2030, with an increased likelihood of spinal disorders: an area (notably spinal degeneration) targeted by Implanet with its JAZZ franchise.

Strong Buy rating maintained

Following this publication, we are maintaining our short- and medium-term growth forecasts, pending Q2, which should give a good indication of the year. Indeed, in our previous note dated April 6, 2022, we had already revised our estimates. We remain confident in the company's ability to successfully capitalize on it refocusing on the buyout and its commercial activity both in France and internationally, particularly in the USA. Our TP is therefore €2.10/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. Neutral	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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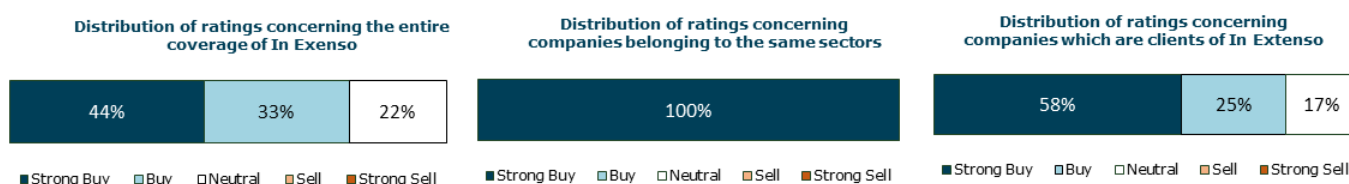
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Rating and target price evolution throughout the last 12 months

Date of 1 st publication	Rating	Target Price
26 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
19 th July 2021	Equity Flash Strong Buy	€ 1.73
21 st April 2021	Equity Flash Strong Buy	€ 1.53

Ratings distribution



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