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Implanet

Au T3, Implanet rattrape une partie du retard (+1%).

Implanet a présenté un T3 2020 (1,75 M€) stable par rapport à 2019 (1,74 M€) : une véritable performance de la part d'Implanet eu égard à la situation sanitaire. Pour les neuf premiers mois de l'exercice 2020, le CA s'établit à 4,34 M€ en recul de 22% par rapport à 2019 (5,56 M€). Opinion Achat Fort avec un TP de 1,44 €.

In Q3, Implanet made up part of the lost ground (+1%).

Implanet presented a Q3 2020 at € 1.75 million stable compared to 2019 (€ 1.74 million): a real performance from Implanet given the health situation. For the first nine months of fiscal year 2020, sales were € 4.34 million, down 22% compared to 2019 (€ 5.56 million). Strong Buy Opinion with a TP of €1.44.

Recommendation	1. Strong Buy
Closing price on 12 Oct. 2020	0,82 €
Target price	1,44 € (+75,6 %)

Implanet : Un T3 préservé

Après six mois particulièrement chahutés à cause du contexte épidémique qui a entraîné le report de nombreuses opérations chirurgicales à travers la planète toute entière, Implanet affiche une stabilité bienvenue de son CA T3 à 1,75 M€. En effet, il faut se souvenir qu'en 2019, le T3 avait déjà progressé de 12% à 1,74 M€ par rapport à la même période en 2018. Toutefois, le retard demeure puisque sur les neuf premiers mois de l'année 2020, le CA recule de 22% à 4,34 M€ contre 5,56 M€ en 2019. En revanche, la dynamique de croissance reprend, aussi bien aux USA (+14%), en France (+12%) qu'en Europe.

Par ailleurs, cette bonne performance et l'amélioration de la situation financière sont autant d'éléments qui nous conduisent à maintenir notre opinion **Achat Fort sur la valeur, avec un TP à 1,44 €.**

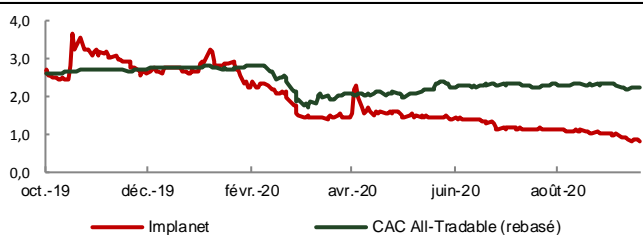
Implanet: A preserved T3

After six particularly hectic months, due to the epidemic context, which led to the postponement of numerous surgical operations throughout the world, Implanet posted a welcome stability of its Q3 sales at € 1.75 million. Indeed, it should be remembered that in 2019, Q3 had already increased by 12% to € 1.74 million compared to the same period in 2018. However, the lag remains, with revenues for the first nine months of 2020 down 22% to € 4.34 million from € 5.56 million in 2019. On the other hand, growth momentum is picking up, both in the USA (+14%), in France (+12%) and in Europe.

In addition, this good performance and the improvement of the financial situation are all elements that lead us to maintain our **Strong Buy Opinion, with a TP at € 1.44.**

Performances

Absolute perf.	1 mois	6 mois	12 mois
	-20,4 %	-44,2 %	-68,5 %



Market data

Reuters / Bloomberg ticker	ALIMP.PA / ALIMP:FP
Market capitalisation (€m)	3,1 M€
Enterprise value (€m)	3,3 M€
Free Float	2,4 M€ (77 %)
Number of shares	3 028 472
Daily volume	63 494 €
Capital turnover rate (1 year)	535,1%
High (52 weeks)	3,64 €
Low (52 weeks)	0,82 €

Current shareholding structure

Free float : 77 % ; Financial Investors : 18 % ; Management : 4 % ;
Treasury stock: 1 %

Agenda

Sept 15 2020 : 2020 H1 results. ;
Oct 13 2020 : 2020 Q3 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. (€)	-5,6	-3,6	-4,6	-1,4	0,5
Net margin (%)	-82,6%	-49,2%	-69,2%	-12,4%	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	6,1
Gearing (%)	88,8%	84,1%	138,1%	166,7%	681,7%
Dettes nettes / EBE	0,4	0,1	-1,1	-1,6	-2,1
RCE (%)	-109,2%	-70,0%	-105,8%	-27,8%	2,6%

Un T3 2020 : troisième trimestre stable vs 2019

Avec un CA de 1,75 M€, Implanet s'offre une respiration (+1%) dans une année particulièrement difficile qui a vu le T1 reculer de -18% et le T2 s'effondrer à -46%. La société avait, lors de la publication de ses résultats semestriels, évoqué la possibilité d'un bien meilleur trimestre dans la morosité ambiante. Ainsi, Implanet se retrouve au niveau de CA du T3 2019 (1,749 M€ vs 1,739 M€). En effet, lors du T3 2019, le CA avait progressé de près de 12% par rapport à 2018.

Implanet a rattrapé une partie de son retard grâce notamment à son accès en direct, aux Etats-Unis (+14%), en France (+12%) ainsi qu'en Allemagne. La reprise des chirurgies est certes plus progressive en Europe, situation qui résulte probablement de la conjonction de deux phénomènes : la trêve estivale aussi bien pour le corps médical que pour les patients et l'accumulation des plans de continuation d'activité des hôpitaux, contexte qui a certainement bridé l'activité.

Le CA de la franchise JAZZ au global est stable à 1,194 M€ au T3 2020 contre 1,189 M€ au T3 2019. Au même niveau que l'année précédente, JAZZ mise sur la fidélité de ses clients sans en perdre. Et de plus, les opérations chirurgicales planifiées ont donc pu être réalisées. La franchise JAZZ a été fortement soutenue par les ventes directes de la filiale US d'Implanet.

Il en est de même avec la franchise MADISON qui se maintient à 0,555 M€ en 2020 contre 0,550 M€ en 2019. Là encore, MADISON ne recule pas par rapport à l'année précédente. En 2019, MADISON avait augmenté de 12% par rapport à 2018.

Un CA à 9 mois pas si dégradé

Même si le chiffre d'affaire global à 9 mois est en retrait de 22% par rapport à 2019 (4,344 M€ vs 5,557 M€), principalement à cause du premier semestre et des différents confinements qui avaient vu le CA du S1 se contracter de près de 32%. Il faut aussi se souvenir que le cru 2019 fut particulièrement performant avec une croissance de 7% aux 9 mois 2019 par rapport aux 9 mois 2018. Il n'en demeure pas moins que la franchise JAZZ perd 24% à 9 mois en s'établissant à 2,704 M€ contre 3,573 M€ en 2019. Le retrait est un peu moins important pour la franchise MADISON, puisqu'elle enregistre -17% à 9 mois à 1,640 M€ contre 1,984 M€ en 2019. Les ventes directes en France pour la prothèse de genou semblent avoir soutenu l'activité (+23%) sur le dernier trimestre.

Une position de trésorerie apaisante

La position de trésorerie d'Implanet (0,97 M€ au 30 juin 2020) lui donne un peu plus de sérénité. Car la société a encore la possibilité de tirer des OCAPL auprès de la société Nice & Green pour un montant de 2,7 M€ et/ou d'utiliser le PGE (Prêt Garanti par l'Etat) pour environ 800 K€ (montant global de 0,8 M€, 50 % déjà utilisé).

Opinion Achat Fort : un titre qui est sous-valorisé

Nous maintenons notre opinion sur la valeur, qui nous semble sous-valorisée. En effet, au regard de la situation sanitaire et économique, Implanet arrive à faire croître son activité grâce notamment à ses ventes en direct aussi bien aux USA qu'en France et bientôt en Europe (filiales allemande et anglaise). Par ailleurs, nous pensons que les partenariats avec SeaSpine et KICo Knee devraient commencer à générer des retours sachant que dans au moins l'un de ces contrats des minima annuels d'achat sont prévus. Par ailleurs, Implanet devrait poursuivre son objectif d'optimisation de la rentabilité notamment en améliorant sa marge brute et ses niveaux de charges d'exploitations.

Notre TP est de 1,44 € avec un potentiel d'appréciation de 75,6%

Q3 2020: stable third quarter vs. 2019

With revenues of € 1.75 million, Implanet is taking a breather (+1%) in a particularly difficult year that saw Q1 down -18% and Q2 collapse to -46%. At the time of publication of its half-year results, the company had mentioned the possibility of a much better quarter in the current gloomy climate. As a result, Implanet's Q3 2019 revenues are at the same level as in Q3 2019 (€ 1.749 million vs. € 1.739 million). Indeed, in Q3 2019, sales had increased by nearly 12% compared to 2018.

Implanet has caught up some of its lost ground thanks in particular to the dynamism of the JAZZ franchise in the United States (+14%), France (+12%) and Europe. The recovery in surgeries is certainly more gradual in Europe, as it is probably the result of a combination of two phenomena: the summer break for both the medical profession and patients, and the accumulation of hospital business continuity plans, which has certainly curbed activity.

Sales of the JAZZ franchise were stable at € 1.194 million in Q3 2020 compared to € 1.189 million in Q3 2019. At the same level as the previous year, JAZZ is counting on the loyalty of its customers without losing any. In addition, the planned surgical operations were therefore able to be carried out. The JAZZ franchise was strongly supported by direct sales from Implanet's US subsidiary.

The same is true for the MADISON franchise, which remains at € 0.555 million in 2020 compared to € 0.550 million in 2019. Here again, MADISON is not declining compared to the previous year. In 2019, MADISON had increased by 12% compared to 2018.

A turnover at 9 months not so degraded

Although overall revenues for the first 9 months are down 22% compared to 2019 (€ 4.344 million vs € 5.557 million), mainly due to the first half of the year and the various containment projects which saw H1 revenues shrink by nearly 32%. It should also be remembered that the 2019 vintage was particularly strong with a 7% growth in the first 9 months of 2019 compared to the first 9 months of 2018. Nevertheless, the JAZZ franchise lost 24% in 9 months, reaching € 2.704 million compared to € 3.573 million in 2019. The MADISON franchise is slightly less affected by the decline, with a 17% decrease at 9 months to € 1.640 million compared to € 1.984 million in 2019. Direct sales in France for knee prosthesis seem to have supported the activity (+23%) over the last quarter.

A calming cash position.

Implanet's cash position (€ 0.97 million at June 30, 2020) gives it a little more peace of mind. The company still has the possibility of drawing on the convertible bonds (OCAPL) from Nice & Green for € 2.7 million and/or using the SGL (State Guaranteed Loan) for approximately € 400 k (total amount of € 0.8 million, 50% already used).

Strong Buy Opinion: a stock that is undervalued

We maintain our opinion on the share, which we feel is undervalued. Indeed, in view of the health and economic situation, Implanet is managing to grow its business, thanks in particular to its direct sales in the USA, France and soon in Europe (German and English subsidiaries). In addition, we believe that the partnerships with SeaSpine and KICo Knee should begin to generate returns, knowing that in at least one of these contracts, minimum annual purchases are planned. In addition, Implanet should pursue its objective of optimizing profitability by improving its gross margin and operating expense levels.

Our TP is € 1.44 with an appreciation potential of 75.6%.

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 %

Details of valuation methods used by Genesta Equity Research in target price calculations are available at www.genesta-finance.com.

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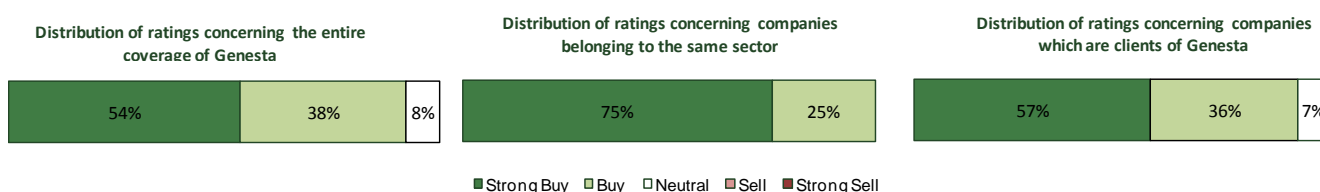
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No	No	No	No	Yes	No	Yes

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Rating and target price evolution throughout the last 12 months

Date of 1 st publication	Rating	Target Price
14 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
21 th October 2019	Equity Flash Strong buy	€ 0.55

Ratings distribution



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