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**Jean Pierre LOZA**

Analyste Financier / Equity Analyst  
jploza@genesta-finance.com  
+ 33 1.45.63.68.87

**Implanet****Un S1 de reprise à 3,718 M€**

Implanet poste un S1 2021 à 3,718 M€ (+ 43% vs S1 2020), marqué par une forte progression de l'activité Rachis, dont JAZZ. De plus, Implanet a signé deux accords de distribution. Opinion Achat Fort avec un objectif de cours de 1,73 €.

**H1 recovery at € 3.718 million**

Implanet posts a H1 2021 at € 3.718 m (+ 43% vs H1 2020), marked by a strong growth of the Rachis activity, including JAZZ. In addition, Implanet has signed two distribution agreements. Strong Buy opinion with a price target of € 1.73.

**Recommendation** **1. Strong Buy**  
**Closing Price on 16 Jul. 2021** **0,73 €**  
**Target price** **1,73 € (+138,2 %)**

Avec un S1 2021 d'excellente facture à 3,718 M€, +43% par rapport au S1 2020, Implanet reprend les rênes de sa croissance. Ce semestre est surtout marqué par une progression des ventes directes des franchises Rachis et Genou. L'intégration d'OSD, effective depuis l'Assemblée de mai dernier, apparaît de plus en plus comme un élément structurant fort (cf. deals Globus et ulrich medical).

Si Implanet continue sur la tendance initiée au T1 en affichant des taux de croissance importants de ses ventes, nous demeurons convaincus que l'effet OSD ne s'est pas encore pleinement fait sentir sur le volume d'activité. Toutefois, le gain de visibilité consécutif à l'opération OSD est certainement l'un des éléments accélérateurs des deals signés en juin avec Globus et ulrich.

**Nous maintenons notre TP à 1,73 € par action ainsi que notre opinion Achat Fort sur la valeur.**

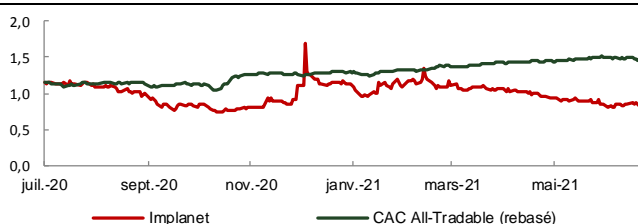
With an excellent H1 2021 at € 3.718 m, +43% compared to H1 2020, Implanet is back on track for growth. This half-year was especially marked by an increase in direct sales of the Spine and Knee franchises. The integration of OSD, which has been effective since the General Meeting last May, appears more and more as a strong structuring element (Globus and ulrich medical deals).

While Implanet continues the trend initiated in Q1 by posting significant growth rates in sales, we remain convinced that the OSD effect has not yet fully impacted sales level. However, the gain in visibility following the operation OSD is certainly one of the accelerating elements of the deals signed in June with Globus and ulrich.

**We maintain our TP at € 1.73 per share and our Strong Buy opinion on the stock.**

**Performances**

Absolute perf. 1 month 6 months 12 months  
-15,3 % -36,1 % -37,2 %

**Current shareholding structure**

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

**Key figures**

	2019	2020	2021E	2022E	2023E
Sales (€m)	7,4	6,0	9,8	11,2	12,6
Change (%)	10,2%	-18,8%	63,3%	14,1%	12,8%
EBITDA (€m)	-3,3	-3,1	-1,0	-0,5	0,4
EBIT (€m)	-3,6	-3,2	-1,3	-0,8	0,1
EBIT margin (%)	-48,6%	-53,2%	-13,2%	-6,9%	0,4%
Net profit gp sh. (€m)	-3,6	-4,0	-1,4	-0,8	0,0
Net margin (%)	-48,6%	-66,5%	-13,9%	-7,5%	-0,1%
EPS *	-0,06	-0,51	-0,17	-0,11	0,00

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

**Market data**

Reuters / Bloomberg ticker	ALIMP.PA / ALIMP:FP
Market capitalisation (€m)	5,8 M€
Enterprise value (€m)	6,0 M€
Free Float	4,4 M€ (77 %)
Number of shares	7 909 268
Daily volume	128 747 €
Capital turnover rate (1 year)	581,4%
High (52 weeks)	1,70 €
Low (52 weeks)	0,75 €

**Agenda**

July 6 2021 : H1 Revenue ; Sep 21 2021: H1 Results

**Ratios**

	2019	2020	2021E	2022E	2023E
VE / CA	1,3	1,5	0,5	0,6	0,8
VE / EBE	NS	NS	NS	NS	NS
VE / REX	NS	NS	NS	NS	NS
P / E	-1,6	-1,4	-4,2	-6,9	-449,2
Gearing (%)	NS	NS	NS	NS	NS
Dettes nette / EBE	-1,1	-1,0	0,6	-2,0	9,6
RCE (%)	-70,7%	-74,7%	-28,7%	-15,9%	1,0%

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### Un semestre de reconstruction...

Le S1 2021 affiche donc une progression de 43% par rapport à la même période de 2020. Avec 3,718 M€ à la fin du S1, Implanet élimine la parenthèse Covid-19 pour retrouver ses niveaux de CA des exercices précédents. C'est l'activité Rachis qui affiche la plus forte progression, à +71% pour atteindre 2,58 M€ contre 1,51 M€ en 2020. Il semble même que ce premier semestre 2021 soit meilleur que la même période en 2019. Cette accélération est-elle simplement un effet de rattrapage pour les activités chirurgicales qui avaient été mises en sommeil durant les confinements ? Nous pensons que le phénomène peut être plus profond : tout d'abord, parce que cette progression n'intègre qu'une partie de l'activité OSD (0,52 M€). Ensuite, parce que si la vaccination se poursuit, au même rythme à travers le monde, nous devrions voir une augmentation continue des chirurgies orthopédiques, qui durant les différents confinements, avaient été plus durement touchées par les reprogrammations.

### ...grâce à un T2 de confirmation...

Au cours du T2 2021, Implanet a généré un CA de 2,04 M€, soit le double du CA du T2 2020 au plus fort du confinement. Implanet progresse également par rapport au T2 2019 que nous pourrions considérer comme une année de référence. Une performance d'autant plus remarquable qu'au T2 2021 les activités chirurgicales n'avaient que partiellement reprises. La franchise Rachis, qui comprend aujourd'hui aussi bien l'activité JAZZ que les prothèses développées par OSD, affichent une progression de 98% par rapport au T2 2020. Par ailleurs, l'activité Rachis du T2 2021 progresse aussi par rapport au T2 2019 (+25%).

Si l'activité Rachis, qui progresse de +166% au T2 2021 vs T2 2020 en France, contribue le plus fortement au CA T2 (0,68 M€), les ventes aux USA se comportent honorablement avec une progression de 20% sur le T2 2021 (vs T2 2020) à 0,48 M€. Par contre, les ventes à l'international augmentent encore plus rapidement (x3) à 0,39 M€. Dans le même temps, la franchise genou MADISON a elle aussi fortement progressé (x2) pour un CA de 0,49 M€.

Autre élément de satisfaction, l'intégration d'OSD, qui n'a été entérinée par l'Assemblée qu'en fin mai 2021 commence à se faire sentir avec +0,52 M€ de CA supplémentaires. Toutefois, la pleine mesure de la contribution d'OSD au CA devrait être visible qu'à partir du S2.

### ...et des partenariats stratégiques

En fin de S1, Implanet a signé deux accords avec des acteurs du secteur. Le premier est un contrat de distribution exclusif pour la France avec Globus Medical. Globus Medical (CA 2020 : \$789 M), se positionne dans le top 10 de l'orthopédie mondiale et affiche un taux de croissance conséquent sur un marché des implants spinaux. Globus a très certainement sélectionné Implanet pour sa bonne connaissance des leaders d'opinion et des centres d'excellence en chirurgie pédiatrique (CHU, Cliniques). Implanet devrait commercialiser le dispositif REFLECT de Globus pour la correction de la scoliose pédiatrique, domaine où Implanet a développé JAZZ. Implanet a signé par ailleurs un accord de distribution avec Ulrich Medical GmbH & Co KG, une firme allemande spécialisée dans les implants rachidiens (CA 2020 : 110 M€). En se basant sur sa présence en Allemagne et son accès aux chirurgiens traitant les déformations spinales, Implanet devrait renforcer sa présence outre-Rhin ainsi que dans les pays limitrophes (Autriche, Suisse), mais aussi en Scandinavie, au Royaume-Uni et en Espagne. Ulrich Medical, toujours à la recherche d'innovation, a sans doute été séduit par la gamme JAZZ ainsi que la plaque cervicale développée par OSD.

### Recommandation Achat Fort

A la suite de cette annonce, nous relevons notre TP à 1,73 € par action, avec toujours notre opinion Achat Fort sur la valeur.

### A half-year of reconstruction...

H1 2021 thus shows an increase of 43% compared to the same period in 2020. With €3.718 million at the end of H1, Implanet has eliminated the Covid-19 parenthesis and is now back to the sales levels of previous years. It is the spinal activity that shows the strongest growth, at +71%, reaching € 2.58 m against € 1.51 m in 2020. It even seems that this first half of 2021 is better than the same period in 2019. Is this acceleration simply a catch-up effect for surgical activities that had been put on hold during the confinements? We believe that the phenomenon may be more profound: first, because this increase only includes a portion of OSD activity (€ 0.52 m). Secondly, because if vaccination continues at the same rate throughout the world, we should see a continued increase in orthopedic surgeries, which during the various confinements had been hardest hit by reprogramming.

### ...thanks to a confirmatory Q2...

In Q2 2021, Implanet generated a turnover of € 2.04 m, which is double the turnover of Q2 2020 at the height of the containment. Implanet is also progressing compared to Q2 2019, which we could consider as a reference year. This performance is all the more remarkable given that in Q2 2021 the surgical activities had only partially recovered. The Spine franchise, which now includes both the JAZZ activity and the prostheses developed by OSD, showed a 98% increase compared to Q2 2020. In addition, Q2 2021 Spine business also grew compared to Q2 2019 (+25%).

While the Rachis activity, which grew by 166% in Q2 2021 vs. Q2 2020 in France, made the most to Q2 sales (€ 0.68 m), sales in the USA performed well with a 20% increase in Q2 2021 (vs. Q2 2020) to € 0.48 m. On the other hand, international sales increased even more rapidly (x3) to € 0.39 m. At the same time, the MADISON knee franchise also grew strongly (x2) to € 0.49 m.

Another element of satisfaction is that the integration of OSD, which was not ratified by the General Meeting until the end of May 2021, is beginning to make itself felt, with additional sales of € 0.52 m. However, the full extent of OSD's contribution to sales should only be visible from H2 onwards.

### ...and strategic partnerships

At the end of H1, Implanet signed two agreements with industry players. The first is an exclusive distribution agreement for France with Globus Medical. Globus Medical (2020 turnover: \$ 789 m) is positioned in the top 10 of the world orthopedics market and shows a significant growth rate in a spinal implant market. Globus has certainly selected Implanet for its good knowledge of opinion leaders and centers of excellence in pediatric surgery (university hospitals, clinics). Implanet is expected to market Globus' REFLECT device for the correction of pediatric scoliosis, an area where Implanet has developed JAZZ. Implanet has otherwise signed a distribution agreement with Ulrich Medical GmbH & Co KG, a German company specialized in spinal implants (2020 sales: € 110 m). Based on its presence in Germany and its access to surgeons treating spinal deformities, Implanet should strengthen its presence across the Rhine as well as in neighboring countries (Austria, Switzerland), but also in Scandinavia, the UK and Spain. Ulrich Medical, always in search of innovation, was undoubtedly seduced by the JAZZ range and the cervical plate developed by OSD.

### Opinion Strong Buy

Following this announcement, we are raising our TP to € 1.73 per share, still with our Strong Buy opinion on the stock.

## Important Disclosure

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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 %

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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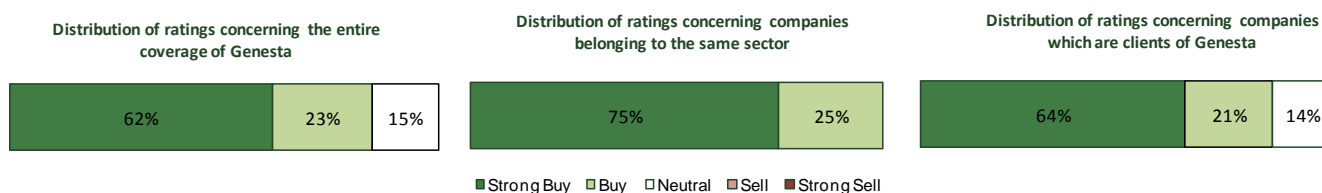
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No	No	No	No	Yes	No	Yes

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

Date of 1 <sup>st</sup> publication	Rating	Target Price
19 <sup>th</sup> July 2021	Equity Flash <b>Strong Buy</b>	€ 1.73
21 <sup>st</sup> April 2021	Equity Flash <b>Strong Buy</b>	€ 1.53
25 <sup>th</sup> February 2021	Equity Flash <b>Strong Buy</b>	€ 1.50
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

### Ratings distribution



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