

EQUASENS

Euronext A – FR0012882389 – EQS

✓ Strengthening of the Pharmagest division

- ✓ Acquisition of 70% of Digipharmacie;
- ✓ Specialist in the digitalization of pharmacy supplier invoices in SaaS mode;
- ✓ 70% of French pharmacy clients.

Equasens completes its range of high value-added services with the acquisition of 70% of Digipharmacie created in 2019.

This player, specialized in the digitalization of supplier information, addresses nearly 13,000 pharmacies in France, or 60% of the market. As a reminder, Pharmagest is present in more than 9,000 pharmacies.

Its solution, which meets the obligation to receive electronic invoices from September 1, 2026, is part of the digital transformation in health in which Equasens is particularly involved.

The group highlights the advantages of this acquisition which will allow it to offer solutions allowing “saving time and improving efficiency in the back office”, “reducing costs” by eliminating the use of paper support, “improved security” thanks to secure data storage, “improved data traceability” (real-time monitoring of the status of invoices, etc.) and “a simplified user journey”.

No figures have been communicated apart from the number of pharmacies addressed, i.e. approximately 13,000. On its site, Digipharmacie highlights the DigiCollecte + EDM (Electronic Document Management) offer without obligation at €29.9 excluding tax.

Trivially speaking, if all customers used this formula and if they had signed on January 1, we would have an annual turnover of around €4.7 million. However, non-binding offers are often more expensive and Digipharmacie offers individual, grouped and more confidential offers concerning the hosting of laboratory invoices, a point on which strong synergies can arise with Equasens.

Furthermore, we do not have the evolution of the number of customers over the year. Also, it is appropriate to consider a business volume at least 30% lower than our estimate, which would make a turnover of around €3 million.

In terms of margins, Digipharmacie has been profitable since its creation and the SaaS model offers significant leverage. Usually, we are at operating margin levels of between 30% and 40% but again no information has been provided.

As for the amount of the acquisition, we estimate that a player of this size pays between 10 and 15 times the Ebit. Also, Digipharmacie could be valued at around €14 million but based on the information in our possession it is impossible to put forward a reliable price.

Not having enough information, we do not include the contribution of Digipharmacie in our estimates. Nevertheless, the contribution in growth and margin will be notable.

Conclusion.

With this operation and the one carried out in Germany, Equasens is entering 2024 with additional turnover linked to its acquisitions which we estimate to be at least €5 million. We will wait for Q1 to have a more precise idea of the additional volume and the half-year results regarding their profitability structure.

Opinion & Target Price : Buy – €94.6

We confirm our price objective and our opinion.

Remember that following Q3, the consensus adjusted downward and has since targeted 2023 turnover of €223.2 million (Source Finbox) while we are targeting €227 million.

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BUY

Acquisition in France

Eligible PEA

TARGET

€ 94.6

PREVIOUS

€ 94.6

PRICE (1/2/23)

€ 59.9

POTENTIAL

+ 58%

MARKET CAP.

€ 909m

FREE FLOAT

€ 219m

Ratios	2023e	2024e	2025e
EV/Sales	3,6	3,2	2,9
EV/EBIT	13,5	12,2	10,9
P/E	18,5	17,3	16,2
P/CF	14,8	13,9	13,1
Dividend Yield	2,0%	2,0%	2,0%

Data per share	2022	2023e	2024e	2025e
EPS	3,21	3,25	3,45	3,69
%Change	23%	1%	6%	7%
FCF	3,09	3,80	3,67	3,88
%Change	26%	23%	-4%	6%
Dividend	1,15	1,21	1,21	1,21

Income Statement (€m)	2022	2023e	2024e	2025e
Net Sales	214,1	227,0	243,6	259,5
%Change	10,9%	6,0%	7,3%	6,5%
Gross Margin	173,3	183,9	197,3	210,2
% Sales	81,0%	81,0%	81,0%	81,0%
EBITDA	68,3	72,4	77,6	82,7
% Sales	31,9%	31,9%	31,8%	31,9%
EBIT	56,8	60,5	63,8	67,8
% Sales	26,5%	26,7%	26,2%	26,2%
Net Result	48,6	49,3	52,4	56,0
% Sales	22,7%	21,7%	21,5%	21,6%

Cash Flow Statement (€m)	2022	2023e	2024e	2025e
FCF	46,9	57,7	55,7	58,9
Net Debt	-56,3	-90,6	-128,0	-168,6
Shareholder Equity	196,8	228,2	262,3	300,0
Gearing	-29%	-40%	-49%	-56%
ROCE	19%	20%	21%	23%

Shareholders

Marque Verte Santé	60,5%
La Coopérative Welcoop	6,1%
Founders	2,7%
Auto Control	1,5%
Free Float	29,2%

Performances	2024	3m	6m	1 Year
Equasens	-2,0%	-17,7%	-28,1%	-21,7%
CAC Mid&Small	-0,1%	6,3%	-2,6%	-0,5%
12 months Low-High	55,00	85,8		

Liquidity	2024	3m	6m	1 Year
Cumulative volume (000)	6	485	718	1 207
% of capital	0,0%	3,2%	4,7%	8,0%
% of Free Float	0,2%	13,3%	19,6%	33,0%
€ Million	0,4	29,9	48,0	85,4

Next Event

Annual Sales : February, 6

GreenSome has signed a research contract with Equasens

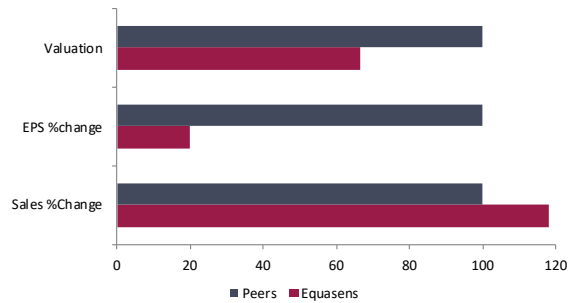
Snapshot EQUASENS

EQUASENS is the French leader in computational informatics with 44% of market share. With more than 1,100 employees, the EQUASENS's strategy revolves around a core business, IT innovation in the service of healthcare and the development of two priority areas: 1 / services and technologies for patients and health professionals, including support for the pharmacist in monitoring adherence; 2 / Technology areas that can improve the efficiency of health systems. EQUASENS has developed specialized professions: computational informatics, solutions for e-Health, solutions for health professionals, solutions for pharmaceutical laboratories, applications and connected health objects, marketplace in sales financing ... These activities are divided into 5 Divisions: Pharmegest, Axigate Link, E-Connect, Fintech and Medical Soft.

Fondamental Matrix



Investment Profile



Price Target and Rating History

DATE	TYPE	OPINION	PRICE	TARGET PRICE
11/23/23	Acquisition in Germany	Buy	€ 57.6	€ 94.6
11/9/23	Q3 Sales	Buy	€ 69.1	€ 94.6
9/29/23	H1 Results	Buy	€ 72.9	€ 94.6
8/3/23	Q2 Sales	Buy	€ 82.2	€ 94.6
5/11/23	Q1 Sales	Buy	€ 75.9	€96
4/6/23	Acquisitions	Buy	€ 70.7	€ 92.9
3/24/23	Annual Results	Buy	€ 73.7	€ 92.9
2/3/23	2022 Annual Sales	Buy	€ 79.7	€ 92.9

Financial Data

Income Statement (€ m)	2019	2020	2021	2022	2023e	2024e
Revenues	158,6	171,8	193,1	214,1	227,0	243,6
Purchase	29,9	32,2	36,9	40,7	43,1	46,3
Gross Margin	128,6	139,5	156,2	173,3	183,9	197,3
Externals costs	20,4	20,2	22,4	27,8	27,8	30,2
Personnals Costs	56,3	60,9	68,7	74,2	80,0	85,6
EBITDA	49,0	55,0	62,2	68,3	72,4	77,6
Amortization	8,1	9,1	12,3	13,5	12,5	14,4
other	0,0	0,8	0,5	2,0	0,0	0,0
EBIT	40,8	46,7	50,5	56,8	60,5	63,8
Financial Result	1,5	0,8	0,3	0,9	1,0	1,7
Tax	13,3	13,4	10,6	6,2	11,1	12,1
Net Result	29,0	32,7	41,2	48,6	49,3	52,4
Group Net Result	28,4	30,7	39,1	46,4	47,0	50,1
Balance Sheet (€ m)	2019	2020	2021	2022	2023e	2024e
Fixed Assets	160,5	184,9	207,7	213,6	218,0	216,5
Stock Inventories	4,4	6,8	8,9	9,3	9,5	10,2
Accounts Receivable	34,6	31,8	37,4	46,5	44,1	47,4
Other Currents Assets	8,0	9,0	11,2	13,3	12,6	13,5
Cash & Equivalents	50,6	63,3	64,8	68,0	92,4	119,7
TOTAL Assets	258,1	295,8	330,0	350,8	376,6	407,2
Shareholders' Equity	131,9	149,0	165,2	196,8	228,2	262,3
Provisions	4,6	5,3	5,5	5,6	6,2	6,7
Financial Debt	57,5	71,8	84,1	66,7	56,7	46,7
Accounts Payables	13,4	14,2	16,3	16,8	18,9	20,3
Others Liabilities	47,6	49,3	54,3	61,2	63,1	67,7
TOTAL Liabilities	258,1	295,8	330,0	350,8	376,6	407,2
Cash Flow Statements (€ m)	2019	2020	2021	2022	2023e	2024e
Cash Flow from Operating Activities	35,8	42,0	50,0	62,6	61,2	65,4
Change in Net Working Capital	4,9	5,2	-2,5	-5,6	6,7	1,2
Cash Flow from Operations	40,7	47,2	47,5	57,0	67,9	66,6
Cash Flow from Investing	-16,3	-19,6	-10,3	-10,1	-10,2	-11,0
Capital Increase	-13,3	-13,3	-20,1	-17,5	-17,9	-18,3
Funding Flow	-4,8	17,8	10,3	-20,8	-10,0	-10,0
Cash Flow from Financing	-34,8	-15,4	-35,7	-46,5	-33,3	-28,3
Net Change in cash position	-10,5	12,2	1,6	0,3	24,4	27,3
RATIOS	2019	2020	2021	2022	2023e	2024e
Gross Margin	81,1%	81,2%	80,9%	81,0%	81,0%	81,0%
Ebitda Margin	30,9%	32,0%	32,2%	31,9%	31,9%	31,8%
EBIT Margin	25,8%	27,2%	26,1%	26,5%	26,7%	26,2%
Net Margin	18,3%	19,0%	21,3%	22,7%	21,7%	21,5%
ROE	22,0%	21,9%	24,9%	24,7%	21,6%	20,0%
ROCE	32,9%	18,5%	17,5%	18,6%	20,1%	21,5%
Gearing	-33,2%	-24,1%	-16,7%	-28,6%	-39,7%	-48,8%
FCF per share	1,6	1,8	2,5	3,1	3,8	3,7
EPS (€)	1,9	2,0	2,6	3,2	3,2	3,5
Dividend per share (€)	0,9	1,0	1,1	1,2	1,2	1,2
Dividen Yield	1,5%	1,6%	1,8%	1,9%	2,0%	2,0%
Distribution rate	47,2%	46,8%	43,7%	38,3%	36,8%	37,2%

GreenSome Finance Estimates

Rating Definition

BUY	NEUTRAL	SELL
Upside > +10%	-10% < Upside < +10%	Upside < -10%

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NO	NO	YES	YES	NO	NO

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