

# EQUASENS

Euronext A – FR0012882389 – EQS

## ✓ Equasens establishes a presence in Germany

### ✓ Acquisition of ADV in partnership with ARZ HAAN.

Equasens has acquired 100% of the independent German software publisher ADV (Apotheken Datenverarbeitung GmbH), which develops two software programs (GAWIS and Optipharm) used by 400 pharmacies in Germany out of a total of 17,500, all without a dedicated sales force. To facilitate this acquisition, Equasens has established the holding company Equasens Germany, of which it owns 94%. The remaining 6% is held by ARZ HAAN, a leading player in the German healthcare market. ARZ HAAN serves over 17,000 clients, including 4,000 pharmacies, and employs 1,000 staff. As of the end of 2022, Equasens had approximately 1,240 employees.

ARZ HAAN caters to various healthcare sector stakeholders, such as pharmacies, dentists, medical service providers, and medical aid providers, as well as care facilities and ambulatory services. It is a major service provider in billing, financial services, and software solutions, with a 2022 turnover of €75.1 million and a profit of €4.3 million. Although it sold its primary health software, Lauer Fischer, to CGM in 2011. ARZ HAAN, now specialized in financing, retains historical technological expertise.

Beyond the operational foothold provided by ADV in Germany, the real potential lies in the opportunity to establish connections with ARZ HAAN, presenting significant prospects for deploying Equasens' offerings.

Regarding ADV, no financial details have been provided. In 2021, equity was €330,000, fixed assets amounted to €1 million, and cash reserves were €650,000.

### Conclusion:

In our opinion, the major development is not the acquisition of ADV but rather the fact that ARZ is a shareholder in Equasens Germany. This strategic move should enable Equasens to more easily penetrate the relatively closed German market. Beyond the likely technological appeal of ADV and its development without a dedicated sales force, it could be metaphorically described as a Trojan horse.

Through this operation, Equasens finally enters the German market, which should act as a growth catalyst given its size. This will be facilitated by the proximity created with ARZ.

### Opinion & Target Price: Buy – €94.6

From a stock market perspective, the share experienced a severe correction following the release of its Q3 results. The drop was 18%, with over 69,000 shares traded, compared to the daily average of 4,200. This sharp reaction stems from market disappointment due to the stability of Q3 activities and a "downcast" atmosphere regarding the pharmacy sector. In response, some analysis firms have lowered their targets for both results and stock prices. Currently, the consensus projects a 2023 revenue between €221.4 million and €227 million (source: Finbox), compared to the previous average around €232 million.

As of now, due to the decline in the share price, valuation ratios have reached very attractive levels. Nevertheless, the negative base effect in Q4 regarding the Ségur contribution in Q4 2022 could lead to a certain short-term market caution. However, within a 12–18-month perspective, the risk appears measured.

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# BUY

## Acquisition in Germany

Eligible PEA

**TARGET**  
€ 94.6

**PREVIOUS**  
€ 94.6

**PRICE** (11/23/23)  
€ 57.1

**POTENTIAL**  
+ 65%

**MARKET CAP.**  
€ 871m

**FREE FLOAT**  
€ 210m

Ratios	2023e	2024e	2025e
EV/Sales	3,4	3,1	2,7
EV/EBIT	12,9	11,6	10,4
P/E	17,7	16,6	15,5
P/CF	14,2	13,3	12,6
Dividend Yield	2,1%	2,1%	2,1%

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	2023	3m	6m	1 Year
Equasens	-23,2%	-22,4%	23,8%	-25,5%
CAC Mid&Small	-2,6%	-4,3%	-7,9%	-2,3%
12 months Low-High	55,00	85,8		

Liquidity	2023	3m	6m	1 Year
Cumulative volume (000)	1 013	401	652	1 096
% of capital	6,7%	2,6%	4,3%	7,2%
% of Free Float	27,7%	11,0%	17,8%	30,0%
€ Million	73,8	26,5	46,6	80,0

**Next Event** Annual Sales : February, 6

GreenSome has signed a research contract with Equasens

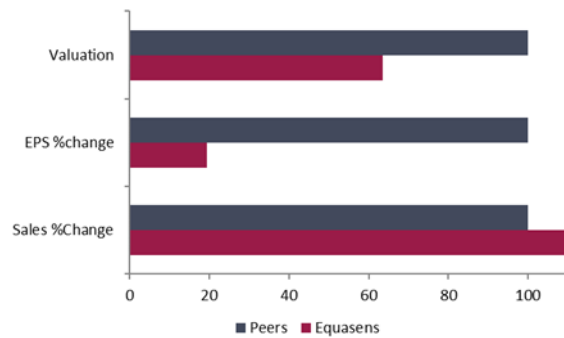
## Snapshot EQUASENS

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
11/9/23	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 Assests	8,0	9,0	11,2	13,3	12,6	13,5
Cash & Equivalentes	50,6	63,3	64,8	68,0	92,4	119,7
<b>TOTAL Assets</b>	<b>258,1</b>	<b>295,8</b>	<b>330,0</b>	<b>350,8</b>	<b>376,6</b>	<b>407,2</b>
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
<b>TOTAL Liabilitites</b>	<b>258,1</b>	<b>295,8</b>	<b>330,0</b>	<b>350,8</b>	<b>376,6</b>	<b>407,2</b>

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	1,6%	1,7%	1,8%	2,0%	2,1%	2,1%
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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