

EQUASENS

Euronext A – FR0012882389 – EQS

✓ CA T1: tense start of the year

- ✓ Group turnover €53.3 million -5.2% (-6.7% on a comparable basis);
 - o Acquisitions contribution +€2 million;
 - o Ségur effect +€0.3 million vs. +€1.4 million in Q1 2023;
- ✓ Slight growth recovery in H2;
- ✓ "Significant" acceleration in 2025.

Q1 2024 suffers from both a very unfavorable base effect (Q1 2023 +14% / +11% excluding Ségur) and a highly degraded environment for equipment sales.

Thus, the sale of configurations and equipment decreased by 17.3% to €21.5 million to represent 39.4% of turnover vs. 46.3% in Q1 2023. Other activities (maintenance & training, new software solutions, etc.) are growing by +5.3%. If we exclude the Ségur effect and the perimeter, this represents a growth of approximately +2.4%.

Compared to our expectations, Q1 is lower by 2.2% to 5.6%. We were expecting between €54.5 million and €56.5 million.

Pharmagest, e-Connect, and Médical Solutions suffer from the current context (decreasing pharmacy margins, acceleration of closures, high-interest rates), which is unfavorable for equipment investments.

Thus, their respective declines are -5.9% (€39.8 million / -8.6% on a comparable basis), -28.2% (€2.9 million), and -4% (€2.1 million / -9.2% on a comparable basis), while Axigate Link progresses by +8.4% to €7.8 million (+13.6% excluding Ségur). Axigate Link benefits from its exposure to nursing homes (60% of its turnover / +15%).

Perspectives.

Regarding H1, the organic base effect (i.e., excluding Ségur & perimeter) in Q2 will be less unfavorable with a growth rate at Q2 2023 of +3.8% vs. +11.1% in Q1. However, the Ségur effect will persist (Q2 2023 Ségur +€1.2 million / Perimeter +€0.4 million). We can, therefore, expect a decline in activity but less marked than in Q1. We are aiming for €56.1 million (-0.6%), resulting in H1 of €109.4 million -2.9%.

Thus, considering Q1, we now estimate that turnover for 2024 should be between €219.5 million and €224.4 million. Therefore, we are now targeting €222 million vs. €232.6 million, a downward revision of -4.6%.

Based on this, we should have some pleasant surprises coming from H2, with management anticipating a return to slight growth. We expect H2 to see activity increase by +5.1%. The Ségur effect will be almost null, and the perimeter effect will play a more moderate role.

Regarding 2025, management aims for a significant acceleration in activity without reiterating its objective of double-digit growth. This growth will rely on market recovery aided by an expected decrease in interest rates, facilitating equipment investments, as well as the increasing importance of new offerings, especially those in SaaS mode.

Conclusion.

2024 is a year of investments in a still sluggish market due to an unfavorable environment in terms of interest rates and a period where pharmacies are adapting (medication shortages, margin pressures due to changes in reimbursement rules, etc.).

Patience is necessary, but momentum should gradually improve, with Equasens having a very solid balance sheet and relying on a highly resilient business model offering significant visibility.

Opinion & Objective: Buy - €76.4 vs. €82.5

Adjusting our forecasts leads us to lower our price target to €76.4 (DCF €78.6 - Comparable €71.2).

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BUY

Q1 Sales

Eligible PEA

TARGET

€ 76.4

PREVIOUS

€ 82.5

PRICE (5/7/24)

€ 58.8

POTENTIAL

+ 30%

MARKET CAP.

€ 892m

FREE FLOAT

€ 215m

Ratios	2024e	2025e	2026e
EV/Sales	3,7	3,5	3,3
EV/EBIT	15,4	13,6	12,9
P/E	18,0	15,9	14,7
P/CF	14,5	13,0	12,4
Dividend Yield	2,2%	2,5%	5,2%

Data per share	2023	2024e	2025e	2026e
EPS	3,22	3,27	3,70	4,00
%Change	0%	1%	13%	8%
FCF	2,59	3,88	3,80	3,97
%Change	-16%	50%	-2%	4%
Dividend	1,25	1,31	1,44	3,03

Income Statement (€m)	2023	2024e	2025e	2026e
Net Sales	219,8	222,0	238,1	249,9
%Change	2,7%	1,0%	7,3%	5,0%
Gross Margin	178,2	180,0	193,1	202,7
% Sales	81,1%	81,1%	81,1%	81,1%
EBITDA	67,0	66,3	74,3	78,8
% Sales	30,5%	29,9%	31,2%	31,5%
EBIT	55,8	54,1	61,3	64,7
% Sales	25,4%	24,4%	25,7%	25,9%
Net Result	48,9	49,6	56,1	60,6
% Sales	22,2%	22,3%	23,5%	24,3%

Cash Flow Statement (€m)	2023	2024e	2025e	2026e
FCF	39,3	58,9	57,7	60,2
Net Debt	-60,2	-90,1	-127,9	-166,2
Shareholder Equity	227,6	258,3	294,4	333,1
Gearing	-26%	-35%	-43%	-50%
ROCE	15%	14%	16%	17%

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	-4,3%	21,1%	-15,2%	-21,0%
CAC Mid&Small	6,9%	6,5%	15,9%	2,0%
12 months Low-High	46,15	85,8		

Liquidity	2024	3m	6m	1 Year
Cumulative volume (000)	922	664	1 255	1 804
% of capital	6,1%	4,4%	8,3%	11,9%
% of Free Float	25,2%	18,2%	34,3%	49,3%
€ Million	49,4	35,1	69,2	110,4

Next Event

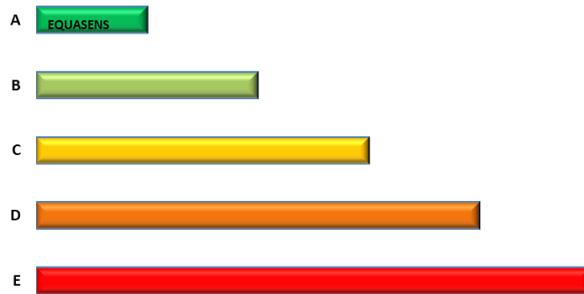
Q2 Sales : august, 2

GreenSome has signed a research contract with Equasens

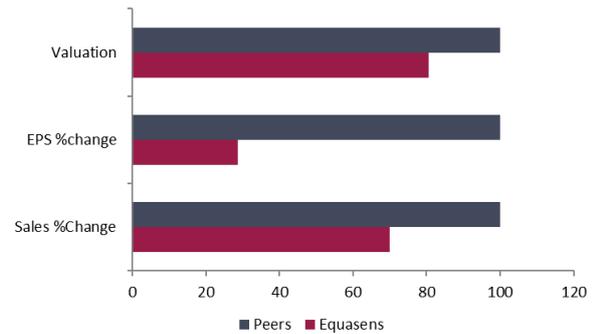
Snapshot EQUASENS

EQUASENS is the French leader in computational informatics with 44% of market share. With more than 1,240 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 Solutions.

Fondamental Matrix



Investment Profile



Price Target and Rating History

DATE	TYPE	OPINION	PRICE	TARGET PRICE
3/28/24	2023 Annual Results	Buy	€ 51.3	€ 82.5
2/6/24	2023 Sales	Buy	€ 53.3	€ 82.5
1/2/24	Acquisition in France	Buy	€ 59.9	€ 94.6
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

Financial Data

Income Statement (€ m)	2021	2022	2023	2024e	2025e	2026e
Revenues	193,1	214,1	219,8	222,0	238,1	249,9
Purchase	36,9	40,7	41,5	42,0	45,0	47,2
Gross Margin	156,2	173,4	178,2	180,0	193,1	202,7
Externals costs	22,4	27,8	27,6	28,0	30,0	31,5
Personnals Costs	68,7	75,4	80,8	82,6	85,5	88,9
EBITDA	62,2	67,1	67,0	66,3	74,3	78,8
Amortization	12,3	12,3	13,2	13,3	14,3	15,0
other	0,5	2,0	2,0	1,0	1,0	1,0
EBIT	50,5	56,8	55,8	54,1	61,3	64,7
Financial Result	0,3	0,9	3,2	0,7	1,3	2,1
Tax	10,6	6,2	9,7	5,1	6,5	7,2
Net Result	41,2	48,6	48,9	49,6	56,1	60,6
Group Net Result	39,1	46,4	47,0	47,4	53,5	57,9

Balance Sheet (€ m)	2021	2022	2023	2024e	2025e	2026e
Fixed Assets	207,7	213,6	261,8	270,7	270,8	272,5
Stock Inventories	8,9	9,3	10,3	9,2	9,9	10,4
Accounts Receivable	37,4	46,5	52,8	43,2	46,3	48,6
Other Currents Assests	11,2	13,3	14,4	12,3	13,2	13,9
Cash & Equivalents	64,8	68,0	54,7	74,6	103,4	133,7
TOTAL Assets	330,0	350,8	394,0	410,1	443,7	479,2
Shareholders' Equity	165,2	196,8	227,6	258,3	294,4	333,1
Provisions	5,5	5,6	7,1	6,1	6,5	6,8
Financial Debt	84,1	66,7	69,3	59,3	50,3	42,3
Accounts Payables	16,3	16,8	16,1	18,5	19,8	20,8
Others Liabilities	54,3	61,2	68,2	61,7	66,1	69,4
TOTAL Liabilitites	330,0	350,8	394,0	410,1	443,7	479,2

Cash Flow Statements (€ m)	2021	2022	2023	2024e	2025e	2026e
Cash Flow from Operating Activities	50,0	62,6	61,6	61,6	68,4	71,9
Change in Net Working Capital	-2,5	-5,6	-3,9	8,4	1,2	0,9
Cash Flow from Operations	47,5	57,0	57,7	70,0	69,6	72,7
Cash Flow from Investing	-10,3	-10,1	-18,4	-11,1	-11,9	-12,5
Capital Increase	-20,1	-17,5	-17,9	-19,0	-19,9	-21,9
Funding Flow	10,3	-20,8	1,8	-10,0	-9,0	-8,0
Cash Flow from Financing	-35,7	-46,5	-21,5	-39,0	-28,9	-29,9
Net Change in cash position	1,6	0,3	17,8	19,9	28,8	30,3

RATIOS	2021	2022	2023	2024e	2025e	2026e
Gross Margin	80,9%	81,0%	81,1%	81,1%	81,1%	81,1%
Ebitda Margin	32,2%	31,3%	30,5%	29,9%	31,2%	31,5%
EBIT Margin	26,1%	26,5%	25,4%	24,4%	25,7%	25,9%
Net Margin	21,3%	22,7%	22,2%	22,3%	23,5%	24,3%
ROE	24,9%	24,7%	21,5%	19,2%	19,0%	18,2%
ROCE	17,5%	18,6%	14,7%	14,2%	16,1%	17,0%
Gearing	-16,7%	-28,6%	-26,4%	-34,9%	-43,4%	-49,9%
FCF per share	2,5	3,1	2,6	3,9	3,8	4,0
EPS (€)	2,6	3,2	3,2	3,3	3,7	4,0
Dividend per share (€)	1,1	1,2	1,3	1,3	1,4	3,0
Dividen Yield	1,8%	2,0%	2,1%	2,2%	2,5%	5,2%
Distribution rate	43,7%	38,3%	36,8%	38,8%	40,1%	39,1%

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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