

EQUASENS

Euronext A – FR0012882389 – EQS

✓ Better Performance...

- ✓ Q3 Revenue at €50.3M +0.3% (-3% on a like-for-like basis)
 - Pharmagest +3.2%: €38M (€37.9M expected) / -1.5% like-for-like
 - Axigate Link -2.7% at €7.2M (€7.5M expected) / -1.1% like-for-like
 - E-Connect €2.8M -23.2% (€2.9M expected)
 - Medical Solutions €1.8M -1.2% in line / -2.4% like-for-like
- ✓ 9-Month Revenue at €158.2M -2.8% (-4.9% like-for-like)

The decline in activity appears to be coming to an end. Q3 rose by +0.3% after -5.2% in Q1 and -3% in Q2.

On a like-for-like basis (adding €5.5M over nine months / €1.8M in Q3) and adjusted for the Ségur effect (contributing €0.8M over nine months / €0.2M in Q3 vs. €2.9M over nine months in 2023 and €0.3M in Q3), activity decreased by -1.5% in Q3 after -6.7% in Q1 and -5.8% in Q2.

By Offer Type: Sales of software solutions rebounded significantly with a +11.4% increase after +3.8% in Q1 and a -5.1% decline in Q2. Over nine months, they reached €33M.

Maintenance services remained stable in Q3 after a +5.3% increase in H1, totaling €60.5M year-to-date (+3.8%).

Hardware sales were the biggest drag on the group with a -5.1% drop in Q3 and -10.7% over nine months at €62.7M.

By Division: As in Q2, Pharmagest is the only division showing growth because of consolidation. On a like-for-like basis and excluding Ségur, activity declined by -1.5%, which is equivalent to Q2.

Other divisions are all in decline, but Medical Solutions is almost stable after -20% in H1, supported by a very favorable base effect, as Q3 2023 showed a -24% drop due to the end of Médistory 4 license sales related to Ségur. Thus, Medical Solutions is back to a “normal” state in terms of consolidation.

E-Connect continues to show a sharp decline at -23% after -32% in H1, penalized by the base effect (Q3 2023 +20%), with strong mobility offerings.

Axigate Link fell by -2.7% in Q3 but remains up over nine months with +1.5% at €22.6M. 51 clients have been acquired since the start of the year, bringing the number of equipped healthcare and social facilities to 4,381. Nursing homes account for 53% of revenue, the Home sector 21%, and Hospitals 12%.

Outlook:

Q4 should show a very different picture, with growth resuming due to a favorable base effect for Pharmagest (Q4 2023 -4.5%), Axigate Link (Q4 -4.2%), and Medical Solutions (Q4 -50%). We slightly adjust our forecasts and now target annual revenue of €217.8M vs. €219.9M, implying a Q4 growth of +4.4%.

Beyond the more favorable base effect, efforts made over several quarters in sales and innovation should also start to bear fruit. For example, Axigate Link will benefit in the UK from the launch of Titan Link for the nursing home sector, new solutions for the Home sector will soon be marketed, and the Hospital sector will benefit from two “major” contracts signed with psychiatric facilities for €1M to be deployed in 2025.

Q4 could set the tone for fiscal year 2025, a year that will benefit from investments made in 2023 and a favorable base effect in the first half.

Opinion & Target: Buy – €74

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BUY

Q3 Sales + Contact

Eligible PEA

TARGET

€ 74

PREVIOUS

€ 74

PRICE (11/7/24)

€ 50

POTENTIAL

+ 48%

MARKET CAP.

€ 758m

FREE FLOAT

€ 183m

Ratios	2024e	2025e	2026e
EV/Sales	3,2	3,0	2,8
EV/EBIT	15,6	12,8	11,1
P/E	17,4	14,6	12,6
P/CF	14,1	12,1	10,9
Dividend Yield	2,6%	2,9%	6,1%

Data per share	2023	2024e	2025e	2026e
EPS	3,22	2,88	3,42	3,97
%Change	0%	-11%	19%	16%
FCF	2,59	2,53	3,39	3,77
%Change	-16%	-2%	34%	11%
Dividend	1,25	1,31	1,44	3,03

Income Statement (€m)	2023	2024e	2025e	2026e
Net Sales	219,8	217,8	233,3	248,4
%Change	2,7%	-0,9%	7,1%	6,5%
Gross Margin	178,2	176,2	189,2	201,5
% Sales	81,1%	80,9%	81,1%	81,1%
EBITDA	67,0	58,1	68,1	76,4
% Sales	30,5%	26,7%	29,2%	30,8%
EBIT	55,8	44,1	54,0	62,2
% Sales	25,4%	20,3%	23,2%	25,0%
Net Result	48,9	43,6	52,0	60,2
% Sales	22,2%	20,0%	22,3%	24,2%

Cash Flow Statement (€m)	2023	2024e	2025e	2026e
FCF	39,3	38,4	51,4	57,2
Net Debt	-68,5	-86,9	-118,4	-153,7
Shareholder Equity	227,6	252,5	284,5	322,8
Gearing	-30%	-34%	-42%	-48%
ROCE	15%	11%	14%	16%

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	-18,2%	10,9%	-14,1%	-27,6%
CAC Mid&Small	-3,3%	0,8%	-9,7%	4,8%
12 months Low-High	42,95	69,50		

Liquidity	2024	3m	6m	1 Year
Cumulative volume (000)	2 047	412	1 052	2 380
% of capital	13,5%	2,7%	6,9%	15,7%
% of Free Float	56,0%	11,3%	28,8%	65,1%
€ Million	109,6	20,3	56,0	129,4

Next Event

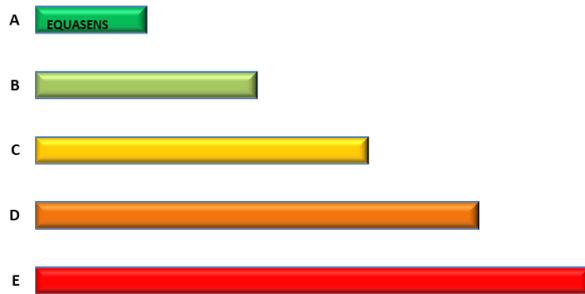
Annual Sales : february, 6

GreenSome has signed a research contract with Equasens

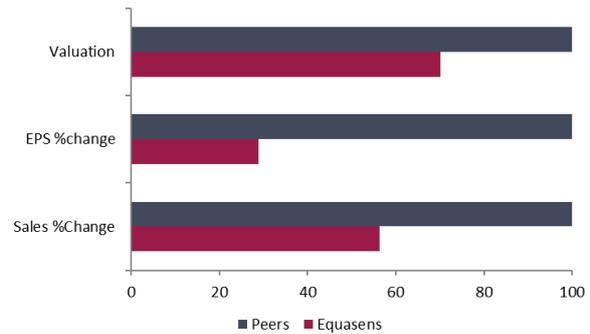
Snapshot EQUASENS

EQUASENS is the French leader in computational informatics with 44% of market share. With more than 1,240 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
9/27/24	H1 Results	Buy	€ 52.1	€ 74
8/2/24	Q2 Sales	Buy	€ 45.45	€ 74
5/7/24	Q1 Sales	Buy	€ 55.5	€ 76.4
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

Financial Data

Income Statement (€ m)	2021	2022	2023	2024e	2025e	2026e
Revenues	193,1	214,1	219,8	217,8	233,3	248,4
Purchase	36,9	40,7	41,5	41,6	44,1	46,9
Gross Margin	156,2	173,4	178,2	176,2	189,2	201,5
Externals costs	22,4	27,8	27,6	28,3	29,2	31,1
Personnals Costs	68,7	75,4	80,8	86,8	88,7	90,5
EBITDA	62,2	67,1	67,0	58,1	68,1	76,4
Amortization	12,3	12,3	13,2	14,3	15,2	15,0
other	0,5	2,0	2,0	1,0	1,0	1,0
EBIT	50,5	56,8	55,8	44,1	54,0	62,2
Financial Result	0,3	0,9	3,2	3,4	3,6	4,2
Tax	10,6	6,2	9,7	3,9	5,6	7,1
Net Result	41,2	48,6	48,9	43,6	52,0	60,2
Group Net Result	39,1	46,4	47,0	41,7	49,6	57,5

Balance Sheet (€ m)	2021	2022	2023	2024e	2025e	2026e
Fixed Assets	207,7	213,6	261,8	259,9	258,6	260,0
Stock Inventories	8,9	9,3	10,3	10,2	10,9	11,7
Accounts Receivable	37,4	46,5	52,8	52,3	56,1	59,7
Other Currents Assests	11,2	13,3	14,4	14,3	15,3	16,3
Cash & Equivalents	64,8	68,0	54,7	60,8	83,3	110,6
TOTAL Assets	330,0	350,8	394,0	397,6	424,3	458,2
Shareholders' Equity	165,2	196,8	227,6	252,5	284,5	322,8
Provisions	5,5	5,6	7,1	7,0	7,5	8,0
Financial Debt	84,1	66,7	69,3	56,9	47,9	39,9
Accounts Payables	16,3	16,8	16,1	18,2	19,4	20,7
Others Liabilities	54,3	61,2	67,6	60,5	64,8	69,0
TOTAL Liabilitites	330,0	350,8	394,0	397,6	424,3	458,2

Cash Flow Statements (€ m)	2021	2022	2023	2024e	2025e	2026e
Cash Flow from Operating Activities	50,0	62,6	61,6	53,9	62,9	69,4
Change in Net Working Capital	-2,5	-5,6	-3,9	-4,6	0,2	0,2
Cash Flow from Operations	47,5	57,0	57,7	49,3	63,1	69,6
Cash Flow from Investing	-10,3	-10,1	-18,4	-10,9	-11,7	-12,4
Capital Increase	-20,1	-17,5	-17,9	-19,3	-19,9	-21,9
Funding Flow	10,3	-35,8	-16,1	-10,0	-9,0	-8,0
Cash Flow from Financing	-35,7	-64,0	-62,2	-32,3	-28,9	-29,9
Net Change in cash position	1,6	0,3	-5,0	6,1	22,5	27,3

RATIOS	2021	2022	2023	2024e	2025e	2026e
Gross Margin	80,9%	81,0%	81,1%	80,9%	81,1%	81,1%
Ebitda Margin	32,2%	31,3%	30,5%	26,7%	29,2%	30,8%
EBIT Margin	26,1%	26,5%	25,4%	20,3%	23,2%	25,0%
Net Margin	21,3%	22,7%	22,2%	20,0%	22,3%	24,2%
ROE	24,9%	24,7%	21,5%	17,3%	18,3%	18,7%
ROCE	17,5%	18,6%	14,6%	11,5%	14,1%	16,2%
Gearing	-16,7%	-28,6%	-30,1%	-34,4%	-41,6%	-47,6%
FCF per share	2,5	3,1	2,6	2,5	3,4	3,8
EPS (€)	2,6	3,2	3,2	2,9	3,4	4,0
Dividend per share (€)	1,1	1,2	1,3	1,3	1,4	3,0
Dividen Yield	2,1%	2,3%	2,5%	2,6%	2,9%	6,1%
Distribution rate	43,7%	38,3%	35,6%	38,4%	45,6%	42,2%

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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