

# EQUASENS

Euronext A – FR0012882389 – EQS

## ✓ Investments will continue

- Operating margin (OM) of 20.8% vs 20.2% expected
- Net margin 17.4%
- Dividend of €1.25 per share
- Growth close to 10% by the end of 2025
- 2025 profitability still "affected" by ongoing investments

Equasens reports results in line with our expectations. In H2, the operating margin stood at 22.9% vs 19.4% in H1.

While activity declined slightly by 1.4%, the group improved its gross margin by 0.3 points to 81.4%, thanks in part to the increasing adoption of SaaS solutions.

2024 was a year of human investments aimed at reinvigorating the sales dynamic and strengthening the SaaS solutions offering. This resulted in personnel expenses rising by +7.9% (+7.5% in H1, +8.2% in H2). Other purchases and external expenses increased by 4%. These elements, combined with a slight decline in activity, explain the drop in profitability to 20.8% vs 25.4% in 2023, marking the lowest level since 2013. However, at that time, the gross margin was 70.4%.

This reflects the higher added value of products sold by Equasens but also highlights the efforts the group is making, particularly towards increasing its share of SaaS solutions, enabling it to grow both its recurring revenue and gross margin.

### By Divisions:

Pharmagest (Revenue +0.5%) shows a margin of 18.8% vs 22.6% in 2023, impacted by a tight pharmacy market that affected sales of configurations and equipment (Revenue -7.9%). Additionally, recent acquisitions had a -0.7 point impact on the margin.

Axigate Link (Revenue +3.2%) reports a nearly stable margin at 31.8% vs 33.5%, despite costs associated with deploying new SaaS solutions (Titanlink).

e-Connect (Revenue -25.3%) maintains a high level of profitability at 42.9% vs 44.6%, despite a 25% drop-in activity, due to the end of sales of TLA, which contributed to activity growth in 2023.

Medical Solutions (Revenue -10.9%) sees a marked drop in profitability at 2.2% vs 24.6%, primarily due to the cost of developing new software solutions aimed at increasing recurring revenue.

Fintech remains in the red (-€0.8M vs -€0.2M), mainly due to a -€0.5M provision related to the failure of a business provider.

Net profit fell by -23% (-19% for operating income) due to other operational expenses doubling to -€1.7M, which included -€0.9M in compensation linked to the acquisition of distribution areas in the electronic label market and a corporate tax rate rising to 20% vs 17%. Net financial debt improved by €0.4M to +€3.65M.

### Balance Sheet

The group maintains a healthy financial position, with a gearing ratio excluding IFRS 16 of -33% vs -34.8% in 2023. Net financial debt excluding IFRS remains stable at -€79.6M. IFRS 16 debts stand at €10M.

### Outlook

Management confirms its goal of growth for 2025, with H2 expected to achieve growth close to +10%. However, profitability will still be impacted by ongoing investments. Out of caution, we lower our expectations and now target slight profitability improvement to 21.5% in 2025 vs 23.1% previously, and 22.8% in 2026 vs 25%. The key lies in assessing when the increase in "human" investments will reach its peak. H1 will provide a good indicator in this regard.

### Opinion & Target: Buy – €71.9 vs €74

Equasens maintains a solid model and continues to strengthen its policy of recurring revenue and gross margin. The shift to SaaS, which supports this, has some inertia, explaining the current pressure on margins. The key, in our view, is to regain sales momentum after a challenging year.

The downward revision of our 2025 and 2026 profitability expectations leads to an adjustment of our target price to €71.9 (DCF €71 - Peers €74.1) vs €74. The group's discount appears significant considering its fundamentals and its leadership position in the French pharmacy market.

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# BUY

## 2024 Annual Results

Eligible PEA

### TARGET

€ 71.9

### PREVIOUS

€ 74

PRICE (3/28/25)

€ 36.1

### POTENTIAL

+ 99%

MARKET CAP.

€ 548m

FREE FLOAT

€ 132m

Ratios	2024	2025e	2026e
EV/Sales	2,2	2,1	1,9
EV/EBIT	10,6	9,6	8,5
P/E	14,5	13,0	11,6
P/CF	11,7	10,1	9,1
Dividend Yield	3,5%	3,5%	3,6%

Data per share	2023	2024	2025e	2026e
EPS	3,22	2,49	2,78	3,12
%Change	0%	-23%	12%	12%
FCF	2,59	2,10	2,67	3,19
%Change	-16%	-19%	27%	19%
Dividend	1,25	1,25	1,25	1,31

Income Statement (€m)	2023	2024	2025e	2026e
Net Sales	219,8	216,8	232,6	247,6
%Change	2,7%	-1,4%	7,3%	6,5%
Gross Margin	178,2	176,4	189,5	202,0
% Sales	81,1%	81,4%	81,5%	81,6%
EBITDA	67,0	57,6	64,8	72,2
% Sales	30,5%	26,6%	27,9%	29,2%
EBIT	55,8	45,1	50,0	56,4
% Sales	25,4%	20,8%	21,5%	22,8%
Net Result	48,9	37,8	42,1	47,3
% Sales	22,2%	17,4%	18,1%	19,1%

Cash Flow Statement (€m)	2023	2024	2025e	2026e
FCF	39,3	31,9	40,6	48,4
Net Debt	-68,5	-79,6	-101,2	-130,7
Shareholder Equity	227,6	240,7	263,9	292,2
Gearing	-30%	-33%	-38%	-45%
ROCE	15%	11%	12%	14%

### Shareholders

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

Performances	2025	3m	6m	1 Year
Equasens	-18,4%	-18,1%	-29,5%	-34,7%
CAC Mid&Small	6,5%	7,8%	1,6%	-5,0%
12 months Low-High	34,60	67,40		

Liquidity	2025	3m	6m	1 Year
Cumulative volume (000)	901	901	1 480	2 674
% of capital	5,9%	5,9%	9,8%	17,6%
% of Free Float	24,6%	24,6%	40,5%	73,1%
€ Million	33,8	33,8	60,3	126,0

### Next Event

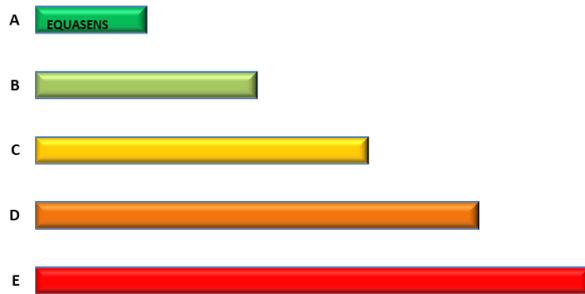
Q1 Sales : May, 12

GreenSome has signed a research contract with Equasens

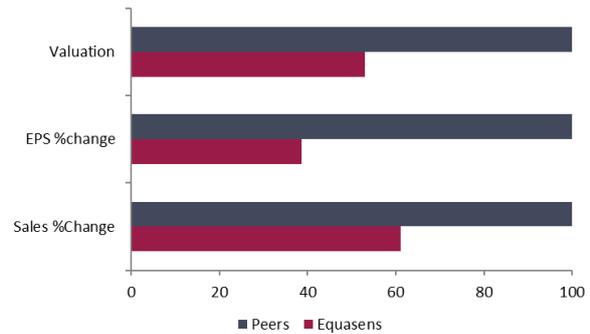
## Snapshot EQUASENS

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
2/6/25	2024 Annual Sales	Buy	€ 36.7	€ 74
12/27/24	Calimed Acquisition	Buy	€ 44.25	€ 74
11/7/24	Q3 Sales	Buy	€ 50	€ 74
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

## Financial Data

Income Statement (€ m)	2021	2022	2023	2024	2025e	2026e
Revenues	193,1	214,1	219,8	216,8	232,6	247,6
Purchase	36,9	40,7	41,5	40,3	43,0	45,6
Gross Margin	156,2	173,4	178,2	176,4	189,5	202,0
Externals costs	22,4	27,8	27,6	28,7	30,2	32,2
Personnals Costs	68,7	75,4	80,8	87,1	91,2	94,1
EBITDA	62,2	67,1	67,0	57,6	64,8	72,2
Amortization	12,3	12,3	13,2	15,5	15,8	16,8
other	0,5	2,0	2,0	3,0	1,0	1,0
EBIT	50,5	56,8	55,8	45,1	50,0	56,4
Financial Result	0,3	0,9	3,2	3,7	2,9	3,0
Tax	10,6	6,2	9,7	9,5	10,5	11,8
Net Result	41,2	48,6	48,9	37,8	42,1	47,3
Group Net Result	39,1	46,4	47,0	36,1	40,2	45,2

Balance Sheet (€ m)	2021	2022	2023	2024	2025e	2026e
Fixed Assets	207,7	213,6	261,8	275,6	276,2	276,3
Stock Inventories	8,9	9,3	10,3	10,3	11,0	11,7
Accounts Receivable	37,4	46,5	52,8	47,4	51,7	55,0
Other Currents Assests	11,2	13,3	14,4	17,3	15,5	16,5
Cash & Equivalents	64,8	68,0	54,7	47,4	60,0	81,5
<b>TOTAL Assets</b>	<b>330,0</b>	<b>350,8</b>	<b>394,0</b>	<b>398,0</b>	<b>414,4</b>	<b>441,0</b>
Shareholders' Equity	165,2	196,8	227,6	240,7	263,9	292,2
Provisions	5,5	5,6	7,1	8,2	7,5	8,0
Financial Debt	84,1	66,7	69,3	48,4	39,4	31,4
Accounts Payables	16,3	16,8	16,1	13,9	19,4	20,6
Others Liabilities	54,3	61,2	67,6	69,1	64,6	68,8
<b>TOTAL Liabilitites</b>	<b>330,0</b>	<b>350,8</b>	<b>394,0</b>	<b>398,0</b>	<b>414,4</b>	<b>441,0</b>

Cash Flow Statements (€ m)	2021	2022	2023	2024	2025e	2026e
Cash Flow from Operating Activities	50,0	62,6	61,6	46,9	54,3	60,4
Change in Net Working Capital	-2,5	-5,6	-3,9	-3,8	-2,1	0,5
Cash Flow from Operations	47,5	57,0	57,7	43,2	52,2	60,8
Cash Flow from Investing	-10,3	-10,1	-18,4	-11,3	-11,6	-12,4
Capital Increase	-20,1	-17,5	-17,9	-19,3	-19,0	-19,0
Funding Flow	10,3	-35,8	-16,1	-31,9	-9,0	-8,0
Cash Flow from Financing	-35,7	-64,0	-62,2	-65,1	-28,0	-27,0
Net Change in cash position	1,6	0,3	-5,0	-2,4	12,6	21,5

RATIOS	2021	2022	2023	2024	2025e	2026e
Gross Margin	80,9%	81,0%	81,1%	81,4%	81,5%	81,6%
Ebitda Margin	32,2%	31,3%	30,5%	26,6%	27,9%	29,2%
EBIT Margin	26,1%	26,5%	25,4%	20,8%	21,5%	22,8%
Net Margin	21,3%	22,7%	22,2%	17,4%	18,1%	19,1%
ROE	24,9%	24,7%	21,5%	15,7%	16,0%	16,2%
ROCE	17,5%	18,6%	14,6%	11,3%	12,4%	14,0%
Gearing	-16,7%	-28,6%	-30,1%	-33,1%	-38,4%	-44,7%
FCF per share	2,5	3,1	2,6	2,1	2,7	3,2
EPS (€)	2,6	3,2	3,2	2,5	2,8	3,1
Dividend per share (€)	1,1	1,2	1,3	1,3	1,3	1,3
Dividen Yield	2,9%	3,2%	3,5%	3,5%	3,5%	3,6%
Distribution rate	43,7%	38,3%	35,6%	38,4%	50,2%	45,0%

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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