

EQUASENS

Euronext A – FR0012882389 – EQS

➤ A more favourable mix supports profitability

- ✓ H1 EBIT +11.9% to €23.7m, margin +80bps to 19.0%
- ✓ Pharmagest: strong improvement in profitability to 18.6% (+220bps)
- ✓ Net cash: €93.2m vs. €83.6m at end-2025
- ✓ ARR +8.8% to €111.1m
- ⚠ Medical Solutions remains the main area of concern

As a reminder, H1 revenue came to €124.5m, up +7.3% (+1.4% on a like-for-like basis). ARR increased by +8.8% to €111.1m, while maintenance and subscription revenues rose by +8.4%, including +4.7% organically.

The more favourable mix, combined with tight cost control (personnel expenses +1.4% lfl and a 30bp accretive contribution from acquisitions to the margin), enabled current EBITDA to increase by +11.9% to €33.3m (26.8% margin vs. 25.7% in H1 2025). EBIT rose at the same pace to €23.7m, with the operating margin improving by 80bps to 19.0%. Earnings growth was therefore significantly stronger than revenue growth and, above all, organic growth. Net income followed the same trend, rising +10.5% to €20.0m.

Pharmagest: the main positive

In our view, Pharmagest was the main positive. The division generated revenue of €89.0m, up +3.6%, while EBIT increased by +17.9% to €16.6m. The operating margin therefore reached 18.6%, compared with 16.4% in H1 2025, an improvement of 220bps.

This performance was driven by a favourable product mix, stable personnel expenses and improved profitability in Italy, which contributed an additional €0.7m. Maintenance and subscription revenues increased by +6.1%.

This performance provides some comfort regarding our full-year margin assumption of 18.8%, which was set before the H1 results were released. Historical seasonality is also favourable: in 2025, the margin increased from 16.4% in H1 to 20.8% in H2. Consequently, no major additional improvement in profitability is required in H2 to meet our full-year forecast.

Axigate Link: growth is there, but margin leverage is still expected

Axigate Link posted revenue growth of +20.4% to €19.8m, driven by the integration of Novaprove/DIS and the Ségur programme. More importantly, the Hospital business continued to grow strongly, with organic growth of +18.5%, and now accounts for €4.8m of revenue.

EBIT increased by +15.4% to €5.0m, but at a slower pace than revenue, resulting in a margin decline from 26.6% to 25.5%. This is below our full-year assumption of 30% and therefore implies a significant improvement in H2. However, such a rebound would not be unprecedented, as the margin reached 31.3% in H2 2025 after 26.6% in H1.

The ramp-up of the Ségur programme and the Hospital business should provide support, although the division continues to invest heavily. Axigate therefore remains one of the key areas to monitor in terms of H2 profitability.

E-Connect: commercial weakness largely absorbed at the margin level

E-Connect's performance is paradoxically more reassuring from an earnings perspective. Revenue declined by -17.4% to €6.2m, penalised by cautious spending among healthcare professionals and the still slow roll-out of the digital Carte Vitale.

EBIT, however, declined by only -12.5% to €2.4m, resulting in a margin of 38.2%, compared with 36.0% a year earlier. Stable revenues and margins in the Pharmacy business, combined with lower expenses, partly offset the decline in mobility solutions.

Against our full-year margin assumption of 35%, this provides a degree of headroom. Our caution regarding E-Connect therefore relates more to the revenue outlook than to its contribution to Group profitability.

Medical Solutions: the main area of concern

The situation is quite different at Medical Solutions. Revenue increased by +68.7% to €8.6m thanks to the integration of Erevo but declined by -8.9% on a like-for-like basis. More importantly, EBIT came to -€0.2m compared with +€0.3m in H1 2025, representing a reported margin of -2.3%.

This deterioration reflects investments made to transform the division's legacy offerings, particularly around EQWO, LOQUII and Wave 2 of the Ségur programme. Acquisitions partly offset these investments by €0.5m, but to a lesser extent than expected due to the ongoing overhaul of the sales approach.

This is clearly the division where our full-year margin assumption of 9% now appears the most demanding. It implies a very sharp recovery in H2, whereas the division generated a margin of only 3.2% in H2 2025. A return to organic growth and, above all, the pace at which investment spending normalises will therefore be the key factors to monitor.

BUY

H1 results + Contact

Eligible PEA

TARGET

€ 63.7

PREVIOUS

€ 63.7

PRICE (9/25/26)

€ 29.45

POTENTIAL

+ 116%

MARKET CAP.

€ 447m

FREE FLOAT

€ 108m

Ratios	2026e	2027e	2028e
EV/Sales	1,5	1,4	1,3
EV/EBIT	7,0	6,6	6,3
P/E	9,6	9,2	8,6
P/CF	7,7	7,2	6,9
Dividend Yield	5,0%	5,2%	5,5%

Data per share	2025	2026e	2027e	2028e
EPS	2,62	3,07	3,21	3,43
%Change	9%	17%	4%	7%
FCF	3,11	2,53	3,24	3,79
%Change	30%	-19%	28%	17%
Dividend	1,40	1,47	1,54	1,62

Income Statement (€m)	2025	2026e	2027e	2028e
Net Sales	236,5	253,9	266,7	278,8
%Change	9,1%	7,3%	5,1%	4,5%
Gross Margin	190,1	204,1	215,2	225,8
% Sales	80,4%	80,4%	80,7%	81,0%
EBITDA	64,3	67,0	72,4	78,1
% Sales	27,2%	26,4%	27,2%	28,0%
EBIT	48,2	53,6	57,1	59,8
% Sales	20,4%	21,1%	21,4%	21,5%
Net Result	41,1	46,6	48,7	52,0
% Sales	17,4%	18,4%	18,3%	18,7%

Cash Flow Statement (€m)	2025	2026e	2027e	2028e
FCF	47,2	38,4	49,2	57,5
Net Debt	-83,6	-80,8	-107,8	-141,9
Shareholder Equity	263,0	288,4	314,8	343,4
Gearing	-32%	-28%	-34%	-41%
ROCE	13%	13%	13%	14%

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

Performances	2026	3m	6m	1 Year
Equasens	-34,6%	-16,3%	-13,4%	-33,8%
CAC Mid&Small	8,2%	1,9%	7,1%	8,2%
12 months Low-High	28,60	45,95		

Liquidity	2026	3m	6m	1 Year
Cumulative volume (000)	2 423	1 171	1 776	3 054
% of capital	16,0%	7,7%	11,7%	20,1%
% of Free Float	66,3%	32,0%	48,6%	83,5%
€ Million	85,7	38,1	61,0	111,6

Next Event

Q3 Sales : october, 29

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GreenSome has signed a research contract with Equasens

Group profitability: 21.1% full-year EBIT margin maintained

At Group level, our 2026 operating margin assumption of 21.1%, which was set before the H1 results were released, should be viewed against the 19.0% achieved in H1.

The gap reflects the historical seasonality of profitability: in 2025, the operating margin increased from 18.2% in H1 to 22.4% in H2. Moreover, the H1 2026 margin is already 80bps above the prior-year H1 level.

The composition of this improvement will nevertheless be crucial. Pharmagest and E-Connect provide us with greater comfort than before the publication. Conversely, our scenario requires a significant improvement at Axigate Link and, above all, a sharp turnaround at Medical Solutions.

We therefore maintain our margin assumption, although the mix required to achieve the 21.1% target could differ from our initial expectations, with potentially a greater contribution from Pharmagest and E-Connect and a lower contribution from Medical Solutions.

Solid cash generation

The quality of the semester is also reflected in cash generation. Cash flow from operations before interest and tax increased from €29.6m to €33.1m and reached €26.5m after interest and tax. Working capital nevertheless absorbed €11.5m, mainly due to inventory build-up aimed at securing supplies. Operating investments remained contained at €6.7m, including €5.3m allocated to development.

Management stressed the need to secure inventories given the current supply shortage environment. Consequently, inventory levels are expected to remain above average at least until the end of 2027.

Despite these factors, net cash increased to €93.2m from €83.6m at end-2025. This strong financial position provides the Group with significant flexibility to pursue its technology investments and targeted acquisition strategy.

Outlook: H2 will primarily be about margins

Following the Q2 revenue release, we had already lowered our 2026 revenue forecast to €253.9m from €260.8m to reflect a more cautious trajectory for Pharmagest, E-Connect and Medical Solutions. The H1 results do not fundamentally change this view.

However, the focus for H2 now shifts from revenue growth to profitability.

Wave 2 of the Ségur programme should gradually ramp up: it contributed only €0.6m to H1 revenue, while its roll-out is scheduled to continue through H1 2027. Beyond this, SaaS, Cloud and, above all, the integration of AI into business software are the main value-creation drivers highlighted by management, although their impact should primarily be seen over the medium to long term.

In addition, Equasens announced on 22 September that the warehouse operated by its subsidiary ASCA, which specialises in deploying electronic labelling solutions for pharmacies, had been affected by a fire. The building and the inventory stored there were destroyed. According to management, the period during which the facilities will be completely unavailable should be limited to four weeks.

The Group has also secured replacement supplies with its partners and therefore does not expect any material impact on activity. Should there be an impact, it is likely to be primarily on inventories, as the Group needs to replenish stocks before receiving insurance proceeds. This could therefore have a temporary impact on the balance sheet.

Conclusion

The H1 results support our analysis following the Q2 revenue release. The improvement in the business mix is beginning to translate into higher margins.

The 80bp increase in the operating margin to 19.0%, despite organic revenue growth of only +1.4%, is encouraging. Pharmagest was the main positive, while E-Connect demonstrated good margin resilience despite a challenging commercial environment.

Rating & target price: Buy – €63.7

The shares remain under pressure and have returned to levels last seen ten years ago.

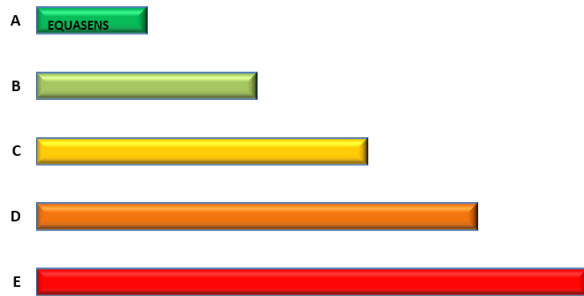
For reference, in 2016 Equasens generated annual revenue of €128.4m, with a 24.4% EBIT margin, €70m of gross cash and €10m of financial debt. At the time, the shares traded at 3.1x sales and 12.5x EV/EBIT, compared with 1.5x and 7.0x respectively on our 2026 estimates (2026e revenue: €254m; estimated EBIT margin: 21.1%; expected gross cash: €146m; financial debt: €44m).

In our view, the share-price correction has been excessive and probably reflects significant investor caution towards companies with substantial exposure to the French market, particularly software publishers, given uncertainties surrounding, among other factors, AI. This is compounded by a generally subdued investment environment among economic players.

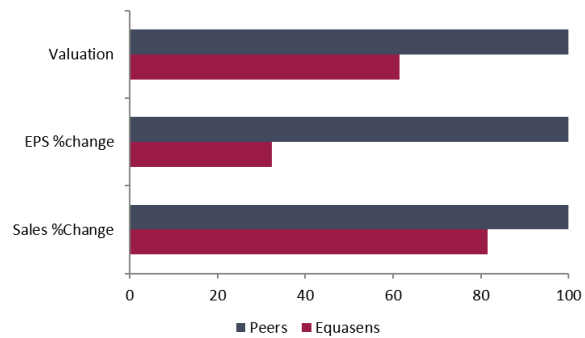
Snapshot EQUASENS

EQUASENS is the French leader in computational informatics with 44% of market share. With above 1,400 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
7/30/26	Q2 Sales	Buy	€ 34.1	€ 63.7
4/29/26	Q1 Sales	Buy	€ 39.2	€ 63.7
3/27/26	2025 Annual Results	Buy	€ 39.8	€ 63.7
2/5/26	2025 Annual Sales	Buy	€ 39.8	€ 76.7
1/5/26	Erevo Acquisition	Buy	€ 41.9	€ 76.7
11/5/25	Q3 Sales	Buy	€ 36.85	€ 76.7
9/26/25	H1 Results	Buy	€ 44.5	€ 76.7

Financial Data

Income Statement (€ m)	2023	2024	2025	2026e	2027e	2028e
Revenues	219,8	216,8	236,5	253,9	266,7	278,8
Purchase	41,5	40,3	46,4	49,8	51,5	53,0
Gross Margin	178,2	176,4	190,1	204,1	215,2	225,8
Externals costs	27,6	27,4	27,5	33,0	34,7	36,2
Personnals Costs	80,8	87,1	95,3	100,8	104,7	107,9
EBITDA	67,0	58,9	64,3	67,0	72,4	78,1
Amortization	13,2	15,5	17,7	17,8	18,7	19,5
other	2,0	1,7	1,6	1,6	1,6	1,6
EBIT	55,8	45,1	48,2	53,6	57,1	59,8
Financial Result	3,2	3,9	3,9	5,0	4,1	5,5
Tax	9,7	9,5	10,6	12,0	12,5	13,4
Net Result	48,9	37,8	41,1	46,6	48,7	52,0
Group Net Result	47,0	36,2	39,3	44,6	46,6	49,8

Balance Sheet (€ m)	2023	2024	2025	2026e	2027e	2028e
Fixed Assets	261,8	275,6	271,8	293,5	293,9	295,4
Stock Inventories	10,3	10,3	11,0	17,6	18,5	13,2
Accounts Receivable	52,8	47,4	48,5	56,4	59,3	61,9
Other Currents Assets	14,4	17,3	20,5	17,6	18,5	19,4
Cash & Equivalents	54,7	47,4	87,1	74,3	91,2	115,4
TOTAL Assets	394,0	398,0	439,0	459,5	481,4	505,2
Shareholders' Equity	227,6	240,7	263,0	288,4	314,8	343,4
Provisions	7,1	8,2	9,0	9,7	10,2	10,7
Financial Debt	69,3	48,5	53,8	43,8	33,8	23,8
Accounts Payables	16,1	13,9	19,7	21,2	22,2	23,2
Others Liabilities	67,6	68,3	74,7	77,6	81,5	85,2
TOTAL Liabilities	394,0	398,0	439,0	459,5	481,4	505,2

Cash Flow Statements (€ m)	2023	2024	2025	2026e	2027e	2028e
Cash Flow from Operating Activities	61,6	47,7	56,8	58,3	62,1	64,9
Change in Net Working Capital	-3,9	-0,2	2,5	-7,1	0,4	6,6
Cash Flow from Operations	57,7	47,6	59,2	51,1	62,6	71,5
Cash Flow from Investing	-18,4	-11,3	-12,1	-12,7	-13,3	-13,9
Capital Increase	-17,9	-19,3	-19,5	-21,2	-22,3	-23,4
Funding Flow	-19,6	-36,2	-18,6	-10,0	-10,0	-10,0
Cash Flow from Financing	-65,7	-58,1	-48,5	-51,2	-32,3	-33,4
Net Change in cash position	-8,5	-2,4	18,1	-12,8	16,9	24,1

RATIOS	2023	2024	2025	2026e	2027e	2028e
Gross Margin	81,1%	81,4%	80,4%	80,4%	80,7%	81,0%
Ebitda Margin	30,5%	27,2%	27,2%	26,4%	27,2%	28,0%
EBIT Margin	25,4%	20,8%	20,4%	21,1%	21,4%	21,5%
Net Margin	22,2%	17,4%	17,4%	18,4%	18,3%	18,7%
ROE	21,5%	15,7%	15,6%	16,2%	15,5%	15,1%
ROCE	14,6%	11,2%	12,5%	12,5%	13,4%	14,3%
Gearing	-31,4%	-33,0%	-31,8%	-28,0%	-34,2%	-41,3%
FCF per share	2,6	2,4	3,1	2,5	3,2	3,8
EPS (€)	3,2	2,4	2,6	3,1	3,2	3,4
Dividend per share (€)	1,3	1,3	1,4	1,5	1,5	1,6
Dividen Yield	4,2%	4,2%	4,8%	5,0%	5,2%	5,5%
Distribution rate	35,6%	38,4%	49,7%	51,7%	47,8%	48,1%

GreenSome Finance Estimates

Rating Definition

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

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Corporate Finance operation in progress or completed during the last 12 months	GreenSome Consulting and affiliate owns common equity securities of this subject company	Financial Analysis Contract	Notice to the company before publication	Liquidity Contract	Liquidity Provider
NO	NO	YES	YES	NO	NO

Warnings

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