

Morning Note – 07th February 2024

SPINEGUARD

100,000 surgeries performed using the DSG technology

- A symbolic milestone reached
- Reaffirmed objective of delivering solid growth by 2024
- Still a wait-and-see attitude in the short term

Proven technology

Last night, SpineGuard announced that it had reached the milestone of 100,000 surgeries using its proprietary DSG technology. For the record, this technique is an aid for spinal surgeons during the placing of stabilization devices or correction of vertebral deformations. It is essential to place the pedicle screws that will support the metal rods in an ideal position so as not to damage the surrounding nerve tissues (spinal cord and peripheral nerve roots). These 100,000 operations demonstrate the reliability of the technique, the results of which have been described in nearly 30 scientific publications (8 of them recent). In addition to optimizing the medical procedure, the safety provided by the guidance devices helps to reduce the amount of time the patient and the medical team are exposed to X-rays (which are essential for checking that the implants are correctly positioned).

Assets to meet the key challenges of 2024

This communication is an opportunity for management to point out that DSG technology is an established foundation for developing innovative devices (particularly in robotics or for orthopaedic surgery, such as "smart" drill bits). 3 new devices should be brought to market in 2024. On the commercial front, a rebound is expected in the US, where the new team is working hard to take over the key accounts of the former sales partner. Management is predicting double-digit growth for the new financial year, which looks very realistic.

Valuation and rating

The year 2023 was very disrupted by the setbacks of Wishbone Medical (distributor in the United States) and the end of the collaboration with Adin (partner for the future development and marketing of DSG technology in the dental sector). We believe that this bad year was a low point. The company has now regained control of its commercial destiny in the strategic US market. Q4 has not yet produced any clear signals, but the situation in the rest of the world is very satisfactory, with a promising start in China with partner XinRong. We are therefore awaiting the publication of Q1 sales to assess the first achievements of the new organization in the United States and confirm whether the target of double-digit growth is achievable. We remain "Neutral" on the share until Q1 sales are announced in April.

Next communication : full-year results and Q1 sales (April 17th)

France - Medtech

HOLD

Fair value (EUR)	0.83
Price (EUR)	0.3075
Upside/down side	+169.9%

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Stock data (2024-02-06)

ISIN	FR0011464452
Ticker	ALSGD.PA
Price (EUR)	0.3075
Market capitalisation (EURm)	14.6
Free float (%) est.	96.1
Floating capitalisation (EURm)	14.0
Number of shares (,000)	47,490
Average daily volume (3 m)	360,203

12m performance



Change (%)	1 m	3 m	12m
Absolute	+33.7	+9.8	-63.5
Rel. to CAC SM190	+32.2	+0.6	-57.8
Rel. to Next Biotech	+35.3	+25.4	-59.8

Financials (31/12)

EURm	2022	2023E	2024E	2025E
Sales	5.6	4.5	5.8	7.3
EBITDA	-1.4	-2.5	-1.6	-0.8
EBIT	-1.7	-2.9	-2.0	-1.2
Net income	-2.4	-3.3	-2.2	-1.3
EPS (EUR)	-0.07	-0.08	-0.05	-0.03
Net debt	-0.3	1.0	1.5	1.0

Key ratios

	2022	2023E	2024E	2025E
EV/Sales	3.3x	3.7x	2.6x	2.0x
EV/EBITDA	na	na	na	na
EV/EBIT	na	na	na	na
PER	na	na	na	na
ROIC	na	na	na	na
ROE	na	na	na	na
EV/IC	3.6x	3.1x	3.3x	3.1x
Gearing	-6%	10%	16%	3%

Profit and Loss

As of 31/12 (EURm)	2018	2019	2020	2021	2022	2023E	2024E	2025E
Sales	7.58	6.83	4.85	4.41	5.60	4.48	5.82	7.35
Change n-1	-7.3%	-9.9%	-29.0%	-9.2%	27.1%	-20.0%	30.0%	26.2%
Other revenues	-	-	-	-	-	-	-	-
Total revenues	7.58	6.83	4.85	4.41	5.60	4.48	5.82	7.35
Gross margin	6.55	5.77	4.04	3.61	4.71	3.68	4.85	6.17
EBITDA	-0.86	-0.14	-1.49	-1.04	-1.37	-2.52	-1.61	-0.77
Change n-1	68%	84%	-993%	30%	-31%	-84%	36%	52%
Depreciation & amortisation	0.26	0.30	0.35	0.31	0.43	0.51	0.52	0.53
Goodwill	-	-	-	-	-	-	-	-
EBIT	-1.11	-0.43	-1.84	-1.35	-1.66	-2.89	-1.99	-1.16
Change n-1	63%	61%	-326%	27%	-23%	-74%	31%	42%
Net financial income	-1.21	-0.64	-0.84	-0.30	-0.43	-0.31	-0.18	-0.05
Minorities	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Net profit before tax	-2.32	-1.07	-2.68	-1.65	-2.09	-3.20	-2.17	-1.21
Tax	-0.02	0.39	-0.04	-0.08	-0.30	-0.07	-0.07	-0.07
Net in come	-2.33	-0.69	-2.72	-1.72	-2.39	-3.27	-2.24	-1.28
Change n-1	43%	71%	-296%	37%	-39%	-37%	31%	43%
EPS	-0.34	-0.05	-0.12	-0.06	-0.07	-0.09	-0.06	-0.03
EPS fully diluted	-0.31	-0.05	-0.10	-0.05	-0.07	-0.08	-0.05	-0.03
Gross margin (% of sales)	86.5%	84.5%	83.2%	81.9%	84.2%	82.1%	83.3%	83.9%
EBITDA (% of sales)	na	na	na	na	na	na	na	na
EBIT (% of sales)	na	na	na	na	na	na	na	na
Net margin (% of sales)	na	na	na	na	na	na	na	na

Cash Flow statement

Au 31/12 (MEUR)	2018	2019	2020	2021	2022	2023E	2024E	2025E
Net income	-2.33	-0.69	-2.72	-1.72	-2.39	-3.27	-2.24	-1.28
Depreciation and amortisation	0.26	0.30	0.35	0.31	0.43	0.51	0.52	0.53
Goodwill	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Change in WCR	-0.08	0.27	0.64	-0.09	-0.51	-0.22	-0.34	-0.23
Others	1.49	0.71	1.04	0.35	1.07	0.89	0.76	0.64
Cash-flow from operations	-0.67	0.60	-0.68	-1.16	-1.40	-2.09	-1.30	-0.35
Capex	-0.05	-0.08	-0.05	-0.04	-0.14	-0.08	-0.08	-0.08
Free cash flow	-0.72	0.52	-0.73	-1.19	-1.54	-2.17	-1.38	-0.43
Acquisitions	-	-	-	-	-	-	-	-
Divestments	-	-	-	-	-	-	-	-
Dividends	-	-	-	-	-	-	-	-
Capital increase	1.69	1.75	1.75	6.51	1.20	1.00	1.00	1.00
Financing (bank and others)	4.63	0.22	0.00	-	-	-	-	-
Others	-5.73	-1.54	-0.99	-0.91	-1.09	-1.11	-1.04	-0.98
Change in cash over the period	-0.13	0.96	0.03	4.41	-1.44	-2.28	-1.42	-0.41
Opening cash position	1.29	1.16	2.12	2.15	6.56	5.12	2.85	1.42
Closing cash position	1.16	2.12	2.15	6.56	5.12	2.85	1.42	1.02

Balance sheet

Au 31/12 (MEUR)	2018	2019	2020	2021	2022	2023E	2024E	2025E
Fixed assets	0.12	0.63	0.50	0.37	0.28	0.19	0.10	0.00
Intangible assets	0.72	0.72	0.69	0.89	1.27	1.07	0.86	0.66
Goodwill	3.08	3.08	3.08	3.08	3.08	3.08	3.08	3.08
Financial assets	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Inventories	0.84	0.66	0.66	0.68	0.87	0.70	0.91	1.14
Account receivables	1.32	0.95	0.71	0.62	1.10	0.88	1.14	1.44
Other receivables	0.59	0.55	0.67	0.57	0.63	0.79	0.64	0.83
Cash and cash equivalents	1.06	1.40	1.22	5.21	4.12	1.84	0.42	0.01
Prepaid expenses	-	-	-	-	-	-	-	-
Other non-current assets	0.13	0.50	0.51	0.48	0.17	0.50	0.50	0.50
Total assets	7.86	8.50	8.06	11.90	11.50	9.05	7.64	7.66
Equity	-0.50	0.59	-0.01	5.06	5.14	4.40	3.83	4.45
Others	-	-	-	-	-	-	-	-
Provisions	0.05	0.05	0.05	0.05	0.18	0.04	-0.10	-0.25
Financial debt	6.07	6.08	5.64	4.47	3.83	2.87	1.93	0.99
Account payables	1.16	1.04	1.34	1.00	1.14	0.57	0.74	0.93
Other debts	0.81	0.62	0.88	1.00	1.00	0.96	1.04	1.32
Deferred income and other liabilities	0.26	0.11	0.15	0.32	0.21	0.21	0.21	0.21
Total liabilities	7.86	8.50	8.06	11.90	11.50	9.05	7.64	7.66

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