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## BIOCORP

Healthcare  
Biotech

Jean-Jacques Le Fur, PharmD  
33(0) 1.70.36.57.45  
jjlefur@bryangarnier.com

Khalid Deojee  
33(0) 6 70 39 10 82  
kzdeojee@bryangarnier.com

### CORPORATE

Target price **EUR33**

Bloomberg / Reuters ALCO FP/ALCOR.PA  
Free Float 51.3%  
Avg. Daily volume'000 (6m) 4.00

-15%

Share Price **EUR38.70**

Ytd Perf. 33.4%  
12m high / low EUR38.7 / EUR21.6  
Market Cap. EUR166m  
E.V.(2021e) EUR166m

|           | 12/21e | 12/22e | 12/23e |
|-----------|--------|--------|--------|
| EV/Sales  | 10.9x  | 7.0x   | 3.5x   |
| EV/EBITDA | 40.4x  | 18.0x  | 6.3x   |
| EV/EBIT   | 40.4x  | 18.0x  | 6.3x   |
| P/E       | 51.5x  | 23.7x  | 9.1x   |
| Div Yield | 0.4%   | 0.8%   | 2.2%   |

## Reaping the rewards of strategic alliances

Biocorp published today its FY 2021 results. We are pleased to see the company has registered record revenues cumulating at EUR10m. Despite the uncertainties related to the covid-19 crisis and the subsequent tensions hovering over the supply of semiconductors, Biocorp managed to deliver strong results, thus confirming the company's increasing notoriety to become a connected device company.

### Positive annual net income driven by strategic Big Pharma alliances

- With the recent launch of Mallya in some countries such as Romania, South Africa and especially France and other countries through Roche and Sanofi, we are pleased to see the company record revenues cumulating at EUR10m.
- Net income turned out positive again after a complicated 2020. We note that despite high R&D investments, and the tensions surrounding the semi-conductor's crisis, Biocorp sales escalated following the invoicing of services provided with new partners, Novo Nordisk and Merck and commercial launch of Mallya through long-term partners, Sanofi and Roche.
- Biocorp also recorded income regarding the work-in-progress related to the registration of Mallya in the US. As a reminder, Biocorp filed the dossier to the FDA to register Mallya in the US. Sanofi is intended to commercialize Mallya in the this territory. Also, the billing of the service to Sanofi is contractually foreseen when this registration is obtained (2022).

### Portfolio diversification expected

- With agreements signed with leaders in diabetes field, we can forecast that Mallya volume sold should increase significantly in 2023. We do not change our estimates of about 1 million Mallya products to be sold in 2026 at this time.
- To sustain the increasing sales of Mallya, we expect the company to pursue the expansion of its Mallya production capacity to 50K units a year by 2022.
- Portfolio diversification should remain at the forefront of the company's future guidelines as it intends to divest into cloud software as from 2022. Moreover, following its recent collaboration with Merck on the development and global distribution of a specific version of Mallya device for applications in the field of Human Growth Hormone (HGH), we believe that Biocorp will continue pursuing its strategic partnerships with other HGH players.
- With an insulin contract signed with leader Novo Nordisk, we are not ruling out the prospect of discussions starting between Novo Nordisk and Biocorp around HGH.
- With all this good news we reiterate our positive view on the company.

# Bryan Garnier stock rating system

For the purposes of this Report, the Bryan Garnier stock rating system is defined as follows:

## Stock rating

|                        |  |
|------------------------|--|
| <b>CONVICTION BUY</b>  | The highest possible rating, based on a very strong conviction in the mid/long-term outlook and strategic choices made by a company, and should therefore be reflected in the extent of upside in the associated target price. There is no reason to limit the number of CONVICTION BUY ratings, however they must also reflect some kind of preference in relative terms within a sector.   |
| <b>BUY</b>             | This rating should traditionally be applied to companies for which we expect a positive absolute share price performance over a 6 to 12 month period. The opinion is based not only on the TP (which represents theoretical upside relative to the current share price over a 12-month period) but also takes into consideration a number of other factors that may include a SWOT analysis, momentum, technical aspects or the sector backdrop.   |
| <b>NEUTRAL</b>         | This rating is the equivalent of a recommendation not to trade in a stock in the short term, either as a buyer or a seller, for many potential reasons. The view is intended to be temporary since it has been proven that few stocks actually remain within a narrow -5%/+5% range over a long period of time. The rating is particularly valid in exceptional market conditions. Our intention is to limit the total number of NEUTRAL ratings to 20%.   |
| <b>SELL</b>            | This rating should traditionally be applied to companies for which we expect a negative absolute share price performance over a 6 to 12 month period. The opinion is based not only on the TP (which represents theoretical downside or overly-low upside from the current share price over a 12-month period) but also takes into consideration a number of other factors that may include a SWOT analysis, momentum, technical aspects or the sector backdrop.   |
| <b>CONVICTION SELL</b> | This is the lowest possible rating reflecting a strong disagreement with the main strategic choices made by a company, pointing to the risk of de-rating and value destruction and which is obviously also reflected in downside potential between the share price and the target price.   |
| <b>NOT RATED</b>       | Covered stocks may be "Not rated" when we view them as being interesting for one or several strategic themes in our universe, but consider that we do not have a general enough perspective or overall assessment of them to be able to issue a rating. As such, our comments are limited to topics where we believe we can add value. More specifically, quarterly earnings will not be commented on per se.  |
| <b>TOP PICK</b>        | At the start of every calendar quarter, we issue a list of our preferred stocks across the coverage universe and specific to each sector. Top Picks are stocks for which we expect the quarterly performance to be very positive, on the back of short-term catalysts. Unlike recommendations that usually rely on fundamental aspects and reflect mid to long-term opinions, Top Picks must represent a selection of expected strong performers over a short period of time, therefore focusing on momentum. Top Picks must be either BUY or CONVICTION BUY-rated stocks and must show upside potential to their TP. Top Pick is not a recommendation per se but an extra status for a stock.   |
| <b>TARGET PRICE</b>    | As of September 2020, we are moving our historical FV (Fair Value) system to share our views on the theoretical valuation of a company, to a TP (Target Price) system. The main reason behind this change is to provide flexibility in reflecting the different scenarios and assumptions we make for each investment case. FV was the theoretical valuation of a company NOW. TP will be the theoretical value of a company over a standard 12-month period. With this new system, it will therefore be possible to include many more scenarios, to make more accurate and precise assumptions and to some extent, to project ourselves at the right time for the purpose of the investment case. With TP instead of FV, we should also be more aligned with our ratings, which is always better for a good global understanding of our opinions. |

## Distribution of stock ratings

Conviction BUY ratings 4.8%      BUY ratings 62.6%      NEUTRAL ratings 21.1%      SELL ratings 11.6%      Conviction SELL ratings 0%

## ESG

|              |               |   |
|--------------|---------------|---|
| <b>E S G</b> | <b>GREEN</b>  | The highest possible rating, reflecting a positive overall assessment of the company re pre-defined criteria.                   |
|              | <b>ORANGE</b> | The rating means that we have identified at least one topic which deserves attention and would require corrective measures.     |
|              | <b>RED</b>    | This is a red flag. The rating says that there is at least one topic identified that is simply not acceptable at present state. |
|              | <b>GREY</b>   | Not rated, mainly because of insufficient data.   |

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| London  | Paris   | Munich   | New York  |
|---|---|--|---|
| 16 Old Queen Street<br>London SW1H 9HP<br>United Kingdom              | 92 Avenue des Champs-Élysées<br>75008 Paris<br>France | Widenmayerstrasse 29<br>80538 Munich<br>Germany      | Bryan Garnier Securities LLC<br>750 Lexington Avenue<br>16th floor<br>New York, NY 10022<br>United States |
| +44 207 332 2500  | +33 1 56 68 75 20                                     | +49 89 2422 62 11                                    | +1 212 337 7000   |
| Oslo  | Stockholm   | Reykjavik  |   |
| Beddingen 8, Aker Brygge<br>Postbox: 0117 Oslo<br>Oslo 0250<br>Norway | Nybrokajen 5<br>111 48 Stockholm<br>Sweden            | Höfðatorg, Katrínartún 2<br>105 Reykjavík<br>Iceland |   |
| +47 908 45 025  | +46 722 401 080                                       | +354 554 78 00                                       |   |

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