

29 September 2022

Price: €16.30

Target Price: €41.20

STRONG BUY (1)

Opinion unchanged

1 : Strong Buy 2 : Buy 3 : Hold 4 : Reduce 5 : Sell

Price at 28/09/2022

H1 Results- Conf. Call Feedback

Source : FactSet Research

Market	Euronext GROWTH
ISIN / Mnemonic	FR0012788065 / ALCOR
Reuters / Bloomberg	ALCOR.PA / ALCOR:FP
Index	Euronext GROWTH
Analysis Service Agreement	
PEA-PME	Yes
Market Cap (€m)	71.11
Float (%)	53.9%
Nbre of shares (Mio)	4.362
Closing	31-Dec

	21	22e	23e
PER	ns	ns	ns
PCF	ns	ns	ns
EV/Sales	12.0	6.5	5.6
EV/EBIT	ns	ns	ns
PB	ns	21.4	26.7
Yield	0.0%	0.0%	0.0%
Free Cash Flow Yield	-1.2%	-1.5%	-4.8%
ROACE	-	-	-

Sales	10.2	11.3	13.8
Previous Sales	10.2	14.2	13.0
<i>chge y/y-1</i>	<i>20.9%</i>	<i>10.0%</i>	<i>22.4%</i>
EBITDA	0.9	0.9	0.3
Underlying EBIT	0.1	0.0	-0.9
% Sales	1.3%	0.1%	-6.2%
EBIT	0.2	0.0	-0.9
% Sales	1.8%	0.1%	-6.2%
Decl.Net inc Group Sh	0.3	0.2	-0.7
% Sales	2.9%	1.8%	-4.8%

EPS	0.07	0.05	-0.15
Previous EPS	0.07	0.59	-0.24
<i>chge y/y-1</i>	<i>ns</i>	<i>-30.6%</i>	<i>ns</i>
Restated EPS	0.07	0.05	-0.15
Net Asset per Share	0.7	0.8	0.6
Net Dividend	0.00	0.00	0.00
NFD	2.1	5.5	9.0

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Supply compromises production

The lower H1 turnover is explained by milestones postponed to H2 and by the absence of invoices on Mallya.

Top Line revised to €12m (vs PZPe: €14m) and costs impacted by the launch of Mallya

Although most of the milestones are paid in H2, we expected a smaller imbalance between the two halves. In fact, Sanofi is expected to deliver €4M in H2 as indicated in today's press release, and between €3M and €4M from its other partners. The plastics industry is expected to deliver an additional €2 million, as the activity is relatively stable. On the other hand, the production of Mallya, which is currently at a standstill, will not be able to start until the autumn at best. As a precautionary measure, we are not including any Mallya billings in 2022 but are maintaining the 150k volume for 2023. Finally, the 15% increase in costs is explained by recruitment and service contracts linked to the launch of Mallya (legal, quality, etc.). Inflation has little impact on the company's raw materials at this stage.

Supply is being restored

Mallya's production is suspended pending the delivery of a missing component. This should be delivered soon so that production can begin in November. Biocorp says it has components for 100k units and another 100k on pre-order. If the supply situation returns to normal, Biocorp would be able to deliver the 50k already ordered and to honour future batches in 2023.

A step into the software

For the moment, Mallya only interfaces with certain smartphone applications. This interoperability constraint could impact on the commercial development of the product. Therefore, Biocorp is considering engaging as a digital solution provider to promote its connected device. Several options could be envisaged, such as the provision of an SDK (Software Development Kit) allowing developers to exploit Mallya more easily, or to develop a smartphone application directly.

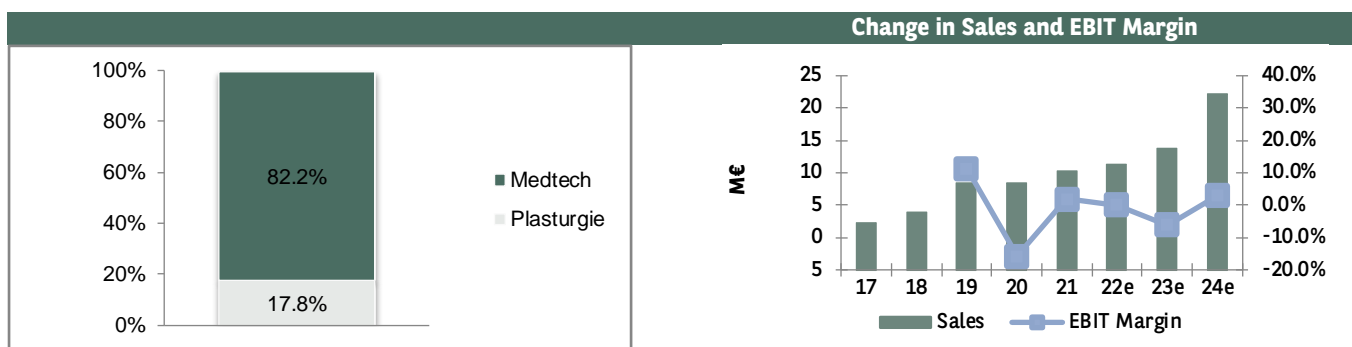
Publication below our expectations both in terms of milestones and Mallya sales. We note that milestones are expected in H2 and sales in 2023. On the other hand, although supply issues seem to be resolving, our concern is mainly about Mallya's accounting to smartphone applications. We will continue to monitor Biocorp's development in software, which could prove to be a lucrative segment, but which we do not value at this stage. We maintain our recommendation at Strong Buy (1) with a target price of €41.2.

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P&L Account	17	18	19	20	21	22e	23e	24e
Sales	2.3	3.9	8.4	8.5	10.2	11.3	13.8	22.2
<i>chge y/y-1</i>	-21.3%	67.6%	+/>+/>+	0.1%	20.9%	10.0%	22.4%	61.0%
<i>organic chge</i>	-21.3%	67.6%	117.1%	0.1%	20.9%	10.0%	22.4%	61.0%
EBITDA	-4.6	-4.3	1.6	-0.9	0.9	0.9	0.3	3.6
Underlying EBIT	-7.8	-5.3	0.9	-1.6	0.1	0.0	-0.9	0.6
<i>chge y/y-1</i>	-/-	-/-	-/+	+/-	-/+	-89.7%	+/-	-/+
EBIT	-7.9	-5.4	1.0	-1.3	0.2	0.0	-0.9	0.6
RCAI	-7.9	-5.6	0.8	-1.5	0.1	0.0	-0.9	0.6
Tax Rate	0.4	0.3	0.2	0.3	0.2	0.2	0.2	0.2
Declared Group Net income	-7.5	-5.3	1.0	-1.2	0.3	0.2	-0.7	0.8
Restated Group Net income	-7.5	-5.3	1.0	-1.2	0.3	0.2	-0.7	0.8
<i>chge y/y-1</i>	-/-	-/-	-/+	+/-	-/+	-30.6%	+/-	-/+
AACR Sales 2019 / 2023e	13.0%							
Gross Margin (%)	40.1%	15.5%	14.1%	7.6%	9.3%	4.9%	4.7%	2.8%
Operating Margin (%)	ns	ns	11.3%	-15.8%	1.8%	0.1%	-6.2%	2.9%
Net margin (%)	ns	ns	11.4%	-14.7%	2.9%	1.8%	-4.8%	3.7%
Tax Rate (%)	4.7%	5.9%	-20.2%	16.8%	-205.5%	-4886.4%	23.1%	-31.9%
Cost of personnel / Sales (%)	146.7%	97.1%	41.6%	52.5%	49.4%	49.2%	44.7%	29.8%
Sales/employees (K€)	48	85	184	146	157	-	-	-
<i>chge y/y-1</i>	-/+	74.9%	+/>+/>+	-20.6%	7.9%	-	-	-
Avg nb of staff	48	46	46	58	65	-	-	-
<i>chge y/y-1</i>	-/+	-4.2%	0.0%	26.1%	12.1%	-	-	-

Balance Sheet	17	18	19	20	21	22e	23e	24e
Equity value (group's share)	-1.3	-1.8	0.0	2.8	3.1	3.3	2.7	3.5
Net Financial Debt	3.0	3.8	1.8	0.7	2.1	5.5	9.0	9.0
Other	-0.3	-0.2	-0.4	-0.5	-0.6	-3.0	-3.0	-3.0
Invested Capital	1.4	1.7	1.5	3.0	4.7	5.8	8.6	9.4
Net Fixed Assets	2.2	1.6	2.0	3.9	4.2	6.9	9.3	8.8
<i>o/w goodwill</i>	-	-	-	-	-	-	-	-
<i>o/w financial assets</i>	0.3	0.2	0.4	0.5	0.6	3.0	3.0	3.0
WCR	-0.5	0.3	-0.1	-0.4	1.1	2.0	2.3	3.7
Capital employed	1.4	1.7	1.5	3.0	4.7	5.8	8.6	9.4
Gearing (%)	-237.2%	-207.5%	5794.1%	23.6%	67.2%	165.9%	336.7%	256.7%
WCR/Sales (%)	-21.3%	8.1%	-1.5%	-4.9%	10.3%	17.3%	17.0%	16.6%
Net Financial Debt/EBITDA (x)	ns	ns	1.2	ns	2.3	6.4	33.2	2.5
ROE (%)	ns	ns	ns	ns	9.4%	6.1%	ns	23.7%
ROACE (%) after normative tax	-	-	-	-	-	-	-	-

Cash Flow statement	17	18	19	20	21	22e	23e	24e
Cash Flow	-4.2	-4.3	1.6	-0.6	1.1	1.0	0.5	3.8
Change in WCR	0.2	-0.8	0.3	0.4	-1.5	-0.9	-0.4	-1.3
Capital expenditures	-0.9	-0.4	-1.0	-2.4	-1.0	-1.2	-3.5	-2.5
% of Sales	40.8%	10.5%	11.5%	28.7%	9.8%	10.7%	25.4%	11.3%
Free Cash Flow	-5.0	-5.5	0.9	-2.6	-1.5	-1.1	-3.4	0.0
Asset disposal	0.3	0.3	0.5	2.3	2.1	0.1	0.0	0.0
Financial Investments	-0.3	-0.4	-0.5	-2.4	-2.1	-2.5	0.0	0.0
Dividends	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Capital increase	0.0	4.7	0.9	4.0	0.0	0.0	0.0	0.0
Other	-0.1	0.1	0.1	-0.2	0.0	0.0	0.0	0.0
Change in Net Financial Debt	5.0	0.8	-1.9	-1.2	1.4	3.4	3.4	0.0
Net Financial Debt	3.0	3.8	1.8	0.7	2.1	5.5	9.0	9.0



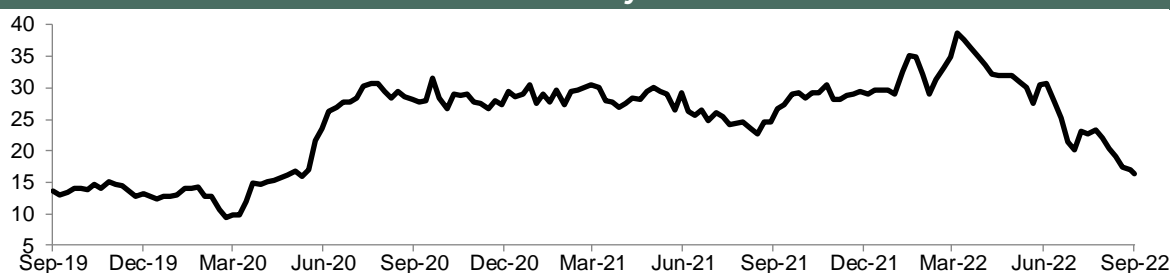
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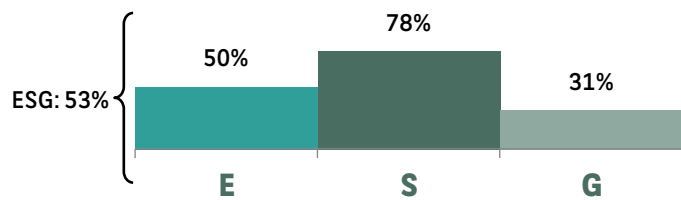
Data per Share	17	18	19	20	21	22e	23e	24e
EPS	-2.21	-1.32	0.23	-0.28	0.07	0.05	-0.15	0.19
chge y/y-1	-/--	-/--	-/+	+/-	-/+	-30.6%	+/-	-/+
CFPS	-1.2	-1.1	0.4	-0.1	0.2	0.2	0.1	0.9
NAPS	-0.4	-0.5	0.0	0.7	0.7	0.8	0.6	0.8
Net Dividend (distributed y+1)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Payout (%)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
AACR EPS 2019 / 2023e	ns							
AACR CFPS 2019 / 2023e	-27.7%							

Valuation	17	18	19	20	21	22e	23e	24e
PER (x)	ns	ns	48.4	ns	ns	ns	ns	ns
PCF (x)	ns	ns	29.1	ns	ns	ns	ns	18.6
PNAV (x)	ns	ns	ns	ns	ns	21.4	26.7	20.4
EV/Sales (x)	15.4	10.9	5.7	11.1	12.0	6.5	5.6	3.5
EV/EBITDA (x)	ns	ns	ns	ns	ns	ns	ns	21.2
EV/EBIT (x)	ns	ns	ns	ns	ns	ns	ns	ns
Free Cash Flow Yield (%)	-15.1%	-14.2%	2.0%	-2.8%	-1.2%	-1.5%	-4.8%	0.0%
Yield (%)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Market Cap (M€)	33.1	38.9	46.5	93.6	121.1	71.1	71.1	71.1
Enterprise Value (EV)	35.8	42.4	47.9	93.7	122.7	73.6	77.0	77.0
Reference Price (€)	9.8	9.6	11.2	21.5	27.8	16.3	16.3	16.3
Nb of shares (Mio)	3.390	4.033	4.147	4.362	4.362	4.362	4.362	4.362
Restated Nb of shares (Mio)	3.390	4.033	4.147	4.362	4.362	4.362	4.362	4.362
% dilution	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Listing Date	17/07/2015							
Adjusted Listing Price	5.8 €							

Intermediate Data	17	18	19	20	21	22	23	24
Q1 Sales	-	-	-	-	-	-	-	-
Q2 Sales	-	-	-	-	-	-	-	-
H1 Sales	1.1	2.0	5.2	3.8	3.6	3.0	-	-
H1 EBIT	-2.8	-2.8	1.2	-1.0	-1.3	-2.4	-	-
H1 restated Net result Group share	-2.7	-2.7	1.2	-0.8	-1.2	-2.3	-	-
H1 Operating Margin	ns	ns	22.9%	-25.2%	-37.0%	ns	-	-
H1 Net Margin	ns	ns	23.6%	-20.4%	-34.1%	ns	-	-
Q3 Sales	-	-	-	-	-	-	-	-
Q4 Sales	-	-	-	-	-	-	-	-
H2 Sales	1.3	1.9	3.2	4.6	6.6	-	-	-
H2 EBIT	-5.1	-2.6	-0.2	-0.4	1.5	-	-	-
H2 restated Net result Group share	-4.8	-2.6	-0.3	-0.5	1.5	-	-	-
H2 Operating Margin	ns	ns	-7.6%	-8.1%	22.9%	-	-	-
H2 Net Margin	ns	ns	-8.7%	-10.0%	22.9%	-	-	-
<i>Growth Rate (y/y-1)</i>								
Q1 Sales	-	-	-	-	-	-	-	-
Q2 Sales	-	-	-	-	-	-	-	-
Q3 Sales	-	-	-	-	-	-	-	-
Q4 Sales	-	-	-	-	-	-	-	-
H1 Sales	-33.3%	83.8%	+/>++	-27.4%	-5.7%	-16.2%	-	-
H2 Sales	-7.2%	53.9%	65.8%	45.2%	42.7%	-	-	-
H1 EBIT	-/--	-/--	-/+	+/-	-/--	-/--	-	-
H2 EBIT	-/--	-/-	-/-	-/-	-/+	-	-	-

Price History





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ESG Criteria				
	2019	2020	2021	Comments
ENVIRONMENT				
Carbon footprint				
GHG emissions in kteqCO2 (Scope 1 and 2) / Sales (€m)	NA	NA	NA	In progress
CO2 emissions offsetting policy	NA	NA	ND	In progress
Positive environmental impact identified	No	No	No	
Environmental Policy				
Publication of an environmental report	No	No	No	
Fines/environmental litigation over the last 3 years	No	No	No	
14001 certification	No	No	No	
SOCIAL				
Promoting diversity				
Share of women in company	35%	37%	38%	
Equal pay index women/men	NA	NA	NA	
Action plan for equal opportunities and diversity	ND	ND	ND	In progress
Share of the disabled	NA	NA	5.0%	
Training				
Part of employees who received training during the last year	NA	NA	60%	
Recruitment & Attraction				
Employment turnover rate	NA	NA	7.0%	
Certification Great place to work	ND	ND	ND	
Working conditions				
Presence of an HRD on the steering committee	No	No	No	
Encouraging employee shareholding	No	No	Yes	
Number of shares held by employees	NA	NA	104	
Absenteeism rate	NA	NA	3.0%	
Workplace accident frequency rate	NA	0	0	
GOVERNANCE & SHAREHOLDING				
Compliance with the Afep-Medef code	Yes	Yes	Yes	
Composition of governance bodies				
Separation of the functions of Chairman and Chief Executive Officer	Yes	Yes	Yes	
Number of members of the Board of Directors	5	5	5	
<i>of which independent</i>	2	2	2	
<i>of which women</i>	0	0	0	
Employee representative on the Board of Directors	No	No	No	
Attendance of Board members	NA	NA	90%	
Audit Committee	No	No	No	
Risk Committee	No	No	No	
Risk Committee: a section dedicated to cybersecurity	No	No	No	
CSR Committee	No	No	No	
Respect of minority shareholders				
Double/multiple voting rights	Yes	Yes	Yes	
Weight of the main shareholder	65%	62%	63%	Gardette Family
Executive compensation				
Transparency on the CEO's remuneration	ND	ND	ND	
Statement of the CEO's remuneration	ND	ND	ND	
Compensation of the CEO linked to CSR performance criteria	ND	ND	ND	
Fairness ratio	NA	NA	NA	
EXTERNAL STAKEHOLDERS				
Implementation of an ethics charter with its suppliers	ND	ND	ND	In progress
Implementation of customer satisfaction indicators	Yes	Yes	Yes	
Share of financial audit costs in audit costs	100%	100%	100%	

Compulsory disclosures

Stock recommendations

Our stock recommendations reflect the total return expected on the share over a 6-12 month investment horizon. They are based on target prices defined by the analyst and incorporate exogenous factors related to the market environment, which are subject to wide variations. Portzamparc's analysts use a fundamental multi-criteria approach when valuing a share (mainly, but not limited to, discounting of cash flows, comparable multiples, transaction multiples, sum of the parts and revalued net assets).

STRONG BUY (1): Expected return in excess of +15%

BUY (2): Expected return of between +5% and +15%

HOLD (3): Expected return of between -5% and +5%

REDUCE (4): Expected return of between -5% and -15%

SELL (5): Expected return of less than -15% or poor visibility on the fundamentals of the company.

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Unless otherwise specified, all prices are previous day's closing prices.

Ratings applied to the issuer in the past 12 months

The following table shows the changes of rating and target price made by the financial analysis department of Portzamparc over a 12-month period.

Recommendations are updated either when a comment is made in connection with an official or legal publication, or when an exceptional event occurs (external growth, significant agreements).

Date	Analyst	Target Price	Closing Price	Old Recommendation	New Recommendation
10/06/2022 8:30	Clément Bassat	€43.8	€30		STRONG BUY (1)

Potential conflicts of interest for PORTZAMPARC

Company	Potential conflicts of interest
Biocorp	6

1. Portzamparc holds or controls 5% or more of the issuer's share capital;
2. The issuer, or its main shareholders, hold or control, directly or indirectly, 5% or more of Portzamparc's share capital;
3. Portzamparc has been lead manager or co-lead manager in a public offering of financial instruments of the issuer in the past 12 months;
4. Portzamparc is market maker for the financial instruments of the issuer;
5. Portzamparc has entered into a liquidity agreement with the issuer;
6. Portzamparc and the issuer have signed an analysis service agreement whereby Portzamparc has undertaken to produce and disseminate investment research on the issuer;
7. Portzamparc has received payment from the issuer in consideration for the provision of investment services or financial advisory services in the last 12 months;
8. The author of this document or any person who has assisted in its preparation (or a member of their household), and any person who, while not involved in the preparation of the report, has had, or can be reasonably assumed to have had, access to material elements of this document prior to its dissemination, holds a net or short position representing more than 0.5% of the issuer's share capital;
9. The rating published in this document has been disclosed to the issuer prior to publication and dissemination and subsequently amended prior to its dissemination.

Potential conflicts of interest for BNP PARIBAS

Companies in which BNP Paribas holds interests: <https://wealthmanagement.bnpparibas/en/conflict-of-interest.html>

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