

7 December 2022

Price: €15.45

Target Price: €41.20

STRONG BUY (1)

Opinion unchanged

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

Price at 06/12/2022

Company Contact

Source : FactSet Research

Market	Euronext GROWTH
ISIN / Mnemonic	FR0012788065 / ALCOR
Reuters / Bloomberg	ALCOR.PA / ALCOR:FP
Index	Euronext GROWTH

Research partially paid by the issuer

PEA-PME Yes

Market Cap (€m)	67.40
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	6.1	5.3
EV/EBIT	ns	ns	ns
PB	ns	20.3	19.4
Yield	0.0%	0.0%	0.0%
Free Cash Flow Yield	-1.2%	-1.7%	-3.8%
ROACE	-	-	-

Sales	10.2	11.6	13.7
Previous Sales	10.2	11.3	13.8
<i>chge y/y-1</i>	<i>20.9%</i>	<i>13.0%</i>	<i>18.8%</i>
EBITDA	0.9	0.9	1.2
Underlying EBIT	0.1	0.1	0.0
<i>% Sales</i>	<i>1.3%</i>	<i>0.6%</i>	<i>0.3%</i>
EBIT	0.2	0.1	0.0
<i>% Sales</i>	<i>1.8%</i>	<i>0.6%</i>	<i>0.3%</i>
Decl.Net inc Group Sh	0.3	0.2	0.1
<i>% Sales</i>	<i>2.9%</i>	<i>1.7%</i>	<i>1.1%</i>

EPS	0.07	0.04	0.03
Previous EPS	0.07	0.05	-0.15
<i>chge y/y-1</i>	<i>ns</i>	<i>-34.0%</i>	<i>-23.3%</i>
Restated EPS	0.07	0.04	0.03
Net Asset per Share	0.7	0.8	0.8
Net Dividend	0.00	0.00	0.00

NFD	2.1	5.6	8.1
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Calendar :

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Mallya on three continents

Following Mallya's approval in the US, we take stock of the short and medium term opportunities and risks.

510(k) clearance unlocks access to US market

As announced in our morning commentary, Biocorp has obtained 510(k) clearance for the first version of Mallya developed for Sanofi's Solostar®. We understand that this was done with the help of great partners both in terms of advice and financing. This feedback will be beneficial to Biocorp for future registrations of Mallya, particularly for miniaturised versions in diabetes as well as in other therapeutic areas. It should be noted that the version currently in production is precisely this miniaturised version which is intended for the European market (CE marking obtained in September 2022) and the Japanese market where Mallya is not considered a medical device.

Short-term firm-specific risks (hardware)

The tensions on components seem to us to be in the process of being resolved in the short term, which has triggered the first productions. As a precautionary measure, we had already adjusted the volumes for 2022 and 2023, which remain launch and ramp-up years. However, we are maintaining the ramp-up beyond that, as we consider that the company will have bought its supply chain and logistics as volumes increase.

However, we remain vigilant on the component inventories that Biocorp will secure on a regular basis so as not to limit its response to the expected high demand that has motivated the plant expansion, which is scheduled for delivery in 2023.

Long-term business-specific risks (software)

Our main source of concern lies in the sector's ability to interface connected devices with software players. As mentioned in our 29/09 flash, there are as many smartphone applications as there are domestic markets at the moment. We expect a major effort from the industry to improve the interoperability of the connected loop between the medical devices and the monitoring algorithm, including a focus on CGMs (Continuous Glucose Monitor).

We are adjusting our 2022 topline estimated at €11.6m (+€0.3m), mostly composed of milestones. We believe that inflation is mainly related to salaries, given that the majority of expenses rely on R&D compared to the plastics industry. We therefore expect 2022 to be a positive year and 2023 to be another year of mostly milestones. We reiterate our Strong Buy recommendation (1) with a target of €41.2.

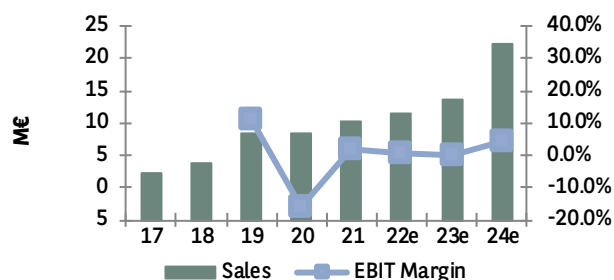
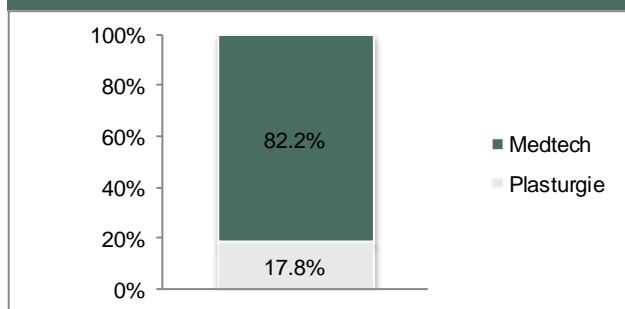
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P&L Account	17	18	19	20	21	22e	23e	24e
Sales	2,3	3,9	8,4	8,5	10,2	11,6	13,7	22,2
<i>chge y/y-1</i>	-21,3%	67,6%	+ / ++	0,1%	20,9%	13,0%	18,8%	61,6%
<i>organic chge</i>	-21,3%	67,6%	117,1%	0,1%	20,9%	13,0%	18,8%	61,6%
EBITDA	-4,6	-4,3	1,6	-0,9	0,9	0,9	1,2	4,0
Underlying EBIT	-7,8	-5,3	0,9	-1,6	0,1	0,1	0,0	1,0
<i>chge y/y-1</i>	- / --	- / -	- / +	+ / -	- / +	-53,2%	-39,2%	+ / ++
EBIT	-7,9	-5,4	1,0	-1,3	0,2	0,1	0,0	1,0
RCAI	-7,9	-5,6	0,8	-1,5	0,1	0,0	-0,1	0,9
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	0,1	1,1
Restated Group Net income	-7,5	-5,3	1,0	-1,2	0,3	0,2	0,1	1,1
<i>chge y/y-1</i>	- / --	- / -	- / +	+ / -	- / +	-34,0%	-23,3%	+ / ++
AACR Sales 2019 / 2023e	12,9%							
Gross Margin (%)	32,0%	17,3%	8,5%	7,4%	7,5%	4,8%	4,8%	2,8%
Operating Margin (%)	ns	ns	11,3%	-15,8%	1,8%	0,6%	0,3%	4,5%
Net margin (%)	ns	ns	11,4%	-14,7%	2,9%	1,7%	1,1%	5,0%
Tax Rate (%)	4,7%	5,9%	-20,2%	16,8%	-205,5%	3496,5%	392,6%	-22,1%
Cost of personnel / Sales (%)	146,7%	97,1%	41,6%	52,5%	49,4%	50,0%	47,3%	31,4%
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	3,5	4,6
Net Financial Debt	3,0	3,8	1,8	0,7	2,1	5,6	8,1	7,9
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	5,9	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	5,9	8,6	9,4
Gearing (%)	-237,2%	-207,5%	5794,1%	23,6%	67,2%	168,1%	235,1%	172,1%
WCR/Sales (%)	-21,3%	8,1%	-1,5%	-4,9%	10,3%	17,3%	17,1%	16,6%
Net Financial Debt/EBITDA (x)	ns	ns	1,2	ns	2,3	6,1	7,0	2,0
ROE (%)	ns	ns	ns	ns	9,4%	5,9%	4,3%	24,2%
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	1,3	4,1
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%	10,5%	25,5%	11,3%
Free Cash Flow	-5,0	-5,5	0,9	-2,6	-1,5	-1,1	-2,6	0,3
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	3,5	2,6	-0,3
Net Financial Debt	3,0	3,8	1,8	0,7	2,1	5,6	8,1	7,9

Change in Sales and EBIT Margin



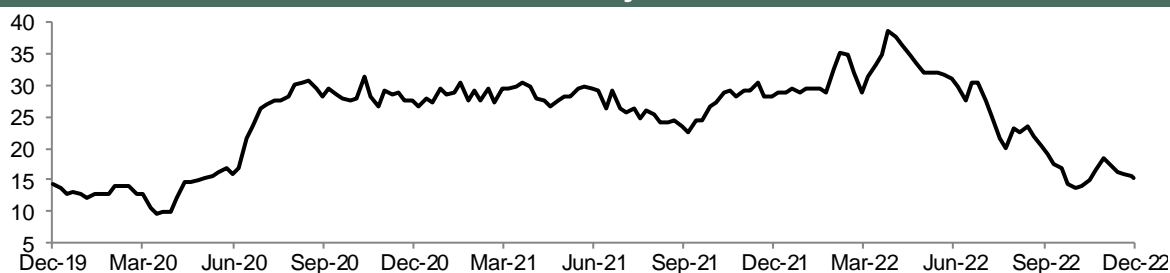
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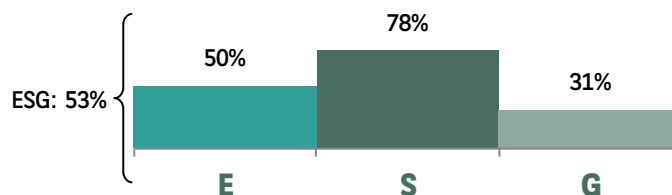
Data per Share	17	18	19	20	21	22e	23e	24e
EPS	-2,21	-1,32	0,23	-0,28	0,07	0,04	0,03	0,25
chge y/y-1	-/--	--/--	-/+	+/-	-/+	-34,0%	-23,3%	+/>+
CFPS	-1,2	-1,1	0,4	-0,1	0,2	0,2	0,3	0,9
NAPS	-0,4	-0,5	0,0	0,7	0,7	0,8	0,8	1,0
Net Dividend (distributed y+1)	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Payout (%)	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%
AACR EPS 2019 / 2023e	-38,0%							
AACR CFPS 2019 / 2023e	-6,6%							

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	16,4
PNAV (x)	ns	ns	ns	ns	ns	20,3	19,4	14,7
EV/Sales (x)	15,4	10,9	5,7	11,1	12,0	6,1	5,3	3,3
EV/EBITDA (x)	ns	ns	ns	ns	ns	ns	ns	18,1
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%	-1,7%	-3,8%	0,4%
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	67,4	67,4	67,4
Enterprise Value (EV)	35,8	42,4	47,9	93,7	122,7	70,0	72,5	72,2
Reference Price (€)	9,8	9,6	11,2	21,5	27,8	15,5	15,5	15,5
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				
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.

All the disclaimers relating to Portzamparc's research (records of ratings, commitment to transparency, policy for handling conflicts of interest, rating system, rating breakdown, etc.) are available at <https://www.midcaps.portzamparc.fr/wp-content/fileadmin/pubt/avertissements.pdf> (institutional investors) or by contacting your usual adviser (private investors).

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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