

Morning Note – 1st October 2024

SPINEGUARD

PsiFGuard receives FDA 510k clearance

- Timely approval
- A market to which PsiFGuard provides an obvious response
- Growth scenario confirmed

A new device to will help in the (re)conquest of the United States

SpineGuard announced last night that it had obtained FDA approval for PsiFGuard, its new medical drilling device using Dynamic Surgical Guidance (DSG) technology for posterior sacroiliac joint fusion operations. The company can now market PsiFGuard on the largest medical technology market, which is strategic for any Medtech company. Local partner Omnia Medical will be responsible for promoting the product to surgeons and hospitals. For the record, the company filed its application in mid-July, which means that the FDA had virtually no questions or requests for clarification. Registration is a crucial stage in the life of a medical device. The quality of the dossiers (clinical data and preparation of technical documentation) must be emphasized. SpineGuard has shown in the past, and is showing again with this success with the FDA, that its teams are competent, a key asset for future developments.

Fusion of the sacroiliac joint: a delicate surgery

Degeneration of the joint linking the sacrum and the ilium is inevitable because of the heavy pressure exerted on the pelvis. As the cartilage is unable to regenerate, the pain induced in the buttock quickly becomes disabling. According to various studies, 10% to 15% of lower back pain is caused by osteoarthritis of the sacroiliac joint. The insertion of an implant is then necessary, but its positioning remains delicate and conditions the success of the operation. PsiFGuard has been shown to drastically increase the accuracy of implant guide pin placement. This performance paves the way to very interesting prospects in this dynamically growing market (CAGR 12% 2023-2032), estimated by SpineMarket Group to be worth almost USD740m in 2032 in the United States.

Valuation and rating

This approval follows on from that obtained very recently in Europe for the threaded PediGuard, which allows spinal surgery via an anterior approach. While it is clear that the commercial launch of an innovation takes time, the company can take advantage of key conferences in its sector, such as the NASS, to promote its devices to spine surgeons. Future sales are included in our modelling. This news does not change our assumptions, but it confirms our growth scenario. We reaffirm our confidence in the company and reiterate our positive opinion on the stock.

Next communication : Q3 revenues – October 9th

France - Medtech

Buy

Fair value (EUR)	0.75
Price (EUR)	0.2345
Upside/down side	+219.8%

Lionel Labourdette, PhD, MBA

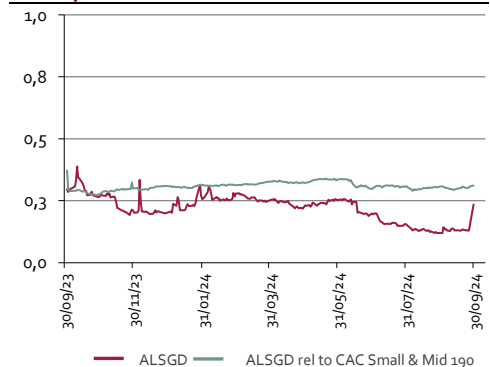
lionel@biostrategic-research.com

+33 617 965 019

Stock data (2024-09-30)

ISIN	FR0011464452
Ticker	ALSGD.PA
Price (EUR)	0.2435
Market capitalisation (EURm)	12.5
Free float (%) est.	95.2
Floating capitalisation (EURm)	11.9
Number of shares (,000)	53,501
Average daily volume (3 m)	491,532

12m performance



Change (%)	1 m	3 m	12m
Absolute	95.7	17.5	-20.8
Rel. to CAC SM190	96.4	17.0	-23.6
Rel. to Next Biotech	93.3	3.6	-16.6

Financials (31/12)

EURm	2023	2024E	2025E	2026E
Sales	4.3	5.4	7.0	8.5
EBITDA	-3.7	-2.6	-1.5	-0.6
EBIT	-4.0	-2.9	-1.8	-1.0
Net income	-4.2	-3.2	-2.0	-1.1
EPS (EUR)	-0.08	-0.06	-0.03	-0.02
Net debt	-0.8	0.4	1.2	0.8

Key ratios

	2023	2024E	2025E	2026E
EV/Sales	2.0x	2.1x	1.8x	1.4x
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	1.7x	2.2x	2.4x	2.3x
Gearing	-13%	7%	31%	19%

Profit and Loss

As of 31/12 (EURm)	2019	2020	2021	2022	2023	2024E	2025E	2026E
Sales	6.83	4.85	4.41	5.60	4.31	5.39	6.99	8.49
Change n-1	-9.9%	-29.0%	-9.2%	27.1%	-23.0%	25.1%	29.6%	21.3%
Other revenues	-	-	-	-	-	-	-	-
Total revenues	6.83	4.85	4.41	5.60	4.31	5.39	6.99	8.49
Gross margin	5.77	4.04	3.61	4.71	3.38	4.37	5.85	7.19
EBITDA	-0.14	-1.49	-1.04	-1.37	-3.68	-2.56	-1.45	-0.59
Change n-1	84%	-993%	30%	-31%	-169%	31%	43%	59%
Depreciation & amortisation	0.30	0.35	0.31	0.43	0.16	0.25	0.25	0.26
Goodwill	-	-	-	-	-	-	-	-
EBIT	-0.43	-1.84	-1.35	-1.66	-3.98	-2.93	-1.83	-0.98
Change n-1	61%	-326%	27%	-23%	-139%	26%	37%	46%
Net financial income	-0.64	-0.84	-0.30	-0.43	-0.23	-0.20	-0.13	-0.06
Minorities	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Net profit before tax	-1.07	-2.68	-1.65	-2.09	-4.20	-3.14	-1.96	-1.05
Tax	0.39	-0.04	-0.08	-0.30	0.02	-0.07	-0.07	-0.07
Net in come	-0.69	-2.72	-1.72	-2.39	-4.18	-3.21	-2.03	-1.12
Change n-1	71%	-296%	37%	-39%	-75%	23%	37%	45%
EPS	-0.05	-0.12	-0.06	-0.07	-0.09	-0.06	-0.03	-0.02
EPS fully diluted	-0.05	-0.10	-0.05	-0.07	-0.08	-0.06	-0.03	-0.02
Gross margin (% of sales)	84.5%	83.2%	81.9%	84.2%	78.3%	81.0%	83.6%	84.8%
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)	2019	2020	2021	2022	2023	2024E	2025E	2026E
Net income	-0.69	-2.72	-1.72	-2.39	-4.18	-3.21	-2.03	-1.12
Depreciation and amortisation	0.30	0.35	0.31	0.43	0.16	0.25	0.25	0.26
Goodwill	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Change in WCR	0.27	0.64	-0.09	-0.51	-0.10	-0.48	-0.28	-0.32
Others	0.71	1.04	0.35	1.07	0.51	0.43	0.36	0.29
Cash-flow from operations	0.60	-0.68	-1.16	-1.40	-3.62	-3.01	-1.70	-0.89
Capex	-0.08	-0.05	-0.04	-0.14	-0.07	-0.08	-0.08	-0.08
Free cash flow	0.52	-0.73	-1.19	-1.54	-3.69	-3.09	-1.78	-0.97
Acquisitions	-	-	-	-	-	-	-	-
Divestments	-	-	-	-	-	-	-	-
Dividends	-	-	-	-	-	-	-	-
Capital increase	1.75	1.75	6.51	1.20	4.77	1.50	1.00	1.00
Financing (bank and others)	0.22	0.00	-	-	-	-	-	-
Others	-1.54	-0.99	-0.91	-1.09	-1.09	-0.65	-0.61	-0.08
Change in cash over the period	0.96	0.03	4.41	-1.44	-0.01	-2.24	-1.40	-0.04
Opening cash position	1.16	2.12	2.15	6.56	5.12	5.11	2.87	1.48
Closing cash position	2.12	2.15	6.56	5.12	5.11	2.87	1.48	1.43

Balance sheet

Au 31/12 (MEUR)	2019	2020	2021	2022	2023	2024E	2025E	2026E
Fixed assets	0.63	0.50	0.37	0.28	0.23	0.14	0.05	-0.05
Intangible assets	0.72	0.69	0.89	1.27	1.24	1.03	0.82	0.61
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	0.66	0.66	0.68	0.87	0.95	0.84	1.09	1.32
Account receivables	0.95	0.71	0.62	1.10	0.75	1.06	1.37	1.66
Other receivables	0.55	0.67	0.57	0.63	0.73	0.56	0.70	0.91
Cash and cash equivalents	1.40	1.22	5.21	4.12	3.89	1.65	0.26	0.21
Prepaid expenses	-	-	-	-	-	-	-	-
Other non-current assets	0.50	0.51	0.48	0.17	0.17	0.17	0.17	0.17
Total assets	8.50	8.06	11.90	11.50	11.04	8.53	7.54	7.92
Equity	0.59	-0.01	5.06	5.14	6.03	4.92	3.93	4.24
Others	-	-	-	-	-	-	-	-
Provisions	0.05	0.05	0.05	0.18	0.03	0.16	0.29	0.42
Financial debt	6.08	5.64	4.47	3.83	3.09	2.02	1.47	1.00
Account payables	1.04	1.34	1.00	1.14	1.21	0.68	0.89	1.08
Other debts	0.62	0.88	1.00	1.00	0.67	0.75	0.97	1.19
Deferred income and other liabilities	0.11	0.15	0.32	0.21	-	-	-	-
Total liabilities	8.50	8.06	11.90	11.50	11.04	8.53	7.54	7.92

IMPORTANT INFORMATION

Responsibility for this publication

This publication has been prepared under the only responsibility of BioStrategic Partners.

Recipient

This publication is exclusively designed for "Eligible Counterparties" or "Business Customers". It is not designed to be distributed or transmitted, directly or indirectly, to "Retail Customers".

Absence of investment advice

This publication has been produced for information only and does not represent investment advice, given that it has been prepared without knowledge of the financial situation, asset position or any other personal circumstance of the persons who may receive it.

Absence of buy or sell offering of financial instruments

This publication does not represent an offering or an incentive to buy or sell the financial instruments outlined in it.

Reliability of information

Every precaution has been taken by Biostrategic Partners to ensure that the information contained in this publication come from sources considered reliable. Unless otherwise specifically indicated in this publication, all opinions, estimations and forecasts given, are those of Biostrategic Partners at that date and may be revised without prior notice.

Exemption from liability

Neither Biostrategic Partners nor SwissLife Banque Privée shall be liable for any damage that may result from the incorrect or incomplete nature of this publication. Neither Biostrategic Partners or SwissLife Banque Privée is not liable for any investment decisions, regardless of their nature, made by the users of this publication on its basis.

Transfer and distribution of this publication

This document was sent, prior to its publication, to the issuer of the financial instruments to which it refers. This document may not be reproduced, distributed or published in whole or in part without the prior written consent of Biostrategic Partners and SwissLife Banque Privée.

Warning concerning performance

Investors should note that any income from financial instruments can fluctuate and that prices can fall as well as rise. Past and simulated performance does not guarantee future performance.

Detection of potential conflicts of interest

Company	Potential conflicts of interest with Biostrategic Partners						
	a)	b)	c)	d)	e)	f)	g)
SPINEGUARD	No	No	No	No	Yes	No	No

The analyst has a familial relationship with a founding partner of IPF Partners who holds SpineGuard' bonds with warrants attached

- a) Biostrategic Partners has participated or is participating, either as lead manager or member of an investment or guarantee syndicate for a financial transaction, either as advisor of a public offering over the last twelve months or as Listing Sponsor of the company.
- b) Biostrategic Partners holds an investment stake greater than or equal to 5% in the capital of the company under analysis.
- c) The company who is the subject of this analysis holds an investment stake greater than or equal to 5% in Biostrategic Partners.
- d) Biostrategic Partners and/or one of its affiliates is/are liquidity provider(s) or market maker(s) for (one of) the company's financial instrument/s.
- e) Biostrategic Partners has agreed with the company to provide a service of production and distribution of analysis regarding the company.
- f) Biostrategic Partners has modified its conclusions after notifying the company before its distribution of this analysis.
- g) The person/s responsible for the analysis, a director or a member of the Board of Directors of Biostrategic Partners is a manager, director or member of the Board of Directors of the company.

Company	Potential conflicts of interest with SwissLifeBanquePrivée						
	a)	b)	c)	d)	e)	f)	g)
SPINEGUARD	Yes	No	No	Yes	No	No	No

- a) SwissLife Banque Privée has participated or is participating, either as lead manager or member of an investment or guarantee syndicate for a financial transaction, either as advisor of a public offering over the last twelve months or as Listing Sponsor of the company.
- b) SwissLife Banque Privée holds an investment stake greater than or equal to 5% in the capital of the company under analysis.
- c) The company who is the subject of this analysis holds an investment stake greater than or equal to 5% in SwissLife Banque Privée.
- d) SwissLife Banque Privée and/or one of its affiliates is/are liquidity provider(s) or market maker(s) for (one of) the company's financial instrument/s.
- e) SwissLife Banque Privée has agreed with the company to provide a service of production and distribution of analysis regarding the company.
- f) SwissLife Banque Privée has modified its conclusions after notifying the company before its distribution of this analysis.
- g) The person/s responsible for the analysis, a director or a member of the Board of Directors of SwissLife Banque Privée is a manager, director or member of the Board of Directors of the company.

Swiss Life Banque Privée

Société Anonyme au capital de 37.092.080 €
Code établissement bancaire n°11 238
RCS Paris 382 490 001
7. place Vendôme - F 75041 Paris Cedex 01 – France
Tél. : +33 1 53 29 14 14

BioStrategic Partners SAS

Société par Actions Simplifiée au capital de 30. 000 €
RCS Paris 530 430 487
140 bis. rue de Rennes - F 75006 Paris – France
Tél. : +33 6 17 96 50 19

BioStrategic Research est une marque déposée de BioStrategic Partners SAS