



genOway

Biomedical-Genetics / France



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Bonne performance au S1

Earnings/sales releases - 24/07/2017

Fact

genOway a publié le 11 juillet dernier un CA pour le premier semestre de €5m (vs €4.3m en S1 16), soit une hausse de 15%.

Analysis


La publication du CA S1 n'est guère détaillée. On peut cependant noter que la société invoque les nouveaux contrats-cadres signés en 2016 dans la biopharma pour expliquer la bonne performance de l'activité, alors que l'élargissement de l'offre (lignées cellulaires, cellules d'ADN) devrait conforter la dynamique en S2 qui s'inscrit dans le plan adopté en 2015 visant un CA de €16m à l'horizon 2018. En tout état de cause, la performance de genOway est bonne au S1, nos propres prévisions tablant sur un CA en hausse de c. 12% sur l'exercice. Par ailleurs, le groupe a confirmé le paiement en S1 de la somme de €1.4m par l'administration fiscale (déclaration rectificative du CIR sur 2013-15) qui sera comptabilisé en exceptionnel. Les résultats semestriels seront par ailleurs communiqués le 14 septembre prochain.

Impact

Pas de changement à ce stade, la performance de la société s'inscrivant dans celle que nous anticipions (et même au-dessus). La publication des résultats S1 sera l'occasion d'ajustements mineurs à nos chiffres mais le CA S1 confirme a priori nos prévisions et le potentiel du titre.

AlphaValue is contracted by genOway to provide equity research on genOway, using AlphaValue's unique and transparent methods and procedures. Target price and opinion are thus exclusively determined by those methods and procedures.

Buy	Upside : 60.0%
Target Price (6 months)	€ 3.47
Share Price	€ 2.17
Market Capitalisation €M	13.0
Price Momentum	STRONG
Extremes 12Months	1.45 ▶ 2.39
Bloomberg	ALGEN FP Equity
Reuters	ALGEN.PA

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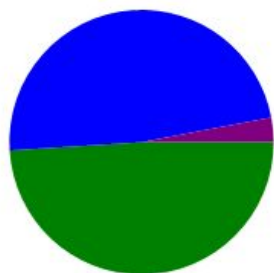


PERF	1w	1m	3m	12m
genOway	-5.24%	-3.56%	14.2%	45.6%
Pharma	-0.70%	-4.13%	3.45%	3.71%
STOXX 600	-1.73%	-2.15%	0.54%	11.6%

Last updated:	09/05/2017	12/15A	12/16A	12/17E	12/18E
Adjusted P/E (x)		ns	16.4	11.5	9.67
Dividend yield (%)		0.00	0.00	0.00	0.00
EV/EBITDA(R) (x)		9.33	7.01	5.79	4.07
Adjusted EPS (€)		0.01	0.10	0.19	0.22
Growth in EPS (%)		43.5	1,416	93.5	19.1
Dividend (€)		0.00	0.00	0.00	0.00
Sales (€M)		10.4	12.1	12.5	13.6
EBIT margin (%)		3.67	5.70	9.03	9.86
Attributable net profit (€M)		0.04	0.58	1.13	1.34
ROE (after tax) (%)		0.82	11.7	18.2	16.6
Gearing (%)		-79.0	-60.9	-47.0	-52.5

[Company Valuation](#) - [Company Financials](#)

Sales by Geography



■ Europe (49.0%)
■ Americas (48.0%)
■ Other (3.0%)

Consolidated P&L Accounts

		12/16A	12/17E	12/18E
Sales	€M	12.1	12.5	13.6
Change in sales	%	16.6	2.76	9.11
Change in staff costs	%	9.47	2.31	6.72
EBITDA	€M	1.03	1.54	1.84
EBITDA(R) margin	%	8.47	12.4	13.5
Depreciation	€M	-0.80	-0.92	-1.00
Underlying operating profit	€M	0.69	1.13	1.34
Operating profit (EBIT)	€M	0.69	1.13	1.34
Net financial expense	€M	0.02	0.00	0.00
of which related to pensions	€M		0.00	0.00
Exceptional items & other	€M	-0.16	0.00	0.00
Corporate tax	€M	0.03	0.00	0.00
Equity associates	€M			
Minority interests	€M			
Adjusted attributable net profit	€M	0.58	1.13	1.34
NOPAT	€M	0.48	0.79	0.94

Cashflow Statement

		12/16A	12/17E	12/18E
EBITDA	€M	1.03	1.54	1.84
Change in WCR	€M	-1.70	0.17	0.07
Actual div. received from equity holdi...	€M	0.00	0.00	0.00
Paid taxes	€M		0.00	0.00
Exceptional items	€M			
Other operating cash flows	€M	-0.89		
Total operating cash flows	€M	-1.57	1.72	1.90
Capital expenditure	€M	-0.30	-0.30	-0.45
Total investment flows	€M	-0.30	-0.30	-0.45
Net interest expense	€M	0.02	0.00	0.00
Dividends (parent company)	€M	0.00	0.00	0.00
Dividends to minorities interests	€M	0.00	0.00	0.00
New shareholders' equity	€M			
Total financial flows	€M	0.00	0.00	0.00
Change in cash position	€M	-1.87	1.42	1.45
Free cash flow (pre div.)	€M	-1.85	1.42	1.45

Per Share Data

		12/16A	12/17E	12/18E
No. of shares net of treas. stock (year...	Mio	5.98	5.98	5.98
Number of diluted shares (average)	Mio	5.98	5.98	5.98
Benchmark EPS	€	0.10	0.19	0.22
Restated NAV per share	€			
Net dividend per share	€	0.00	0.00	0.00

Valuation Summary

Benchmarks	Value	Weight	Largest comparables
DCF	€ 4.35	35%	■ bioMerieux
NAV/SOTP per share	€ 3.73	20%	■ Carl Zeiss Meditec
EV/Ebitda	€ 3.40	20%	■ Grifols
P/E	€ 3.62	10%	■ Fresenius Medical ...
Dividend Yield	€ 0.00	10%	
P/Book	€ 3.20	5%	
TARGET PRICE	€ 3.47	100%	

NAV/SOTP Calculation

Balance Sheet

		12/16A	12/17E	12/18E
Goodwill	€M	0.00	0.00	0.00
Total intangible	€M	0.76	0.68	0.64
Tangible fixed assets	€M	0.48	0.45	0.44
Financial fixed assets	€M	0.00	0.00	0.00
WCR	€M	-2.02	-2.20	-2.26
Other assets	€M	3.49	3.94	4.59
Total assets (net of short term liab.)	€M	2.90	3.06	3.59
Ordinary shareholders' equity	€M	5.26	7.11	9.10
Quasi Equity & Preferred	€M			
Minority interests	€M			
Provisions for pensions	€M	0.00	0.00	0.00
Other provisions for risks and liabilities	€M	0.27		
Total provisions for risks and liabilities	€M	0.27	0.00	0.00
Tax liabilities	€M			
Other liabilities	€M	0.00	0.00	0.00
Net debt (cash)	€M	-2.63	-4.05	-5.50
Total liab. and shareholders' equity	€M	2.90	3.06	3.59

Capital Employed

		12/16A	12/17E	12/18E
Capital employed after depreciation	€M	-0.78	-1.07	-1.18

Profits & Risks Ratios

		12/16A	12/17E	12/18E
ROE (after tax)	%	11.7	18.2	16.6
ROCE	%	-62.3	-73.8	-79.5
Gearing (at book value)	%	-60.9	-47.0	-52.5
Adj. Net debt/EBITDA(R)	x	-2.56	-2.62	-2.99
Interest cover (x)	x	-31.5	375,516	447,372

Valuation Ratios

		12/16A	12/17E	12/18E
Reference P/E (benchmark)	x	16.4	11.5	9.67
Free cash flow yield	%	-19.3	10.9	11.2
P/Book	x	1.82	1.83	1.43
Dividend yield	%	0.00	0.00	0.00

EV Calculation

		12/16A	12/17E	12/18E
Market cap	€M	9.57	13.0	13.0
+ Provisions	€M	0.27	0.00	0.00
+ Unrecognised actuarial losses/(gains)	€M	0.00	0.00	0.00
+ Net debt at year end	€M	-2.63	-4.05	-5.50
+ Leases debt equivalent	€M	0.00	0.00	0.00
- Financial fixed assets (fair value)	€M			
+ Minority interests (fair value)	€M			
= EV	€M	7.21	8.93	7.48
EV/EBITDA(R)	x	7.01	5.79	4.07
EV/Sales	x	0.59	0.72	0.55

Analyst : Fabrice Farigoule, Changes to Forecasts : 09/05/2017.