

ATRY'S HEALTH

2022 results: a transformational year

- Strong growth in H2 fuelled by M&A.** Sales increased 21% YoY to €96m in 2H22, primarily driven by acquisitions (Bienzobas), and adjusted EBITDA jumped 59% to €20m. Excluding M&A, we estimate adj. EBITDA would be up c.7% organically. FY22 adjusted EBITDA pro-forma for M&A rose by 30% to €47m, in line with our estimate (€46m), but a bit short of guidance (€50m) as oncology was affected by low screening during the pandemic (as anticipated by management in H1). In reported terms, FY22 EBITDA reached €29m (vs. €6m in FY21), and Atrys remained lossmaking at the bottom line (€23m) due to restructuring and M&A costs (€13m) and PPA amortization (€12m), but would have broken even (€5m) for the first time excluding these one-offs.
- 2022: a transformational year.** The acquisition of Bienzobas has been a key milestone, complementing the product portfolio and achieving a 360° offering in oncology. Organically, the entry into the clinical trial medical services in oncology, the opening of new units in precision medicine (nuclear medicine, new laboratory), and the entry into Mexico have also positioned the group to capture growth in the coming years. This has required major efforts, with two capital increases for >€80m (>20% of market cap) and cash burning (€40m, higher than we expected due to earn-out payments, restructuring and M&A costs) pushing leverage to 3.5X (vs. 3.9X covenants). Despite this, we would highlight that Atrys has been able to increase the adjusted EBITDA per share by 5% to €0.62, despite the headwinds in precision medicine.
- Strong organic prospects for 2023.** As Covid-19 effects fade, screening is gradually returning to normal levels and this should once again boost early cancer diagnostics and reactivate the radiotherapy business. This, coupled with the solid structural trends fuelling growth in all business, and the synergies to be extracted from the acquisitions, have positioned Atrys for a solid 2023 from an organic standpoint. Management is guiding for growth in 2023 of 10-13% in sales and adjusted EBITDA, which should reach €52-53m (in line with our €53m estimate), and further acquisitions would build on top of this.
- Our view.** Atrys has made progress on its strategy despite the operating headwinds in 2022, and we believe that it is well positioned for organic growth in 2023. However, the company will now need to deliver on the organic front as de-leveraging is needed, especially in the current context of tightening credit markets, before resuming the M&A driven growth strategy.

Financial Ratios	FY20	FY21	FY22	FY23E	FY24E	FY25E
EBITDA (€m)	9.5	24.0	41.3	52.8	59.5	66.5
Net profit (€m)	(2.3)	(3.6)	(4.6)	15.3	20.1	25.0
EPS (€)	(0.18)	(0.43)	(0.32)	0.06	0.12	0.20
Adj. EPS (*) (€)	(0.07)	(0.07)	(0.06)	0.20	0.26	0.32
P/E (x)	-	-	-	96.2	45.3	28.6
P/E Adj. (x)	-	-	-	28.5	21.8	17.5
EV/EBITDA (x)	24.4	25.8	16.3	11.4	9.7	8.2
Debt/EBITDA (x)	5.2	3.4	3.5	2.9	2.1	1.4
P/BV (x)	2.6	1.8	1.5	1.3	1.3	1.2
ROE (%)	(3.24)	(1.32)	(1.44)	4.70	5.97	7.12
DPS (€)	-	-	-	-	-	-
Dividend yield (%)	-	-	-	-	-	-

(*) Historical multiples based on average share price of the year

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Share Price (*) € 5.60

*Share price at the close of 22, March 2023

ATRY.MC / ATRY SM

Market Cap	€ 426 m
Enterprise Value	€ 560 m
Free Float	€ 147 m
Nº Shares	76 m
Average Daily Volume	€ 60 k

Performance	1m	3m	12m
Absolute %	-7.9	-0.7	-30.2
Relative %	-5.6	-11.7	-42.6



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KEY DATA

P&L account (€ m)	FY20	FY21	FY22	FY23E	FY24E	FY25E	Cash flow (€ m)	FY20	FY21	FY22	FY23E	FY24E	FY25E
Revenue	31	121	187	233	252	271	Net profit	(6)	(23)	(23)	5	10	15
CoGS	(10)	(23)	(37)	(47)	(50)	(54)	Depreciation	4	26	25	14	14	13
Gross margin	22	98	150	186	202	217	Minorities	-	0	(0)	1	1	1
Opex	(12)	(74)	(108)	(134)	(142)	(150)	Non-cash adjustments	1	3	8	16	16	17
Adj EBITDA	10	24	41	53	59	66	Total cash-flow (CF)	0	5	10	37	41	46
D&A	(5)	(12)	(18)	(16)	(16)	(17)	Capex	(8)	(9)	(14)	(12)	(12)	(12)
Other items	(0)	(0)	(9)	(1)	(1)	(1)	Working capital investmer	(4)	0	(10)	(4)	(1)	(1)
Adj. EBITA	4	11	14	35	42	49	Operating FCF	(11)	(3)	(14)	21	28	33
PPA amortization	(1)	(8)	(12)	(13)	(13)	(12)	Financial investments	-	-	-	-	-	-
Non-recurring items	(4)	(18)	(13)	(1)	(1)	(1)	Disposals (acquisitions)	(64)	(293)	(99)	(13)	-	-
EBIT	(0)	(15)	(11)	21	28	36	Rights issues	39	215	87	-	-	-
Net financials	(4)	(8)	(12)	(14)	(14)	(14)	Others (*)	7	7	(13)	-	-	-
Other financials	(1)	(2)	(1)	-	-	-	FCF before dividends	(29)	(74)	(40)	8	28	33
EBT	(5)	(25)	(25)	7	14	22	Dividends paid	-	-	-	-	-	-
Income tax expense	(0)	2	1	(1)	(3)	(6)	Free-cash-flow (FCF)	(29)	(74)	(40)	8	28	33
Discontinued operations	-	(0)	(0)	-	-	-	Share buybacks	-	-	-	-	-	-
Minorities	-	(0)	0	(1)	(1)	(1)	FCF after buy backs	(29)	(74)	(40)	8	28	33
Net profit, reported	(6)	(23)	(23)	5	10	15	(*) Includes impact of IFRS16						
Adjustments	3	20	19	11	10	10							
Net profit adjusted	(2)	(4)	(5)	15	20	25							
N° of shares (m)	28	50	69	76	76	76	Balance sheet (€ m)	FY20	FY21	FY22	FY23E	FY24E	FY25E
N° of shares adjusted (m)	31	54	72	78	78	78	Shareholders equity	71	274	322	326	336	351
							Minorities	-	-	16	23	25	26
YoY Growth	FY20	FY21	FY22	FY23E	FY24E	FY25E	Net debt (cash)	50	124	164	155	128	95
Sales	112%	285%	55%	25%	8%	7%	Capital invested	121	398	501	505	488	472
Adj. EBITDA	108%	151%	72%	28%	13%	12%	Goodwill	124	387	519	505	491	478
Adj. EBITA	55%	166%	23%	160%	19%	16%	Fixed assets	12	63	69	84	79	75
EBIT	(119%)	n.m.	(26%)	(290%)	34%	27%	Other assets, net	(26)	(63)	(99)	(99)	(99)	(99)
Net profit	n.m.	n.m.	0%	(119%)	112%	58%	Working capital	11	12	12	15	16	18
							Capital employed	121	398	501	505	488	472
Sales by division	FY20	FY21	FY22	FY23E	FY24E	FY25E	Working capital/sales	34.2%	10.0%	6.2%	6.5%	6.5%	6.5%
Precision	100%	55%	60%	55%	57%	58%							
Prevention	0%	37%	39%	33%	33%	32%	Financial ratios	FY20	FY21	FY22	FY23E	FY24E	FY25E
Compliance	0%	11%	14%	11%	11%	10%	Net debt/EBITDA	5.2X	5.2X	4.0X	2.9X	2.1X	1.4X
							Net debt/Adj. EBITDA	5.2X	3.4X	3.5X	2.9X	2.1X	1.4X
EBITDA by division	FY20	FY21	FY22	FY23E	FY24E	FY25E	Gearing	70%	45%	51%	48%	38%	27%
Precision	100%	86%	78%	78%	78%	78%	Interest cover	(0.1X)	(1.8X)	(0.9X)	1.5X	1.9X	2.6X
Prevention	0%	27%	36%	22%	22%	22%							
Compliance	0%	10%	15%	12%	11%	10%	Margins & ratios	FY20	FY21	FY22	FY23E	FY24E	FY25E
Corporate	0%	(18%)	(14%)	(12%)	(11%)	(11%)	EBITDA margin	30%	20%	22%	23%	24%	25%
							EBITA margin	13%	9%	7%	15%	17%	18%
Per share data	FY20	FY21	FY22	FY23E	FY24E	FY25E	Effective tax rate	(3%)	7%	5%	15%	20%	25%
EPS	(0.18)	(0.43)	(0.32)	0.06	0.12	0.20	Pay-out	0%	0%	0%	0%	0%	0%
EPS adjusted	(0.07)	(0.07)	(0.06)	0.20	0.26	0.32	ROCE (EBIT/CE)	3.4%	2.8%	2.7%	7.0%	8.6%	10.3%
CFPS	0.01	0.11	0.14	0.48	0.54	0.61	ROE	(3.2%)	(1.3%)	(1.4%)	4.7%	6.0%	7.1%
FCFPS	(0.40)	(0.06)	(0.21)	0.28	0.37	0.43							
BVPS	2.52	5.45	4.68	4.29	4.42	4.62							
DPS	-	-	-	-	-	-							

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