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EQUITY RESEARCH

THÉRACLION

INITIATION OF COVERAGE

BUY

TP 1.70€

Up/Downside: 189%

Breaking into the market without a needle

On the eve of the FDA decision, we initiate Theraclion at Buy.

No market to create, just market share to take.

Varicose veins affect nearly one in three adults aged 18 to 64 and fuel a medical device market estimated at $1.5bn, growing at 5 to 8%. For several decades, treatment techniques have been moving towards ever less invasive interventions, from surgery to laser, then radiofrequency and glue. With Sonovein, Theraclion takes this logic even further by offering a focused ultrasound treatment performed entirely from outside the body, and therefore with no incision or puncture, with efficacy already on a par with established techniques. Having obtained CE mark under MDR in September 2025, the group now has the arguments to address a market of around 5 million directly addressable procedures a year. Theraclion therefore does not need to create demand: it already exists. The challenge now is to capture a share of the volumes currently performed with conventional techniques.

An installed machine, revenue with every procedure

Theraclion has made pay-per-use the core of its model: machines are placed with facilities and each procedure performed generates revenue. This recurring share already accounts for 53% of 2025 revenue and offers a dual growth lever, combining new installations and greater utilisation of the installed base. With 21 sites already equipped, some of which already perform more than a hundred procedures a year despite the absence of broad reimbursement, the model is starting to prove itself. The ramp-up in volumes should also generate significant operating leverage: management puts the breakeven point at a little over a hundred installed machines, which illustrates both the road still to travel and the scale effect expected from the commercial roll-out.

A favourable window to support the scale-up.

After years devoted to developing Sonovein, Theraclion has reached a turning point in its history. CE mark under MDR has been secured, an FDA decision is expected by year-end and a first CPT code will come into effect in the US in January 2027, paving the way for potentially broader reimbursement in time. The timing therefore looks favourable to accelerate the commercial roll-out, notably in the US market, estimated at 1,000 addressable facilities. This ramp-up will still require funding to strengthen the sales team and absorb costs that will precede revenue, with cash of €5.2m at end-June 2026 providing visibility through Q1/Q2 2027. But Theraclion stands out from many medtech stories: the technology has proven itself clinically, the main regulatory milestones are about to be cleared, and the baton now passes to sales. With several near-term catalysts and a commercial potential still largely untapped, we believe the momentum is favourable to position for this new phase of development. We initiate coverage of Theraclion with a Buy rating and a TP of €1.7.

Key data	
Price (€)	0.6
Industry	Heathcare
Ticker	ALTHE-FR
Shares Out (m)	73.123
Market Cap (m €)	43.0
Next event	CA 2026 - 01/2027

Source: FactSet

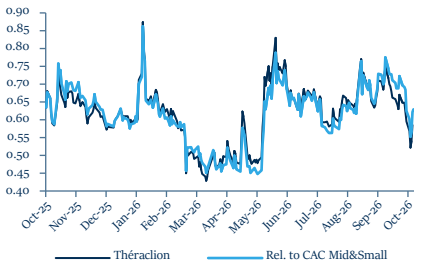
Ownership (%)	
Unigestion & B. Sabrier	29.7
Furui	27.5
Management	4.2
Free float	38.6

Source: TPICAP Midcap estimates

EPS (€)	12/26e	12/27e	12/28e
Estimates	-0.10	-0.10	-0.09
Change vs previous estimates (%)	na	na	na

Source: TPICAP Midcap estimates

Performance (%)	1D	1M	YTD
Price Perf	0.5	-14.2	-2.3
Rel CAC Mid&Small	1.2	-10.0	4.7



Source: FactSet

TP ICAP Midcap Estimates	12/25	12/26e	12/27e	12/28e
Sales (m €)	1.2	1.3	3.6	7.5
Current Op Inc (m €)	-2.1	-6.9	-7.2	-5.6
Current op. Margin (%)	na	na	na	na
EPS (€)	-0.10	-0.10	-0.10	-0.09
DPS (€)	0.00	0.00	0.00	0.00
Yield (%)	0.0	0.0	0.0	0.0
FCF (m €)	-7.3	-7.6	-8.2	-8.4

Valuation Ratio	12/26e	12/27e	12/28e
EV/Sales	na	13.2	6.4

Source: TPICAP Midcap

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BREAKING INTO THE MARKET WITHOUT A NEEDLE 1

DESCRIPTION 3

SWOT ANALYSIS 3

STAGNANT BLOOD, A MARKET ON THE MOVE 4

THERACLION : CLOSING THE VEIN WITHOUT EVER ENTERING IT 8

BUSINESS MODEL : RECURRENCE ABOVE ALL 12

THE RIGHT MOMENT IN THE STORY 14

WHAT FINANCIAL TRAJECTORY SHOULD WE EXPECT? 17

VALUATION 22

APPENDICES 25

FINANCIAL DATA 27

Description

Theraclion is a French MedTech company dedicated to developing a non-invasive alternative to surgery through the innovative use of focused ultrasound. High-intensity focused ultrasound (HIFU) requires no incision or operating theatre, leaves no scarring, and allows patients to resume their daily activities immediately. The HIFU method concentrates therapeutic ultrasound waves towards an internal focal point from outside the body. Theraclion develops Sonovein®, a HIFU robotic platform for the treatment of varicose veins, CE-marked under MDR (EU 2017/745), with the potential to replace millions of surgical procedures each year. Based in Malakoff (Paris), Theraclion's team comprises approximately 40 people.

SWOT Analysis

Strengths

- A genuinely differentiated technology — the only truly non-invasive approach to varicose vein treatment, requiring no incision, needle or catheter.
- A clinically validated technology already approved in Europe, with 96.8% occlusion at 12 months in the Veinreset study and CE marking under MDR obtained in September 2025.
- A business model with a strong recurring revenue component, based on a pay-per-use model or, in the case of outright sales, consumables and maintenance.
- Significant technological barriers and know-how: a portfolio of 134 granted patents and more than 10 years of HIFU development expertise.

Weaknesses

- A business still generating significant losses, with substantial cash consumption relative to a still modest revenue base.
- The pay-per-use model is cash-intensive in the early stages, with Theraclion required to fund the machines ahead of their ramp-up.
- A commercial organisation still in its early stages following years focused primarily on R&D and regulatory matters.
- Dependency on further funding rounds, with meaningful dilution risk for existing shareholders.

Opportunities

- Potential opening of the US market, with an FDA decision expected by year-end.
- A substantial addressable market, with approximately 5 million procedures per year directly addressable by Sonovein.
- Progressive reimbursement coverage expansion likely to significantly accelerate Sonovein adoption, both in the United States (Category III CPT code from 2027) and across Europe.
- A roadmap that broadens the addressable market: treatment time reduction (targeting 20 minutes), extension to larger and deeper veins, and AI-assisted guidance that could ultimately open up the aesthetic channel as well.

Threats

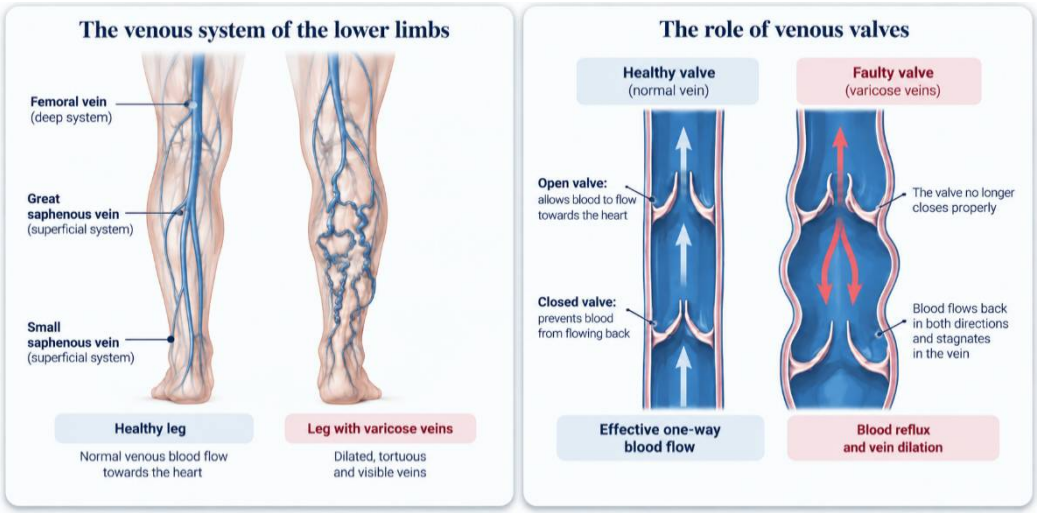
- US regulatory risk: an adverse or delayed FDA decision would mechanically push back the ramp-up scenario.
- Competing technologies already well established, clinically proven, familiar to practitioners and benefiting from an established reimbursement track record.
- Commercial execution risk, with the need to install and rapidly ramp up a significant number of treatment centres.
- Dilution risk from the new financing likely to be required

Stagnant blood, a market on the move

Varicose veins are not pretty to look at, that much is a fact. But reducing the subject to aesthetics alone would be a mistake: beyond appearance, this is a vascular pathology in its own right, capable of causing pain, a sensation of heavy legs, swelling around the ankles and, in the most advanced forms, serious complications such as inflammation, skin lesions or ulcers.

The mechanism itself is simple. The veins in the legs are fitted with small valves that normally prevent blood from flowing back down under the effect of gravity. When these no longer close properly, part of the blood flows back downwards, accumulates in the vein and eventually dilates it to the point of being visible under the skin: this is a varicose vein. Doctors refer to this as venous reflux. The phenomenon mainly affects the superficial venous network, as opposed to the deep network, which handles most of the return of blood to the heart. The great saphenous vein, which runs from the ankle up to the groin, is the main trunk of this superficial network. It is generally the veins connected to it, closer to the skin, that become visible when the mechanism breaks down. This superficial network is precisely what Sonovein, Theraclion's non-invasive platform, which we present in the next section, targets. It therefore does not address all venous pathologies but only a very specific subset, which naturally defines the boundaries of its market.

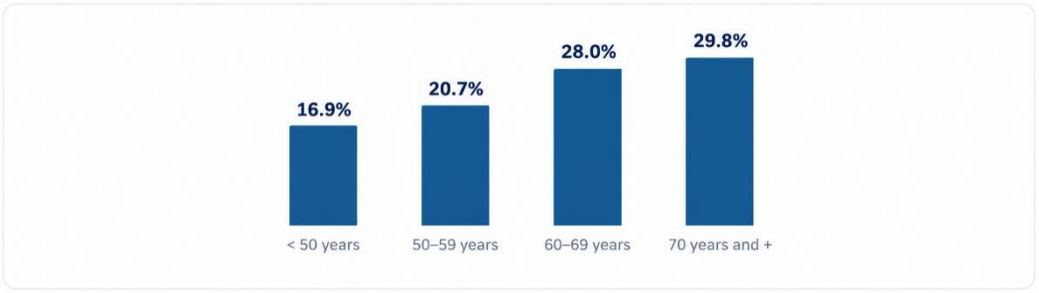
The venous system and the valve mechanism behind varicose veins



Source : ESVS Clinical Practice Guidelines (2022), AI-generated illustration, TP ICAP

This condition is particularly widespread, and several structural trends should continue to support its prevalence. The Edinburgh Vein Study estimates that nearly one in three adults aged 18 to 64 have varicose veins. Unsurprisingly, age is the leading risk factor: according to the San Diego Population Study, the prevalence of visible varicose veins rises from 16.9% before the age of 50 to nearly 30% beyond 70. Weight also plays a significant role: each additional 10kg increases the risk of moderate venous disease by 32% in women, while each 10cm increase in waist circumference raises the risk of severe disease by 37% in men and 24% in women, according to the same study. Finally, a sedentary lifestyle completes the picture: a study of nearly 83,000 UK Biobank participants over 7 years clearly showed an association between prolonged immobility and an increased risk of varicose veins, as calf muscle contraction normally acts as a pump in returning blood to the heart. An ageing population, rising obesity and sedentary lifestyles are thus three structural drivers of the need for treatment.

The prevalence of varicose veins rises sharply with age.



Source: San Diego Population Study

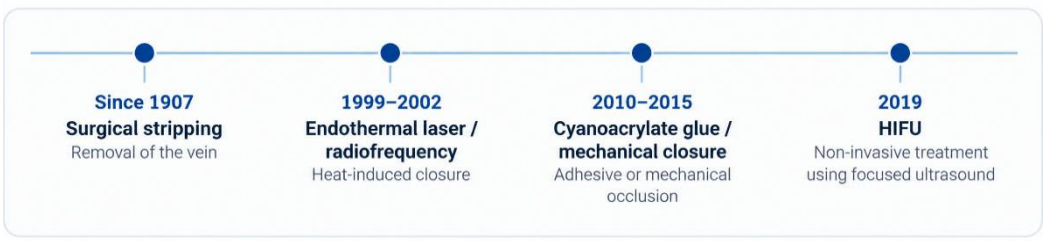
So how is a varicose vein treated? The principle is ultimately quite simple: take the failing vein out of the circuit. When the valves no longer do their job, treatment consists of eliminating the reflux, either by removing the vein or by closing it permanently. This is possible because the great saphenous vein belongs to the superficial network: most of the return of blood is handled by the deep network, so blood can naturally be redirected towards the other functioning veins. The diseased vein can therefore be sacrificed without compromising circulation in the leg.

For a long time, treating a significant varicose vein meant surgery. The reference technique, stripping, simply consisted of removing the diseased vein. The arrival of laser and radiofrequency in the early 2000s then profoundly changed patient management. There was no longer any need to remove the vein: it was now enough simply to close it. In practice, the physician inserts a thin probe into the vein through a puncture, then uses heat to occlude it. Performed on an outpatient basis, these techniques made treatment markedly less burdensome for the patient than surgery.

Less burdensome, however, does not mean non-invasive. Laser and radiofrequency still require a probe to be inserted inside the vein. Heat also requires several injections of anaesthetic all around the vein, both to limit pain and to protect the surrounding tissue: this is tumescent anaesthesia. A new generation of treatments has therefore sought to dispense with it. Cyanoacrylate glue seals the vein from the inside without heat, while mechanochemical techniques combine a mechanical action on the vein wall with the injection of a product designed to cause it to close. The procedure becomes lighter still, but one constraint remains: to treat the vein, it is still necessary to enter it.

Theraclion now goes one step further with high-intensity focused ultrasound (HIFU). With Sonovein, energy is delivered from outside the body and concentrated on the vein to heat it and cause it to close, with no incision, needle or catheter. The therapeutic objective remains the same, namely taking the diseased vein out of the circuit, but this time without ever entering it. Already used to treat patients, the technology must now scale up in order to establish itself over time as the new standard of care.

Varicose vein treatment has become progressively less burdensome.



Source : Babcock (1907), FDA, marquages CE

This evolution ultimately follows a fairly simple logic: achieving the same result while imposing as few constraints as possible on the patient. The main techniques today show broadly similar levels of efficacy. Some differences emerge with hindsight, but the question is no longer really whether a diseased vein can be closed: several technologies already do so very well. The focus is therefore gradually shifting towards the simplest and least burdensome way of achieving it.

Main varicose vein treatment techniques

Technique	How does the treatment work?	INVASIVENESS OF THE PROCEDURE				Vein closure at 12 months
		Puncture	Heat	Anesthesia	Residual implant	
Radiofrequency	A probe is inserted into the vein, which is closed by heat.	Yes	Yes	Yes	No	~97%
Endovenous laser	A fiber is inserted into the vein, which is closed by heat.	Yes	Yes	Yes	No	Similar results
Cyanoacrylate glue	A glue is injected into the vein, which causes it to close.	Yes	No	No	Yes	~97.2%
Mechanochemical	A probe irritates the vein and then injects a product that closes it.	Yes	No	No	No	Slightly lower

Source: Morrison et al., Phlebology, 2019 (VeClose)

Non-invasive treatment has already overturned some standards of care.

Moving from minimally invasive to fully non-invasive would not be unprecedented in medicine. The most telling historical example is that of kidney stones. In the 1980s, the arrival of extracorporeal lithotripsy made it possible to fragment stones using waves generated from outside the body, which, together with endoscopy, has made open surgery marginal today.

More recently, HistoSonics has applied a comparable logic to liver tumours. Its Edison system uses focused ultrasound from outside the body to mechanically destroy the targeted tissue, with no incision or needle. Cleared by the FDA in 2023, the technology has since seen very rapid adoption. It is obviously not yet an established standard of care, but the technology is clearly starting to find its place in clinical practice.

These precedents obviously do not prejudge the success of Sonovein, but they do show that a technology capable of eliminating an invasive procedure while retaining sufficient efficacy can profoundly change the management of a condition.

Behind this technological shift lies an already very sizeable market. Grand View Research estimates the global market for varicose vein treatment devices at around $1.6bn in 2026, up from $1.4bn in 2023, and expects it to grow to $2.1bn by 2030, an average annual growth rate of 6.4%. Taking a broader scope that includes the full cost of care, Theraclion indicates that the global market would be worth some $13bn. By region, North America is by far the largest outlet with nearly 45% of the global market, ahead of Europe, while Asia-Pacific should continue to post the strongest growth, at around 8% a year, driven by population ageing, rising healthcare spending and growing access to modern treatment techniques.

Beyond its growth in value, the market is above all underpinned by considerable patient volumes. Theraclion estimates that more than 10 million venous procedures are performed worldwide each year, of which around 5 million are superficial procedures directly addressable by Sonovein. This

figure confirms the group's playing field: the aim is not to create a new market but to take a place in an already well-established care pathway.

These volumes are, moreover, not fed solely by new patients. Treating a varicose vein does not mean permanently curing venous disease. The failing vein may well have been removed or closed, with new varicose veins appearing elsewhere several years later. The phenomenon is far from marginal: a study published in 2026 covering 543 patients treated with laser estimates that nearly one patient in two shows clinical recurrence at 10 years. A significant proportion of patients already treated therefore return to the care pathway in due course.

Ultimately, the market appears particularly favourable to the emergence of a new approach. The condition is common, volumes are large and supported by structural trends, while practices have been evolving in the same direction for twenty years, namely treating with ever fewer constraints for the patient. The therapeutic principle does not change: taking the diseased vein out of the circuit. After surgery, heat and then endovenous techniques, Sonovein pushes this logic to its conclusion by performing the treatment entirely from outside the body. The technology is already operational and patients are already being treated; the challenge for Theraclion now is to make it a new standard of care.

Theraclion: closing the vein without ever entering it

In this large and already well-established market, Theraclion arrives with a unique proposition: closing the diseased vein without ever entering it. Sonovein does not seek to reinvent varicose vein treatment but to remove the last invasive step it still requires. Behind this apparently simple principle lies a technology developed over more than 15 years and now mature enough to be measured against current market standards.

Sonovein, minus the puncture

Sonovein, the technology developed by Theraclion, relies on high-intensity focused ultrasound, which physicians refer to by the acronym HIFU. The principle is fairly simple: the device sends ultrasound energy through the skin and concentrates it on the diseased vein using a robotic arm, with no incision, catheter or needle. Integrated ultrasound imaging allows the physician to monitor the treatment in real time and ensure that the energy reaches its target. Before each treatment, the machine is fitted with a patented single-use consumable, the ePack™, filled with a coupling liquid that circulates at the treatment head and ensures both the transmission of the ultrasound and the cooling of the patient's skin, while also contributing to image quality.

From a therapeutic standpoint, nothing changes compared with the radiofrequency or laser techniques described above: the objective remains to durably close the pathological vein through a controlled heating effect, so that blood is then redirected naturally towards the neighbouring healthy veins. While the biological mechanism is therefore the same, what changes is the way the heat is delivered: from inside the vein for endovenous techniques, from outside the body for Sonovein. This innovation produces benefits for all stakeholders.

Starting with patients. The absence of incision, catheter and tumescent anaesthesia radically changes the care experience: no scar, no puncture site to monitor, discharge generally within the hour and no time off work required. This comfort goes well beyond the wellbeing of current patients. According to Theraclion, around half of those affected hesitate for fear of surgery, even though current endovenous techniques are already considered minimally invasive. By lifting this psychological barrier, Sonovein would not only make treatment more pleasant but could also potentially widen the patient pool, as more people would more readily agree to be treated.

Turning to physicians and healthcare facilities. The procedure, guided by imaging and automated by robotics, depends less on the manual dexterity of the operator than catheter-based techniques, thereby reducing the variability of results from one physician to another. It is performed mainly outside the operating theatre, in a standard practice, with a single operator, with no surgical team to mobilise and no theatre slot to book. For a hospital or clinic, this shift away from the operating theatre effectively frees up the facility's scarcest and most costly resource in favour of more complex and better-remunerated procedures.

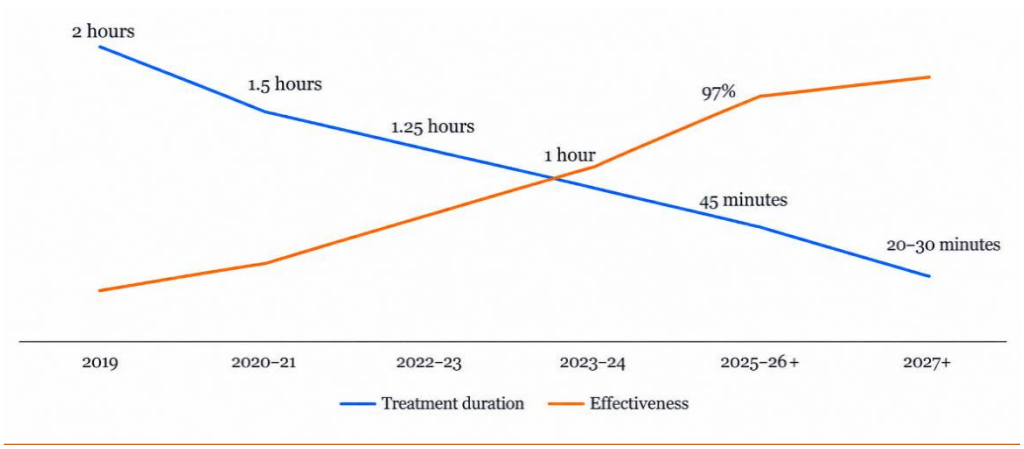
Sonovein device illustration



Source: Theraclion

The technology has already evolved considerably since the launch of Sonovein in 2019. One of the main improvements concerns treatment time, which has come down from around 2 hours originally to 45 minutes to 1 hour today. Theraclion does not intend to stop there, however, and is now targeting a treatment in just 20 minutes, an objective currently being trialled with SpeedPulse in Prague. The stakes go beyond simple time savings. The shorter the procedure, the easier Sonovein becomes to integrate into a physician's daily practice. A shorter treatment time also allows care centres to treat more patients in a day. At present, it is true that the time spent at the treatment station remains slightly longer with Sonovein than with an endovenous procedure, but the comparison cannot stop at the procedure alone. An endovenous intervention requires patient preparation beforehand, anaesthesia and access to an operating environment, which means that in terms of total duration the pathway is already much faster for the patient with Sonovein.

Sonovein, an increasingly fast device



Source: Theraclion

But speed is only one of the development priorities for Sonovein. Theraclion is also seeking to make the procedure simpler and less dependent on operator expertise. To this end, the company is developing AI-assisted guidance with a twofold objective: opening Sonovein up to physicians less specialised in vascular ultrasound, and sharply reducing the learning curve. The issue is far from anecdotal. Today, Theraclion directly supports new physicians during their first procedures, and it can sometimes take several months before they are fully autonomous. This constraint ties up Theraclion's teams at every new installation. By progressively automating certain steps of the treatment, AI should therefore both widen the number of physicians able to use Sonovein and make their training much faster.

The other priority is to expand what the machine can treat. Theraclion is notably working on larger-calibre and deeper veins, this time with the aim of increasing the number of patients accessible with the same platform. Over the longer term, the platform finally retains potential beyond varicose veins. The technology building blocks of Sonovein, namely HIFU, robotics and integrated imaging, are indeed the same as those Theraclion previously used to treat thyroid nodules and breast fibroadenomas. Diversification therefore remains possible, but it is clearly not the priority today.

From Echopulse to Sonovein: same technology, a far bigger market

Sonovein is not really where the story begins. Theraclion, created in 2004 as a spin-off from EDAP TMS, has been working on therapeutic ultrasound for more than 20 years. For nearly a decade, the group developed the main technology building blocks found in Sonovein today, namely focused ultrasound, robotics and guidance imaging. However, these were first used to treat benign thyroid nodules and then breast fibroadenomas under the Echopulse brand, marketed from 2013.

In both cases, Echopulse made it possible to treat from outside the body conditions that could previously require surgery. The problem: the market proved far too small. The vast majority of thyroid nodules and fibroadenomas simply do not need to be treated, as monitoring is enough in most cases. Only a fraction of patients ultimately requires an intervention. Even with an effective technology, the market genuinely accessible to the group therefore remained too limited. With

varicose veins, the equation changes completely. Theraclion is tackling a condition that is already massively treated and a market that has existed for a long time. The group therefore does not need to create a new use: it is simply pushing the evolution of treatment further by removing the puncture that remains with endovenous techniques.

The pivot came in 2019 with the CE mark and the launch of the first Sonovein. Two new generations followed, with Sonovein S in 2020 and Sonovein HD in 2022, bringing successive improvements in imaging, ergonomics and treatment reliability. Theraclion finally followed its logic through in 2024 by permanently discontinuing the commercialisation of Echopulse. The technology therefore remains the same, but the addressed market is now entirely different.

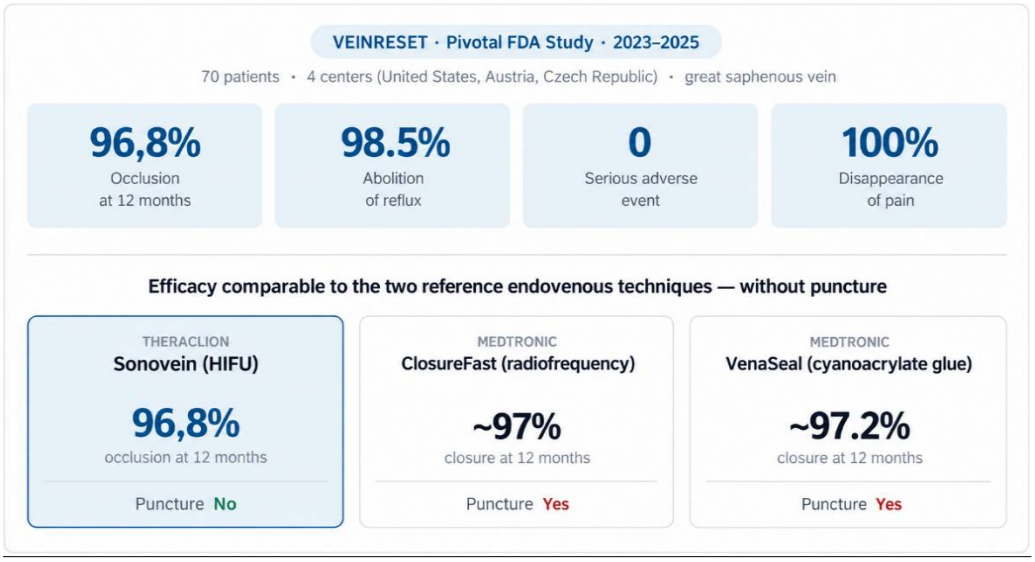
Veinreset : proof that the technology works

Of course, it remains to be verified that removing the puncture does not come at the expense of efficacy. This is the whole point of Veinreset, the pivotal study conducted between 2023 and 2025 to support the application for Sonovein authorisation in the US. In total, 70 patients with great saphenous vein disease were treated at four centres in the US, Austria and the Czech Republic. The result is fairly clear. At 12 months, 96.8% of treated veins were still occluded and the venous reflux, the root cause of the condition, had disappeared in 98.5% of patients. No serious adverse events were reported. Sonovein therefore does manage to durably close the vein from outside the body.

But it is above all the comparison with current treatments that gives meaning to these figures. We saw in Section 1 that radiofrequency with ClosureFast achieved around 97% closure at 12 months, versus 97.2% for VenaSeal glue. At 96.8%, Sonovein therefore sits in the same range as two of the most established endovenous techniques on the market. With one difference: to achieve this result, Sonovein does not need to enter the vein. Veinreset thus provides the missing piece of the demonstration. Theraclion is no longer merely offering a different way of treating varicose veins. The company now has clinical data showing that removing the last invasive step does not appear to come at the price of lower efficacy.

And the evidence no longer rests solely on this study. Several publications released in 2025 have since found similar results in patients treated in routine practice, including on other veins such as small saphenous veins or perforator veins. The data are therefore starting to move beyond the very controlled setting of Veinreset and into real-world practice.

Sonovein firmly in line with current standards, without a puncture



Source: Theraclion

A lead that goes beyond patents

The technology is, of course, protected. Theraclion currently holds 134 granted patents and has 170 applications pending, spread across 23 families. They cover the main building blocks of Sonovein, from the robotic treatment head to the consumable used in each procedure.

But patents tell only part of the story. Since the first treatments with Sonovein, more than 4,000 patients have been treated. In the meantime, Theraclion has completed Veinreset, accumulated real-world data and progressively refined its protocols. This experience matters all the more as the company is now seeking to automate part of the procedure using artificial intelligence: each procedure provides new data that can improve the treatment support tools.

A competitor can always develop another technology and work around certain patents. It is, however, much harder to quickly replicate several years of clinical experience and several thousand treatments. Theraclion's lead therefore rests not only on the protection of its technology but also on everything that has built up around it since the first patients.

Sonovein therefore arrives at the end of a technological development begun more than fifteen years ago. The machine has changed, treatment times have shortened sharply and clinical results are now in line with market standards.

Business model: recurrence above all

The technology works, so the task now is to commercialise it. Theraclion's business model rests on a fairly simple logic: installing machines and then generating recurring revenue as they are used. Depending on the market, the group relies on two commercial models to do so.

Two models, one recurring revenue logic

Theraclion currently relies on two commercial models. In Europe and the US, the group favours pay-per-use (PPU): the centre does not buy the machine and Theraclion is then paid for each procedure performed. Management compares this set-up to the ChatGPT model: no licence bought once and for all, but a payment that depends on usage. The principle is simple: remove the upfront investment to ease adoption, then monetise the machine as it is used.

In China and the Middle East, by contrast, Theraclion favours direct sales, following a logic that the group this time compares to the Nespresso model: the centre buys the machine and then continues to buy the consumables needed for its use. In the case of Sonovein, these are mainly the ePacks used in each procedure, to which maintenance revenue is added (generally once a year). This difference also reflects proximity to the centres. PPU is favoured in markets where Theraclion has teams able to directly support the machines and physicians, whereas in more distant regions where the group relies mainly on distributors, outright machine sales are naturally better suited.

This split is, however, by no means fixed. Theraclion aims to be very pragmatic and adapts the model to customer expectations: a US centre wishing to buy the machine outright can, for example, do so. Over time, other financing arrangements could also be considered, notably through leasing companies that would buy the machines before renting them to healthcare centres.

Ultimately, whether PPU or direct sales, the economic logic remains the same each time: installing machines and generating recurring revenue as they are used. At maturity, Theraclion thus targets 85% recurring revenue in its model.

Economics that improve with use

However, PPU has a flip side for Theraclion: since the centre does not buy the machine, it is the group that finances its installation. A Sonovein currently represents, according to our estimates, a cost of between €120k and €150k, which Theraclion must therefore recover gradually as the machine is used. The model is thus inherently heavy on working capital requirement (WCR), all the more so as the equipment is not built to order. Theraclion in fact builds up its fleet ahead of the commercial pipeline so that it can quickly install a machine when a new site is signed. Growth therefore requires cash to be tied up even before the first procedures are invoiced.

PPU billing then works in tiers, depending on the number of procedures performed each month. The first tier corresponds to a contractual minimum of 6 procedures a month, billed at a little over €1,000 each, i.e. a little over €6k of monthly revenue per machine. As the physician ramps up and builds a patient base, the site gradually moves to the higher tiers. Mature sites today reach around 11 procedures a month, or around €130k of annual revenue for Theraclion. At this pace, the group estimates that it takes around 18 months to recover its initial investment. The machine's lifespan is obviously much longer. Theraclion depreciates its equipment over 5 years, while some units remain in operation much longer. The group still has a machine installed in 2013 in operation today. Once the investment has been recovered and the machine fully depreciated, it can therefore continue to generate revenue for several years.

This is the whole appeal of the model as a site matures. Billing increases with the number of procedures performed, while most of the investment was already committed when the machine was installed. Mature sites thus generate a gross margin of around 70% today, versus 45-50% at group level, the gap being mainly explained by the youth of the installed base, which still largely consists of machines in the ramp-up phase. This 70% level is, moreover, not considered a ceiling. Over the longer term, the group is in fact targeting a gross margin close to 90% through two levers: more procedures performed on each machine and a reduction in Sonovein's manufacturing cost estimated

at -40/-50%. A site could thus reach 250 to 300 procedures a year, compared with 100 to 150 today for mature sites.

From installed base to operating leverage

The appeal of the model then becomes apparent as the installed base grows. After several years of heavy R&D investment, this spending should now rise more moderately. The effort should, however, gradually shift towards sales. While barely 2% of headcount is dedicated to it today, the group is targeting around 25% over time.

Theraclion therefore still has to invest to build its sales force and accelerate installations, but this ramp-up is not necessarily meant to follow the growth of the installed base indefinitely. Once a machine is installed and the physician is autonomous, the revenue it generates can continue to grow with its utilisation without requiring an equivalent increase in the group's costs. The gradual reduction in the time spent supporting physicians, notably thanks to the AI developments mentioned earlier, should also allow the same teams to support more sites. Theraclion thus estimates that it can reach breakeven at a little over a hundred installed machines.

The model therefore remains costly to build, but the nature of the spending is changing: having largely financed the development of the technology, Theraclion must now finance its commercial roll-out. As the installed base grows and matures, this structure should gradually produce a powerful operating leverage effect.

Intuitive Surgical: a proven model

One question remains: can this type of business model work in medtech? Theraclion regularly cites Intuitive Surgical as a reference. The comparison is obviously not about the size of the two groups or their markets, but about the same logic: installing a technology platform and then generating most of the revenue over time as it is used.

At Intuitive Surgical, this logic took time to reach scale. It took the group nearly 10 years to install its first 1,400 da Vinci systems. The following decade was then one of scaling up, with nearly 10,000 additional systems installed. As the installed base grew, more physicians were trained, usage multiplied and the recurring revenue generated by the installed base took on a growing share. This is exactly the mechanism that Theraclion intends to replicate.

Theraclion's business model is therefore costly to get off the ground, but its potential emerges as its installed base grows, matures and, above all, is used more. In any case, the Intuitive Surgical story shows one thing above all: in medtech, slow adoption can last several years before suddenly shifting pace. Theraclion is admittedly still far from having scaled up, but after several years spent developing its technology, demonstrating its efficacy and laying the first building blocks of its commercial model, the group could precisely be gradually approaching this tipping point.

The right moment in the story

For a long time, investing in Theraclion meant first and foremost funding a promise. That of a technology capable of treating varicose veins with no incision, no needle and no catheter, but whose efficacy still had to be demonstrated, whose safety had to be validated and whose regulatory approvals for commercialisation had yet to be obtained. That time is now coming to an end.

The heaviest R&D is now behind the group. On the clinical front, Veinreset has delivered its results: 96.8% occlusion at twelve months, fully in line with current standards of care, and no serious adverse events. In Europe, Sonovein obtained its CE mark under MDR in September 2025, and in the US, 12-month patient follow-up was completed in June 2025, with the De Novo request finally filed with the FDA in December.

It took many years to get here: a pilot study as early as 2022, a pivotal study launched in 2023, patient recruitment and treatment, 12 months of follow-up, then analysis of the results and preparation of the regulatory file. This is the reality of medical device development: a lot of capital, a lot of time and, for several years, little certainty about what lies at the end. Theraclion now emerges on the other side of this sequence. Not everything is of course settled yet, starting with the US decision, but the nature of the risk has changed. The question is no longer really whether Sonovein works but whether Theraclion can sell it.

For an investor, the difference is important. While a technology in development is valued essentially on clinical results and regulatory milestones that are sometimes distant, a technology entering its commercial phase becomes much more tangible: machines are installed, new centres sign up, physicians start using it and revenue appears. This is precisely the point in the story at which Theraclion finds itself.

The FDA, the last lock before the US

One last lock remains to be opened. The FDA decision on the De Novo request is expected by the end of 2026, which is obviously a major near-term catalyst for the stock. A favourable decision would open the US market to Sonovein after several years of clinical development across the Atlantic.

The stakes are all the higher as the US is by far the largest market in the world for varicose vein treatment. Theraclion estimates the number of addressable centres there at around 1,000 and intends to target first and foremost the largest ones, namely those performing more than 2,000 treatments a year. A favourable decision would therefore not simply add a new geography: it would open one of the main markets on which Sonovein's future development is to be built.

Regulatory risk has obviously not entirely disappeared until the decision is issued, but its timing has changed: investors are no longer waiting for the launch of a study whose results will be known several years later, but for a decision announced within a few months. And in the meantime, Theraclion has already started selling elsewhere.

A commercial momentum that is already accelerating

The shift to commercial does not, in fact, wait for the US. Theraclion already has 21 centres equipped, with 7 new contracts signed in H1 2026 alone, in Germany, France, China, Spain, Greece, Romania and Hungary, mostly under PPU. Around sixty centres now make up the active commercial pipeline and the group aims to double its installed base every 18 months.

While we are obviously still far from a large-scale roll-out, Theraclion is already well beyond the stage of the first machines intended to demonstrate that the technology works. The first signs of adoption are there and most of the growth lies ahead of the group. Europe, where 6 of the last 7 contracts were signed, is already a significant playing field for the group. Theraclion estimates the number of sites potentially addressable by the group at more than 1,500 in Europe, versus around 1,000 in the US.

Map of Sonovein-equipped centres



Source: Theraclion

The translation into the group's figures will, however, logically take a little longer. As we saw earlier, a newly installed machine does not immediately reach cruising speed: the physician must first be trained, activity launched, and then a gradual increase in the number of procedures can be hoped for. At this stage of development, the growth of the installed base therefore probably gives a more advanced picture of the group's commercial momentum than revenue alone.

Installing more machines also means adapting the organisation. Theraclion is obviously starting from some way back on the commercial side. Until now focused on R&D, the group still has only 2% of its headcount dedicated to commercial activities. Over the coming years, the group aims to raise this proportion to 25%. Recent hires point in this direction. The group has strengthened its governance and operational team with a new chairman whose profile is geared towards US development, a new chief operating officer and a head of sales and marketing. The group's organisation is thus also starting to shift towards execution.

This will logically entail additional costs, but Theraclion does not intend to replicate an integrated sales force in every country. In Europe, where PPU dominates and where the group already has teams, proximity to the centres allows a more direct approach. In China, development will mainly go through a joint venture with Furui Medical Science, which is also a shareholder of Theraclion with a 27.5% stake. In the Middle East and other more distant markets, the group relies more on local distributors.

For the US roll-out, the commercial architecture has not yet been fully settled. This region is obviously one of the group's main development challenges. Theraclion is notably targeting the largest vein centres first, those performing around 2,000 treatments a year. The approach currently envisaged would be to have a relatively light in-house team on the ground to open the first centres, support their start-up and demonstrate the model, before relying more on distributors to accelerate the roll-out. This approach reflects a degree of prudence in development: Theraclion does not intend to oversize its organisation in anticipation of growth but rather to strengthen its resources progressively as the installed base develops.

The expected opening of the US market should allow the group to move up a gear. But installing machines there will not be enough: patients will also need to be able to access treatment on sound economic terms. After regulatory authorisation and the build-out of the commercial network, the question of reimbursement therefore gradually becomes central.

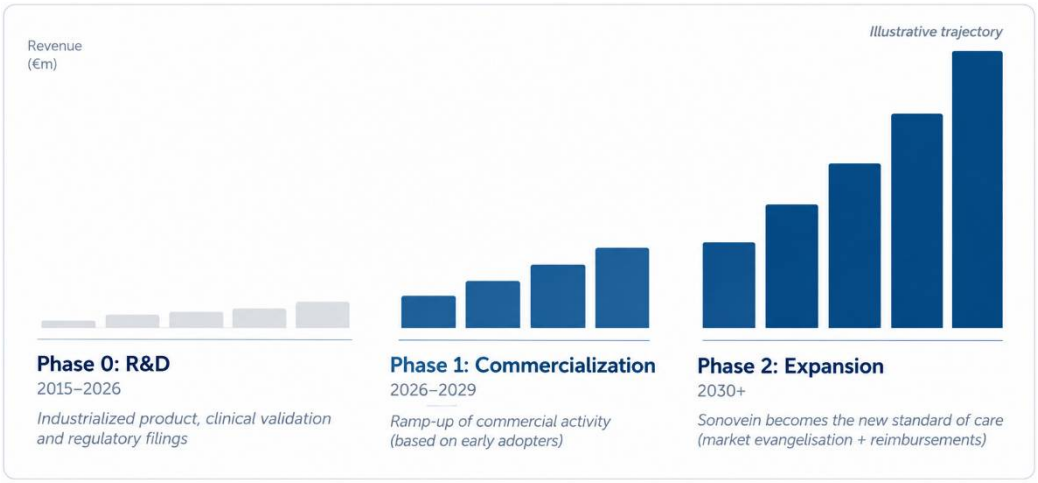
Reimbursement, the next accelerator

The topic obviously does not concern only the US. In Europe, the situation remains very different from one country to another, and Theraclion is therefore working to obtain coverage for Sonovein gradually, market by market, across the various national systems. Here again, thanks to the CE mark under MDR, the roll-out can begin before all reimbursements are in place but securing them should allow a significant acceleration.

In the US, from 1 January 2027, Sonovein will have a dedicated CPT code, 1099T. For now, this is a category III code, used for emerging technologies. Contrary to what its temporary nature might suggest, this does not mean that procedures cannot be reimbursed. They can be, notably by private insurers, but this coverage is neither automatic nor uniform: it depends on each payer's policy and must therefore be built up gradually. Theraclion has already begun this work, with the group indicating that it has prepared discussions with several private payers as well as with CMS, the agency that manages Medicare, among other programmes. Once FDA authorisation has been obtained and the 1099T code has come into effect, the group will therefore be able to commercialise Sonovein while seeking to gradually obtain coverage of the procedure from the various payers.

The later move to a CPT category I code will mark another step. It corresponds to a technology whose use is more established and should facilitate much broader and more standardised coverage. Under the standard timetable, Theraclion will be able to apply for it after 3 years of category III CPT code, i.e. around 2030. The distinction is essential: Theraclion absolutely does not need to wait until 2030 to sell Sonovein in the US, or even for some procedures to be reimbursed. Category III is more than enough to build its market, payer by payer, while category I should above all allow a radical change of scale.

A two-stage growth dynamic



Source: Theraclion

All in all, we believe this is the ideal moment to look at Theraclion. Just a few years ago, investing in Theraclion was mainly a bet on the success of clinical and regulatory developments whose outcome remained uncertain. Admittedly, waiting a few more years would probably provide greater certainty on Sonovein adoption, but part of the journey would by then already have been covered.

Today, Theraclion sits precisely between the two periods. The technology has proven itself, the main regulatory milestone is now only a few months away and the first signs of commercial adoption are already clearly visible. But with only 21 installed centres, a commercial organisation still under construction and the US market yet to be opened, most of the potential still lies ahead of the group.

What financial trajectory should we expect?

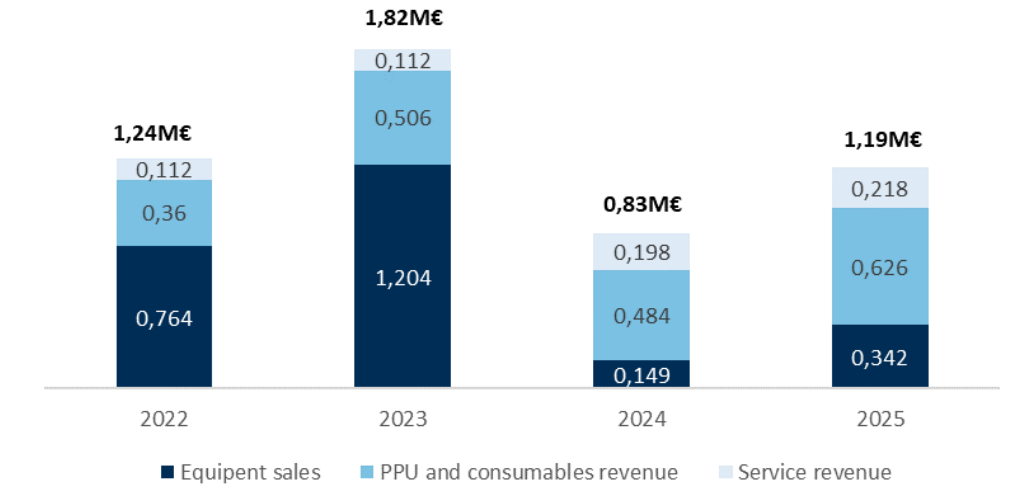
To understand Theraclion's financial trajectory over the coming years, it is clear that the group's financial history offers rather little guidance. After years devoted to developing Sonovein, validating it clinically and completing regulatory procedures, the group is now entering an entirely new phase of its development, focused on rolling out its technology.

The question now is how far Theraclion could go if Sonovein achieves the commercial success hoped for, and how much it will still need to spend to get there. The exercise necessarily involves a significant degree of uncertainty, as the model is still young. Our estimates presented here therefore aim above all to give an order of magnitude of the revenue and profitability that Theraclion could ultimately reach, as well as the funding required to get there.

Growth: from roll-out to scale-up

Theraclion's revenue obviously remains very modest at present, at €1.2m generated in 2025, up 43% on 2024. This growth rate is, moreover, skewed by the fact that 2024 was penalised by an exceptional credit note of €680k linked to the discontinuation of Echopulse. More than the overall change in activity, however, it is its composition that is more interesting, with revenue from PPU and consumables up 29% in 2025 to €626k, or 53% of group revenue. Services, notably maintenance, contributed €218k, and equipment sales, which over the period mainly corresponded to spare parts sales in China, represented €342k. The chart below shows the change in revenue by nature over the last 4 years.

Historical revenue by nature (€m)



Source : Theraclion, TP ICAP

Following the CE mark under MDR obtained in September 2025, Theraclion now has a regulatory framework that allows it to significantly accelerate its commercial roll-out in Europe. The first signs are very encouraging, with 21 centres already equipped and 7 new contracts signed in H1. The ramp-up will nevertheless take time: after an initial support phase, each new centre must gradually build its activity, while reimbursement remains to be established in each country. We therefore expect a gradual acceleration in revenue, with a more marked change of pace by 2030/2031, when reimbursement could become widespread across all the regions addressed by the group, including the US (as a reminder, a move to a category I CPT code is possible after 3 years under category III). With a relatively modest starting base, growth rates will nevertheless remain high until then.

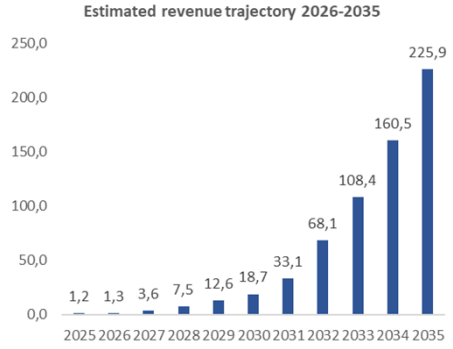
H1 2026 illustrates this transition phase well. Over the period, the group recorded revenue of €663k, down 21% year on year, as the end of legacy maintenance contracts that have not been renewed for the time being more than offset the 9% increase in PPU revenue. Note also that the 7 new centres signed in H1 were for the most part installed towards the end of the half and have therefore not yet

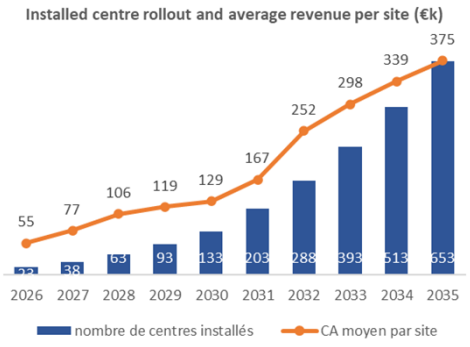
contributed. We therefore expect a sharp rise in H2, with annual PPU revenue growth of 31% for total revenue of €1.3m (+11%).

Beyond 2026, our estimates rest mainly on two assumptions: the pace of machine installations and the revenue generated by each centre. To this end, we distinguish between Europe and the US, tracking the sites installed in each region separately. In Europe, we assume 9 to 12 installations a year through 2027, 20 in 2028, then 25 to 30 through 2030 and 40 to 70 a year thereafter. In the US, the roll-out would begin in 2027 at a modest pace, with the base limited to 23 sites at end-2030 pending reimbursement, which we expect as early as 2031, ahead of Europe, followed by 30 to 80 new sites a year. The total installed base would thus rise from 23 sites at end-2026 to 133 at end-2030 and 653 at end-2035. This ramp-up assumes that the group strengthens its sales teams, relies on distributors, notably in the US, and gradually converts its pipeline of prospects into signed centres. Most of the growth would rest on PPU and consumables, supplemented by Sonovein sales in the Middle East and China and by service revenue linked to their maintenance.

On the revenue side, we assume a price of around €1,000 per procedure in Europe and around €2,500 in the US, i.e. 2.5 times the European rate. In Europe, a mature centre would perform around 132 procedures a year, i.e. 11 a month and €132k for the group, a level already almost reached by some equipped centres despite the absence of reimbursement, which still limits access to treatment. In the US, the targeted centres are larger and would treat more patients: we assume around 13 procedures a month before reimbursement, i.e. €390k per centre. Once reimbursement is in place, broader coverage and a shorter treatment time, which would allow more patients to be treated, would lift volumes to around 250 procedures a year in Europe (€250k per centre), gradually from 2032 to 2035, and to around 300 in the US (€750k per centre), from 2032, i.e. three times the European revenue per centre. This volume effect, combined with accelerating installations, makes the ramp-up far more geometric after 2031.

Expected ramp-up of the group between 2026 and 2035.





Source : Estimations TP ICAP

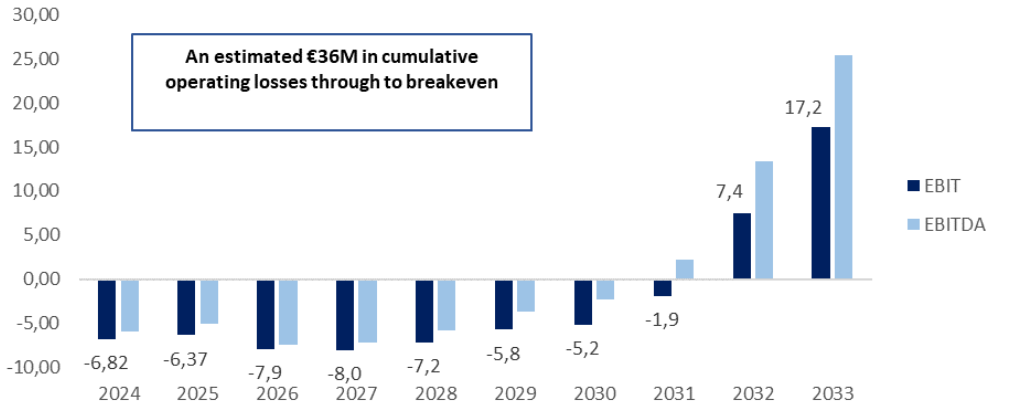
Significant profitability potential, but still several years of losses

The ramp-up of the installed base should gradually improve the group's profitability. The PPU model offers significant operating leverage: once the machine is installed, a large share of the costs has already been incurred, so each additional procedure contributes directly to margin improvement. We estimate that the group's initial investment in the machine could be recovered in around 18 to 24 months, while its accounting depreciation period is 5 years and its technical lifespan could easily exceed 10 years. Profitability is therefore set to improve significantly as centres mature. Gross margin per site, which also includes the cost of the machines through depreciation, is thus estimated at around 70% for a mature centre generating more than €100k of annual revenue, representing around a hundred procedures a year. Over the longer term, management believes it could even reach 90%, an assumption that holds if centres genuinely ramp up to around 250 procedures a year, likely achievable only once reimbursement becomes widespread.

For our part, we naturally assume a gradual increase in gross margin, from around 47% in 2026 to just under 80% in 2033. The expected reduction in the manufacturing cost of the machines, currently estimated at between €120k and €130k, could also help improve margins on new installations.

On the operating expenses side, Theraclion currently has a cost base of around €7m (excluding purchases of materials and goods and depreciation of machines). This base still largely reflects that of a company historically focused on R&D with relatively limited sales headcount, which currently accounts for only 2% of employees. The group's entry into a new phase of its development therefore logically implies a sharp strengthening of the sales workforce. The group intends to reach the threshold of 25% of its headcount dedicated to commercial development by 2030. For our part, we have factored in a 2.6x increase in the cost base by 2030, to nearly €19m, including both the strengthening of the teams and the distribution and centre support costs that rise with activity. This should logically weigh on earnings over the coming years. It is inherent to the PPU model, in which sales spending precedes the ramp-up in revenue, which is generated gradually as machines are installed and their utilisation increases. After posting an operating loss of €6.4m in 2025, we anticipate a deterioration over the coming years, with losses of -€7.9m in 2026 and a peak of -€8.0m in 2027, before a gradual improvement as growth accelerates as expected (-€7.2m in 2028, -€5.2m in 2030), then positive EBIT from 2032.

Expected change in EBITDA and EBIT, 2026-2033



Source : Estimations TP ICAP

Over the longer term, revenue growth should absorb the increase in costs, only part of which varies with activity, thereby allowing the operating leverage to be fully expressed. The use of distributors envisaged in certain markets, notably the US, could also significantly limit the sales resources needed to accelerate the roll-out, at the price of a slightly lower margin. In our scenario, we estimate that Theraclion would reach EBITDA breakeven in 2031 (+€2.2m). This trajectory seems consistent with management's guidance, which believes it can reach breakeven with a little over a hundred mature machines. Our model, for its part, foresees breakeven at around 170 active machines on average over the year, some of which are still in the ramp-up phase.

Beyond this breakeven point, operating leverage should become very significant. Our estimates indeed show EBIT of €17.2m in 2033, an operating margin of 16%, then €55.5m in 2035, around 25%. This latter level is consistent with that of groups that have built a comparable model. Intuitive Surgical is the benchmark: a machine installed at the customer, the consumable billed with each procedure and recurring revenue accounting for 85% of revenue. In 2025, Intuitive Surgical thus delivered an operating margin of 29% on a reported basis and more than 37% excluding non-recurring items. As another example, ResMed follows exactly the same logic, with devices placed with patients and consumables sold repeatedly, and currently posts margins above 33%. Obviously,

Theraclion is still very far from this scale, but its PPU model rests on the same mechanism: the cost of the machine is incurred once and most of the margin is built on the procedures that follow.

A sizeable funding requirement still lies ahead of breakeven.

The prospect of several years of losses naturally raises the question of how to fund them. This is obviously not a new issue for Theraclion, which has historically turned to the financial markets to fund the development of Sonovein (and previously Echopulse), its clinical validation and its regulatory pathway. Since 2023, the group has thus raised around €23m through various capital increases, convertible bond issues and warrant exercises. The group has also benefited from public funding, notably in the form of Bpifrance repayable advances (treated as equity, as repayment is conditional on the success of the funded projects).

Theraclion funding history since 2023

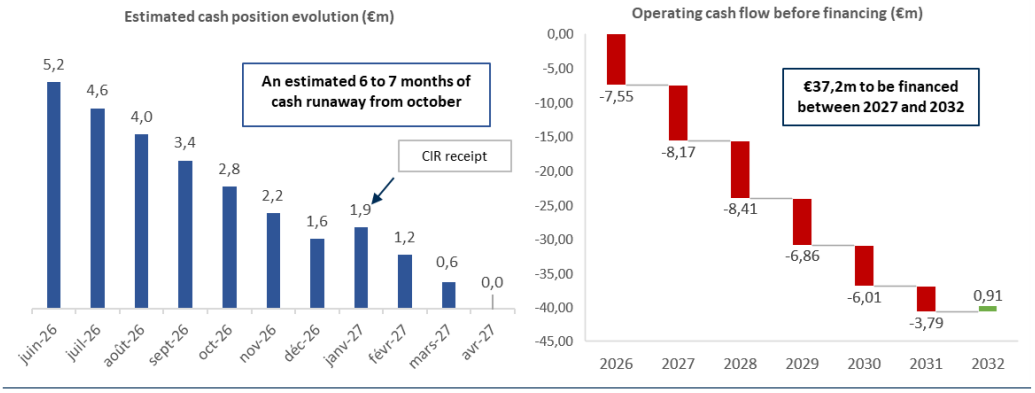
Period	Operation	Gross amount (€m)	Price per share (€)	New shares (m)
févr-23	Reserved capital increase	0,209	0,905	0,230415
juin-23	Reserved capital increase	0,112	0,668	0,167664
juin-23	Public offering	8,354	0,577	14,478269
sept-23	Reserved capital increase	0,050	0,633	0,078988
nov-23	Reserved capital increase	0,115	0,633	0,182185
déc-23	Warrant exercise	0,500	0,577	0,866551
2023		**9,34**		**16,004072**
sept-24	Reserved capital increase	0,110	0,310	0,354838
2024		**0,110**		**0,354838**
oct-25	Warrant exercise	0,792	0,58	1,358722
déc-25	CB issuance (660 bonds) Furui et Unigestion	6,600	0,20	
déc-25	Conversion of CB (no cash)	na	0,20	11,297372
déc-25	Debt for equity swap	0,09	0,85	0,10588
2025		**7,482**		**12,761974**
mai-26	Share issuance with attached warrant	5,993	0,480	12,484467
2026		**5,993**		**12,484467**
2023/2026		**22,925**		41,605351

Source : Theraclion, TP ICAP

At end-2025, Theraclion had cash of €3.4m versus €4.2m in 2024. Operating cash burn amounted to €7.2m, of which nearly €1.9m was linked to the increase in WCR, mainly reflecting the build-up of machine inventories in anticipation of the acceleration in commercial roll-out. The group has since strengthened its financial position through a new capital raise of around €6m completed in H1 2026, bringing gross cash to €5.2m at end-June. With a monthly cash burn estimated at €600k, Theraclion thus has visibility through to the end of Q1/early Q2 2027.

New funding will therefore be needed to carry the group through to breakeven. We estimate the cumulative requirement at a little under €37m between H2 2026 (around €3.6m) and 2031 (€33m over the 2027-2031 period), i.e. close to €7m a year, a pace close to that of the last four years. The cash of €5.2m at 30 June covers H2 2026 and would, by our estimates, leave around €1.6m at end-2026: the amount still to be raised thus comes out at around €31m (€29m if the 2026 warrants are exercised in full), with peak consumption between 2027 and 2029, on the eve of the expected acceleration in growth. This requirement reflects the operating losses, which we expect through to 2031, the year of EBITDA breakeven, but also the needs specific to the PPU model. The group must indeed fund the manufacture of machines before their installation, then wait for them to ramp up to gradually recover its investment. Building an installed base of more than 200 sites therefore implies a significant working capital requirement and heavy investment, which explains why free cash flow only turns positive in 2032, one year after EBITDA breakeven.

Forecast change in cash burn, 2026-2032



Source : Estimations TP ICAP

The question of funding arrangements will therefore naturally remain central for shareholders. Theraclion has so far largely favoured capital increases and convertible instruments, and these raises have relied in large part on the same investors: the Sabrier/Unigestion concert party and Furui, which together hold 57.2% of the share capital. They subscribed to the 2025 convertible bond issue and contributed €4.5m to the latest raise of around €6m completed in H1. This support is obviously an important asset for the group, but it also represents a point of vigilance: the timing and size of the next financings will probably still depend in part on these shareholders' willingness to continue. Several solutions could, however, limit future dilution. The group benefits from a research tax credit (CIR) of around €0.9m a year, the pre-financing of which would allow it to access the corresponding cash earlier. It is also studying machine financing by partners, notably leasing companies in the US, which would reduce the capital tied up in the PPU fleet. These solutions would reduce the requirement to be covered by equity without eliminating it, and we do not factor them into our forecasts at this stage. We therefore consider that further capital increases are likely, with a dilutive impact that will depend on the amounts raised, the pace of roll-out and market conditions at the time of the transactions.

Valuation

At this stage of its development, valuing Theraclion with traditional methods is of relatively little relevance. A conventional DCF assumes cash flows that can be projected with reasonable visibility, yet the group will not generate positive EBITDA before 2031 and its value depends in large part on a binary event, the FDA decision, followed by adoption that has to be demonstrated site by site. The same reasoning applies to comparables, whose multiples reflect very different stages of development.

We therefore retain the logic of these two methods while adapting them: a DCF extended to 2040, the year of maturity, and an exit value that projects three market penetration scenarios to 2040. As our scenario already factors in a favourable FDA decision, with US installations from 2027, the binary risk is captured in the discount rate rather than in the figures.

DCF approach

For the DCF, we have made three adjustments: (i) extending the horizon to 2040, in order to value the company once profitable rather than during its loss-making phase; (ii) a fixed discount rate of 18.6% over the entire period, incorporating a specific risk premium of 7 points (1 point for residual regulatory risk linked to the FDA, 4 points for commercial adoption and reimbursement risk and 2 points for funding and execution risk), which we will revise downwards once the FDA decision is known; and finally (iii) a terminal value based on an EBITDA multiple of mature medtechs (15.8x, i.e. the median of 21.1x less 25%), which in our view is consistent with the maturity Theraclion will have reached by that horizon.

The trajectory is the one detailed in the previous section. Revenue would rise from €1.3m in 2026 to €33.1m in 2031, the first year driven by US reimbursement, then to €226m in 2035 and to around €350m in 2040. EBITDA is expected to be negative until 2030, with a low point of -€7.4m in 2026, before turning positive from 2031 (+€2.2m) and then reaching around €103m in 2040, a margin of 29%, a level we consider consistent with the standards observed at other mature medtechs with an equipment and consumables model (EBITDA margin of between 28% and 38% for Intuitive, Edwards, Dexcom, LeMaitre, ResMed or Globus). The estimated funding requirement of around €33m between 2027 and 2031 is, moreover, well reflected in the DCF cash flows.

DCF Scenario

Discounting parameters					
Risk free rate	4,70%	Specific risk premium	7%	WACC	18,6%
Beta Refinitiv 3Y	1,06				
Risk premium	6,50%				

	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040
Sales	1,32	3,62	7,46	12,62	18,74	33,05	68,06	108,35	160,51	225,93	259,82	285,8	310,8	334,1	350,8
change	*11,3%*	*174,1%*	*106,3%*	*69,1%*	*48,5%*	*76,3%*	*105,9%*	*59,2%*	*48,1%*	*40,8%*	*15,0%*	10,0%	8,8%	7,5%	5,0%
EBIT	**-7,91**	**-8,04**	**-7,17**	**-5,76**	**-5,20**	**-1,89**	**7,42**	**17,21**	**33,32**	**55,50**	**64,05**	**70,70**	**77,16**	**83,24**	**87,71**
margin	*-599,6%*	*-222,2%*	*-96,1%*	*-45,6%*	*-27,7%*	*-5,7%*	*10,9%*	*15,9%*	*20,8%*	*24,6%*	*24,7%*	*24,7%*	*24,8%*	*24,9%*	*25,0%*
Tax	0,90	0,90	0,90	0,90	0,90	0,90	-0,95	-3,40	-7,43	-12,97	-15,11	-16,78	-18,39	-19,91	-21,03
tax rate	*-11,4%*	*-11,2%*	*-12,5%*	*-15,6%*	*-17,3%*	*-47,6%*	*-12,9%*	*-19,8%*	*-22,3%*	*-23,4%*	*-23,6%*	*-23,7%*	*-23,8%*	*-23,9%*	*-24,0%*
NOPAT	**-7,01**	**-7,14**	**-6,27**	**-4,86**	**-4,30**	**-0,99**	**6,46**	**13,81**	**25,89**	**42,52**	**48,94**	**53,93**	**58,77**	**63,33**	**66,68**
D&A	0,50	0,79	1,34	2,06	2,90	4,10	5,90	8,18	10,15	12,21	13,13	13,79	14,39	14,93	15,30
% of Sales	37,7%	21,7%	17,9%	16,3%	15,5%	12,4%	8,7%	7,5%	6,3%	5,4%	5,1%	4,8%	4,6%	4,5%	4,4%
CAPEX	-0,20	-1,56	-2,76	-3,15	-3,15	-4,50	-6,75	-8,55	*-10,21*	*-11,88*	*-13,54*	-15,2	-15,3	-15,4	-15,5
% of Sales	-15,2%	-43,1%	-37,0%	-25,0%	-16,8%	-13,6%	-9,9%	-7,9%	-6,4%	-5,3%	-5,2%	-5,3%	-4,9%	-4,6%	-4,4%
Change in WCR	-0,56	0,04	-0,41	-0,61	-1,16	-2,10	-4,47	-6,59	-8,71	-10,92	-5,66	-4,34	-4,18	-3,89	-2,79
FCF	**-7,27**	**-7,87**	**-8,11**	**-6,57**	**-5,71**	**-3,50**	**1,14**	**6,85**	**17,11**	**31,94**	**42,87**	**48,18**	**53,69**	**58,97**	**63,69**
Discounted factor	0,17	1,17	2,17	3,17	4,17	5,17	6,17	7,17	8,17	9,17	10,17	11,17	12,17	13,17	14,17
Discounted FCF	**-7,07**	**-6,45**	**-5,60**	**-3,83**	**-2,81**	**-1,45**	**0,40**	**2,02**	**4,25**	**6,69**	**7,57**	**7,18**	**6,74**	**6,25**	**5,69**

Sum FCF	19,59
Terminal value (2037 EBITDA multiple)	1630,1
Discounted terminal value	145,6
EV	**165,2**
Provisions	0,0
Net debt 2025	-10,4
Conditional advances	6,3
Equity value	**169,3**
Diluted number of shares	97,5
Value per share	**1,74**

Sensitivity table : WACC / Exit multiple on terminal value							
	12,8	13,8	14,8	15,8	16,8	17,8	18,8
16,6%	1,87	1,99	2,11	2,23	2,35	2,47	2,59
17,1%	1,76	1,87	1,98	2,10	2,21	2,32	2,44
17,6%	1,65	1,76	1,86	1,97	2,08	2,18	2,29
18,1%	1,55	1,65	1,75	1,85	1,95	2,05	2,15
18,6%	1,45	1,55	1,64	**1,74**	1,83	1,93	2,02
19,1%	1,36	1,45	1,54	1,63	1,72	1,81	1,90
19,6%	1,28	1,36	1,45	1,53	1,62	1,70	1,78
20,1%	1,20	1,28	1,36	1,44	1,52	1,60	1,67
20,6%	1,13	1,20	1,28	1,35	1,42	1,50	1,57

Source : Refinitiv, Estimations TP ICAP

Our estimates are discounted at a WACC of 18.6% (OAT at 4.7%, beta of 1.06, risk premium of 6.5%), including a specific risk premium of 7% broken down as follows: 1 point for residual regulatory risk linked to the FDA decision, 4 points for commercial adoption and reimbursement risk and 2 points for funding and execution risk. Note that, given the group's current financial structure, we rely solely on the cost of equity.

The terminal value, which logically accounts for most of the DCF value (88% of enterprise value), is calculated on the basis of estimated 2040 results using an EBITDA multiple, which we consider more consistent than applying a perpetual growth rate to a company that will still be in an expansion phase at that horizon. We apply a multiple of 15.8x, which corresponds to the median observed across a sample of 6 mature global medical device companies (21.1x), detailed below, discounted by 25% to reflect the difference in size, liquidity and more moderate growth at that horizon. This gives a discounted value of €146m.

Mature comparable companies: valuation multiples

	Market cap (Md$)	Sales (M$)	EBITDA margin	EV/Sales	EV/EBITDA
Intuitive Surgical	151,2	10060	37,90%	13,2	34,9
Edwards Lifesciences	49,8	6500	30,70%	7,1	23,2
Dexcom	32,1	5000	28,20%	6,3	22,2
LeMaitre Vascular	1,85	262	31,60%	6,3	20
ResMed	33,2	5700	37,10%	5,7	15,5
Globus Medical	10,2	3100	32,10%	3,0	9,4
Median				**6,3**	**21,1**
Applied multiple (25% discount)				**4,7**	**15,8**

Source : stockanalysis.com

Ultimately, using this method, we arrive at a valuation of €1.74 per share, taking into account all dilutive instruments outstanding. We present a sensitivity table between the WACC and the EV/EBITDA multiple used to determine the terminal value. Note that, in the event of a favourable FDA decision in the coming months, with the WACC brought down to 17.6%, the DCF would give us a valuation of €1.97 per share.

Discounted exit value approach

For the second valuation approach, we have used the discounted exit value method, a method inspired by venture capital that projects the company's value at exit, at maturity, before bringing it back to today. This method partly answers a question that the DCF addresses only partially: what would Theraclion be worth if Sonovein established itself as a new standard of care?

We have chosen 2040 as the exit year for two reasons. First, we place the extension of reimbursement across all the regions addressed by the group, notably the US, at 2030/2031, with the possible move to a category I CPT code. 2040 thus corresponds to 10 years of widespread reimbursement, a period that seems to us necessary for an installed base to reach full maturity. Second, this timeframe seems consistent with the long lead times for deploying new medical technologies, the change in practice, physician training and the gradual equipping of centres.

This method starts from the size of the market that Theraclion can address: 2,500 sites (1,500 in Europe and 1,000 in the US), representing a potential of around €1.1bn of annual revenue at full penetration. This estimate is based on around 250 procedures a year per mature European site, billed at €1,000, i.e. around €250k of revenue per site, and on around 300 procedures per US site, billed at €2,500, i.e. around €750k, as US centres are larger. It values only recurring revenue in Europe and the US: the rest of the world, more driven by less predictable equipment sales, is an option that we do not value. We assume three penetration scenarios in 2040: 20%, 50% and 75% of sites, i.e. around €225m, €560m and €845m of revenue. We value this revenue at a multiple of 4.7x, derived from mature medtechs (detailed previously) and reduced by 25%, which we bring back to end-2026 by discounting over 14 years at a rate of 18.6%. We then deduct the additional

funding requirement for 2027 to 2031 (around €30m) and the conditional advances (€6.3m), then add 2025 net debt restated for the conversion of the convertible bonds (OCA) and the proceeds of the ABSA and of the exercise of the warrants (BSA). Finally, we weight the three scenarios with deliberately conservative probabilities of 50% for the low case, 35% for the central case and 15% for the high case.

The calculation details are presented below and lead to a valuation of around €1.61 per share, i.e. 175% above the current share price, with a range from €0.67 in the low scenario to €3.43 in the scenario in which the group equips 75% of addressable sites.

Discounted exit value approach

	Bear	Base	Bull
Market share	20%	50%	75%
Sales 2040 (€m)	225	562,5	843,75
Enterprise value 2040 (4,7x Sales)	1063,1	2657,8	3986,7
Discounted Enterprise value	**97,7**	**244,3**	**366,4**
Restated current net debt	-10,4	-10,4	-10,4
Conditional advances	6,3	6,3	6,3
Discounted funding requirement	36,7	36,7	36,7
Equity valuation	**65,1**	**211,7**	**333,8**
Diluted number of shares	97,5	97,5	97,5
Value per share	**0,67**	**2,17**	**3,42**
Weighting	50%	35%	15%

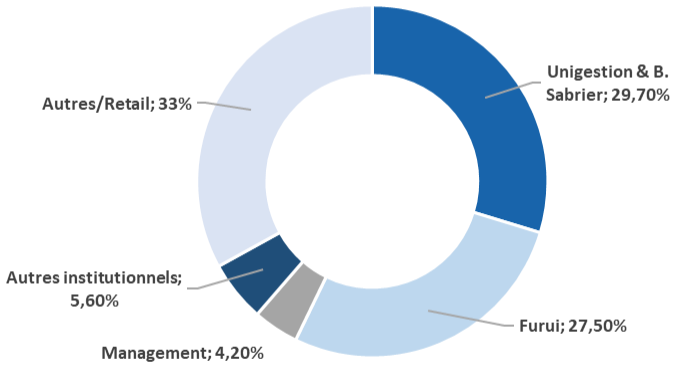
Implied value per share	**1,61**

Source : Estimations TP ICAP

Ultimately, we weight the DCF at 75%, given that it is based on a site-by-site detailed trajectory, and the discounted exit value at 25%, as its horizon and market shares logically offer lower visibility. It nevertheless provides an insight that the DCF does not: it tests the scenario in which Sonovein becomes a standard of care in varicose vein treatment, with a range from €0.67 in the low scenario to €3.43 in the scenario in which the group equips 75% of addressable sites. The two methods finally come out at very similar levels (€1.74 for the DCF and €1.61 for the exit value), which gives a TP of €1.71, representing upside of more than 190% versus the current share price. We therefore initiate coverage of Theraclion with a Buy rating and a TP rounded to €1.7.

Appendices

Appendix 1: Shareholder structure at 31 July 2026



Source : Theraclion

Appendix 2 : Management team composition



Source : Theraclion

Appendix 3 : Board composition



Source : Theraclion

Appendix 4: sample of comparable companies

Mature companies (reference sample)

Intuitive Surgical: US player in robotic surgery (da Vinci robot) generating revenue of around $11bn with an EBITDA margin of 38%. Like Theraclion, the company places equipment with the physician and generates most of its revenue from recurring consumables and services on a per-procedure basis, with adoption dependent on physician training and reimbursement.

Edwards Lifesciences: US player in percutaneous heart valves generating revenue of around $6.5bn with an EBITDA margin of 31%. Like Sonovein versus venous surgery, its technology has replaced major surgery with a less invasive approach, with long adoption driven by clinical evidence and reimbursement.

Dexcom: US player specialising in continuous glucose monitoring, with revenue of around $5bn and an EBITDA margin of 28%. Like Theraclion, the company combines a device with recurring consumables, and its growth depends on the extension of reimbursement to new populations.

LeMaitre Vascular: US player in niche vascular devices sold directly, with revenue of around $260m and an EBITDA margin of 32%. It is the closest comparable in terms of medical specialty (vascular conditions) and size, with the same counterparties as Theraclion: vascular surgeons and physicians.

ResMed: US player in sleep apnoea devices and masks, with revenue of around $5.7bn and an EBITDA margin of 37%. Like Theraclion, the company addresses a large and under-diagnosed population with a device and recurring consumables, in a market opened up by reimbursement.

Globus Medical: US player in spine surgery, with revenue of around $3.1bn and an EBITDA margin of 32%. The proximity is more distant: its robotics and navigation drive the sale of implants, an equipment-plus-consumables model close to Theraclion's, but with lower growth.

Smaller or earlier-stage companies (for indicative purposes)

CVRx: US player in baroreceptor stimulation (Barostim implant) for heart failure. Like Theraclion, the company is rolling out a new technology whose ramp-up depends on payer coverage and physician adoption**.**

Apyx Medical: US player in plasma and radiofrequency energy for aesthetic surgery (Renuvion technology). The proximity is distant: an energy device and its single-use consumables, but in a non-reimbursed aesthetic market.

EDAP TMS: French player in high-intensity focused ultrasound (HIFU) for the prostate (Focal One). It is the only direct comparable on technology, with the same model of an installed console and a consumable per procedure.

SI-BONE: US player in sacroiliac joint fusion implants. Like Theraclion, the company built its market on a minimally invasive procedure whose adoption was driven by reimbursement and physician training.

Establishment Labs: Costa Rican company listed in the US, specialising in breast implants. The proximity is distant: a medical device with gradual diffusion, but in a non-reimbursed aesthetic market.

Profound Medical: Canadian player in MRI-guided ultrasound therapy (TULSA-PRO). Like Theraclion, the company is developing a non-invasive ultrasound therapy, with a console installed in facilities and a consumable per procedure.

FINANCIAL DATA

Income Statement	12/23	12/24	12/25	12/26e	12/27e	12/28e
Sales	1.8	0.8	1.2	1.3	3.6	7.5
Changes (%)	47.5	-54.5	42.9	11.3	174.1	106.3
Gross profit	3.6	0.7	2.2	2.1	3.6	7.5
% of Sales	196.9	88.7	188.8	160.6	100.0	100.0
EBITDA	**0.1**	**-6.3**	**-0.9**	**-6.4**	**-6.5**	**-4.3**
% of Sales	5.9	-754.3	-72.7	-485.9	-178.6	-57.0
Current operating profit	**-0.7**	**-7.1**	**-2.1**	**-6.9**	**-7.2**	**-5.6**
% of Sales	-36.1	-858.6	-180.0	-523.6	-200.3	-75.0
Non-recurring items	0.4	0.0	0.0	0.0	0.0	0.0
EBIT	-0.3	-7.1	-2.1	-6.9	-7.2	-5.6
Net financial result	-2.0	0.0	-0.2	-0.3	-0.3	-0.3
Income Tax	1.0	1.0	0.8	0.9	0.9	0.9
Tax rate (%)	-47.2	-14.0	-36.6	-12.5	-11.9	-15.3
Net profit, group share	**-1.2**	**-6.1**	**-1.5**	**-6.3**	**-6.6**	**-5.0**

Financial Statement	12/23	12/24	12/25	12/26e	12/27e	12/28e
Goodwill	0.0	0.0	0.0	0.0	0.0	0.0
Tangible and intangible assets	1.3	2.0	2.0	1.7	2.5	3.9
Right of Use	0.0	0.0	0.0	0.0	0.0	0.0
Financial assets	1.2	1.2	1.2	1.2	1.2	1.2
Working capital	3.7	0.4	2.2	2.8	2.7	3.2
Other Assets	0.0	0.0	0.0	0.0	0.0	0.0
Assets	6.3	3.5	5.4	5.7	6.4	8.3
Shareholders equity group	11.9	6.3	3.7	2.2	1.8	3.2
Minorities	0.0	0.0	0.0	0.0	0.0	0.0
LT & ST provisions and others	0.2	0.1	0.0	0.0	0.0	0.0
Net debt	-5.9	-2.9	1.7	3.5	4.6	5.0
Other liabilities	0.0	0.0	0.0	0.0	0.0	0.0
Liabilities	6.3	3.5	5.4	5.7	6.4	8.3
Net debt excl. IFRS 16	-5.9	-2.9	1.7	3.5	4.6	5.0
Gearing net	-0.5	-0.5	0.5	1.6	2.6	1.6
Leverage	-54.8	0.5	-2.0	-0.5	-0.7	-1.2

Cash flow statement	12/23	12/24	12/25	12/26e	12/27e	12/28e
CF after elimination of net borrowing costs and taxes	-1.1	-4.9	-5.3	-6.8	-6.7	-5.2
ΔWCR	-1.4	2.0	-1.9	-0.6	0.0	-0.4
Operating cash flow	-2.5	-2.9	-7.2	-7.4	-6.6	-5.6
Net capex	-0.1	-0.1	-0.1	-0.2	-1.6	-2.8
FCF	-2.6	-3.0	-7.3	-7.6	-8.2	-8.4
Free Cash Flow excl IFRS 16	0.0	0.0	0.0	0.0	0.0	0.0
Acquisitions/Disposals of subsidiaries	-0.1	-0.1	-0.1	-0.2	-1.6	-2.8
Other investments	-0.1	-0.1	-0.3	0.0	0.0	0.0
Change in borrowings	-0.8	-0.7	3.8	5.8	7.0	8.0
Dividends paid	0.0	0.0	0.0	0.0	0.0	0.0
Repayment of leasing debt	0.0	0.0	0.0	0.0	0.0	0.0
Equity Transaction	8.8	0.1	3.0	5.8	7.0	8.0
Others	0.0	0.0	0.0	0.0	0.0	0.0
Change in net cash over the year	5.3	-3.6	-0.8	4.0	5.8	7.6

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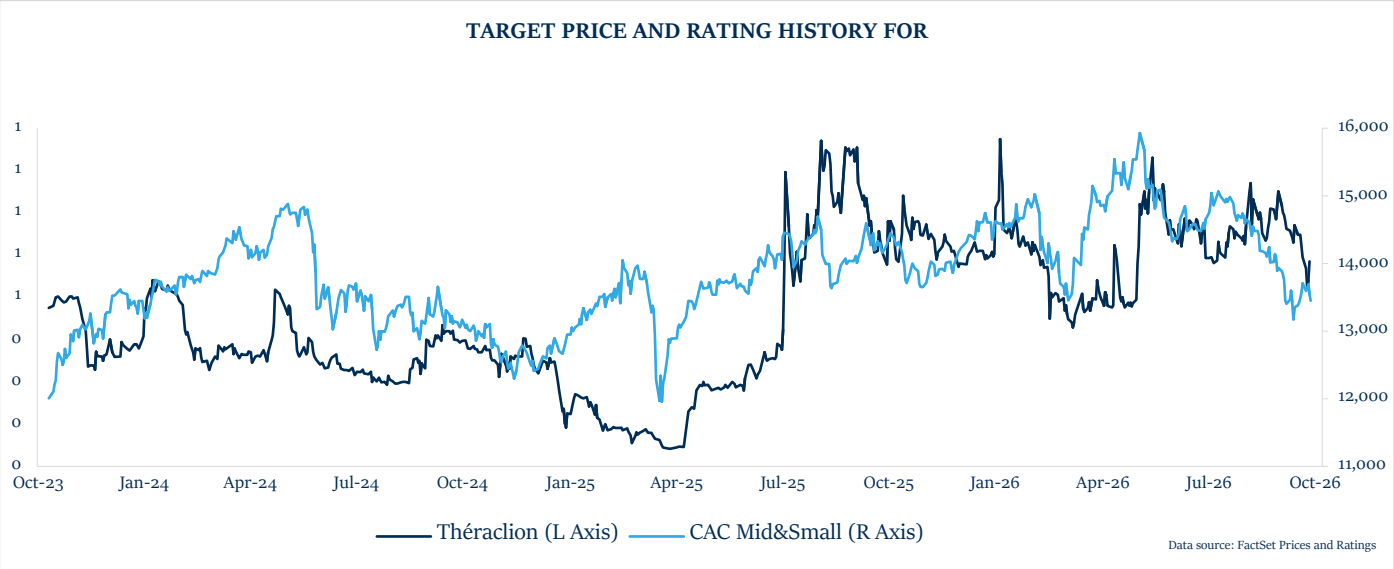
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This Report may mention evaluation methods defined as follows:
1. DCF method: discounting of future cash flows generated by the company's operations. Cash flows are determined by the analyst's financial forecasts and models. The discount rate used corresponds to the weighted average cost of capital, which is defined as the weighted average cost of the company's debt and the theoretical cost of its equity as estimated by the analyst.
2. Comparable method: application of market valuation multiples or those observed in recent transactions. These multiples can be used as references and applied to the company's financial aggregates to deduce its valuation. The sample is selected by the analyst based on the characteristics of the company (size, growth, profitability, etc.). The analyst may also apply a premium/discount depending on his perception of the company's characteristics.
3. Assets and liabilities method: estimate of the value of equity capital based on revalued assets adjusted for the value of the debt.
4. Discounted dividend method: discounting of estimated future dividend flows. The discount rate used is generally the cost of capital.
5. Sum of the parts: this method consists of estimating the various activities of a company using the most appropriate valuation method for each of them, then realizing the sum of the parts.

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G. Midcap and the Issuer have agreed to the provision by the former to the latter of a service for the production and distribution of the investment recommendation on the said Issuer: Théraclion

History of investment rating and target price – Théraclion



Historical recommendations and target price (-1Y)

Date	Analyst	Old Target Price	New Target Price	Closing Price	Old Recommendation	New Recommendation
27 Oct 26 - 08:01:45	Florian Cariou	NA	€ 1.70	€ 0.62	NA	Buy

Distribution of Investment Ratings

Rating	Recommendation Universe*	Portion of these provided with investment banking services**
Buy	70%	76%
Hold	20%	61%
Sell	4%	43%
Under review	6%	89%

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Hold: expected performance between -10% and +10% compared to the market over a 6 to 12 months horizon.
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