



Crossject

Supergenerics / France

Another good piece of news for the group

Latest - 18/06/2021

The Barda has launched its call for tender on Midazolam autoinjectors

Crossject is in a good position to compete

This could boost further Zeneo's credibility and Crossject's share price

Fact

The Barda has launched its long-awaited call for tender for Midazolam autoinjectors

Analysis

A call for tender for the supply of Midazolam autoinjectors (among others in the field of epilepsy) had just been launched by the Barda, as was expected although the process took longer than first thought. As a reminder, the Barda is the acronym of the biomedical Advanced Research and Development Authority, in charge of market approvals. It is the US Department of Health and Human Services office responsible for the procurement and development of medical countermeasures, principally against bioterrorism, including chemical, biological, radiological and nuclear threats, as well as pandemic influenza and emerging diseases. This news is clearly positive for Crossject (after the licensing agreement reached with Eton Pharmaceuticals announced earlier in the week), as it should demonstrate the merits of Crossject's Zeneo injection device. Of course, we expect a positive market reaction. Note we so far expect about 1.5m Midazolam autoinjectors to be sold by 2026 (globally) with a 50% probability. Today's news can help the group reach such a target.

Impact

We will not amend our numbers at this stage, but will update all our assumptions (i.e. on all product launches planned, both in terms of quantities and prices) within the next few days.



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This research has been commissioned and paid for by the company and is deemed to constitute an acceptable minor non-monetary benefit as defined in MiFID II

Buy	Upside: 265%
Target Price (6 months)	€ 10.5
Share Price	€ 2.87
Market Cap. €M	64.3
Price Momentum	UNFAVORABLE
Extremes 12Months	2.06 ▶ 4.26
Sustainability score	3.7 /10
Credit Risk	BB ↗
Bloomberg	ALCJ FP Equity
Reuters	ALCJ.PA

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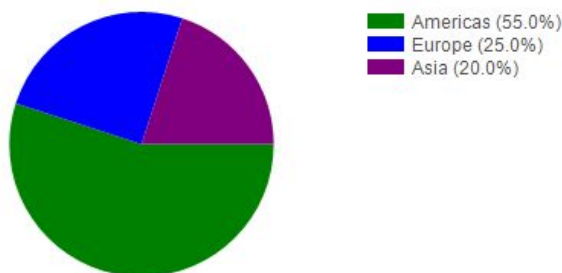


PERF	1w	1m	3m	12m
Crossject	10.4%	4.74%	-14.3%	27.0%
Pharma	1.56%	7.67%	14.0%	5.05%
STOXX 600	1.05%	3.68%	8.10%	25.5%

Last updated: 15/12/2020	12/19A	12/20E	12/21E	12/22E
Adjusted P/E (x)	-3.81	-8.29	15.9	3.15
Dividend yield (%)	0.00	0.00	0.00	0.00
EV/EBITDA(R) (x)	-7.85	-13.3	8.77	3.05
Adjusted EPS (€)	-0.49	-0.32	0.18	0.91
Growth in EPS (%)	n/a	n/a	n/a	403
Dividend (€)	0.00	0.00	0.00	0.00
Sales (€M)	5.99	4.01	27.3	63.7
EBIT margin (%)	0.00	0.00	100.0	100.0
Attributable net profit (€M)	-7.78	-6.49	4.06	20.4
ROE (after tax) (%)	-333	-237	87.9	119
Gearing (%)	113	174	207	120

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

Sales by Geography



Consolidated P&L Accounts

		12/19A	12/20E	12/21E
Sales	€M	5.99	4.01	27.3
Change in sales	%	70.1	-33.1	580
Change in staff costs	%	26.2	11.3	11.3
EBITDA	€M	-5.00	-4.69	10.1
EBITDA(R) margin	%	-83.3	-117	37.0
Depreciation	€M	-3.65	-3.32	-3.35
Underlying operating profit	€M	-8.64	-8.01	6.75
Operating profit (EBIT)	€M	-8.64	-8.01	6.75
Net financial expense	€M	-0.49	-0.70	-0.70
of which related to pensions	€M		0.00	0.00
Exceptional items & other	€M	0.02	0.00	0.00
Corporate tax	€M	1.34	2.22	-2.00
Equity associates	€M			
Minority interests	€M			
Adjusted attributable net profit	€M	-7.78	-6.49	4.06
NOPAT	€M	-6.05	-5.61	4.73

Cashflow Statement

		12/19A	12/20E	12/21E
EBITDA	€M	-5.00	-4.69	10.1
Change in WCR	€M	-0.96	0.75	-26.8
Actual div. received from equity holdi...	€M	0.00	0.00	0.00
Paid taxes	€M		2.22	-2.00
Exceptional items	€M	0.00	0.00	0.00
Other operating cash flows	€M	0.00	0.00	0.00
Total operating cash flows	€M	-5.95	-1.71	-18.7
Capital expenditure	€M	-4.40	-1.66	-1.72
Total investment flows	€M	-4.40	-1.66	-1.72
Net interest expense	€M	-0.49	-0.70	-0.70
Dividends (parent company)	€M			
Dividends to minorities interests	€M	0.00	0.00	0.00
New shareholders' equity	€M	5.40	5.70	0.00
Total financial flows	€M	4.40	8.90	16.2
Change in cash position	€M	-5.95	5.53	-4.20
Free cash flow (pre div.)	€M	-10.8	-4.07	-21.1

Per Share Data

		12/19A	12/20E	12/21E
No. of shares net of treas. stock (year...	Mio	18.3	22.4	22.3
Number of diluted shares (average)	Mio	16.0	20.5	22.4
Benchmark EPS	€	-0.49	-0.32	0.18
Restated NAV per share	€			
Net dividend per share	€	0.00	0.00	0.00

Valuation Summary

Benchmarks	Value	Weight	Largest comparables
DCF	€ 14.6	40%	● UCB
NAV/SOTP per share	€ 9.94	40%	■ Ipsen
P/E	€ 5.74	5%	■ Hikma Pharmaceuti...
EV/Ebitda	€ 5.74	5%	■ Faes Farma
P/Book	€ 1.74	5%	
Dividend Yield	€ 0.00	5%	
TARGET PRICE	€ 10.5	100%	

NAV/SOTP Calculation

Balance Sheet

		12/19A	12/20E	12/21E
Goodwill	€M	0.00	0.00	0.00
Total intangible	€M	6.25	5.42	5.09
Tangible fixed assets	€M	5.78	4.94	4.14
Financial fixed assets	€M	0.10	0.10	0.10
WCR	€M	-1.09	-1.84	25.0
Other assets	€M	2.61	2.85	2.59
Total assets (net of short term liab.)	€M	14.0	11.9	37.3
Ordinary shareholders' equity	€M	3.01	2.47	6.76
Quasi Equity & Preferred	€M			
Minority interests	€M			
Provisions for pensions	€M		0.00	0.00
Other provisions for risks and liabilities	€M	0.13	0.13	0.13
Total provisions for risks and liabilities	€M	0.13	0.13	0.13
Tax liabilities	€M	0.00	0.00	0.00
Other liabilities	€M	5.80	5.80	5.80
Net debt (cash)	€M	5.11	3.47	24.6
Total liab. and shareholders' equity	€M	14.0	11.9	37.3

Capital Employed

		12/19A	12/20E	12/21E
Capital employed after depreciation	€M	11.0	8.62	34.3

Profits & Risks Ratios

		12/19A	12/20E	12/21E
ROE (after tax)	%	-333	-237	87.9
ROCE	%	-54.8	-65.0	13.8
Gearing (at book value)	%	113	174	207
Adj. Net debt/EBITDA(R)	x	-1.02	-0.74	2.43
Interest cover (x)	x	-17.6	-11.4	9.65

Valuation Ratios

		12/19A	12/20E	12/21E
Reference P/E (benchmark)	x	-3.81	-8.29	15.9
Free cash flow yield	%	-31.9	-6.91	-33.0
P/Book	x	11.3	23.8	9.44
Dividend yield	%	0.00	0.00	0.00

EV Calculation

		12/19A	12/20E	12/21E
Market cap	€M	34.0	58.9	63.9
+ Provisions	€M	0.13	0.13	0.13
+ Unrecognised actuarial losses/(gains)	€M	0.00	0.00	0.00
+ Net debt at year end	€M	5.11	3.47	24.6
+ Leases debt equivalent	€M	0.00	0.00	0.00
- Financial fixed assets (fair value)	€M			
+ Minority interests (fair value)	€M			
= EV	€M	39.2	62.5	88.6
EV/EBITDA(R)	x	-7.85	-13.3	8.77
EV/Sales	x	6.54	15.6	3.25

Analyst : Fabrice Farigoule, Changes to Forecasts : 15/12/2020.