



Crossject

Supergenerics / France

A double bond issue

Financing issue - 15/12/2020

Fact

Crossject announced it had issued two bonds worth €5.24m each including a convertible one.

Analysis

Both bonds have been subscribed by the same investors as in FY19, including the main shareholder, Gemme Venture. They have been subscribed at 100% and 97% of their nominal value, respectively, and do not carry interest, with a maturity in December 2023.

These two issues also imply an additional €2m stemming from the PGE (state loan from BPI France) which will complete the company's financing for the coming year (together with €3m of public financing) even without any commercial agreements reached before FY22. This is good news for the company and gives management time to focus on the business as such, leaving more room before Zeneo reaches the market. It also confirms the confidence of Crossject's shareholders.

Impact

We welcome the news since the financing is now secured until FY22, even if this will imply a dilution through the conversion of bonds (about 7% at the current share price). This is the price to pay before Zeneo can reach the market.



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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: 213%
Target Price (6 months)	€ 10.2
Share Price	€ 3.27
Market Cap. €M	73.3
Price Momentum	STRONG
Extremes 12Months	1.16 ▶ 4.26
Bloomberg	ALCJ FP Equity
Reuters	ALCJ.PA

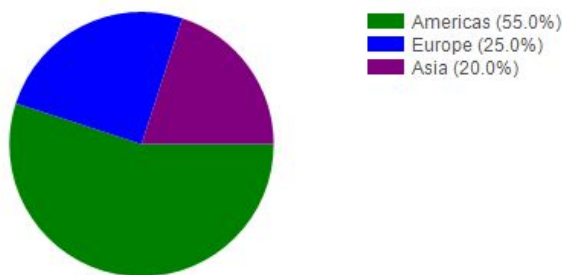

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PERF	1w	1m	3m	12m
Crossject	-9.42%	-0.61%	5.48%	59.5%
Pharma	-0.69%	-2.95%	-4.87%	0.84%
STOXX 600	-0.25%	1.73%	6.33%	-4.90%

Last updated: 30/11/2020	12/18A	12/19E	12/20E	12/21E
Adjusted P/E (x)	-3.26	-3.81	-10.3	18.0
Dividend yield (%)	0.00	0.00	0.00	0.00
EV/EBITDA(R) (x)	-5.35	-7.99	-16.5	9.72
Adjusted EPS (€)	-0.96	-0.49	-0.32	0.18
Growth in EPS (%)	n/a	n/a	n/a	n/a
Dividend (€)	0.00	0.00	0.00	0.00
Sales (€M)	3.52	6.00	4.01	27.3
EBIT margin (%)	0.00	0.00	0.00	100.0
Attributable net profit (€M)	-10.7	-7.78	-6.49	4.06
ROE (after tax) (%)	-276	-393	-320	104
Gearing (%)	-23.7	164	285	244

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

Sales by Geography



Consolidated P&L Accounts

		12/18A	12/19E	12/20E
Sales	€M	3.52	6.00	4.01
Change in sales	%	-14.9	70.4	-33.2
Change in staff costs	%	40.8	26.2	11.3
EBITDA	€M	-8.23	-5.00	-4.69
EBITDA(R) margin	%	-234	-83.2	-117
Depreciation	€M	-3.32	-3.65	-3.32
Underlying operating profit	€M	-11.6	-8.64	-8.01
Operating profit (EBIT)	€M	-11.6	-8.64	-8.01
Net financial expense	€M	-0.70	-0.49	-0.70
of which related to pensions	€M		0.00	0.00
Exceptional items & other	€M	-0.01	0.02	0.00
Corporate tax	€M	1.59	1.34	2.22
Equity associates	€M			
Minority interests	€M			
Adjusted attributable net profit	€M	-10.7	-7.78	-6.49
NOPAT	€M	-8.09	-6.05	-5.61

Cashflow Statement

		12/18A	12/19E	12/20E
EBITDA	€M	-8.23	-5.00	-4.69
Change in WCR	€M	-1.06	-0.96	0.75
Actual div. received from equity holdi...	€M	0.00	0.00	0.00
Paid taxes	€M	1.59	1.34	2.22
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	-7.70	-4.62	-1.71
Capital expenditure	€M	-3.27	-4.40	-1.66
Total investment flows	€M	-3.27	-4.40	-1.66
Net interest expense	€M	-0.70	-0.49	-0.70
Dividends (parent company)	€M			
Dividends to minorities interests	€M	0.00	0.00	0.00
New shareholders' equity	€M	11.8	5.40	5.70
Total financial flows	€M	12.5	10.2	8.90
Change in cash position	€M	1.53	1.13	5.53
Free cash flow (pre div.)	€M	-11.7	-9.51	-4.07

Per Share Data

		12/18A	12/19E	12/20E
No. of shares net of treas. stock (year...	Mio	13.4	18.3	22.3
Number of diluted shares (average)	Mio	11.1	16.0	20.4
Benchmark EPS	€	-0.96	-0.49	-0.32
Restated NAV per share	€			
Net dividend per share	€	0.00	0.00	0.00

Valuation Summary

Benchmarks	Value	Weight	Largest comparables
DCF	€ 14.5	40%	■ UCB
NAV/SOTP per share	€ 9.91	40%	■ Ipsen
P/E	€ 3.84	5%	■ Hikma Pharmaceuti...
EV/Ebitda	€ 4.08	5%	■ Faes Farma
P/Book	€ 1.64	5%	
Dividend Yield	€ 0.00	5%	
TARGET PRICE	€ 10.2	100%	

NAV/SOTP Calculation

Balance Sheet

		12/18A	12/19E	12/20E
Goodwill	€M	0.00	0.00	0.00
Total intangible	€M	4.65	6.25	5.42
Tangible fixed assets	€M	6.34	5.78	4.94
Financial fixed assets	€M	0.10	0.10	0.10
WCR	€M	-2.05	-1.09	-1.84
Other assets	€M	2.02	2.61	2.85
Total assets (net of short term liab.)	€M	11.3	14.0	11.9
Ordinary shareholders' equity	€M	1.66	2.30	1.75
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	7.81	5.80	5.80
Net debt (cash)	€M	1.72	5.82	4.19
Total liab. and shareholders' equity	€M	11.3	14.0	11.9

Capital Employed

		12/18A	12/19E	12/20E
Capital employed after depreciation	€M	9.05	11.0	8.62

Profits & Risks Ratios

		12/18A	12/19E	12/20E
ROE (after tax)	%	-276	-393	-320
ROCE	%	-89.4	-54.8	-65.0
Gearing (at book value)	%	-23.7	164	285
Adj. Net debt/EBITDA(R)	x	-0.21	-1.17	-0.89
Interest cover (x)	x	-16.5	-17.6	-11.4

Valuation Ratios

		12/18A	12/19E	12/20E
Reference P/E (benchmark)	x	-3.26	-3.81	-10.3
Free cash flow yield	%	-27.7	-28.0	-5.59
P/Book	x	25.5	14.8	41.5
Dividend yield	%	0.00	0.00	0.00

EV Calculation

		12/18A	12/19E	12/20E
Market cap	€M	42.2	34.0	72.8
+ 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	1.72	5.82	4.19
+ Leases debt equivalent	€M	0.00	0.00	0.00
- Financial fixed assets (fair value)	€M			
+ Minority interests (fair value)	€M			
= EV	€M	44.0	39.9	77.1
EV/EBITDA(R)	x	-5.35	-7.99	-16.5
EV/Sales	x	12.5	6.65	19.2

Analyst : Fabrice Farigoule, Changes to Forecasts : 30/11/2020.