



Crossject

Supergenerics / France

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New valuation after the ongoing capital increase

Patience will pay off - 14/03/2017

Change in EPS

2017 : € -0.41 vs -0.50	ns
2018 : € -0.35 vs -0.36	ns

We have not changed our assumptions and the apparent higher EPS only stems from the fact the company is still loss-making (thus the loss per share is lower after the capital increase).

Change in NAV

€ 18.7 vs 24.5	-23.7%
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The SOTP valuation is only down on the higher number of shares and the fine-tuning of the net cash position at year-ends 2016 and 2017.

Change in DCF

€ 22.2 vs 23.0	-3.53%
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Our DCF goes down on the increased number of shares, following the ongoing capital increase that will see the total number of shares reach 8.7m. We have not changed our main assumptions on future product launches.

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

Buy Upside : 225%

Target Price (6 months)	€ 16.6
Share Price	€ 5.11
Market Capitalisation €M	34.0
Price Momentum	UNFAVORABLE
Extremes 12Months	4.39 ▶ 10.9
Bloomberg	ALCJ FP Equity
Reuters	ALCJ.PA

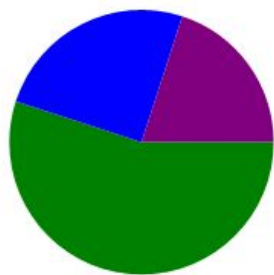
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PERF	1w	1m	3m	12m
Crossject	1.96%	-4.60%	-1.33%	-39.4%
Pharma	-0.30%	4.41%	10.7%	10.7%
SXXR Index	0.39%	2.26%	5.24%	12.6%

Last updated: 14/03/2017	12/15A	12/16A	12/17E	12/18E
Adjusted P/E (x)	-8.17	-7.67	-12.5	-14.6
Dividend yield (%)	0.00	0.00	0.00	0.00
EV/EBITDA(R) (x)	-7.63	-8.86	-13.4	-11.3
Adjusted EPS (€)	-0.88	-1.03	-0.41	-0.35
Growth in EPS (%)	n/a	n/a	n/a	n/a
Dividend (€)	0.00	0.00	0.00	0.00
Sales (€M)	2.37	1.43	2.00	2.00
EBITA margin (%)	ns	ns	-129	-148
Attributable net profit (€M)	-5.73	-6.66	-3.07	-2.99
ROE (after tax) (%)	-49.2	-88.7	-59.1	-110
Gearing (%)	-91.3	-61.8	-142	-759

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Sales by Geography



■ Americas (55.0%)
■ Europe (25.0%)
■ Asia (20.0%)

Consolidated P&L Accounts

		12/16A	12/17E	12/18E
Sales	€M	1.43	2.00	2.00
Change in sales	%	-39.8	40.2	0.00
Change in staff costs	%	15.9	63.2	7.10
EBITDA	€M	-5.52	-2.57	-2.97
EBITDA(R) margin	%	-387	-129	-148
Depreciation	€M	-1.77	-1.20	-1.20
Underlying operating profit	€M	-7.29	-3.77	-4.17
Operating profit (EBIT)	€M	-7.29	-3.77	-4.17
Net financial expense	€M	-1.06	-0.30	-0.30
of which related to pensions	€M		0.00	0.00
Exceptional items & other	€M	0.59	0.00	0.00
Corporate tax	€M	1.10	1.00	1.47
Equity associates	€M			
Minority interests	€M			
Adjusted attributable net profit	€M	-6.66	-3.07	-2.99
NOPAT	€M	-5.10	-2.64	-2.92

Cashflow Statement

		12/16A	12/17E	12/18E
EBITDA	€M	-5.52	-2.57	-2.97
Change in WCR	€M	0.92	0.06	0.30
Actual div. received from equity holdi...	€M	0.00	0.00	0.00
Paid taxes	€M	1.00	1.00	1.47
Exceptional items	€M	0.00	0.00	0.00
Other operating cash flows	€M	1.00	0.00	0.00
Total operating cash flows	€M	-2.59	-1.52	-1.19
Capital expenditure	€M	-6.00	-0.50	-0.53
Total investment flows	€M	-6.00	-0.50	-0.53
Net interest expense	€M	-1.06	-0.30	-0.30
Dividends (parent company)	€M			
Dividends to minorities interests	€M	0.00	0.00	0.00
New shareholders' equity	€M	4.10	0.00	0.00
Total financial flows	€M	9.00	18.7	7.80
Change in cash position	€M	0.41	16.7	6.09
Free cash flow (pre div.)	€M	-9.65	-2.32	-2.01

Per Share Data

		12/16A	12/17E	12/18E
No. of shares net of treas. stock (year...	Mio	6.48	8.50	8.50
Number of diluted shares (average)	Mio	6.48	7.49	8.55
Benchmark EPS	€	-1.03	-0.41	-0.35
Restated NAV per share	€			
Net dividend per share	€	0.00	0.00	0.00

Valuation Summary

Benchmarks	Value	Weight	Largest comparables
DCF	€ 22.2	40%	● Actelion
NAV/SOTP per share	€ 18.7	40%	■ Faes Farma
P/E	€ 2.56	5%	● Hikma Pharmaceuti...
EV/Ebitda	€ 0.00	5%	■ Ipsen
P/Book	€ 2.56	5%	● Stada Arzneimittel
Dividend Yield	€ 0.00	5%	■ UCB
TARGET PRICE	€ 16.6	100%	

NAV/SOTP Calculation

Balance Sheet

		12/16A	12/17E	12/18E
Goodwill	€M	0.00	0.00	0.00
Total intangible	€M	8.33	7.79	7.43
Tangible fixed assets	€M	0.47	0.31	0.11
Financial fixed assets	€M	1.85	1.85	1.85
WCR	€M	-3.42	-3.48	-3.78
Other assets	€M	2.14	3.14	3.14
Total assets (net of short term liab.)	€M	9.38	9.62	8.76
Ordinary shareholders' equity	€M	6.23	4.16	1.29
Quasi Equity & Preferred	€M			
Minority interests	€M			
Provisions for pensions	€M	0.00	0.00	0.00
Other provisions for risks and liabilities	€M	0.34	0.34	0.34
Total provisions for risks and liabilities	€M	0.34	0.34	0.34
Tax liabilities	€M	0.00	0.00	0.00
Other liabilities	€M	5.37	14.4	17.5
Net debt (cash)	€M	-2.57	-9.25	-10.3
Total liab. and shareholders' equity	€M	9.38	9.62	8.76

Capital Employed

		12/16A	12/17E	12/18E
Capital employed after depreciation	€M	7.22	6.47	5.61

Profits & Risks Ratios

		12/16A	12/17E	12/18E
ROE (after tax)	%	-88.7	-59.1	-110
ROCE	%	-70.6	-40.8	-52.0
Gearing (at book value)	%	-61.8	-142	-759
Adj. Net debt/EBITDA(R)	x	0.46	3.60	3.48
Interest cover (x)	x	-6.88	-12.6	-13.9

Valuation Ratios

		12/16A	12/17E	12/18E
Reference P/E (benchmark)	x	-7.67	-12.5	-14.6
Free cash flow yield	%	-18.9	-5.33	-4.63
P/Book	x	8.19	10.4	33.7
Dividend yield	%	0.00	0.00	0.00

EV Calculation

		12/16A	12/17E	12/18E
Market cap	€M	51.1	43.5	43.5
+ Provisions	€M	0.34	0.34	0.34
+ Unrecognised actuarial losses/(gains)	€M	0.00	0.00	0.00
+ Net debt at year end	€M	-2.57	-9.25	-10.3
+ Leases debt equivalent	€M	0.00	0.00	0.00
- Financial fixed assets (fair value)	€M			
+ Minority interests (fair value)	€M			
= EV	€M	48.9	34.5	33.5
EV/EBITDA(R)	x	-8.86	-13.4	-11.3
EV/Sales	x	34.2	17.3	16.7

Analyst : Fabrice Farigoule, Changes to Forecasts : 14/03/2017.