



Crossject

Supergenerics / France

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On its way to reaching the market

The market is in reach - 05/09/2018

Change in EPS

2018 : € -0.94 vs -0.36 ns
 2019 : € -0.79 vs -0.06 ns

We have fine-tuned our numbers in the back of the group's latest comments as well as integrating the new NTE to be developed (Terbutaline) instead of Apomorphine which is now on stand-by. This said, short-term numbers have little meaning (other than the group's cash-burn) since first sales should be booked in FY20.

Change in NAV

€ 19.0 vs 18.2 +4.78%

We have adjusted our numbers to take into account Terbutaline, the new therapeutic entity the group expects to develop alongside the six previous ones (already in our numbers). Some minor short-term changes have also impacted current net debt.

Change in DCF

€ 24.9 vs 21.5 +16.2%

Our DCF valuation goes up quite significantly after we integrated Terbutaline and fine-tuned our numbers (volumes and prices) for the other NTEs the group plans to market.



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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 : 446%

Target Price (6 months)	€ 17.8
Share Price	€ 3.25
Market Cap. €M	30.2
Price Momentum	NEGATIVE
Extremes 12Months	3.16 ▶ 5.55
Bloomberg	ALCJ FP Equity
Reuters	ALCJ.PA

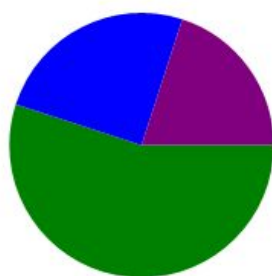

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PERF	1w	1m	3m	12m
Crossject	-1.37%	-6.88%	-18.3%	-39.7%
Pharma	-1.30%	-2.08%	5.89%	4.87%
SXXR Index	-1.45%	-2.17%	-1.65%	4.34%

Last updated: 05/09/2018	12/16A	12/17A	12/18E	12/19E
Adjusted P/E (x)	-7.64	-5.45	-3.47	-4.10
Dividend yield (%)	0.00	0.00	0.00	0.00
EV/EBITDA(R) (x)	-9.19	-6.78	-2.43	-3.65
Adjusted EPS (€)	-0.98	-0.97	-0.94	-0.79
Growth in EPS (%)	n/a	n/a	n/a	n/a
Dividend (€)	0.00	0.00	0.00	0.00
Sales (€M)	1.43	4.14	2.00	0.01
EBIT margin (%)	0.00	0.00	0.00	0.00
Attributable net profit (€M)	-6.66	-7.61	-8.36	-7.29
ROE (after tax) (%)	-88.4	-123	-179	2,849
Gearing (%)	-62.3	-42.6	-89.8	

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Sales by Geography



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

Consolidated P&L Accounts

		12/17A	12/18E	12/19E
Sales	€M	4.14	2.00	0.01
Change in sales	%	190	-51.7	-99.5
Change in staff costs	%	33.0	23.7	11.3
EBITDA	€M	-6.35	-10.8	-9.23
EBITDA(R) margin	%	-153	-541	ns
Depreciation	€M	-2.28	-1.35	-1.35
Underlying operating profit	€M	-8.62	-12.2	-10.6
Operating profit (EBIT)	€M	-8.62	-12.2	-10.6
Net financial expense	€M	0.16	-0.30	-0.30
of which related to pensions	€M		0.00	0.00
Exceptional items & other	€M	-0.28	0.00	0.00
Corporate tax	€M	1.13	4.12	3.59
Equity associates	€M			
Minority interests	€M			
Adjusted attributable net profit	€M	-7.61	-8.36	-7.29
NOPAT	€M	-6.03	-8.52	-7.41

Cashflow Statement

		12/17A	12/18E	12/19E
EBITDA	€M	-6.35	-10.8	-9.23
Change in WCR	€M	0.94	0.53	0.19
Actual div. received from equity holdi...	€M	0.00	0.00	0.00
Paid taxes	€M	0.00	4.12	3.59
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	-5.41	-6.18	-5.45
Capital expenditure	€M	-4.25	-1.05	-1.60
Total investment flows	€M	-4.25	-1.05	-1.60
Net interest expense	€M	0.16	-0.30	-0.30
Dividends (parent company)	€M			
Dividends to minorities interests	€M	0.00	0.00	0.00
New shareholders' equity	€M	7.41	5.30	0.00
Total financial flows	€M	9.40	7.39	3.46
Change in cash position	€M	-0.25	0.17	-3.60
Free cash flow (pre div.)	€M	-9.49	-7.53	-7.35

Per Share Data

		12/17A	12/18E	12/19E
No. of shares net of treas. stock (year...	Mio	8.64	9.10	9.10
Number of diluted shares (average)	Mio	7.87	8.92	9.20
Benchmark EPS	€	-0.97	-0.94	-0.79
Restated NAV per share	€			
Net dividend per share	€	0.00	0.00	0.00

Valuation Summary

Benchmarks	Value	Weight	Largest comparables
DCF	€ 24.9	40%	■ Faes Farma
NAV/SOTP per share	€ 19.0	40%	● Hikma Pharmaceuti...
P/E	€ 1.63	5%	■ Ipsen
EV/Ebitda	€ 0.00	5%	● Stada Arzneimittel
P/Book	€ 1.63	5%	■ UCB
Dividend Yield	€ 0.00	5%	
TARGET PRICE	€ 17.8	100%	

NAV/SOTP Calculation

Balance Sheet

		12/17A	12/18E	12/19E
Goodwill	€M	0.00	0.00	0.00
Total intangible	€M	4.06	3.72	3.38
Tangible fixed assets	€M	6.52	6.56	7.15
Financial fixed assets	€M	0.10	0.10	0.10
WCR	€M	-3.11	-3.64	-3.83
Other assets	€M	2.33	2.57	2.81
Total assets (net of short term liab.)	€M	9.94	9.35	9.66
Ordinary shareholders' equity	€M	6.09	3.27	-3.78
Quasi Equity & Preferred	€M			
Minority interests	€M			
Provisions for pensions	€M	0.00	0.00	0.00
Other provisions for risks and liabilities	€M	0.09	0.09	0.09
Total provisions for risks and liabilities	€M	0.09	0.09	0.09
Tax liabilities	€M	0.00	0.00	0.00
Other liabilities	€M	6.26	9.36	9.36
Net debt (cash)	€M	-2.50	-3.37	3.98
Total liab. and shareholders' equity	€M	9.94	9.35	9.66

Capital Employed

		12/17A	12/18E	12/19E
Capital employed after depreciation	€M	7.57	6.74	6.80

Profits & Risks Ratios

		12/17A	12/18E	12/19E
ROE (after tax)	%	-123	-179	2,849
ROCE	%	-79.8	-126	-109
Gearing (at book value)	%	-42.6	-89.8	
Adj. Net debt/EBITDA(R)	x	0.39	0.31	-0.43
Interest cover (x)	x	53.9	-40.6	-35.3

Valuation Ratios

		12/17A	12/18E	12/19E
Reference P/E (benchmark)	x	-5.45	-3.47	-4.10
Free cash flow yield	%	-20.9	-25.4	-24.9
P/Book	x	7.47	9.05	-7.82
Dividend yield	%	0.00	0.00	0.00

EV Calculation

		12/17A	12/18E	12/19E
Market cap	€M	45.5	29.6	29.6
+ Provisions	€M	0.09	0.09	0.09
+ Unrecognised actuarial losses/(gains)	€M	0.00	0.00	0.00
+ Net debt at year end	€M	-2.50	-3.37	3.98
+ Leases debt equivalent	€M	0.00	0.00	0.00
- Financial fixed assets (fair value)	€M			
+ Minority interests (fair value)	€M			
= EV	€M	43.0	26.3	33.7
EV/EBITDA(R)	x	-6.78	-2.43	-3.65
EV/Sales	x	10.4	13.1	ns

Analyst : Fabrice Farigoule, Changes to Forecasts : 05/09/2018.