



Crossject

Supergenerics / France

No major change post FY18 results

Getting closer to the market - 18/03/2019

Change in EPS

2019 : € -0.51 vs -0.50	ns
2020 : € -0.39 vs -0.39	ns

We have only fine-tuned our numbers after the release of FY18 results, which are anyway insignificant before the group's products actually reach the market in FY2021, i.e. results (losses) before 2021 are almost simply the sum of operating costs.

Change in NAV

€ 10.0 vs 11.9	-15.4%
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The SOTP goes down a tick after the dilution stemming from the conversion of bonds at the beginning of the current year, the total number of shares rising from 13.6m to 15.7m.

Change in DCF

€ 15.0 vs 13.9	+7.91%
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The DCF goes up, despite the increased number of shares (partly compensated by a lower debt level) since the positive cash flows are actually "nearer" (by a year), with our forecasts now starting from FY19 on.


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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 : 379%

Target Price (6 months)	€ 10.1
Share Price	€ 2.11
Market Cap. €M	19.6
Price Momentum	GOOD
Extremes 12Months	1.07 ▶ 4.23
Bloomberg	ALCJ FP Equity
Reuters	ALCJ.PA

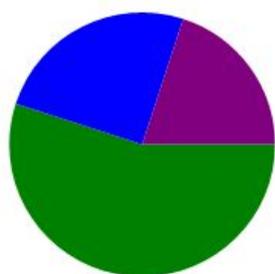

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PERF	1w	1m	3m	12m
Crossject	4.71%	53.1%	59.8%	-50.1%
Pharma	1.69%	5.06%	7.14%	17.6%
SXXR Index	2.86%	4.81%	10.4%	4.06%

Last updated: 18/03/2019	12/18A	12/19E	12/20E	12/21E
Adjusted P/E (x)	-3.37	-4.16	-5.44	7.61
Dividend yield (%)	0.00	0.00	0.00	0.00
EV/EBITDA(R) (x)	-5.32	-5.25	-8.14	6.41
Adjusted EPS (€)	-0.93	-0.51	-0.39	0.28
Growth in EPS (%)	n/a	n/a	n/a	n/a
Dividend (€)	0.00	0.00	0.00	0.00
Sales (€M)	3.52	4.01	4.01	27.3
EBIT margin (%)	0.00	0.00	0.00	100.0
Attributable net profit (€M)	-10.3	-7.38	-6.05	4.32
ROE (after tax) (%)	-265	385	72.1	-59.2
Gearing (%)	-23.7			

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

Sales by Geography



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

Consolidated P&L Accounts

		12/18A	12/19E	12/20E
Sales	€M	3.52	4.01	4.01
Change in sales	%	-14.9	13.8	0.00
Change in staff costs	%	23.7	11.3	11.3
EBITDA	€M	-8.23	-7.40	-5.40
EBITDA(R) margin	%	-234	-184	-135
Depreciation	€M	-3.32	-3.32	-3.32
Underlying operating profit	€M	-11.6	-10.7	-8.73
Operating profit (EBIT)	€M	-11.6	-10.7	-8.73
Net financial expense	€M	-0.30	-0.30	-0.30
of which related to pensions	€M		0.00	0.00
Exceptional items & other	€M	-0.01	0.00	0.00
Corporate tax	€M	1.59	3.64	2.98
Equity associates	€M			
Minority interests	€M			
Adjusted attributable net profit	€M	-10.3	-7.38	-6.05
NOPAT	€M	-8.09	-7.50	-6.11

Cashflow Statement

		12/18A	12/19E	12/20E
EBITDA	€M	-8.23	-7.40	-5.40
Change in WCR	€M	-1.06	1.36	-0.76
Actual div. received from equity holdi...	€M	0.00	0.00	0.00
Paid taxes	€M	1.59	3.64	2.98
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	-7.71	-2.40	-3.19
Capital expenditure	€M	-3.27	-1.60	-1.66
Total investment flows	€M	-3.27	-1.60	-1.66
Net interest expense	€M	-0.30	-0.30	-0.30
Dividends (parent company)	€M			
Dividends to minorities interests	€M	0.00	0.00	0.00
New shareholders' equity	€M	11.8	0.00	0.00
Total financial flows	€M	12.9	3.17	24.9
Change in cash position	€M	1.92	-0.83	20.1
Free cash flow (pre div.)	€M	-11.3	-4.30	-5.14

Per Share Data

		12/18A	12/19E	12/20E
No. of shares net of treas. stock (year...	Mio	13.4	15.5	15.5
Number of diluted shares (average)	Mio	11.1	14.6	15.6
Benchmark EPS	€	-0.93	-0.51	-0.39
Restated NAV per share	€			
Net dividend per share	€	0.00	0.00	0.00

Valuation Summary

Benchmarks	Value	Weight	Largest comparables
DCF	€ 15.0	40%	■ Faes Farma
NAV/SOTP per share	€ 10.0	40%	■ Hikma Pharmaceuti...
P/E	€ 1.06	5%	■ Ipsen
EV/Ebitda	€ 0.00	5%	■ UCB
P/Book	€ 1.06	5%	
Dividend Yield	€ 0.00	5%	
TARGET PRICE	€ 10.1	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	3.82	2.99
Tangible fixed assets	€M	6.34	5.45	4.62
Financial fixed assets	€M	0.10	0.10	0.10
WCR	€M	-2.05	-3.41	-2.64
Other assets	€M	2.02	2.26	2.50
Total assets (net of short term liab.)	€M	11.3	8.46	7.80
Ordinary shareholders' equity	€M	1.66	-5.49	-11.3
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	7.81	7.81
Net debt (cash)	€M	1.72	6.02	11.2
Total liab. and shareholders' equity	€M	11.3	8.46	7.80

Capital Employed

		12/18A	12/19E	12/20E
Capital employed after depreciation	€M	9.05	5.96	5.06

Profits & Risks Ratios

		12/18A	12/19E	12/20E
ROE (after tax)	%	-265	385	72.1
ROCE	%	-89.4	-126	-121
Gearing (at book value)	%	-23.7		
Adj. Net debt/EBITDA(R)	x	-0.21	-0.81	-2.07
Interest cover (x)	x	-38.5	-35.7	-29.1

Valuation Ratios

		12/18A	12/19E	12/20E
Reference P/E (benchmark)	x	-3.37	-4.16	-5.44
Free cash flow yield	%	-26.9	-13.2	-15.7
P/Book	x	25.4	-5.96	-2.89
Dividend yield	%	0.00	0.00	0.00

EV Calculation

		12/18A	12/19E	12/20E
Market cap	€M	42.0	32.7	32.7
+ 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	6.02	11.2
+ Leases debt equivalent	€M	0.00	0.00	0.00
- Financial fixed assets (fair value)	€M			
+ Minority interests (fair value)	€M			
= EV	€M	43.8	38.8	44.0
EV/EBITDA(R)	x	-5.32	-5.25	-8.14
EV/Sales	x	12.4	9.68	11.0

Analyst : Fabrice Farigoule, Changes to Forecasts : 18/03/2019.