



Crossject

Supergenerics / France

Success of the capital increase

Financing issue - 05/06/2024

The capital increase announced at the end of April was a success, the group raising its c.€8m target to finance the group until the launch of Zepizure in the US. The stake of its reference shareholder (Gemmes Venture) was unchanged at 24.28% after it subscribed c. 1.06m shares. This shareholder had committed to subscribing for up to 75% of the capital increase.

Fact

Crossject announced the positive outcome of its planned capital increase.

Analysis

The successful closing of its rights offering with maintained preferential subscription rights was announced by the group, for a gross amount of c.€8m (also see our Latest dated 2 May, 2024). The proceeds will be used to finance the market launch of Zepizure (Midazolam) in the US (about 50% of proceeds) as well as to build its US operations with a view to commercializing this NTE directly and in its manufacturing activities (20%) as well as develop new NTEs (Hydrocortisone and Adrenaline), (with the EUA (Emergency Use Authorization) for Zepizure expected in Q1 25 and full authorization in H12 5).

A total of c.4.3m shares were subscribed at a price of €1.848 per share. Gemmes Venture, the group's reference shareholder, subscribed for c. 1.058m new shares on a non-reducible basis, and holds an unchanged 24.48% stake in Crossject.

Impact

We will integrate the new shares and the implied dilution, together with the cash inflow aimed at financing the short-term needs of the company. The management has reiterated that this round of financing will enable them "to reach the regulatory filing milestones for Zepizure in 2025", which is good news as we previously wrote (5 May, 2024) but obviously does not completely exclude new financings before the product reaches the market. The management has also indicated that this capital increase will "support its ability to source additional non-dilutive financing", which we can only hope.

Note that we will also revise our assumptions for the launch of the group's NTEs in the next few days.



Fabrice FARIGOULE
pharma@alphavalue.eu
+33 (0) 1 70 61 10 50
corporate.alphavalue.com

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: 462%

Target Price (6 months)	€ 10.9
Share Price	€ 1.93
Market Cap. €M	70.6
Price Momentum	NEGATIVE
Extremes 12Months	1.85 ▶ 5.77
Sustainability score	4.1 /10
Credit Risk	BBB →
Bloomberg	ALCJ FP Equity
Reuters	ALCJ.PA

[Download Full Analysis](#) [Company Page](#)

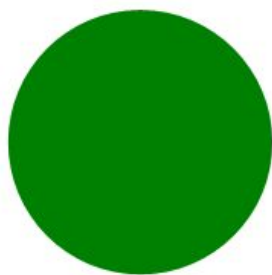


PERF	1w	1m	3m	12m
Crossject	-5.53%	-12.5%	-42.5%	-41.9%
Pharma	1.44%	5.67%	8.54%	15.9%
STOXX 600	-0.39%	2.28%	3.95%	11.9%

Last updated: 25/07/2023	12/22A	12/23E	12/24E	12/25E
Adjusted P/E (x)	-7.92	-17.3	3.88	1.84
Dividend yield (%)	0.00	0.00	0.00	0.00
EV/EBITDA(R) (x)	-16.3	-28.2	3.16	1.81
Adjusted EPS (€)	-0.36	-0.23	0.50	1.05
Growth in EPS (%)	n/a	n/a	n/a	111
Dividend (€)	0.00	0.00	0.00	0.00
Sales (€M)	9.72	14.0	59.0	92.9
EBIT margin (%)	0.00	0.00	78.0	100
Attributable net profit (€M)	-11.2	-8.47	18.4	38.8
ROE (after tax) (%)	798	550	410	112
Gearing (%)	418		173	79.2

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

Sales by Geography



Europe (100.0%)

Consolidated P&L Accounts

		12/22A	12/23E	12/24E
Sales	€M	9.72	14.0	59.0
Change in sales	%	43.5	44.2	321
Change in staff costs	%	16.7	0.00	14.3
EBITDA	€M	-6.93	-5.59	34.5
EBITDA(R) margin	%	-71.3	-39.9	58.5
Depreciation	€M	-6.36	-6.36	-6.36
Underlying operating profit	€M	-13.3	-11.9	28.2
Operating profit (EBIT)	€M	-13.3	-11.9	28.2
Net financial expense	€M	0.11	-0.70	-0.70
of which related to pensions	€M		0.00	0.00
Exceptional items & other	€M	-0.20	0.00	0.00
Corporate tax	€M	2.22	4.17	-9.07
Equity associates	€M			
Minority interests	€M			
Adjusted attributable net profit	€M	-11.2	-8.47	18.4
NOPAT	€M	-9.97	-8.96	21.1

Cashflow Statement

EBITDA	€M	-6.93	-5.59	34.5
Change in WCR	€M	-2.80	1.11	-46.0
Actual div. received from equity holdi...	€M	0.00	0.00	0.00
Paid taxes	€M	2.22	4.17	-9.07
Exceptional items	€M	0.00	0.00	0.00
Other operating cash flows	€M	2.00	0.00	0.00
Total operating cash flows	€M	-5.50	-0.31	-20.6
Capital expenditure	€M	-6.78	-2.27	-5.38
Total investment flows	€M	-6.78	-2.27	-5.38
Net interest expense	€M	0.11	-0.70	-0.70
Dividends (parent company)	€M			
Dividends to minorities interests	€M	0.00	0.00	0.00
New shareholders' equity	€M	4.09	0.00	0.00
Total financial flows	€M	11.2	-3.34	51.1
Change in cash position	€M	-1.08	-5.92	25.2
Free cash flow (pre div.)	€M	-12.2	-3.27	-26.6

Per Share Data

No. of shares net of treas. stock (year...	Mio	36.4	36.4	36.4
Number of diluted shares (average)	Mio	31.2	37.0	37.0
Benchmark EPS	€	-0.36	-0.23	0.50
Restated NAV per share	€			
Net dividend per share	€	0.00	0.00	0.00

Valuation Summary

Benchmarks	Value	Weight	Largest comparables
DCF	€ 13.3	40%	● UCB
NAV/SOTP per share	€ 12.5	40%	● Coloplast
P/E	€ 3.86	5%	● Faes Farma
EV/Ebitda	€ 3.86	5%	● bioMerieux
P/Book	€ 3.27	5%	● Hikma Pharmaceuti...
Dividend Yield	€ 0.00	5%	● Ipsen
TARGET PRICE	€ 10.9	100%	● Carl Zeiss Meditec
			● Sartorius

NAV/SOTP Calculation

Balance Sheet

		12/22A	12/23E	12/24E
Goodwill	€M	0.00	0.00	0.00
Total intangible	€M	10.7	10.1	9.42
Tangible fixed assets	€M	7.67	5.17	5.78
Financial fixed assets	€M	0.00	0.00	0.00
WCR	€M	1.08	-0.02	46.0
Other assets	€M	1.48	1.22	0.96
Total assets (net of short term liab.)	€M	22.3	17.1	62.8
Ordinary shareholders' equity	€M	2.69	-5.77	14.8
Quasi Equity & Preferred	€M			
Minority interests	€M			
Provisions for pensions	€M		0.00	0.00
Other provisions for risks and liabilities	€M	1.42	1.42	
Total provisions for risks and liabilities	€M	1.42	1.42	0.00
Tax liabilities	€M	0.00	0.00	0.00
Other liabilities	€M	9.30	9.30	9.30
Net debt (cash)	€M	8.86	12.1	38.8
Total liab. and shareholders' equity	€M	22.3	17.1	62.8

Capital Employed

Capital employed after depreciation	€M	19.4	15.2	61.2
-------------------------------------	----	------	------	------

Profits & Risks Ratios

ROE (after tax)	%	798	550	410
ROCE	%	-51.3	-58.9	34.5
Gearing (at book value)	%	418		173
Adj. Net debt/EBITDA(R)	x	-1.28	-2.17	1.12
Interest cover (x)	x	121	-17.1	40.3

Valuation Ratios

Reference P/E (benchmark)	x	-7.92	-17.3	3.88
Free cash flow yield	%	-11.8	-2.27	-37.9
P/Book	x	38.3	-25.0	4.76
Dividend yield	%	0.00	0.00	0.00

EV Calculation

Market cap	€M	103	144	70.2
+ Provisions	€M	1.42	1.42	0.00
+ Unrecognised actuarial losses/(gains)	€M	0.00	0.00	0.00
+ Net debt at year end	€M	8.86	12.1	38.8
+ Leases debt equivalent	€M	0.00	0.00	0.00
- Financial fixed assets (fair value)	€M			
+ Minority interests (fair value)	€M			
= EV	€M	113	158	109
EV/EBITDA(R)	x	-16.3	-28.2	3.16
EV/Sales	x	11.7	11.3	1.85

Analyst : Fabrice Farigoule, Changes to Forecasts : 25/07/2023.