



Crossject

Supergenerics / France

A new distribution agreement in Northern Europe

Significant news - 03/01/2024

After the firm order placed by the BARDA (Biomedical Advanced Research and Development Authority) in the US and the other commercialization agreement for Australia and New Zealand, Crossject has announced it has concluded a commercialization agreement in northern Europe for ZEPIZURE (ex Midazolam). There will be no real impact on our numbers, since they are based on the actual product launches.

Fact

Crossject has announced it has concluded a commercialization agreement in northern Europe for ZEPIZURE (previously called ZENEO Midazolam) covering Germany, the UK, Denmark, Sweden, Finland and Norway.

Analysis

Even if the partner for this agreement is undisclosed and that therefore its size and “distribution power” are not know, this is good news for the French group, covering a 170m population. In financial terms, Crossject will receive milestone payments of up to €1m in total, upon marketing authorizations granted in the countries concerned by the agreement, and receive a percentage of the gross margin achieved. In the agreement, Crossject is responsible for regulatory development costs and will own any resulting marketing authorizations. The partner will be responsible for the commercial costs.

This also comes after the firm order placed by the BARDA (Biomedical Advanced Research and Development Authority), and the other commercialization agreement for Australia and New Zealand (with AF Pharmaceuticals and covering a c.30m population).

Both these agreements and the order placed in the US (BARDA) confirms that the firm is making progress on the future commercialization of Zepizure, and prepares the group for the product launch in these territories once the marketing authorizations are granted.

Impact

There will be no real impact on our numbers, since they are based on the actual product launches. As was the case for the other agreements, the partner will contribute to financing some of the costs the group is incurring with respect to development and “filing-related” expenses.



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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: 141%
Target Price (6 months)	€ 11.8
Share Price	€ 4.89
Market Cap. €M	179
Price Momentum	STRONG
Extremes 12Months	3.25 ▶ 4.97
Sustainability score	4.7 /10
Credit Risk	BBB →
Bloomberg	ALCJ FP Equity
Reuters	ALCJ.PA

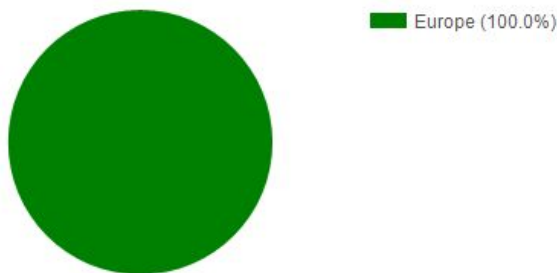
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PERF	1w	1m	3m	12m
Crossject	7.00%	11.4%	24.7%	46.4%
Pharma	1.13%	1.91%	-0.73%	6.17%
STOXX 600	0.19%	2.64%	7.39%	11.6%

Last updated: 25/07/2023	12/22A	12/23E	12/24E	12/25E
Adjusted P/E (x)	-8.01	-17.3	9.82	4.67
Dividend yield (%)	0.00	0.00	0.00	0.00
EV/EBITDA(R) (x)	-16.5	-28.2	6.27	3.46
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



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

		12/22A	12/23E	12/24E
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

		12/22A	12/23E	12/24E
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	€ 14.2	40%	● Sartorius
NAV/SOTP per share	€ 12.5	40%	● Coloplast
P/E	€ 9.78	5%	● bioMerieux
EV/Ebitda	€ 9.78	5%	● Carl Zeiss Meditec
P/Book	€ 2.45	5%	● Faes Farma
Dividend Yield	€ 0.00	5%	● Hikma Pharmaceuti...
TARGET PRICE	€ 11.8	100%	● Ipsen
			● UCB

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

		12/22A	12/23E	12/24E
Capital employed after depreciation	€M	19.4	15.2	61.2

Profits & Risks Ratios

		12/22A	12/23E	12/24E
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

		12/22A	12/23E	12/24E
Reference P/E (benchmark)	x	-8.01	-17.3	9.82
Free cash flow yield	%	-11.7	-2.27	-15.0
P/Book	x	38.8	-25.0	12.1
Dividend yield	%	0.00	0.00	0.00

EV Calculation

		12/22A	12/23E	12/24E
Market cap	€M	104	144	178
+ 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	114	158	217
EV/EBITDA(R)	x	-16.5	-28.2	6.27
EV/Sales	x	11.8	11.3	3.67

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