



Crossject

Supergenerics / France

We are still believers

Things are getting going...hopefully - 17/07/2024

Change in Target Price

€ 7.89 vs 11.2 **-29.6%**

We have substantially revisited our model on Crossject, including in particular: 1- new assumptions concerning the timing, volumes and prices for the different NTEs (New Therapeutic Entities) to be launched in FY25-28, which appear less optimistic than previously. 2- the dilution from the latest capital increase (€8m at €1.848 per share), 3- slightly more conservative assumptions regarding the working capital needs of the company in the next few years and 4- the €6.9m financing from the French Government, as part of the France 2030 innovation plan announced last week. At the end of the day, our target price resets materially lower but still leaves ample room for the share to outperform.

Change in EPS

2024 : € -0.12 vs 0.50 **ns**
 2025 : € 0.02 vs 1.05 **-98.3%**

Our EPS goes down with the downward revision of our forecasts mainly based (among others) on a more conservative approach to the timing of the market launches of the group's NTEs (see also the Target Price section).

Change in NAV

€ 10.3 vs 12.5 **-17.2%**

Our NAV valuation, based on future revenue multiples, goes down due to the revision of our forecasts (timing of market launches, working capital needs...). See also the Target Price section for more details.

Change in DCF

€ 9.11 vs 14.1 **-35.5%**

Our DCF valuation goes down due to the revision of our forecasts (timing of market launches, capital increase, working capital needs). See also the Target Price section for more details.



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

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| | |
|-------------------------|----------------------|
| Buy | Upside : 299% |
| Target Price (6 months) | € 7.89 |
| Share Price | € 1.98 |
| Market Cap. €M | 81.3 |
| Price Momentum | UNFAVORABLE |
| Extremes 12Months | 1.58 ▶ 5.77 |
| Bloomberg | ALCJ FP Equity |
| Reuters | ALCJ.PA |

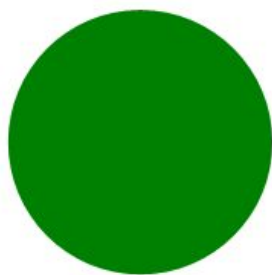
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| PERF | 1w | 1m | 3m | 12m |
|------------|-------|--------|-------|--------|
| Crossject | 11.2% | 19.2% | 6.88% | -45.1% |
| Pharma | 1.53% | -0.33% | 10.6% | 25.5% |
| SXXR Index | 1.09% | 1.33% | 5.13% | 15.3% |

| Last updated: 17/07/2024 | 12/23A | 12/24E | 12/25E | 12/26E |
|------------------------------|--------|--------|--------|--------|
| Adjusted P/E (x) | -18.0 | -16.0 | 112 | 6.36 |
| Dividend yield (%) | 0.00 | 0.00 | 0.00 | 0.00 |
| EV/EBITDA(R) (x) | -32.3 | ns | 9.95 | 3.43 |
| Adjusted EPS (€) | -0.22 | -0.12 | 0.02 | 0.31 |
| Growth in EPS (%) | n/a | n/a | n/a | 1,654 |
| Dividend (€) | 0.00 | 0.00 | 0.00 | 0.00 |
| Sales (€M) | 13.3 | 21.1 | 25.2 | 49.2 |
| EBIT margin (%) | 0.00 | 38.4 | 100 | 100 |
| Attributable net profit (€M) | -8.64 | -5.10 | 0.73 | 12.7 |
| ROE (after tax) (%) | 669 | 157 | -142 | 111 |
| Gearing (%) | | | 9,582 | 88.3 |

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

Sales by Geography



Europe (100.0%)

Consolidated P&L Accounts

| | | 12/23A | 12/24E | 12/25E |
|---|-----------|--------------|--------------|-------------|
| Sales | €M | 13.3 | 21.1 | 25.2 |
| Change in sales | % | 37.1 | 58.3 | 19.5 |
| Change in staff costs | % | 0.00 | 14.3 | 12.5 |
| EBITDA | €M | -5.61 | -0.42 | 10.3 |
| EBITDA(R) margin | % | -42.1 | -1.99 | 40.7 |
| Depreciation | €M | -6.19 | -6.19 | -6.19 |
| Underlying operating profit | €M | -11.8 | -6.61 | 4.08 |
| Operating profit (EBIT) | €M | -11.8 | -6.61 | 4.08 |
| Net financial expense | €M | -0.50 | -1.00 | -3.00 |
| of which related to pensions | €M | | 0.00 | 0.00 |
| Exceptional items & other | €M | 0.79 | 0.00 | 0.00 |
| Corporate tax | €M | 2.87 | 2.51 | -0.36 |
| Equity associates | €M | | | |
| Minority interests | €M | | | |
| Adjusted attributable net profit | €M | -8.64 | -5.10 | 0.73 |
| NOPAT | €M | -8.85 | -4.95 | 3.06 |

Cashflow Statement

| | | 12/23A | 12/24E | 12/25E |
|---|-----------|--------------|--------------|--------------|
| EBITDA | €M | -5.61 | -0.42 | 10.3 |
| Change in WCR | €M | -15.9 | 0.26 | -8.02 |
| Actual div. received from equity holdi... | €M | 0.00 | 0.00 | 0.00 |
| Paid taxes | €M | | 2.51 | -0.36 |
| 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 | -21.5 | 2.35 | 1.89 |
| Capital expenditure | €M | -2.27 | -5.38 | -5.62 |
| Total investment flows | €M | -2.27 | -5.38 | -5.62 |
| Net interest expense | €M | -0.50 | -1.00 | -3.00 |
| Dividends (parent company) | €M | | | |
| Dividends to minorities interests | €M | 0.00 | 0.00 | 0.00 |
| New shareholders' equity | €M | 0.00 | 7.80 | 0.00 |
| Total financial flows | €M | -0.50 | 22.8 | 5.00 |
| Change in cash position | €M | -24.3 | 19.8 | 1.27 |
| Free cash flow (pre div.) | €M | -24.3 | -4.02 | -6.73 |

Per Share Data

| | | 12/23A | 12/24E | 12/25E |
|--|----------|--------------|--------------|-------------|
| No. of shares net of treas. stock (year... | Mio | 40.9 | 40.9 | 40.9 |
| Number of diluted shares (average) | Mio | 39.3 | 41.2 | 40.9 |
| Benchmark EPS | € | -0.22 | -0.12 | 0.02 |
| Restated NAV per share | € | | | |
| Net dividend per share | € | 0.00 | 0.00 | 0.00 |

Valuation Summary

| Benchmarks | Value | Weight | Largest comparables |
|--------------------|--------|--------|------------------------|
| DCF | € 9.11 | 40% | ● UCB |
| NAV/SOTP per share | € 10.3 | 40% | ● Faes Farma |
| P/E | € 0.99 | 5% | ● bioMerieux |
| EV/Ebitda | € 0.42 | 5% | ● Hikma Pharmaceuti... |
| P/Book | € 0.99 | 5% | ● Ipsen |
| Dividend Yield | € 0.00 | 5% | ● Sartorius |
| TARGET PRICE | € 7.89 | 100% | |

NAV/SOTP Calculation

Balance Sheet

| | | 12/23A | 12/24E | 12/25E |
|--|-----------|--------------|--------------|-------------|
| Goodwill | €M | 0.00 | 0.00 | 0.00 |
| Total intangible | €M | 10.7 | 10.1 | 9.49 |
| Tangible fixed assets | €M | 5.69 | 6.43 | 7.41 |
| Financial fixed assets | €M | 0.00 | 0.00 | 0.00 |
| WCR | €M | 2.93 | 2.66 | 10.7 |
| Other assets | €M | 1.41 | 1.14 | 0.88 |
| Total assets (net of short term liab.) | €M | 22.9 | 22.5 | 30.6 |
| Ordinary shareholders' equity | €M | -5.27 | -1.21 | 0.19 |
| Quasi Equity & Preferred | €M | | | |
| Minority interests | €M | | | |
| Provisions for pensions | €M | | 0.00 | 0.00 |
| Other provisions for risks and liabilities | €M | 0.69 | | |
| Total provisions for risks and liabilities | €M | 0.69 | 0.00 | 0.00 |
| Tax liabilities | €M | 0.00 | 0.00 | 0.00 |
| Other liabilities | €M | 9.21 | 9.21 | 9.21 |
| Net debt (cash) | €M | 18.2 | 14.5 | 21.2 |
| Total liab. and shareholders' equity | €M | 22.9 | 22.5 | 30.6 |

Capital Employed

| | | 12/23A | 12/24E | 12/25E |
|-------------------------------------|----|--------|--------|--------|
| Capital employed after depreciation | €M | 19.3 | 19.2 | 27.6 |

Profits & Risks Ratios

| | | 12/23A | 12/24E | 12/25E |
|--------------------------------|----------|------------|------------|--------------|
| ROE (after tax) | % | 669 | 157 | -142 |
| ROCE | % | -45.7 | -25.8 | 11.1 |
| Gearing (at book value) | % | | | 9,582 |
| Adj. Net debt/EBITDA(R) | x | -3.25 | -34.5 | 2.06 |
| Interest cover (x) | x | -23.7 | -6.61 | 1.36 |

Valuation Ratios

| | | 12/23A | 12/24E | 12/25E |
|----------------------------------|----------|--------------|--------------|-------------|
| Reference P/E (benchmark) | x | -18.0 | -16.0 | 112 |
| Free cash flow yield | % | -15.0 | -4.97 | -8.31 |
| P/Book | x | -30.8 | -67.2 | 435 |
| Dividend yield | % | 0.00 | 0.00 | 0.00 |

EV Calculation

| | | 12/23A | 12/24E | 12/25E |
|---|----------|--------------|-----------|-------------|
| Market cap | €M | 162 | 80.9 | 80.9 |
| + Provisions | €M | 0.69 | 0.00 | 0.00 |
| + Unrecognised actuarial losses/(gains) | €M | 0.00 | 0.00 | 0.00 |
| + Net debt at year end | €M | 18.2 | 14.5 | 21.2 |
| + Leases debt equivalent | €M | 0.00 | 0.00 | 0.00 |
| - Financial fixed assets (fair value) | €M | | | |
| + Minority interests (fair value) | €M | | | |
| = EV | €M | 181 | 95.4 | 102 |
| EV/EBITDA(R) | x | -32.3 | ns | 9.95 |
| EV/Sales | x | 13.6 | 4.52 | 4.05 |

Analyst : Fabrice Farigoule, Changes to Forecasts : 17/07/2024.