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The capital increase was successful

Financing issue - 06/04/2017

■ Fact

The capital increase was 137% subscribed, raising the group equity by some €4.98m gross after the exercise of the 15% extension clause.

■ Analysis

As a reminder, the capital increase was carried out from 16 to 30 March at €4.5 per share. As a result of this successful operation, the number of shares will rise by 1.107m (to be listed as of 7 April) to 8,813m. The company will also have enough cash to finance the next two financial years, even before partnerships and tax credits (CIR).

■ Impact

We will fine-tune our numbers, based on the outcome of the capital increase, but this will only be marginal since we have already taken into account this new issue.

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 : 230%
Target Price (6 months)	€ 16.6
Share Price	€ 5.04
Market Capitalisation €M	33.5
Price Momentum	UNFAVORABLE
Extremes 12Months	4.39 ▶ 10.0
Bloomberg	ALCJ FP Equity
Reuters	ALCJ.PA



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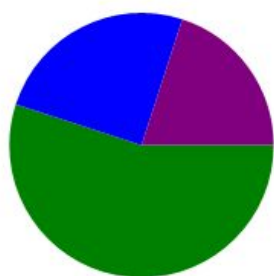


PERF	1w	1m	3m	12m
Crossject	0.80%	0.50%	13.9%	-48.3%
Pharma	0.62%	1.15%	6.67%	14.3%
STOXX 600	0.41%	1.83%	3.95%	15.8%

Last updated: 14/03/2017	12/15A	12/16A	12/17E	12/18E
Adjusted P/E (x)	-8.17	-7.67	-12.3	-14.4
Dividend yield (%)	0.00	0.00	0.00	0.00
EV/EBITDA(R) (x)	-7.63	-8.86	-13.2	-11.1
Adjusted EPS (€)	-0.88	-1.03	-0.41	-0.35
Growth in EPS (%)	n/a	n/a	n/a	n/a
Dividend (€)	0.00	0.00	0.00	0.00
Sales (€M)	2.37	1.43	2.00	2.00
EBITA margin (%)	ns	ns	-129	-148
Attributable net profit (€M)	-5.73	-6.66	-3.07	-2.99
ROE (after tax) (%)	-49.2	-88.7	-59.1	-110
Gearing (%)	-91.3	-61.8	-142	-759

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Sales by Geography



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

Consolidated P&L Accounts

		12/16A	12/17E	12/18E
Sales	€M	1.43	2.00	2.00
Change in sales	%	-39.8	40.2	0.00
Change in staff costs	%	15.9	63.2	7.10
EBITDA	€M	-5.52	-2.57	-2.97
EBITDA(R) margin	%	-387	-129	-148
Depreciation	€M	-1.77	-1.20	-1.20
Underlying operating profit	€M	-7.29	-3.77	-4.17
Operating profit (EBIT)	€M	-7.29	-3.77	-4.17
Net financial expense	€M	-1.06	-0.30	-0.30
of which related to pensions	€M		0.00	0.00
Exceptional items & other	€M	0.59	0.00	0.00
Corporate tax	€M	1.10	1.00	1.47
Equity associates	€M			
Minority interests	€M			
Adjusted attributable net profit	€M	-6.66	-3.07	-2.99
NOPAT	€M	-5.10	-2.64	-2.92

Cashflow Statement

		12/16A	12/17E	12/18E
EBITDA	€M	-5.52	-2.57	-2.97
Change in WCR	€M	0.92	0.06	0.30
Actual div. received from equity holdi...	€M	0.00	0.00	0.00
Paid taxes	€M	1.00	1.00	1.47
Exceptional items	€M	0.00	0.00	0.00
Other operating cash flows	€M	1.00	0.00	0.00
Total operating cash flows	€M	-2.59	-1.52	-1.19
Capital expenditure	€M	-6.00	-0.50	-0.53
Total investment flows	€M	-6.00	-0.50	-0.53
Net interest expense	€M	-1.06	-0.30	-0.30
Dividends (parent company)	€M			
Dividends to minorities interests	€M	0.00	0.00	0.00
New shareholders' equity	€M	4.10	0.00	0.00
Total financial flows	€M	9.00	18.7	7.80
Change in cash position	€M	0.41	16.7	6.09
Free cash flow (pre div.)	€M	-9.65	-2.32	-2.01

Per Share Data

		12/16A	12/17E	12/18E
No. of shares net of treas. stock (year...	Mio	6.48	8.50	8.50
Number of diluted shares (average)	Mio	6.48	7.49	8.55
Benchmark EPS	€	-1.03	-0.41	-0.35
Restated NAV per share	€			
Net dividend per share	€	0.00	0.00	0.00

Valuation Summary

Benchmarks	Value	Weight	Largest comparables
DCF	€ 22.2	40%	● Actelion
NAV/SOTP per share	€ 18.7	40%	■ Faes Farma
P/E	€ 2.52	5%	● Hikma Pharmaceuti...
EV/Ebitda	€ 0.00	5%	● Ipsen
P/Book	€ 2.52	5%	● Stada Arzneimittel
Dividend Yield	€ 0.00	5%	■ UCB
TARGET PRICE	€ 16.6	100%	

NAV/SOTP Calculation

Balance Sheet

		12/16A	12/17E	12/18E
Goodwill	€M	0.00	0.00	0.00
Total intangible	€M	8.33	7.79	7.43
Tangible fixed assets	€M	0.47	0.31	0.11
Financial fixed assets	€M	1.85	1.85	1.85
WCR	€M	-3.42	-3.48	-3.78
Other assets	€M	2.14	3.14	3.14
Total assets (net of short term liab.)	€M	9.38	9.62	8.76
Ordinary shareholders' equity	€M	6.23	4.16	1.29
Quasi Equity & Preferred	€M			
Minority interests	€M			
Provisions for pensions	€M	0.00	0.00	0.00
Other provisions for risks and liabilities	€M	0.34	0.34	0.34
Total provisions for risks and liabilities	€M	0.34	0.34	0.34
Tax liabilities	€M	0.00	0.00	0.00
Other liabilities	€M	5.37	14.4	17.5
Net debt (cash)	€M	-2.57	-9.25	-10.3
Total liab. and shareholders' equity	€M	9.38	9.62	8.76

Capital Employed

		12/16A	12/17E	12/18E
Capital employed after depreciation	€M	7.22	6.47	5.61

Profits & Risks Ratios

		12/16A	12/17E	12/18E
ROE (after tax)	%	-88.7	-59.1	-110
ROCE	%	-70.6	-40.8	-52.0
Gearing (at book value)	%	-61.8	-142	-759
Adj. Net debt/EBITDA(R)	x	0.46	3.60	3.48
Interest cover (x)	x	-6.88	-12.6	-13.9

Valuation Ratios

		12/16A	12/17E	12/18E
Reference P/E (benchmark)	x	-7.67	-12.3	-14.4
Free cash flow yield	%	-18.9	-5.41	-4.70
P/Book	x	8.19	10.3	33.2
Dividend yield	%	0.00	0.00	0.00

EV Calculation

		12/16A	12/17E	12/18E
Market cap	€M	51.1	42.8	42.8
+ Provisions	€M	0.34	0.34	0.34
+ Unrecognised actuarial losses/(gains)	€M	0.00	0.00	0.00
+ Net debt at year end	€M	-2.57	-9.25	-10.3
+ Leases debt equivalent	€M	0.00	0.00	0.00
- Financial fixed assets (fair value)	€M			
+ Minority interests (fair value)	€M			
= EV	€M	48.9	33.9	32.8
EV/EBITDA(R)	x	-8.86	-13.2	-11.1
EV/Sales	x	34.2	17.0	16.4

Analyst : Fabrice Farigoule, Changes to Forecasts : 14/03/2017.