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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.

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



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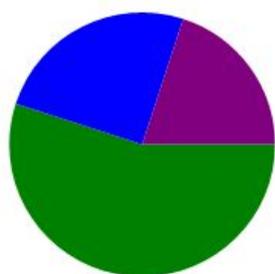


PERF	1w	1m	3m	12m
Crossject	0.80%	0.50%	13.9%	-48.3%
Pharma	0.62%	1.15%	6.67%	14.3%
STOXX 600	0.41%	1.83%	3.95%	15.8%

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
<b>EBITDA(R) margin</b>	%	<b>-387</b>	<b>-129</b>	<b>-148</b>
Depreciation	€M	-1.77	-1.20	-1.20
Underlying operating profit	€M	-7.29	-3.77	-4.17
<b>Operating profit (EBIT)</b>	<b>€M</b>	<b>-7.29</b>	<b>-3.77</b>	<b>-4.17</b>
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			
<b>Adjusted attributable net profit</b>	<b>€M</b>	<b>-6.66</b>	<b>-3.07</b>	<b>-2.99</b>
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
<b>Free cash flow (pre div.)</b>	<b>€M</b>	<b>-9.65</b>	<b>-2.32</b>	<b>-2.01</b>

## 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
<b>Benchmark EPS</b>	<b>€</b>	<b>-1.03</b>	<b>-0.41</b>	<b>-0.35</b>
Restated NAV per share	€			
<b>Net dividend per share</b>	<b>€</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>

## 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
<b>Ordinary shareholders' equity</b>	<b>€M</b>	<b>6.23</b>	<b>4.16</b>	<b>1.29</b>
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
<b>Net debt (cash)</b>	<b>€M</b>	<b>-2.57</b>	<b>-9.25</b>	<b>-10.3</b>
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
<b>ROE (after tax)</b>	%	<b>-88.7</b>	<b>-59.1</b>	<b>-110</b>
ROCE	%	-70.6	-40.8	-52.0
<b>Gearing (at book value)</b>	%	<b>-61.8</b>	<b>-142</b>	<b>-759</b>
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
<b>Reference P/E (benchmark)</b>	<b>x</b>	<b>-7.67</b>	<b>-12.3</b>	<b>-14.4</b>
Free cash flow yield	%	-18.9	-5.41	-4.70
P/Book	x	8.19	10.3	33.2
<b>Dividend yield</b>	%	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>

## 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
<b>EV/EBITDA(R)</b>	<b>x</b>	<b>-8.86</b>	<b>-13.2</b>	<b>-11.1</b>
EV/Sales	x	34.2	17.0	16.4

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