



Crossject

Supergenerics / France

New financing

Financing issue - 17/12/2021

Crossject has announced the issuance of convertible bonds.

It also grants free subscription rights to existing shareholders.

The financing of FY22 is thus secured and gives the group time to reach the market.

We will fine-tune our model and integrate this issuance.

■ Fact

Crossject has just announced the issuance of convertible bonds and the free granting of subscription rights to its shareholders.

■ Analysis

In an unsurprising move, the group announced it has issued €7.5m in convertible bonds (no coupon, issued at 92% of its nominal value and maturing on 31 December 2024), including €1.5m by Gemmes Venture, its main shareholder, and other qualified investors. The conversion price will be the minimum between €3.30 and 92% of a weighted average share price during a period before the conversion. The group also announced that existing shareholders (as at 31 December 2021) will be granted free subscription rights, every 20 rights enabling them to buy a share at a price of €3 between 12 January and 30 June 2022. This could lead to the issuance of 1.3m shares and a strengthening of shareholders' funds by €3.9m.

Altogether (i.e. including convertible bonds) the group could raise as much as €11.5m during FY22 (without taking into account potential licensing revenues or subsidies) which should rather easily fill its needs for the coming year.

Looking beyond FY22, the visibility is less clear since it is still too early to assess the potential cash inflows that could benefit the company during the coming year. However, we take the news as rather good since it secures FY22 and shows once again the confidence of its main shareholders.

■ Impact

We will adjust our numbers to take into account the convertible issuance.



Fabrice FARIGOULE
pharma@alphavalue.eu
+33 (0) 1 70 61 10 50
www.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: 284%

Target Price (6 months)	€ 10.4
Share Price	€ 2.70
Market Cap. €M	68.4
Price Momentum	NEGATIVE
Extremes 12Months	2.48 ▶ 4.03
Sustainability score	3.7 /10
Credit Risk	DDD ↗
Bloomberg	ALCJ FP Equity
Reuters	ALCJ.PA

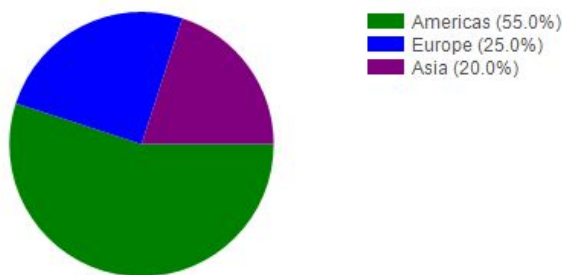
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PERF	1w	1m	3m	12m
Crossject	5.26%	-8.16%	-17.6%	-20.1%
Pharma	2.16%	1.25%	8.43%	26.1%
STOXX 600	-0.09%	-2.60%	2.28%	20.3%

Last updated: 02/09/2021	12/20A	12/21E	12/22E	12/23E
Adjusted P/E (x)	-5.33	-9.80	4.29	1.92
Dividend yield (%)	0.00	0.00	0.00	0.00
EV/EBITDA(R) (x)	-11.3	-15.3	4.42	2.27
Adjusted EPS (€)	-0.49	-0.28	0.63	1.41
Growth in EPS (%)	n/a	n/a	n/a	123
Dividend (€)	0.00	0.00	0.00	0.00
Sales (€M)	5.73	5.86	51.9	94.6
EBIT margin (%)	0.00	0.00	100.0	100.0
Attributable net profit (€M)	-10.1	-6.61	15.9	35.5
ROE (after tax) (%)	-1,072	153	2,677	134
Gearing (%)			434	131

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

Sales by Geography



Consolidated P&L Accounts

	12/20A	12/21E	12/22E
Sales	€M 5.73	5.86	51.9
Change in sales	% -4.39	2.17	787
Change in staff costs	% 20.0	0.00	16.7
EBITDA	€M -6.69	-5.81	27.8
EBITDA(R) margin	% -117	-99.2	53.6
Depreciation	€M -3.95	-3.35	-3.35
Underlying operating profit	€M -10.6	-9.16	24.5
Operating profit (EBIT)	€M -10.6	-9.16	24.5
Net financial expense	€M -0.54	-0.70	-0.70
of which related to pensions	€M	0.00	0.00
Exceptional items & other	€M -0.56	0.00	0.00
Corporate tax	€M 1.65	3.25	-7.85
Equity associates	€M		
Minority interests	€M		
Adjusted attributable net profit	€M -10.1	-6.61	15.9
NOPAT	€M -7.45	-6.41	17.1

Cashflow Statement

	12/20A	12/21E	12/22E
EBITDA	€M -6.69	-5.81	27.8
Change in WCR	€M 0.96	1.39	-51.4
Actual div. received from equity holdi...	€M 0.00	0.00	0.00
Paid taxes	€M 1.65	3.25	-7.85
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 -4.09	-1.17	-31.4
Capital expenditure	€M -6.10	-1.72	-2.66
Total investment flows	€M -6.10	-1.72	-2.66
Net interest expense	€M -0.54	-0.70	-0.70
Dividends (parent company)	€M		
Dividends to minorities interests	€M 0.00	0.00	0.00
New shareholders' equity	€M 0.00	0.00	0.00
Total financial flows	€M -1.00	13.2	24.1
Change in cash position	€M -11.2	10.3	-9.96
Free cash flow (pre div.)	€M -10.7	-3.59	-34.7

Per Share Data

	12/20A	12/21E	12/22E
No. of shares net of treas. stock (year...)	Mio 22.4	25.3	25.2
Number of diluted shares (average)	Mio 20.5	24.0	25.4
Benchmark EPS	€ -0.49	-0.28	0.63
Restated NAV per share	€		
Net dividend per share	€ 0.00	0.00	0.00

Valuation Summary

Benchmarks	Value	Weight	Largest comparables
DCF	€ 14.8	40%	● UCB
NAV/SOTP per share	€ 9.66	40%	● Faes Farma
P/E	€ 5.40	5%	● Hikma Pharmaceuti...
EV/Ebitda	€ 5.40	5%	● Ipsen
P/Book	€ 1.35	5%	
Dividend Yield	€ 0.00	5%	
TARGET PRICE	€ 10.4	100%	

NAV/SOTP Calculation

Balance Sheet

	12/20A	12/21E	12/22E
Goodwill	€M 0.00	0.00	0.00
Total intangible	€M 7.54	7.20	6.87
Tangible fixed assets	€M 6.76	5.96	6.10
Financial fixed assets	€M 0.11	0.11	0.11
WCR	€M -2.05	-3.43	47.9
Other assets	€M 8.88	8.62	8.36
Total assets (net of short term liab.)	€M 21.7	19.0	69.9
Ordinary shareholders' equity	€M -1.13	-7.50	8.69
Quasi Equity & Preferred	€M		
Minority interests	€M		
Provisions for pensions	€M	0.00	0.00
Other provisions for risks and liabilities	€M 0.13	0.13	0.13
Total provisions for risks and liabilities	€M 0.13	0.13	0.13
Tax liabilities	€M 0.00	0.00	0.00
Other liabilities	€M 6.01	6.01	6.01
Net debt (cash)	€M 16.7	20.3	55.0
Total liab. and shareholders' equity	€M 21.7	19.0	69.9

Capital Employed

	12/20A	12/21E	12/22E
Capital employed after depreciation	€M 12.4	9.84	61.0

Profits & Risks Ratios

		12/20A	12/21E	12/22E
ROE (after tax)	%	-1,072	153	2,677
ROCE	%	-60.3	-65.2	28.1
Gearing (at book value)	%			434
Adj. Net debt/EBITDA(R)	x	-2.50	-3.50	1.98
Interest cover (x)	x	-19.7	-13.1	35.0

Valuation Ratios

		12/20A	12/21E	12/22E
Reference P/E (benchmark)	x	-5.33	-9.80	4.29
Free cash flow yield	%	-18.2	-5.24	-51.1
P/Book	x	-52.1	-9.13	7.82
Dividend yield	%	0.00	0.00	0.00

EV Calculation

	12/20A	12/21E	12/22E	
Market cap	€M 58.9	68.4	68.0	
+ Provisions	€M 0.13	0.13	0.13	
+ Unrecognised actuarial losses/(gains)	€M 0.00	0.00	0.00	
+ Net debt at year end	€M 16.7	20.3	55.0	
+ Leases debt equivalent	€M 0.00	0.00	0.00	
- Financial fixed assets (fair value)	€M			
+ Minority interests (fair value)	€M			
= EV	€M 75.7	88.9	123	
EV/EBITDA(R)	x	-11.3	-15.3	4.42
EV/Sales	x	13.2	15.2	2.37

Analyst : Fabrice Farigoule, Changes to Forecasts : 02/09/2021.