

H1 21 RESULTS

H1 IN LINE AHEAD OF BARDA DECISION

The H1 results reported by Crossject last Thursday were broadly in line with our expectations: the net loss came in at -€5.45m vs. (vs. IS estimate: -€5.3m), and cash and cash equivalents stood at €9.2m, making visibility on its finances good at least through the end of 2021 by our calculations. Management notes that commercial contracts are likely to strengthen the cash position and help cover needs over the next year. In the near term, the most important catalyst we have identified is the selection by BARDA of a company to develop and deliver Midazolam auto-injectors. After updating our model, we are standing behind our €4.3 target price and BUY rating.

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H1 in line, visibility good at least through the end of the year

The H1 results were broadly in line with our estimates. Revenue jumped 52% to €3.2m (vs. €3.5m estimate) thanks to the \$0.5m received from ETON Pharmaceuticals. The latter has placed an additional \$0.5m in an escrow account and will release it when the next development milestone is met. OPEX rose 21% to €9.3m (we were expecting €9.1m), reflecting the development of the drug portfolio and the resulting R&D costs. The net loss was -€5.45m (vs. our -€5.3m estimate).

At end-June, cash and cash equivalents stood at €9.2m, up slightly from the start of the year thanks to better-than-expected cash flow (-€2.6m vs. -€2.9m expected), bond conversion (€5.2m), the 2020 research tax credit, and subsidies and repayable advances totaling €1.7m. As we see it, this cash position makes visibility on the company's finances good at least through the end of 2021. Management notes that commercial contracts will bring in more cash to help covers needs over the coming year. The other half of the subsidy awarded through the stimulus plan (€750k) is expected to be received in 2022.

All eyes on BARDA's request for proposals and ZENEO® Midazolam

In the near term, the most significant potential catalyst in our view is BARDA's request for proposals for the development of a 10mg Midazolam auto-injector (pediatric dose) and, more importantly, the supply of up to 776k units to replace the diazepam auto-injectors in the CHEMPACK strategic national stockpile. The company does not yet know when the contract will be awarded. We have factored a portion of this request for proposals into our model for US sales, assuming that 440k doses will be sold in 2022-24. As for ZENEO® Midazolam, the last batch required to start the bioequivalence study has been produced and the study is expected to launch by the end of 2021. The company is running slightly behind the clinical targets set at the beginning of the year. As for ZENEO® Adrenaline, technical batches were produced while the rest of the pipeline continued to be developed. Over the coming months, the priority will be to continue to bolster the marketing authorization application and to land new commercial deals, particularly in North America.

TP of €4.3 and BUY rating reiterated

After updating our model, we are sticking to €4.3 our TP and keeping the stock on a BUY ahead of the possible award of a contract by BARDA.

en € / action	2021e	2022e	2023e
BNA dilué	-0,39	-0,03	1,32
var. 1 an	n.s.	n.s.	n.s.
Révisions	n.s.	n.s.	n.s.

au 31/12	2021e	2022e	2023e
PE	n.s.	n.s.	2,3x
VE/CA	43,5x	5,7x	1,0x
VE/EBITDA ajusté	n.s.	24,2x	1,4x
VE/EBITA ajusté	n.s.	480,4x	1,5x
FCF yield*	n.s.	n.s.	44,5%
Rendement	n.s.	n.s.	n.s.

* FCF opérationnel fiscalisé avant BFR rapporté à la VE

Informations clés			
Cours de clôture du	22/09/2021		3,1
Nb d'actions (m)			25,9
Capitalisation (m€)			80
Capi. flottante (m€)			58
ISIN			FR0011716265
Ticker			ALCJ-FR
Secteur DJ			Health Technology

	1m	3m	Dp 31/12
Variation absolue	+6,9%	-13,4%	+1,1%
Variation relative	+5,5%	-14,3%	-11,3%

Source : Factset, estimations Invest Securities

FINANCIAL DATA

Données par action	2016	2017	2018	2019	2020	2021e	2022e	2023e
BNA publié	-0,91	-1,04	-1,47	-0,32	-0,41	-0,41	-0,03	1,32
BNA corrigé dilué	-0,78	-0,79	-0,56	-0,29	-0,38	-0,39	-0,03	1,32
<i>Ecart /consensus</i>	<i>n.s.</i>	<i>n.s.</i>	<i>n.s.</i>	<i>n.s.</i>	<i>n.s.</i>	<i>n.s.</i>	<i>n.s.</i>	<i>n.s.</i>
Dividende	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00

Ratios valorisation	2016	2017	2018	2019	2020	2021e	2022e	2023e
P/E	n.s.	n.s.	n.s.	n.s.	n.s.	n.s.	n.s.	2,3x
VE/CA	n.s.	n.s.	n.s.	172,71x	4700,84x	43,54x	5,71x	0,99x
VE/EBITDA ajusté	n.s.	n.s.	n.s.	n.s.	n.s.	n.s.	24,2x	1,4x
VE/EBITA ajusté	n.s.	n.s.	n.s.	n.s.	n.s.	n.s.	480,4x	1,5x
FCF yield op. avt BFR	n.s.	n.s.	n.s.	n.s.	n.s.	n.s.	n.s.	44,5%
FCF yield opérationnel	n.s.	n.s.	n.s.	n.s.	n.s.	n.s.	n.s.	26,5%
Rendement	n.s.	n.s.	n.s.	n.s.	n.s.	n.s.	n.s.	n.s.

NB : les ratios sont calculés sur le cours moyen annuel pour les exercices terminés

Valeur d'Entreprise (m€)	2016	2017	2018	2019	2020	2021e	2022e	2023e
Cours en €	7,6	5,1	3,2	1,9	3,1	3,1	3,1	3,1
Capitalisation	55,6	80,4	80,4	80,4	80,4	80,4	80,4	80,4
Dettes Nette	3,1	5,3	4,1	5,8	12,8	20,4	25,0	3,9
Valeur des minoritaires	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0
Provisions/ quasi-dettes	0,1	0,1	0,1	0,2	0,8	0,8	0,8	0,8
+/- corrections	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0
Valeur d'Entreprise (VE)	58,7	85,8	84,6	86,4	94,0	101,6	106,2	85,1

Compte résultat (m€)	2016	2017	2018	2019	2020	2021e	2022e	2023e
CA	0,0	0,0	0,0	0,5	0,0	2,3	18,6	86,0
<i>var.</i>	<i>n.s.</i>	<i>n.s.</i>	<i>n.s.</i>	<i>n.s.</i>	<i>-96,0%</i>	<i>+11566,7%</i>	<i>+697,8%</i>	<i>+361,8%</i>
EBITDA ajusté	-5,8	-6,6	-7,7	-5,0	-5,8	-6,3	4,4	61,5
EBITA ajusté	-7,3	-8,6	-11,6	-8,6	-10,7	-11,1	0,2	56,4
<i>var.</i>	<i>n.s.</i>	<i>n.s.</i>	<i>n.s.</i>	<i>n.s.</i>	<i>n.s.</i>	<i>n.s.</i>	<i>n.s.</i>	<i>n.s.</i>
EBIT	-6,7	-8,9	-11,6	-8,6	-11,2	-11,1	0,2	56,4
Résultat financier	-1,1	0,2	-0,7	0,1	-0,3	-0,3	-0,4	-0,4
IS	1,1	1,1	1,6	1,3	1,6	0,9	-0,5	-19,8
SME+Minoritaires	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0
RN pdg publié	-6,7	-7,6	-10,7	-7,2	-9,8	-10,6	-0,8	36,2
RN pdg corrigé	-6,7	-7,6	-10,7	-7,2	-9,8	-10,6	-0,8	36,2
<i>var.</i>	<i>n.s.</i>	<i>n.s.</i>	<i>n.s.</i>	<i>n.s.</i>	<i>n.s.</i>	<i>n.s.</i>	<i>n.s.</i>	<i>n.s.</i>

Tableau de flux (m€)	2016	2017	2018	2019	2020	2021e	2022e	2023e
EBITDA	-5,8	-6,6	-7,7	-5,0	-5,8	-6,3	4,4	61,5
IS théorique / EBITA	0,0	0,0	0,0	0,0	0,0	0,0	-0,1	-18,8
Total capex	-6,1	-4,2	-3,3	-4,4	-6,1	-6,0	-7,4	-4,8
FCF opérationnel net IS avt BFR	-11,9	-10,8	-11,0	-9,4	-11,9	-12,3	-3,1	37,9
Variation BFR	-0,3	0,6	-1,0	-1,7	-0,5	-0,6	-0,7	-15,3
FCF opérationnel net IS après BFR	-12,2	-10,2	-12,0	-11,1	-12,4	-12,9	-3,8	22,5
Acquisitions/cessions	0,0	0,0	0,0	0,0	0,0	-0,5	0,0	0,0
Variation de capital	4,9	6,7	11,8	8,9	5,2	5,2	0,0	0,0
Dividendes versés nets	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0
Autres dont correction IS	1,1	1,3	0,9	1,4	1,4	0,5	-0,9	-1,4
Cash-flow publié	-6,2	-2,3	0,6	-0,8	-5,7	-7,6	-4,7	21,1

Bilan (m€)	2016	2017	2018	2019	2020	2021e	2022e	2023e
Actifs immobilisés	9,3	11,4	11,3	12,5	14,9	16,1	19,3	19,0
dont incorporels/GW	2,5	4,1	0,0	0,0	0,0	0,0	0,0	0,0
BFR	-0,3	0,6	-1,0	-1,7	-0,5	-0,6	-0,7	-15,3
Capitaux Propres groupe	6,3	6,1	1,7	3,0	-1,1	-6,5	-7,2	28,9
Minoritaires	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0
Provisions	0,1	0,1	0,1	0,2	0,8	0,8	0,8	0,8
Dettes fl. nette	3,1	5,3	4,1	5,8	12,8	20,4	25,0	3,9

Ratios financiers (%)	2016	2017	2018	2019	2020	2021e	2022e	2023e
EBITDA/CA	n.s.	n.s.	n.s.	n.s.	n.s.	n.s.	23,6%	71,6%
EBITA/CA	n.s.	n.s.	n.s.	n.s.	n.s.	n.s.	1,2%	65,6%
RN corrigé/CA	n.s.	n.s.	n.s.	n.s.	n.s.	n.s.	n.s.	42,1%
ROCE	n.s.	n.s.	n.s.	n.s.	n.s.	n.s.	1,2%	1533,4%
ROE corrigé	n.s.	n.s.	n.s.	n.s.	n.s.	n.s.	n.s.	125,1%
DN/FP	48,6%	86,6%	244,7%	191,9%	n.s.	n.s.	n.s.	13,6%
DN/EBITDA (en x)	n.s.	n.s.	n.s.	n.s.	n.s.	n.s.	5,7x	0,1x

Source : données sociétés, estimations Invest Securities

INVESTMENT CASE

Crossject is developing its needle-free auto-injector ZENEO® for seven different indications. We appreciate how the company has adapted its strategy to focus on emergency treatments, which speeds up the approval process in the US and increases its chances of finding licensing partners quickly. For now, visibility on the cash runway remains limited, and uncertainty remains about the timing of its marketing authorization applications. It will need to sign more licensing deals across its pipeline to fully convince investors of the potential of its ZENEO® technology for use in emergency medical situations and to improve its risk profile.

SWOT ANALYSIS

STRENGTHS

- ❑ 7 products in the pipeline
- ❑ A best-in-class technology for a market with high unmet medical needs
- ❑ Industrial partnership with Cenexi

WEAKNESSES

- ❑ Possible pricing pressure
- ❑ Competitive market environment

OPPORTUNITIES

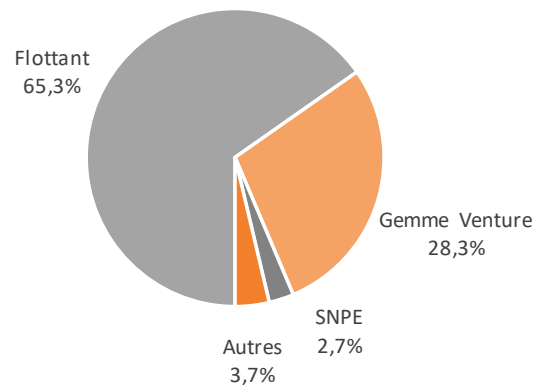
- ❑ Many potential uses for emergency treatment drugs
- ❑ Licensing agreements in the US and Europe
- ❑ Potential takeover target

THREATS

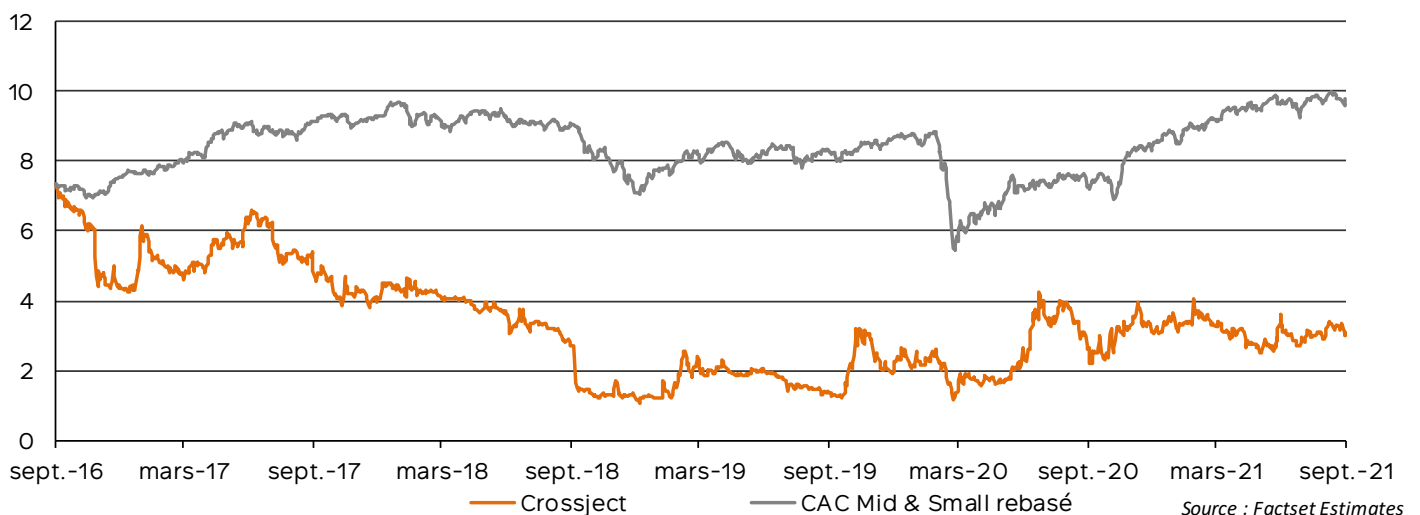
- ❑ Delays in clinical development
- ❑ Tight development timeframe

ADDITIONAL INFORMATION

Actionnariat



SHARE PRICE CHANGE FOR 5 YEARS



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- SELL: Downside potential of more than 10%
- TENDER or DO NOT TENDER: Recommendations used when a public offer has been made for the issuer (takeover bid, public exchange offer, squeeze-out, etc.)
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- UNDER REVIEW: Temporary recommendation used when an exceptional event that has a substantial impact on the company’s results or our target price makes it impossible to assign a BUY, NEUTRAL or SELL rating to a stock

12-MONTH HISTORY OF OPINION

Le tableau ci-dessous reflète l'historique des changements de recommandation et d'objectif de cours réalisés par le bureau d'analyse financière d'Invest Securities au cours des 12 derniers mois.

Société couverte	Analyste principal	Date de publication	Opinion	Objectif de Cours	Potentiel vs OC
Crossject	Thibaut Voglimacci	13-avr.-21	NEUTRE	3,8	+28%
Crossject	Thibaut Voglimacci	01-févr.-21	NEUTRE	3,4	+3%
Crossject	Thibaut Voglimacci	17-déc.-20	NEUTRE	3,2	-4%

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Invest Securities et l'émetteur ont signé une convention de Listing sponsor.	Non
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Le présent document a été communiqué à l'émetteur préalablement à sa publication. Cette relecture n'a pas conduit l'analyste à modifier son objectif de cours et sa recommandation boursière.	Oui
Le présent document a été communiqué à l'émetteur pour relecture préalablement à sa publication. Cette relecture a conduit l'analyste à modifier son objectif de cours et sa recommandation boursière.	Non
L'analyste financier a des intérêts dans le capital de l'émetteur.	Non
L'analyste financier a acquis des titres de capital de l'émetteur avant l'opération d'offre publique.	Non
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