



Blackstone

Batteries-Battery Sys / Switzerland

Battery progress again overshadows operating results

Banking on big-bang battery technology initiatives - 30/11/2021

Change in Target Price

| | |
|------------------|--------|
| CHF 11.7 vs 11.9 | -1.74% |
|------------------|--------|

The material upside on the stock has been maintained, and this optimism is backed by the good progress being achieved in battery – also validated by the support in various forms via various government(-backed) agencies.

Change in EPS

| | |
|---------------------------|----|
| 2021 : CHF -0.19 vs -0.20 | ns |
| 2022 : CHF -0.35 vs 0.08 | ns |

Taking on board the firm's revised business plan, our near-term performance estimates have been moderated, with a delayed kick-start of the respective businesses.



Varun SIKKA

capitalgoods@alphavalue.eu

+33 (0) 1 70 61 10 50

cs.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 : 367%

| | |
|-------------------------|-----------------|
| Target Price (6 months) | CHF 11.7 |
| Share Price | CHF 2.50 |
| Market Cap. CHFM | 107 |
| Price Momentum | NEGATIVE |
| Extremes 12Months | 2.16 ▶ 5.90 |
| Bloomberg | BLS SW Equity |
| Reuters | BLS.S |


[Download Full Analysis](#)
[Company Page](#)


| PERF | 1w | 1m | 3m | 12m |
|----------------------|--------|--------|--------|-------|
| Blackstone Resources | -7.41% | -9.42% | -30.2% | 11.6% |
| Capital Goods | -4.43% | 1.13% | -4.18% | 20.3% |
| SXXR Index | -3.73% | -1.63% | -0.73% | 21.4% |

| Last updated: 30/11/2021 | 12/20A | 12/21E | 12/22E | 12/23E |
|--------------------------------|--------|--------|--------|--------|
| Adjusted P/E (x) | 3.60 | -13.2 | -7.25 | 5.48 |
| Dividend yield (%) | 0.00 | 0.00 | 0.00 | 0.00 |
| EV/EBITDA(R) (x) | -38.9 | -19.3 | ns | 2.68 |
| Adjusted EPS (CHF) | 0.42 | -0.19 | -0.35 | 0.46 |
| Growth in EPS (%) | 225 | n/a | n/a | n/a |
| Dividend (CHF) | 0.00 | 0.00 | 0.00 | 0.00 |
| Sales (CHFM) | 0.01 | 1.59 | 80.5 | 329 |
| EBITDA/R margin (%) | ns | ns | 2.74 | 21.3 |
| Attributable net profit (CHFM) | 17.7 | -8.10 | -14.7 | 19.5 |
| ROE (after tax) (%) | 55.5 | -13.9 | -15.4 | 15.1 |
| Gearing (%) | 53.9 | 21.5 | 22.2 | 21.8 |

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

Sales by Geography

Valuation Summary

Consolidated P&L Accounts

| | | 12/20A | 12/21E | 12/22E |
|-----------------------------------------|-------------|-------------|--------------|--------------|
| Sales | CHFM | 0.01 | 1.59 | 80.5 |
| Change in sales | % | ns | ns | 4,955 |
| Change in staff costs | % | 379 | 66.7 | 18.3 |
| EBITDA | CHFM | -3.06 | -8.76 | 0.20 |
| EBITDA(R) margin | % | ns | -550 | 0.25 |
| Depreciation | CHFM | -1.38 | -0.57 | -17.2 |
| Underlying operating profit | CHFM | -4.43 | -9.33 | -17.0 |
| Operating profit (EBIT) | CHFM | 17.7 | -9.33 | -17.0 |
| Net financial expense | CHFM | -0.64 | -0.27 | -0.40 |
| of which related to pensions | CHFM | | 0.00 | 0.00 |
| Exceptional items & other | CHFM | 0.00 | 0.00 | 0.00 |
| Corporate tax | CHFM | 0.16 | 1.92 | 3.47 |
| Equity associates | CHFM | 0.00 | 0.00 | 0.00 |
| Minority interests | CHFM | 0.51 | -0.43 | -0.84 |
| Adjusted attributable net profit | CHFM | 17.7 | -8.10 | -14.7 |
| NOPAT | CHFM | 12.4 | -6.53 | -11.9 |

Cashflow Statement

| | | | | |
|-------------------------------------------|-------------|--------------|--------------|--------------|
| EBITDA | CHFM | -3.06 | -8.76 | 0.20 |
| Change in WCR | CHFM | -0.23 | -6.27 | -6.64 |
| Actual div. received from equity holdi... | CHFM | 0.00 | 0.00 | 0.00 |
| Paid taxes | CHFM | -0.09 | 1.92 | 3.47 |
| Exceptional items | CHFM | 0.00 | 0.00 | 0.00 |
| Other operating cash flows | CHFM | 0.07 | 0.00 | 0.00 |
| Total operating cash flows | CHFM | -3.30 | -13.1 | -2.97 |
| Capital expenditure | CHFM | 0.00 | -40.0 | -56.9 |
| Total investment flows | CHFM | 0.19 | 6.44 | -6.63 |
| Net interest expense | CHFM | -0.64 | -0.27 | -0.40 |
| Dividends (parent company) | CHFM | 0.00 | 0.00 | 0.00 |
| Dividends to minorities interests | CHFM | 0.00 | 0.00 | 0.00 |
| New shareholders' equity | CHFM | -0.08 | 0.00 | 0.00 |
| Total financial flows | CHFM | 2.07 | 34.5 | -8.18 |
| Change in cash position | CHFM | -1.11 | 27.9 | -17.8 |
| Free cash flow (pre div.) | CHFM | -3.94 | -53.4 | -60.3 |

Per Share Data

| | | | | |
|--------------------------------------------|------------|-------------|--------------|--------------|
| No. of shares net of treas. stock (year... | Mio | 42.7 | 42.7 | 42.7 |
| Number of diluted shares (average) | Mio | 42.7 | 42.7 | 42.7 |
| Benchmark EPS | CHF | 0.42 | -0.19 | -0.35 |
| Restated NAV per share | CHF | | | |
| Net dividend per share | CHF | 0.00 | 0.00 | 0.00 |

| Benchmarks | Value | Weight | Largest comparables |
|--------------------|----------|--------|-----------------------------------------------------------------------------------------------------------|
| DCF | CHF 3.94 | 40% | <ul style="list-style-type: none"> ● Johnson Matthey ● Umicore ● Boliden |
| NAV/SOTP per share | CHF 24.5 | 40% | |
| P/E | CHF 1.25 | 5% | |
| EV/Ebitda | CHF 0.00 | 5% | |
| P/Book | CHF 5.00 | 5% | |
| Dividend Yield | CHF 0.00 | 5% | |
| TARGET PRICE | CHF 11.7 | 100% | |

NAV/SOTP Calculation

Balance Sheet

| | | 12/20A | 12/21E | 12/22E |
|--------------------------------------------|-------------|-------------|-------------|-------------|
| Goodwill | CHFM | 88.5 | 88.5 | 88.5 |
| Total intangible | CHFM | 88.5 | 88.5 | 88.5 |
| Tangible fixed assets | CHFM | 10.1 | 49.5 | 89.2 |
| Financial fixed assets | CHFM | 0.00 | 0.00 | 0.00 |
| WCR | CHFM | -1.60 | 4.67 | 11.3 |
| Other assets | CHFM | 3.07 | 3.07 | 3.07 |
| Total assets (net of short term liab.) | CHFM | 102 | 148 | 194 |
| Ordinary shareholders' equity | CHFM | 39.0 | 77.8 | 114 |
| Quasi Equity & Preferred | CHFM | | | |
| Minority interests | CHFM | 44.0 | 44.4 | 45.3 |
| Provisions for pensions | CHFM | 0.13 | -0.43 | -0.63 |
| Other provisions for risks and liabilities | CHFM | 0.00 | 0.00 | 0.00 |
| Total provisions for risks and liabilities | CHFM | 0.13 | -0.43 | -0.63 |
| Tax liabilities | CHFM | 5.90 | 5.90 | 5.90 |
| Other liabilities | CHFM | | | |
| Net debt (cash) | CHFM | 13.3 | 20.2 | 30.2 |
| Total liab. and shareholders' equity | CHFM | 102 | 148 | 194 |

Capital Employed

| | | | | |
|-------------------------------------|------|------|-----|-----|
| Capital employed after depreciation | CHFM | 96.9 | 143 | 189 |
|-------------------------------------|------|------|-----|-----|

Profits & Risks Ratios

| | | | | |
|--------------------------------|---|-------------|--------------|--------------|
| ROE (after tax) | % | 55.5 | -13.9 | -15.4 |
| ROCE | % | 12.8 | -4.58 | -6.28 |
| Gearing (at book value) | % | 53.9 | 21.5 | 22.2 |
| Adj. Net debt/EBITDA(R) | x | -4.34 | -2.31 | 149 |
| Interest cover (x) | x | -6.89 | -35.4 | -42.3 |

Valuation Ratios

| | | | | |
|----------------------------------|----------|-------------|--------------|--------------|
| Reference P/E (benchmark) | x | 3.60 | -13.2 | -7.25 |
| Free cash flow yield | % | -6.17 | -50.0 | -56.5 |
| P/Book | x | 1.64 | 1.37 | 0.94 |
| Dividend yield | % | 0.00 | 0.00 | 0.00 |

EV Calculation

| | | | | |
|-----------------------------------------|----------|--------------|--------------|-----------|
| Market cap | CHFM | 63.8 | 107 | 107 |
| + Provisions | CHFM | 0.13 | -0.43 | -0.63 |
| + Unrecognised actuarial losses/(gains) | CHFM | 0.00 | 0.00 | 0.00 |
| + Net debt at year end | CHFM | 13.3 | 20.2 | 30.2 |
| + Leases debt equivalent | CHFM | 0.00 | 0.00 | 0.00 |
| - Financial fixed assets (fair value) | CHFM | 2.21 | 2.21 | 2.21 |
| + Minority interests (fair value) | CHFM | 44.0 | 44.4 | 45.3 |
| = EV | CHFM | 119 | 169 | 179 |
| EV/EBITDA(R) | x | -38.9 | -19.3 | ns |
| EV/Sales | x | ns | ns | 2.23 |

Analyst : Varun Sikka, Changes to Forecasts : 30/11/2021.