



# Blackstone

Batteries-Battery Sys / Switzerland

## Coverage suspension following Finma communication

Regulation - 04/05/2022

### Finma's communiqué about Blackstone Resources leads to the suspension of our coverage

#### Fact

On 12-04- 2022, Finma, the Swiss market authority, issued a communiqué which leads AlphaValue to suspend coverage:

<https://www.finma.ch/en/news/2022/04/20220412-mm-blackstone/>

#### Analysis

AlphaValue is not in a position to add flesh to the Finma statements. Finma argues that the information used by AlphaValue may have not been correct.

"Moreover Blackstone published sponsored buy recommendations with target prices well above the stock market prices actually paid and that were based on partially incorrect information."

#### Impact

The recommendation is switched to 'under review' from a Buy until such time as clarification is obtained or coverage cancelled.



Varun SIKKA

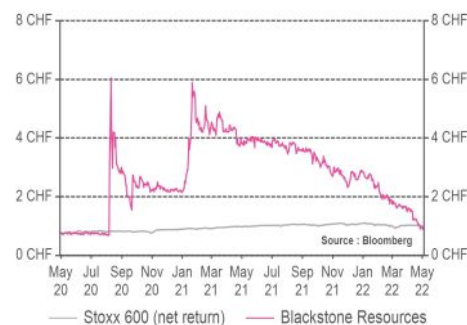
[capitalgoods@alphavalue.eu](mailto:capitalgoods@alphavalue.eu)

+33 (0) 1 70 61 10 50

[cs.alphavalue.com](http://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

<b>Buy</b>	<b>Upside: 1,273%</b>
Target Price (6 months)	CHF 11.9
Share Price	CHF 0.87
Market Cap. CHFM	37.1
Price Momentum	<b>NEGATIVE</b>
Extremes 12Months	0.87 ▶ 4.04
Sustainability score	4.2 /10
Credit Risk	C ↗
Bloomberg	BLS SW Equity
Reuters	BLS.S

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

PERF	1w	1m	3m	12m
Blackstone Resources	-9.38%	-45.6%	-60.1%	-77.1%
Capital Goods	-0.47%	-9.56%	-13.1%	-15.9%
STOXX 600	1.16%	-2.65%	-4.79%	1.43%

Last updated: 25/01/2022	12/20A	12/21E	12/22E	12/23E
Adjusted P/E (x)	3.60	4.57	-1.92	2.05
Dividend yield (%)	0.00	0.00	0.00	0.00
EV/EBITDA(R) (x)	-38.9	-25.0	ns	1.75
Adjusted EPS (CHF)	0.42	0.80	-0.45	0.42
Growth in EPS (%)	225	93.6	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	0.25	20.7
Attributable net profit (CHFM)	17.7	34.3	-19.3	18.1
ROE (after tax) (%)	55.5	62.9	-22.5	15.6
Gearing (%)	53.9	24.0	2.60	-11.1

[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
<b>EBITDA(R) margin</b>	%	<b>ns</b>	<b>-550</b>	<b>0.25</b>
Depreciation	CHFM	-1.38	-0.57	-17.2
Underlying operating profit	CHFM	-4.43	-9.33	-17.0
<b>Operating profit (EBIT)</b>	<b>CHFM</b>	<b>17.7</b>	<b>33.4</b>	<b>-17.0</b>
Net financial expense	CHFM	-0.64	-0.27	-0.41
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	1.66	-0.87
Equity associates	CHFM	0.00	0.00	0.00
Minority interests	CHFM	0.51	-0.43	-1.06
<b>Adjusted attributable net profit</b>	<b>CHFM</b>	<b>17.7</b>	<b>34.3</b>	<b>-19.3</b>
NOPAT	CHFM	12.4	23.4	-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	1.66	-0.87
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	-13.4	-7.31
Capital expenditure	CHFM	0.00	-40.0	-56.9
Total investment flows	CHFM	0.19	6.44	43.4
Net interest expense	CHFM	-0.64	-0.27	-0.41
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	8.55	4.31
Change in cash position	CHFM	-1.11	1.62	40.4
<b>Free cash flow (pre div.)</b>	<b>CHFM</b>	<b>-3.94</b>	<b>-53.6</b>	<b>-64.6</b>

### 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
<b>Benchmark EPS</b>	<b>CHF</b>	<b>0.42</b>	<b>0.80</b>	<b>-0.45</b>
Restated NAV per share	CHF			
<b>Net dividend per share</b>	<b>CHF</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>

Benchmarks	Value	Weight	Largest comparables
DCF	CHF 3.99	40%	● Johnson Matthey
NAV/SOTP per share	CHF 25.4	40%	● Umicore
P/E	CHF 0.44	5%	● Boliden
EV/Ebitda	CHF 1.30	5%	
P/Book	CHF 1.74	5%	
Dividend Yield	CHF 0.00	5%	
TARGET PRICE	CHF 11.9	100%	

### NAV/SOTP Calculation

### Balance Sheet

		12/20A	12/21E	12/22E
Goodwill	CHFM	88.5	81.2	81.2
Total intangible	CHFM	88.5	81.2	81.2
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	191	187
<b>Ordinary shareholders' equity</b>	<b>CHFM</b>	<b>39.0</b>	<b>70.2</b>	<b>101</b>
Quasi Equity & Preferred	CHFM			
Minority interests	CHFM	44.0	94.4	95.5
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			
<b>Net debt (cash)</b>	<b>CHFM</b>	<b>13.3</b>	<b>20.5</b>	<b>-15.2</b>
Total liab. and shareholders' equity	CHFM	102	191	187

### Capital Employed

Capital employed after depreciation	CHFM	96.9	135	182
-------------------------------------	------	------	-----	-----

### Profits & Risks Ratios

<b>ROE (after tax)</b>	%	<b>55.5</b>	<b>62.9</b>	<b>-22.5</b>
ROCE	%	12.8	17.3	-6.53
<b>Gearing (at book value)</b>	%	<b>53.9</b>	<b>24.0</b>	<b>2.60</b>
Adj. Net debt/EBITDA(R)	x	-4.34	-2.34	-75.1
Interest cover (x)	x	-6.89	-35.4	-41.8

### Valuation Ratios

<b>Reference P/E (benchmark)</b>	<b>x</b>	<b>3.60</b>	<b>4.57</b>	<b>-1.92</b>
Free cash flow yield	%	-6.17	-34.2	-174
P/Book	x	1.64	2.23	0.37
<b>Dividend yield</b>	%	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>

### EV Calculation

Market cap	CHFM	63.8	157	37.1
+ 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	20.5	-15.2
+ Leases debt equivalent	CHFM	0.00	0.00	0.00
- Financial fixed assets (fair value)	CHFM	2.21	52.2	2.21
+ Minority interests (fair value)	CHFM	44.0	94.4	95.5
= EV	CHFM	119	219	115
<b>EV/EBITDA(R)</b>	<b>x</b>	<b>-38.9</b>	<b>-25.0</b>	<b>ns</b>
EV/Sales	x	ns	ns	1.42

Analyst : Varun Sikka, Changes to Forecasts : 25/01/2022.