



Blackstone

Batteries-Battery Sys / Switzerland

Taking on board the asset disposal

Banking on big-bang battery technology initiatives - 25/01/2022

Change in EPS

2021 : CHF 0.80 vs -0.19 ns
 2022 : CHF -0.45 vs -0.35 ns

While underlying operating profit metrics are expected to remain under pressure – as progress in the respective divisions remains work-in-progress, 2021 should benefit from the gain on the disposal of a minority stake in the precious metal asset.

Change in NAV

CHF 25.4 vs 24.5 +3.97%

The NAV valuation benefits from cash proceeds (to be realised in 2022) from the disposal of a minority stake in the precious metal asset.

Change in DCF

CHF 4.34 vs 3.97 +9.14%

The DCF valuation benefits from cash proceeds (to be realised in 2022) from the disposal of a minority stake in the precious metal asset.



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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 : 430%

Target Price (6 months) CHF 12.2

Share Price CHF 2.30

Market Cap. CHFM 98.2

Price Momentum **UNFAVORABLE**

Extremes 12Months 2.30 ▶ 5.60

Bloomberg BLS SW Equity

Reuters BLS.S


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PERF	1w	1m	3m	12m
Blackstone Resources	-16.1%	-14.8%	-24.3%	-57.4%
Capital Goods	-7.53%	-10.5%	-5.04%	0.76%
SXXR Index	-5.80%	-5.37%	-3.05%	14.1%

Last updated: 25/01/2022	12/20A	12/21E	12/22E	12/23E
Adjusted P/E (x)	3.60	4.57	-5.09	5.43
Dividend yield (%)	0.00	0.00	0.00	0.00
EV/EBITDA(R) (x)	-38.9	-25.0	ns	2.65
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
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	33.4	-17.0
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
Adjusted attributable net profit	CHFM	17.7	34.3	-19.3
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
Free cash flow (pre div.)	CHFM	-3.94	-53.6	-64.6

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	0.80	-0.45
Restated NAV per share	CHF			
Net dividend per share	CHF	0.00	0.00	0.00

Benchmarks	Value	Weight	Largest comparables
DCF	CHF 4.34	40%	<ul style="list-style-type: none"> ● Johnson Matthey ● Umicore ● Boliden
NAV/SOTP per share	CHF 25.4	40%	
P/E	CHF 1.15	5%	
EV/Ebitda	CHF 0.04	5%	
P/Book	CHF 4.60	5%	
Dividend Yield	CHF 0.00	5%	
TARGET PRICE	CHF 12.2	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
Ordinary shareholders' equity	CHFM	39.0	70.2	101
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			
Net debt (cash)	CHFM	13.3	20.5	-15.2
Total liab. and shareholders' equity	CHFM	102	191	187

Capital Employed

Capital employed after depreciation	CHFM	96.9	135	182
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Profits & Risks Ratios

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

Valuation Ratios

Reference P/E (benchmark)	x	3.60	4.57	-5.09
Free cash flow yield	%	-6.17	-34.2	-65.8
P/Book	x	1.64	2.23	0.97
Dividend yield	%	0.00	0.00	0.00

EV Calculation

Market cap	CHFM	63.8	157	98.2
+ 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	176
EV/EBITDA(R)	x	-38.9	-25.0	ns
EV/Sales	x	ns	ns	2.18

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