

Leclanché

Trading update

Revenues more than doubled during FY18

Leclanché has announced that it expects FY18 revenues in excess of CHF47m, ahead of our CHF42.5m estimate. This is more than double the CHF18m reported in FY17. We place our estimates under review until the full FY18 results are announced in early April.

Year end	Revenue (CHFm)	EBITDA (CHFm)	PBT* (CHFm)	EPS* (CHF)	DPS (CHF)	P/E (x)
12/16	28.1	(27.4)	(36.8)	(0.9)	0.0	N/A
12/17	11.7	(31.2)	(37.9)	(0.7)	0.0	N/A

Note: *PBT and EPS are normalised, excluding amortisation of acquired intangibles, exceptional items and share-based payments.

Management achieved its goal of delivering a cumulative total of 100MWh of operational projects by the end of 2018, thus doubling the installed base in the space of a year. Major projects included a 34.8MWh battery energy storage plant in Cremzow, Germany, a 15MWh project for SWB in Bremen, Germany and a 19.5MWh project in Marengo, US. Battery energy storage systems are increasingly being seen as a key enabler in the further deployment of wind and solar power, smoothing out the differences between supply, which is inherently variable, and demand. Navigant predicts that revenues from energy storage for renewables integration will grow from around \$1bn in 2017 to almost \$23bn by 2026.

The order book at the start of FY19 was more than CHF60m, CHF42m of which relates to land- and marine-based e-transport projects for delivery in FY19 and 2020. These include battery rack systems for 12 vessels and offshore rigs collectively totalling more than 50MWh for Kongsberg Maritime. Adoption of electric-powered vehicles is being driven by the introduction of regulations reducing emissions of carbon dioxides and particulates. Navigant predicts that advanced battery energy capacity for automotive applications will increase from 125GWh in 2017 to 568GWh in 2026. Leclanché added more than 90 staff during FY18, primarily to support the growth of its e-transport business. Additionally, it has committed CHF10m to increase production capacity to meet growing customer demand.

Alternative energy

8 March 2019

Price CHF1.95
Market cap CHF228m

Net debt (CHFm) at end June 2018 (including CHF46.6m convertible loan)	50.0
Shares in issue	117.1m
Free float	86.7%
Code	LECN
Primary exchange	SIX
Secondary exchange	N/A

Share price performance



Business description

Leclanché is a fully vertically integrated energy storage solution provider. It delivers a wide range of energy storage solutions for homes, small offices, large industries and electricity grids, as well as hybridisation for mass transport systems such as bus fleets and ferries.

Analyst

Anne Margaret Crow +44 (0)20 3077 5700

industrials@edisongroup.com

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