

# Leclanché

## Powering electric trucks and buses

Product launch

Alternative energy

4 February 2021

**Price** **CHF1.05**  
**Market cap** **CHF273m**

Net debt (CHFm) at end June 20 64.4  
 (including CHF54.0m convertible debt and CHF4.1m IFRS 16 lease liabilities)

Shares in issue 260.1m

Free float c 20%

Code LECN

Primary exchange SIX

Secondary exchange N/A

Leclanché has launched a modular, off-the-shelf battery system for deployment in pure-play electric and hybrid trucks and buses. This product introduction is in response to strong demand from potential customers for an off-the-shelf solution because having a standard, pre-qualified system shortens factory lead times and results in a significantly reduced pack price. Our estimates remain under review until there is greater clarity on the business reorganisation outlined in our [October note](#).

Year end	Revenue (CHFm)	EBITDA (CHFm)	PBT* (CHFm)	EPS* (CHF)	EPS (CHF)	P/E (x)
12/17	18.0	(31.1)	(37.8)	(0.68)	0.0	N/A
12/18	48.7	(36.9)	(47.8)	(0.62)	0.0	N/A
12/19	16.3	(57.5)	(71.5)	(0.53)	0.0	N/A

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

The electric vehicle market is growing quickly. According to the database EVvolumes.com, global sales of battery electric vehicles and plug-in hybrid electric vehicles reached over 3.2 million units in 2020 compared with 2.3 million in 2019. In November 2020, industry analysts insightSLICE predicted the global electric vehicle battery market size would grow with a CAGR of 17.1% from US\$14.5bn in 2019 to US\$82.5bn by 2030. This growth is predicated on advances in battery technology and the realisation of manufacturing economies of scale, which collectively will bring the cost of ownership of EVs in line with conventional vehicles.

Leclanché's new battery system, the INT-39 Energy pack, demonstrates the type of advances required to enable the transition to less-polluting modes of transportation. The INT-39 is based on lithium-ion cells manufactured by Leclanché in Germany, assembled into modules by the company in Switzerland and integrated with its proprietary battery management system. Importantly, the system has a cycle life (the number of times it can be recharged without significant performance degradation) almost three times greater than the system offered by the main competitor, helping reduce total cost of ownership, without compromising the amount of charge that can be stored per kilogramme.

The new energy pack is designed for use in e-buses, municipal service vehicles such as refuse trucks, construction and agricultural vehicles. The company expects to sell several dozen systems during FY21 with a selling price in the low tens of thousands of euros per system.

### 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.

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