

Alrosa's Fair Value Estimated at \$15.4Bln

By [The Moscow Times](#)

February 26, 2013

The  **Moscow Times**

The Federal Property Management Agency estimated state diamond monopoly Alrosa's fair market value at \$15.4 billion, a news report said Tuesday.

Alrosa's capitalization on the Moscow Exchange amounts to about \$8 billion.

Last week, the Economic Development Ministry chose Goldman Sachs to organize the sale of a 14 percent government stake in Alrosa. The stake will be sold on the Moscow Exchange in November, two bankers close to Goldman Sachs told Vedomosti.

The agency used the enterprise value/EBITDA valuation multiple to estimate Alrosa's value.

The average EBITDA of Alrosa is around \$2 billion to \$2.2 billion per year, meaning the entire company is valued at between \$14 billion to \$15.4 billion, according to Vedomosti. This does not include debt, a source familiar with Alrosa told Vedomosti.

If debt is taken into account, Alrosa's value is between \$9.4 billion and \$10.8 billion, the source said. On Sept. 30, the company's debt totaled \$4.6 billion.

The Federal Property Management Agency and republic of Sakha's property management agency plan to sell a combined 14 percent stake, or 7 percent each. Based on the above estimate, they might raise up to \$1.5 billion.

Alrosa declined to comment, while the Federal Property Management Agency did not respond to Vedomosti's requests and Goldman Sachs could not be reached .

Goldman Sachs has not yet estimated Alrosa's value, according to Vedomosti. But one source said the government's estimate represents the upper limit at which the company can be valued.

Currently, the Federal Property Management Agency holds 50.9 percent in Alrosa, while the republic of Sakha's government owns 32 percent, and Sakha district governments hold a combined 8 percent stake.

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