

029 Group SE

Investment Companies - Germany



Hold (old: Hold)

08.10.2024

EUR 14.00 (old: EUR 14.00)

H1 figures: Emerald Stay divestment with positive P&L impact

Topic: 029 published H1 2024 figures which were marked by the positive contributions from the successful divestment of Emerald Stay, but also the further positive developments of the group's key holding, Limestone Capital.

In H1, **the group's net income stood at € 0.7m**, comparing to previous year's € 0.4m loss. Besides lower other operating expenses (from € 0.32m to € 0.18m), this was carried by a € 0.94m other operating income related to the divestment of Emerald Stay in February. As a reminder, 029 sold its 5.2% stake in Emerald Stay. **The transaction is expected to generate roughly € 1.6m gross proceeds**, reflecting a realized multiple on the FY23 book value of around 2.3x and 2.7x on the invested capital.

Limestone Capital, the group's key holding (84.2% of NAV, eNuW), **continues to grow its portfolio**. In May, the company opened Aethos Sardina, a 57-room 5 star hotel. With this, seven hotels are operational with the 8th (Madrid) likely to become operational during Q3 2025.

What's more, **Limestone spearheaded a € 40m Series A financing round for MYNE Homes**, Europe's leading managed co-ownership provider for premium vacation homes in Germany, Austria, Italy, Spain, France, Sweden and Croatia. With its technology-driven platform, MYNE allows individuals to pool resources and invest in premium vacation homes, making ownership much easier and more affordable.

Changes in management board. On July 1st, 2024, Leon Sander succeeded Lorin Van Nuland, who has decided to step down as CEO in consultation with the Administrative Board, as new Managing Director. Leon Sander has actively supported 029 Group SE since its foundation and has already been a member of the Administrative Board.

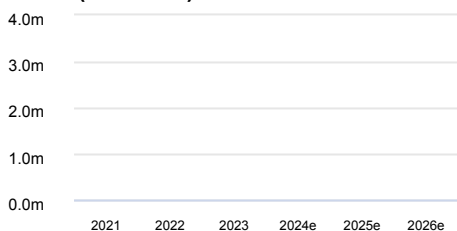
Current portfolio overview. Besides Limestone, the group's portfolio also comprises **TRIP Drinks** (10.1% of NAV, eNuW), UK's leading CBD oils and drinks brand, which is progressing with its geographic expansion, hotelbird (3.9% of NAV, eNuW), Brother's Bond (1.5% of NAV, eNuW) and fjör (0.3% of NAV, eNuW), which are all showing operational developments in line with expectations.

029 Group remains a HOLD with an unchanged € 14 PT based on a sum-of-the-parts valuation with a 5% holding discount.

Y/E 31.12 (EUR m)	2021	2022	2023	2024e	2025e	2026e
Sales	0.0	0.0	0.0	0.0	0.0	0.0
Sales growth	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
EBITDA	-0.0	-0.7	-0.6	0.4	-0.6	-0.6
Net debt (if net cash=0)	-0.2	0.3	1.3	1.3	1.5	1.6
FCF	0.0	-0.4	-0.5	-0.4	-0.6	-0.9
Net Debt/EBITDA	0.0	-0.5	-2.1	3.2	-2.7	-2.7
EPS pro forma	-0.09	-0.13	-0.13	0.07	-0.12	-0.29
EBITDA margin	0.0%	0.0%	0.0%	0.0%	0.0%	n.a.
ROCE	-14.7%	-6.0%	-28.8%	2.3%	-3.4%	-3.5%
EV/sales	0.0	0.0	0.0	0.0	n.a.	n.a.
EV/EBITDA	0.0	0.0	0.0	0.0	-133.7	-129.0
PER	0.0	0.0	0.0	0.0	-122.1	-51.9
Adjusted FCF yield	-0.6%	-1.3%	-9.6%	0.7%	-1.0%	-2.3%

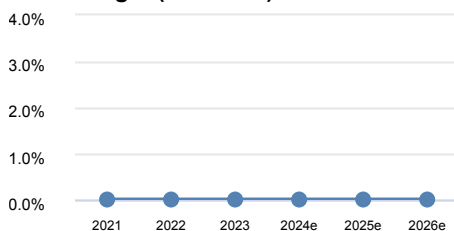
Source: Company data, NuWays, Close price as of 27.09.2024

Sales (2021-26e)



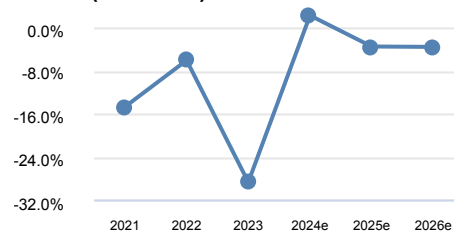
Source: NuWays Research

EBIT margin (2021-26e)



Source: NuWays Research

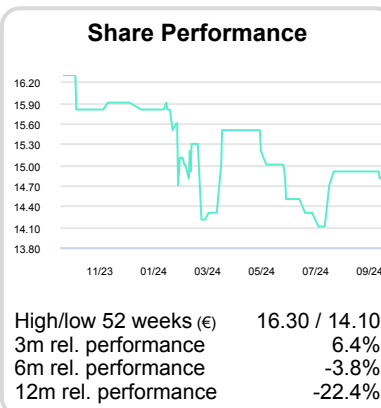
ROCE (2021-26e)



Source: NuWays Research

Company description

As a listed German investment company, 029 Group purchases minority stakes in strongly growing companies during early funding rounds (typically Seed or Series A) or incubates its own ideas and brands which are adopting already proven business models and go-to-market strategies.



Market data

Share price (in €)	14.80
Market cap (in € m)	74.0
Number of shares (in m pcs)	5.0
Enterprise value (in € m)	75.3
Ø trading volume (6 months)	1,140

Identifier

Bloomberg	Z29 GR
Reuters	Z29.DE
WKN	A2LQ2D
ISIN	DE000A2LQ2D0

Key shareholders

Apeiron Investment Gr.	37.2%
Global Equities Impact Fund	18.0%
Management & Board	15.0%
Black Mars Capital	9.0%
Free Float	20.8%

Estimates changes

	2024e	2025e	2026e
Sales	0.0	0.0	0.0
EBIT	132%	26%	26%
EPS	175%	24%	13%

Comment on changes

- Minor model changes following the release of H1 figures

Guidance

Financials

Profit and loss (EUR m)	2021	2022	2023	2024e	2025e	2026e
Net sales	0.0	0.0	0.0	0.0	0.0	0.0
<i>Sales growth</i>	<i>n.a.</i>	<i>n.a.</i>	<i>n.a.</i>	<i>n.a.</i>	<i>n.a.</i>	<i>n.a.</i>
Increase/decrease in finished goods and work-in-process	0.0	0.0	0.0	0.0	0.0	0.0
Total sales	0.0	0.0	0.0	0.0	0.0	0.0
Other operating income	0.0	0.0	0.0	0.9	0.0	0.0
Material expenses	0.0	0.0	0.0	0.0	0.0	0.0
Personnel expenses	0.0	0.0	0.1	0.1	0.1	0.1
Other operating expenses	0.0	0.6	0.6	0.4	0.4	0.4
Total operating expenses	0.0	0.7	0.6	-0.4	0.6	0.6
EBITDA	-0.0	-0.7	-0.6	0.4	-0.6	-0.6
Depreciation	0.0	0.0	0.0	0.0	0.0	-0.0
EBITA	-0.0	-0.7	-0.6	0.4	-0.6	-0.6
Amortisation of goodwill	0.0	0.0	0.0	0.0	0.0	0.0
Amortisation of intangible assets	0.0	0.0	0.0	0.0	0.0	0.0
Impairment charges	0.0	0.0	5.0	0.0	0.0	0.0
EBIT (inc revaluation net)	-0.0	-0.7	-5.6	0.4	-0.6	-0.6
Interest income	0.0	0.0	0.0	0.0	0.0	0.0
Interest expenses	0.0	0.0	0.0	0.0	0.0	0.0
Investment income	0.0	0.0	0.0	0.0	0.0	0.0
Financial result	0.0	-0.0	-0.0	-0.0	-0.0	-0.0
Recurring pretax income from continuing operations	-0.0	-0.7	-5.6	0.4	-0.6	-0.6
Extraordinary income/loss	0.0	0.0	0.0	0.0	0.0	0.0
Earnings before taxes	-0.0	-0.7	-5.6	0.4	-0.6	-0.6
Income tax expense	0.0	0.0	0.0	0.0	0.0	0.0
Net income from continuing operations	-0.0	-0.7	-5.6	0.4	-0.6	-0.6
Income from discontinued operations (net of tax)	0.0	0.0	0.0	0.0	0.0	0.0
Net income	-0.0	-0.7	-5.6	0.4	-0.6	-0.6
Minority interest	0.0	0.0	0.0	0.0	0.0	0.8
Net profit (reported)	-0.0	-0.7	-5.6	0.4	-0.6	-1.4
Average number of shares	0.2	5.0	5.0	5.0	5.0	5.0
EPS reported	-0.09	-0.13	-1.12	0.07	-0.12	-0.29

Profit and loss (common size)	2021	2022	2023	2024e	2025e	2026e
Net sales	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
<i>Sales growth</i>	<i>n.a.</i>	<i>n.a.</i>	<i>n.a.</i>	<i>n.a.</i>	<i>n.a.</i>	<i>n.a.</i>
Increase/decrease in finished goods and work-in-process	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Total sales	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Other operating income	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Material expenses	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Personnel expenses	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Other operating expenses	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Total operating expenses	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
EBITDA	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Depreciation	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
EBITA	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Amortisation of goodwill	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Amortisation of intangible assets	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Impairment charges	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
EBIT (inc revaluation net)	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Interest income	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Interest expenses	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Investment income	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Financial result	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Recurring pretax income from continuing operations	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Extraordinary income/loss	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Earnings before taxes	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Tax rate	0.0%	30.0%	0.0%	0.0%	0.0%	0.0%
Net income from continuing operations	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Income from discontinued operations (net of tax)	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Net income	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Minority interest	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Net profit (reported)	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.

Source: Company data, NuWays

Balance sheet (EUR m)	2021	2022	2023	2024e	2025e	2026e
Intangible assets	0.0	0.0	0.0	0.0	0.0	0.0
Property, plant and equipment	0.0	0.0	-0.0	-0.0	-0.0	-0.0
Financial assets	0.0	21.8	17.3	16.5	16.5	16.5
FIXED ASSETS	0.0	21.9	17.3	16.5	16.5	16.5
Inventories	0.0	0.0	0.0	0.0	0.0	0.0
Accounts receivable	0.0	0.0	0.0	0.0	0.0	0.0
Other assets and short-term financial assets	0.0	0.0	0.0	0.0	0.0	0.0
Liquid assets	0.2	0.0	0.0	0.0	0.3	0.2
Deferred taxes	0.0	0.0	0.0	0.0	0.0	0.0
Deferred charges and prepaid expenses	0.0	0.0	0.1	0.0	0.0	0.0
CURRENT ASSETS	0.2	0.0	0.1	0.0	0.3	0.2
TOTAL ASSETS	0.2	21.9	17.3	16.6	16.8	16.7
SHAREHOLDERS EQUITY	0.1	21.5	15.7	14.9	14.6	14.8
MINORITY INTEREST	0.0	0.0	0.0	0.0	0.0	0.0
Long-term liabilities to banks	0.0	0.0	0.0	0.0	0.0	0.0
Bonds (long-term)	0.0	0.0	0.0	0.0	0.0	0.0
other interest-bearing liabilities	0.0	0.3	1.3	1.3	1.8	1.8
Provisions for pensions and similar obligations	0.0	0.0	0.0	0.0	0.0	0.0
Other provisions and accrued liabilities	0.0	0.2	0.1	0.1	0.1	0.1
NON-CURRENT LIABILITIES	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Short-term liabilities to banks	0.0	0.0	0.0	0.0	0.0	0.0
Accounts payable	0.0	0.1	0.3	0.3	0.3	0.0
Advance payments received on orders	0.0	0.0	0.0	0.0	0.0	0.0
Accrued taxes	0.0	0.0	0.0	0.0	0.0	0.0
Other liabilities (incl. from lease and rental contracts)	0.0	0.0	0.0	0.0	0.0	0.0
Deferred taxes	0.0	0.0	0.0	0.0	0.0	0.0
Deferred income	0.0	0.0	0.0	0.0	0.0	0.0
CURRENT LIABILITIES	0.0	0.1	0.3	0.3	0.3	0.0
TOTAL LIABILITIES AND SHAREHOLDERS EQUITY	0.2	21.9	17.3	16.6	16.8	16.7
Balance sheet (common size)	2021	2022	2023	2024e	2025e	2026e
Intangible assets	0.0%	0.1%	0.1%	0.1%	0.1%	0.1%
Property, plant and equipment	0.0%	0.0%	-0.0%	-0.0%	-0.0%	-0.0%
Financial assets	0.0%	99.8%	99.5%	99.7%	98.3%	98.6%
FIXED ASSETS	0.0%	99.8%	99.6%	99.8%	98.3%	98.7%
Inventories	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Accounts receivable	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Other assets and short-term financial assets	0.7%	0.0%	0.1%	0.1%	0.1%	0.1%
Liquid assets	98.1%	0.0%	0.1%	0.1%	1.6%	1.3%
Deferred taxes	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Deferred charges and prepaid expenses	1.2%	0.1%	0.3%	0.0%	0.0%	0.0%
CURRENT ASSETS	100.0%	0.2%	0.4%	0.2%	1.7%	1.3%
TOTAL ASSETS	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
SHAREHOLDERS EQUITY	93.6%	98.2%	90.3%	89.8%	87.0%	88.6%
MINORITY INTEREST	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Long-term liabilities to banks	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Bonds (long-term)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
other interest-bearing liabilities	0.0%	1.4%	7.4%	7.8%	10.6%	10.7%
Provisions for pensions and similar obligations	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Other provisions and accrued liabilities	6.1%	1.0%	0.7%	0.7%	0.7%	0.7%
NON-CURRENT LIABILITIES	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Short-term liabilities to banks	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Accounts payable	0.0%	0.3%	1.6%	1.7%	1.7%	0.0%
Advance payments received on orders	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Accrued taxes	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Other liabilities (incl. from lease and rental contracts)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Deferred taxes	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Deferred income	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
CURRENT LIABILITIES	0.0%	0.3%	1.6%	1.7%	1.7%	0.0%
TOTAL LIABILITIES AND SHAREHOLDERS EQUITY	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Source: Company data, NuWays

Cash flow statement (EUR m)	2021	2022	2023	2024e	2025e	2026e
Net profit/loss	-0.0	-0.7	-5.6	0.4	-0.6	-0.6
Depreciation of fixed assets (incl. leases)	0.0	0.0	5.0	0.0	0.0	-0.0
Amortisation of goodwill & intangible assets	0.0	0.0	0.0	0.0	0.0	0.0
Other costs affecting income / expenses	0.0	0.0	0.0	0.0	0.0	0.0
Cash flow from operating activities	0.0	-0.4	-5.5	-0.4	-0.6	-0.9
Increase/decrease in inventory	0.0	0.0	0.0	0.0	0.0	0.0
Increase/decrease in accounts receivable	0.0	0.0	0.0	0.0	0.0	0.0
Increase/decrease in accounts payable	-0.0	0.1	0.2	0.0	0.0	-0.3
Increase/decrease in other working capital positions	0.0	0.0	-0.1	n.a.	0.0	0.0
Increase/decrease in working capital	0.0	0.1	0.1	-0.8	0.0	-0.3
Cash flow from operating activities	-0.0	-0.4	-0.5	-0.4	-0.6	-0.9
CAPEX	0.0	0.0	0.0	0.0	0.0	0.0
Payments for acquisitions	0.0	0.0	0.0	0.0	0.0	0.0
Financial investments	0.0	0.1	0.4	-1.6	0.0	0.0
Income from asset disposals	0.0	0.0	0.0	0.0	0.0	0.0
Cash flow from investing activities	0.0	-0.1	-0.4	1.6	0.0	0.0
Cash flow before financing	0.0	-0.5	-0.9	1.2	-0.6	-0.9
Increase/decrease in debt position	0.0	0.3	1.0	-1.2	0.8	0.8
Purchase of own shares	0.0	0.0	0.0	0.0	0.0	0.0
Capital measures	0.0	0.0	0.0	0.0	0.0	0.0
Dividends paid	0.0	0.0	0.0	0.0	0.0	0.0
Others	0.0	0.0	0.0	0.0	0.0	0.0
Effects of exchange rate changes on cash	0.0	0.0	0.0	0.0	0.0	0.0
Cash flow from financing activities	0.0	0.3	1.0	-1.2	0.8	0.8
Increase/decrease in liquid assets	0.0	-0.1	0.0	0.0	0.2	-0.1
Liquid assets at end of period	0.2	0.0	0.0	0.0	0.3	0.2

Key ratios (EUR m)	2021	2022	2023	2024e	2025e	2026e
P&L growth analysis						
Sales growth	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
EBITDA growth	n.a.	n.a.	n.a.	n.a.	-7.2%	-249.7%
EBIT growth	n.a.	n.a.	n.a.	n.a.	-100.0%	-100.0%
EPS growth	n.a.	n.a.	n.a.	n.a.	-89.2%	-506.9%
Efficiency						
Sales per employee	0.0	0.0	0.0	0.0	n.a.	n.a.
EBITDA per employee	0.0	0.0	0.0	0.0	n.a.	n.a.
No. employees (average)	1	1	2	2	n.a.	n.a.
Balance sheet analysis						
Avg. working capital / sales	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Inventory turnover (sales/inventory)	0.0	0.0	0.0	0.0	0.0	0.0
Accounts receivable turnover	0.0	0.0	0.0	0.0	0.0	0.0
Accounts payable turnover	0.0	0.0	0.0	0.0	30.0	30.0
Cash flow analysis						
Free cash flow	0.0	-0.4	-0.5	-0.4	-0.6	-0.9
Free cash flow/sales	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
FCF / net profit	0.0%	61.3%	9.5%	neg.	100.0%	144.6%
Capex / sales	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Solvency						
Net debt	-0.2	0.3	1.3	1.3	1.5	1.6
Net Debt/EBITDA	0.0	-0.5	-2.1	3.2	-2.7	-2.7
Dividend payout ratio	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Interest paid / avg. debt	n.a.	0.9%	3.2%	5.1%	2.7%	2.7%
Returns						
ROCE	-14.7%	-6.0%	-28.8%	2.3%	-3.4%	-3.5%
ROE	-15.0%	-3.1%	-35.9%	2.4%	-4.1%	-9.6%
Adjusted FCF yield	-0.6%	-1.3%	-9.6%	0.7%	-1.0%	-2.3%
Dividend yield	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
DPS	0.0	0.0	0.0	0.0	0.0	0.0
EPS reported	-0.09	-0.13	-1.12	0.07	-0.12	-0.29
Average number of shares	0.2	5.0	5.0	5.0	5.0	5.0
Valuation ratios						
P/BV	25.7	3.4	4.7	5.0	5.1	5.0
EV/sales	0.0	0.0	0.0	0.0	n.a.	n.a.
EV/EBITDA	0.0	0.0	0.0	0.0	-133.7	-129.0
EV/EBIT	0.0	0.0	0.0	0.0	n.a.	n.a.

Source: Company data, NuWays

Disclosures

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Indication of conflict of interest

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Company	Disclosures
029 Group SE	2

Historical target price and rating changes for 029 Group SE

Company	Date	Analyst	Rating	Target Price	Close
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According to Article 4(1) No. i of the delegated regulation 2016/958 supplementing regulation 596/2014 of the European Parliament, further information regarding investment recommendations of the last 12 months are published under: www.nuways-ag.com

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