

Cloudberry Clean Energy ASA

Renewables - Norway



by Hauck Aufhäuser Lampe

Buy (old: Buy)

02.09.2024

NOK 19.00 (old: NOK 19.00)

Forming a new digital player in the power market

Topic: Cloudberry (alongside Elmera and Småkraft) is investing in Kraftanmelding, a leading provider of digitalization solutions for run-of-river power production. Cloudberry's shares remain undervalued.

Kraftanmelding focuses on automating tasks within the hydro industry to improve an asset's return. This includes automatically generating electricity certificates and guaranteeing their origin, an automated power trading system, data collection for settlement management and minimum water flow logging.

As part of the deal, Cloudberry will transfer Captiva's digital business (data-driven analysis and improvement of assets) to Kraftanmelding, while Elmera and Småkraft provide NOK 20m of equity to fund additional growth (larger customer groups and international expansion). With this, Kraftanmelding will be owned by Elmera (34%), Cloudberry (32%), Småkraft (8%) and the founders and employees (27%).

We regard this as a sensible move, as it puts Cloudberry at the forefront of the digital transformation of the industry and provides the company with plenty of data to further improve its own asset.

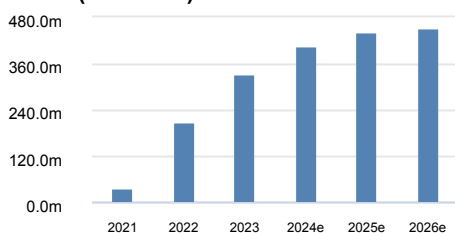
We **confirm our BUY rating with an unchanged NOK 19 PT** based on SOTP as the company remains attractively priced despite the recent strong share price development. Why to own the stock:

- **Undemanding valuation.** At around NOK 13/share, Cloudberry continues to trade below its own book value, which stands at roughly NOK 16.5/share. At the same time, the company offers a strong balance sheet with relatively low debt levels and some NOK 946m in cash.
- **Plenty of hidden value within the balance sheet.** At the end of June this year and last, the company divested several hydro assets. Importantly, the achieved valuations stood at 2.3x and 2x of the assets' book values. Cloudberry still owns 22 further hydro assets. Taking into account the remaining small scale assets (6 operations with 44 GWh energy production, 4.8% of the current portfolio) and applying similar multiples, the company could generate roughly NOK 390m.
- **Accelerating portfolio growth.** The current 277 MW production portfolio is seen to grow to ~500 MW by mid 2026e. While 19 MW are already under construction, a final investment decision on its 140 MW PV project should be made as early as this year. The development backlog comprises additional 733 MW, which could also be sold. If sold, the dev. backlog alone could be worth ~NOK 550m, eNuW.

Y/E 31.12 (NOK m)	2021	2022	2023	2024e	2025e	2026e
Sales	35.2	208.0	333.0	408.7	444.1	453.8
Sales growth	867.6%	491.7%	60.1%	22.7%	8.7%	11.1%
EBITDA	-31.1	151.0	263.0	379.9	341.3	359.9
Net debt (if net cash=0)	-806.2	-1,168.0	825.0	717.2	341.2	66.5
FCF	-259.0	-10.6	-326.0	-212.2	376.1	276.0
Net Debt/EBITDA	0.0	0.0	3.1	1.9	1.0	0.2
EPS pro forma	-0.39	0.46	1.27	0.44	0.28	0.29
EBITDA margin	-88.4%	72.6%	79.0%	93.0%	76.9%	79.3%
ROCE	-1.9%	3.2%	0.7%	3.5%	2.2%	3.0%
EV/sales	81.5	12.3	13.9	11.0	9.3	8.5
EV/EBITDA	-92.2	17.0	17.6	11.8	12.1	10.7
PER	-40.0	27.3	10.0	28.8	45.3	44.4
Adjusted FCF yield	-2.0%	7.1%	2.1%	5.0%	4.4%	5.6%

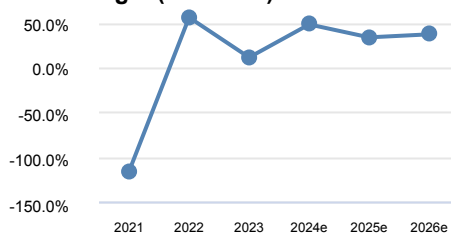
Source: Company data, NuWays, Close price as of 30.08.2024

Sales (2021-26e)



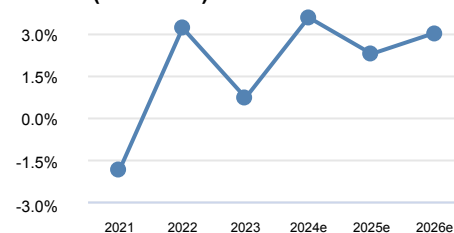
Source: NuWays Research

EBIT margin (2021-26e)



Source: NuWays Research

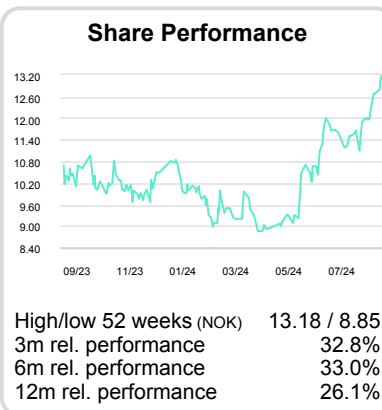
ROCE (2021-26e)



Source: NuWays Research

Company description

Cloudberry is a Nordic renewable energy company that owns, develops and operates hydro power plants and wind and PV farms in Norway, Sweden and Denmark with a total size of 277MW in operation, 19MW under construction, 200MW with construction permits and 733MW in the backlog.



Market data

Share price (in NOK)	13.18
Market cap (in NOK m)	3660.0
Number of shares (in m pcs)	288.6
Enterprise value (in NOK m)	4492.3
Ø trading volume (6 months)	320,000

Identifier

Bloomberg	CLOUD NO
Reuters	CLOUD
WKN	A2P85S
ISIN	NO0010876642

Key shareholders

Ferd AS	12.3%
Joh Johansson Eiendom AS	10.2%
Havfonn AS (Bergesen fami.)	8.6%
Snefonn AS (Bergesen fami.)	5.6%
The Northern Trust	5.5%
Free Float	47.8%

Estimates changes

	2024e	2025e	2026e
Sales	0%	0%	0%
EBIT	0%	0%	0%
EPS	0%	0%	0%

Comment on changes

Guidance

Financials

Profit and loss (NOK m)	2021	2022	2023	2024e	2025e	2026e
Net sales	35.2	208.0	333.0	408.7	444.1	453.8
<i>Sales growth</i>	867.6%	491.7%	60.1%	22.7%	8.7%	11.1%
Increase/decrease in finished goods and work-in-process	0.0	0.0	0.0	0.0	0.0	0.0
Total sales	35.2	208.0	333.0	408.7	444.1	453.8
Other operating income	22.8	129.0	205.0	179.7	84.0	93.8
Material expenses	5.5	14.0	26.0	31.9	34.7	27.2
Personnel expenses	28.1	91.0	119.0	121.4	123.8	126.3
Other operating expenses	55.5	81.0	130.0	55.2	28.3	34.2
Total operating expenses	66.2	57.0	70.0	28.7	102.8	93.9
EBITDA	-31.1	151.0	263.0	379.9	341.3	359.9
Depreciation	9.7	35.0	109.0	183.8	192.5	192.5
EBITA	-40.8	116.0	154.0	196.1	148.9	167.4
Amortisation of goodwill	0.0	0.0	0.0	0.0	0.0	0.0
Amortisation of intangible assets	0.0	0.0	18.0	0.0	0.0	0.0
Impairment charges	0.0	0.0	99.0	0.0	0.0	0.0
EBIT (inc revaluation net)	-40.8	116.0	37.0	196.1	148.9	167.4
Interest income	5.0	67.0	306.0	40.0	30.0	41.3
Interest expenses	27.3	61.0	121.0	73.1	75.4	103.0
Investment income	0.0	0.0	0.0	0.0	0.0	0.0
Financial result	-22.3	6.0	185.0	-33.1	-45.4	-61.8
Recurring pretax income from continuing operations	-63.1	122.0	222.0	163.0	103.5	105.7
Extraordinary income/loss	0.0	0.0	0.0	0.0	0.0	0.0
Earnings before taxes	-63.1	122.0	222.0	163.0	103.5	105.7
Income tax expense	-0.7	0.0	-11.0	35.9	22.8	23.3
Net income from continuing operations	-62.4	122.0	233.0	127.1	80.7	82.4
Income from discontinued operations (net of tax)	0.0	0.0	0.0	0.0	0.0	0.0
Net income	-62.4	122.0	233.0	127.1	80.7	82.4
Minority interest	0.0	4.0	-39.0	0.0	0.0	0.0
Net profit (reported)	-62.4	118.0	272.0	127.1	80.7	82.4
Average number of shares	160.0	253.3	291.4	288.6	288.6	288.6
EPS reported	-0.39	0.47	0.93	0.44	0.28	0.29

Profit and loss (common size)	2021	2022	2023	2024e	2025e	2026e
Net sales	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
<i>Sales growth</i>	867.6%	491.7%	60.1%	22.7%	8.7%	11.1%
Increase/decrease in finished goods and work-in-process	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Total sales	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Other operating income	64.9%	62.0%	61.6%	44.0%	18.9%	20.7%
Material expenses	15.6%	6.7%	7.8%	7.8%	7.8%	6.0%
Personnel expenses	80.0%	43.8%	35.7%	29.7%	27.9%	27.8%
Other operating expenses	157.7%	38.9%	39.0%	13.5%	6.4%	7.5%
Total operating expenses	188.4%	27.4%	21.0%	7.0%	23.1%	20.7%
EBITDA	-88.4%	72.6%	79.0%	93.0%	76.9%	79.3%
Depreciation	27.7%	16.8%	32.7%	45.0%	43.3%	42.4%
EBITA	-116.1%	55.8%	46.2%	48.0%	33.5%	36.9%
Amortisation of goodwill	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Amortisation of intangible assets	0.0%	0.0%	5.4%	0.0%	0.0%	0.0%
Impairment charges	0.0%	0.0%	29.7%	0.0%	0.0%	0.0%
EBIT (inc revaluation net)	-116.1%	55.8%	11.1%	48.0%	33.5%	36.9%
Interest income	14.2%	32.2%	91.9%	9.8%	6.8%	9.1%
Interest expenses	77.6%	29.3%	36.3%	17.9%	17.0%	22.7%
Investment income	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Financial result	neg.	2.9%	55.6%	neg.	neg.	neg.
Recurring pretax income from continuing operations	-179.5%	58.7%	66.7%	39.9%	23.3%	23.3%
Extraordinary income/loss	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Earnings before taxes	-179.5%	58.7%	66.7%	39.9%	23.3%	23.3%
Tax rate	1.1%	0.0%	22.0%	22.0%	22.0%	22.0%
Net income from continuing operations	-177.6%	58.7%	70.0%	31.1%	18.2%	18.2%
Income from discontinued operations (net of tax)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Net income	-177.6%	58.7%	70.0%	31.1%	18.2%	18.2%
Minority interest	0.0%	1.9%	-11.7%	0.0%	0.0%	0.0%
Net profit (reported)	-177.6%	56.7%	81.7%	31.1%	18.2%	18.2%

Source: Company data, NuWays

Balance sheet (NOK m)	2021	2022	2023	2024e	2025e	2026e
Intangible assets	38.2	229.0	230.0	230.0	230.0	230.0
Property, plant and equipment	1,009.1	1,597.0	3,997.0	3,975.2	3,782.7	3,590.3
Financial assets	685.5	995.0	1,266.0	1,266.0	1,266.0	1,266.0
FIXED ASSETS	1,732.8	2,821.0	5,493.0	5,471.2	5,278.7	5,086.3
Inventories	153.6	106.0	99.0	99.0	0.0	0.0
Accounts receivable	12.0	52.0	61.0	102.2	111.0	113.5
Other assets and short-term financial assets	105.5	86.0	259.0	259.0	259.0	259.0
Liquid assets	1,114.9	1,538.0	779.0	1,034.8	1,375.8	1,650.5
Deferred taxes	0.0	0.0	0.0	0.0	0.0	0.0
Deferred charges and prepaid expenses	0.0	0.0	0.0	0.0	0.0	0.0
CURRENT ASSETS	1,386.0	1,782.0	1,198.0	1,494.9	1,745.9	2,022.9
TOTAL ASSETS	3,118.8	4,603.0	6,691.0	6,966.1	7,024.6	7,109.2

SHAREHOLDERS EQUITY	2,637.0	3,714.0	3,932.0	4,059.1	4,139.9	4,220.9
MINORITY INTEREST	0.0	80.0	685.0	685.0	685.0	685.0
Long-term liabilities to banks	294.1	327.0	1,507.0	1,655.0	1,620.0	1,620.0
Bonds (long-term)	0.0	0.0	0.0	0.0	0.0	0.0
other interest-bearing liabilities	4.6	43.0	97.0	97.0	97.0	97.0
Provisions for pensions and similar obligations	0.0	36.0	115.0	115.0	115.0	115.0
Other provisions and accrued liabilities	52.0	141.0	149.0	149.0	149.0	149.0
NON-CURRENT LIABILITIES	350.7	547.0	1,868.0	2,016.0	1,981.0	1,981.0
Short-term liabilities to banks	10.1	0.0	0.0	0.0	0.0	0.0
Accounts payable	38.1	135.0	147.0	147.0	159.8	163.2
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	83.0	127.0	59.0	59.0	59.0	59.0
Deferred income	0.0	0.0	0.0	0.0	0.0	0.0
CURRENT LIABILITIES	131.2	262.0	206.0	206.0	218.8	222.2
TOTAL LIABILITIES AND SHAREHOLDERS EQUITY	3,118.8	4,603.0	6,691.0	6,966.1	7,024.6	7,109.2

Balance sheet (common size)	2021	2022	2023	2024e	2025e	2026e
Intangible assets	1.2%	5.0%	3.4%	3.3%	3.3%	3.2%
Property, plant and equipment	32.4%	34.7%	59.7%	57.1%	53.8%	50.5%
Financial assets	22.0%	21.6%	18.9%	18.2%	18.0%	17.8%
FIXED ASSETS	55.6%	61.3%	82.1%	78.5%	75.1%	71.5%
Inventories	4.9%	2.3%	1.5%	1.4%	0.0%	0.0%
Accounts receivable	0.4%	1.1%	0.9%	1.5%	1.6%	1.6%
Other assets and short-term financial assets	3.4%	1.9%	3.9%	3.7%	3.7%	3.6%
Liquid assets	35.7%	33.4%	11.6%	14.9%	19.6%	23.2%
Deferred taxes	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Deferred charges and prepaid expenses	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
CURRENT ASSETS	44.4%	38.7%	17.9%	21.5%	24.9%	28.5%
TOTAL ASSETS	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

SHAREHOLDERS EQUITY	84.5%	80.7%	58.8%	58.3%	58.9%	59.4%
MINORITY INTEREST	0.0%	1.7%	10.2%	9.8%	9.8%	9.6%
Long-term liabilities to banks	9.4%	7.1%	22.5%	23.8%	23.1%	22.8%
Bonds (long-term)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
other interest-bearing liabilities	0.1%	0.9%	1.4%	1.4%	1.4%	1.4%
Provisions for pensions and similar obligations	0.0%	0.8%	1.7%	1.7%	1.6%	1.6%
Other provisions and accrued liabilities	1.7%	3.1%	2.2%	2.1%	2.1%	2.1%
NON-CURRENT LIABILITIES	11.2%	11.9%	27.9%	28.9%	28.2%	27.9%
Short-term liabilities to banks	0.3%	0.0%	0.0%	0.0%	0.0%	0.0%
Accounts payable	1.2%	2.9%	2.2%	2.1%	2.3%	2.3%
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	2.7%	2.8%	0.9%	0.8%	0.8%	0.8%
Deferred income	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
CURRENT LIABILITIES	4.2%	5.7%	3.1%	3.0%	3.1%	3.1%
TOTAL LIABILITIES AND SHAREHOLDERS EQUITY	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Source: Company data, NuWays

Cloudberry Clean Energy ASA

Update - 02.09.2024



Cash flow statement (NOK m)	2021	2022	2023	2024e	2025e	2026e
Net profit/loss	-62.4	122.0	233.0	127.1	80.7	82.4
Depreciation of fixed assets (incl. leases)	12.8	35.0	126.0	183.8	192.5	192.5
Amortisation of goodwill & intangible assets	0.0	0.0	117.0	0.0	0.0	0.0
Other costs affecting income / expenses	-17.1	-254.5	-337.0	0.0	0.0	0.0
Cash flow from operating activities	-92.3	8.0	-19.0	86.0	183.6	83.5
Increase/decrease in inventory	-9.2	47.6	7.0	0.0	99.0	0.0
Increase/decrease in accounts receivable	-8.8	-40.0	-9.0	-41.2	-8.9	-2.4
Increase/decrease in accounts payable	12.2	96.9	12.0	0.0	12.8	3.5
Increase/decrease in other working capital positions	-10.5	0.0	-4.0	0.0	0.0	0.0
Increase/decrease in working capital	-16.3	104.5	6.0	-41.2	102.9	1.1
Cash flow from operating activities	-79.5	43.0	224.0	269.8	376.1	276.0
CAPEX	179.5	304.0	550.0	482.0	0.0	0.0
Payments for acquisitions	318.3	70.0	2,009.0	0.0	0.0	0.0
Financial investments	331.1	65.0	-19.0	0.0	0.0	0.0
Income from asset disposals	0.0	60.0	768.0	320.0	0.0	0.0
Cash flow from investing activities	-828.8	379.0	-1,810.0	-162.0	0.0	0.0
Cash flow before financing	-908.4	-336.0	-1,548.0	107.8	376.1	n.a.
Increase/decrease in debt position	-294.3	35.0	1,234.0	148.0	-35.0	0.0
Purchase of own shares	0.0	0.0	0.0	0.0	0.0	0.0
Capital measures	1,647.1	767.0	0.0	0.0	0.0	0.0
Dividends paid	0.0	0.0	0.0	0.0	0.0	0.0
Others	67.6	-42.0	0.0	0.0	0.0	0.0
Effects of exchange rate changes on cash	-2.2	-1.0	-3.0	0.0	0.0	0.0
Cash flow from financing activities	1,420.3	760.0	830.0	148.0	-35.0	0.0
Increase/decrease in liquid assets	509.8	423.0	-317.0	255.8	341.1	n.a.
Liquid assets at end of period	1,114.9	1,538.0	779.0	1,034.8	1,375.8	1,651.8

Key ratios (NOK m)	2021	2022	2023	2024e	2025e	2026e
P&L growth analysis						
Sales growth	867.6%	491.7%	60.1%	22.7%	8.7%	11.1%
EBITDA growth	1092.4%	-606.2%	-946.4%	151.6%	29.8%	138.3%
EBIT growth	1462.2%	-450.3%	-190.6%	69.1%	302.3%	44.3%
EPS growth	-96.1%	-153.8%	-339.4%	-5.4%	-70.0%	-38.7%
Efficiency						
Sales per employee	2,812.2	7,050.8	7,568.2	9,287.6	20,186.7	20,627.9
EBITDA per employee	-2,485.9	5,118.6	5,977.3	8,634.5	15,514.8	16,359.5
No. employees (average)	12	30	44	44	22	22
Balance sheet analysis						
Avg. working capital / sales	427.0%	36.2%	5.4%	8.2%	0.6%	-10.9%
Inventory turnover (sales/inventory)	0.2	0.2	0.2	0.2	0.2	0.2
Accounts receivable turnover	124.9	91.2	91.2	91.2	91.2	91.2
Accounts payable turnover	395.9	236.9	161.1	131.3	131.3	131.3
Cash flow analysis						
Free cash flow	-259.0	-10.6	-326.0	-212.2	376.1	276.0
Free cash flow/sales	-736.9%	-5.1%	-97.9%	-51.9%	84.7%	60.8%
FCF / net profit	415.0%	neg.	neg.	neg.	465.9%	334.8%
Capex / sales	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Solvency						
Net debt	-806.2	-1,168.0	825.0	717.2	341.2	66.5
Net Debt/EBITDA	0.0	0.0	3.1	1.9	1.0	0.2
Dividend payout ratio	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Interest paid / avg. debt	8.8%	19.1%	12.7%	6.9%	4.5%	9.9%
Returns						
ROCE	-1.9%	3.2%	0.7%	3.5%	2.2%	3.0%
ROE	-2.4%	3.2%	6.9%	3.1%	1.9%	2.0%
Adjusted FCF yield	-2.0%	7.1%	2.1%	5.0%	4.4%	5.6%
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	-0.39	0.47	0.93	0.44	0.28	0.29
Average number of shares	160.0	253.3	291.4	288.6	288.6	288.6
Valuation ratios						
P/BV	0.9	0.9	0.9	0.9	0.9	0.9
EV/sales	81.5	12.3	13.9	11.0	9.3	8.5
EV/EBITDA	-92.2	17.0	17.6	11.8	12.1	10.7
EV/EBIT	-70.2	22.1	125.2	22.9	27.7	22.9

Source: Company data, NuWays

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Company	Disclosures
Cloudberry Clean Energy ASA	2

Historical target price and rating changes for Cloudberry Clean Energy ASA

Company	Date	Analyst	Rating	Target Price	Close
Cloudberry Clean Energy ASA	20.02.2024	Jouck, Simon	Buy	NOK 19.00	NOK 9.21
	01.11.2023	Jouck, Simon	Buy	NOK 20.00	NOK 10.18

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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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