

Cloudberry Clean Energy ASA

Renewables - Norway



Buy (old: Buy)

22.05.2024

NOK 19.00 (old: NOK 19.00)

Strong Q1 // Odal shortfall covered by warranties

Topic: Cloudberry reported strong Q1 figures despite production shortfalls at the Odal wind farm (covered by warranties). A final investment decision for its transformative 175MW PV park in Denmark is expected until the end of the year.

Q1 consolidated revenues grew by 89% yoy to NOK 129m, largely in line with our estimates thanks to the **strongly increased production volumes of 173GWh** (+93% yoy). This should, above all, be carried by the Danish wind portfolio Odin (106MW net to Cloudberry), which was bought at the beginning of June 2023. While the average power price decreased yoy from NOK 118/MWh to NOK 73/MWh it is largely in line with Q4 price levels of NOK 76/MWh.

Q1 consolidated EBTDA jumped by 190% yoy to NOK 58m. This was despite a significant shortfall from the Odal wind farm (reported as income/loss from associated companies) due to severe operational issues (EBITDA decreased from NOK 29m to only NOK 7m).

To recap, Odal wind farm uses blades from Siemens Gamesa, which announced severe issues with multiple series. Hence, only 50-60% of the Odal turbines were operational in Q1. The related production shortfall is to be covered by warranties. The claim at the end of Q1 (so far not booked) amounted to € 14-17m. With additional stand stills following a blade braking off in Q2, claims should further increase.

The **Subby windfarm in Sweden was successfully erected ahead of time and has begun generating electricity**. Under standard weather assumptions Sundby is seen to produce 89 GWh per annum yielding annual revenues of c. NOK 56m by assuming an avg. power price of c. NOK 640/MWh.

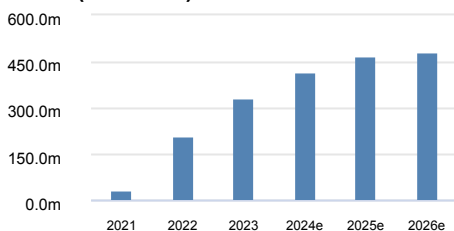
Pipeline remains strong. The two projects under construction are progressing according to plan and cost. The 19 MW Munkhyttan wind farm should be erected by the end of the year 2024 and the 8 MW hydro power plant Ovre Kvemma is built and is expected to be connected to the grid in the following weeks. Due to the recent significant price deflation of solar panels, Cloudberry is speeding up development of the planned 175MW PV plant in Denmark. The final investment decision is expected still this year. The **total backlog stands at 911 MW**.

Cloudberry remains a **BUY with an unchanged NOK 19 PT** based on SOTP - change of analyst -

Y/E 31.12 (NOK m)	2021	2022	2023	2024e	2025e	2026e
Sales	35.2	208.0	333.0	417.7	468.7	481.5
Sales growth	867.6%	491.7%	60.1%	25.4%	12.2%	15.3%
EBITDA	-31.1	151.0	263.0	295.7	346.0	365.5
Net debt (if net cash=0)	-806.2	-1,168.0	825.0	1,104.6	722.5	473.0
FCF	-259.0	-10.6	-326.0	-279.6	382.1	273.8
Net Debt/EBITDA	0.0	0.0	3.1	3.7	2.1	1.3
EPS pro forma	-0.39	0.46	1.27	0.20	0.28	0.26
EBITDA margin	-88.4%	72.6%	79.0%	70.8%	73.8%	75.9%
ROCE	-1.9%	3.2%	0.7%	2.0%	2.2%	3.0%
EV/sales	81.5	7.3	10.8	9.3	7.4	6.7
EV/EBITDA	-92.2	10.1	13.7	13.1	10.1	8.9
PER	-40.0	19.6	7.2	44.6	33.0	35.4
Adjusted FCF yield	-2.0%	21.3%	3.0%	3.6%	5.7%	7.4%

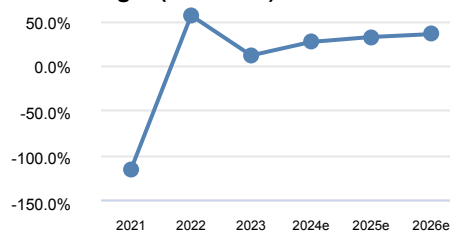
Source: Company data, NuWays, Close price as of 16.05.2024

Sales (2021-26e)



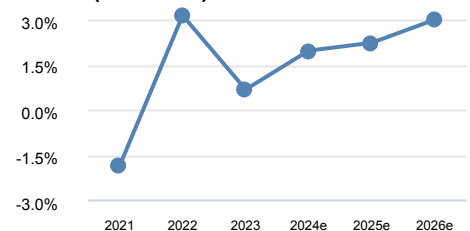
Source: NuWays Research

EBIT margin (2021-26e)



Source: NuWays Research

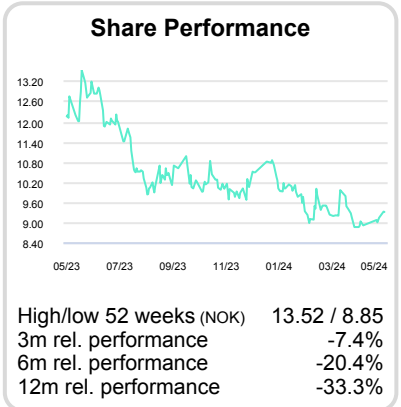
ROCE (2021-26e)



Source: NuWays Research

Company description

Cloudberry is a Nordic renewable energy company that owns, develops and operates hydro power plants and wind farms in Norway, Sweden and Denmark with a total size of 235MW in operation, 40MW under construction, 128MW with construction permits and 486MW in the backlog.



Market data

Share price (in NOK)	9.30
Market cap (in NOK m)	2653.7
Number of shares (in m pcs)	291.4
Enterprise value (in NOK m)	3873.4
Ø trading volume (6 months)	320,000

Identifier

Bloomberg	CLOUD NO
Reuters	CLOUD
WKN	A2P85S
ISIN	NO0010876642

Key shareholders

Ferd AS	11.0%
Joh Johansson Eiendom AS	10.2%
Havfonn AS (Bergesen fami.)	8.2%
Lloyd Fonds	8.0%
Snefonn AS (Bergesen fam.)	6.0%
Free Float	51.1%

Estimates changes

	2024e	2025e	2026e
Sales	0%	0%	0%
EBIT	0%	0%	0%
EPS	0%	0%	48%

Comment on changes

- Introduction of FY26 estimates

Guidance

Financials

Profit and loss (NOK m)	2021	2022	2023	2024e	2025e	2026e
Net sales	35.2	208.0	333.0	417.7	468.7	481.5
<i>Sales growth</i>	867.6%	491.7%	60.1%	25.4%	12.2%	15.3%
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	417.7	468.7	481.5
Other operating income	22.8	129.0	205.0	61.2	71.5	80.0
Material expenses	5.5	14.0	26.0	32.6	36.6	28.9
Personnel expenses	28.1	91.0	119.0	121.4	123.8	126.3
Other operating expenses	55.5	81.0	130.0	29.2	33.8	40.8
Total operating expenses	66.2	57.0	70.0	122.0	122.7	116.0
EBITDA	-31.1	151.0	263.0	295.7	346.0	365.5
Depreciation	9.7	35.0	109.0	186.3	197.5	197.5
EBITA	-40.8	116.0	154.0	109.4	148.5	168.0
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	109.4	148.5	168.0
Interest income	5.0	67.0	306.0	40.0	30.0	31.1
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	-71.9
Recurring pretax income from continuing operations	-63.1	122.0	222.0	76.3	103.1	96.1
Extraordinary income/loss	0.0	0.0	0.0	0.0	0.0	0.0
Earnings before taxes	-63.1	122.0	222.0	76.3	103.1	96.1
Income tax expense	-0.7	0.0	-11.0	16.8	22.7	21.1
Net income from continuing operations	-62.4	122.0	233.0	59.5	80.4	75.0
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	59.5	80.4	75.0
Minority interest	0.0	4.0	-39.0	0.0	0.0	0.0
Net profit (reported)	-62.4	118.0	272.0	59.5	80.4	75.0
Average number of shares	160.0	253.3	291.4	291.4	291.4	291.4
EPS reported	-0.39	0.47	0.93	0.20	0.28	0.26

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%	25.4%	12.2%	15.3%
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%	14.6%	15.3%	16.6%
Material expenses	15.6%	6.7%	7.8%	7.8%	7.8%	6.0%
Personnel expenses	80.0%	43.8%	35.7%	29.1%	26.4%	26.2%
Other operating expenses	157.7%	38.9%	39.0%	7.0%	7.2%	8.5%
Total operating expenses	188.4%	27.4%	21.0%	29.2%	26.2%	24.1%
EBITDA	-88.4%	72.6%	79.0%	70.8%	73.8%	75.9%
Depreciation	27.7%	16.8%	32.7%	44.6%	42.1%	41.0%
EBITA	-116.1%	55.8%	46.2%	26.2%	31.7%	34.9%
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%	26.2%	31.7%	34.9%
Interest income	14.2%	32.2%	91.9%	9.6%	6.4%	6.5%
Interest expenses	77.6%	29.3%	36.3%	17.5%	16.1%	21.4%
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%	18.3%	22.0%	20.0%
Extraordinary income/loss	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Earnings before taxes	-179.5%	58.7%	66.7%	18.3%	22.0%	20.0%
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%	14.2%	17.2%	15.6%
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%	14.2%	17.2%	15.6%
Minority interest	0.0%	1.9%	-11.7%	0.0%	0.0%	0.0%
Net profit (reported)	-177.6%	56.7%	81.7%	14.2%	17.2%	15.6%

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	4,292.7	4,095.2	3,897.7
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	5,788.7	5,591.2	5,393.7
Inventories	153.6	106.0	99.0	99.0	0.0	0.0
Accounts receivable	12.0	52.0	61.0	104.4	117.2	120.4
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	647.4	994.5	1,244.0
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	1,109.8	1,370.6	1,623.4
TOTAL ASSETS	3,118.8	4,603.0	6,691.0	6,898.5	6,961.8	7,017.1
SHAREHOLDERS EQUITY	2,637.0	3,714.0	3,932.0	3,991.5	4,071.9	4,122.6
MINORITY INTEREST	0.0	80.0	685.0	685.0	685.0	685.0
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
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	164.9	169.5
Advance payments received on orders	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	38.1	135.0	147.0	147.0	164.9	169.5
TOTAL LIABILITIES AND SHAREHOLDERS EQUITY	3,118.8	4,603.0	6,691.0	6,898.5	6,961.8	7,017.1
Balance sheet (common size)	2021	2022	2023	2024e	2025e	2026e
Intangible assets	1.2%	5.0%	3.4%	3.3%	3.3%	3.3%
Property, plant and equipment	32.4%	34.7%	59.7%	62.2%	58.8%	55.5%
Financial assets	22.0%	21.6%	18.9%	18.4%	18.2%	18.0%
FIXED ASSETS	55.6%	61.3%	82.1%	83.9%	80.3%	76.9%
Inventories	4.9%	2.3%	1.5%	1.4%	0.0%	0.0%
Accounts receivable	0.4%	1.1%	0.9%	1.5%	1.7%	1.7%
Other assets and short-term financial assets	3.4%	1.9%	3.9%	3.8%	3.7%	3.7%
Liquid assets	35.7%	33.4%	11.6%	9.4%	14.3%	17.7%
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%	16.1%	19.7%	23.1%
TOTAL ASSETS	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
SHAREHOLDERS EQUITY	84.5%	80.7%	58.8%	57.9%	58.5%	58.8%
MINORITY INTEREST	0.0%	1.7%	10.2%	9.9%	9.8%	9.8%
Provisions for pensions and similar obligations	0.0%	0.8%	1.7%	1.7%	1.7%	1.6%
Other provisions and accrued liabilities	1.7%	3.1%	2.2%	2.2%	2.1%	2.1%
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%	2.4%	2.4%
Advance payments received on orders	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%	0.9%	0.8%	0.8%
Deferred income	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
CURRENT LIABILITIES	1.2%	2.9%	2.2%	2.1%	2.4%	2.4%
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

Preview / Review - 22.05.2024



Cash flow statement (NOK m)	2021	2022	2023	2024e	2025e	2026e
Net profit/loss	-62.4	122.0	233.0	59.5	80.4	75.0
Depreciation of fixed assets (incl. leases)	12.8	35.0	126.0	186.3	197.5	197.5
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	16.1	184.6	76.3
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	-43.4	-12.7	-3.2
Increase/decrease in accounts payable	12.2	96.9	12.0	0.0	17.9	4.5
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	-43.4	104.2	1.3
Cash flow from operating activities	-79.5	43.0	224.0	202.4	382.1	273.8
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	0.0	0.0	0.0
Cash flow from investing activities	-828.8	379.0	-1,810.0	-482.0	0.0	0.0
Cash flow before financing	-908.4	-336.0	-1,548.0	-279.6	382.1	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	-131.6	347.1	n.a.
Liquid assets at end of period	1,114.9	1,538.0	779.0	647.4	994.5	1,268.2

Key ratios (NOK m)	2021	2022	2023	2024e	2025e	2026e
P&L growth analysis						
Sales growth	867.6%	491.7%	60.1%	25.4%	12.2%	15.3%
EBITDA growth	1092.4%	-606.2%	-946.4%	95.8%	31.6%	142.1%
EBIT growth	1462.2%	-450.3%	-190.6%	-5.7%	301.3%	44.8%
EPS growth	-96.1%	-153.8%	-339.4%	-56.2%	-70.4%	-44.8%
Efficiency						
Sales per employee	2,812.2	7,050.8	7,568.2	9,493.1	21,302.4	21,887.7
EBITDA per employee	-2,485.9	5,118.6	5,977.3	6,720.2	15,726.5	16,613.8
No. employees (average)	12	30	44	44	22	22
Balance sheet analysis						
Avg. working capital / sales	427.0%	36.2%	5.4%	8.3%	0.9%	-10.1%
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	128.5	128.5	128.5
Cash flow analysis						
Free cash flow	-259.0	-10.6	-326.0	-279.6	382.1	273.8
Free cash flow/sales	-736.9%	-5.1%	-97.9%	-66.9%	81.5%	56.9%
FCF / net profit	415.0%	neg.	neg.	neg.	475.1%	365.2%
Capex / sales	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Solvency						
Net debt	-806.2	-1,168.0	825.0	1,104.6	722.5	473.0
Net Debt/EBITDA	0.0	0.0	3.1	3.7	2.1	1.3
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%	2.0%	2.2%	3.0%
ROE	-2.4%	3.2%	6.9%	1.5%	2.0%	1.8%
Adjusted FCF yield	-2.0%	21.3%	3.0%	3.6%	5.7%	7.4%
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	0.20	0.28	0.26
Average number of shares	160.0	253.3	291.4	291.4	291.4	291.4
Valuation ratios						
P/BV	0.9	0.6	0.7	0.7	0.7	0.6
EV/sales	81.5	7.3	10.8	9.3	7.4	6.7
EV/EBITDA	-92.2	10.1	13.7	13.1	10.1	8.9
EV/EBIT	-70.2	13.1	97.1	35.4	23.5	19.3

Source: Company data, NuWays

Disclosures

Disclosures regarding research publications of NuWays AG pursuant to section 85 of the German Securities Trading Act (WpHG)

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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
	16.08.2023	Jouck, Simon	Buy	NOK 22.00	NOK 10.54
	18.07.2023	Jouck, Simon	Buy	NOK 30.00	NOK 11.90
	20.06.2023	Jouck, Simon	Buy	NOK 22.00	NOK 12.84
	06.06.2023	Jouck, Simon	Buy	NOK 21.00	NOK 12.00

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The adj. FCF method is based on the assumption that investors purchase assets only at a price (enterprise value) at which the operating cash flow return after taxes on this investment exceeds their opportunity costs in the form of a hurdle rate of 7.5%. The operating cash flow is calculated as EBITDA less maintenance capex and taxes.

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