

# CR Energy AG

Investment Companies - Germany

**Buy** (old: Buy)

05.10.2023

**EUR 52.00** (old: EUR 52.00)

## Solid H1 as metrics remain strong

**CR Energy released solid H1 figures**, showing strongly increasing dividends from the holding companies but also declining investment income. Here are the key takeaways:

**H1 investments income declined by 23% yoy to € 53.3m** (eNuW: € 55m), mainly due to an increased discount rate, which could not be offset by increasing sales of the holding companies. However, thanks to cost cutting measures bearing fruit, CR Energy was able to sustain its **superior margin profile**, as **EBIT came in at € 52.6m, implying a 98.6% EBIT margin**.

**Dividends from the holding companies strongly increased by 92% yoy to € 14.7m** (eNuW: € 12.5m), which was again driven by the flagship holding Terrabau that contributed € 11.5m. As a result, operating cashflow increased accordingly by 94% yoy to € 12.8m, implying **CFO per share of € 2.80**.

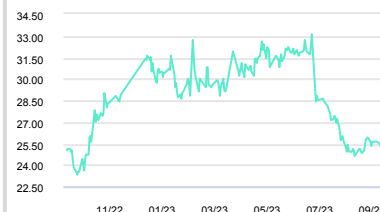
Importantly, CR Energy continues to be one of the major profiteers of the increasing demand for sustainable energy and housing solutions as the holding companies, especially Terrabau and Solartec, are offering smart solutions for **high quality and cost-optimized living space**. In detail:

In contrast to many industry peers, **Terrabau as a general contractor was able to complete and hand over all residential units on schedule**, thanks to cost discipline, stable supplier relationships and strict project management. Currently, eight projects with > 500 units in the Berlin and Leipzig area are in the pipeline and set to be completed until 2025e. Notably, the company was able to fix construction costs for the majority, thus securing stable margins going forward. With this, Terrabau looks set to continue its growth path and contribute towards sustainable growth at CR Energy. **Solartec** designs climate neutral energy supply concepts, combining conventional PV systems and hydrogen technology to allow for 24/7 energy supply. Here, significant synergies are seen to materialize with Terrabau. In recognition of its sustainable strategic alignment, CR Energy was awarded with an ESG rating of "very good" by imug.

On top of this, CR Opportunity, a PE provider for retail investors, looks set to launch its first ELTIF in 2024e with a focus on sustainable real estate and renewables, which should further drive growth.

Remains a **BUY with an unchanged PT of € 52.00** based on DDM.

### Share Performance



High/low 52 weeks (€)	33.10 / 23.30
3m rel. performance	-17.6%
6m rel. performance	-11.3%
12m rel. performance	-17.0%

### Market data

Share price (in €)	25.00
Market cap (in € m)	157.2
Number of shares (in m pcs)	4.5
Enterprise value (in € m)	134.4
Ø trading volume (6 months)	810

### Identifier

Bloomberg	CRZK GR
Reuters	CRZGK
WKN	A2GS62
ISIN	DE000A2GS625

### Key shareholders

MPH Health Care AG	58.6%
Free float	41.4%

### Estimates changes

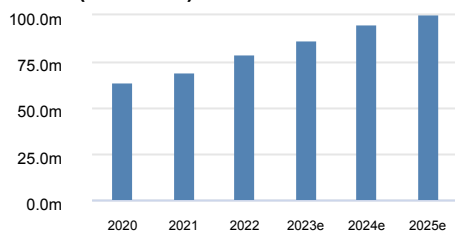
	2023e	2024e	2025e
Sales	0%	0%	0%
EBIT	0%	0%	0%
EPS	0%	0%	0%

### Comment on changes

Y/E 31.12 (EUR m)	2020	2021	2022	2023e	2024e	2025e
Sales	64.5	69.9	79.4	86.5	95.2	99.9
Sales growth	-39.9%	8.2%	13.7%	8.9%	10.0%	5.0%
EBITDA	51.3	66.5	76.3	80.5	87.6	92.4
Net debt (if net cash=0)	-0.8	-1.5	-16.2	-22.8	-30.2	-37.8
FCF	-0.3	14.3	16.6	11.6	12.5	13.1
Net Debt/EBITDA	0.0	0.0	0.0	0.0	0.0	0.0
EPS pro forma	13.65	17.16	16.61	16.82	18.34	19.19
EBITDA margin	79.4%	95.2%	96.1%	93.1%	92.1%	92.5%
ROCE	47.5%	35.5%	31.0%	25.6%	22.3%	19.6%
EV/sales	1.7	1.9	1.8	1.6	1.3	1.2
EV/EBITDA	2.2	2.0	1.8	1.7	1.4	1.3
PER	2.5	2.0	2.1	2.1	1.9	1.8
Adjusted FCF yield	-69.3%	-54.9%	-45.5%	-31.0%	-25.5%	-21.4%

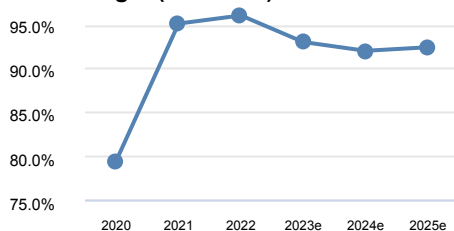
Source: Company data, NuWays, Close price as of 04.10.2023

### Sales (2020-25e)



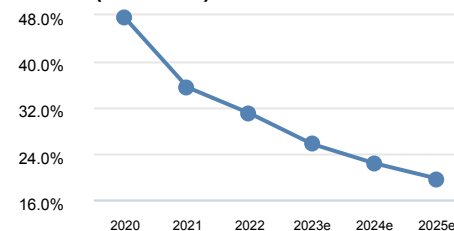
Source: NuWays Research

### EBIT margin (2020-25e)



Source: NuWays Research

### ROCE (2020-25e)



Source: NuWays Research

### Company description

CR Energy is an investment company focused innovative and dynamic growth cases. Hereby, the company acts as a strategic partner of its holding company's.

### Guidance

## Financials

Profit and loss (EUR m)	2020	2021	2022	2023e	2024e	2025e
<b>Net sales</b>	<b>64.5</b>	<b>69.9</b>	<b>79.4</b>	<b>86.5</b>	<b>95.2</b>	<b>99.9</b>
Sales growth	-39.9%	8.2%	13.7%	8.9%	10.0%	5.0%
Increase/decrease in finished goods and work-in-process	0.0	0.0	0.0	0.0	0.0	0.0
<b>Total sales</b>	<b>64.5</b>	<b>69.9</b>	<b>79.4</b>	<b>86.5</b>	<b>95.2</b>	<b>99.9</b>
Other operating income	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Material expenses	0.0	n.a.	n.a.	n.a.	n.a.	n.a.
Personnel expenses	0.8	0.8	0.9	1.6	2.3	2.0
Other operating expenses	12.5	2.5	2.2	4.3	5.2	5.5
<b>Total operating expenses</b>	<b>13.3</b>	<b>3.4</b>	<b>3.1</b>	<b>6.0</b>	<b>7.5</b>	<b>7.5</b>
<b>EBITDA</b>	<b>51.3</b>	<b>66.5</b>	<b>76.3</b>	<b>80.5</b>	<b>87.6</b>	<b>92.4</b>
Depreciation	0.0	0.0	0.0	0.1	0.1	0.1
<b>EBITA</b>	<b>51.3</b>	<b>66.4</b>	<b>76.3</b>	<b>80.4</b>	<b>87.5</b>	<b>92.3</b>
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	0.0	0.0	0.0	0.0
<b>EBIT (inc revaluation net)</b>	<b>51.3</b>	<b>66.4</b>	<b>76.3</b>	<b>80.4</b>	<b>87.5</b>	<b>92.3</b>
Interest income	0.0	0.2	0.1	0.0	0.2	0.2
Interest expenses	0.0	0.2	0.1	0.0	0.0	0.7
Investment income	0.0	0.0	0.0	0.0	0.0	0.0
Financial result	0.0	-0.0	0.0	0.0	0.2	-0.5
<b>Recurring pretax income from continuing operations</b>	<b>51.3</b>	<b>66.4</b>	<b>76.3</b>	<b>80.4</b>	<b>87.7</b>	<b>91.8</b>
Extraordinary income/loss	0.0	0.0	0.0	0.0	0.0	0.0
<b>Earnings before taxes</b>	<b>51.3</b>	<b>66.4</b>	<b>76.3</b>	<b>80.4</b>	<b>87.7</b>	<b>91.8</b>
Income tax expense	0.0	1.0	0.8	4.0	4.4	4.6
<b>Net income from continuing operations</b>	<b>51.3</b>	<b>65.4</b>	<b>75.5</b>	<b>76.4</b>	<b>83.3</b>	<b>87.2</b>
Income from discontinued operations (net of tax)	0.0	0.0	0.0	0.0	0.0	0.0
<b>Net income</b>	<b>51.3</b>	<b>65.4</b>	<b>75.5</b>	<b>76.4</b>	<b>83.3</b>	<b>87.2</b>
Minority interest	0.0	0.0	0.0	0.0	0.0	0.0
<b>Net profit (reported)</b>	<b>51.3</b>	<b>65.4</b>	<b>75.5</b>	<b>76.4</b>	<b>83.3</b>	<b>87.2</b>
Average number of shares	3.7	3.9	4.5	4.5	4.5	4.5
<b>EPS reported</b>	<b>13.69</b>	<b>16.81</b>	<b>16.61</b>	<b>16.82</b>	<b>18.34</b>	<b>19.19</b>

Profit and loss (common size)	2020	2021	2022	2023e	2024e	2025e
<b>Net sales</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>
Sales growth	-39.9%	8.2%	13.7%	8.9%	10.0%	5.0%
Increase/decrease in finished goods and work-in-process	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b>Total sales</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>
Other operating income	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Material expenses	0.0%	n.a.	n.a.	n.a.	n.a.	n.a.
Personnel expenses	1.3%	1.2%	1.2%	1.9%	2.4%	2.0%
Other operating expenses	19.3%	3.6%	2.7%	5.0%	5.5%	5.5%
<b>Total operating expenses</b>	<b>20.6%</b>	<b>4.8%</b>	<b>3.9%</b>	<b>6.9%</b>	<b>7.9%</b>	<b>7.5%</b>
<b>EBITDA</b>	<b>79.4%</b>	<b>95.2%</b>	<b>96.1%</b>	<b>93.1%</b>	<b>92.1%</b>	<b>92.5%</b>
Depreciation	0.0%	0.1%	0.1%	0.1%	0.1%	0.1%
<b>EBITA</b>	<b>79.4%</b>	<b>95.1%</b>	<b>96.0%</b>	<b>93.0%</b>	<b>92.0%</b>	<b>92.4%</b>
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%	0.0%	0.0%	0.0%	0.0%
<b>EBIT (inc revaluation net)</b>	<b>79.4%</b>	<b>95.1%</b>	<b>96.0%</b>	<b>93.0%</b>	<b>92.0%</b>	<b>92.4%</b>
Interest income	0.0%	0.2%	0.2%	0.0%	0.2%	0.2%
Interest expenses	0.0%	0.3%	0.2%	0.0%	0.0%	0.7%
Investment income	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Financial result	0.0%	neg.	0.0%	0.0%	0.2%	neg.
<b>Recurring pretax income from continuing operations</b>	<b>79.4%</b>	<b>95.1%</b>	<b>96.1%</b>	<b>93.0%</b>	<b>92.2%</b>	<b>91.9%</b>
Extraordinary income/loss	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b>Earnings before taxes</b>	<b>79.4%</b>	<b>95.1%</b>	<b>96.1%</b>	<b>93.0%</b>	<b>92.2%</b>	<b>91.9%</b>
Tax rate	0.0%	1.3%	1.5%	5.0%	5.0%	5.0%
<b>Net income from continuing operations</b>	<b>79.4%</b>	<b>93.6%</b>	<b>95.0%</b>	<b>88.4%</b>	<b>87.6%</b>	<b>87.3%</b>
Income from discontinued operations (net of tax)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b>Net income</b>	<b>79.4%</b>	<b>93.6%</b>	<b>95.0%</b>	<b>88.4%</b>	<b>87.6%</b>	<b>87.3%</b>
Minority interest	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b>Net profit (reported)</b>	<b>79.4%</b>	<b>93.6%</b>	<b>95.0%</b>	<b>88.4%</b>	<b>87.6%</b>	<b>87.3%</b>

Source: Company data, NuWays

Balance sheet (EUR m)	2020	2021	2022	2023e	2024e	2025e
Intangible assets	0.0	0.1	0.1	0.1	0.1	0.1
Property, plant and equipment	0.0	0.1	0.1	0.1	0.1	0.1
Financial assets	169.6	245.6	305.2	370.0	441.4	516.3
<b>FIXED ASSETS</b>	<b>169.6</b>	<b>245.7</b>	<b>305.3</b>	<b>370.2</b>	<b>441.5</b>	<b>516.5</b>
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	18.0	0.8	0.5	1.0	1.0	1.0
Liquid assets	0.8	1.5	16.2	22.8	30.2	37.8
Deferred taxes	0.0	0.0	0.0	0.0	5.6	5.6
Deferred charges and prepaid expenses	0.0	0.1	0.0	0.0	0.0	0.0
<b>CURRENT ASSETS</b>	<b>18.9</b>	<b>2.3</b>	<b>16.8</b>	<b>23.8</b>	<b>36.9</b>	<b>44.5</b>
<b>TOTAL ASSETS</b>	<b>188.5</b>	<b>248.0</b>	<b>322.0</b>	<b>394.0</b>	<b>478.4</b>	<b>560.9</b>

<b>SHAREHOLDERS EQUITY</b>	<b>178.0</b>	<b>240.8</b>	<b>314.4</b>	<b>386.2</b>	<b>470.6</b>	<b>553.1</b>
MINORITY INTEREST	0.0	0.0	0.0	0.0	0.0	0.0
Provisions for pensions and similar obligations	0.0	0.1	0.0	0.0	0.0	0.0
Other provisions and accrued liabilities	0.0	0.0	0.2	0.2	0.2	0.2
Short-term liabilities to banks	0.0	0.0	0.0	0.0	0.0	0.0
Accounts payable	0.2	0.1	0.1	0.2	0.2	0.3
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)	10.3	4.6	4.3	4.3	4.3	4.3
Deferred taxes	0.0	2.3	3.1	3.1	3.1	3.1
Deferred income	0.0	0.0	0.0	0.0	0.0	0.0
<b>CURRENT LIABILITIES</b>	<b>10.4</b>	<b>4.8</b>	<b>4.3</b>	<b>4.5</b>	<b>4.5</b>	<b>4.5</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS EQUITY</b>	<b>188.5</b>	<b>248.0</b>	<b>322.0</b>	<b>394.0</b>	<b>478.4</b>	<b>560.9</b>

Balance sheet (common size)	2020	2021	2022	2023e	2024e	2025e
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	90.0%	99.0%	94.8%	93.9%	92.3%	92.0%
<b>FIXED ASSETS</b>	<b>90.0%</b>	<b>99.1%</b>	<b>94.8%</b>	<b>94.0%</b>	<b>92.3%</b>	<b>92.1%</b>
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	9.6%	0.3%	0.2%	0.3%	0.2%	0.2%
Liquid assets	0.4%	0.6%	5.0%	5.8%	6.3%	6.7%
Deferred taxes	0.0%	0.0%	0.0%	0.0%	1.2%	1.0%
Deferred charges and prepaid expenses	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b>CURRENT ASSETS</b>	<b>10.0%</b>	<b>0.9%</b>	<b>5.2%</b>	<b>6.0%</b>	<b>7.7%</b>	<b>7.9%</b>
<b>TOTAL ASSETS</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>

<b>SHAREHOLDERS EQUITY</b>	<b>94.4%</b>	<b>97.1%</b>	<b>97.6%</b>	<b>98.0%</b>	<b>98.4%</b>	<b>98.6%</b>
MINORITY INTEREST	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
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%	0.0%	0.1%	0.0%	0.0%	0.0%
Short-term liabilities to banks	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Accounts payable	0.1%	0.1%	0.0%	0.1%	0.1%	0.0%
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)	5.4%	1.9%	1.3%	1.1%	0.9%	0.8%
Deferred taxes	0.0%	0.9%	1.0%	0.8%	0.7%	0.6%
Deferred income	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b>CURRENT LIABILITIES</b>	<b>5.5%</b>	<b>1.9%</b>	<b>1.3%</b>	<b>1.1%</b>	<b>0.9%</b>	<b>0.8%</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS EQUITY</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>

Source: Company data, NuWays

Cash flow statement (EUR m)	2020	2021	2022	2023e	2024e	2025e
Net profit/loss	51.3	65.4	75.5	76.4	83.3	87.2
Depreciation of fixed assets (incl. leases)	10.2	0.0	0.0	0.1	0.1	0.1
Amortisation of goodwill & intangible assets	0.0	0.0	0.0	0.0	0.0	0.0
Others	0.0	3.1	0.0	6.3	6.4	7.0
Cash flow from operating activities	-10.5	14.4	16.6	11.6	12.5	13.1
Increase/decrease in inventory	-4.5	0.0	0.0	0.0	0.0	0.0
Increase/decrease in accounts receivable	4.1	7.2	0.0	0.0	0.0	0.0
Increase/decrease in accounts payable	0.0	-3.2	0.0	0.1	0.0	0.0
Increase/decrease in other working capital positions	0.0	0.0	-15.0	0.0	0.0	0.0
Increase/decrease in working capital	-0.4	4.0	-15.0	0.1	0.0	0.0
<b>Cash flow from operating activities</b>	<b>-0.2</b>	<b>14.4</b>	<b>16.6</b>	<b>11.7</b>	<b>12.6</b>	<b>13.2</b>
CAPEX	0.0	0.1	0.0	0.1	0.1	0.1
Payments for acquisitions	0.0	0.0	0.0	0.0	0.0	0.0
Financial investments	0.4	-11.1	-0.2	0.0	0.0	0.0
Income from asset disposals	0.0	-0.1	0.0	0.0	0.0	0.0
<b>Cash flow from investing activities</b>	<b>0.4</b>	<b>-11.3</b>	<b>-0.2</b>	<b>-0.1</b>	<b>-0.1</b>	<b>-0.1</b>
Cash flow before financing	-0.7	19.7	15.1	0.3	1.1	0.6
Increase/decrease in debt position	0.0	0.0	0.0	0.0	0.0	0.0
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	5.6	1.7	11.3	11.5	12.5
Others	0.0	3.1	0.0	6.3	6.4	7.0
Effects of exchange rate changes on cash	0.0	0.0	0.0	0.0	0.0	0.0
<b>Cash flow from financing activities</b>	<b>0.0</b>	<b>-2.5</b>	<b>-1.7</b>	<b>-5.0</b>	<b>-5.1</b>	<b>-5.5</b>
Increase/decrease in liquid assets	-0.7	22.8	15.1	6.6	7.5	7.6
<b>Liquid assets at end of period</b>	<b>0.8</b>	<b>1.5</b>	<b>16.2</b>	<b>22.8</b>	<b>30.2</b>	<b>37.8</b>

Key ratios (EUR m)	2020	2021	2022	2023e	2024e	2025e
<b>P&amp;L growth analysis</b>						
Sales growth	-39.9%	8.2%	13.7%	8.9%	10.0%	5.0%
EBITDA growth	341.5%	-27.1%	48.8%	21.1%	14.9%	14.8%
EBIT growth	343.5%	-27.2%	48.8%	21.1%	14.8%	14.8%
EPS growth	544.0%	-31.9%	21.3%	0.1%	10.4%	14.1%
<b>Efficiency</b>						
Sales per employee	3,073.1	3,037.2	3,176.3	3,089.3	n.a.	7,136.3
EBITDA per employee	2,441.2	2,890.8	3,052.1	2,876.1	n.a.	6,601.0
No. employees (average)	21	23	25	28	n.a.	14
<b>Balance sheet analysis</b>						
Avg. working capital / sales	1.0%	2.4%	-0.2%	-0.2%	-0.2%	-0.2%
Inventory turnover (sales/inventory)	n.a.	n.a.	n.a.	n.a.	3.0	3.0
Accounts receivable turnover	0.0	0.0	0.0	0.0	75.0	75.0
Accounts payable turnover	1.0	0.8	1.0	1.0	1.0	1.0
<b>Cash flow analysis</b>						
Free cash flow	-0.3	14.3	16.6	11.6	12.5	13.1
Free cash flow/sales	-0.4%	20.5%	20.9%	13.4%	13.2%	13.1%
FCF / net profit	neg.	21.9%	22.0%	15.2%	15.0%	15.0%
Capex / sales	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
<b>Solvency</b>						
Net debt	-0.8	-1.5	-16.2	-22.8	-30.2	-37.8
Net Debt/EBITDA	0.0	0.0	0.0	0.0	0.0	0.0
Dividend payout ratio	11.0%	15.5%	15.0%	15.0%	15.0%	15.1%
Interest paid / avg. debt	0.0%	5.0%	n.a.	n.a.	n.a.	n.a.
<b>Returns</b>						
ROCE	47.5%	35.5%	31.0%	25.6%	22.3%	19.6%
ROE	28.8%	27.2%	24.0%	19.8%	17.7%	15.8%
Adjusted FCF yield	-69.3%	-54.9%	-45.5%	-31.0%	-25.5%	-21.4%
Dividend yield	4.3%	7.2%	7.2%	7.3%	8.0%	8.4%
DPS	1.5	2.5	2.5	2.5	2.8	2.9
EPS reported	13.69	16.81	16.61	16.82	18.34	19.19
Average number of shares	3.7	3.9	4.5	4.5	4.5	4.5
<b>Valuation ratios</b>						
P/BV	0.7	0.5	0.5	0.4	0.3	0.3
EV/sales	1.7	1.9	1.8	1.6	1.3	1.2
EV/EBITDA	2.2	2.0	1.8	1.7	1.4	1.3
EV/EBIT	2.2	2.0	1.8	1.7	1.5	1.3

Source: Company data, NuWays

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Company	Disclosures
CR Energy AG	2,8

### Historical target price and rating changes for CR Energy AG

Company	Date	Analyst	Rating	Target Price	Close
CR Energy AG	05.12.2022	Sennwald, Philipp	Buy	EUR 62.00	EUR 28.80

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