

12m Results 2024

 Opinion ⁽¹⁾: Below expectations

 Impact ⁽¹⁾: We will have to lower our estimates

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Business description

Clerhp Estructuras (CLR), is a small structural engineering company (vertically integrated). In 2022, it acquired land in the Dominican Republic (DR) to start the Larimar project (construction of c.20,000 apartments and villas, hotels...). Completely changing the company. It would become (from 2025e) essentially a tourism and residential developer in DR. CLR has been listed on BME Growth since March 2016.

Market Data

Market Cap (Mn EUR and USD)	56.2	60.7
EV (Mn EUR and USD) ⁽²⁾	64.4	69.6
Shares Outstanding (Mn)	14.8	
-12m (Max/Med/Min EUR)	5.02 / 4.24 / 3.66	
Daily Avg volume (-12m Mn EUR)	0.11	
Rotation ⁽³⁾	51.6	
Factset / Bloomberg	CLR-ES / CLR SM	
Close fiscal year	31-Dec	

Shareholders Structure (%) ⁽⁵⁾

Romero Family	25.4
Trina World Wide	9.6
Alejandro Clemares Sempere	6.7
Víctor Manuel Rodríguez Martín	6.1
Free Float	47.1

Relative performance (Base 100)

Stock performance (%)

	-1m	-3m	-12m	-5Y
Absolute	-6.9	-13.4	0.8	222.0
vs Ibex 35	-9.4	-26.3	-18.1	65.8
vs Ibex Small Cap Index	-9.3	-24.9	-15.6	68.1
vs Eurostoxx 50	-7.3	-23.2	-7.1	64.7
vs Sector benchmark ⁽⁴⁾	-0.8	-11.5	5.2	270.1

(1) The opinion regarding the results is on reported EBITDA with respect to our estimate for the year (12m). The impact reflects whether, due to the results, we envisage a significant revision (>5% - 10%, depending on the sector) of our EBITDA estimate (for any of the estimated years).

(2) Please refer to Appendix 2.

(3) Rotation is the % of the capitalisation traded - 12m.

(4) vs Stoxx Europe 600 Real State.

(5) Others: Meca Alcázar 5.1%

(*) Unless otherwise indicated, all the information contained in this report is based on: The Company, Factset and Lighthouse.

12m24 results: 17.0% revenue growth, but cost pressure from Larimar continues affecting EBITDA

REVENUE GROWTH TO EUR 17.5 MN (+17.0% VS. 12M23)... CLR has published the unaudited, provisional income statement for the year 2024. CLR closes 2024 with revenues of EUR 17.5 Mn (+17.0% vs. 12m23), including EUR 1.9 Mn of development revenue. The deceleration in revenue growth in the second half of the year (+41% in 1H24 vs. 1H23) is due to the exit of Paraguay from the consolidation perimeter, which is slightly offset by new contracts signed by the Dominican Republic subsidiaries.

The delay in the start of the Atlántida project, initially planned for the last quarter of 2024, means that revenue and other margin items do not meet the planned targets (59% of EBITDA). The first revenues from the Larimar project (a pillar in the equity story) will not be reflected in the P&L until the end of 2025e (revenues are only recognized upon delivery of the property to the client).

COST INCREASE PRESSURES EBITDA (-26.4% VS. 12M23). The gross margin of the construction activity (76.7%) reflects a 2.5 p.p. drop vs. 12m23, due to industry cost increases. 12m24 EBITDA falls to EUR 4.7 Mn (-26.4% vs. 12m23). This negative performance is explained by: i) the increase in overhead costs for the start-up of Larimar, which includes EUR 1.6 Mn of expenses necessary to make sales that cannot be activated, ii) the impact of the impairment of projects with difficult recoverability that have been prudently considered failed until resolution (EUR 2.2 Mn). The engineering and construction EBITDA without extraordinary items (EUR 7.0 Mn) shows a growth of 10.2%. Below EBITDA, we highlight: i) the sale of the Paraguayan subsidiary generates a capital gain of EUR 1.46 Mn, ii) there is an impairment of pending balances for the sale of the Bolivian subsidiary of EUR 1.1 Mn.

BUSINESS PLAN UPDATE. CLR has updated the value of development activity revenues due to an adjustment of project delivery dates, including, among others, delays in deliveries from 2025 to 2026. The new business plan includes revenue estimates of EUR 21.3 Mn for 2025e, EUR 302.7 Mn for 2026e, and EUR 288.2 Mn for 2027e. CLR expects 2025e EBITDA of EUR 6.0 Mn, EUR 78.3 Mn in 2026e, and EUR 68.8 Mn in 2027e. The net profit target for 2025e is EUR 2.3 Mn, EUR 54.4 Mn in 2026e, and EUR 47.5 Mn in 2027e.

FUNDING SEARCH IN 2025. For the development of its business plan, CLR plans to raise long-term debt for an amount of EUR 50 Mn, of which it has raised EUR 6.3 Mn to date and plans to raise the rest during fiscal year 2025. With such fundraising, and the collections from the sale of assets under development in the Larimar project, CLR expects to cover its financial needs.

EVERYTHING PIVOTS ON PRESALES AND DELIVERY START (2025E). The disparity between CLR's balance sheet and the Larimar investment is the big unknown (Larimar requires an investment > EUR 300 Mn in two years). The theoretical value reserve for Larimar is evident, although the uncertainty about obtaining the necessary financing and the execution of the project is very high, as demonstrated by the stock's performance (-12m -18.1% vs. Ibex 35). The potential jump in size is enormous (aspiration to generate c. EUR 324 Mn in revenue in 2025e and 2026e). But credibility is low. The evolution of the presale level (EUR 215.3 Mn accumulated to date, 66.5% of the 2025e-26e revenue target) is key to improving visibility and allowing Larimar to begin discounting its potential.

Clerhp Estructuras (CLR) is a BME Growth company

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Appendix 1. Results table

	12m24	12m23	12m24 vs 12m23	2024e	2024e vs 2024
Total Revenues	17.5	15.0	17.0%	24.5	-28.5%
Gross Margin	13.4	11.9	13.5%	16.9	-20.5%
<i>Gross Margin / Revenue</i>	66.2%	79.2%	-13.0 p.p.	69.0%	-2.8 p.p.
Recurrent EBITDA	2.4	6.3	-61.5%	9.1	-73.0%
<i>Rec. EBITDA/Revenues</i>	22.5%	42.4%	-19.9 p.p.	36.9%	-14.4 p.p.
NP	2.9	0.7	305.1%	5.1	-42.4%

Appendix 2. EV breakdown at the date of this report

	EUR Mn	Source
Market Cap	56.2	
+ Minority Interests	(0.2)	6m Results 2024
+ Provisions & Other L/T Liabilities	0.1	6m Results 2024
+ Net financial debt	10.5	6m Results 2024
- Financial Investments	2.3	6m Results 2024
+/- Others		
Enterprise Value (EV)	64.4	

Appendix 3. Main peers (2024e)

		Real estate and Tourism				Engineering and Construction				
EUR Mn		Metrovacesa	Aedas Homes	Playa Hotels & Resorts	Insur	Average	Strabag	Hochtief	ACS	Average
Market data	Ticker (Factset)	MVC-ES	AEDAS-ES	PLYA-US	ISUR-ES		STR-AT	HOT-DE	ACS-ES	
	Country	Spain	Spain	Netherlands	Spain		Austria	Germany	Spain	
	Market cap	1,468.2	1,184.3	1,578.8	201.6		8,015.5	13,086.6	14,941.6	
	Enterprise value (EV)	1,674.2	1,686.7	2,401.1	403.2		6,525.3	14,485.0	16,256.6	
Basic financial information	Total Revenues	660.2	1,036.9	870.0	166.4		17,466.8	33,301.3	41,633.1	
	Total Revenues growth	12.6%	-9.4%	-3.9%	18.5%	4.5%	-1.1%	20.0%	16.5%	11.8%
	2y CAGR (2024e - 2026e)	1.7%	1.3%	1.7%	0.6%	1.3%	6.3%	5.6%	6.6%	6.1%
	EBITDA	44.9	161.9	220.7	27.0		1,597.8	1,103.0	1,690.6	
	EBITDA growth	265.8%	-7.7%	-7.6%	45.3%	73.9%	69.5%	34.4%	21.7%	41.9%
	2y CAGR (2024e - 2026e)	30.4%	1.4%	7.6%	12.2%	12.9%	0.1%	44.3%	38.6%	27.6%
	EBITDA/Revenues	6.8%	15.6%	25.4%	16.2%	16.0%	9.1%	3.3%	4.1%	5.5%
	EBIT	48.2	165.1	147.9	22.6		1,026.4	509.6	824.4	
	EBIT growth	430.4%	-3.3%	-9.3%	55.2%	118.2%	145.7%	1.7%	-1.7%	48.6%
	2y CAGR (2024e - 2026e)	24.7%	-0.8%	5.0%	13.4%	10.6%	-3.6%	74.4%	59.1%	43.3%
	EBIT/Revenues	7.3%	15.9%	17.0%	13.6%	13.5%	5.9%	1.5%	2.0%	3.1%
	Net Profit	15.9	106.2	68.3	20.6		731.0	775.6	827.6	
	Net Profit growth	176.2%	-2.5%	37.1%	82.3%	73.3%	15.9%	48.4%	6.1%	23.5%
	2y CAGR (2024e - 2026e)	54.4%	0.8%	13.8%	-5.8%	15.8%	-5.2%	0.6%	7.2%	0.9%
CAPEX/Sales %	0.0%	0.5%	10.3%	0.2%	2.7%	4.5%	1.4%	1.6%	2.5%	
Free Cash Flow	n.a.	135.0	15.0	20.4		221.3	1,655.7	2,132.0		
Net financial debt	206.9	315.8	822.3	201.4		(2,057.3)	1,692.3	1,841.9		
ND/EBITDA (x)	4.6	2.0	3.7	7.4	4.4	n.a.	1.5	1.1	1.3	
Pay-out	658.2%	97.2%	0.0%	25.9%	195.3%	31.5%	42.7%	62.3%	45.5%	
Multiples and Ratios	P/E (x)	92.4	11.1	23.4	9.7	34.1	6.2	16.3	17.0	13.2
	P/BV (x)	0.9	1.2	3.4	1.3	1.7	0.9	11.8	3.0	5.2
	EV/Revenues (x)	2.5	1.6	2.8	2.4	2.3	0.4	0.4	0.4	0.4
	EV/EBITDA (x)	37.3	10.4	10.9	14.9	18.4	4.1	13.1	9.6	8.9
	EV/EBIT (x)	34.7	10.2	16.2	17.8	19.7	6.4	28.4	19.7	18.2
	ROE	1.0	10.6	14.2	13.8	9.9	14.9	67.2	16.5	32.9
	FCF Yield (%)	n.a.	11.4	1.0	10.1	7.5	2.8	12.7	14.3	9.9
	DPS	0.69	2.39	0.00	0.29	0.84	2.30	4.40	2.01	2.90
	Dvd Yield	7.1%	8.8%	0.0%	2.7%	4.7%	3.4%	2.6%	3.7%	3.2%

Note 1: Financial data, multiples and ratios based on market consensus (Factset). In the case of the company analyzed, own estimates (Lighthouse).

Note 2: All ratios and multiples on EBITDA refer to total EBITDA (not to recurrent EBITDA).

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26-Mar-2025	n.a.	3.80	n.a.	n.a.	12m Results 2024	Alfredo Echevarría Otegui
05-Nov-2024	n.a.	4.25	n.a.	n.a.	6m Results 2024	José Miguel Cabrera van Grieken
01-Jul-2024	n.a.	4.31	n.a.	n.a.	Estimates downgrade	Enrique Andrés Abad, CFA
27-May-2024	n.a.	4.98	n.a.	n.a.	Small & Micro Caps (Spain)	Alfredo Echevarría Otegui
14-May-2024	n.a.	4.06	n.a.	n.a.	Initiation of Coverage	Enrique Andrés Abad, CFA

