

ABO Wind (AB9 GY) | Utilities/Renewables

March 15, 2023

Firing on all cylinders

With a net profit of EUR 24.6m, the result came in at the upper end of the target range of EUR 20 to 25m, which was raised again in December. The goal of exceeding the EUR 20m threshold in net profit was thus achieved two years earlier than planned at the beginning of last year (2024). The level of over EUR 20 m is to be maintained in the coming years and further increased in the medium term. For 2023, ABO confirms the net profit target of EUR 22 to 26 m formulated in December. Overall, we believe the company is excellently positioned to participate in the global renewables boom. The company confirms the political tailwind. The rule remains: no major wind or PV project without a developer. In Germany alone, the annual addition of wind and PV capacity is to be increased from 10 GW to 32 GW. ABO was able to expand the development pipeline by more than 2 GW in the past twelve months. It is currently working on around 700 projects worldwide. In addition, there are almost 15 GW of hydrogen-related projects.

- Net profit 2022 EUR 24.6m after EUR 13.8m in the previous year.
- Dividend proposal for FY 2022: EUR 0.54 per share.
- Development pipeline further expanded from 18.9 GW to 21.1 GW.
- Valuation: Our pipeline approach results in a target price of EUR 112. We are already applying significant safety margins: we are limiting to the European pipeline and reducing the transaction multiple (EUR 150m/pipeline GW) to 50%.

Fundamentals (in EUR m) ¹	2020	2021	2022	2023e	2024e	2025e
Sales	149	127	232	234	286	302
EBITDA	35	30	57	52	50	56
EBIT	22	22	43	38	37	43
EPS adj. (EUR)	1.42	1.50	2.67	2.66	2.56	2.75
DPS (EUR)	0.45	0.49	0.54	0.55	0.55	0.55
BVPS (EUR)	15.19	16.25	18.44	19.44	20.52	20.52
Net Debt incl. Provisions	7	74	92	78	61	42
Ratios ¹	2020	2021	2022	2023e	2024e	2025e
EV/EBITDA	12.5	19.3	13.6	14.9	14.9	13.1
EV/EBIT	19.4	26.2	18.0	19.9	20.0	17.0
P/E adj.	32.6	37.3	27.8	28.1	29.1	27.2
Dividend yield (%)	1.0	0.9	0.7	0.7	0.7	0.7
EBITDA margin (%)	23.3	24.0	24.6	22.1	17.6	18.5
EBIT margin (%)	15.1	17.7	18.6	16.5	13.1	14.2
Net debt/EBITDA	0.2	2.4	1.6	1.5	1.2	0.7
PBV	3.1	3.4	4.0	3.8	3.6	3.6

¹Sources: Bloomberg, Metzler Research

Buy



unchanged

Price*

EUR 74.60

Price target

EUR 112.00 (unchanged)

* XETRA trading price at the close of the previous day unless stated otherwise in the Disclosures

Market Cap (EUR m) ¹	688
Enterprise Value (EUR m) ¹	766
Free Float (%) ¹	38.0

Price (in EUR)¹



Performance (in %) ¹	1m	3m	12m
Share	-17.8	7.5	33.7
Rel. to SDAX	-16.4	-3.8	41.3
Changes in estimates (in %) ¹	2023e	2024e	2025e
Sales	11.6	36.1	43.2
EBIT	12.7	10.4	-54.0
EPS	3.1	2.7	9.3

Sponsored Research



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company note

FY 2022 result

With a net profit of EUR 24.6m, the result came in at the upper end of the company's target range of EUR 20 to 25m, which was raised again in December.

The goal of exceeding the EUR 20m threshold in net profit was thus achieved two years earlier than planned at the beginning of last year (2024). The level of over EUR 20 m is to be maintained in the coming years and further increased in the medium term.

Nine countries essentially contributed to the Group's turnover in 2022. Germany's share was just under 35 percent. In France and Finland, ABO Wind brought further wind farms to the grid in 2022 and a solar farm in France for the first time. France accounted for 27 percent of sales and Finland just under 13 percent. In Finland, ABO's largest turnkey project to date is currently under construction: the 84 MW wind farm is due to go into operation in 2023.

After Spain with just under twelve percent of sales, Ireland also contributed six percent to the result. In Poland (four percent), ABO Wind 2022 constructed a turnkey wind farm for the first time.

Due to milestone payments from project sales, South Africa also contributed significantly to sales for the first time in 2022 (two percent). In addition, the United Kingdom and Canada together accounted for two percent of sales. ABO Wind generated minor sales in a further six countries (together less than one percent).

Outlook

For the years 2023 to 2025, ABO expects annual new business in the order of at least 2 GW.

With regard to completed project developments from the existing pipeline, ABO expects an average volume of 150 to 350 MW per year in the years 2023 to 2025. The sale of project rights and portfolios should be in the range of or above the completed project developments.

In terms of completed construction services, ABO expects up to 250 MW per year for the years 2023 to 2025, distributed mainly among projects in Europe. Individual large-scale projects could also shift this figure significantly upwards in the period mentioned.

The ongoing supply chain issue may affect the periodic allocation of project realisations in individual cases and thus lead to shifts in earnings in subsequent years.

For 2023, ABO expects a further double-digit percentage increase in total output compared to the previous year in view of numerous projects ready for construction and the positive dynamics in many country markets. For 2023, as already communicated on 1 December 2022, the ABO management expects to achieve a net profit of between EUR 22 and 26 m.

Pipeline-update

ABO was able to expand the development pipeline by more than 2 GW to 21 GW in the past twelve months.

company note

Pipeline (March 2022)

Country	Phase I (Areas secured, approval in progress)	Phase II (Approval achieved, building maturity in progress)	Phase III (In implementation)
Germany	1700	100	100
France	1380	60	60
Finland	4870	0	130
Ireland	330	40	30
Spain	1000	400	100
Greece	760	40	50
Poland	380	0	20
Hungary	75	25	0
UK	315	35	50
Netherlands	90	0	0
Total Europe	10900	700	540
Argentina	750	950	0
Columbia	500	100	0
Canada	300	500	0
Southafrica	2600	1000	0
Tansania	50	0	0
Tunesia	0	20	0
Total by phase	15100	3270	540
TOTAL		12140	
TOTAL		18910	

Sources: ABO Wind, Metzler Research

Pipeline update from March 2023

Country	Phase I (Areas secured, approval in progress)	Phase II (Approval achieved, building maturity in progress)	Phase III (In implementation)
Germany	2390	300	110
France	1375	150	75
Finland	5380	0	120
Ireland	400	145	20
Spain	950	150	0
Greece	200	700	50
Poland	485	15	0
Hungary	120	10	20
UK	533	17	0
Netherlands	50	0	0
Total Europe	11863	1487	395
Argentina	1050	700	0
Columbia	410	50	20
Canada	600	0	0
Southafrica	2400	2000	0
Tansania	50	0	0
Tunesia	40	10	0
Total by phase	16433	4247	415
Total Europe		13765	
TOTAL		21095	

Sources: ABO Wind, Metzler Research

company note

Key Data

Company profile

CEO: Dr. Karsten Schlageter (Spokesman), Dr. Jochen Ahn, Matthias Bockholt, Matthias Hollmann, Susanne von Mutius, Alexander Reinicke CFO: Wiesbaden
 The renewables project developer ABO Wind, founded in 1996 and now active in 16 countries, has its roots in wind power, but in recent years has also expanded its wind farm management activities through services such as maintenance and expert reports (since 2014) and the construction of solar parks (since 2016).

Major shareholders

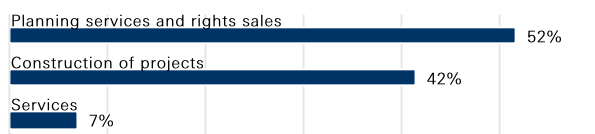
Family Ahn (26%), Family Bockholt (26%), Mainova AG (10%)

Key figures

P&L (in EUR m)	2020	%	2021	%	2022	%	2023e	%	2024e	%	2025e	%
Sales	149	18.1	127	-14.8	232	82.3	234	0.8	286	22.7	302	5.4
EBITDA	35	26.9	30	-12.3	57	87.0	52	-9.7	50	-2.1	56	10.7
EBITDA margin (%)	23.3	7.4	24.0	2.9	24.6	2.6	22.1	-10.4	17.6	-20.2	18.5	5.1
EBIT	22	15.7	22	0.0	43	92.2	38	-10.8	37	-2.8	43	14.5
EBIT margin (%)	15.1	-2.1	17.7	17.3	18.6	5.5	16.5	-11.5	13.1	-20.8	14.2	8.6
Financial result	-2	-11.7	-1	15.3	-5	-228.9	-3	38.6	-3	0.0	-4	-16.7
EBT	21	16.0	21	1.3	38	82.6	36	-7.2	34	-3.1	39	14.3
Taxes	8	13.8	7	-5.8	14	91.0	11	-19.5	11	-1.8	14	29.6
Tax rate (%)	36.7	n.a.	34.1	n.a.	35.7	n.a.	31.0	n.a.	31.4	n.a.	35.6	n.a.
Net income	13	15.0	14	5.3	25	78.2	24	-0.4	24	-3.6	25	7.3
Minority interests	-0	-200.0	0	100.0	0	n.a.	0	n.a.	0	n.a.	0	n.a.
Net Income after minorities	13	15.0	14	5.3	25	78.2	24	-0.4	24	-3.6	25	7.3
Number of shares outstanding (m)	9	14.2	9	0.0	9	0.0	9	0.0	9	0.0	9	0.0
EPS adj. (EUR)	1.42	0.6	1.50	5.3	2.67	78.2	2.66	-0.4	2.56	-3.6	2.75	7.3
DPS (EUR)	0.45	7.1	0.49	8.9	0.54	10.2	0.55	1.9	0.55	0.0	0.55	0.0
Dividend yield (%)	1.0	n.a.	0.9	n.a.	0.7	n.a.	0.7	n.a.	0.7	n.a.	0.7	n.a.
Cash Flow (in EUR m)	2020	%	2021	%	2022	%	2023e	%	2024e	%	2025e	%
Gross Cash Flow	42	122.4	20	-52.4	70	244.1	38	-46.0	37	-2.4	38	4.7
Increase in working capital	27	n.a.	-67	n.a.	-83	n.a.	-15	n.a.	-10	n.a.	-10	n.a.
Capital expenditures	4	20.0	4	11.1	2	-42.3	4	73.2	4	0.0	4	0.0
D+A/Capex (%)	341.7	n.a.	200.8	n.a.	599.4	n.a.	325.0	n.a.	325.0	n.a.	325.0	n.a.
Free cash flow (Metzler definition)	66	n.m.	-51	-177.7	-16	68.5	18	214.8	23	22.3	24	7.6
Free cash flow yield (%)	15.4	n.a.	-10.0	n.a.	-2.4	n.a.	2.7	n.a.	3.3	n.a.	3.5	n.a.
Dividend paid	4	14.2	4	7.1	5	8.9	5	10.2	5	1.9	5	0.0
Free cash flow (post dividend)	62	n.m.	-55	-189.3	-21	62.7	14	165.5	18	29.8	19	9.8
Balance sheet (in EUR m)	2020	%	2021	%	2022	%	2023e	%	2024e	%	2025e	%
Assets	261	3.7	310	19.0	463	49.4	418	-9.7	425	1.7	425	0.0
Goodwill	0	n.a.	0	n.a.	0	n.a.	0	n.a.	0	n.a.	0	n.a.
Shareholders' equity	140	35.3	150	7.0	170	13.5	179	5.4	189	5.6	189	0.0
Equity/total assets (%)	56.2	n.a.	50.5	n.a.	37.8	n.a.	43.9	n.a.	45.7	n.a.	45.7	n.a.
Net Debt incl. Provisions	7	-89.2	74	892.2	92	24.3	78	-14.7	61	-22.4	42	-31.6
thereof pension provisions	0	n.a.	0	n.a.	0	n.a.	0	n.a.	0	n.a.	0	n.a.
Gearing (%)	5.3	n.a.	49.4	n.a.	54.1	n.a.	43.8	n.a.	32.2	n.a.	22.0	n.a.
Net debt/EBITDA	0.2	n.a.	2.4	n.a.	1.6	n.a.	1.5	n.a.	1.2	n.a.	0.7	n.a.

Structure

Sales by area of activity 2022



Sources: Bloomberg, Metzler Research

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Recommendations for each financial instrument or issuer - mentioned in this document - published by Metzler in the past twelve months

Date of dissemination	Metzler recommendation *		Current price **	Price target *	Author ***
	Previous	Current			
Issuer/Financial Instrument (ISIN): ABO Wind (DE0005760029)					
26.01.2023	Buy	Buy	83.00 EUR	112.00 EUR	Hoymann, Guido
01.12.2022	Buy	Buy	60.60 EUR	112.00 EUR	Hoymann, Guido
15.09.2022	Buy	Buy	57.60 EUR	106.00 EUR	Hoymann, Guido
01.09.2022	Buy	Buy	60.00 EUR	106.00 EUR	Hoymann, Guido
18.03.2022	Buy	Buy	59.00 EUR	95.00 EUR	Hoymann, Guido

* Effective until the price target and/or investment recommendation is updated (FI/FX recommendations are valid solely at the time of publication)

** XETRA trading price at the close of the previous day unless stated otherwise herein

*** All authors are financial analysts

ABO Wind

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