

## ABO Wind (AB9 GY) | Utilities/Renewables

June 14, 2023

### How to best tap the growth potential?

In connection with the recently announced consideration of the conversion of the company from an AG into a KGaA, ABO has published information on motivation, details and the financial framework. In the future, the company would like to increasingly use equity to finance its strong growth. But only under the conditions that the founder leadership remains intact; the founding families do not see any possibility to participate in capital increases. The board sees founder leadership as a competitive advantage in attracting employees, communities or banks. In our opinion, the growth opportunities are undisputed in view of the company's very large project pipeline and the political and public tailwind. ABO expects an average annual capital requirement of around EUR 25 m over the next few years. It considers a doubling of net income to around EUR 50 m by 2027 to be achievable if the general conditions continue to develop positively. ABO is open to an (up-)listing of the share on the regulated market as well as the determination of a minimum share quota which, if not met, would result in the loss of the general partner's powers.

- The consultations between the shareholders and the management are to be continued in the coming months. The conversion is targeted for in around 6 months.
- In May, ABO has already achieved as many installations in Germany as in the last 10 years on average for the entire year. And ABO Wind still has about 200 MW capacity under implementation in Germany. Our estimates are likely to prove too cautious. We are raising them for 2023. For the following years, we are waiting for the final decision regarding the choice of legal form.

Fundamentals (in EUR m) <sup>1</sup>	2020	2021	2022	2023e	2024e	2025e
Sales	149	127	232	234	286	302
EBITDA	35	30	57	52	50	56
EBIT	22	22	43	40	37	43
EPS adj. (EUR)	1.42	1.50	2.67	2.77	2.53	2.76
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	77	60	41
Ratios <sup>1</sup>	2020	2021	2022	2023e	2024e	2025e
EV/EBITDA	12.5	19.3	13.6	12.2	12.4	10.8
EV/EBIT	19.4	26.2	18.0	16.2	16.8	14.0
P/E adj.	32.6	37.3	27.8	22.1	24.1	22.1
Dividend yield (%)	1.0	0.9	0.7	0.9	0.9	0.9
EBITDA margin (%)	23.3	24.0	24.6	22.4	17.5	18.5
EBIT margin (%)	15.1	17.7	18.6	16.8	13.0	14.2
Net debt/EBITDA	0.2	2.4	1.6	1.5	1.2	0.7
PBV	3.1	3.4	4.0	3.1	3.0	3.0

<sup>1</sup>Sources: Bloomberg, Metzler Research

**Buy**



**unchanged**

**Price\***

**EUR 61.00**

**Price target**

**EUR 113.00 (112.00)**

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

Market Cap (EUR m) <sup>1</sup>	562
Enterprise Value (EUR m) <sup>1</sup>	640
Free Float (%) <sup>1</sup>	38.0

Price (in EUR)<sup>1</sup>



Performance (in %) <sup>1</sup>	1m	3m	12m
Share	-11.6	-18.2	13.4
Rel. to SDAX	-12.0	-20.5	2.3

Changes in estimates (in %) <sup>1</sup>	2023e	2024e	2025e
Sales	0.4	-0.1	0.0
EBIT	2.6	-0.8	0.3
EPS	4.1	-1.3	0.5

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# 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	%
<b>Sales</b>	<b>149</b>	<b>18.1</b>	<b>127</b>	<b>-14.8</b>	<b>232</b>	<b>82.3</b>	<b>234</b>	<b>1.2</b>	<b>286</b>	<b>22.0</b>	<b>302</b>	<b>5.5</b>
<b>EBITDA</b>	<b>35</b>	<b>26.9</b>	<b>30</b>	<b>-12.3</b>	<b>57</b>	<b>87.0</b>	<b>52</b>	<b>-7.9</b>	<b>50</b>	<b>-4.5</b>	<b>56</b>	<b>11.7</b>
EBITDA margin (%)	23.3	7.4	24.0	2.9	24.6	2.6	22.4	-9.0	17.5	-21.8	18.5	5.8
<b>EBIT</b>	<b>22</b>	<b>15.7</b>	<b>22</b>	<b>0.0</b>	<b>43</b>	<b>92.2</b>	<b>40</b>	<b>-8.5</b>	<b>37</b>	<b>-6.0</b>	<b>43</b>	<b>15.7</b>
EBIT margin (%)	15.1	-2.1	17.7	17.3	18.6	5.5	16.8	-9.6	13.0	-23.0	14.2	9.7
<b>Financial result</b>	<b>-2</b>	<b>-11.7</b>	<b>-1</b>	<b>15.3</b>	<b>-5</b>	<b>-228.9</b>	<b>-3</b>	<b>38.6</b>	<b>-3</b>	<b>0.0</b>	<b>-4</b>	<b>-16.7</b>
<b>EBT</b>	<b>21</b>	<b>16.0</b>	<b>21</b>	<b>1.3</b>	<b>38</b>	<b>82.6</b>	<b>36</b>	<b>-4.6</b>	<b>34</b>	<b>-6.5</b>	<b>39</b>	<b>15.7</b>
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.	30.1	n.a.	31.7	n.a.	35.5	n.a.
Net income	13	15.0	14	5.3	25	78.2	26	3.6	23	-8.6	25	9.2
Minority interests	-0	-200.0	0	100.0	0	n.a.	0	n.a.	0	n.a.	0	n.a.
<b>Net Income after minorities</b>	<b>13</b>	<b>15.0</b>	<b>14</b>	<b>5.3</b>	<b>25</b>	<b>78.2</b>	<b>26</b>	<b>3.6</b>	<b>23</b>	<b>-8.6</b>	<b>25</b>	<b>9.2</b>
Number of shares outstanding (m)	9	14.2	9	0.0	9	0.0	9	0.0	9	0.0	9	0.0
<b>EPS adj. (EUR)</b>	<b>1.42</b>	<b>0.6</b>	<b>1.50</b>	<b>5.3</b>	<b>2.67</b>	<b>78.2</b>	<b>2.77</b>	<b>3.6</b>	<b>2.53</b>	<b>-8.6</b>	<b>2.76</b>	<b>9.2</b>
<b>DPS (EUR)</b>	<b>0.45</b>	<b>7.1</b>	<b>0.49</b>	<b>8.9</b>	<b>0.54</b>	<b>10.2</b>	<b>0.55</b>	<b>1.9</b>	<b>0.55</b>	<b>0.0</b>	<b>0.55</b>	<b>0.0</b>
Dividend yield (%)	1.0	n.a.	0.9	n.a.	0.7	n.a.	0.9	n.a.	0.9	n.a.	0.9	n.a.
<b>Cash Flow (in EUR m)</b>	<b>2020</b>	<b>%</b>	<b>2021</b>	<b>%</b>	<b>2022</b>	<b>%</b>	<b>2023e</b>	<b>%</b>	<b>2024e</b>	<b>%</b>	<b>2025e</b>	<b>%</b>
<b>Gross Cash Flow</b>	<b>42</b>	<b>122.4</b>	<b>20</b>	<b>-52.4</b>	<b>70</b>	<b>244.1</b>	<b>38</b>	<b>-44.6</b>	<b>36</b>	<b>-5.7</b>	<b>38</b>	<b>5.9</b>
<b>Increase in working capital</b>	<b>27</b>	<b>n.a.</b>	<b>-67</b>	<b>n.a.</b>	<b>-83</b>	<b>n.a.</b>	<b>-15</b>	<b>n.a.</b>	<b>-10</b>	<b>n.a.</b>	<b>-10</b>	<b>n.a.</b>
<b>Capital expenditures</b>	<b>4</b>	<b>20.0</b>	<b>4</b>	<b>11.1</b>	<b>2</b>	<b>-42.3</b>	<b>4</b>	<b>73.2</b>	<b>4</b>	<b>0.0</b>	<b>4</b>	<b>0.0</b>
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.
<b>Free cash flow (Metzler definition)</b>	<b>66</b>	<b>n.m.</b>	<b>-51</b>	<b>-177.7</b>	<b>-16</b>	<b>68.5</b>	<b>20</b>	<b>221.0</b>	<b>22</b>	<b>14.4</b>	<b>24</b>	<b>9.6</b>
Free cash flow yield (%)	15.4	n.a.	-10.0	n.a.	-2.4	n.a.	3.5	n.a.	4.0	n.a.	4.3	n.a.
Dividend paid	4	14.2	4	7.1	5	8.9	5	10.2	5	1.9	5	0.0
<b>Free cash flow (post dividend)</b>	<b>62</b>	<b>n.m.</b>	<b>-55</b>	<b>-189.3</b>	<b>-21</b>	<b>62.7</b>	<b>15</b>	<b>170.4</b>	<b>17</b>	<b>18.8</b>	<b>19</b>	<b>12.4</b>
<b>Balance sheet (in EUR m)</b>	<b>2020</b>	<b>%</b>	<b>2021</b>	<b>%</b>	<b>2022</b>	<b>%</b>	<b>2023e</b>	<b>%</b>	<b>2024e</b>	<b>%</b>	<b>2025e</b>	<b>%</b>
<b>Assets</b>	<b>261</b>	<b>3.7</b>	<b>310</b>	<b>19.0</b>	<b>463</b>	<b>49.4</b>	<b>418</b>	<b>-9.7</b>	<b>425</b>	<b>1.7</b>	<b>425</b>	<b>0.0</b>
<b>Goodwill</b>	<b>0</b>	<b>n.a.</b>	<b>0</b>	<b>n.a.</b>	<b>0</b>	<b>n.a.</b>	<b>0</b>	<b>n.a.</b>	<b>0</b>	<b>n.a.</b>	<b>0</b>	<b>n.a.</b>
<b>Shareholders' equity</b>	<b>140</b>	<b>35.3</b>	<b>150</b>	<b>7.0</b>	<b>170</b>	<b>13.5</b>	<b>179</b>	<b>5.4</b>	<b>189</b>	<b>5.6</b>	<b>189</b>	<b>0.0</b>
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.
<b>Net Debt incl. Provisions</b>	<b>7</b>	<b>-89.2</b>	<b>74</b>	<b>892.2</b>	<b>92</b>	<b>24.3</b>	<b>77</b>	<b>-15.8</b>	<b>60</b>	<b>-22.3</b>	<b>41</b>	<b>-32.2</b>
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.	43.2	n.a.	31.8	n.a.	21.6	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

# company note

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### Recommendation history

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			
<b>Issuer/Financial Instrument (ISIN): ABO Wind (DE0005760029)</b>					
15.03.2023	Buy	Buy	74.60 EUR	112.00 EUR	Hoymann, Guido
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

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

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\*\*\* All authors are financial analysts

### ABO Wind

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# company note

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	Stephan Bauer	Industrial Technology	4363
	Tom Diedrich	Media, Retail	239
	Oliver Frey	Software, Technology, Telecommunications	4360
	Alexander Neuberger	Industrial Technology, Small/Mid Caps	4366
	Jochen Schmitt	Financials, Real Estate	4359
	Thomas Schulte-Vorwick	Basic Resources	234
	Pál Skirta	Mobility	525
	Jürgen Pieper	Mobility, Senior Advisor	529
	Uwe Hohmann	Equity Strategy	366
	Eugen Keller	Head of FI/FX Research	329
	Juliane Rack	FI/FX Strategy	1748
	Sebastian Sachs	FI/FX Strategy	526
	Stoyan Toshev	FI/FX Strategy	528
Equities	Mustafa Ansary	Head of Equities	351
		Head of Equity Sales	
Sales	Eugenia Buchmüller		238
	Hugues Jaouen		4173
	Alexander Kravkov		4172
	Jasmina Schul		1766
	Markus Tozman		4174
Trading	Sven Knauer	Head of Equity Trading	245
	Kirsten Fleer		246
	Stephan Schmelzle		247
	Thomas Seibert		228
Corporate Solutions	Dr. Karsten Iltgen	Head of Corporate Solutions	510
	Stephan Averdung		514
	Thomas Burkart		511
	Christoph Hirth		513

# company note

	Adrian Takacs		512
Fixed Income (FI)	Sebastian Luther	Head of Fixed Income	688
FI Sales	Minush Nori	Head of Fixed Income Sales	689
	Silke Amelung		289
	Claudia Ruiu		683
	Simon Tabath		280
FI Trading/ALM	Burkhard Brod	Head of ALM	659
	Bettina Koch		291
	Susanne Kraus		658
	Christian Bernhard	Head of Fixed Income Trading	266
	Dirk Lagler		685
Foreign Exchange (FX)	Özgür Atasever	Head of Foreign Exchange	281
FX Sales	Tobias Martin	Head of FX Sales & Trading	614
	Steffen Völker		293
FX Trading	Rainer Jäger		276
	Andreas Zellmann		610
Currency Management	Dominik Müller	Head of Currency Management	274
CM Advisory	Achim Walde	Head of Advisory	275
	Jens Rotterdam		282
CM Operations	Simon Wesch	Head of Operations	350
	Tessa Feller		1696
	Florian Konz		1773
	Sergii Piskun	Senior Quantitative Analyst	237