

# ABO Wind AG

Deutschland / Cleantech  
 Börse München  
 Bloomberg: AB9 GR  
 ISIN: DE0005760029

Update

<b>RATING</b>	<b>BUY</b>
<b>PRICE TARGET</b>	<b>€ 110.00</b>
Return Potential	120.9%
Risk Rating	High

## NET PROFIT EXCEEDS GUIDANCE

ABO Wind achieved a preliminary net profit of €27.3m in 2023, exceeding guidance of €22m - €26m. After the excellent 2022 net result of €24.6m, the company again achieved a record result, which beat the prior year figure by 11%. Our net profit forecast of €24.0m was also topped by 14%. For 2024, the company is guiding towards a net profit of €25m to €31m. We have slightly increased our forecasts for 2024 and the subsequent years to reflect regulatory improvements in the wind and solar sector in Germany and the EU as well as the sharp drop in solar module prices. Both should boost ABO Wind's business. An updated DCF model yields a slightly higher price target of €110 (previously: €106). We reiterate our Buy recommendation.

**Another record result** According to preliminary figures, ABO Wind's net result of €27.3m was 11% higher than the previous year comp of €24.6m. The company thus exceeded guidance (€22m - €26m) and our forecast of €24.0m and once again demonstrated its operating strength.

**We expect further growth in 2024** ABO Wind already published net profit guidance for 2024 at the end of November 2023. The company plans to generate a net profit of between €25m and €31m. We expect the bottom line to be in the upper half of the range.

**Successful in German PV tender** ABO Wind secured tariffs for four solar parks with a total capacity of almost 50 MW in the tender for ground-mounted PV systems in December 2023. The company achieved this success despite a very high oversubscription of the tendered volume. Of the 5,485 MW offered, only 1,613 MW (29%) were awarded. The volume-weighted average award value was 5.17 €/Ct/kWh and thus significantly below the fixed maximum price of 7.37 €/Ct/kWh. The awards for the ABO Wind projects are proof of the company's competitiveness in the PV sector as well.

(p.t.o.)

## FINANCIAL HISTORY & PROJECTIONS

	2020	2021	2022	2023E	2024E	2025E
Revenue (€m)	149.16	127.11	231.66	271.25	308.13	347.57
Y-o-y growth	18.1%	-14.8%	82.3%	17.1%	13.6%	12.8%
EBIT (€m)	22.46	22.45	43.12	46.97	49.39	53.62
EBIT margin	15.1%	17.7%	18.6%	17.3%	16.0%	15.4%
Net income (€m)	13.12	13.80	24.59	27.27	28.21	32.07
EPS (diluted) (€)	1.54	1.50	2.67	2.96	3.06	3.48
DPS (€)	0.45	0.49	0.54	0.54	0.62	0.66
FCF (€m)	40.53	-54.05	-19.10	3.10	8.48	14.07
Net gearing	5.3%	45.0%	55.0%	52.9%	49.1%	43.6%
Liquid assets (€m)	52.80	18.47	87.08	80.60	99.82	106.37

## RISKS

Main risks are project development, supply chain, financing, interest rate, and regulation.

## COMPANY PROFILE

ABO Wind is a project developer for renewable energies and has developed green power and storage projects with a total capacity of ca. 5 GW since its establishment in 1996. The company also offers the management of wind farms, solar plants and storages. ABO Wind has ca. 1,100 employees. Its headquarters are in Wiesbaden, Germany.

## MARKET DATA

As of 19 Feb 2024

Closing Price	€ 49.80
Shares outstanding	9.22m
Market Capitalisation	€ 459.21m
52-week Range	€ 39.70 / 88.80
Avg. Volume (12 Months)	3,431

Multiples	2022	2023E	2024E
P/E	18.7	16.8	16.3
EV/Sales	2.3	1.9	1.7
EV/EBIT	12.2	11.2	10.7
Div. Yield	1.1%	1.1%	1.2%

## STOCK OVERVIEW



## COMPANY DATA

As of 30 Jun 2023

Liquid Assets	€ 34.99m
Current Assets	€ 441.17m
Intangible Assets	€ 1.13m
Total Assets	€ 460.62m
Current Liabilities	€ 33.64m
Shareholders' Equity	€ 173.97m

## SHAREHOLDERS

Familie Ahn	26.0%
Familie Bockholt	26.0%
Mainova	10.0%
Free Float	38.0%



**Drop in prices for solar modules enables ABO Wind to purchase more favourably** In January 2024, prices for solar modules were roughly 50% lower than in the same month of the previous year, according to the price index of the PV wholesaler pvxchange. The more favourable purchase prices reduce the overall costs of ABO Wind's PV projects, making solar power cheaper and thus increase the competitiveness of the technology.

**German solar market with record new installations** According to the German Federal Network Agency, 14.1 GW of photovoltaics were added in 2023. This means that new installations have almost doubled after 7.5 GW in 2022. The German government plans to have the Solar Package I passed by the Bundestag soon. The law is intended to simplify the installation of PV systems and aims to increase annual new installations to 22 GW p.a. by 2026.

**The German onshore wind market is gaining strength again** In 2023, onshore wind farms with a total capacity of 3,567 MW were added in Germany, according to the status report of Deutsche Windguard. This is an increase of 48% compared to the prior year. In the onshore wind tenders, 6,399 MW were awarded compared to 3,225 MW in 2022 (+98%). The tender volume for 2024 is 10,000 MW. Approvals rose by 73% to 7,504 MW in 2023 from 4,341 MW in 2022. The German Wind Energy Association (BWE) expects an increase in new installations of between 3,600 and 4,100 MW in 2024. We believe that the upper end of this range is much more likely than the lower end. The improved regulatory environment is reflected in approvals, tendered volumes and installations. The higher approval and tender volumes will lead to higher installation volumes in 2024 and in the coming years. ABO Wind will certainly benefit from this development.

**Forecasts for 2024 and the following years slightly raised** Following the strong preliminary 2023 net result and the already implemented regulatory improvements in the wind energy sector, we have slightly increased our forecasts for 2024 and the following years. We now expect a net profit of €28.2m in 2024.

**Figure 1: Revisions to forecasts**

All figures in €m	2023E			2024E			2025E		
	Old	New	Delta	Old	New	Delta	Old	New	Delta
Sales	267.2	271.2	2%	304.1	308.1	1%	343.1	347.6	1%
EBIT	42.0	47.0	12%	47.8	49.4	3%	52.2	53.6	3%
margin	15.7%	17.3%		15.7%	16.0%		15.2%	15.4%	
Net income	24.0	27.3	14%	27.2	28.2	4%	31.1	32.1	3%
margin	9.0%	10.1%		8.9%	9.2%		9.1%	9.2%	
EPS (diluted) in €	2.60	2.96	14%	2.95	3.06	4%	3.37	3.48	3%

Source: First Berlin Equity Research

**Buy rating confirmed at slightly higher price target** An updated DCF model, which takes the raised estimates into account, yields a new price target of €110 (previously: €106). We reiterate our Buy recommendation.



## VALUATION MODEL

DCF valuation model								
All figures in EUR '000	2023E	2024E	2025E	2026E	2027E	2028E	2029E	2030E
<b>Net sales</b>	<b>271,249</b>	<b>308,129</b>	<b>347,570</b>	<b>389,278</b>	<b>467,133</b>	<b>515,970</b>	<b>565,925</b>	<b>616,344</b>
<b>NOPLAT</b>	<b>33,533</b>	<b>35,499</b>	<b>39,877</b>	<b>46,344</b>	<b>55,224</b>	<b>59,748</b>	<b>64,847</b>	<b>69,140</b>
+ depreciation & amortisation	3,378	2,498	2,961	3,437	3,944	4,574	5,198	5,815
Net operating cash flow	36,911	37,997	42,839	49,780	59,168	64,322	70,046	74,955
- total investments (CAPEX and WC)	-33,811	-29,513	-28,765	-32,065	-53,226	-35,917	-36,958	-37,571
Capital expenditures	-3,797	-4,314	-4,866	-5,450	-6,434	-6,989	-7,537	-8,069
Working capital	-30,013	-25,199	-23,899	-26,615	-46,792	-28,928	-29,421	-29,502
Free cash flows (FCF)	3,100	8,484	14,074	17,715	5,942	28,405	33,088	37,385
<b>PV of FCF's</b>	<b>3,100</b>	<b>8,005</b>	<b>12,413</b>	<b>14,608</b>	<b>4,581</b>	<b>20,467</b>	<b>22,288</b>	<b>23,543</b>

All figures in thousands		
PV of FCFs in explicit period (2023E-2037E)	293,390	
PV of FCFs in terminal period	812,395	
Enterprise value (EV)	1,105,785	Terminal growth
+ Net cash / - net debt	-93,505	Terminal EBIT margin
+ Investments / minority interests	36	
Shareholder value	1,012,316	
Number of shares (diluted)	9,221	
<b>Fair value per share in EUR</b>	<b>109.79</b>	

WACC		Terminal growth rate						
		2.0%	2.5%	3.0%	3.5%	4.0%	4.5%	5.0%
5.5%	Cost of equity	142.57	158.51	180.91	214.71	271.55	387.19	750.62
6.0%	Pre-tax cost of debt	119.92	130.71	145.14	165.41	195.99	247.41	352.04
6.5%	Tax rate	102.49	110.06	119.81	132.85	151.17	178.82	225.31
7.0%	After-tax cost of debt	88.68	94.14	100.98	<b>109.79</b>	121.56	138.11	163.07
7.5%	Share of equity capital	77.51	81.53	86.46	92.62	100.57	111.19	126.12
8.0%	Share of debt capital	68.29	71.31	74.94	79.37	84.93	92.08	101.65
8.5%	Price target in EUR	60.58	62.88	65.59	68.85	72.84	77.84	84.28

\* for layout purposes the model shows numbers only to 2030, but runs until 2037



## INCOME STATEMENT

All figures in EUR '000	2020A	2021A	2022A	2023E	2024E	2025E
<b>Revenues</b>	<b>149,155</b>	<b>127,109</b>	<b>231,658</b>	<b>271,249</b>	<b>308,129</b>	<b>347,570</b>
Changes in inventory	20,206	60,346	76,434	75,950	83,195	89,325
Own work	0	0	0	0	0	0
<b>Total output</b>	<b>169,361</b>	<b>187,455</b>	<b>308,092</b>	<b>347,199</b>	<b>391,324</b>	<b>436,895</b>
Cost of goods sold	72,592	78,280	148,807	172,786	200,900	231,134
<b>Gross profit</b>	<b>96,769</b>	<b>109,175</b>	<b>159,285</b>	<b>174,413</b>	<b>190,424</b>	<b>205,761</b>
Personnel costs	50,776	63,397	77,730	86,386	96,900	104,800
Other operating income	6,362	5,141	5,111	6,526	6,163	6,951
Other operating expenses	17,593	20,440	29,694	33,906	36,975	39,970
<b>EBITDA</b>	<b>34,762</b>	<b>30,479</b>	<b>56,972</b>	<b>60,647</b>	<b>62,711</b>	<b>67,942</b>
Depreciation and amortisation	1,649	1,929	3,002	3,378	2,498	2,961
Depreciation of current assets	10,653	6,102	10,846	10,304	10,819	11,360
<b>Operating income (EBIT)</b>	<b>22,460</b>	<b>22,448</b>	<b>43,124</b>	<b>46,966</b>	<b>49,394</b>	<b>53,621</b>
Net financial result	-1,755	-1,485	-4,887	-6,261	-7,288	-7,809
<b>Pre-tax income (EBT)</b>	<b>20,705</b>	<b>20,963</b>	<b>38,238</b>	<b>40,704</b>	<b>42,106</b>	<b>45,812</b>
Income taxes	7,589	7,152	13,661	13,432	13,895	13,744
Minority interests	4	-6	13	0	0	0
<b>Net income / loss</b>	<b>13,120</b>	<b>13,804</b>	<b>24,590</b>	<b>27,272</b>	<b>28,211</b>	<b>32,069</b>
<b>Diluted EPS (in €)</b>	<b>1.54</b>	<b>1.50</b>	<b>2.67</b>	<b>2.96</b>	<b>3.06</b>	<b>3.48</b>
<b>Ratios</b>						
Gross margin on total output	57.1%	58.2%	51.7%	50.2%	48.7%	47.1%
EBITDA margin on revenues	23.3%	24.0%	24.6%	22.4%	20.4%	19.5%
EBIT margin on revenues	15.1%	17.7%	18.6%	17.3%	16.0%	15.4%
EBT margin on revenues	13.9%	16.5%	16.5%	15.0%	13.7%	13.2%
Net margin on revenues	8.8%	10.9%	10.6%	10.1%	9.2%	9.2%
Tax rate	36.7%	34.1%	35.7%	33.0%	33.0%	30.0%
<b>Expenses as % of revenues</b>						
Personnel costs	34.0%	49.9%	33.6%	31.8%	31.4%	30.2%
Depreciation and amortisation	1.1%	1.5%	1.3%	1.2%	0.8%	0.9%
Depreciation of current assets	7.1%	4.8%	4.7%	3.8%	3.5%	3.3%
Other operating expenses	11.8%	16.1%	12.8%	12.5%	12.0%	11.5%
<b>Y-Y Growth</b>						
Revenues	18.1%	-14.8%	82.3%	17.1%	13.6%	12.8%
Operating income	14.3%	-0.1%	92.1%	8.9%	5.2%	8.6%
Net income/ loss	15.1%	5.2%	78.1%	10.9%	3.4%	13.7%



## BALANCE SHEET

All figures in EUR '000	2020A	2021A	2022A	2023E	2024E	2025E
<b>Assets</b>						
<b>Current assets, total</b>	<b>236,761</b>	<b>282,609</b>	<b>437,621</b>	<b>465,751</b>	<b>514,018</b>	<b>548,607</b>
Cash and cash equivalents	52,798	18,472	87,075	80,603	99,821	106,369
Short-term investments	9,331	11,684	8,775	8,775	8,775	8,775
Receivables	34,020	10,860	26,502	40,873	46,430	52,373
Inventories	64,398	133,019	124,152	144,382	167,875	189,973
Other current assets	74,825	105,708	187,664	187,664	187,664	187,664
<b>Non-current assets, total</b>	<b>12,501</b>	<b>14,451</b>	<b>13,643</b>	<b>14,063</b>	<b>15,878</b>	<b>17,783</b>
Property, plant & equipment	5,653	7,234	9,043	9,314	10,944	12,630
Goodwill & other intangibles	1,116	1,474	1,574	1,723	1,909	2,127
Financial assets	5,732	5,743	3,026	3,026	3,026	3,026
Other assets	0	0	0	0	0	0
<b>Total assets</b>	<b>249,262</b>	<b>297,060</b>	<b>451,264</b>	<b>479,814</b>	<b>529,897</b>	<b>566,390</b>
<b>Shareholders' equity &amp; debt</b>						
<b>Current liabilities, total</b>	<b>44,700</b>	<b>56,483</b>	<b>97,545</b>	<b>103,802</b>	<b>128,391</b>	<b>108,902</b>
Short-term debt	8,594	8,997	10,331	12,000	32,000	8,000
Accounts payable	7,081	14,034	19,081	23,669	27,521	31,662
Current provisions	19,634	21,355	36,695	36,695	36,695	36,695
Other current liabilities	9,391	12,097	31,438	31,438	32,176	32,545
<b>Long-term liabilities, total</b>	<b>64,446</b>	<b>90,713</b>	<b>183,661</b>	<b>183,661</b>	<b>186,661</b>	<b>216,661</b>
Long-term debt	51,662	76,950	170,249	170,249	173,249	203,249
Deferred revenue	0	0	0	0	0	0
Other liabilities	12,784	13,763	13,412	13,412	13,412	13,412
<b>Minority interests</b>	<b>30</b>	<b>41</b>	<b>36</b>	<b>36</b>	<b>36</b>	<b>36</b>
<b>Shareholders' equity</b>	<b>140,086</b>	<b>149,823</b>	<b>170,022</b>	<b>192,315</b>	<b>214,808</b>	<b>240,791</b>
Share capital	9,221	9,221	9,221	9,221	9,221	9,221
Capital reserve	45,490	45,490	45,490	45,490	45,490	45,490
Other reserves	0	0	0	0	0	0
Loss carryforward / retained earnings	85,671	95,329	115,401	137,694	160,187	186,170
<b>Total consolidated equity and debt</b>	<b>249,262</b>	<b>297,060</b>	<b>451,264</b>	<b>479,814</b>	<b>529,897</b>	<b>566,390</b>
<b>Ratios</b>						
Current ratio (x)	5.30	5.00	4.49	4.49	4.00	5.04
Quick ratio (x)	3.86	2.65	3.21	3.10	2.70	3.29
Net debt	7,458	67,475	93,505	101,646	105,428	104,880
Net gearing	5.3%	45.0%	55.0%	52.9%	49.1%	43.6%
Book value per share (in €)	16.47	16.25	18.44	20.86	23.30	26.11
Equity ratio	56.2%	50.4%	37.7%	40.1%	40.5%	42.5%
Return on equity (ROE)	9.4%	9.2%	14.5%	14.2%	13.1%	13.3%
Return on assets (ROA)	6.2%	5.4%	6.7%	7.2%	6.8%	7.1%
Return on investment (ROI)	5.3%	4.6%	5.4%	5.7%	5.3%	5.7%
Return on average capital employed (ROCE)	14.2%	12.1%	17.7%	16.6%	15.8%	15.9%
Days of sales outstanding (DSO)	83	31	42	55	55	55
Days inventory outstanding (DIO)	324	620	305	305	305	300
Days in payables (DIP)	36	65	47	50	50	50



## CASH FLOW STATEMENT

All figures in EUR '000	2020A	2021A	2022A	2023E	2024E	2025E
<b>EBIT</b>	<b>22,460</b>	<b>22,448</b>	<b>43,111</b>	<b>46,966</b>	<b>49,394</b>	<b>53,621</b>
Depreciation and amortisation *	1,649	1,929	3,002	3,378	2,498	2,961
<b>EBITDA</b>	<b>24,109</b>	<b>24,377</b>	<b>46,113</b>	<b>50,343</b>	<b>51,892</b>	<b>56,582</b>
Changes in working capital	28,412	-68,555	-61,723	-30,013	-25,199	-23,899
Other adjustments	-10,048	-6,558	1,761	-13,432	-13,895	-13,744
<b>Operating cash flow</b>	<b>42,473</b>	<b>-50,736</b>	<b>-13,850</b>	<b>6,898</b>	<b>12,798</b>	<b>18,940</b>
Investments in PP&E	-1,774	-2,941	-4,597	-3,255	-3,698	-4,171
Investments in intangibles	-173	-375	-654	-542	-616	-695
<b>Free cash flow</b>	<b>40,526</b>	<b>-54,052</b>	<b>-19,101</b>	<b>3,100</b>	<b>8,484</b>	<b>14,074</b>
Acquisitions & disposals, net	7	462	249	0	0	0
Other investments	-1,651	-1,004	2,872	0	0	0
<b>Investment cash flow</b>	<b>-3,591</b>	<b>-3,858</b>	<b>-2,130</b>	<b>-3,797</b>	<b>-4,314</b>	<b>-4,866</b>
Debt financing, net	-16,575	26,764	94,375	1,669	23,000	6,000
Equity financing, net	27,145	0	0	0	0	0
Dividends paid	-3,558	-4,149	-4,518	-4,979	-4,979	-5,717
Other financing	-2,573	-2,328	-5,650	-6,261	-7,288	-7,809
<b>Financing cash flow</b>	<b>4,438</b>	<b>20,287</b>	<b>84,207</b>	<b>-9,572</b>	<b>10,733</b>	<b>-7,526</b>
FOREX & other effects	-170	19	376	0	0	0
<b>Net cash flows</b>	<b>43,150</b>	<b>-34,288</b>	<b>68,603</b>	<b>-6,472</b>	<b>19,217</b>	<b>6,548</b>
Cash, start of the year	9,648	52,798	18,472	87,075	80,603	99,821
<b>Cash, end of the year</b>	<b>52,798</b>	<b>18,510</b>	<b>87,075</b>	<b>80,603</b>	<b>99,821</b>	<b>106,369</b>
<b>EBITDA/share (in €)</b>	<b>4.09</b>	<b>3.31</b>	<b>6.18</b>	<b>6.58</b>	<b>6.80</b>	<b>7.37</b>
<b>Y-Y Growth</b>						
Operating cash flow	n.m.	n.m.	n.m.	n.m.	85.5%	48.0%
Free cash flow	n.m.	n.m.	n.m.	n.m.	173.7%	65.9%
Financial cash flow	-84.8%	357.1%	315.1%	n.m.	n.m.	n.m.
EBITDA/share	14.2%	-19.1%	86.9%	6.5%	3.4%	8.3%

\* Depreciation of current assets are booked in "Changes in working capital".

## Imprint / Disclaimer

### First Berlin Equity Research

First Berlin Equity Research GmbH ist ein von der BaFin betreffend die Einhaltung der Pflichten des §85 Abs. 1 S. 1 WpHG, des Art. 20 Abs. 1 Marktmissbrauchsverordnung (MAR) und der Markets Financial Instruments Directive (MiFID) II, Markets in Financial Instruments Directive (MiFID) II Durchführungsverordnung und der Markets in Financial Instruments Regulations (MiFIR) beaufsichtigtes Unternehmen.

First Berlin Equity Research GmbH is one of the companies monitored by BaFin with regard to its compliance with the requirements of Section 85 (1) sentence 1 of the German Securities Trading Act [WpHG], art. 20 (1) Market Abuse Regulation (MAR) and Markets in Financial Instruments Directive (MiFID) II, Markets in Financial Instruments Directive (MiFID) II Commission Delegated Regulation and Markets in Financial Instruments Regulations (MiFIR).

Anschrift:

First Berlin Equity Research GmbH  
Friedrichstr. 34  
10117 Berlin  
Germany

Vertreten durch den Geschäftsführer: Martin Bailey

Telefon: +49 (0) 30-80 93 9 680

Fax: +49 (0) 30-80 93 9 687

E-Mail: [info@firstberlin.com](mailto:info@firstberlin.com)

Amtsgericht Berlin Charlottenburg HR B 103329 B

UST-Id.: 251601797

Ggf. Inhaltlich Verantwortlicher gem. § 6 MDStV

First Berlin Equity Research GmbH

**Authored by: Dr. Karsten von Blumenthal, Analyst**

**All publications of the last 12 months were authored by Dr. Karsten von Blumenthal.**

**Company responsible for preparation: First Berlin Equity Research GmbH, Friedrichstraße 69, 10117 Berlin**

The production of this recommendation was completed on 20 February 2024 at 09:06

**Person responsible for forwarding or distributing this financial analysis: Martin Bailey**

**Copyright© 2024 First Berlin Equity Research GmbH** No part of this financial analysis may be copied, photocopied, duplicated or distributed in any form or media whatsoever without prior written permission from First Berlin Equity Research GmbH. First Berlin Equity Research GmbH shall be identified as the source in the case of quotations. Further information is available on request.

### **INFORMATION PURSUANT TO SECTION 85 (1) SENTENCE 1 OF THE GERMAN SECURITIES TRADING ACT [WPHG], TO ART. 20 (1) OF REGULATION (EU) NO 596/2014 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL OF APRIL 16, 2014, ON MARKET ABUSE (MARKET ABUSE REGULATION) AND TO ART. 37 OF COMMISSION DELEGATED REGULATION (EU) NO 2017/565 (MIFID) II.**

First Berlin Equity Research GmbH (hereinafter referred to as: "First Berlin") prepares financial analyses while taking the relevant regulatory provisions, in particular section 85 (1) sentence 1 of the German Securities Trading Act [WpHG], art. 20 (1) of Regulation (EU) No 596/2014 of the European Parliament and of the Council of April 16, 2014, on market abuse (market abuse regulation) and art. 37 of Commission Delegated Regulation (EU) no. 2017/565 (MiFID II) into consideration. In the following First Berlin provides investors with information about the statutory provisions that are to be observed in the preparation of financial analyses.

### **CONFLICTS OF INTEREST**

In accordance with art. 37 (1) of Commission Delegated Regulation (EU) no. 2017/565 (MiFID) II and art. 20 (1) of Regulation (EU) No 596/2014 of the European Parliament and of the Council of April 16, 2014, on market abuse (market abuse regulation) investment firms which produce, or arrange for the production of, investment research that is intended or likely to be subsequently disseminated to clients of the firm or to the public, under their own responsibility or that of a member of their group, shall ensure the implementation of all the measures set forth in accordance with Article 34 (2) lit. (b) of Regulation (EU) 2017/565 in relation to the financial analysts involved in the production of the investment research and other relevant persons whose responsibilities or business interests may conflict with the interests of the persons to whom the investment research is disseminated. In accordance with art. 34 (3) of Regulation (EU) 2017/565 the procedures and measures referred to in paragraph 2 lit. (b) of such article shall be designed to ensure that relevant persons engaged in different business activities involving a conflict of interests carry on those activities at a level of independence appropriate to the size and activities of the investment firm and of the group to which it belongs, and to the risk of damage to the interests of clients.

In addition, First Berlin shall pursuant to Article 5 of the Commission Delegated Regulation (EU) 2016/958 disclose in their recommendations all relationships and circumstances that may reasonably be expected to impair the objectivity of the financial analyses, including interests or conflicts of interest, on their part or on the part of any natural or legal person working for them under a contract, including a contract of employment, or otherwise, who was involved in producing financial analyses, concerning any financial instrument or the issuer to which the recommendation directly or indirectly relates.

With regard to the financial analyses of ABO Wind AG the following relationships and circumstances exist which may reasonably be expected to impair the objectivity of the financial analyses: The author, First Berlin, or a company associated with First Berlin reached an agreement with the ABO Wind AG for preparation of a financial analysis for which remuneration is owed.

Furthermore, First Berlin offers a range of services that go beyond the preparation of financial analyses. Although First Berlin strives to avoid conflicts of interest wherever possible, First Berlin may maintain the following relations with the analysed company, which in particular may constitute a potential conflict of interest:

- The author, First Berlin, or a company associated with First Berlin owns a net long or short position exceeding the threshold of 0.5 % of the total issued share capital of the analysed company;
- The author, First Berlin, or a company associated with First Berlin holds an interest of more than five percent in the share capital of the analysed company;

- The author, First Berlin, or a company associated with First Berlin provided investment banking or consulting services for the analysed company within the past twelve months for which remuneration was or was to be paid;
- The author, First Berlin, or a company associated with First Berlin reached an agreement with the analysed company for preparation of a financial analysis for which remuneration is owed;
- The author, First Berlin, or a company associated with First Berlin has other significant financial interests in the analysed company;

With regard to the financial analyses of ABO Wind AG the following of the aforementioned potential conflicts of interests or the potential conflicts of interest mentioned in Article 6 paragraph 1 of the Commission Delegated Regulation (EU) 2016/958 exist: The author, First Berlin, or a company associated with First Berlin reached an agreement with the ABO Wind AG for preparation of a financial analysis for which remuneration is owed.

In order to avoid and, if necessary, manage possible conflicts of interest both the author of the financial analysis and First Berlin shall be obliged to neither hold nor in any way trade the securities of the company analyzed. The remuneration of the author of the financial analysis stands in no direct or indirect connection with the recommendations or opinions represented in the financial analysis. Furthermore, the remuneration of the author of the financial analysis is neither coupled directly to financial transactions nor to stock exchange trading volume or asset management fees.

**INFORMATION PURSUANT TO SECTION 64 OF THE GERMAN SECURITIES TRADING ACT [WPHG], DIRECTIVE 2014/65/EU OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL OF 15 MAY 2014 ON MARKETS IN FINANCIAL INSTRUMENTS AND AMENDING DIRECTIVE 2002/92/EC AND DIRECTIVE 2011/61/EU, ACCOMPANIED BY THE MARKETS IN FINANCIAL INSTRUMENTS REGULATION (MIFIR, REG. EU NO. 600/2014).**

First Berlin notes that it has concluded a contract with the issuer to prepare financial analyses and is paid for that by the issuer. First Berlin makes the financial analysis simultaneously available for all interested security financial services companies. First Berlin thus believes that it fulfils the requirements of section 64 WpHG for minor non-monetary benefits.

**PRICE TARGET DATES**

Unless otherwise indicated, current prices refer to the closing prices of the previous trading day.

**AGREEMENT WITH THE ANALYSED COMPANY AND MAINTENANCE OF OBJECTIVITY**

The present financial analysis is based on the author's own knowledge and research. The author prepared this study without any direct or indirect influence exerted on the part of the analysed company. Parts of the financial analysis were possibly provided to the analysed company prior to publication in order to avoid inaccuracies in the representation of facts. However, no substantial changes were made at the request of the analysed company following any such provision.

**ASSET VALUATION SYSTEM**

First Berlin's system for asset valuation is divided into an asset recommendation and a risk assessment.

**ASSET RECOMMENDATION**

The recommendations determined in accordance with the share price trend anticipated by First Berlin in the respectively indicated investment period are as follows:

Category		1	2
Current market capitalisation (in €)		0 - 2 billion	> 2 billion
Strong Buy <sup>1</sup>	An expected favourable price trend of:	> 50%	> 30%
Buy	An expected favourable price trend of:	> 25%	> 15%
Add	An expected favourable price trend of:	0% to 25%	0% to 15%
Reduce	An expected negative price trend of:	0% to -15%	0% to -10%
Sell	An expected negative price trend of:	< -15%	< -10%

<sup>1</sup> The expected price trend is in combination with sizable confidence in the quality and forecast security of management.

Our recommendation system places each company into one of two market capitalisation categories. Category 1 companies have a market capitalisation of €0 – €2 billion, and Category 2 companies have a market capitalisation of > €2 billion. The expected return thresholds underlying our recommendation system are lower for Category 2 companies than for Category 1 companies. This reflects the generally lower level of risk associated with higher market capitalisation companies.

**RISK ASSESSMENT**

The First Berlin categories for risk assessment are low, average, high and speculative. They are determined by ten factors: Corporate governance, quality of earnings, management strength, balance sheet and financial risk, competitive position, standard of financial disclosure, regulatory and political uncertainty, strength of brandname, market capitalisation and free float. These risk factors are incorporated into the First Berlin valuation models and are thus included in the target prices. First Berlin customers may request the models.

**RECOMMENDATION & PRICE TARGET HISTORY**

Report No.:	Date of publication	Previous day closing price	Recommendation	Price target
Initial Report	12 April 2017	€7.80	BUY	€14.00
2...28	↓	↓	↓	↓
29	5 December 2022	€63.00	BUY	€112.00
30	26 January 2023	€83.00	BUY	€118.00
31	2 March 2023	€74.60	BUY	€118.00
32	21 March 2023	€72.00	BUY	€118.00
33	9 June 2023	€58.20	BUY	€118.00
34	7 September 2023	€49.40	BUY	€118.00
35	2 November 2023	€43.90	BUY	€106.00
36	4 December 2023	€41.60	BUY	€106.00
37	Today	€49.80	BUY	€110.00

**INVESTMENT HORIZON**

Unless otherwise stated in the financial analysis, the ratings refer to an investment period of twelve months.



### UPDATES

At the time of publication of this financial analysis it is not certain whether, when and on what occasion an update will be provided. In general First Berlin strives to review the financial analysis for its topicality and, if required, to update it in a very timely manner in connection with the reporting obligations of the analysed company or on the occasion of ad hoc notifications.

### SUBJECT TO CHANGE

The opinions contained in the financial analysis reflect the assessment of the author on the day of publication of the financial analysis. The author of the financial analysis reserves the right to change such opinion without prior notification.

#### Legally required information regarding

- key sources of information in the preparation of this research report
- valuation methods and principles
- sensitivity of valuation parameters

can be accessed through the following internet link: <https://firstberlin.com/disclaimer-english-link/>

**SUPERVISORY AUTHORITY: Bundesanstalt für Finanzdienstleistungsaufsicht (German Federal Financial Supervisory Authority) [BaFin], Graurheindorferstraße 108, 53117 Bonn and Marie-Curie-Straße 24-28, 60439 Frankfurt am Main**

### EXCLUSION OF LIABILITY (DISCLAIMER)

#### RELIABILITY OF INFORMATION AND SOURCES OF INFORMATION

The information contained in this study is based on sources considered by the author to be reliable. Comprehensive verification of the accuracy and completeness of information and the reliability of sources of information has neither been carried out by the author nor by First Berlin. As a result no warranty of any kind whatsoever shall be assumed for the accuracy and completeness of information and the reliability of sources of information, and neither the author nor First Berlin, nor the person responsible for passing on or distributing the financial analysis shall be liable for any direct or indirect damage incurred through reliance on the accuracy and completeness of information and the reliability of sources of information.

#### RELIABILITY OF ESTIMATES AND FORECASTS

The author of the financial analysis made estimates and forecasts to the best of the author's knowledge. These estimates and forecasts reflect the author's personal opinion and judgement. The premises for estimates and forecasts as well as the author's perspective on such premises are subject to constant change. Expectations with regard to the future performance of a financial instrument are the result of a measurement at a single point in time and may change at any time. The result of a financial analysis always describes only one possible future development – the one that is most probable from the perspective of the author – of a number of possible future developments.

Any and all market values or target prices indicated for the company analysed in this financial analysis may not be achieved due to various risk factors, including but not limited to market volatility, sector volatility, the actions of the analysed company, economic climate, failure to achieve earnings and/or sales forecasts, unavailability of complete and precise information and/or a subsequently occurring event which affects the underlying assumptions of the author and/or other sources on which the author relies in this document. Past performance is not an indicator of future results; past values cannot be carried over into the future.

Consequently, no warranty of any kind whatsoever shall be assumed for the accuracy of estimates and forecasts, and neither the author nor First Berlin, nor the person responsible for passing on or distributing the financial analysis shall be liable for any direct or indirect damage incurred through reliance on the correctness of estimates and forecasts.

#### INFORMATION PURPOSES, NO RECOMMENDATION, SOLICITATION, NO OFFER FOR THE PURCHASE OF SECURITIES

The present financial analysis serves information purposes. It is intended to support institutional investors in making their own investment decisions; however in no way provide the investor with investment advice. Neither the author, nor First Berlin, nor the person responsible for passing on or distributing the financial analysis shall be considered to be acting as an investment advisor or portfolio manager vis-à-vis an investor. Each investor must form his own independent opinion with regard to the suitability of an investment in view of his own investment objectives, experience, tax situation, financial position and other circumstances.

The financial analysis does not represent a recommendation or solicitation and is not an offer for the purchase of the security specified in this financial analysis. Consequently, neither the author nor First Berlin, nor the person responsible for passing on or distributing the financial analysis shall as a result be liable for losses incurred through direct or indirect employment or use of any kind whatsoever of information or statements arising out of this financial analysis.

A decision concerning an investment in securities should take place on the basis of independent investment analyses and procedures as well as other studies including, but not limited to, information memoranda, sales or issuing prospectuses and not on the basis of this document.

#### NO ESTABLISHMENT OF CONTRACTUAL OBLIGATIONS

By taking note of this financial analysis the recipient neither becomes a customer of First Berlin, nor does First Berlin incur any contractual, quasi-contractual or pre-contractual obligations and/or responsibilities toward the recipient. In particular no information contract shall be established between First Berlin and the recipient of this information.

#### NO OBLIGATION TO UPDATE

First Berlin, the author and/or the person responsible for passing on or distributing the financial analysis shall not be obliged to update the financial analysis. Investors must keep themselves informed about the current course of business and any changes in the current course of business of the analysed company.

#### DUPLICATION

Dispatch or duplication of this document is not permitted without the prior written consent of First Berlin.

#### SEVERABILITY

Should any provision of this disclaimer prove to be illegal, invalid or unenforceable under the respectively applicable law, then such provision shall be treated as if it were not an integral component of this disclaimer; in no way shall it affect the legality, validity or enforceability of the remaining provisions.

#### APPLICABLE LAW, PLACE OF JURISDICTION

The preparation of this financial analysis shall be subject to the law obtaining in the Federal Republic of Germany. The place of jurisdiction for any disputes shall be Berlin (Germany).

#### NOTICE OF DISCLAIMER

By taking note of this financial analysis the recipient confirms the binding nature of the above explanations.

By using this document or relying on it in any manner whatsoever the recipient accepts the above restrictions as binding for the recipient.

#### QUALIFIED INSTITUTIONAL INVESTORS

First Berlin financial analyses are intended exclusively for qualified institutional investors.

**This report is not intended for distribution in the USA and/or Canada.**