

ABO Wind (AB9 GY) | Utilities/Renewables

September 15, 2022

Good successes also with non-European projects

At the end of July, ABO Wind had already reported that it had sold a Canadian 515 megawatt wind project to an investor upon reaching ready-to-build status. Yesterday, the company reported that it sold the project rights to two photovoltaic solar farms in South Africa, each with a capacity of 100 megawatts. ABO Wind now has a pipeline of 700 MW in Canada and 4 GW in South Africa. These achievements are also noteworthy because the non-European portion of the company's pipeline, which accounts for about 35 percent of the total pipeline of 20 GW, is not even included in our valuation.

- The non-European portion of ABO Wind's pipeline mainly includes projects in South Africa (4 GW), Argentina (1.8 GW), Canada (0.7 GW) and Colombia (0.6 GW). To illustrate the theoretical valuation potential of this portion of the pipeline: Transaction multiples imply a value per pipeline GW of approximately EUR 150 million. However, (large-scale) projects are often less profitable especially in less densely populated countries than in densely populated countries as they are mostly the case in Europe.
- We continue to see value in ABO Wind. ABO Wind is a pure-play developer that has been in business for 26 years and is active in 16 countries. The company has been able to show consistent profits since its inception. And it has been able to build a lush pipeline of around 20 GW. The company continues to impress with its tremendous agility and speed in identifying and serving relevant trends; most recently with an additional 15 GW pipeline for hydrogen projects.

Fundamentals (in EUR m) ¹	2019	2020	2021	2022e	2023e	2024e
Sales	126	149	127	197	206	206
EBITDA	27	35	30	38	44	45
EBIT	19	22	22	25	31	32
EPS adj. (EUR)	1.41	1.42	1.50	1.60	2.04	2.19
DPS (EUR)	0.42	0.45	0.49	0.55	0.55	0.55
BVPS (EUR)	12.83	15.19	16.25	17.09	19.44	20.52
Net Debt incl. Provisions	69	7	74	77	59	35
Ratios ¹	2019	2020	2021	2022e	2023e	2024e
EV/EBITDA	7.6	12.5	19.3	15.9	13.3	12.6
EV/EBIT	10.7	19.4	26.2	24.0	18.9	17.6
P/E adj.	12.2	32.6	37.3	36.1	28.2	26.3
Dividend yield (%)	2.4	1.0	0.9	1.0	1.0	1.0
EBITDA margin (%)	21.7	23.3	24.0	19.4	21.5	21.9
EBIT margin (%)	15.4	15.1	17.7	12.8	15.2	15.6
Net debt/EBITDA	2.5	0.2	2.4	2.0	1.3	0.8
PBV	1.3	3.1	3.4	3.4	3.0	2.8

¹Sources: Bloomberg, Metzler Research

Buy



unchanged

Price*

EUR 57.60

Price target

EUR 106.00 (unchanged)

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

Market Cap (EUR m) ¹	531
Enterprise Value (EUR m) ¹	608
Free Float (%) ¹	38.0

Price (in EUR)¹



Performance (in %) ¹	1m	3m	12m
Share	-2.4	4.0	12.5
Rel. to SDAX	10.4	11.5	63.1

Changes in estimates (in %) ¹	2022e	2023e	2024e
Sales	0.0	0.0	0.0
EBIT	0.0	0.0	0.0
EPS	0.0	0.0	0.0

Sponsored Research



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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

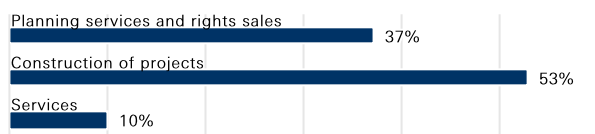
Family Ahn (26%), Family Bockholt (26%), Mainova AG (10%)

Key figures

P&L (in EUR m)	2019	%	2020	%	2021	%	2022e	%	2023e	%	2024e	%
Sales	126	-16.0	149	18.1	127	-14.8	197	55.2	206	4.5	206	0.0
EBITDA	27	-14.9	35	26.9	30	-12.3	38	25.7	44	15.5	45	1.9
EBITDA margin (%)	21.7	1.3	23.3	7.4	24.0	2.9	19.4	-19.0	21.5	10.5	21.9	1.9
EBIT	19	-11.6	22	15.7	22	0.0	25	12.8	31	23.4	32	2.7
EBIT margin (%)	15.4	5.1	15.1	-2.1	17.7	17.3	12.8	-27.3	15.2	18.1	15.6	2.7
Financial result	-2	-71.3	-2	-11.7	-1	15.3	-2	-0.9	-1	6.7	-1	0.0
EBT	18	-15.3	21	16.0	21	1.3	24	13.6	30	25.3	31	2.8
Taxes	7	-21.9	8	13.8	7	-5.8	9	27.2	11	20.9	10	-4.5
Tax rate (%)	37.4	n.a.	36.7	n.a.	34.1	n.a.	38.2	n.a.	36.9	n.a.	34.2	n.a.
Net income	11	-10.7	13	15.0	14	5.3	15	6.6	19	28.1	20	7.2
Minority interests	0	-97.6	-0	-200.0	0	100.0	0	n.a.	0	n.a.	0	n.a.
Net Income after minorities	11	-10.6	13	15.0	14	5.3	15	6.6	19	28.1	20	7.2
Number of shares outstanding (m)	8	5.6	9	14.2	9	0.0	9	0.0	9	0.0	9	0.0
EPS adj. (EUR)	1.41	-15.3	1.42	0.6	1.50	5.3	1.60	6.6	2.04	28.1	2.19	7.2
DPS (EUR)	0.42	0.0	0.45	7.1	0.49	8.9	0.55	12.2	0.55	0.0	0.55	0.0
Dividend yield (%)	2.4	n.a.	1.0	n.a.	0.9	n.a.	1.0	n.a.	1.0	n.a.	1.0	n.a.
Cash Flow (in EUR m)	2019	%	2020	%	2021	%	2022e	%	2023e	%	2024e	%
Gross Cash Flow	19	-13.5	42	122.4	20	-52.4	28	37.2	32	14.9	33	4.2
Increase in working capital	-15	n.a.	27	n.a.	-67	n.a.	-20	n.a.	-5	n.a.	0	n.a.
Capital expenditures	3	-7.4	4	20.0	4	11.1	4	0.0	4	0.0	4	0.0
D+A/Capex (%)	266.0	n.a.	341.7	n.a.	200.8	n.a.	325.0	n.a.	325.0	n.a.	325.0	n.a.
Free cash flow (Metzler definition)	1	105.4	66	n.m.	-51	-177.7	4	107.3	23	514.8	29	27.8
Free cash flow yield (%)	0.8	n.a.	15.4	n.a.	-10.0	n.a.	0.7	n.a.	4.3	n.a.	5.5	n.a.
Dividend paid	3	10.8	4	14.2	4	7.1	7	66.7	5	-26.7	5	0.0
Free cash flow (post dividend)	-2	90.1	62	n.m.	-55	-189.3	-3	94.2	18	655.8	24	35.7
Balance sheet (in EUR m)	2019	%	2020	%	2021	%	2022e	%	2023e	%	2024e	%
Assets	251	29.5	261	3.7	310	19.0	279	-9.9	288	3.2	295	2.5
Goodwill	0	n.a.	0	n.a.	0	n.a.	0	n.a.	0	n.a.	0	n.a.
Shareholders' equity	104	16.4	140	35.3	150	7.0	158	5.2	179	13.7	189	5.6
Equity/total assets (%)	42.7	n.a.	56.2	n.a.	50.3	n.a.	60.5	n.a.	64.4	n.a.	66.6	n.a.
Net Debt incl. Provisions	69	42.5	7	-89.2	74	892.2	77	4.3	59	-23.0	35	-40.6
thereof pension provisions	0	n.a.	0	n.a.	0	n.a.	0	n.a.	0	n.a.	0	n.a.
Gearing (%)	66.6	n.a.	5.3	n.a.	49.4	n.a.	49.0	n.a.	33.1	n.a.	18.6	n.a.
Net debt/EBITDA	2.5	n.a.	0.2	n.a.	2.4	n.a.	2.0	n.a.	1.3	n.a.	0.8	n.a.

Structure

Sales by area of activity 2021



Sources: Bloomberg, Metzler Research

company note

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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)					
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
09.02.2022	Buy	Buy	51.00 EUR	80.00 EUR	Hoymann, Guido
06.12.2021	Buy	Buy	56.20 EUR	80.00 EUR	Hoymann, Guido
30.11.2021	Buy	Buy	59.00 EUR	80.00 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

13. Metzler, a company affiliated with Metzler and/or a person that has worked on compiling this report has reached an agreement with the issuer relating to the production of investment recommendations.

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