

ABO Wind (AB9 GY) | Utilities/Renewables

May 21, 2021

A remarkable success in development activities outside Europe

It is only a small announcement about a solar project and with 20 MW rather business as usual for ABO. Nevertheless, we consider it worth mentioning that ABO was able to conclude a 15-year power supply agreement (PPA) for a project in Colombia, which is to be fully approved and then constructed this year. The customer is the Colombian utility Grupo Renovatio, which will generate 43 gigawatt hours of electricity per year with the 20-megawatt solar park from spring 2023. ABO Wind has been active in Colombia for almost three years and is currently working on a pipeline of more than 500 megawatts in Colombia. This success is also worth mentioning because the non-European part of the company's pipeline, which accounts for around 40% of the total pipeline, is not at all included in our valuation.

- The non-European part of the ABO pipeline mainly comprises projects in South Africa (3.5 GW), Argentina (1.6 GW), Canada (0.5 GW) and Colombia (0.5 GW).
- To illustrate the valuation potential of this part of the pipeline: Transaction multiples imply a value per pipeline GW of approximately EUR 150 million.
- We continue to see value in ABO Wind. ABO Wind is a developer pure play, has been in business for 25 years and is active in 16 countries. The company has been able to report consistent profits since its inception. And has been able to build up a lush pipeline of almost 15 GW.

Fundamentals (in EUR m)	2018	2019	2020	2021e	2022e	2023e
Sales	150	126	149	192	202	206
EBITDA	32	27	35	40	43	44
EBIT	22	19	22	28	30	31
EPS adj. (EUR)	1.67	1.41	1.42	1.91	2.13	2.20
DPS (EUR)	0.42	0.42	0.45	0.50	0.55	0.55
BVPS (EUR)	11.63	12.83	15.19	16.65	18.03	19.44
Net Debt incl. Provisions	48	69	7	1	-1	-5
Ratios	2018	2019	2020	2021e	2022e	2023e
EV/EBITDA	4.8	7.6	12.5	10.8	9.9	9.6
EV/EBIT	7.0	10.7	19.4	15.5	14.2	13.7
P/E adj.	8.3	12.2	32.6	24.5	22.0	21.3
Dividend yield (%)	3.0	2.4	1.0	1.1	1.2	1.2
EBITDA margin (%)	21.4	21.7	23.3	20.8	21.4	21.5
EBIT margin (%)	14.6	15.4	15.1	14.5	15.0	15.2
Net debt/EBITDA	1.5	2.5	0.2	0.0	-0.0	-0.1
ROE (%)	15.1	11.9	10.8	12.0	12.3	11.8
PBV	1.2	1.3	3.1	2.8	2.6	2.4

Sources: Refinitiv, Metzler Research

Buy

 **unchanged**

Price* **EUR 46.80**

Price target **EUR 75.00 (unchanged)**

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

Market Cap (EUR m)	432
Enterprise Value (EUR m)	433
Free Float (%)	38.0

Price (in EUR)



Performance (in %)	1m	3m	12m
Share	-3.5	3.1	129.4
Rel. to SDAX	-4.3	0.7	57.7

Sources: Refinitiv, Metzler Research

Changes in estimates (in %)	2021e	2022e	2023e
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: Andreas Höllinger, Dr. Jochen Ahn, Matthias Bockholt, Dr. Karsten Schlageter (all equal rights) 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

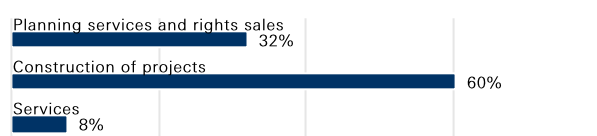
Family Ahn (26%), Family Bockholt (26%), Mainova AG (10%), Baden-Württembergische Versorgungskasse der Ärzte (5%)

Key figures

P&L (in EUR m)	2018	%	2019	%	2020	%	2021e	%	2022e	%	2023e	%
Sales	150	2.4	126	-16.0	149	18.1	192	28.6	202	5.4	206	1.9
EBITDA	32	-14.8	27	-14.9	35	26.9	40	14.8	43	8.6	44	2.2
EBITDA margin (%)	21.4	-16.7	21.7	1.3	23.3	7.4	20.8	-10.8	21.4	3.0	21.5	0.2
EBIT	22	-12.0	19	-11.6	22	15.7	28	24.2	30	8.7	31	3.1
EBIT margin (%)	14.6	-14.0	15.4	5.1	15.1	-2.1	14.5	-3.5	15.0	3.1	15.2	1.1
Financial result	-1	38.7	-2	-71.3	-2	-11.7	-2	-14.0	-2	25.0	-1	6.7
EBT	21	-10.3	18	-15.3	21	16.0	26	25.0	29	11.3	30	3.6
Taxes	9	32.3	7	-21.9	8	13.8	8	9.1	9	11.3	10	3.6
Tax rate (%)	40.6	n.a.	37.4	n.a.	36.7	n.a.	32.0	n.a.	32.0	n.a.	32.0	n.a.
Net income	13	-24.9	11	-10.7	13	15.0	18	34.2	20	11.3	20	3.6
Minority interests	0	88.9	0	-97.6	-0	-200.0	0	100.0	0	n.a.	0	n.a.
Net Income after minorities	13	-25.0	11	-10.6	13	15.0	18	34.2	20	11.3	20	3.6
Number of shares outstanding (m)	8	0.0	8	5.6	9	14.2	9	0.0	9	0.0	9	0.0
EPS adj. (EUR)	1.67	-25.0	1.41	-15.3	1.42	0.6	1.91	34.2	2.13	11.3	2.20	3.6
DPS (EUR)	0.42	5.0	0.42	0.0	0.45	7.1	0.50	11.1	0.55	10.0	0.55	0.0
Dividend yield (%)	3.0	n.a.	2.4	n.a.	1.0	n.a.	1.1	n.a.	1.2	n.a.	1.2	n.a.
Cash Flow (in EUR m)	2018	%	2019	%	2020	%	2021e	%	2022e	%	2023e	%
Gross Cash Flow	22	-25.4	19	-13.5	42	122.4	30	-30.3	33	10.1	33	2.2
Increase in working capital	-39	n.a.	-15	n.a.	27	n.a.	-15	n.a.	-20	n.a.	-20	n.a.
Capital expenditures	3	149.2	3	-7.4	4	20.0	4	11.1	4	0.0	4	0.0
D+A/Capex (%)	314.8	n.a.	266.0	n.a.	341.7	n.a.	300.0	n.a.	325.0	n.a.	325.0	n.a.
Free cash flow (Metzler definition)	-20	-179.2	1	105.4	66	n.m.	11	-83.9	9	-18.9	9	8.2
Free cash flow yield (%)	-19.1	n.a.	0.8	n.a.	15.4	n.a.	2.5	n.a.	2.0	n.a.	2.2	n.a.
Dividend paid	3	-20.0	3	10.8	4	14.2	4	7.1	7	66.7	5	-26.7
Free cash flow (post dividend)	-23	-207.4	-2	90.1	62	n.m.	6	-89.6	2	-74.0	4	151.6
Balance sheet (in EUR m)	2018	%	2019	%	2020	%	2021e	%	2022e	%	2023e	%
Assets	194	11.6	251	29.5	261	3.7	261	0.2	279	6.9	288	3.2
Goodwill	0	n.a.	0	n.a.	0	n.a.	0	n.a.	0	n.a.	0	n.a.
Shareholders' equity	89	11.8	104	16.4	140	35.3	154	9.6	166	8.3	179	7.8
Equity/total assets (%)	45.9	n.a.	42.7	n.a.	56.2	n.a.	61.1	n.a.	61.8	n.a.	64.4	n.a.
Net Debt incl. Provisions	48	n.m.	69	42.5	7	-89.2	1	-86.5	-1	-166.8	-5	-628.1
thereof pension provisions	0	n.a.	0	n.a.	0	n.a.	0	n.a.	0	n.a.	0	n.a.
Gearing (%)	54.4	n.a.	66.6	n.a.	5.3	n.a.	0.7	n.a.	-0.4	n.a.	-2.7	n.a.
Net debt/EBITDA	1.5	n.a.	2.5	n.a.	0.2	n.a.	0.0	n.a.	-0.0	n.a.	-0.1	n.a.

Structure

Sales by area of activity 2020



Sources: Refinitiv, 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)					
16.03.2021	Buy	Buy	45.60 EUR	75.00 EUR	Hoymann, Guido
23.02.2021	Buy	Buy	45.00 EUR	54.00 EUR	Hoymann, Guido
10.12.2020	Buy	Buy	39.80 EUR	54.00 EUR	Hoymann, Guido
21.09.2020	Buy	Buy	24.60 EUR	40.00 EUR	Hoymann, Guido
07.09.2020	Buy	Buy	26.80 EUR	29.00 EUR	Hoymann, Guido
19.08.2020	Buy	Buy	21.20 EUR	29.00 EUR	Hoymann, Guido
10.06.2020	Buy	Buy	21.40 EUR	29.00 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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