

# ABO Energy KGaA

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

2024 net profit

**RATING**  
**BUY**

**PRICE TARGET**  
**€ 99.00**

Return Potential 146.3%  
 Risk Rating High

## ABO ENERGY RAISES 2024 GUIDANCE

ABO Energy is guiding towards 2024 net profit of some €25.6m. This is above recently lowered guidance (€20m to €25m) and back within the original guidance range of €25m to €31m. The reason for the outperformance is improved valuation of projects due to favourable business development. We have raised our net profit estimate to €25.6m and maintained our growth forecasts for 2025E & 2026E. ABO Energy should benefit in particular from a fast-growing German market over the next two years. The recent significant increase in long-term interest rates in Germany (yield on the 10-year German government bond now at 2.8%) leads to a higher WACC estimate and a lowering of the price target from €102 to €99. We confirm our Buy recommendation

**Project valuation is difficult to forecast** We estimate that ABO Energy has recognised around 1,000 projects in work in progress. At the end of H1/24, the balance sheet item totalled €372m, which accounted for 63% of the balance sheet total. A 1% change in this line item corresponds to almost €4m. As the projects are subject to framework conditions that change over time, the recoverability and the need for amortisation as well as the revenue that can be generated with projects can therefore not be predicted precisely, which explains the late increase in guidance.

**Success in December 2024 tender for ground-mounted PV systems** In January, ABO Energy announced that it was awarded contracts for three solar parks with a total capacity of over 35 MWp in the December 2024 tender. The offered tender volume was 2,148 MW, and 524 bids with a volume of 4,708 MW were submitted. 242 of these bids were successful. The tender was thus oversubscribed by a factor of more than two. The average award value was 4.76 €cents per kWh. Over 2024 as a whole, ABO Energy secured awards for ten projects with a total capacity of more than 100 MWp and connected solar parks with a nominal capacity of ca. 90 MWp to the German grid. (p.t.o.)

### FINANCIAL HISTORY & PROJECTIONS

	2021	2022	2023	2024E	2025E	2026E
Revenue (€m)	127.1	231.7	299.7	314.7	395.5	435.1
Y-o-y growth	-14.8%	82.3%	29.4%	5.0%	25.7%	10.0%
EBIT (€m)	22.4	43.1	42.6	48.1	58.2	70.3
EBIT margin	17.7%	18.6%	14.2%	15.3%	14.7%	16.2%
Net income (€m)	13.8	24.6	27.3	25.6	30.8	38.3
EPS (diluted) (€)	1.50	2.67	2.96	2.78	3.34	4.15
DPS (€)	0.49	0.54	0.60	0.54	0.66	0.66
FCF (€m)	-54.1	-19.1	-68.4	-10.1	25.1	33.1
Net gearing	45.0%	55.0%	84.5%	88.0%	75.3%	60.8%
Liquid assets (€m)	18.5	87.1	37.2	99.1	113.7	148.4

### RISKS

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

### COMPANY PROFILE

ABO Energy KGaA is a project developer for renewable energies and has developed green power and storage projects with a total capacity of >5 GW since its establishment in 1996. The company also offers the management of wind farms, solar plants and storages. ABO Energy has more than 1,300 employees. Its headquarters are in Wiesbaden, Germany.

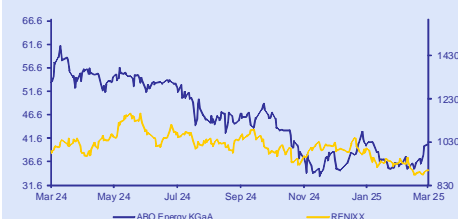
### MARKET DATA

As of 18 Mar 2025

Closing Price € 40.20  
 Shares outstanding 9.22m  
 Market Capitalisation € 370.68m  
 52-week Range € 33.40 / 61.20  
 Avg. Volume (12 Months) 2,330

Multiples	2023	2024E	2025E
P/E	13.6	14.5	12.0
EV/Sales	1.8	1.7	1.3
EV/EBIT	12.5	11.1	9.2
Div. Yield	1.5%	1.3%	1.6%

### STOCK OVERVIEW



### COMPANY DATA

As of 30 Jun 2024

Liquid Assets € 17.66m  
 Current Assets € 570.17m  
 Intangible Assets € 0.80m  
 Total Assets € 588.75m  
 Current Liabilities € 49.96m  
 Shareholders' Equity € 199.05m

### SHAREHOLDERS

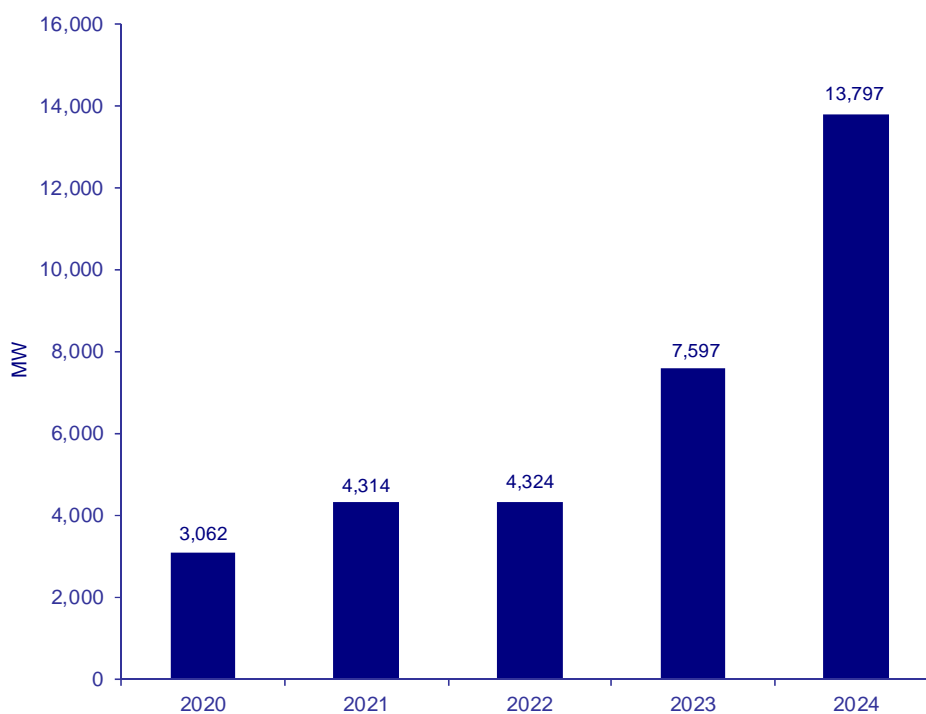
Familie Ahn 26.0%  
 Familie Bockholt 26.0%  
 Mainova 10.0%  
 Free Float 38.0%



This year's additions are expected to be at a similar level. The start of construction for the three recently awarded projects is scheduled for H2/25.

**2025 will be a strong year for the German onshore wind market** According to Deutsche Windguard, almost 14,000 MW of wind power were approved by the German authorities in 2024 (see figure 1 overleaf). This is almost twice the 2023 figure and shows how successful the traffic light coalition's reforms of the wind project approval processes were. The 2023 Renewable Energy Act (EEG) targets an installed base of 84 GW of onshore wind power by the end of 2026. The installed base was 63.6 GW at the end of 2024. To achieve the 2026 target, a net addition of over 20 GW will be required within two years. The Fachagentur Wind und Solar estimates new onshore wind installations in 2025 at between 4.8 GW and 5.3 GW (2024: 3.3 GW, +45% to +61% y/y). Due to the very high award volumes of German onshore wind tenders in recent years (2024: 11.0 GW; 2023: 6.4 GW), we are optimistic that new installations could be as high as 10 GW in 2026E.

**Figure 1: Volume of approved projects in MW, 2020 - 2024**



Source: First Berlin Equity Research

**Earnings forecasts for 2024 increased** We have adjusted our 2024 earnings estimates in line with the increased guidance. Due to ABO Energy's strong market position in Germany and the strong growth of the German wind market this year and next, we maintain our growth forecasts for 2025E & 2026E (see figure 2 overleaf).

**Figure 2: Revisions to forecasts**

All figures in €m	2024E			2025E			2026E		
	Old	New	Delta	Old	New	Delta	Old	New	Delta
Sales	314.7	314.7	0%	395.5	395.5	0%	435.1	435.1	0%
EBIT	43.0	48.1	12%	58.2	58.2	0%	70.3	70.3	0%
margin	13.7%	15.3%		14.7%	14.7%		16.2%	16.2%	
Net income	22.2	25.6	15%	30.8	30.8	0%	38.3	38.3	0%
margin	7.1%	8.1%		7.8%	7.8%		8.8%	8.8%	
EPS (diluted) in €	2.41	2.78	15%	3.34	3.34	0%	4.15	4.15	0%

Source: First Berlin Equity Research

**Higher yields on risk-free investments lead to lower price target** The yield on the 10y German government bond has recently risen to 2.8%. This increases our WACC estimate from 6.9% to 7.1% and prompts us to lower our price target to €99 (old: €102), despite the increased earnings estimate for 2024E. We continue to see significant upside potential and consider the share to be attractively valued at a 2025E P/E ratio of 12x. We reiterate our Buy recommendation.



## VALUATION MODEL

DCF valuation model								
All figures in EUR '000								
	2024E	2025E	2026E	2027E	2028E	2029E	2030E	2031E
Net sales	314,669	395,512	435,063	469,868	505,322	541,154	577,067	612,740
NOPLAT	34,887	42,355	50,608	60,321	63,255	66,218	68,641	71,008
+ depreciation & amortisation	4,422	3,273	3,646	4,013	4,667	5,258	5,798	6,296
Net operating cash flow	39,309	45,628	54,254	64,334	67,922	71,476	74,439	77,305
- total investments (CAPEX and WC)	-49,366	-20,498	-21,110	-12,378	-29,435	-29,830	-30,003	-29,939
Capital expenditures	-4,720	-5,537	-6,091	-6,578	-6,960	-7,330	-7,685	-8,021
Working capital	-44,646	-14,961	-15,019	-5,800	-22,475	-22,499	-22,318	-21,918
Free cash flows (FCF)	-10,057	25,130	33,144	51,956	38,487	41,646	44,436	47,366
PV of FCF's	-10,057	23,821	29,348	42,975	29,732	30,053	29,953	29,825

All figures in thousands	
PV of FCFs in explicit period (2024E-2038E)	402,977
PV of FCFs in terminal period	668,705
Enterprise value (EV)	1,071,682
+ Net cash / - net debt	-162,909
+ Investments / minority interests	21
Shareholder value	908,794
Number of shares (diluted)	9,221
Fair value per share in EUR	98.56

	Terminal growth	Terminal EBIT margin
	3.0%	14.8%

		Terminal growth rate						
		1.5%	2.0%	2.5%	3.0%	3.5%	4.0%	4.5%
WACC	5.6%	126.21	136.87	151.03	170.74	200.06	248.27	342.33
	6.1%	108.69	116.24	125.91	138.76	156.63	183.22	226.95
	6.6%	94.72	100.20	107.04	115.81	127.45	143.65	167.75
	7.1%	83.32	87.40	92.36	98.56	106.50	117.04	131.71
	7.6%	73.86	76.94	80.62	85.12	90.72	97.90	107.44
	8.1%	65.90	68.25	71.03	74.36	78.42	83.49	89.98
	8.6%	59.10	60.92	63.05	65.56	68.57	72.23	76.80
	Price target in EUR	99.00						

\* for layout purposes the model shows numbers only to 2031, but runs until 2038



## INCOME STATEMENT

All figures in EUR '000	2021A	2022A	2023A	2024E	2025E	2026E
<b>Revenues</b>	<b>127,109</b>	<b>231,658</b>	<b>299,685</b>	<b>314,669</b>	<b>395,512</b>	<b>435,063</b>
Changes in inventory	60,346	76,434	96,603	106,988	111,930	113,116
Own work	0	0	0	0	0	0
<b>Total output</b>	<b>187,455</b>	<b>308,092</b>	<b>396,288</b>	<b>421,657</b>	<b>507,442</b>	<b>548,180</b>
Cost of goods sold	78,280	148,807	210,278	212,402	268,157	287,142
<b>Gross profit</b>	<b>109,175</b>	<b>159,285</b>	<b>186,010</b>	<b>209,255</b>	<b>239,285</b>	<b>261,038</b>
Personnel costs	63,397	77,730	98,187	110,780	120,631	130,519
Other operating income	5,141	5,111	10,479	6,293	7,910	10,877
Other operating expenses	20,440	29,694	38,965	44,368	51,417	53,078
<b>EBITDA</b>	<b>30,479</b>	<b>56,972</b>	<b>59,337</b>	<b>60,400</b>	<b>75,147</b>	<b>88,318</b>
Depreciation and amortisation	1,929	3,002	4,312	4,422	3,273	3,646
Depreciation of current assets	6,102	10,846	12,389	7,900	13,659	14,342
<b>Operating income (EBIT)</b>	<b>22,448</b>	<b>43,124</b>	<b>42,636</b>	<b>48,078</b>	<b>58,216</b>	<b>70,330</b>
Net financial result	-1,485	-4,887	-865	-9,282	-11,567	-12,323
<b>Pre-tax income (EBT)</b>	<b>20,963</b>	<b>38,238</b>	<b>41,771</b>	<b>38,796</b>	<b>46,649</b>	<b>58,007</b>
Income taxes	7,152	13,661	14,548	13,191	15,860	19,722
Minority interests	-6	13	29	0	0	0
<b>Net income / loss</b>	<b>13,804</b>	<b>24,590</b>	<b>27,252</b>	<b>25,606</b>	<b>30,788</b>	<b>38,284</b>
<b>Diluted EPS (in €)</b>	<b>1.50</b>	<b>2.67</b>	<b>2.96</b>	<b>2.78</b>	<b>3.34</b>	<b>4.15</b>
<b>Ratios</b>						
Gross margin on total output	58.2%	51.7%	46.9%	49.6%	47.2%	47.6%
EBITDA margin on revenues	24.0%	24.6%	19.8%	19.2%	19.0%	20.3%
EBIT margin on revenues	17.7%	18.6%	14.2%	15.3%	14.7%	16.2%
EBT margin on revenues	16.5%	16.5%	13.9%	12.3%	11.8%	13.3%
Net margin on revenues	10.9%	10.6%	9.1%	8.1%	7.8%	8.8%
Tax rate	34.1%	35.7%	34.8%	34.0%	34.0%	34.0%
<b>Expenses as % of revenues</b>						
Personnel costs	49.9%	33.6%	32.8%	35.2%	30.5%	30.0%
Depreciation and amortisation	1.5%	1.3%	1.4%	1.4%	0.8%	0.8%
Depreciation of current assets	4.8%	4.7%	4.1%	2.5%	3.5%	3.3%
Other operating expenses	16.1%	12.8%	13.0%	14.1%	13.0%	12.2%
<b>Y-Y Growth</b>						
Revenues	-14.8%	82.3%	29.4%	5.0%	25.7%	10.0%
Operating income	-0.1%	92.1%	-1.1%	12.8%	21.1%	20.8%
Net income/ loss	5.2%	78.1%	10.8%	-6.0%	20.2%	24.3%



## BALANCE SHEET

All figures in EUR '000	2021A	2022A	2023A	2024E	2025E	2026E
<b>Assets</b>						
<b>Current assets, total</b>	<b>282,609</b>	<b>437,621</b>	<b>479,984</b>	<b>591,361</b>	<b>630,689</b>	<b>682,783</b>
Cash and cash equivalents	18,472	87,075	37,170	99,078	113,661	148,396
Short-term investments	11,684	8,775	9,512	9,512	9,512	9,512
Receivables	10,860	26,502	47,177	60,348	65,016	71,517
Inventories	133,019	124,152	208,109	244,407	264,484	275,341
Other current assets	105,708	187,664	175,492	175,492	175,492	175,492
<b>Non-current assets, total</b>	<b>14,451</b>	<b>13,643</b>	<b>13,961</b>	<b>14,259</b>	<b>16,523</b>	<b>18,968</b>
Property, plant & equipment	7,234	9,043	10,071	10,133	12,042	14,132
Goodwill & other intangibles	1,474	1,574	1,125	1,361	1,716	2,071
Financial assets	5,743	3,026	2,765	2,765	2,765	2,765
Other assets	0	0	0	0	0	0
<b>Total assets</b>	<b>297,060</b>	<b>451,264</b>	<b>493,945</b>	<b>605,620</b>	<b>647,212</b>	<b>701,751</b>
<b>Shareholders' equity &amp; debt</b>						
<b>Current liabilities, total</b>	<b>56,483</b>	<b>97,545</b>	<b>90,635</b>	<b>123,684</b>	<b>120,574</b>	<b>245,223</b>
Short-term debt	8,997	10,331	3,221	32,000	18,000	140,309
Accounts payable	14,034	19,081	18,454	23,277	33,060	35,401
Current provisions	21,355	36,695	44,090	44,090	44,090	44,090
Other current liabilities	12,097	31,438	24,870	24,317	25,423	25,423
<b>Long-term liabilities, total</b>	<b>90,713</b>	<b>183,661</b>	<b>210,538</b>	<b>268,538</b>	<b>288,538</b>	<b>186,229</b>
Long-term debt	76,950	170,249	196,858	254,858	274,858	172,549
Deferred revenue	0	0	0	0	0	0
Other liabilities	13,763	13,412	13,680	13,680	13,680	13,680
<b>Minority interests</b>	<b>41</b>	<b>36</b>	<b>21</b>	<b>21</b>	<b>21</b>	<b>21</b>
<b>Shareholders' equity</b>	<b>149,823</b>	<b>170,022</b>	<b>192,751</b>	<b>213,377</b>	<b>238,079</b>	<b>270,278</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	95,329	115,401	137,891	158,517	183,219	215,418
<b>Total consolidated equity and debt</b>	<b>297,060</b>	<b>451,264</b>	<b>493,945</b>	<b>605,620</b>	<b>647,212</b>	<b>701,751</b>
<b>Ratios</b>						
Current ratio (x)	5.00	4.49	5.30	4.78	5.23	2.78
Quick ratio (x)	2.65	3.21	3.00	2.81	3.04	1.66
Net debt	67,475	93,505	162,909	187,780	179,197	164,462
Net gearing	45.0%	55.0%	84.5%	88.0%	75.3%	60.8%
Book value per share (in €)	16.25	18.44	20.90	23.14	25.82	29.31
Equity ratio	50.4%	37.7%	39.0%	35.2%	36.8%	38.5%
Return on equity (ROE)	9.2%	14.5%	14.1%	12.0%	12.9%	14.2%
Return on assets (ROA)	5.4%	6.7%	7.0%	5.9%	6.7%	7.4%
Return on investment (ROI)	4.6%	5.4%	5.5%	4.2%	4.8%	5.5%
Return on average capital employed (ROCE)	12.1%	17.7%	13.6%	12.6%	14.1%	16.3%
Days of sales outstanding (DSO)	31	42	57	70	60	60
Days inventory outstanding (DIO)	620	305	361	420	360	350
Days of payables outstanding (DPO)	65	47	32	40	45	45



## CASH FLOW STATEMENT

All figures in EUR '000	2021A	2022A	2023A	2024E	2025E	2026E
<b>EBIT</b>	<b>22,448</b>	<b>43,111</b>	<b>42,636</b>	<b>48,078</b>	<b>58,216</b>	<b>70,330</b>
Depreciation and amortisation *	1,929	3,002	4,312	4,422	3,273	3,646
<b>EBITDA</b>	<b>24,377</b>	<b>46,113</b>	<b>46,948</b>	<b>52,500</b>	<b>61,488</b>	<b>73,976</b>
Changes in working capital	-68,555	-61,723	-105,464	-44,646	-14,961	-15,019
Other adjustments	-6,558	1,761	-4,481	-13,191	-15,860	-19,722
<b>Operating cash flow</b>	<b>-50,736</b>	<b>-13,850</b>	<b>-62,997</b>	<b>-5,337</b>	<b>30,667</b>	<b>39,235</b>
Investments in PP&E	-2,941	-4,597	-4,549	-4,091	-4,746	-5,221
Investments in intangibles	-375	-654	-809	-629	-791	-870
<b>Free cash flow</b>	<b>-54,052</b>	<b>-19,101</b>	<b>-68,355</b>	<b>-10,057</b>	<b>25,130</b>	<b>33,144</b>
Acquisitions & disposals, net	462	249	488	0	0	0
Other investments	-1,004	2,872	6,712	0	0	0
<b>Investment cash flow</b>	<b>-3,858</b>	<b>-2,130</b>	<b>1,842</b>	<b>-4,720</b>	<b>-5,537</b>	<b>-6,091</b>
Debt financing, net	26,764	94,375	20,103	86,779	6,000	20,000
Equity financing, net	0	0	0	0	0	0
Dividends paid	-4,149	-4,518	-4,979	-5,533	-4,979	-6,086
Other financing	-2,328	-5,650	-5,059	-9,282	-11,567	-12,323
<b>Financing cash flow</b>	<b>20,287</b>	<b>84,207</b>	<b>10,065</b>	<b>71,965</b>	<b>-10,546</b>	<b>1,591</b>
FOREX & other effects	19	376	1,185	0	0	0
<b>Net cash flows</b>	<b>-34,288</b>	<b>68,603</b>	<b>-49,905</b>	<b>61,908</b>	<b>14,583</b>	<b>34,735</b>
Cash, start of the year	52,798	18,472	87,075	37,170	99,078	113,661
<b>Cash, end of the year</b>	<b>18,510</b>	<b>87,075</b>	<b>37,170</b>	<b>99,078</b>	<b>113,661</b>	<b>148,396</b>
<b>EBITDA/share (in €)</b>	<b>3.31</b>	<b>6.18</b>	<b>6.44</b>	<b>6.55</b>	<b>8.15</b>	<b>9.58</b>
<b>Y-Y Growth</b>						
Operating cash flow	n.m.	n.m.	n.m.	n.m.	n.m.	27.9%
Free cash flow	n.m.	n.m.	n.m.	n.m.	n.m.	31.9%
Financial cash flow	357.1%	315.1%	-88.0%	615.0%	n.m.	n.m.
EBITDA/share	-19.1%	86.9%	4.2%	1.8%	24.4%	17.5%

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

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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...34	↓	↓	↓	↓
35	2 November 2023	€43.90	BUY	€106.00
36	4 December 2023	€41.60	BUY	€106.00
37	20 February 2024	€49.80	BUY	€110.00
38	19 March 2024	€53.40	BUY	€110.00
39	17 June 2024	€53.80	BUY	€110.00
40	6 September 2024	€45.10	Buy	€110.00
41	29 November 2024	€34.40	Buy	€102.00
42	18 December 2024	€38.70	Buy	€102.00
43	Today	€40.20	Buy	€99.00

**INVESTMENT HORIZON**

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

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- 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/>

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