company note

METZLER Capital Markets

ABO Energy (AB9 GY) | Utilities/Renewables

September 30, 2025

Strategy adjustment

Last week, ABO Energy reported that it is considering expanding its business model to include the development of its own portfolio of renewable energy parks (IPP). The company points to the expertise available within the group. It also points to the shift from a seller's market for renewable energy parks to a more balanced relationship between supply and demand in light of the sharp increase in approvals in Germany. Building an IPP portfolio is capital intensive. ABO states that it is in contact with several investors, with discussions at various stages, but without any details of the implementation of a possible resulting transaction having been finalised. In this context, ABO refers to the authorised capital (20% without subscription rights). The founding families have signalled that they would be willing to sell shares and pointed out that if an investor were to acquire a majority of the KGaA shares, the statutes would allow for a reversion to a public limited company (AG). In our opinion, expanding the business model to include IPP business makes sense because it improves earnings stability and predictability. It also allows temporary fluctuations in buyer interest to be absorbed or offset. In general, we expect demand for electricity to rise sharply in the future. This demand is linked to the electrification of mobility, heating processes etc., which is happening but more slowly than originally thought. We continue to see investment in electricity-generating assets as sensible. For Germany, we expect investments amounting to several hundred billion EUR over the next 20 years, primarily in renewables (see also our study "The business potential for renewables remains high" from September 22, 2025).

Fundamentals (in EUR m)[1]	2022	2023	2024	2025e	2026e	2027e
Sales	232	300	446	383	466	537
EBITDA	57	59	66	73	89	101
EBIT	43	42	44	54	65	75
EPS adj. (EUR)	2.67	2.96	2.77	3.43	4.26	4.94
DPS (EUR)	0.54	0.60	0.65	0.70	0.80	0.90
BVPS (EUR)	18.44	20.90	23.07	25.94	29.63	32.99
Net Debt incl. Provisions	92	153	230	234	226	202
Ratios[1]	**2022**	**2023**	**2024**	**2025e**	**2026e**	**2027e**
EV/EBITDA	13.6	9.0	8.6	7.7	6.3	5.2
EV/EBIT	18.0	12.5	12.7	10.5	8.5	7.1
P/E adj.	27.8	13.9	13.0	10.4	8.4	7.2
Dividend yield (%)	0.7	1.5	1.8	2.0	2.2	2.5
EBITDA margin (%)	24.6	19.8	14.7	19.0	19.0	18.9
EBIT margin (%)	18.6	14.2	9.9	14.0	14.0	13.9
Net debt/EBITDA	1.6	2.6	3.5	3.2	2.6	2.0
PBV	4.0	2.0	1.6	1.4	1.2	1.1

[1]Sources: Bloomberg, Metzler Research

Buy ➔ **unchanged**

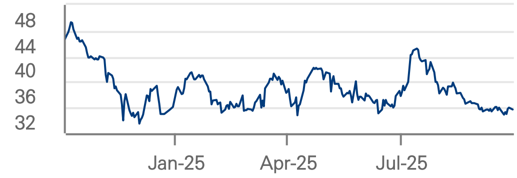
Price* **EUR 35.70**

Price target **EUR 91.00** (unchanged)

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

Market Cap (EUR m)[1]	329
Enterprise Value (EUR m)[1]	563
Free Float (%)[1]	38.0

Price (in EUR)[1]



Performance (in %)[1]	1m	3m	12m
Share	-2.7	-7.5	-18.5
Rel. to SDAX	-2.9	-3.7	-31.6

Changes in estimates (in %)[1]	2025e	2026e	2027e
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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Key Data

Company profile

CEO: Dr. Karsten Schlageter CFO: Alexander Reinicke Wiesbaden, Germany

The renewables project developer ABO Energy, founded in 1996 and now active in 14 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 the construction of transformer stations and solar parks.

Major shareholders

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

Key figures

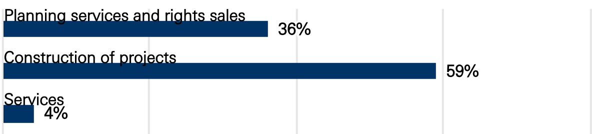
P&L (in EUR m)	2022	%	2023	%	2024	%	2025e	%	2026e	%	2027e	%
Sales	232	82.3	300	29.4	446	48.9	383	-14.2	466	21.7	537	15.2
EBITDA	57	87.0	59	4.0	66	10.5	73	11.0	89	21.7	101	14.6
EBITDA margin (%)	24.6	2.6	19.8	-19.6	14.7	-25.8	19.0	29.4	19.0	0.0	18.9	-0.5
EBIT	43	92.2	42	-1.5	44	4.4	54	20.8	65	21.7	75	14.4
EBIT margin (%)	18.6	5.5	14.2	-23.9	9.9	-29.9	14.0	40.8	14.0	0.0	13.9	-0.7
Financial result	-5	-228.9	-1	82.5	-8	-830.5	-9	-13.0	-9	-1.7	-10	-4.6
EBT	38	82.6	42	8.8	36	-12.5	45	22.5	56	25.7	65	16.0
Taxes	14	91.0	14	5.4	11	-24.7	13	19.9	17	29.5	20	16.0
Tax rate (%)	35.7	n.a.	34.6	n.a.	29.8	n.a.	29.1	n.a.	30.0	n.a.	30.0	n.a.
Net income	25	78.2	27	10.7	26	-6.0	32	23.6	39	24.1	46	16.0
Minority interests	0	n.a.	-0	n.a.	0	141.4	0	-100.0	0	n.a.	0	n.a.
Net Income after minorities	25	78.2	27	10.8	26	-6.2	32	23.7	39	24.1	46	16.0
Number of shares outstanding (m)	9	0.0	9	0.0	9	0.0	9	0.0	9	0.0	9	0.0
EPS adj. (EUR)	2.67	78.2	2.96	10.8	2.77	-6.2	3.43	23.7	4.26	24.1	4.94	16.0
DPS (EUR)	0.54	10.2	0.60	11.1	0.65	8.3	0.70	7.7	0.80	14.3	0.90	12.5
Dividend yield (%)	0.7	n.a.	1.5	n.a.	1.8	n.a.	2.0	n.a.	2.2	n.a.	2.5	n.a.

Cash Flow (in EUR m)	2022	%	2023	%	2024	%	2025e	%	2026e	%	2027e	%
Gross Cash Flow	70	244.1	42	-39.0	38	-11.0	60	58.4	73	21.4	80	10.8
Increase in working capital	-83	n.a.	-105	n.a.	-56	n.a.	-55	n.a.	-54	n.a.	-45	n.a.
Capital expenditures	2	-42.3	2	-22.1	8	327.8	3	-61.0	4	33.3	3	-25.0
D+A/Capex (%)	599.4	n.a.	933.3	n.a.	274.7	n.a.	638.3	n.a.	582.4	n.a.	894.6	n.a.
Free cash flow (Metzler definition)	-16	68.5	-65	-302.2	-11	83.0	2	115.3	14	748.5	32	125.2
Free cash flow yield (%)	-2.4	n.a.	-17.1	n.a.	-3.3	n.a.	0.5	n.a.	4.3	n.a.	9.8	n.a.
Dividend paid	5	8.9	5	10.2	6	11.1	6	8.3	6	7.7	7	14.3
Free cash flow (post dividend)	-21	62.7	-70	-238.3	-17	76.3	-4	73.9	8	282.1	25	216.5

Balance sheet (in EUR m)	2022	%	2023	%	2024	%	2025e	%	2026e	%	2027e	%
Assets	451	51.9	494	9.4	656	32.9	695	5.8	770	10.8	835	8.5
Goodwill	0	n.a.	0	n.a.	0	n.a.	0	n.a.	0	n.a.	0	n.a.
Shareholders' equity	170	13.5	193	13.4	213	10.4	239	12.5	273	14.2	304	11.3
Equity/total assets (%)	37.7	n.a.	39.0	n.a.	32.4	n.a.	34.4	n.a.	35.5	n.a.	36.4	n.a.
Net Debt incl. Provisions	92	24.3	153	66.3	230	50.3	234	1.9	226	-3.3	202	-11.0
thereof pension provisions	0	n.a.	0	n.a.	0	n.a.	0	n.a.	0	n.a.	0	n.a.
Gearing (%)	54.1	n.a.	79.4	n.a.	108.1	n.a.	97.9	n.a.	82.9	n.a.	66.3	n.a.
Net debt/EBITDA	1.6	n.a.	2.6	n.a.	3.5	n.a.	3.2	n.a.	2.6	n.a.	2.0	n.a.

Structure

Sales by area of activity 2024



Sources: Bloomberg, Metzler Research

Disclosures

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 * Previous	Current	Current price **	Price target *	Author ***
Issuer/Financial Instrument (ISIN): ABO Energy (DE0005760029)					
22.09.2025	Buy	Buy	35.70 EUR	91.00 EUR	Hoymann, Guido
02.09.2025	Buy	Buy	36.50 EUR	91.00 EUR	Hoymann, Guido
03.07.2025	Buy	Buy	38.40 EUR	91.00 EUR	Hoymann, Guido
02.04.2025	Buy	Buy	38.50 EUR	91.00 EUR	Hoymann, Guido
24.03.2025	Buy	Buy	41.30 EUR	91.00 EUR	Hoymann, Guido
14.03.2025	Buy	Buy	36.20 EUR	85.00 EUR	Hoymann, Guido
03.03.2025	Buy	Buy	35.80 EUR	85.00 EUR	Hoymann, Guido
26.11.2024	Buy	Buy	35.60 EUR	96.00 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 Energy

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