

ABO Wind (AB9 GH) | Utilities

March 17, 2020

Well underway at home and abroad

Together with the projects in Germany of around 50 MW announced in February, ABO Wind has already reached half of the ready-to-build volume expected by us for this year in the first quarter of 2020. The fundamental question of whether the topic of environment/global warming now plays less of a role and therefore attracts less capital than before Corona is difficult to answer. Aging conventional plants or now competitive and foreseeable even further decreasing costs for renewables speak against it. The cash flow profile of renewable plants with the feed-in priority existing in many countries should continue to be considered attractive by investors; the plants are mainly sold to institutional investors (pension funds, insurance companies, utility companies, financial investors).

- ABO Wind has completed the development of five French wind farms with a total of 16 turbines and 41 megawatts of capacity and has reached ready to build status. Construction of the projects has already begun or will start shortly. Nine of the turbines will be connected to the grid as planned this year, seven next year.
- Since 2004, ABO Wind has connected a good 300 megawatts of wind power capacity to the grid in France.
- The five wind farms now under construction are located in the departments of Charente (2), Côtes-d'Armor, Mayenne and Loiret.

Fundamentals (in EUR m)	2016	2017	2018	2019e	2020e	2021e
Sales	122	147	150	129	161	192
EBITDA	34	38	32	28	32	45
EBIT	24	25	22	16	20	33
EPS adj. (EUR)	2.15	2.22	1.67	1.20	1.53	2.52
DPS (EUR)	0.50	0.40	0.42	0.40	0.40	0.50
BVPS (EUR)	8.77	10.40	11.63	11.37	12.50	14.62
Net Debt incl. Provisions	25	1	48	35	31	20
Ratios	2016	2017	2018	2019e	2020e	2021e
EV/EBITDA	2.4	2.5	4.8	6.4	4.6	3.1
EV/EBIT	3.4	3.7	7.0	11.0	7.2	4.2
P/E adj.	3.4	5.4	8.3	14.5	9.0	5.5
Dividend yield (%)	6.8	3.3	3.0	2.3	2.9	3.6
EBITDA margin (%)	28.1	25.7	21.4	22.0	20.1	23.2
EBIT margin (%)	19.5	17.0	14.6	12.8	12.7	16.9
Net debt/EBITDA	0.7	0.0	1.5	1.2	1.0	0.5
ROE (%)	49.1	23.2	15.1	10.9	12.8	18.6
PBV	0.8	1.1	1.2	1.5	1.1	0.9

Sources: Refinitiv, Metzler Research

Buy

 **unchanged**

Price* **EUR 13.80**

Price target **EUR 29.00 (unchanged)**

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

Market Cap (EUR m)	117
Enterprise Value (EUR m)	148
Free Float (%)	25.0

Price (in EUR)



Performance (in %)	1m	3m	12m
Share	-31.7	-19.8	-4.2
Rel. to SDAX	6.0	19.2	24.2

Sources: Refinitiv, Metzler Research

Changes in estimates (in %)	2019e	2020e	2021e
Sales	0.0	0.0	0.0
EBIT	0.0	0.0	0.0
EPS	0.0	0.0	0.0

Sponsored Research



Author: Guido Hoymann

Financial Analyst Equities

+49 - 69 21 04 - 3 98

GHoymann@metzler.com

company note

France is a core market for ABO Wind

France is one of the most important markets for ABO Wind.

ABO Wind - capacity developed to date in MW

WIND	Built capacity	Period
Germany	1,000	1996 - 2019
Argentina	460	2016 + 2017
France	300	2004 - 2019
Finland	240	2015 - 2019
Spain	210	2012 - 2019
Ireland	80	2010 - 2018
SOLAR		
Germany	2	2018/2019
TOTAL	~2,300	

Source: ABO Wind, Metzler Research

In Germany, France, Finland and Ireland, ABO Wind has created very robust core markets with an estimated 2-3% market share.

Sales split by region

in %	2012	2013	2014	2015	2016	2017	2018
Germany	55	61	64	70	75	44	48
Finland	0	0	5	10	11	35	23
France	40	23	29	20	6	14	12
Ireland	2	15	2	0	0	2	16
Spain	2	0	0	0	1	2	1
Argentina	0	0	0	0	8	0	1
Other	1	0	0	0	0	3	0

Source: ABO Wind, Metzler Research

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 (30%), Family Bockholt (30%), Mainova AG (10%), Baden-Württembergische Versorgungskasse der Ärzte (5%)

Key figures

P&L (in EUR m)	2016	%	2017	%	2018	%	2019e	%	2020e	%	2021e	%
Sales	122	n.a.	147	20.0	150	2.4	129	-14.0	161	24.9	192	18.9
EBITDA	34	n.a.	38	9.6	32	-14.8	28	-11.5	32	14.0	45	37.1
EBITDA margin (%)	28.1	n.a.	25.7	-8.7	21.4	-16.7	22.0	3.0	20.1	-8.7	23.2	15.3
EBIT	24	n.a.	25	4.5	22	-12.0	16	-25.0	20	24.2	33	58.9
EBIT margin (%)	19.5	n.a.	17.0	-12.9	14.6	-14.0	12.8	-12.8	12.7	-0.6	16.9	33.7
Financial result	-2	n.a.	-1	1.6	-1	38.7	-2	-118.1	-2	0.0	-2	0.0
EBT	22	n.a.	23	4.9	21	-10.3	14	-31.2	18	27.5	31	65.3
Taxes	6	n.a.	6	9.4	9	32.3	4	-49.1	6	27.5	9	65.3
Tax rate (%)	26.4	n.a.	27.5	n.a.	40.6	n.a.	30.0	n.a.	30.0	n.a.	30.0	n.a.
Net income	16	n.a.	17	3.3	13	-24.9	10	-20.7	13	27.5	21	65.3
Minority interests	0	n.a.	0	-55.0	0	88.9	0	-100.0	0	n.a.	0	n.a.
Net Income after minorities	16	n.a.	17	3.4	13	-25.0	10	-20.5	13	27.5	21	65.3
Number of shares outstanding (m)	8	0.0	8	0.0	8	0.0	8	10.8	8	0.0	8	0.0
EPS adj. (EUR)	2.15	n.a.	2.22	3.4	1.67	-25.0	1.20	-28.3	1.53	27.5	2.52	65.3
DPS (EUR)	0.50	100.0	0.40	-20.0	0.42	5.0	0.40	-4.8	0.40	0.0	0.50	25.0
Dividend yield (%)	6.8	n.a.	3.3	n.a.	3.0	n.a.	2.3	n.a.	2.9	n.a.	3.6	n.a.
Cash Flow (in EUR m)	2016	%	2017	%	2018	%	2019e	%	2020e	%	2021e	%
Gross Cash Flow	27	n.a.	30	10.9	22	-25.4	22	0.2	25	12.6	33	33.9
Increase in working capital	-27	n.a.	3	n.a.	-39	n.a.	-15	n.a.	-15	n.a.	-15	n.a.
Capital expenditures	2	n.a.	1	-47.2	3	149.2	3	-7.4	3	0.0	4	33.3
D+A/Capex (%)	428.1	n.a.	982.8	n.a.	314.8	n.a.	400.0	n.a.	400.0	n.a.	300.0	n.a.
Free cash flow (Metzler definition)	-3	n.a.	25	889.5	-20	-179.2	4	120.5	7	67.4	14	107.5
Free cash flow yield (%)	-5.7	n.a.	27.9	n.a.	-19.1	n.a.	2.8	n.a.	5.9	n.a.	12.3	n.a.
Dividend paid	2	n.a.	4	100.0	3	-20.0	4	16.3	3	-4.8	3	0.0
Free cash flow (post dividend)	-5	n.a.	22	521.4	-23	-207.4	1	102.5	4	513.6	11	210.6
Balance sheet (in EUR m)	2016	%	2017	%	2018	%	2019e	%	2020e	%	2021e	%
Assets	147	n.a.	174	18.7	194	11.6	199	2.5	204	2.5	227	11.4
Goodwill	0	n.a.	0	n.a.	0	n.a.	0	n.a.	0	n.a.	0	n.a.
Shareholders' equity	67	n.a.	80	18.7	89	11.8	96	8.3	106	9.9	124	17.0
Equity/total assets (%)	45.7	n.a.	45.7	n.a.	45.9	n.a.	50.9	n.a.	51.9	n.a.	54.6	n.a.
Net Debt incl. Provisions	25	n.a.	1	-95.3	48	n.m.	35	-28.4	31	-10.2	20	-35.2
thereof pension provisions	0	n.a.	0	n.a.	0	n.a.	0	n.a.	0	n.a.	0	n.a.
Gearing (%)	36.6	n.a.	1.5	n.a.	54.4	n.a.	36.0	n.a.	29.4	n.a.	16.3	n.a.
Net debt/EBITDA	0.7	n.a.	0.0	n.a.	1.5	n.a.	1.2	n.a.	1.0	n.a.	0.5	n.a.

Structure

Sales by area of activity 2018



Sources: Refinitiv, Metzler Research

company note

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 *		Current price **	Price target *	Author ***
	Previous	Current			
Issuer/Financial Instrument (ISIN): ABO Wind (DE0005760029)					
21.02.2020	Buy	Buy	20.40 EUR	29.00 EUR	Hoymann, Guido
01.10.2019	Buy	Buy	15.20 EUR	23.70 EUR	Hoymann, Guido
09.09.2019	n.a.	Buy	15.50 EUR	23.70 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 here-in: ABO Wind AG: Hamburg Stock Exchange

*** All authors are financial analysts

ABO Wind

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Metzler Capital Markets

B. Metzler seel. Sohn & Co.
Kommanditgesellschaft auf Aktien
Untermainanlage 1
60329 Frankfurt/Main, Germany
Phone (+49 - 69) 21 04 - extension
Fax (+49 - 69) 21 04 - 6 79
www.metzler.com

Michael Klaus Head of Capital Markets
Mario Mattera

Research	Pascal Spano	Head of Research	43 65
Fax (+49 - 69) 28 31 59			
	Guido Hoymann	Head of Equity Research, Transport, Utilities	3 98
	Stephan Bauer	Industrial Technology	43 63
	Stephan Bonhage	Small/Mid Caps, Construction	5 25
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Equities	Werner Litzinger	Head of Equities	41 78
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FI/FX	Mario Mattera	Head of FI/FX	6 87
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FI Trading/ALM	Sven Klein	Head of ALM	6 86
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