

Energiekontor (EKT GY) | Utilities/Renewables

December 19, 2023

Successful transaction again shows how much value is in EKT

After Energiekontor succeeded in selling a wind farm project in Scotland at the end of last week, the company currently expects consolidated EBT in the range of EUR 80 to 100 million for the 2023 financial year. This corresponds to an increase in Group EBT of around 30 to 60 per cent compared to the previous year (financial year 2022: EUR 62.9 million). The previous forecast was to increase the previous year's consolidated earnings before taxes by 10 to 20 per cent in the 2023 financial year. This positive news should certainly dispel doubts that may have arisen recently about the business model. Renewables plants are still in high demand and tend to remain a (valuable) scarce asset. The fact that interest rates are now falling again means an additional tailwind. Demand for renewables remains structurally strong, driven by Net Zero targets and now additionally by efforts to become less dependent on Russian energy. Governments are pulling out all the stops to accelerate the expansion process. We believe Energiekontor is particularly well positioned: Germany alone accounts for around 5.5 GW of Energiekontor's total development pipeline of 10 GW. The accelerated expansion of renewable energies is a very high priority also in Germany and is currently gaining momentum. In 2023, for example, the awards in the wind tenders, which essentially determine the number of installations in the following year, have doubled.

Valuation: We calculate a fair value of EUR 80 per share for Energiekontor's development business. This results from our pipeline valuation approach. For the generation and services business, we calculate a fair value of EUR 41 per share based on peer multiples.

Fundamentals (in EUR m) ¹	2020	2021	2022	2023e	2024e	2025e
Sales	147	157	188	242	223	224
EBITDA	65	80	97	132	126	145
EBIT	46	60	77	108	94	103
EPS adj. (EUR)	1.43	2.54	3.18	4.52	3.81	4.21
DPS (EUR)	0.80	0.90	1.00	1.05	1.10	1.10
BVPS (EUR)	4.59	5.76	8.84	8.90	11.33	11.33
Net Debt incl. Provisions	236	221	216	248	308	353
Ratios ¹	2020	2021	2022	2023e	2024e	2025e
EV/EBITDA	16.3	15.5	13.3	9.9	10.8	9.7
EV/EBIT	23.1	20.7	16.7	12.1	14.5	13.7
P/E adj.	40.6	28.0	24.2	16.7	19.8	18.0
Dividend yield (%)	1.4	1.3	1.3	1.4	1.5	1.5
EBITDA margin (%)	44.6	50.8	51.8	54.6	56.5	64.7
EBIT margin (%)	31.4	38.0	41.3	44.7	42.2	46.1
Net debt/EBITDA	3.6	2.8	2.2	1.9	2.4	2.4
PBV	12.6	12.3	8.7	8.5	6.7	6.7

¹Sources: Bloomberg, Metzler Research, ²Sources: ISS ESG, Metzler Research

Buy



unchanged

Price*

EUR 75.70

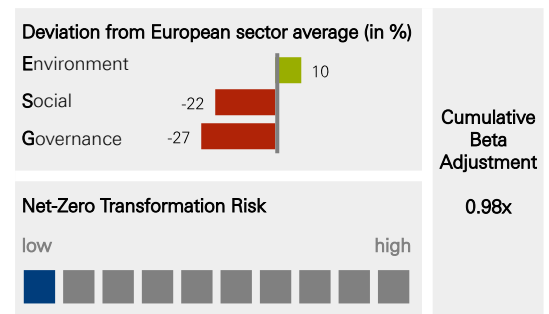
Price target

EUR 121.00 (unchanged)

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

Market Cap (EUR m) ¹	1,057
Enterprise Value (EUR m) ¹	1,305
Free Float (%) ¹	48.5

Metzler ESG analysis based on ISS ESG data²



Price (in EUR)¹



Performance (in %) ¹	1m	3m	12m
Share	6.9	-9.2	-7.0
Rel. to TecDax	0.5	-17.1	-17.5

Changes in estimates (in %) ¹	2023e	2024e	2025e
Sales	15.8	-5.2	-9.9
EBIT	24.0	-0.0	-0.0
EPS	30.3	-0.1	-0.1

Sponsored Research



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company note

Key Data

Company profile

CEO: Peter Szabo

Energiekontor develops, operates and owns wind and solar parks. The company has its roots in Germany, but is also expanding its activities in Great Britain, France and the USA.

CFO:

Bremen

Major shareholders

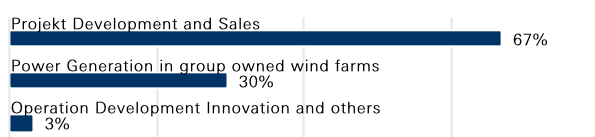
Dr. Bodo Wilkens (25.8%), Günter Lammers (25.7%)

Key figures

P&L (in EUR m)	2020	%	2021	%	2022	%	2023e	%	2024e	%	2025e	%
Sales	147	130.2	157	6.8	188	19.8	242	29.0	223	-7.8	224	0.3
EBITDA	65	68.3	80	21.6	97	22.2	132	35.8	126	-4.7	145	14.9
EBITDA margin (%)	44.6	-26.9	50.8	13.9	51.8	2.0	54.6	5.3	56.5	3.4	64.7	14.6
EBIT	46	182.2	60	29.4	77	30.0	108	39.8	94	-13.1	103	9.5
EBIT margin (%)	31.4	22.6	38.0	21.2	41.3	8.5	44.7	8.4	42.2	-5.7	46.1	9.2
Financial result	-15	4.9	-17	-14.0	-17	-1.6	-18	-5.3	-18	0.0	-19	-5.6
EBT	31	n.m.	43	36.7	60	41.2	90	49.6	76	-15.7	84	10.4
Taxes	11	n.m.	9	-19.3	18	110.4	27	47.5	23	-15.7	25	10.4
Tax rate (%)	34.6	n.a.	20.4	n.a.	30.4	n.a.	30.0	n.a.	30.0	n.a.	30.0	n.a.
Net income	20	n.m.	36	77.1	45	23.1	63	41.8	53	-15.7	59	10.4
Minority interests	0	n.a.	0	n.a.	0	n.a.	0	n.a.	0	n.a.	0	n.a.
Net Income after minorities	20	n.m.	36	77.1	45	23.1	63	41.8	53	-15.7	59	10.4
Number of shares outstanding (m)	14	-0.3	14	0.0	14	0.0	14	0.0	14	0.0	14	0.0
EPS adj. (EUR)	1.43	n.m.	2.54	77.3	3.18	25.6	4.52	42.0	3.81	-15.7	4.21	10.4
DPS (EUR)	0.80	100.0	0.90	12.5	1.00	11.1	1.05	5.0	1.10	4.8	1.10	0.0
Dividend yield (%)	1.4	n.a.	1.3	n.a.	1.3	n.a.	1.4	n.a.	1.5	n.a.	1.5	n.a.
Cash Flow (in EUR m)	2020	%	2021	%	2022	%	2023e	%	2024e	%	2025e	%
Gross Cash Flow	18	-57.5	62	246.7	96	54.3	87	-9.1	85	-2.2	101	18.1
Increase in working capital	0	n.a.	25	n.a.	-43	n.a.	-20	n.a.	0	n.a.	0	n.a.
Capital expenditures	-12	-195.0	85	820.4	82	-3.1	125	51.7	130	4.0	130	0.0
D+A/Capex (%)	-164.3	n.a.	23.5	n.a.	24.1	n.a.	19.1	n.a.	24.5	n.a.	32.1	n.a.
Free cash flow (Metzler definition)	-118	-713.5	-48	59.3	56	216.7	-18	-132.0	-45	-149.5	-29	34.4
Free cash flow yield (%)	-14.3	n.a.	-4.8	n.a.	5.2	n.a.	-1.7	n.a.	-4.3	n.a.	-2.8	n.a.
Dividend paid	6	-0.3	11	99.8	13	10.3	14	10.9	15	5.0	15	4.8
Free cash flow (post dividend)	-124	n.m.	-34	72.2	44	226.8	-32	-173.2	-60	-86.4	-45	24.7
Balance sheet (in EUR m)	2020	%	2021	%	2022	%	2023e	%	2024e	%	2025e	%
Assets	449	15.1	561	25.0	633	12.8	652	2.9	690	5.8	690	0.0
Goodwill	0	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Shareholders' equity	66	16.6	82	25.4	124	50.4	124	0.5	158	27.2	158	0.0
Equity/total assets (%)	14.6	n.a.	14.6	n.a.	19.5	n.a.	19.1	n.a.	22.9	n.a.	22.9	n.a.
Net Debt incl. Provisions	236	10.9	221	-6.4	216	-2.0	248	14.8	308	24.0	353	14.6
thereof pension provisions	0	n.a.	0	n.a.	0	n.a.	0	n.a.	0	n.a.	0	n.a.
Gearing (%)	359.7	n.a.	268.5	n.a.	174.9	n.a.	199.7	n.a.	194.7	n.a.	223.1	n.a.
Net debt/EBITDA	3.6	n.a.	2.8	n.a.	2.2	n.a.	1.9	n.a.	2.4	n.a.	2.4	n.a.

Structure

Sales by segment 2022



ESG discussion

One of the key sustainability issues is to ensure the safety of employees, contractors and business partners involved in the construction, operation and maintenance of its power plants. Almost all of Energiekontor's operations are located in countries such as Germany and the UK where high legal health and safety standards are in place. When planning new wind or solar energy projects, Energiekontor is committed to make use of brownfield sites instead of greenfield sites and refrains from site selection in areas with high biodiversity value. According to ISS, Energiekontor's governance structure does not include a clear separation of managerial and supervisory functions.

Sources: Bloomberg, 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): Energiekontor (DE0005313506)					
14.11.2023	Buy	Buy	64.70 EUR	121.00 EUR	Hoymann, Guido
14.08.2023	Buy	Buy	77.20 EUR	121.00 EUR	Hoymann, Guido
22.05.2023	Buy	Buy	76.00 EUR	121.00 EUR	Hoymann, Guido
03.04.2023	Buy	Buy	66.40 EUR	121.00 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

Energiekontor

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