

Energiekontor (EKT GY) | Utilities/Renewables

December 05, 2024

Further project postponements conclude hapless year 2024

In November, EKT had already pointed out that the successful completion of projects in the sales process is crucial for the level of net income in 2024 and thus for achieving the forecast earnings range (EBT EUR 30-70m). Now EKT reports that the finalization of several projects, with a targeted EBT contribution of EUR 40-45m has been postponed to Q1 2025. New EBT target for 2024 is EUR 23-27m; 2028 target of EUR 120m confirmed. The postponement is unpleasant but not untypical for the project business and makes no significant economic difference. We are raising the estimates for 2025 accordingly. It is obvious that the foundations for attractive growth have been laid: after 9m, Energiekontor had projects with a capacity of 413 MW under construction. The number of building permits had risen to 1090 MW. In 2025, around 99 MW will be added to the company's own power generation portfolio and in 2026 a further 121 MW. 2024 was certainly not a good year for EKT with delays due to sluggish grid expansion in the UK and due to exceptionally long delivery times for wind turbines and other large components. Most of the projects under construction in Germany are expected to be commissioned in 2025 and 2026, the contributions from the UK transactions should also materialise during this period.

Valuation: According to our calculations, the value of the reliably predictable electricity generation in EUR per share is in the mid-30s. In Project Development, we not only have the lush 12 GW pipeline, but also around 1.5 GW of projects with planning permission or even already under construction. And in our view, these alone are worth around EUR 0.7bn or c. EUR 50 per share.

Fundamentals (in EUR m) ¹	2021	2022	2023	2024e	2025e	2026e
Sales	157	188	242	162	233	203
EBITDA	80	97	131	66	145	152
EBIT	60	77	110	45	122	123
EPS adj. (EUR)	2.54	3.18	5.97	1.27	5.09	5.29
DPS (EUR)	0.90	1.00	1.20	1.20	1.30	1.35
BVPS (EUR)	5.76	8.84	13.27	14.19	17.06	19.21
Net Debt incl. Provisions	221	216	228	256	228	223
Ratios ¹	2021	2022	2023	2024e	2025e	2026e
EV/EBITDA	15.5	13.3	10.6	12.7	5.6	5.3
EV/EBIT	20.7	16.7	12.6	18.6	6.7	6.6
P/E adj.	28.0	24.2	13.8	33.0	8.2	7.9
Dividend yield (%)	1.3	1.3	1.5	2.9	3.1	3.2
EBITDA margin (%)	50.8	51.8	54.1	41.0	62.4	75.0
EBIT margin (%)	38.0	41.3	45.3	28.0	52.2	60.5
Net debt/EBITDA	2.8	2.2	1.7	3.9	1.6	1.5
PBV	12.3	8.7	6.2	3.0	2.5	2.2

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

Buy



unchanged

Price*

EUR 41.90

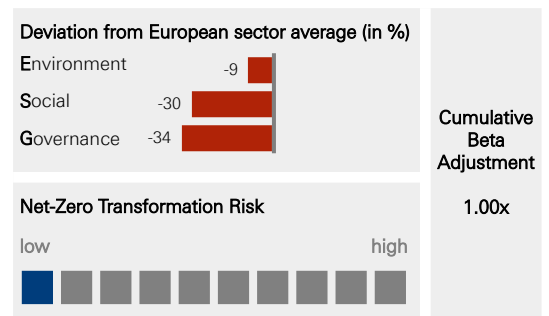
Price target

EUR 109.00 (unchanged)

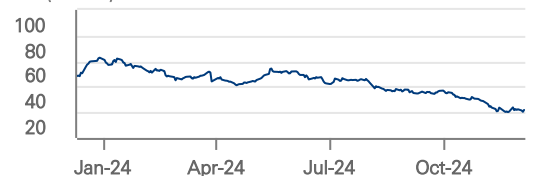
* XETRA trading price at the close of the previous day unless stated otherwise in the Disclosures

Market Cap (EUR m) ¹	585
Enterprise Value (EUR m) ¹	841
Free Float (%) ¹	48.5

Metzler ESG analysis based on ISS ESG data²



Price (in EUR)¹



Performance (in %) ¹	1m	3m	12m
Share	-9.7	-26.0	-39.6
Rel. to TecDax	-14.2	-31.1	-45.0

Changes in estimates (in %) ¹	2024e	2025e	2026e
Sales	0.0	0.0	0.0
EBIT	-32.7	10.9	0.0
EPS	-46.5	13.4	0.0

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

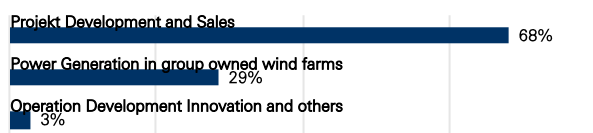
Dr. Bodo Wilkens (25.8%), Günter Lammers (25.7%)

Key figures

P&L (in EUR m)	2021	%	2022	%	2023	%	2024e	%	2025e	%	2026e	%
Sales	157	6.8	188	19.8	242	28.9	162	-33.0	233	43.9	203	-13.1
EBITDA	80	21.6	97	22.2	131	34.5	66	-49.2	145	118.8	152	4.5
EBITDA margin (%)	50.8	13.9	51.8	2.0	54.1	4.3	41.0	-24.1	62.4	52.0	75.0	20.2
EBIT	60	29.4	77	30.0	110	41.7	45	-58.7	122	168.3	123	0.8
EBIT margin (%)	38.0	21.2	41.3	8.5	45.3	9.9	28.0	-38.3	52.2	86.4	60.5	15.9
Financial result	-17	-123.5	-17	-1.6	-19	-10.9	-20	-5.5	-20	0.0	-17	15.0
EBT	43	-63.7	60	41.2	91	50.4	25	-72.1	102	301.1	106	3.9
Taxes	9	-19.3	18	110.4	12	-33.7	8	-37.5	30	301.1	32	3.9
Tax rate (%)	20.4	n.a.	30.4	n.a.	13.4	n.a.	30.0	n.a.	30.0	n.a.	30.0	n.a.
Net income	36	77.1	45	23.1	83	87.2	18	-78.7	71	301.1	74	3.9
Minority interests	0	-100.0	0	n.a.	0	n.a.	0	n.a.	0	n.a.	0	n.a.
Net Income after minorities	36	77.1	45	23.1	83	87.2	18	-78.7	71	301.1	74	3.9
Number of shares outstanding (m)	14	0.0	14	0.0	14	0.0	14	0.0	14	0.0	14	0.0
EPS adj. (EUR)	2.54	77.3	3.18	25.6	5.97	87.6	1.27	-78.7	5.09	301.1	5.29	3.9
DPS (EUR)	0.90	12.5	1.00	11.1	1.20	20.0	1.20	0.0	1.30	8.3	1.35	3.8
Dividend yield (%)	1.3	n.a.	1.3	n.a.	1.5	n.a.	2.9	n.a.	3.1	n.a.	3.2	n.a.
Cash Flow (in EUR m)	2021	%	2022	%	2023	%	2024e	%	2025e	%	2026e	%
Gross Cash Flow	62	246.7	96	54.3	139	45.6	39	-72.1	95	144.2	103	8.8
Increase in working capital	25	n.a.	-43	n.a.	6	n.a.	0	n.a.	0	n.a.	0	n.a.
Capital expenditures	85	820.4	82	-3.1	46	-44.5	50	9.4	50	0.0	80	60.0
D+A/Capex (%)	23.5	n.a.	24.1	n.a.	46.2	n.a.	42.3	n.a.	47.6	n.a.	36.8	n.a.
Free cash flow (Metzler definition)	-48	59.3	56	216.7	99	76.2	-11	-111.2	45	504.0	23	-48.2
Free cash flow yield (%)	-4.8	n.a.	5.2	n.a.	8.6	n.a.	-1.9	n.a.	7.7	n.a.	4.0	n.a.
Dividend paid	11	99.8	13	10.3	14	10.9	17	20.0	17	0.0	19	12.5
Free cash flow (post dividend)	-34	72.2	44	226.8	74	69.8	-28	-137.6	28	201.1	4	-84.2
Balance sheet (in EUR m)	2021	%	2022	%	2023	%	2024e	%	2025e	%	2026e	%
Assets	561	25.0	633	12.8	721	13.9	730	1.1	770	5.5	802	4.2
Goodwill	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Shareholders' equity	82	25.4	124	50.4	185	49.8	198	6.9	238	20.2	268	12.6
Equity/total assets (%)	14.6	n.a.	19.5	n.a.	25.7	n.a.	27.2	n.a.	30.9	n.a.	33.4	n.a.
Net Debt incl. Provisions	221	-6.4	216	-2.0	228	5.5	256	12.2	228	-11.0	223	-2.0
thereof pension provisions	0	n.a.	0	n.a.	0	n.a.	0	n.a.	0	n.a.	0	n.a.
Gearing (%)	268.5	n.a.	174.9	n.a.	123.2	n.a.	129.3	n.a.	95.7	n.a.	83.3	n.a.
Net debt/EBITDA	2.8	n.a.	2.2	n.a.	1.7	n.a.	3.9	n.a.	1.6	n.a.	1.5	n.a.

Structure

Sales by segment 2023



Sources: Bloomberg, Metzler Research

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.

company note

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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)					
15.11.2024	Buy	Buy	43.70 EUR	109.00 EUR	Hoymann, Guido
13.08.2024	Buy	Buy	58.50 EUR	109.00 EUR	Hoymann, Guido
18.06.2024	Buy	Buy	66.50 EUR	121.00 EUR	Hoymann, Guido
14.05.2024	Buy	Buy	70.00 EUR	121.00 EUR	Hoymann, Guido
02.04.2024	Buy	Buy	64.10 EUR	121.00 EUR	Hoymann, Guido
19.12.2023	Buy	Buy	75.70 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

13. Metzler, a company affiliated with Metzler and/or a person that has worked on compiling this report has reached an agreement with the issuer relating to the production of investment recommendations.

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