

Energiekontor (EKT GY) | Utilities/Renewables

May 22, 2023

Good start to the year and new share buyback announced

After announcing on Wednesday the cancellation of the 27,541 shares bought back between June 2022 and April 2023, the company announced its new share buyback program on Friday. Between May 19, 2023 and June 30, 2024, up to 80,000 shares (or for a maximum of EUR 9 million) are to be repurchased via the stock exchange. Energiekontor is thus continuing its established practice of regular share buybacks, which, as this year, only account for around 0.6% of the total number of shares. However, since 2015, for example, the number of shares has already been reduced by a total of almost 5% through these measures. Overall, this measure confirms that Energiekontor's business model works very well in which the relatively predictable revenues from the generation and service business finance the costs of its project development activities. Overall, the year 2023 seems to have started well for Energiekontor. In the mostly qualitative statements on the first quarter, Energiekontor reported the sale of two projects with a total generation capacity of around 30 MW in Germany, the conclusion of two sales agreements for a total of 86 MW that are in the final implementation stage, and nine wind farms and one solar farm with a total of 127 MW under construction. In addition, as of May, approvals had been received for a further 25 wind and solar farms in Germany and Scotland with a total generation capacity of around 800 MW. In power generation, meteorological conditions in the first quarter were slightly above the level of the previous year. The targets for 2023 (EBT increase of 10% to 20% year-on-year) as well as the 2028 target (doubling EBT to around EUR 120 million) were confirmed.

Fundamentals (in EUR m) ¹	2020	2021	2022	2023e	2024e	2025e
Sales	147	157	188	209	235	248
EBITDA	65	80	97	111	126	145
EBIT	46	60	77	87	94	103
EPS adj. (EUR)	1.43	2.54	3.18	3.47	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	8.89	11.30	11.30
Net Debt incl. Provisions	236	221	216	263	323	367
Ratios ¹	2020	2021	2022	2023e	2024e	2025e
EV/EBITDA	16.3	15.5	13.3	11.9	11.0	9.9
EV/EBIT	23.1	20.7	16.7	15.2	14.7	13.9
P/E adj.	40.6	28.0	24.2	21.9	20.0	18.1
Dividend yield (%)	1.4	1.3	1.3	1.4	1.4	1.4
EBITDA margin (%)	44.6	50.8	51.8	53.2	53.5	58.3
EBIT margin (%)	31.4	38.0	41.3	41.8	40.0	41.5
Net debt/EBITDA	3.6	2.8	2.2	2.4	2.6	2.5
PBV	12.6	12.3	8.7	8.6	6.7	6.7

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

Buy

 **unchanged**

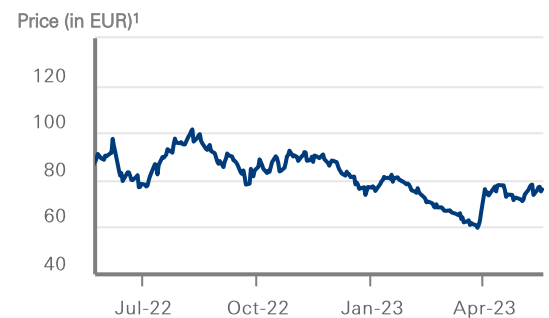
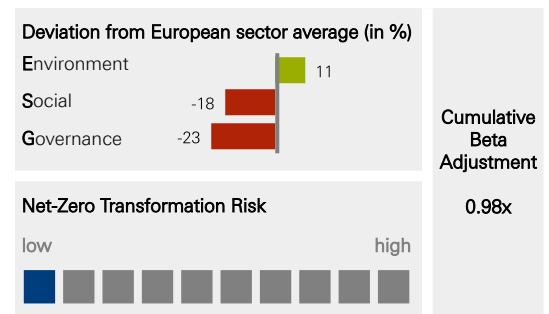
Price* EUR 76.00

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	1,063
Enterprise Value (EUR m) ¹	1,326
Free Float (%) ¹	48.5

Metzler ESG analysis based on ISS ESG data²



Performance (in %) ¹	1m	3m	12m
Share	3.0	11.3	-9.4
Rel. to SDAX	2.0	8.3	-12.4

Changes in estimates (in %) ¹	2023e	2024e	2025e
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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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

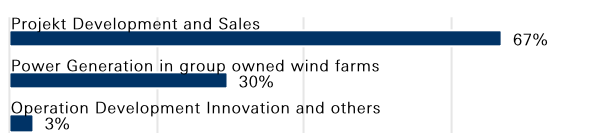
Dr. Bodo Wilkens (25.8%), Günter Lammers (25.7%)

Key figures

P&L (in EUR m)	2020	%	2021	%	2022	%	2023e	%	2024e	%	2025e	%
Sales	147	130.2	157	6.8	188	19.8	209	11.3	235	12.7	248	5.5
EBITDA	65	68.3	80	21.6	97	22.2	111	14.3	126	13.4	145	14.9
EBITDA margin (%)	44.6	-26.9	50.8	13.9	51.8	2.0	53.2	2.6	53.5	0.6	58.3	9.0
EBIT	46	182.2	60	29.4	77	30.0	87	12.7	94	7.9	103	9.5
EBIT margin (%)	31.4	22.6	38.0	21.2	41.3	8.5	41.8	1.3	40.0	-4.3	41.5	3.8
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	69	14.8	76	9.9	84	10.4
Taxes	11	n.m.	9	-19.3	18	110.4	21	13.2	23	9.9	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	48	8.8	53	9.9	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	48	8.8	53	9.9	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	3.47	8.8	3.81	9.9	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.	1.4	n.a.	1.4	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	72	-24.4	85	17.7	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	-33	-158.1	-45	-37.4	-29	34.4
Free cash flow yield (%)	-14.3	n.a.	-4.8	n.a.	5.2	n.a.	-3.1	n.a.	-4.2	n.a.	-2.8	n.a.
Dividend paid	6	-0.3	11	99.8	13	10.3	14	11.1	15	5.0	15	4.8
Free cash flow (post dividend)	-124	n.m.	-34	72.2	44	226.8	-47	-206.9	-60	-27.7	-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	263	21.6	323	22.7	367	13.9
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.	211.6	n.a.	204.0	n.a.	232.4	n.a.
Net debt/EBITDA	3.6	n.a.	2.8	n.a.	2.2	n.a.	2.4	n.a.	2.6	n.a.	2.5	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)					
03.04.2023	Buy	Buy	66.40 EUR	121.00 EUR	Hoymann, Guido
14.11.2022	Buy	Buy	88.10 EUR	117.00 EUR	Hoymann, Guido
12.08.2022	Buy	Buy	101.40 EUR	117.00 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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	Stephan Bauer	Industrial Technology	4363
	Tom Diedrich	Media, Retail	239
	Oliver Frey	Software, Technology, Telecommunications	4360
	Alexander Neuberger	Industrial Technology, Small/Mid Caps	4366
	Jochen Schmitt	Financials, Real Estate	4359
	Thomas Schulte-Vorwick	Basic Resources	234
	Pál Skirta	Mobility	525
	Jürgen Pieper	Mobility, Senior Advisor	529
	Uwe Hohmann	Equity Strategy	366
	Eugen Keller	Head of FI/FX Research	329
	Juliane Rack	FI/FX Strategy	1748
	Sebastian Sachs	FI/FX Strategy	526
	Stoyan Toshev	FI/FX Strategy	528
Equities	Mustafa Ansary	Head of Equities	351
		Head of Equity Sales	
Sales	Eugenia Buchmüller		238
	Hugues Jaouen		4173
	Alexander Kravkov		4172
	Jasmina Schul		1766
	Markus Tozman		4174
Trading	Sven Knauer	Head of Equity Trading	245
	Kirsten Fleer		246
	Stephan Schmelzle		247
	Thomas Seibert		228
Corporate Solutions	Dr. Karsten Iltgen	Head of Corporate Solutions	510
	Stephan Averdung		514
	Thomas Burkart		511
	Christoph Hirth		513

company note

	Adrian Takacs		512
Fixed Income (FI)	Sebastian Luther	Head of Fixed Income	688
FI Sales	Minush Nori	Head of Fixed Income Sales	689
	Silke Amelung		289
	Claudia Ruiu		683
	Simon Tabath		280
FI Trading/ALM	Burkhard Brod	Head of ALM	659
	Bettina Koch		291
	Susanne Kraus		658
	Christian Bernhard	Head of Fixed Income Trading	266
	Dirk Lagler		685
Foreign Exchange (FX)	Özgür Atasever	Head of Foreign Exchange	281
FX Sales	Tobias Martin	Head of FX Sales & Trading	614
	Steffen Völker		293
FX Trading	Rainer Jäger		276
	Andreas Zellmann		610
Currency Management	Dominik Müller	Head of Currency Management	274
CM Advisory	Achim Walde	Head of Advisory	275
	Jens Rotterdam		282
CM Operations	Simon Wesch	Head of Operations	350
	Tessa Feller		1696
	Florian Konz		1773
	Sergii Piskun	Senior Quantitative Analyst	237