

The Baltics energy stock

Q1/25 adj. EBITDA was above estimate on solid performance by core segments. Guidance was reiterated. The updated 2025-28 strategy confirms the growth plan. The Enefit Green buy-out could have a positive effect on Ignitis Group share. It also reveals the superiority of the integrated vs. the renewable only business model.

Core segments perform strongly

The Q1/25 adj. EBITDA increased 3.7% y/y to EUR 189m, which was 14% above forecast. The Green Capacities' EUR 32m y/y adj. EBITDA increase offset Customers & Solutions' EUR 32m decrease. The Networks' adj. EBITDA EUR 9m y/y increase also contributed to the growth. The 2025 adj. EBITDA guidance of EUR 500-540m was reiterated (we estimate EUR 542m)

Positive effect of Enefit Green buyout

Investors accepting the Enefit Green buyout bid received EUR 180m on Friday 16 May. We believe some of this money will be re-invested into Ignitis Group shares. Based on the Square Root Law formula, if 5-10% is re-invested, the Ignitis Group share could gain 4-6%.

Strategic plan confirms growth path

Ignitis Group's newly released 2025-2028 strategic plan reaffirms its growth commitment by maintaining the target of 4-5 GW green installed capacity by 2030, supported by a 4-year investment plan of EUR 3.0-4.0 billion, matching the investment plan amount outlined for the 2024-2027 period.

Key figures (MEUR)

| | 2023 | 2024 | 2025E | 2026E | 2027E |
|--------------------|--------|--------|--------|-------|-------|
| Revenue | 2,549 | 2,307 | 2,538 | 2,589 | 2,668 |
| Revenue growth | -41.9% | -9.5% | 10.0% | 2.0% | 3.1% |
| Adj. EBITDA | 485 | 528 | 542 | 583 | 635 |
| Adj. EBITDA margin | 19.2% | 22.9% | 21.4% | 22.5% | 23.8% |
| EBIT | 352 | 350 | 293 | 320 | 342 |
| EBIT margin | 13.8% | 15.2% | 11.6% | 12.4% | 12.8% |
| EV/Sales | 1.1 | 1.3 | 1.4 | 1.5 | 1.5 |
| EV/adj. EBITDA | 5.8 | 5.7 | 6.5 | 6.5 | 6.4 |
| EV/adj. EBIT | 8.5 | 8.8 | 9.8 | 9.6 | 9.3 |
| P/E adj. | 4.8 | 5.6 | 7.3 | 6.4 | 6.0 |
| P/BV | 0.6 | 0.6 | 0.6 | 0.6 | 0.5 |
| EPS | 4.42 | 3.82 | 2.93 | 3.33 | 3.56 |
| EPS growth | 9.4% | -13.7% | -23.1% | 13.6% | 6.9% |
| Div. per share | 1.29 | 1.33 | 1.37 | 1.41 | 1.45 |
| Dividend yield* | 6.9% | 6.8% | 6.4% | 6.6% | 6.8% |

Source: Company data, Enlight Research estimates

*Pre-tax yield on EUR 21.30

Fair value range (EUR)

| | |
|------|-------|
| Bull | 32.83 |
| Base | 27.75 |
| Bear | 24.63 |

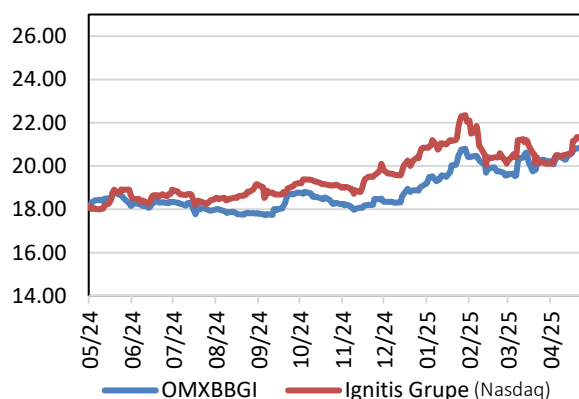
Key Data

| | |
|-------------|---------------------|
| Price (EUR) | 21.30 |
| Ticker | IGN1L |
| Country | Lithuania |
| Listed | Vilnius (Lithuania) |

| | |
|-------------------|-------|
| Market Cap (EURm) | 1,542 |
| Net debt (EURm)* | 1,974 |

| | |
|------------|------|
| Shares (m) | 72.4 |
| Free float | 25% |

*End of 2025 estimate



Price range

| | |
|--------------|-------|
| 52-week high | 22.35 |
| 52-week low | 17.90 |

Analyst

ResearchTeam@enlightresearch.net

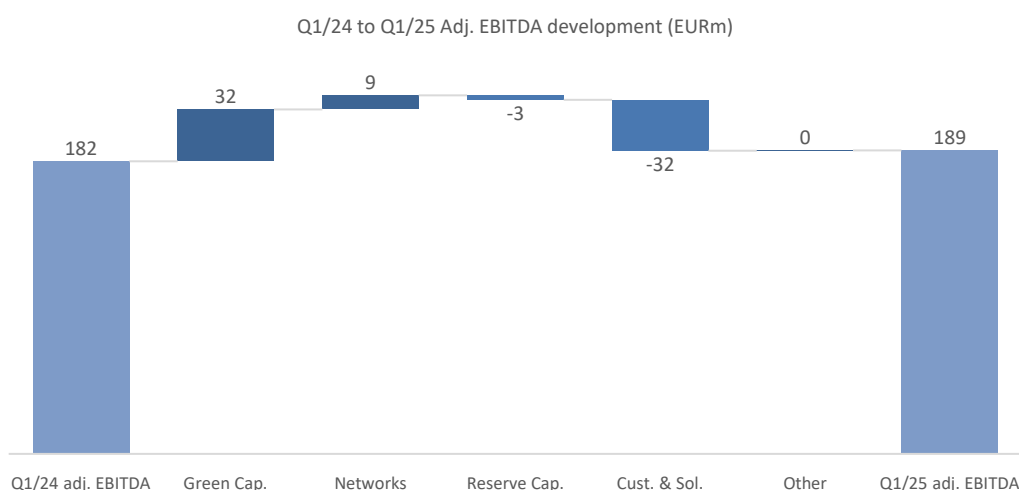
Coverage frequency

4x per year

Key takeaways

Green Capacities and Networks drive earnings growth

The Q1/25 adj. EBITDA grew 3.7% or EUR 6.8m y/y to 189m (14% above 166m est.) driven by the core segments, Green Capacities and Networks. The Green Capacities segment Q1/25 adj. EBITDA grew significantly by 42% or EUR 32.2m y/y to EUR 109m (40% above 78m est.) on higher generation volumes, new assets launch, and ancillary services. The Networks segment Q1/25 adj. EBITDA grew 13% or EUR 9m y/y to EUR 74m (4% below 77m est.) on higher RAB and WACC. The Customers & Solutions segment Q1/25 adj. EBITDA declined by EUR 32m y/y to a loss of EUR 14m (est. loss 6m) from a profit of EUR 17m, mainly due to losses related to prosumers and lower margins in the natural gas supply business. The Reserve Capacities segment Q1/25 adj. EBITDA decreased 13% or EUR 3m y/y to EUR 17m (13% above 15m est.) due to higher natural gas prices and lower captured electricity prices. Overall, the strong growth for the Green Generation and Networks segments offset declines in the Customer & Solutions and the Reserve Capacities segments, which reveals the superiority of the “integrated” vs. the “renewable only” business model.



Source: Company reports

| Adjusted EBITDA by Segment | Estimate | Outcome | EURm | % |
|---|--------------|--------------|-------------|--------------|
| Green Capacities | 78.1 | 109.3 | 31.2 | 39.9% |
| Networks | 77.2 | 74.1 | -3.1 | -4.0% |
| Reserve Capacities | 15.4 | 17.4 | 2.0 | 13.3% |
| Customers and Solutions | -6.4 | -14.2 | -7.8 | 121.4% |
| Total adj. EBITDA bef. Other/eliminations | 164.2 | 186.6 | 22.4 | 13.6% |
| Other segments/eliminations | 1.6 | 1.9 | 0.3 | 18.8% |
| Total adjusted EBITDA after Other/eliminations | 165.8 | 188.5 | 22.7 | 13.7% |

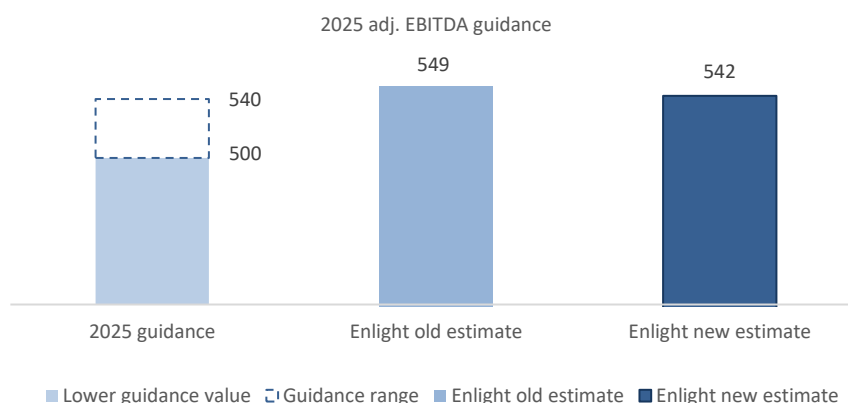
| Adjusted EBITDA margin by Segment* | Q1/25 Estimate | Q1/25 Outcome | Deviation EURm | %-pts |
|---|----------------|---------------|----------------|-------------|
| Green Capacities | 67.6% | 69.8% | nm | na |
| Networks | 39.0% | 34.0% | nm | -5.0 |
| Reserve Capacities | 38.4% | 20.7% | nm | -17.7 |
| Customers and Solutions | -1.8% | -3.5% | nm | -1.6 |
| Total adjusted EBITDA | 23.4% | 21.5% | nm | -2.0 |
| Total adjusted EBITDA after Other/eliminations | 25.9% | 23.5% | nm | -2.3 |

Source: Company reports (outcome), Enlight Research (estimates)

*Adjusted EBITDA divided by Adjusted Revenues (might differ from company reported Adjusted EBITDA margin calculated due to different calculation method used)

2025 adj. EBITDA guidance reiterated

The 2025 adj. EBITDA guidance of EUR 500-540m was reiterated. We lower our 2025 adj. EBITDA estimate slightly by 1.1% or EUR 6m from EUR 549 to EUR 542m i.e., still a bit above the top end of guidance. We believe the core segments (Green Capacities, Networks) will not only offset Customer & Solutions' EBITDA loss but also drive group level growth (full-year 2025 adj. EBITDA forecast to grow 3% to EUR 542m).

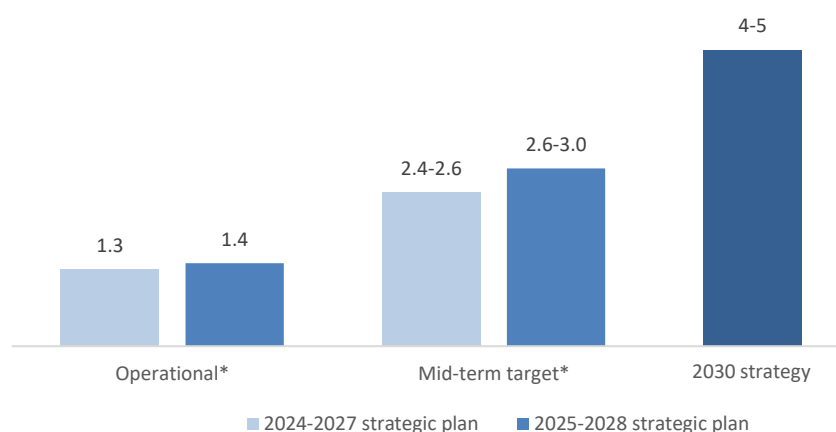


Source: Company reports (guidance), Enlight Research (estimate)

Released 2025-2028 strategic plan confirms growth trajectory

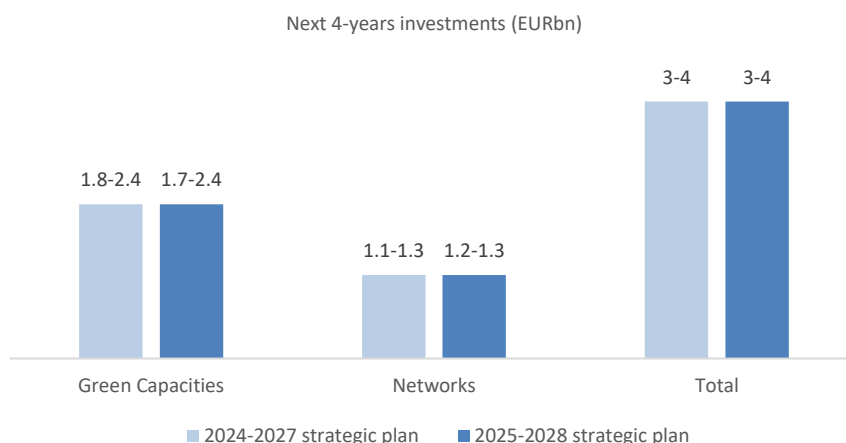
While many peers have been forced to scale back their expansion plans, Ignitis Group's released 2025-2028 strategic plan (presented at the Q1/25 earnings call) re-confirms its growth track with an intact renewable installed capacity target of 4-5 GW in 2030. The growth plan is also backed up by the 4-year investment plan that is unchanged compared to the previous 2024-2027 strategic plan with a total investment amount of EUR 3.0-4.0 billion.

2023-2027 strategic plan vs 2025-2028 strategic plan installed capacity targets (GW)



Source: Company strategic plan

*Updated strategic plan (Operational 2024, Mid-term target 2028), Previous strategic plan (Operational 2023, Mid-term target 2027)



Source: Company reports

Enefit Green buyout positive for Ignitis

On 27 March 2025, the state-owned Estonian electricity & gas producer/distributor, Eesti Energia, announced a voluntary takeover bid for the listed majority state-owned renewable electricity producer, Enefit Green. This is further proof that the integrated utilities model is preferable to the pure renewable model. Eesti Energia's management estimate the combined integrated utilities company could increase profits by EUR 40-60m per annum (combined 2024 EBITDA was EUR 515m). On 14 May 2025, Eesti Energia announced that it had acquired around 20% of Enefit Green shares for EUR 180m and thereby increased its ownership to 97.2%. We estimate the final amount to gain full ownership at EUR 205m. We believe investors will re-invest a meaningful part of the Enefit Green proceeds into Ignitis Group. According to the commonly used Square Root Law formula (see below), if 5-10% of the Enefit Green proceeds are re-invested into Ignitis Group, the share could gain 4-6% (see calculation below). Investors who accepted the bid received their money (EUR 180m) on Friday 16 May 2025 (the remainder is likely to be forced to sell in a squeeze out but this could take time). Since the bid announcement, the Ignitis Group share is up 4.9% (from EUR 20.40/share to EUR 21.40/share) so it is likely some the replacement effect has already taken place.

| Enefit Green buyout parameters | | Value | | | |
|--------------------------------|--|--------------------|--|--|--|
| Enefit Green # of securities | | 52,940,905 | | | |
| Buyout price, EUR | | 3.4 | | | |
| Implied valuation, EUR | | 179,999,077 | | | |
| Buyout ownership | | 20.03% | | | |
| Eesti Energia ownership | | 97.20% | | | |
| Buyout value, EUR | | 179,999,077 | | | |

| Potential impact on Ignitis stock | | Value | | | |
|--|--|-----------|------------|------------|------------|
| Last 3 years average daily turnover, EUR | | 260,000 | | | |
| The last 3 years' daily volatility | | 0.7% | | | |
| Market liquidity factor Y | | 1 | | | |
| Buyout % invested in Ignitis Group | | 5% | 10% | 15% | 20% |
| Buyout value invested in Ignitis Group | | 8,999,954 | 17,999,908 | 26,999,862 | 35,999,815 |
| Potential impact on Ignitis stock | | 4% | 6% | 7% | 8% |
| Current Ignitis group stock price, EUR | | 21.3 | 21.3 | 21.3 | 21.3 |
| Ignitis' stock price after the impact | | 22.2 | 22.5 | 22.8 | 23.1 |
| Stock price change | | 0.9 | 1.2 | 1.5 | 1.8 |

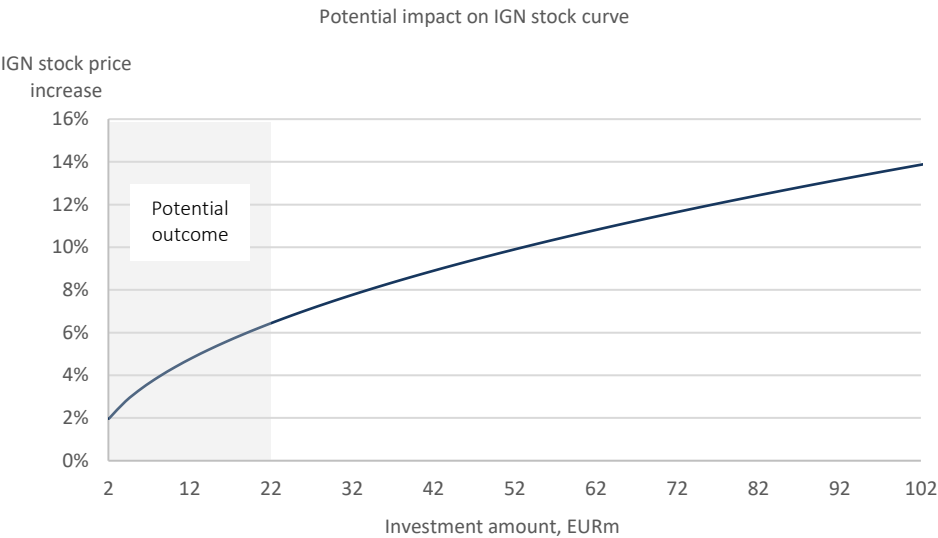
Source: Enlight Research

Square Root Law of market impact:

$$\text{Impact} = Y \cdot \sigma \cdot \left(\frac{Q}{V} \right)^{\delta}$$

Where:

- Y is a constant (usually between 0.5 and 1 for stocks).
- σ is the daily volatility (standard deviation of returns).
- Q is the size of the order (\$20M).
- V is the daily traded value.
- δ is usually assumed to be 0.5 (square-root relationship).



Source: Enlight Research

Valuation

Base case FV of EUR 27.75

Given the operational differences between the segments, we use the sum-of-the-parts valuation model (SOTP). For Green Capacities, we use our renewable peer group EV/EBITDA average multiple, while we use the integrated utilities peer group EV/EBITDA average multiple for Reserve Capacities and Customer & Solutions. For Networks, we use the 2025 RAB value. Multiplying the average peer EV/EBITDA multiples by our estimated 2025 EBITDA (except for the Networks segment) implies an EV of EUR 4,351m. Worth noting is that we put an EV value of zero to the Customers & Solutions segment as we forecast a loss in 2025. By deducting the estimated 2025 Net debt of EUR 1,974m, we get an equity value of EUR 2,377m or EUR 32.83 per share. Finally, we apply a Baltic discount (most peers are Western European) to get our Fair values. Our Base case applies a discount of 15%, resulting in a Fair value per share of EUR 27.75 (prev. 28.03). Our Bear case assumes a discount of 25% and indicates a Fair value per share of EUR 24.63 (prev. 24.88), while our Bull case assumes a discount of 0%, which indicates a Fair value per share of EUR 32.83 (prev. 33.17). The slightly lower Fair values are due to a lower renewable energy average EV/EBITDA multiple (7.9x vs 8.6x) but this was largely compensated by a higher estimated Green Capacities 2025E adj. EBITDA (EUR 283m vs EUR 270m) and a higher integrated utilities EV/EBITDA multiple (6.9x vs 6.3x). Our end-of-2025 net debt estimate remains roughly unchanged (EUR 1,974m vs EUR 1,986m).

| Segment | 2025E adj. EBITDA | Applied peer EV/EBITDA multiple | EV (EURm) |
|------------------------------|-------------------|---------------------------------|--------------|
| Green Capacities | 283 | 7.9 | 2,236 |
| Networks* | 1,795 | 1.0 | 1,795 |
| Reserve Capacities | 46 | 6.9 | 319 |
| Customer & Solutions | -43 | 6.9 | 0 |
| Total EV | | | 4,351 |
| 2025E Net debt (EURm)** | | | 1,974 |
| Equity value (EURm) | | | 2,377 |
| Number of shares (m) | | | 72.4 |
| Value per share (EUR) | | | 32.83 |

* For the Networks segment's valuation, the 2025 RAB value is used

** End of 2025 estimate

Source: Enlight Research

| | Bear case | Base case | Bull case |
|-----------------------------------|--------------|--------------|--------------|
| Value per share (EUR) | 32.8 | 32.8 | 32.8 |
| Motivated discount | 25% | 15% | 0% |
| Motivated fair value (EUR) | 24.63 | 27.75 | 32.83 |
| Current share price (EUR) | 21.30 | 21.30 | 21.30 |
| Potential upside | 16% | 30% | 54% |

Source: Enlight Research

Peer valuation

Due to completed and planned M&A activities, we adjusted our renewable energy peer table. Neoen (acquired by Brookfield) and Enefit Green (will be acquired by Eesti Energia) were removed, while Acciona Renewables, Audax Renewables, and Polenergia were added. The new peers maintain regional relevance (Polenergia) and introduce a small-cap renewable perspective (Audax Renewables). Based on the 2025E EV/EBITDA, Ignitis Grupe is trading at a 6% discount to Integrated utilities (6.5x vs. 6.9x for peers), despite having an above-average estimated dividend yield (6.4% vs. 5.0% for peers). Given Ignitis Group's strong focus on renewable energy (Green Capacities typically make up around 50% of the Group's total adjusted EBITDA), one could argue that Ignitis Group should trade more towards the Renewables peer group EV/EBITDA average of 7.9x. Compared to the regulated and renewable peer groups, Ignitis Group is trading at a discount of around 35% and 18%, respectively, based on estimated EV/EBITDA 2025. We believe these discounts are too high given Ignitis Group's high share of renewable and regulated operations in terms of group adj. EBITDA. Additionally, Ignitis Group 2025 estimated dividend yield of 6.4% is the third highest among all listed peers.

Peer valuation

| | Ticker | Ccy | Price (last) | Mcap (m) (last) | EV (m) (last) | EV/EBITDA 2024 | EV/EBITDA 2025E | EV/EBITDA 2026E | EV/EBITDA 2027E | Div. yield 2024 | Div. yield 2025E | Div. yield 2026E | Div. yield 2027E |
|---------------|--------|-----|-----------------|--------------------|------------------|-------------------|--------------------|--------------------|--------------------|-----------------------|------------------------|------------------------|------------------------|
| Ignitis Group | IGN1L | EUR | 21.30 | 1,542 | 3,135 | 5.7 | 6.5 | 6.5 | 6.4 | 6.8% | 6.4% | 6.6% | 6.8% |

Integrated

| | Ticker | Ccy | Price (last) | Mcap (m) (last) | EV (m) (last) | EV/EBITDA 2024 | EV/EBITDA 2025E | EV/EBITDA 2026E | EV/EBITDA 2027E | Div. yield 2024 | Div. yield 2025E | Div. yield 2026E | Div. yield 2027E |
|----------------|--------|-----|-----------------|--------------------|------------------|-------------------|--------------------|--------------------|--------------------|-----------------------|------------------------|------------------------|------------------------|
| Company | | | | | | | | | | | | | |
| EDP | EDP | EUR | 3.44 | 14,376 | 29,941 | 6.2 | 6.2 | 6.1 | 6.1 | 5.8% | 5.9% | 5.9% | 5.9% |
| Endesa | ELE | EUR | 26.50 | 28,057 | 37,355 | 7.1 | 6.8 | 6.6 | 6.6 | 5.0% | 5.1% | 5.3% | 5.4% |
| Enel | ENEL | EUR | 7.96 | 80,886 | 136,653 | 6.0 | 6.0 | 5.8 | 5.6 | 5.9% | 6.0% | 6.1% | 6.3% |
| Engie | ENGI | EUR | 18.37 | 44,736 | 77,959 | 5.0 | 5.5 | 5.5 | 5.3 | 8.1% | 7.5% | 7.0% | 7.3% |
| E.ON | EOAN | EUR | 14.79 | 39,065 | 80,132 | 8.9 | 8.3 | 8.4 | 7.4 | 3.7% | 3.9% | 4.0% | 4.2% |
| Iberdrola | IBE | EUR | 15.77 | 102,095 | 141,397 | 8.4 | 8.6 | 8.1 | 7.8 | 3.6% | 4.3% | 4.5% | 4.7% |
| RWE | RWE | EUR | 32.08 | 23,862 | 27,760 | 4.9 | 5.6 | 5.0 | 4.3 | 3.4% | 3.7% | 4.0% | 4.2% |
| SSE | SSE | GBP | 17.45 | 19,257 | 28,693 | 8.7 | 8.6 | 8.3 | 6.8 | 3.7% | 3.9% | 4.2% | 0.0% |
| Average | | | | | | 6.9 | 6.9 | 6.7 | 6.2 | 4.9% | 5.0% | 5.1% | 4.7% |

Renewables

| | Ticker | Ccy | Price (last) | Mcap (m) (last) | EV (m) (last) | EV/EBITDA 2024 | EV/EBITDA 2025E | EV/EBITDA 2026E | EV/EBITDA 2027E | Div. yield 2024 | Div. yield 2025E | Div. yield 2026E | Div. yield 2027E |
|--------------------|--------|-----|-----------------|--------------------|------------------|-------------------|--------------------|--------------------|--------------------|-----------------------|------------------------|------------------------|------------------------|
| Company | | | | | | | | | | | | | |
| EDP Renewables | EDPR | EUR | 9.14 | 9,499 | 17,777 | 10.6 | 9.2 | 8.5 | 8.2 | 2.2% | 1.4% | 1.9% | 2.0% |
| Orsted | ORSTED | DKK | 247 | 103,708 | 161,735 | 5.1 | 5.7 | 5.0 | 4.9 | 0.0% | 0.0% | 3.4% | 5.0% |
| Hidroelectrica | H2O | RON | 116.00 | 52,177 | 47,500 | 8.6 | 7.1 | 7.0 | 6.5 | 12.1% | 9.0% | 9.3% | 10.0% |
| Acciona Renewables | ANE | EUR | 17.65 | 5,693 | 9,769 | 8.7 | 6.7 | 8.0 | 8.1 | 2.5% | 2.8% | 2.6% | 2.3% |
| Audax Renewables | ADX | EUR | 1.53 | 695 | 967 | 8.4 | 7.9 | 7.4 | 6.7 | 0.0% | 2.0% | 2.0% | 2.6% |
| Polenergia | PEP | PLN | 68.60 | 5,297 | 5,912 | 9.2 | 11.0 | 9.9 | 11.4 | 0.0% | 0.0% | 0.0% | 0.0% |
| Average | | | | | | 8.4 | 7.9 | 7.6 | 7.6 | 2.8% | 2.5% | 3.2% | 3.7% |

Regulated

| | Ticker | Ccy | Price (last) | Mcap (m) (last) | EV (m) (last) | EV/EBITDA 2024 | EV/EBITDA 2025E | EV/EBITDA 2026E | EV/EBITDA 2027E | Div. yield 2024 | Div. yield 2025E | Div. yield 2026E | Div. yield 2027E |
|----------------|--------|-----|-----------------|--------------------|------------------|-------------------|--------------------|--------------------|--------------------|-----------------------|------------------------|------------------------|------------------------|
| Company | | | | | | | | | | | | | |
| National grid | NG | GBP | 10.62 | 42,126 | 85,733 | 11.4 | 11.4 | 10.6 | 9.4 | 5.5% | 4.4% | 4.5% | 4.6% |
| Redeia Corp. | RED | EUR | 18.41 | 9,961 | 15,331 | 12.7 | 12.1 | 10.6 | 9.9 | 4.3% | 4.4% | 4.6% | 4.8% |
| REN | RENE | EUR | 2.87 | 1,912 | 4,433 | 8.8 | 8.6 | 8.3 | 8.0 | 5.5% | 5.5% | 5.5% | 5.7% |
| Italgas | IG | EUR | 7.36 | 5,963 | 12,726 | 9.4 | 7.0 | 6.5 | 6.0 | 5.5% | 5.9% | 6.5% | 6.9% |
| Terna | TRN | EUR | 8.65 | 17,394 | 28,555 | 11.1 | 10.7 | 9.9 | 9.1 | 4.4% | 4.3% | 4.5% | 0.0% |
| Average | | | | | | 10.7 | 10.0 | 9.2 | 8.5 | 5.1% | 4.9% | 5.1% | 4.4% |

Source: MarketScreener (consensus), Enlight Research (Ignitis Group)

Based on peers' share prices on 16 May 2025

Estimate deviations

The most important reported line is the adjusted EBITDA, as this is the main indicator for the dividends in our model. This is also the line where the Company's guidance is provided. The Q1/25 Group adj. EBITDA of EUR 188.5m was 13.7% or EUR 22.7m above our forecast due to the Green Capacities and Reserve Capacities segments. The Green Capacities segment Q1/25 adj. EBITDA was 39.9% or EUR 31.2m above forecast (Q1/25 electricity spot price in Lithuania was 110 EUR/MWh vs 87 EUR/MWh in Q1/24), while the Reserve Capacities segment Q1/25 adj. EBITDA was 13.3% or EUR 2m above. The Customers & Solutions segment adj. EBITDA was EUR 7.8m below the estimate (higher than expected loss due to prosumers' net-metering scheme), while the Networks segment was EUR 3.1m below the estimate.

Forecast deviation table by Segment

| Revenue by Segment (EURm) | Q1/25 | Q1/25 | Deviation | |
|---|--------------|--------------|--------------|--------------|
| | Estimate | Outcome | EURm | % |
| Green Capacities | 115.6 | 156.6 | 41.0 | 35.5% |
| Networks | 198.0 | 195.1 | -2.9 | -1.5% |
| Reserve Capacities | 40.0 | 84.1 | 44.1 | 110.5% |
| Customers and Solutions | 348.0 | 405.5 | 57.5 | 16.5% |
| Revenue bef. Other segm./eliminations | 701.5 | 841.3 | 139.8 | 19.9% |
| Other segments/eliminations | -60.0 | -68.5 | -8.5 | 14.2% |
| Revenue after Other segm./eliminations | 641.5 | 772.8 | 131.3 | 20.5% |

| Revenue growth | Q1/25 | Q1/25 | Deviation | |
|---|--------------|--------------|-----------|-------------|
| | Estimate | Outcome | EURm | %-pts |
| Green Capacities | 1.3% | 37.2% | nm | 35.9 |
| Networks | -0.3% | -1.8% | nm | -1.5 |
| Reserve Capacities | -10.4% | 88.6% | nm | 99.0 |
| Customers and Solutions | -1.4% | 14.9% | nm | 16.3 |
| Revenue bef. Other segm./eliminations | -1.2% | 18.5% | nm | 19.7 |
| Revenue after Other segm./eliminations | -1.8% | 18.3% | nm | 20.1 |

| Adjusted EBITDA by Segment | Q1/25 | Q1/25 | Deviation | |
|---|--------------|--------------|-------------|--------------|
| | Estimate | Outcome | EURm | % |
| Green Capacities | 78.1 | 109.3 | 31.2 | 39.9% |
| Networks | 77.2 | 74.1 | -3.1 | -4.0% |
| Reserve Capacities | 15.4 | 17.4 | 2.0 | 13.3% |
| Customers and Solutions | -6.4 | -14.2 | -7.8 | 121.4% |
| Total adj. EBITDA bef. Other/eliminations | 164.2 | 186.6 | 22.4 | 13.6% |
| Other segments/eliminations | 1.6 | 1.9 | 0.3 | 18.8% |
| Total adjusted EBITDA after Other/eliminations | 165.8 | 188.5 | 22.7 | 13.7% |

| Adjusted EBITDA margin by Segment* | Q1/25 | Q1/25 | Deviation | |
|---|--------------|--------------|-----------|-------------|
| | Estimate | Outcome | EURm | %-pts |
| Green Capacities | 67.6% | 69.8% | nm | na |
| Networks | 39.0% | 34.0% | nm | -5.0 |
| Reserve Capacities | 38.4% | 20.7% | nm | -17.7 |
| Customers and Solutions | -1.8% | -3.5% | nm | -1.6 |
| Total adjusted EBITDA | 23.4% | 21.5% | nm | -2.0 |
| Total adjusted EBITDA after Other/eliminations | 25.9% | 23.5% | nm | -2.3 |

Source: Company reports (historical), Enlight Research (estimates)

*Adjusted EBITDA divided by Adjusted Revenues (might differ from company reported Adjusted EBITDA margin calculated due to different calculation method used)

Estimate changes

In the Q1/25 earnings report, Ignitis Group reiterated its previous 2025 adj. EBITDA guidance of EUR 500-540m. Our 2025 Group adj. EBITDA estimate is decreased by 1.1% to EUR 542m (prev. 549m), which is 0.4% above the high-end of guidance. The decrease is related to the Customer & Solutions segment, where we expect higher losses than initially anticipated (adj. EBITDA is lowered by EUR 22m to negative EUR 43m). In Q1/25, the Customer & Solutions segment lost EUR 6.2m due to the current prosumers' net-metering scheme (the net metering model in Lithuania allows prosumers to offset energy use with production, but seasonal and daily price differences result in financial supplier losses). We expect the Customer & Solutions losses to continue throughout 2025 and increase during the summer months. As the current prosumers' net-metering scheme is not sustainable, in our view, we anticipate regulatory changes in 2026. Our 2026 Group's adj. EBITDA is lowered by 0.8% or EUR 4m for the same reason as the 2025 adjustment. The negative 2025 Customers & Solutions result is largely offset by increased estimates in Green Capacities (5% or EUR 14m higher) and Reserve Capacities (4.8% or EUR 2m higher). Our Networks estimates are unchanged.

| Green Capacities | 2025E | 2026E | 2027E |
|----------------------------------|--------------|--------------|--------------|
| Old estimate | 270 | 289 | 314 |
| New estimate | 283 | 293 | 314 |
| Change | 14 | 4 | 0 |
| Change (pct) | 5.0% | 1.3% | 0.0% |
| Networks | 2025E | 2026E | 2027E |
| Old estimate | 259 | 263 | 272 |
| New estimate | 259 | 263 | 272 |
| Change | 0 | 0 | 0 |
| Change (pct) | 0.0% | 0.0% | 0.0% |
| Reserve Capacities | 2025E | 2026E | 2027E |
| Old estimate | 44 | 45 | 45 |
| New estimate | 46 | 47 | 47 |
| Change | 2 | 3 | 2 |
| Change (pct) | 4.8% | 5.6% | 4.2% |
| Customers & Solutions | 2025E | 2026E | 2027E |
| Old estimate | -21 | -6 | 2 |
| New estimate | -43 | -16 | 5 |
| Change | -22 | -11 | 3 |
| Change (pct) | 105.9% | 190.2% | 130.3% |
| Group Adjusted EBITDA | 2025E | 2026E | 2027E |
| Old estimate | 549 | 587 | 630 |
| New estimate | 542 | 583 | 635 |
| Change | -6 | -4 | 5 |
| Change (pct) | -1.1% | -0.8% | 0.7% |
| Adj. EBITDA Guidance | 2025E | | |
| Adj. EBITDA high | 540 | | |
| Adj. EBITDA mid | 520 | | |
| Adj. EBITDA low | 500 | | |
| Forecast | 542 | | |
| Diff to high | 0.4% | | |
| Diff to mid | 4.3% | | |
| Diff to low | 8.5% | | |

Source: Company (Guidance), Enlight Research (Forecast)

Forecast

| Revenue per segment (IFRS reported) | Q1/24 | Q2/24 | Q3/24 | Q4/24 | Q1/25 | Q2/25E | Q3/25E | Q4/25E | 2024 | 2025E | 2026E | 2027E |
|---|---------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|---------------|---------------|---------------|---------------|
| Green Capacities | 114 | 87 | 84 | 139 | 157 | 89 | 89 | 119 | 424 | 454 | 471 | 508 |
| Networks | 199 | 156 | 157 | 189 | 195 | 155 | 158 | 202 | 701 | 711 | 738 | 771 |
| Reserve Capacities | 45 | 19 | 33 | 53 | 84 | 20 | 34 | 63 | 150 | 201 | 202 | 202 |
| Customers and Solutions | 353 | 219 | 289 | 366 | 406 | 247 | 278 | 436 | 1,227 | 1,367 | 1,372 | 1,381 |
| Total Revenues bef. Other/elimin. | 710 | 481 | 563 | 748 | 841 | 512 | 560 | 820 | 2,502 | 2,733 | 2,783 | 2,862 |
| Other segments/eliminations | -57 | -42 | -35 | -62 | -69 | -50 | -45 | -31 | -195 | -195 | -195 | -195 |
| Revenue after Other segm./eliminations | 654 | 439 | 529 | 686 | 773 | 462 | 515 | 789 | 2,307 | 2,538 | 2,589 | 2,668 |
| Segment revenue growth (IFRS reported) | Q1/24 | Q2/24 | Q3/24 | Q4/24 | Q1/25 | Q2/25E | Q3/25E | Q4/25E | 2024 | 2025E | 2026E | 2027E |
| Green Capacities | 14.6% | 36.1% | 13.7% | 31.8% | 37.2% | 2.9% | 6.4% | -14.4% | 23.7% | 7.2% | 3.8% | 7.8% |
| Networks | 19.9% | 20.0% | 21.1% | 13.5% | -1.8% | -0.6% | 0.8% | 6.9% | 18.4% | 1.4% | 3.8% | 4.5% |
| Reserve Capacities | 207.6% | -58.8% | 34.3% | 24.5% | 88.6% | 4.9% | 4.2% | 17.2% | 16.8% | 34.0% | 0.5% | 0.0% |
| Customers and Solutions | -48.2% | -13.2% | 6.8% | -17.2% | 14.9% | 13.0% | -3.9% | 19.1% | -25.5% | 11.4% | 0.3% | 0.6% |
| Total Revenues bef. Other/elimin. | -26.1% | -2.4% | 12.9% | -1.3% | 18.5% | 6.5% | -0.6% | 9.7% | -7.7% | 9.2% | 1.8% | 2.8% |
| Revenue after Other segm./eliminations | -29.6% | -0.7% | 12.2% | -3.1% | 18.3% | 5.2% | -2.6% | 15.0% | -9.5% | 10.0% | 2.0% | 3.1% |
| Adjusted EBITDA by Segment | Q1/24 | Q2/24 | Q3/24 | Q4/24 | Q1/25 | Q2/25E | Q3/25E | Q4/25E | 2024 | 2025E | 2026E | 2027E |
| Green Capacities | 77 | 58 | 46 | 82 | 109 | 59 | 49 | 65 | 262 | 283 | 293 | 314 |
| Networks | 66 | 50 | 50 | 54 | 74 | 59 | 59 | 67 | 220 | 259 | 263 | 272 |
| Reserve Capacities | 20 | 5 | 12 | 5 | 17 | 6 | 13 | 10 | 42 | 46 | 47 | 47 |
| Customers and Solutions | 17 | -6 | -1 | -4 | -14 | -10 | -9 | -9 | 7 | -43 | -16 | 5 |
| Total adjusted EBITDA bef. Other/eliminations | 180 | 108 | 107 | 137 | 187 | 114 | 112 | 134 | 531 | 546 | 586 | 638 |
| Other segments/eliminations | 2 | 0 | 0 | -6 | 2 | 1 | 0 | -7 | -4 | -4 | -4 | -4 |
| Total adjusted EBITDA after Other/eliminations | 181.7 | 108 | 107 | 131 | 189 | 115 | 112 | 127 | 528 | 542 | 583 | 635 |
| Adjusted EBITDA margin by Segment | Q1/24 | Q2/24 | Q3/24 | Q4/24 | Q1/25 | Q2/25E | Q3/25E | Q4/25E | 2024 | 2025E | 2026E | 2027E |
| Green Capacities | 67.6% | 66.2% | 55.2% | 63.7% | 69.8% | 66.1% | 55.2% | 55.0% | 63.6% | 62.3% | 62.1% | 61.8% |
| Networks | 31.7% | 31.2% | 30.3% | 29.1% | 34.0% | 38.2% | 37.1% | 37.5% | 30.6% | 36.5% | 35.6% | 35.3% |
| Reserve Capacities | 44.8% | 27.6% | 35.0% | 10.0% | 20.7% | 30.5% | 37.6% | 15.8% | 28.0% | 23.0% | 23.4% | 23.3% |
| Customers and Solutions | 5.1% | -2.5% | -0.2% | -1.1% | -3.5% | -4.2% | -3.4% | -2.0% | 0.6% | -3.1% | -1.2% | 0.3% |
| Total adjusted EBITDA | 25.6% | 22.2% | 18.9% | 18.4% | 21.5% | 22.3% | 19.9% | 16.9% | 21.3% | 20.0% | 21.1% | 22.3% |
| Total adjusted EBITDA after Other/eliminations | 28.1% | 24.5% | 20.1% | 19.2% | 23.5% | 24.8% | 21.7% | 16.7% | 22.9% | 21.4% | 22.5% | 23.8% |
| Income statement (EURm) | Q1/24 | Q2/24 | Q3/24 | Q4/24 | Q1/25 | Q2/25E | Q3/25E | Q4/25E | 2024 | 2025E | 2026E | 2027E |
| Total Revenue & Other income | 654 | 439 | 529 | 686 | 773 | 462 | 515 | 789 | 2,307 | 2,538 | 2,589 | 2,668 |
| Purchase of electricity, gas for trade | -393 | -253 | -337 | -462 | -529 | -272 | -325 | -549 | -1,445 | -1,675 | -1,683 | -1,734 |
| Salaries and related expenses | -38 | -42 | -40 | -43 | -46 | -44 | -39 | -51 | -163 | -180 | -189 | -195 |
| Repair and maintenance expenses | -14 | -17 | -23 | -12 | -14 | -18 | -23 | -17 | -67 | -71 | -78 | -80 |
| Other expenses | -19 | -22 | -25 | -34 | -24 | -28 | -31 | -44 | -100 | -127 | -104 | -80 |
| <i>Total expenses</i> | <i>-465</i> | <i>-334</i> | <i>-425</i> | <i>-551</i> | <i>-613</i> | <i>-361</i> | <i>-417</i> | <i>-662</i> | <i>-1,774</i> | <i>-2,053</i> | <i>-2,053</i> | <i>-2,089</i> |
| EBITDA | 189 | 105 | 104 | 135 | 160 | 100 | 98 | 127 | 533 | 485 | 536 | 579 |
| Adj. EBITDA | 182 | 108 | 107 | 131 | 189 | 115 | 112 | 127 | 528 | 542 | 583 | 635 |
| Depreciation and amortization | -41 | -45 | -47 | -46 | -49 | -47 | -47 | -47 | -178 | -189 | -213 | -234 |
| Write-offs, revaluations PP&E, Intang. | -1 | 0 | 0 | -3 | -1 | -1 | -1 | -1 | -4 | -3 | -2 | -3 |
| EBIT | 148 | 60 | 57 | 85 | 110 | 53 | 51 | 80 | 350 | 293 | 320 | 342 |
| <i>Financial net</i> | <i>-8</i> | <i>-9</i> | <i>-9</i> | <i>-16</i> | <i>-8</i> | <i>-12</i> | <i>-12</i> | <i>-12</i> | <i>-42</i> | <i>-45</i> | <i>-52</i> | <i>-56</i> |
| Pre-tax profit | 139 | 52 | 48 | 70 | 102 | 41 | 38 | 67 | 308 | 248 | 268 | 287 |
| Current year income tax (expenses)/benefit | -21 | -2 | -2 | -7 | -18 | -5 | -5 | -8 | -32 | -36 | -27 | -29 |
| Net profit (loss) | 119 | 50 | 46 | 62 | 84 | 36 | 34 | 59 | 276 | 212 | 241 | 258 |
| Segment revenue growth (IFRS reported) | Q1/24 | Q2/24 | Q3/24 | Q4/24 | Q1/25 | Q2/25E | Q3/25E | Q4/25E | 2024 | 2025E | 2026E | 2027E |
| y-on-y | -29.6% | -0.7% | 12.2% | -3.1% | 18.3% | 5.2% | -2.6% | 15.0% | -9.5% | 10.0% | 2.0% | 3.1% |
| Margins | Q1/24 | Q2/24 | Q3/24 | Q4/24 | Q1/25 | Q2/25E | Q3/25E | Q4/25E | 2024 | 2025E | 2026E | 2027E |
| EBITDA | 28.9% | 24.0% | 19.6% | 19.7% | 20.7% | 21.7% | 19.0% | 16.1% | 23.1% | 19.1% | 20.7% | 21.7% |
| EBIT | 22.6% | 13.8% | 10.8% | 12.4% | 14.2% | 11.5% | 9.8% | 10.1% | 15.2% | 11.6% | 12.4% | 12.8% |
| Pre-tax profit | 21.3% | 11.8% | 9.0% | 10.1% | 13.2% | 8.8% | 7.4% | 8.5% | 13.4% | 9.8% | 10.4% | 10.7% |
| Net profit | 18.2% | 11.3% | 8.6% | 9.1% | 10.9% | 7.7% | 6.5% | 7.5% | 12.0% | 8.4% | 9.3% | 9.7% |

Source: Company reports (historical), Enlight Research (estimates)

Risk factors

Below is a list of risk factors that we have chosen to highlight. It should not be regarded as an extensive list of all risk factors. For more risk factors, we recommend reading the Ignitis Group IPO prospectus, and annual/interim reports.

Regulatory risk

Tariffs for electricity and gas distribution that form one of Ignitis Group's core business areas are set by the Lithuanian regulator, NERC, based on regulated assets and reasonable rate of return (WACC). The regulated assets base (RAB) depends on approved investments while the allowed rate of return (WACC) depends on the approved calculation method. Both values are reconsidered on an annual basis.

Expansion risk

The group plans to expand its renewable generation capacity substantially in the coming years. The expansion projects are large in terms of capital expenditure which means delays or lower than planned generation could affect our forecast negatively.

Financing risk

To execute expansion plans the Company is using external financing sources such as bonds and bank loans. Changes in the financing environment (base interest rate or finance rating) could negatively impact the Company's financial performance.

Operational risk

Ignitis Group is operating complex energy generation and distribution assets that can be affected by various external forces (e.g. weather conditions). Disturbed assets could result in unplanned downtime or additional expenses.

Commodities price risk

The Green Capacities, Reserve Capacities, and Customers & Solutions segments are exposed to the electricity market price volatility. In addition, the Reserve Capacities and Customers & Solutions segments are exposed to the natural gas market price volatility. Changes in electricity and natural gas market prices can significantly impact the financial performance of the mentioned business segments.

Dividend risk

If for whatever reason (large investments, weak financial performance, regulatory changes), the dividend growth is below our forecast, the forecast dividend yield will most likely change compared to our forecast.

Political risk

Lithuania Ministry of Finance is the main Ignitis Group's shareholder (~75%). Changes in Lithuania's long-term energy strategy can potentially influence Ignitis Group's short-term and long-term financials.

| Income Statement (EURm) | 2023 | 2024 | 2025e | 2026e | 2027e |
|---------------------------------------|-------------------------|----------------------------|--------------|--------------|--------------|
| Total revenues | 2,549 | 2,307 | 2,538 | 2,589 | 2,668 |
| Total operating costs | -2,042 | -1,774 | -2,053 | -2,053 | -2,089 |
| EBITDA | 507 | 533 | 485 | 536 | 579 |
| Depreciation | -153 | -178 | -189 | -213 | -234 |
| Amortizations | 0 | 0 | 0 | 0 | 0 |
| Impairment charges | -2 | -4 | -3 | -2 | -3 |
| EBIT | 352 | 350 | 293 | 320 | 342 |
| Associated companies' | 0 | 0 | 0 | 0 | 0 |
| Net financial items | 2 | -42 | -45 | -52 | -56 |
| Exchange rate differences | 0 | 0 | 0 | 0 | 0 |
| Pre-tax profit (PTP) | 354 | 308 | 248 | 268 | 287 |
| Net earnings | 320 | 276 | 212 | 241 | 258 |
| Balance Sheet | 2023 | 2024 | 2025e | 2026e | 2027e |
| Assets (EURm) | | | | | |
| Cash and cash equivalent | 205 | 235 | 258 | 263 | 271 |
| Receivables | 266 | 294 | 254 | 259 | 267 |
| Inventories | 275 | 248 | 273 | 278 | 286 |
| Other current assets | 282 | 178 | 178 | 178 | 178 |
| Total current assets | 1,028 | 954 | 962 | 978 | 1,002 |
| Tangible assets | 3,363 | 4,027 | 4,439 | 4,875 | 5,291 |
| Goodwill & Other Intangibles | 315 | 306 | 303 | 301 | 298 |
| Long-term investments | 6 | 7 | 7 | 7 | 7 |
| Associated Companies | 0 | 0 | 0 | 0 | 0 |
| Other non-current assets | 477 | 380 | 371 | 375 | 377 |
| Total fixed assets | 4,160 | 4,720 | 5,119 | 5,558 | 5,974 |
| Deferred tax assets | 57 | 32 | 32 | 32 | 32 |
| Total assets | 5,244 | 5,706 | 6,113 | 6,568 | 7,008 |
| Liabilities | | | | | |
| Non-ib current liabilities | 177 | 246 | 152 | 181 | 187 |
| Short-term debt | 70 | 67 | 82 | 92 | 103 |
| Other current liabilities | 414 | 396 | 396 | 396 | 396 |
| Total current liabilities | 661 | 709 | 629 | 669 | 685 |
| Long-term IB debt | 1,521 | 1,712 | 2,082 | 2,354 | 2,623 |
| Convertibles & Lease liabilities | 42 | 68 | 68 | 68 | 68 |
| Other long-term liabilities | 608 | 596 | 596 | 596 | 596 |
| Total long-term liabilities | 2,172 | 2,375 | 2,746 | 3,018 | 3,286 |
| Total (liabilities) | 2,981 | 3,269 | 3,560 | 3,872 | 4,156 |
| Deferred tax liabilities | 87 | 85 | 85 | 85 | 85 |
| Provisions | 61 | 101 | 101 | 101 | 101 |
| Shareholders' equity | 2,263 | 2,437 | 2,553 | 2,695 | 2,851 |
| Minority interest (BS) | 0 | 0 | 0 | 0 | 0 |
| Total shareholders equity | 2,263 | 2,437 | 2,553 | 2,695 | 2,851 |
| Total equity & liabilities | 5,244 | 5,706 | 6,113 | 6,568 | 7,008 |
| DCF valuation | Cash flow (EURm) | | | | |
| WACC (%) | 5.95% | NPV FCF (2023-2025) | | | -228 |
| | | NPV FCF (2026-2032) | | | 137 |
| Assumptions 2022-2028 (%) | | NPV FCF (2032-) | | | 197 |
| CAGR Sales growth | -7.6% | Non-operating assets | | | 3,536 |
| Average EBIT margin | 12.4% | Interest-bearing debt | | | -1,633 |
| | | Fair value estimate | | | 2,009 |
| | | Fair value per share (EUR) | | | 27.75 |
| | | Share price (EUR) | | | 21.30 |

| Free Cash Flow (EURm) | 2023 | 2024 | 2025e | 2026e | 2027e |
|---|-------------|-------------|--------------|--------------|------------------------|
| Operating profit | 320 | 276 | 293 | 320 | 342 |
| Depreciation | 153 | 178 | 192 | 215 | 237 |
| Change in wc | 420 | 105 | -78 | 18 | -11 |
| Other oper. CF items | -93 | 102 | -42 | -32 | -34 |
| Operating CF | 801 | 661 | 364 | 522 | 534 |
| CF from Investments | -1081 | -654 | -600 | -650 | -650 |
| Other CF items | -209 | 22 | 0 | 0 | 0 |
| Free Cash Flow | -212 | -194 | -236 | -128 | -116 |
| Capital structure | 2023 | 2024 | 2025e | 2026e | 2027e |
| Equity ratio | 43% | 43% | 42% | 41% | 41% |
| Debt/Equity | 72% | 76% | 87% | 93% | 98% |
| Capital invested (EURm) | 3,897 | 4,284 | 4,785 | 5,210 | 5,645 |
| Profitability | 2023 | 2024 | 2025e | 2026e | 2027e |
| ROE % | 14.6% | 11.8% | 8.5% | 9.2% | 9.3% |
| EBITDA % | 19.9% | 23.1% | 19.1% | 20.7% | 21.7% |
| EBIT % | 13.8% | 15.2% | 11.6% | 12.4% | 12.8% |
| Net Margin | 12.6% | 12.0% | 8.4% | 9.3% | 9.7% |
| Valuation (x) | 2023 | 2024 | 2025e | 2026e | 2027e |
| P/E | 4.8 | 5.6 | 7.3 | 6.4 | 6.0 |
| P/E adjusted | 4.8 | 5.6 | 7.3 | 6.4 | 6.0 |
| P/Sales | 0.5 | 0.6 | 0.6 | 0.6 | 0.6 |
| EV/Sales | 1.1 | 1.3 | 1.4 | 1.5 | 1.5 |
| EV/EBITDA* | 5.8 | 5.7 | 6.5 | 6.5 | 6.4 |
| EV/EBIT* | 8.5 | 8.8 | 9.7 | 9.6 | 9.3 |
| P/BV | 0.6 | 0.6 | 0.6 | 0.6 | 0.5 |
| *Calculated using adj. EBITDA and adj. EBIT figures | | | | | |
| Per share measures | 2023 | 2024 | 2025e | 2026e | 2027e |
| EPS | 4.42 | 3.82 | 2.93 | 3.33 | 3.56 |
| EPS adjusted | 4.42 | 3.82 | 2.93 | 3.33 | 3.56 |
| CEPS | 11.06 | 9.13 | 5.03 | 7.21 | 7.37 |
| EBITDA/share | 7.01 | 7.36 | 6.70 | 7.40 | 8.00 |
| Capital empl./share | 53.8 | 59.2 | 66.1 | 72.0 | 78.0 |
| Div. per share | 1.29 | 1.33 | 1.37 | 1.41 | 1.45 |
| Payout ratio | 29% | 35% | 47% | 42% | 41% |
| Dividend yield (%) | 6.9% | 6.8% | 6.4% | 6.6% | 6.8% |
| Shareholders | | | | | |
| Ministry of Finance | | | | | 74.99% |
| Institutional investors - other | | | | | 15.06% |
| Retail investors | | | | | 9.95% |
| Key people | | | | | |
| Chair, CEO | | | | | Darius Maikštėnas |
| Member, CFO | | | | | Jonas Rimavičius |
| Member, Chief Organisational Development Officer | | | | | Dr. Živilė Skibarkienė |
| Member, Chief Commercial Officer | | | | | Vidmantas Salietis |
| Member, Head of Group Regulated Activities | | | | | Mantas Mikalajūnas |

| | | | |
|------------------------------|--|-------------------------------|---|
| P/E | $\frac{\text{Price per share}}{\text{Earnings per share}}$ | EPS | $\frac{\text{Profit before extraordinary items and taxes} - \text{income taxes} + \text{minority interest}}{\text{Number of shares}}$ |
| P/Sales | $\frac{\text{Market cap}}{\text{Sales}}$ | DPS | Dividend for financial period per share |
| P/BV | $\frac{\text{Price per share}}{\text{Shareholders' equity} + \text{taxed provisions per share}}$ | CEPS | $\frac{\text{Gross cash flow from operations}}{\text{Number of shares}}$ |
| P/CF | $\frac{\text{Price per share}}{\text{Operating cash flow per share}}$ | EV/Share | $\frac{\text{Enterprise value}}{\text{Number of shares}}$ |
| EV (Enterprise value) | Market cap + Net debt + Minority interest at market value – share of associated companies at market value | Sales/Share | $\frac{\text{Sales}}{\text{Number of shares}}$ |
| Net debt | Interest-bearing debt – financial assets | EBITDA/Share | $\frac{\text{Earnings before interest, tax, depreciation and amortization}}{\text{Number of shares}}$ |
| EV/Sales | $\frac{\text{Enterprise value}}{\text{Sales}}$ | EBIT/Share | $\frac{\text{Operating profit}}{\text{Number of shares}}$ |
| EV/EBITDA | $\frac{\text{Enterprise value}}{\text{Earnings before interest, tax, depreciation and amortization}}$ | EAFF/Share | $\frac{\text{Pre-tax profit}}{\text{Number of shares}}$ |
| EV/EBIT | $\frac{\text{Enterprise value}}{\text{Operating profit}}$ | Capital employed/Share | $\frac{\text{Total assets} - \text{non-interest-bearing debt}}{\text{Number of shares}}$ |
| Div yield, % | $\frac{\text{Dividend per share}}{\text{Price per share}}$ | Total assets | Balance sheet total |
| Payout ratio, % | $\frac{\text{Total dividends}}{\text{Earnings before extraordinary items and taxes} - \text{income taxes} + \text{minority interest}}$ | Interest coverage (x) | $\frac{\text{Operating profit}}{\text{Financial items}}$ |
| Net cash/Share | $\frac{\text{Financial assets} - \text{interest-bearing debt}}{\text{Number of shares}}$ | Asset turnover (x) | $\frac{\text{Turnover}}{\text{Balance sheet total (average)}}$ |
| ROA, % | $\frac{\text{Operating profit} + \text{financial income} + \text{extraordinary items}}{\text{Balance sheet total} - \text{interest-free short-term debt} - \text{long-term advances received and accounts payable (average)}}$ | Debt/Equity, % | $\frac{\text{Interest-bearing debt}}{\text{Shareholders' equity} + \text{minority interest} + \text{taxed provisions}}$ |
| ROCE, % | $\frac{\text{Profit before extraordinary items} + \text{interest expenses} + \text{other financial costs}}{\text{Balance sheet total} - \text{non-interest-bearing debt (average)}}$ | Equity ratio, % | $\frac{\text{Shareholders' equity} + \text{minority interest} + \text{taxed provisions}}{\text{Total assets} - \text{interest-free loans}}$ |
| ROE, % | $\frac{\text{Profit before extraordinary items} - \text{income taxes}}{\text{Shareholders' equity} + \text{minority interest} + \text{taxed provisions (average)}}$ | CAGR, % | Cumulative annual growth rate = Average growth rate per year |

Disclaimer

Enlight Research OÜ's main valuation methods are discounted cash flow valuation and peer valuation with common multiples such as Price to Earnings, Enterprise Value to EBITDA, dividend yield etc. Aforementioned methods are used to estimate a company's fair value according to the following three scenarios: Bull (positive), Base (main scenario), and Bear (negative).

This report is commissioned by the company covered in this report which means Enlight Research OÜ receives compensation to write research on the company. The compensation is pre-determined and does not depend on the content in the report. This report is not to be considered investment research under MiFID regulations. Enlight Research OÜ does not issue investment recommendations or advice.

This report is for informational purposes only i.e. it should not be considered as an offer to sell or buy. Investors are encouraged to make their own research and not rely solely on this report when making their investment decisions. The decision to invest or not to invest is fully the responsibility of the investor i.e. Enlight Research OÜ takes no responsibility nor gives any guarantees with regards to investment decisions made by investors. Investing in equities entails risk e.g. the price of an equity decreases. Past performance is not a guarantee for future performance.

This report is based on information and sources that Enlight Research OÜ deemed to be reliable. However, Enlight Research OÜ cannot guarantee the accuracy or completeness of the information. All forward-looking statements and financial forecasts entail uncertainty and are subject to change without notice. Enlight Research OÜ accept no liability for any loss or damage resulting from the use of this report.

The analyst(s) writing this report own shares in the company in this report: Yes

The analyst(s) responsible for this report are not allowed to trade in any financial instruments of the company in this report until after the analyst report has been published, or if other conflict of interest exist e.g., advisory related.

Investors should assume that Enlight Research OÜ is seeking, or is performing, or have performed advisory services or other revenue generating services for the company in this report. An analyst's compensation is never directly related to advisory projects. An analyst working on advisory projects will be taken over the "Chinese wall" as soon as relevant regulations and/or guidelines require this.

The document may not be copied, reproduced, distributed, or published to physical or legal entities that are citizens of or domiciled in any country where relevant laws and/or regulations prohibit this.

This report may not be copied, reproduced, distributed, or published other than for personal reasons without written permission by Enlight Research OÜ. To apply for permission, send an email to below address:

ResearchTeam@enlightresearch.net

© Copyright 2019 Enlight Research OÜ



Follow us on:

Twitter X @ResearchEnlight

Instagram enlight_research

Contact information

ResearchTeam@EnlightResearch.net