On track to reach top-end of guidance

Q3/25 Ignitis core segments results were in-line with estimates. The 2025 adj. EBITDA lower-end guidance was raised. Our adj. EBITDA forecast is at the top-end of guidance supported by market and company specific drivers. Our dividend forecast is unchanged.

Drivers for reaching guidance top-end

Ignitis raised its 2025 adjusted EBITDA guidance to EUR 510-540m from EUR 500-540m. We forecast EUR 541m i.e., just above the guidance top-end. Multiple tailwinds support achieving the upper end: Lithuanian electricity prices reached EUR 105/MWh in October (+15% y/y), Green Capacities installed capacity grew 50% to 2.1GW, and Q4 wind load factors typically double versus Q3.

Regulatory visibility strengthens 2026 outlook

NERC's regulatory announcement sets the Networks segment's 2026 adj. EBITDA at EUR 290.9m, exceeding our EUR 269.0m estimate by 8.1%. The positive deviation is due to higher additional tariff and depreciation components. Accordingly, we raise our Networks' 2026 adj. EBITDA to EUR 291m.

Fair value and dividend forecast reiterated

We forecast 2026 adj. EBITDA to increase 10% to EUR 593m (2026 guidance expected in Q4 report). Our Base case SOTP valuation is lowered slightly to EUR 28.79/shr. (prev. 28.90). Our dividend forecast is unchanged and in-line with the dividend policy's 3% annual growth, which indicates a net yield of 5.6-5.9% in the forecast period 2025-27.

Key figures (MEUR)

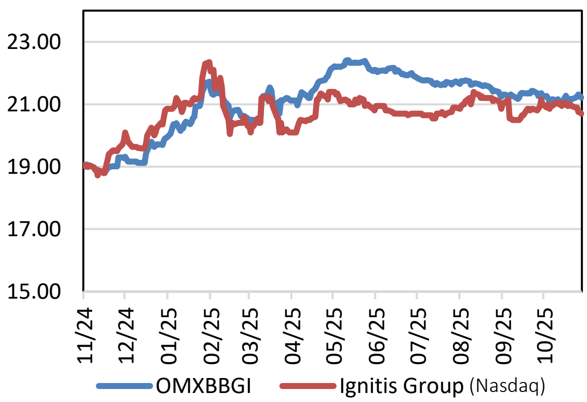
	2023	2024	2025E	2026E	2027E
Revenue	2,549	2,307	2,452	2,548	2,638
Revenue growth	-41.9%	-9.5%	6.3%	3.9%	3.5%
Adj. EBITDA	485	528	541	593	654
Adj. EBITDA margin	19.2%	22.9%	22.1%	23.3%	24.8%
EBIT	352	350	251	283	323
EBIT margin	13.8%	15.2%	10.2%	11.1%	12.2%
EV/Sales	1.1	1.3	1.4	1.5	1.5
EV/adj. EBITDA	5.8	5.7	6.4	6.4	6.2
EV/adj. EBIT	8.5	8.8	10.3	9.8	9.2
P/E adj.	4.7	5.4	8.9	7.6	6.5
P/BV	0.6	0.6	0.6	0.6	0.5
EPS	4.42	3.82	2.31	2.71	3.17
EPS growth	9.4%	-13.7%	-39.3%	17.1%	17.1%
Div. per share	1.29	1.33	1.37	1.41	1.45
Dividend yield*	6.9%	6.8%	6.6%	6.8%	7.0%

Source: Company data, Enlight Research estimates
*Pre-tax yield on EUR 20.70 share price for 2025-27E and end-of-year share price for 2023-2024

Fair value range (EUR)	
Bull	34.54
Base	28.79
Bear	24.95

Key Data	
Price (EUR)	20.70
Ticker	IGN1L
Country	Lithuania
Listed	Vilnius (Lithuania)
Market Cap (EURm)	1,498
Net debt (EURm)*	1,972
Shares (m)	72.4
Free float	25%

*End of 2025 estimate



Price range	
52-week high	22.35
52-week low	18.72

Analyst
ResearchTeam@enlightresearch.net

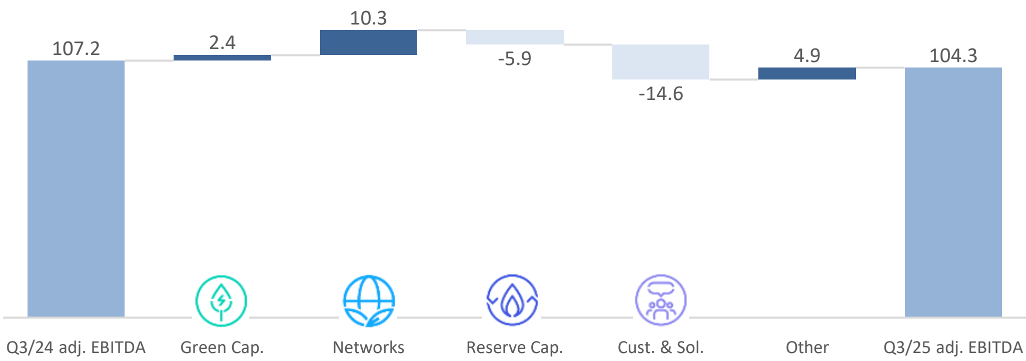
Coverage frequency
4x per year

Key takeaways

Core segments in line and full-year guidance raised

The Q3/25 adj. EBITDA decreased 2.7% or EUR 2.9m y/y to 104.3m (3.6% below 108.2m est.). The Green Capacities segment Q3/25 adj. EBITDA remained roughly flat at EUR 48.8m (roughly in line with 49.5m est.) as higher volumes generated were offset by lower captured prices and higher operating expenses. The Networks segment Q3/25 adj. EBITDA grew 20.6% or EUR 10.3m y/y to EUR 60.2m (2.4% above 58.8m est.) on higher RAB and WACC. The Reserve Capacities segment Q3/25 adj. EBITDA decreased by 51% or EUR 5.9m y/y to EUR 5.6m (51% below 11.4m est.) on lower captured gross profit margin. The Customers & Solutions segment Q3/25 adj. EBITDA declined by EUR 14.6m y/y to a loss of EUR 15.3m (est. loss 11.9m). The Customers & Solutions segment has the potential to significantly improve results and move closer to breakeven as losses are highly related to prosumer activities. The Lithuanian Ministry of Energy has initiated a public consultation on proposed updates to the prosumer model rules, which according to the draft proposal, are expected to take effect in April 2026. These regulatory changes are anticipated to improve the loss-making prosumer supply activities and could materially benefit the Customer & Solutions' segment performance in H2/26 and beyond.

Q3/24 to Q3/25 Adj. EBITDA development (EURm)



Source: Company reports

Adjusted EBITDA by Segment	Q3/25 Estimate	Q3/25 Outcome	Deviation EURm	Deviation %
Green Capacities	49.5	48.8	-0.7	-1.5%
Networks	58.8	60.2	1.4	2.4%
Reserve Capacities	11.4	5.6	-5.8	-50.8%
Customers and Solutions	-11.9	-15.3	-3.4	28.7%
Total adj. EBITDA bef. Other/eliminations	**107.8**	**99.3**	**-8.5**	**-7.9%**
Other segments/eliminations	0.4	5.0	4.6	1150.0%
Total adjusted EBITDA after Other/eliminations	**108.2**	**104.3**	**-3.9**	**-3.6%**

Adjusted EBITDA margin by Segment*	Q3/25 Estimate	Q3/25 Outcome	Deviation EURm	Deviation %-pts
Green Capacities	50.8%	46.0%	nm	-4.8
Networks	37.1%	35.3%	nm	-1.8
Reserve Capacities	21.2%	14.0%	nm	-7.2
Customers and Solutions	-4.0%	-6.8%	nm	-2.8
Total adjusted EBITDA	**17.8%**	**18.3%**	**nm**	**0.5**
Total adjusted EBITDA after Other/eliminations	**18.9%**	**20.3%**	**nm**	**1.4**

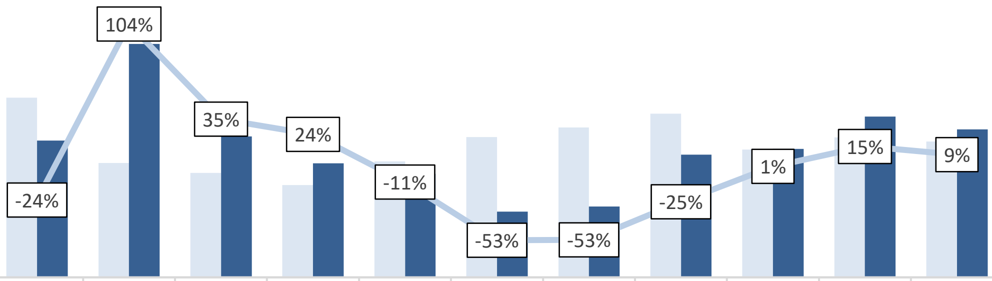
Source: Company reports (outcome), Enlight Research (estimates)

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

Multiple tailwinds support upper guidance bound

Ignitis raised its 2025 adj. EBITDA guidance in Q3/25 from EUR 500-540m to EUR 510-540m, lifting the lower bound by EUR 10m while maintaining the upper range. In our view, the top-end of guidance appears highly likely, driven by significantly higher year-over-year electricity prices, substantial installed capacity growth in Green Capacities, and typically stronger wind load factors in Q4 (seasonality). The Lithuanian electricity market prices have shown robust growth in the final months of 2025, with October prices reaching EUR 105/MWh (+15% vs 2024) and November at EUR 97/MWh. This favorable pricing environment directly benefits the Green Capacities segment, which has expanded its installed capacity from 1.4GW in Q3/24 to 2.1GW in Q3/25, representing a 50% increase in renewable generation assets. Additionally, wind load factors typically improve substantially in Q4, as evidenced by 2024 performance when the load factor nearly doubled from 20% in Q3/24 to 38% in Q4/24, which significantly boosted generation volumes during the seasonally strong period. Our estimated 2025 adj. EBITDA of EUR 541m (just above the upper end of the guidance) is driven the Green Capacities and the Networks segments.

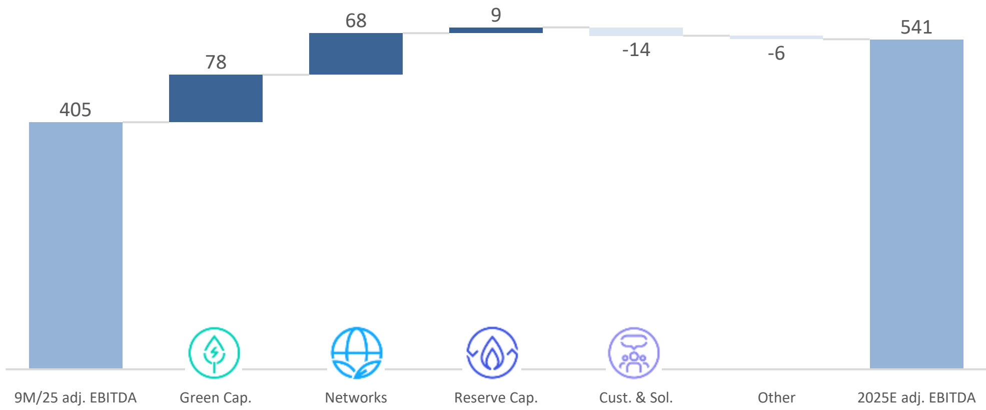
LT electricity market price 2024 vs 2025



	January	February	March	April	May	June	July	August	September	October	November
2024	117	75	68	60	76	92	98	107	84	91	89
2025	89	152	92	75	68	43	46	80	84	105	97
Diff.	-24%	104%	35%	24%	-11%	-53%	-53%	-25%	1%	15%	9%

Source: Nord Pool

9M/25 to 2025E Adj. EBITDA development (EURm)



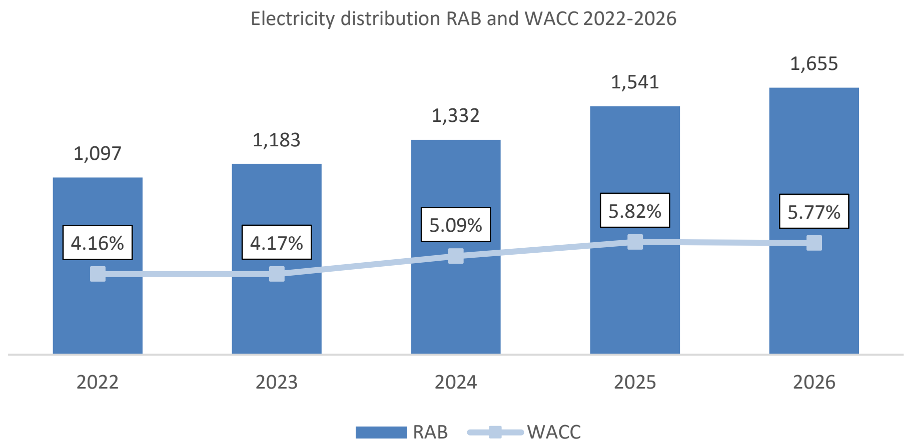
Source: Enlight Research

Positive regulatory surprise

At the end of October 2025, NERC (National Energy Regulatory Council) announced the regulatory return values for Ignitis' electricity and gas distribution networks for 2026. The announced figures exceeded our expectations, leading us to raise our 2026 adj. EBITDA estimate for the Networks segment by 8.1%, from EUR 269m to EUR 290.9m. The primary driver of this outperformance was the additional tariff component, which increased by 38.1% to EUR 51.8m, substantially exceeding our EUR 37.5m estimate and adding EUR 14.3m in earnings. The Depreciation and amortization component increased by 10.4% to EUR 97.8.6m versus our forecast of EUR 88.6m, contributing an additional EUR 9.2m to the regulated adj. EBITDA. The allowed return on electricity distribution (WACC of 5.77%) was in line with our expectations. The electricity distribution RAB has increased steadily with a four-year CAGR of 10.8% from 2022-2026, while the regulatory WACC has trended upward from 4.16% in 2022 to 5.77% in 2026, reflecting the higher interest rate environment. The regulated Networks segment provides earnings visibility for 2026 results, and offers a stable foundation for Ignitis' overall performance in a volatile and uncertain energy market environment.

	2026A	2026E	Diff.	2025	Diff.
Electricity					
RAB, Electricity	1,655	1,695	-2.4%	1,541	7.4%
WACC, Electricity	5.77%	5.77%	0.00	5.82%	-0.05
Allowed return Electricity ROI (RAB x WACC)	95.5	97.8	-2.4%	89.7	6.5%
Depreciation & Amort.	97.8	88.6	10.4%	88.6	10.4%
Additional tariff component	51.8	37.5	38.1%	37.5	38.1%
Electricity Adj. EBITDA	**245.1**	**223.9**	**9.5%**	**215.8**	**13.6%**
Gas					
RAB, Gas	251	257	-2.0%	254	-1.2%
WACC, Gas	5.60%	5.50%	0.10	5.60%	0.10
Allowed return Gas ROI (RAB x WACC)	14.08	14.11	-0.2%	14.25	-1.2%
Depreciation & Amort.	11.7	11.0	6.4%	11.0	6.4%
Gas Adj. EBITDA	**25.8**	**25.1**	**2.7%**	**25.2**	**2.1%**
Fees for new connections covered by clients*	20.0	20.0	0.0%	20.0	0.0%
Networks segment adj. EBITDA	**290.9**	**269.0**	**8.1%**	**261.0**	**11.4%**

Source: Company (historic), Enlight Research (estimates)
* "Fees for new connections covered by clients" values are the Enlight Research estimations



Source: Company reports

Valuation

Base case FV of EUR 28.79

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 4,750m. 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 1,972m, we get an equity value of EUR 2,778m or EUR 38.4 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 25%, resulting in a Fair value per share of EUR 28.79 (prev. 28.90). Our Bear case assumes a discount of 35% and indicates a Fair value per share of EUR 24.95 (prev. 25.65), while our Bull case assumes a discount of 10%, which indicates a Fair value per share of EUR 34.54 (prev. 34.20). The applied discount range of 10-35% (prev. 0-25%) adjusts Western European peer multiples to reflect Ignitis-specific risk factors. These include the company's smaller scale and limited liquidity compared to Western peers, geographic concentration in the Baltic electricity market, and elevated political risk stemming from proximity to geopolitical tensions and potential regulatory intervention. The 25% base case discount aligns with observed valuation gaps between Baltic and Western European comparables. It is worth noting that our valuation method is sensitive to changes in peer groups' average EV/EBITDA multiple i.e., it is somewhat sentiment-driven. Our end-of-2025 net debt estimate remains roughly unchanged (EUR 1,972m vs prev. EUR 1,980m).

Segment	2025E adj. EBITDA	Applied peer EV/EBITDA multiple	EV (EURm)
Green Capacities	293	8.8	2,588
Networks*	1,795	1.0	1,795
Reserve Capacities	44	8.3	368
Customer & Solutions	-57	0.0	0
		Total EV	**4,750**
		2025E Net debt (EURm)	1,972
		Equity value (EURm)	2,778
		Number of shares (m)	72.4
		Value per share (EUR)	**38.4**

* 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)	38.4	38.4	38.4
Motivated discount	35%	25%	10%
Motivated fair value (EUR)	**24.95**	**28.79**	**34.54**
Current share price (EUR)	20.70	20.70	20.70
Potential upside	21%	39%	67%

Source: Enlight Research

Peer valuation

Based on the 2025E EV/EBITDA, Ignitis Grupe is trading at a 14% discount to Integrated utilities (7.3x vs. 8.3x for peers), despite having an above-average estimated dividend yield (6.6% vs. 4.3% for peers). Given Ignitis Group's significant renewable generation capacity and regulated Networks business, one could argue that Ignitis Group should trade more towards the Renewables peer group EV/EBITDA average of 8.8x or the Regulated peer group EV/EBITDA average of 10.8x. It is worth noting that since the Q1/25 report, the average 2025E multiple for the Renewables peer group increased by 11% (from 7.9x to 8.8x), potentially indicating more favourable market sentiment towards renewable energy sources. Compared to the regulated and renewable peer groups, Ignitis Group is trading at a discount of around 48% and 20%, respectively, based on the 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.

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	20.70	1,498	3,471	5.7	7.3	7.2	7.0	6.8%	6.6%	6.8%	7.0%

Integrated

Company	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
EDP	EDP	EUR	3.83	16,021	33,132	6.9	6.8	6.7	6.6	5.2%	5.1%	5.3%	5.6%
Endesa	ELE	EUR	32.14	34,028	44,910	8.5	8.1	8.0	7.9	4.1%	4.4%	4.5%	4.5%
Enel	ENEL	EUR	8.98	91,287	150,333	6.6	6.5	6.3	6.2	5.2%	5.4%	5.5%	5.7%
Engie	ENGI	EUR	21.80	53,089	98,538	6.3	6.7	6.9	6.6	6.8%	6.3%	6.2%	6.3%
E.ON	EOAN	EUR	15.25	33,785	77,731	8.6	8.0	8.1	7.3	3.6%	3.7%	3.9%	4.1%
Iberdrola	IBE	EUR	18.04	116,791	168,093	10.0	10.3	10.0	9.5	3.1%	3.8%	3.9%	4.1%
RWE	RWE	EUR	45.69	33,986	46,359	8.2	9.7	8.4	7.1	2.4%	2.6%	2.8%	3.0%
SSE	SSE	GBP	22.27	24,544	34,892	10.4	10.6	8.7	7.6	2.9%	3.1%	3.3%	3.5%
Average						**8.2**	**8.3**	**7.9**	**7.4**	**4.2%**	**4.3%**	**4.4%**	**4.6%**

Renewables

Company	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
EDP Renewables	EDPR	EUR	11.58	12,042	20,547	12.2	10.8	10.0	9.6	1.7%	0.9%	1.3%	1.5%
Orsted	ORSTED	DKK	124	163,762	193,547	6.1	7.7	6.6	6.1	0.0%	0.0%	3.4%	3.7%
Hidroelectrica	H2O	RON	120.60	54,246	49,819	9.1	9.5	7.9	8.1	11.6%	6.4%	7.7%	7.7%
Acciona Renewables	ANE	EUR	22.66	7,308	10,859	9.7	7.3	9.2	9.0	1.9%	2.3%	2.1%	1.9%
Audax Renewables	ADX	EUR	1.29	587	861	7.5	7.3	6.5	6.0	2.6%	2.4%	2.4%	2.4%
Polenergia	PEP	PLN	57.60	4,448	5,827	9.1	10.5	10.1	10.9	0.0%	0.0%	0.0%	0.0%
Average						**8.9**	**8.8**	**8.4**	**8.3**	**3.0%**	**2.0%**	**2.8%**	**2.9%**

Regulated

Company	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
National grid	NG	GBP	11.70	46,412	92,069	12.2	11.3	9.9	8.9	4.0%	4.1%	4.2%	4.3%
Redeia Corp.	RED	EUR	15.08	8,159	13,953	11.5	11.1	10.0	9.9	5.3%	5.3%	5.4%	5.5%
REN	RENE	EUR	3.32	2,212	4,736	9.4	9.2	8.8	8.4	4.7%	4.8%	4.9%	5.0%
Italgas	IG	EUR	9.35	7,580	18,477	13.7	9.8	8.6	8.1	4.3%	4.7%	5.3%	5.7%
Terna	TRN	EUR	8.99	18,074	33,688	13.1	12.4	11.6	10.7	4.4%	4.4%	4.4%	4.4%
Average						**12.0**	**10.8**	**9.8**	**9.2**	**4.6%**	**4.7%**	**4.8%**	**5.0%**

Source: MarketScreener (consensus), Enlight Research (Ignitis Group)
Based on peers' share prices on 14 November 2025

Estimate deviations

The most important reported line is the adjusted EBITDA, as this is the main indicator for the dividends and our SOTP model. This is also the line where the Company's guidance is provided. The Q3/25 Group adj. EBITDA of EUR 104.3m was slightly below our estimate (3.6% or EUR 3.9m below our forecast). The Green Capacities and Networks segments adj. EBITDA results were only 1.5% below (EUR 0.7m) and 2.4% above (EUR 1.4m) our estimates, respectively. The Reserve Capacities segment Q3/25 adj. EBITDA provided the biggest surprise, falling below our forecast by 50.8% or EUR 5.8m due to lower-than-expected gross profit margin and generation volumes. The Customers & Solutions segment adj. EBITDA was 28.7% or EUR 3.4m below the estimate due to higher-than-expected losses associated with prosumers under the current net-metering scheme.

Forecast deviation table by Segment

Revenue by Segment (EURm)	Q3/25 Estimate	Q3/25 Outcome	Deviation EURm	%
Green Capacities	97.5	106.1	8.6	8.8%
Networks	158.5	158.3	-0.2	-0.1%
Reserve Capacities	53.8	40.1	-13.7	-25.5%
Customers and Solutions	297.2	226.0	-71.2	-24.0%
Revenue bef. Other segm./eliminations	**607.0**	**530.5**	**-76.5**	**-12.6%**
Other segments/eliminations	-34.0	-29.8	4.2	-12.4%
Revenue after Other segm./eliminations	**573.0**	**500.7**	**-72.3**	**-12.6%**

Revenue growth	Q3/25 Estimate	Q3/25 Outcome	Deviation EURm	%-pts
Green Capacities	16.0%	26.3%	nm	10.3
Networks	0.8%	0.6%	nm	-0.1
Reserve Capacities	63.5%	21.9%	nm	-41.6
Customers and Solutions	2.8%	-21.9%	nm	-24.6
Revenue bef. Other segm./eliminations	-1.7%	-13.9%	nm	-12.1
Revenue after Other segm./eliminations	**8.4%**	**-5.3%**	**nm**	**-13.7**

Adjusted EBITDA by Segment	Q3/25 Estimate	Q3/25 Outcome	Deviation EURm	%
Green Capacities	49.5	48.8	-0.7	-1.5%
Networks	58.8	60.2	1.4	2.4%
Reserve Capacities	11.4	5.6	-5.8	-50.8%
Customers and Solutions	-11.9	-15.3	-3.4	-28.7%
Total adj. EBITDA bef. Other/eliminations	**107.8**	**99.3**	**-8.5**	**-7.9%**
Other segments/eliminations	0.4	5.0	4.6	1150.0%
Total adjusted EBITDA after Other/eliminations	**108.2**	**104.3**	**-3.9**	**-3.6%**

Adjusted EBITDA margin by Segment*	Q3/25 Estimate	Q3/25 Outcome	Deviation EURm	%-pts
Green Capacities	50.8%	46.0%	nm	-4.8
Networks	37.1%	35.3%	nm	-1.8
Reserve Capacities	21.2%	14.0%	nm	-7.2
Customers and Solutions	-4.0%	-6.8%	nm	-2.8
Total adjusted EBITDA	**17.8%**	**18.3%**	**nm**	**0.5**
Total adjusted EBITDA after Other/eliminations	**18.9%**	**20.3%**	**nm**	**1.4**

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 Q3/25 earnings report, Ignitis Group increased its 2025 adj. EBITDA guidance from EUR 500-540m to EUR 510-540m. Our 2025 Group adj. EBITDA estimate is roughly the same at EUR 541m, which is 0.2% above the high-end of guidance. We are rather confident that Ignitis will hit the higher end of the guidance, given the 9M/25 adj. EBITDA of EUR 405m, the increased green generation capacity, and higher electricity market prices in October-November. Our Networks 2025 adj. EBITDA estimate is roughly the same, while 2026-2027 is notably increased, mainly due to a higher expected additional tariff and D&A regulatory components. Our Reserve Capacities 2025-2027 adj. EBITDA is decreased by 12-16% or EUR 6-8m on the back of lower expectations for gross profit margin. Our Customers & Solutions 2025 estimate is lowered by 22% or EUR 10m, with the expectation that prosumer-related losses will remain in Q4/25. To summarize, our Group EBITDA is roughly unchanged for 2025 and raised by EUR 6-16m in the coming two years.

Adjusted EBITDA per segment (EURm)			
Green Capacities	**2025E**	**2026E**	**2027E**
Old estimate	283	293	314
New estimate	293	287	314
Change	10	-6	0
Change (pct)	3.6%	-2.2%	-0.1%
Networks	**2025E**	**2026E**	**2027E**
Old estimate	259	268	275
New estimate	261	291	296
Change	2	23	22
Change (pct)	0.7%	8.5%	7.8%
Reserve Capacities	**2025E**	**2026E**	**2027E**
Old estimate	50	49	49
New estimate	44	41	41
Change	-6	-8	-8
Change (pct)	-11.7%	-16.3%	-16.3%
Customers & Solutions	**2025E**	**2026E**	**2027E**
Old estimate	-47	-20	3
New estimate	-57	-25	3
Change	-10	-5	0
Change (pct)	21.6%	26.0%	-8.9%
Group Adjusted EBITDA	**2025E**	**2026E**	**2027E**
Old estimate	542	587	638
New estimate	541	593	654
Change	-1	6	16
Change (pct)	-0.2%	1.0%	2.5%

Adj. EBITDA Guidance	2025E
Adj. EBITDA high	540
Adj. EBITDA mid	525
Adj. EBITDA low	510
Forecast	541
Diff to high	0.2%
Diff to mid	3.0%
Diff to low	6.1%

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

Forecast

Revenue per segment (IFRS reported)	Q1/24	Q2/24	Q3/24	Q4/24	Q1/25	Q2/25	Q3/25	Q4/25E	2024	2025E	2026E	2027E
Green Capacities	114	87	84	139	157	115	106	130	424	508	499	550
Networks	199	156	157	189	195	158	158	190	701	701	754	784
Reserve Capacities	45	19	33	53	84	67	40	49	150	240	237	237
Customers and Solutions	353	219	289	366	406	225	226	323	1,227	1,179	1,234	1,244
Total Revenues bef. Other/elimin.	710	481	563	748	841	565	531	691	2,502	2,628	2,724	2,814
Other segments/eliminations	-57	-42	-35	-62	-69	-40	-30	-38	-195	-176	-176	-176
Revenue after Other segm./eliminations	654	439	529	686	773	525	501	653	2,307	2,452	2,548	2,638

Segment revenue growth (IFRS reported)	Q1/24	Q2/24	Q3/24	Q4/24	Q1/25	Q2/25	Q3/25	Q4/25E	2024	2025E	2026E	2027E
Green Capacities	14.6%	36.1%	13.7%	31.8%	37.2%	32.8%	26.3%	-6.3%	23.7%	19.9%	-1.8%	10.2%
Networks	19.9%	20.0%	21.1%	13.5%	-1.8%	1.6%	0.6%	0.2%	18.4%	0.1%	7.6%	3.9%
Reserve Capacities	207.6%	-58.8%	34.3%	24.5%	88.6%	247.4%	21.9%	-8.7%	16.8%	59.7%	-1.3%	0.0%
Customers and Solutions	-48.2%	-13.2%	6.8%	-17.2%	14.9%	2.7%	-21.9%	-11.9%	-25.5%	-3.9%	4.7%	0.8%
Total Revenues bef. Other/elimin.	-26.1%	-2.4%	12.9%	-1.3%	18.5%	17.6%	-5.8%	-7.6%	-7.7%	5.0%	3.7%	3.3%
Revenue after Other segm./eliminations	-29.6%	-0.7%	12.2%	-3.1%	18.3%	19.7%	-5.3%	-4.8%	-9.5%	6.3%	3.9%	3.5%

Adjusted EBITDA by Segment	Q1/24	Q2/24	Q3/24	Q4/24	Q1/25	Q2/25	Q3/25	Q4/25E	2024	2025E	2026E	2027E
Green Capacities	77	57	46	82	109	57	49	78	262	293	287	314
Networks	66	50	50	54	74	59	60	68	220	261	291	296
Reserve Capacities	20	5	12	5	17	12	6	9	42	44	41	41
Customers and Solutions	17	-6	-1	-4	-14	-14	-15	-14	7	-57	-25	3
Total adjusted EBITDA bef. Other/eliminations	180	107	107	137	187	114	99	142	531	542	594	655
Other segments/eliminations	2	1	0	-6	2	-2	5	-6	-4	-1	-1	-1
Total adjusted EBITDA after Other/eliminations	181.7	108	107	131	189	112	104	136	528	541	593	654

Adjusted EBITDA margin by Segment	Q1/24	Q2/24	Q3/24	Q4/24	Q1/25	Q2/25	Q3/25	Q4/25E	2024	2025E	2026E	2027E
Green Capacities	67.6%	66.1%	55.2%	63.7%	69.8%	49.7%	46.0%	60.0%	63.6%	57.8%	57.4%	57.1%
Networks	31.7%	31.2%	30.3%	29.1%	34.0%	34.6%	35.3%	47.6%	30.6%	37.2%	38.6%	37.8%
Reserve Capacities	44.8%	27.1%	35.0%	10.0%	20.7%	17.5%	14.0%	19.4%	28.0%	18.4%	17.4%	17.3%
Customers and Solutions	5.1%	-2.6%	-0.2%	-1.1%	-3.5%	-6.0%	-6.8%	-4.3%	0.6%	-4.8%	-2.0%	0.3%
Total adjusted EBITDA	25.6%	22.2%	18.9%	18.4%	21.5%	19.8%	18.3%	22.2%	21.3%	20.6%	21.8%	23.3%
Total adjusted EBITDA after Other/eliminations	28.1%	24.5%	20.1%	19.2%	23.5%	21.0%	20.3%	22.6%	22.9%	22.1%	23.3%	24.8%

Income statement (EURm)	Q1/24	Q2/24	Q3/24	Q4/24	Q1/25	Q2/25	Q3/25	Q4/25E	2024	2025E	2026E	2027E
Total Revenue & Other income	**654**	**439**	**529**	**686**	**773**	**525**	**501**	**653**	**2,307**	**2,452**	**2,548**	**2,638**
Purchase of electricity, gas for trade	-393	-253	-337	-462	-529	-320	-317	-442	-1,445	-1,608	-1,656	-1,688
Salaries and related expenses	-38	-42	-40	-43	-46	-47	-44	-45	-163	-181	-186	-193
Repair and maintenance expenses	-14	-17	-23	-12	-14	-18	-21	-21	-67	-74	-76	-79
Other expenses	-19	-22	-25	-34	-24	-37	-27	-27	-100	-115	-102	-98
Total expenses	-465	-334	-425	-551	-613	-423	-409	-534	-1,774	-1,979	-2,021	-2,058
EBITDA	**189**	**105**	**104**	**135**	**160**	**102**	**92**	**119**	**533**	**473**	**527**	**580**
Adj. EBITDA	**182**	**108**	**107**	**131**	**189**	**112**	**104**	**136**	**528**	**541**	**593**	**654**
Depreciation and amortization	-41	-45	-47	-46	-49	-51	-57	-62	-178	-218	-243	-255
Write-offs, revaluations PP&E, Intang.	-1	0	0	-3	-1	-1	-1	-1	-4	-4	-2	-3
EBIT	**148**	**60**	**57**	**85**	**110**	**50**	**34**	**56**	**350**	**251**	**283**	**323**
Financial net	-8	-9	-9	-16	-8	-21	-14	-16	-42	-60	-64	-67
Pre-tax profit	**139**	**52**	**48**	**70**	**102**	**29**	**20**	**40**	**308**	**191**	**218**	**256**
Current year income tax (expenses)/benefit	-21	-2	-2	-7	-18	-1	1	-5	-32	-23	-22	-26
Net profit (loss)	**119**	**50**	**46**	**62**	**84**	**28**	**21**	**35**	**276**	**168**	**196**	**230**

Segment revenue growth (IFRS reported)	Q1/24	Q2/24	Q3/24	Q4/24	Q1/25	Q2/25	Q3/25	Q4/25E	2024	2025E	2026E	2027E
y-on-y	-29.6%	-0.7%	12.2%	-3.1%	18.3%	19.7%	-5.3%	-4.8%	-9.5%	6.3%	3.9%	3.5%

Margins	Q1/24	Q2/24	Q3/24	Q4/24	Q1/25	Q2/25	Q3/25	Q4/25E	2024	2025E	2026E	2027E
EBITDA	28.9%	24.0%	19.6%	19.7%	20.7%	19.5%	18.4%	18.2%	23.1%	19.3%	20.7%	22.0%
EBIT	22.6%	13.8%	10.8%	12.4%	14.2%	9.6%	6.8%	8.6%	15.2%	10.2%	11.1%	12.2%
Pre-tax profit	21.3%	11.8%	9.0%	10.1%	13.2%	5.5%	4.0%	6.1%	13.4%	7.8%	8.6%	9.7%
Net profit	18.2%	11.3%	8.6%	9.1%	10.9%	5.2%	4.2%	5.4%	12.0%	6.8%	7.7%	8.7%

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 a 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

The Lithuanian 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	2,452	2,548	2,638
Total operating costs	-2,042	-1,774	-1,979	-2,021	-2,058
EBITDA	**507**	**533**	**473**	**527**	**580**
Depreciation	-153	-178	-218	-243	-255
Amortizations	0	0	0	0	0
Impairment charges	-2	-4	-4	-2	-3
EBIT	**352**	**350**	**251**	**283**	**323**
Associated companies'	0	0	0	0	0
Net financial items	2	-42	-60	-64	-67
Exchange rate differences	0	0	0	0	0
Pre-tax profit (PTP)	**354**	**308**	**191**	**218**	**256**
Net earnings	**320**	**276**	**168**	**196**	**230**

Balance Sheet	2023	2024	2025e	2026e	2027e
Assets (EURm)					
Cash and cash equivalent	205	235	249	259	268
Receivables	266	294	245	255	264
Inventories	275	248	263	274	283
Other current assets	282	178	178	178	178
Total current assets	**1,028**	**954**	**935**	**965**	**993**
Tangible assets	3,363	4,027	4,409	4,817	5,211
Goodwill & Other Intangibles	315	306	302	299	297
Long-term investments	6	7	7	7	7
Associated Companies	0	0	0	0	0
Other non-current assets	477	380	369	374	377
Total fixed assets	**4,160**	**4,720**	**5,086**	**5,496**	**5,891**
Deferred tax assets	57	32	32	32	32
Total assets	**5,244**	**5,706**	**6,053**	**6,493**	**6,916**
Liabilities					
Non-ib current liabilities	177	246	147	178	185
Short-term debt	70	67	81	93	104
Other current liabilities	414	396	396	396	396
Total current liabilities	**661**	**709**	**624**	**667**	**684**
Long-term IB debt	1,521	1,712	2,072	2,372	2,649
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**	**2,736**	**3,036**	**3,313**
Total (liabilities)	**2,981**	**3,269**	**3,545**	**3,888**	**4,182**
Deferred tax liabilities	87	85	85	85	85
Provisions	61	101	101	101	101
Shareholders' equity	2,263	2,437	2,508	2,606	2,734
Minority interest (BS)	0	0	0	0	0
Total shareholders equity	2,263	2,437	2,508	2,606	2,734
Total equity & liabilities	**5,244**	**5,706**	**6,053**	**6,493**	**6,916**

DCF valuation		Cash flow (EURm)	
WACC (%)	5.95%	NPV FCF (2023-2025)	-222
		NPV FCF (2026-2032)	116
Assumptions 2022-2028 (%)		NPV FCF (2032-)	219
CAGR Sales growth	-7.7%	Non-operating assets	3,605
Average EBIT margin	11.8%	Interest-bearing debt	-1,633
		Fair value estimate	2,084
		Fair value per share (EUR)	28.79
		Share price (EUR)	20.70

Free Cash Flow (EURm)	2023	2024	2025e	2026e	2027e
Operating profit	320	276	251	283	323
Depreciation	153	178	223	245	258
Change in wc	420	105	-66	11	-12
Other oper. CF items	-93	102	-31	-28	-33
Operating CF	**801**	**661**	**377**	**510**	**535**
CF from Investments	-1081	-654	-600	-650	-650
Other CF items	-209	22	0	0	0
Free Cash Flow	**-212**	**-194**	**-223**	**-140**	**-115**

Capital structure	2023	2024	2025e	2026e	2027e
Equity ratio	43%	43%	41%	40%	40%
Debt/Equity	72%	76%	89%	97%	103%
Capital invested (EURm)	3,897	4,284	4,730	5,139	5,555

Profitability	2023	2024	2025e	2026e	2027e
ROE %	14.6%	11.8%	6.8%	7.7%	8.6%
EBITDA %	19.9%	23.1%	19.3%	20.7%	22.0%
EBIT %	13.8%	15.2%	10.2%	11.1%	12.2%
Net Margin	12.6%	12.0%	6.8%	7.7%	8.7%

Valuation (x)	2023	2024	2025e	2026e	2027e
P/E	4.7	5.4	8.9	7.6	6.5
P/E adjusted	4.7	5.4	8.9	7.6	6.5
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	6.4	6.4	6.2
EV/EBIT*	8.5	8.8	10.3	9.8	9.2
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	2.31	2.71	3.17
EPS adjusted	4.42	3.82	2.31	2.71	3.17
CEPS	11.06	9.13	5.21	7.05	7.40
EBITDA/share	7.01	7.36	6.54	7.29	8.02
Capital empl./share	53.8	59.2	65.3	71.0	76.7
Div. per share	1.29	1.33	1.37	1.41	1.45
Payout ratio	29%	35%	59%	52%	46%
Dividend yield (%)	6.9%	6.8%	6.6%	6.8%	7.0%

Shareholders	
Ministry of Finance	74.99%
Institutional investors - other	14.24%
Retail invetors	10.48%

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

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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).

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