

Recent Deal Hints Undervaluation

2025 adj. EBITDA was above last year's result, above our estimate, and above the Company's guidance. The recent agreement to sell an asset implies Ignitis Group is fundamentally undervalued. Our Fair Value and dividend forecast are unchanged.

Fifth consecutive year above the guidance

2025 adj. EBITDA of EUR 546m was 1% above the high-end of guidance and our estimate, while the Q4/25 adj. EBITDA was 4% above the estimate. The 2025 adj. EBITDA growth was driven by the Green Capacities (+11%) and Networks (+20%) segments. We expect continued growth in 2026 and forecast an adj. EBITDA growth of 9% to EUR 595m (at high end of EUR 550-600m guidance).

Asset sale agreement reveals undervaluation

The recent agreement to sell 49% of Vilnius CHP to Quaero Capital implies a total valuation of Vilnius CHP of EUR 244m, which can be compared to the book value of EUR 119m. This could indicate Ignitis Group's P/BV of 0.6x is conservative (peers trading at 2.2x). The transaction should also help Ignitis Group maintain an attractive credit rating, which is favorable for new projects' financing costs.

Fair Value and dividend forecast reiterated

Our base case SOTP valuation is unchanged at EUR 28.80/shr. Our dividend forecast is in-line with the H2/25 dividend proposal (EUR 0.683/shr.), which indicates 5.4% net yield for 2025. For 2026-2028, we expect a net yield of 5.5-5.9% in-line with the dividend policy.

Key figures (MEUR)

	2024	2025	2026E	2027E	2028E
Revenue	2,307	2,498	2,623	2,714	2,766
Revenue growth	-9.5%	8.3%	5.0%	3.5%	1.9%
Adj. EBITDA	528	546	595	657	671
Adj. EBITDA margin	22.9%	21.3%	22.7%	24.2%	24.2%
EBIT	350	251	293	333	345
EBIT margin	15.2%	10.1%	11.2%	12.3%	12.5%
EV/Sales	1.3	1.4	1.4	1.4	1.4
EV/adj. EBITDA	5.7	6.3	6.0	5.6	5.6
EV/adj. EBIT	8.8	10.9	9.9	8.8	8.8
P/E adj.	5.7	9.6	7.6	6.4	6.0
P/BV	0.6	0.6	0.6	0.6	0.5
EPS	3.82	2.26	2.85	3.39	3.60
EPS growth	-13.7%	-40.7%	25.7%	19.0%	6.5%
Div. per share	1.33	1.37	1.41	1.45	1.49
Dividend yield*	6.8%	6.4%	6.5%	6.7%	6.9%

Source: Company data, Enlight Research estimates

*Pre-tax yield on EUR 21.65 share price for 2025-28E and end-of-year share price for 2024

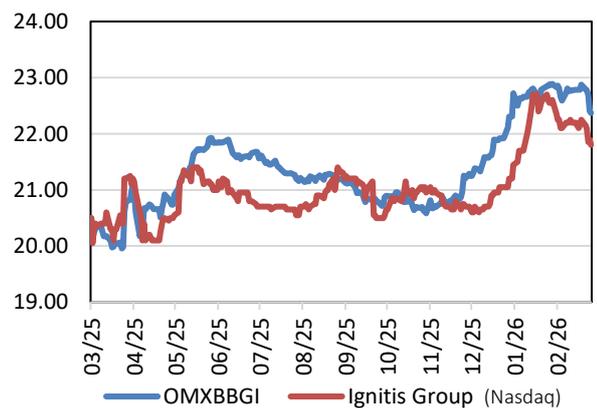
Fair value range (EUR)

Bull	34.55
Base	28.80
Bear	24.96

Key Data

Price (EUR)	21.65
Ticker	IGN1L
Country	Lithuania
Listed	Vilnius (Lithuania)
Market Cap (EURm)	1,567
Net debt (EURm)*	2,033
Shares (m)	72.4
Free float	25%

*End of 2026 estimate



Price range

52-week high	22.70
52-week low	20.05

Analyst

ResearchTeam@enlightresearch.net

Coverage frequency

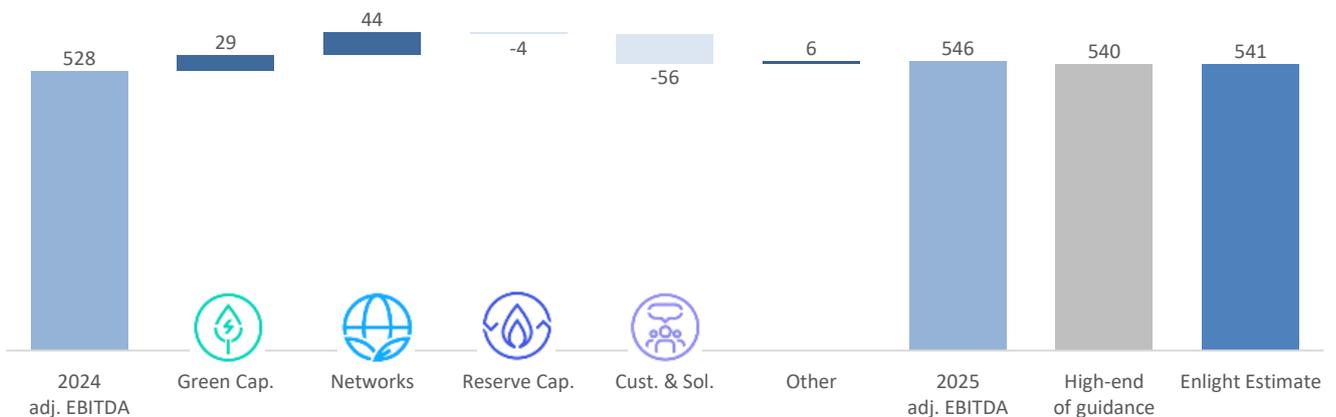
4x per year

Key takeaways

Consistently overperforming on adj. EBITDA

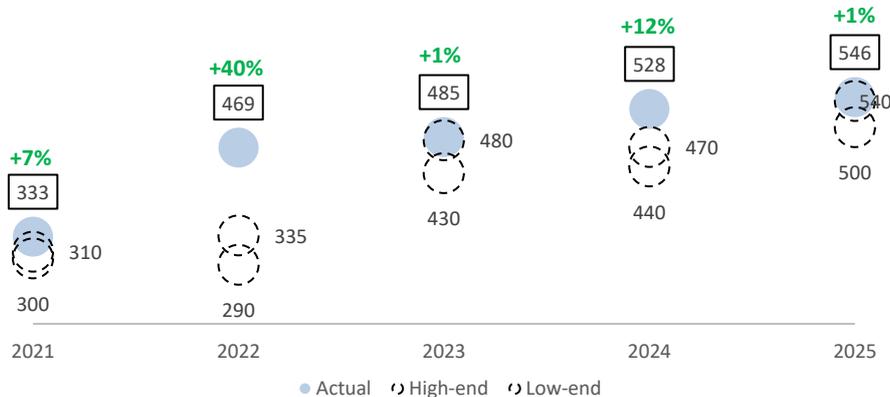
The 2025 adj. EBITDA of EUR 546m was encouraging. It was 3% or EUR 18m above the 2024 result, 1% or EUR 5m above our estimate, and 1% or 6m above the high-end of the Company’s guidance (EUR 500-540m). The Green Capacities segment adj. EBITDA grew by EUR 29m y/y due to higher green electricity generation (+21%), enabled by increased installed capacity (+50% or +0.7 GW). The Networks 2025 adj. EBITDA increased by EUR 44m y/y due to a higher RAB (+13% y/y) and WACC (+71 bps to 5.79%) following investments into the electricity grid. The Reserve Capacities 2025 adj. EBITDA decreased by EUR 4m y/y. The Customers & Solutions 2025 adj. EBITDA decreased by EUR 54m y/y due to lower natural gas B2B earnings and losses from the unfavourable prosumers market model. Looking at Q4/25 adj. EBITDA, the deviations were minor in euro terms as Green Capacities was EUR 1.8m below estimate while Networks was EUR 2.4m above, while Reserve Capacities was EUR 6.5m below and Customers & Solutions was EUR 8.1m above. The group Q4/25 adj. EBITDA was 3.9% or EUR 5.3m above our estimate (EUR 141m vs. est. 136m). This is the fifth year in a row the upper end of the guidance is beat. Since 2021, the adj. EBITDA was on average 12% above the high-end of the guidance. We believe Ignitis Group’s integrated business model has been and will continue to be superior to more focused models.

2024 to 2025 Adj. EBITDA development (EURm)



Source: Company reports, Enlight Research estimate

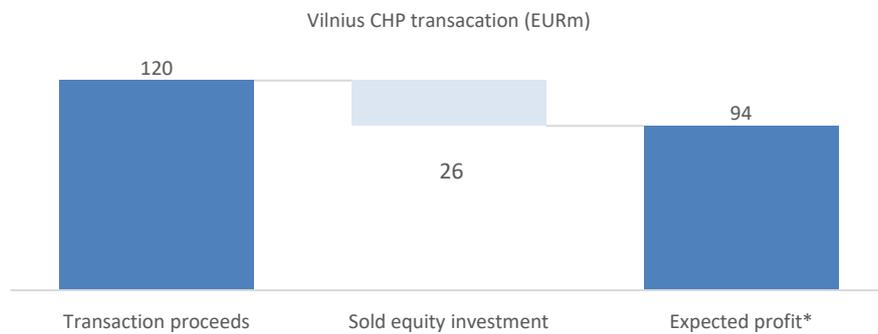
2022-2025 actual adj. EBITDA vs guidance (EURm)



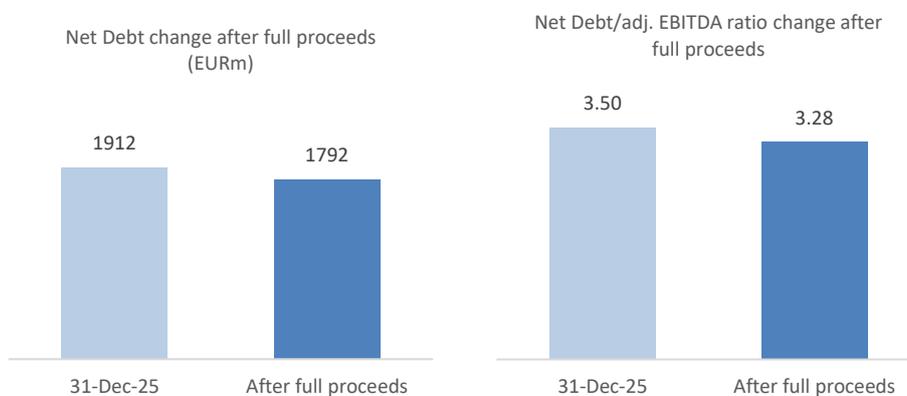
Source: Company reports

Asset rotation above the equity value

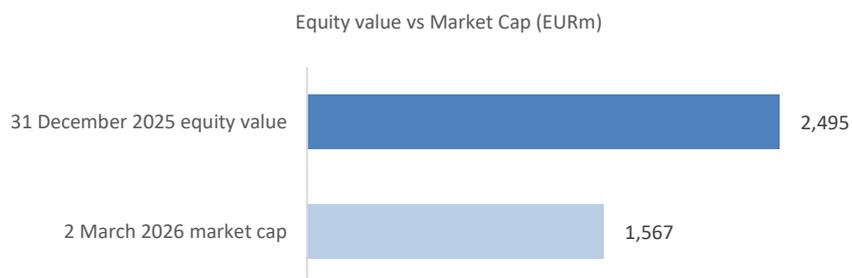
In February 2026, Ignitis Group agreed to sell 49% of Vilnius CHP to Quaero Capital. The expected total transaction proceeds is EUR 120m (valuation EUR 244m). The 49% share of equity investment to Vilnius CHP was EUR 26m, implying an expected profit of EUR 94m (EUR 120m less 26m). The transaction should reduce the net debt from EUR 1,912m as of 31 December 2025 to EUR 1,792m, while the net debt/adj. EBITDA will improve from 3.50x to 3.28x. The stronger balance sheet will likely allow Ignitis Group to maintain a BBB+ S&P credit rating, which enables continued favorable financing and flexibility to take on new projects. Additionally, the fact that the asset was sold at 2.1x of its equity value of EUR 119 underscores the embedded value within Ignitis Group’s portfolio. In our view, if Ignitis Group can divest assets significantly above the equity value (book value), the price to book discount of around 37% should decrease (P/BV 0.63x on current share price and end of 2025 reported book value).



* Includes EUR 10m earn-out
Source: Company Reports



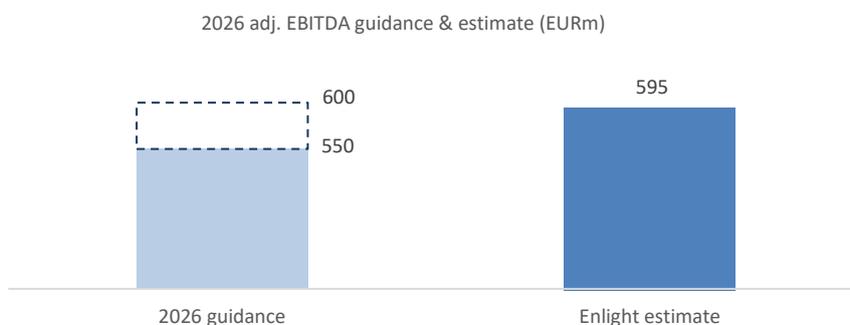
Source: Company reports, Enlight Research



Source: Company Reports, Enlight Research

Growth expected to continue in 2026

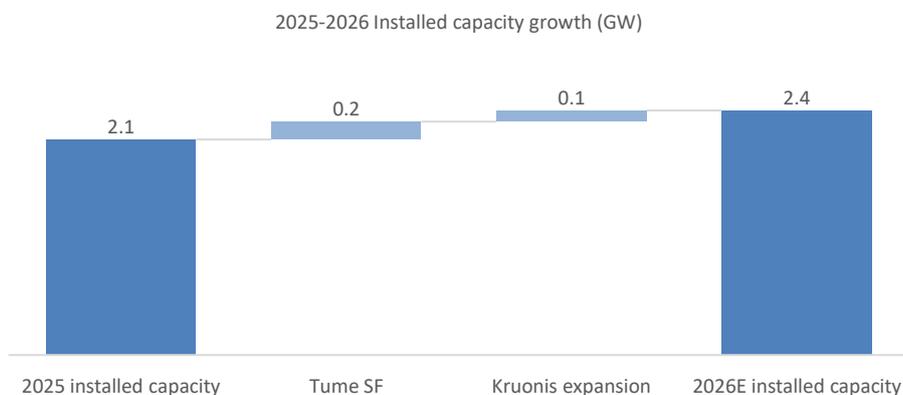
For 2026, Ignitis Group guides for adj. EBITDA of EUR 550–600m vs. our estimate of EUR 595m (close to the upper end of guidance). We expect the following adj. EBITDA improvements in 2026 vs. 2025: Green Capacities EUR 289m vs EUR 292m, Networks EUR 293m vs EUR 263m, Reserve Capacities EUR 39m vs EUR 38m, and Customers & Solutions negative EUR 25m vs negative EUR 49m. The Networks segment is the key growth driver due to a higher RAB base and the additional tariff component. The reduced loss for the Customers & Solutions segment is due to an expected improvement in the prosumers market model and stabilisation in natural gas B2B activities. For Green Capacities, lower hedged power prices are expected to be broadly offset by higher generation volumes. The 2026 Installed capacity is expected to grow by 0.3 GW to 2.4 GW, compared to a 0.7 GW increase in 2025 (implies lower investments). This suggests continued disciplined project selection and profitability-focused expansion.



Source: Company (guidance), Enlight Research (estimates)

Adjusted EBITDA by Segment	2025	2026E	Change	Change %
Green Capacities	292	289	-2	-1%
Networks	263	293	29	11%
Reserve Capacities	38	39	1	3%
Customers and Solutions	-49	-25	24	-48%
Total adjusted EBITDA bef. Other/eliminations	544	596	52	10%
Other segments/eliminations	2	-1	-3	-138%
Total adjusted EBITDA after Other/eliminations	546	595	49	9%

Source: Company (historic), Enlight Research (estimates)



Source: Company reports

Valuation

Base case FV unchanged at EUR 28.80

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 2026 RAB value. Multiplying the average peer EV/EBITDA multiples by our estimated 2026 EBITDA (except for the Networks segment) implies an EV of EUR 4,952m. Worth noting is that we put an EV value of zero to the Customers & Solutions segment as we forecast a loss in 2026. By deducting the estimated 2026 Net debt of EUR 2,033m and minority interest of EUR 58m, we get an equity value of EUR 2,779m 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 28.80 (prev. 28.79). Our Bear case assumes a discount of 35% and indicates a Fair value per share of EUR 24.96 (prev. 24.95), while our Bull case assumes a discount of 10%, which indicates a Fair value per share of EUR 34.55 (prev. 34.54). The applied discount range of 10-35% adjusts Western European peer multiples to reflect region-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. 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".

Segment	2026E adj. EBITDA	Applied peer EV/EBITDA multiple	EV (EURm)
Green Capacities	289	9.1	2,617
Networks*	1,907	1.0	1,907
Reserve Capacities	39	8.9	347
Customer & Solutions	-25	0.0	0
Total EV			4,952
2026E Net debt (EURm)			2,033
Minority interest (EURm)**			58
Equity value (EURm)			2,779
Number of shares (m)			72.4
Value per share (EUR)			38.4

* For the Networks segment's valuation, the 2026 RAB value is used

** Minority interest related to Vilnius CHP transaction

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)	24.96	28.80	34.55
Current share price (EUR)	21.65	21.65	21.65
Potential upside	15%	33%	60%

Source: Enlight Research

Peer valuation

Based on the 2026E EV/EBITDA, Ignitis Group is trading at a 37% discount to Integrated utilities (6.5x vs. 8.9x for peers), despite having an above-average estimated dividend yield (6.5% vs. 3.9% 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 9.1x or the Regulated peer group EV/EBITDA average of 10.5x. It is worth noting that since the Q1/25 report, the average 2026E multiple for the Renewables peer group increased by 20% (from 7.6x to 9.1x), 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 61% and 40%, respectively, based on the estimated EV/EBITDA 2026. 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

			Price	Mcap (m)	EV (m)	EV/EBITDA	EV/EBITDA	EV/EBITDA	EV/EBITDA	Div.	Div.	Div.	Div.
	Ticker	Ccy	(last)	(last)	(last)	2024	2025	2026E	2027E	yield	yield	yield	yield
										2024	2025	2026E	2027E
Ignitis Group	IGN1L	EUR	21.65	1,567	3,619	5.7	7.1	6.5	6.2	6.8%	6.4%	6.5%	6.7%

Integrated

			Price	Mcap (m)	EV (m)	EV/EBITDA	EV/EBITDA	EV/EBITDA	EV/EBITDA	Div.	Div.	Div.	Div.
Company	Ticker	Ccy	(last)	(last)	(last)	2024	2025	2026E	2027E	yield	yield	yield	yield
										2024	2025	2026E	2027E
EDP	EDP	EUR	4.26	17,803	35,472	7.4	7.1	7.2	7.1	4.7%	4.7%	4.7%	5.0%
Endesa	ELE	EUR	33.30	35,256	46,622	8.8	8.1	8.1	8.0	4.0%	4.7%	4.5%	4.7%
Enel	ENEL	EUR	9.57	97,285	156,492	6.9	6.8	6.6	6.4	4.9%	5.1%	5.3%	5.5%
Engie	ENGI	EUR	27.26	66,386	109,515	7.0	7.4	7.6	7.3	5.4%	5.1%	5.1%	5.2%
E.ON	EOAN	EUR	18.90	49,921	93,703	10.4	9.5	9.7	8.7	2.9%	3.0%	3.1%	3.3%
Iberdrola	IBE	EUR	19.39	125,530	177,189	10.5	10.7	10.6	10.1	2.9%	3.5%	3.7%	3.9%
RWE	RWE	EUR	53.33	39,669	52,511	9.2	10.8	9.4	8.0	2.1%	2.2%	2.4%	2.6%
SSE	SSE	GBP	26.61	29,366	39,714	12.0	11.9	12.1	9.8	2.3%	2.4%	2.6%	2.8%
Average						9.0	9.0	8.9	8.2	3.6%	3.8%	3.9%	4.1%

Renewables

			Price	Mcap (m)	EV (m)	EV/EBITDA	EV/EBITDA	EV/EBITDA	EV/EBITDA	Div.	Div.	Div.	Div.
Company	Ticker	Ccy	(last)	(last)	(last)	2024	2025	2026E	2027E	yield	yield	yield	yield
										2024	2025	2026E	2027E
EDP Renewables	EDPR	EUR	12.73	13,237	21,873	13.0	11.5	10.8	10.3	1.6%	0.9%	1.3%	1.4%
Orsted	ORSTED	DKK	146	192,631	222,416	7.0	9.9	8.1	6.9	0.0%	0.0%	2.6%	2.8%
Hidroelectrica	H2O	RON	135.00	60,723	56,365	10.3	11.9	10.0	9.4	10.4%	5.6%	6.8%	6.7%
Acciona Renewables	ANE	EUR	20.74	6,689	9,839	8.8	6.4	8.2	8.4	2.1%	0.1%	2.5%	1.9%
Audax Renewables	ADX	EUR	1.23	558	841	7.3	7.3	6.7	6.6	2.7%	2.5%	2.4%	2.5%
Polenergia	PEP	PLN	51.40	3,969	5,563	8.7	10.8	10.5	8.7	0.0%	0.0%	0.0%	0.0%
Average						9.2	9.6	9.1	8.4	2.8%	1.5%	2.6%	2.6%

Regulated

			Price	Mcap (m)	EV (m)	EV/EBITDA	EV/EBITDA	EV/EBITDA	EV/EBITDA	Div.	Div.	Div.	Div.
Company	Ticker	Ccy	(last)	(last)	(last)	2024	2025	2026E	2027E	yield	yield	yield	yield
										2024	2025	2026E	2027E
National grid	NG	GBP	13.45	53,377	99,129	13.2	13.2	12.2	10.7	4.4%	3.5%	3.6%	3.7%
Redeia Corp.	RED	EUR	14.82	8,019	13,847	11.4	11.0	10.7	10.2	5.4%	5.4%	5.4%	5.5%
REN	RENE	EUR	3.71	2,472	4,954	9.8	9.7	9.2	8.9	4.2%	4.3%	4.4%	4.5%
Italgas	IG	EUR	10.49	8,505	19,423	14.4	10.4	9.1	8.5	3.9%	4.2%	4.7%	5.1%
Terna	TRN	EUR	9.83	19,754	33,345	13.0	12.2	11.5	10.7	4.0%	4.0%	4.1%	4.1%
Average						12.4	11.3	10.5	9.8	4.4%	4.3%	4.4%	4.6%

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

Based on peers' share prices on 4 March 2026

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 Q4/25 Group adj. EBITDA of EUR 141m was 3.9% or EUR 5.3m above our forecast. The Green Capacities and Networks segments adj. EBITDA results were 2.3% below (EUR 1.8m) and 3.5% above (EUR 2.4m) our estimates, respectively. The Customers & Solutions Q4/25 adj. EBITDA provided the biggest surprise, coming above our forecast by 59.5% or EUR 8.1m. The Reserve Capacities segment adj. EBITDA was 68.3% or EUR 6.5m below the estimate due to lower-than-expected generation caused by overhaul work at the CCGT.

Forecast deviation table by Segment

Revenue by Segment (EURm)	Q4/25	Q4/25	Deviation	
	Estimate	Outcome	EURm	%
Green Capacities	129.8	150.5	20.7	15.9%
Networks	189.5	195.7	6.2	3.3%
Reserve Capacities	48.8	36.5	-12.3	-25.2%
Customers and Solutions	322.6	356.7	34.1	10.6%
Revenue bef. Other segm./eliminations	690.7	739.4	48.7	7.1%
Other segments/eliminations	-37.8	-40.4	-2.6	6.9%
Revenue after Other segm./eliminations	652.9	699.0	46.1	7.1%

Revenue growth	Q4/25	Q4/25	Deviation	
	Estimate	Outcome	EURm	%-pts
Green Capacities	-6.5%	8.4%	nm	14.9
Networks	0.2%	3.5%	nm	3.3
Reserve Capacities	-8.7%	-31.6%	nm	-23.0
Customers and Solutions	-11.9%	-2.6%	nm	9.3
Revenue bef. Other segm./eliminations	-7.6%	-1.1%	nm	6.5
Revenue after Other segm./eliminations	-4.8%	1.9%	nm	6.7

Adjusted EBITDA by Segment	Q4/25	Q4/25	Deviation	
	Estimate	Outcome	EURm	%
Green Capacities	77.9	76.1	-1.8	-2.3%
Networks	68.2	70.6	2.4	3.5%
Reserve Capacities	9.5	3.0	-6.5	-68.3%
Customers and Solutions	-13.6	-5.5	8.1	-59.5%
Total adj. EBITDA bef. Other/eliminations	141.9	144.2	2.3	1.6%
Other segments/eliminations	-6.2	-3.2	3.0	-48.4%
Total adjusted EBITDA after Other/eliminations	135.7	141.0	5.3	3.9%

Adjusted EBITDA margin by Segment*	Q4/25	Q4/25	Deviation	
	Estimate	Outcome	EURm	%-pts
Green Capacities	60.0%	56.0%	nm	-4.0
Networks	47.6%	31.5%	nm	-16.1
Reserve Capacities	19.4%	7.9%	nm	-11.5
Customers and Solutions	-4.3%	-1.6%	nm	2.7
Total adjusted EBITDA	22.2%	19.2%	nm	-3.0
Total adjusted EBITDA after Other/eliminations	22.5%	19.8%	nm	-2.7

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 Q4/25 earnings report, Ignitis Group announced its 2026 adj. EBITDA guidance of EUR 550-600m. Our 2026 Group adj. EBITDA estimate is roughly the same at EUR 595m, which is 0.8% below the high-end of guidance and 3.5% above the mid-point of guidance. We believe that higher RAB and additional tariff component values in the Networks segment together with improved results of the Customers & Solutions segment will allow Ignitis Group to hit the higher end of the guidance. Our Green Capacities 2026 adj. EBITDA estimate is slightly higher as we expect that a lower hedged electricity selling price will be offset by higher generation from the increased installed asset base. Our Networks 2026 adj. EBITDA estimate is increased by EUR 2m due to higher expectations for connection fees covered by the clients. Our Reserve Capacities 2026 adj. EBITDA expectation is slightly lowered due to lower expected generation amounts. Our Customers & Solutions 2026 estimate remains unchanged. To summarize, our Group EBITDA is roughly unchanged for 2026-2027. Our 2028 adj. EBITDA estimate is EUR 671m, which is 1.3% below the high-end of Ignitis Group's guidance that was provided in the 2025-2028 strategy.

Green Capacities	2026E	2027E	2028E
Old estimate	287	314	nm
New estimate	289	316	320
Change	2	2	nm
Change (pct)	0.9%	0.6%	nm
Networks	2026E	2027E	2028E
Old estimate	291	296	nm
New estimate	293	298	303
Change	2	2	nm
Change (pct)	0.7%	0.7%	nm
Reserve Capacities	2026E	2027E	2028E
Old estimate	41	41	nm
New estimate	39	40	42
Change	-2	-1	nm
Change (pct)	-5.0%	-1.9%	nm
Customers & Solutions	2026E	2027E	2028E
Old estimate	-25	3	nm
New estimate	-25	3	7
Change	0	0	nm
Change (pct)	1.2%	2.5%	nm
Group Adjusted EBITDA	2026E	2027E	2028E
Old estimate	593	654	nm
New estimate	595	657	671
Change	2	3	nm
Change (pct)	0.4%	0.5%	nm
Adj. EBITDA Guidance	2026E	2028E	
Adj. EBITDA high	600	680	
Adj. EBITDA mid	575	640	
Adj. EBITDA low	550	600	
Forecast	595	671	
Diff to high	-0.8%	-1.3%	
Diff to mid	3.5%	4.8%	
Diff to low	8.2%	11.8%	

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

Forecast

Revenue per segment (IFRS reported)	Q1/25	Q2/25	Q3/25	Q4/25	Q1/26E	Q2/26E	Q3/26E	Q4/26E	2025	2026E	2027E	2028E
Green Capacities	157	115	106	151	151	118	107	125	529	502	552	562
Networks	195	158	158	196	182	165	167	317	707	769	792	814
Reserve Capacities	84	67	40	37	80	61	39	50	227	230	231	233
Customers and Solutions	406	225	226	357	452	239	258	359	1,213	1,308	1,325	1,343
Total Revenues bef. Other/elimin.	841	565	531	739	865	583	571	852	2,676	2,809	2,901	2,952
Other segments/eliminations	-69	-40	-30	-40	-63	-41	-32	-51	-179	-187	-187	-187
Revenue after Other segm./eliminations	773	525	501	699	803	542	539	801	2,498	2,623	2,714	2,766
Segment revenue growth (IFRS reported)	Q1/25	Q2/25	Q3/25	Q4/25	Q1/26E	Q2/26E	Q3/26E	Q4/26E	2025	2026E	2027E	2028E
Green Capacities	37.2%	32.8%	26.3%	8.4%	-3.3%	2.6%	1.0%	-16.8%	24.7%	-5.0%	9.9%	1.9%
Networks	-1.8%	1.6%	0.6%	3.5%	-6.7%	4.1%	5.3%	62.2%	0.9%	8.7%	3.0%	2.8%
Reserve Capacities	88.6%	247.4%	21.9%	-31.6%	-5.4%	-8.2%	-2.4%	37.5%	51.5%	1.2%	0.5%	0.5%
Customers and Solutions	14.9%	2.7%	-21.9%	-2.6%	11.6%	6.3%	14.3%	0.6%	-1.1%	7.9%	1.3%	1.3%
Total Revenues bef. Other/elimin.	18.5%	17.6%	-5.8%	-1.1%	2.9%	3.2%	7.7%	15.2%	7.0%	5.0%	3.2%	1.8%
Revenue after Other segm./eliminations	18.3%	19.7%	-5.3%	1.9%	3.9%	3.3%	7.6%	14.5%	8.3%	5.0%	3.5%	1.9%
Adjusted EBITDA by Segment	Q1/25	Q2/25	Q3/25	Q4/25	Q1/26E	Q2/26E	Q3/26E	Q4/26E	2025	2026E	2027E	2028E
Green Capacities	109	57	49	76	106	59	49	75	292	289	316	320
Networks	74	59	60	71	82	65	67	78	263	293	298	303
Reserve Capacities	17	12	6	3	13	6	5	15	38	39	40	42
Customers and Solutions	-14	-14	-15	-6	-6	-9	-10	0	-49	-25	3	7
Total adjusted EBITDA bef. Other/eliminations	187	114	99	144	195	121	111	169	544	596	658	672
Other segments/eliminations	2	-2	5	-3	2	0	3	-5	2	-1	-1	-1
Total adjusted EBITDA after Other/eliminations	189	112	104	141	197	121	113	164	546	595	657	671
Adjusted EBITDA margin by Segment	Q1/25	Q2/25	Q3/25	Q4/25	Q1/26E	Q2/26E	Q3/26E	Q4/26E	2025	2026E	2027E	2028E
Green Capacities	69.8%	49.7%	46.0%	56.0%	69.8%	49.7%	46.0%	60.2%	56.7%	57.6%	57.3%	57.0%
Networks	34.0%	34.6%	35.3%	31.5%	45.2%	39.5%	40.2%	24.7%	33.7%	38.1%	37.7%	37.2%
Reserve Capacities	20.7%	17.5%	14.0%	7.9%	16.1%	10.1%	11.9%	30.5%	16.5%	16.9%	17.3%	17.8%
Customers and Solutions	-3.5%	-6.0%	-6.8%	-1.6%	-1.3%	-3.6%	-3.9%	-0.1%	-4.0%	-1.9%	0.2%	0.5%
Total adjusted EBITDA	21.5%	19.8%	18.3%	19.2%	22.5%	20.8%	19.4%	19.8%	19.9%	21.2%	22.7%	22.7%
Total adjusted EBITDA after Other/eliminations	23.5%	21.0%	20.3%	19.8%	24.5%	22.3%	21.0%	20.5%	21.3%	22.7%	24.2%	24.2%
Income statement (EURm)	Q1/25	Q2/25	Q3/25	Q4/25	Q1/26E	Q2/26E	Q3/26E	Q4/26E	2025	2026E	2027E	2028E
Total Revenue & Other income	773	525	501	699	803	542	539	739	2,498	2,623	2,714	2,766
Purchase of electricity, gas for trade	-529	-320	-317	-459	-542	-331	-337	-490	-1,625	-1,700	-1,737	-1,770
Salaries and related expenses	-46	-47	-44	-52	-47	-49	-48	-56	-189	-199	-204	-207
Repair and maintenance expenses	-14	-18	-21	-25	-15	-19	-22	-23	-78	-79	-81	-83
Other expenses	-24	-37	-27	-36	-16	-22	-16	-38	-124	-92	-95	-83
<i>Total expenses</i>	<i>-613</i>	<i>-423</i>	<i>-409</i>	<i>-571</i>	<i>-620</i>	<i>-420</i>	<i>-423</i>	<i>-607</i>	<i>-2,016</i>	<i>-2,069</i>	<i>-2,117</i>	<i>-2,143</i>
EBITDA	160	102	92	128	183	123	116	132	482	553	597	622
Adj. EBITDA	189	112	104	141	197	121	113	164	546	595	657	671
Depreciation and amortization	-49	-51	-57	-63	-65	-65	-65	-65	-220	-258	-262	-274
Write-offs, revaluations PP&E, Intang.	-1	-1	-1	-8	-1	-1	-1	-1	-11	-2	-3	-3
EBIT	110	50	34	57	118	57	51	67	251	293	333	345
<i>Financial net</i>	<i>-8</i>	<i>-21</i>	<i>-14</i>	<i>-18</i>	<i>-16</i>	<i>-16</i>	<i>-16</i>	<i>-16</i>	<i>-61</i>	<i>-63</i>	<i>-60</i>	<i>-55</i>
Pre-tax profit	102	29	20	39	102	42	35	51	190	229	273	290
Current year income tax (expenses)/benefit	-18	-1	1	-8	-10	-4	-4	-5	-26	-23	-28	-29
Net profit (loss)	84	28	21	32	91	37	32	46	164	206	245	261
Segment revenue growth (IFRS reported)	Q1/25	Q2/25	Q3/25	Q4/25	Q1/26E	Q2/26E	Q3/26E	Q4/26E	2025	2026E	2027E	2028E
y-on-y	18.3%	19.7%	-5.3%	1.9%	3.9%	3.3%	7.6%	5.7%	8.3%	5.0%	3.5%	1.9%
Margins	Q1/25	Q2/25	Q3/25	Q4/25	Q1/26E	Q2/26E	Q3/26E	Q4/26E	2025	2026E	2027E	2028E
EBITDA	20.7%	19.5%	18.4%	18.3%	22.8%	22.6%	21.6%	17.9%	19.3%	21.1%	22.0%	22.5%
EBIT	14.2%	9.6%	6.8%	8.1%	14.6%	10.6%	9.5%	9.0%	10.1%	11.2%	12.3%	12.5%
Pre-tax profit	13.2%	5.5%	4.0%	5.6%	12.7%	7.7%	6.5%	6.9%	7.6%	8.7%	10.0%	10.5%
Net profit	10.9%	5.2%	4.2%	4.5%	11.4%	6.9%	5.9%	6.2%	6.6%	7.9%	9.0%	9.4%

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)	2024	2025	2026e	2027e	2028e
Total revenues	2,307	2,498	2,623	2,714	2,766
Total operating costs	-1,774	-2,016	-2,069	-2,117	-2,143
EBITDA	533	482	553	597	622
Depreciation	-178	-220	-258	-262	-274
Amortizations	0	0	0	0	0
Impairment charges	-4	-11	-2	-3	-3
EBIT	350	251	293	333	345
Associated companies ¹	0	0	0	0	0
Net financial items	-42	-61	-63	-60	-55
Exchange rate differences	0	0	0	0	0
Pre-tax profit (PTP)	308	190	229	273	290
Net earnings	276	164	206	245	261
Balance Sheet	2024	2025	2026e	2027e	2028e
Assets (EURm)					
Cash and cash equivalent	235	296	311	322	332
Receivables	294	272	262	271	277
Inventories	248	240	252	261	266
Other current assets	178	190	190	190	190
Total current assets	954	999	1,015	1,044	1,064
Tangible assets	4,027	4,699	4,941	5,179	5,393
Goodwill & Other Intangibles	306	293	291	288	286
Long-term investments	7	4	4	4	4
Associated Companies	0	0	0	0	0
Other non-current assets	380	235	184	187	188
Total fixed assets	4,720	5,231	5,420	5,659	5,872
Deferred tax assets	32	49	49	49	49
Total assets	5,706	6,279	6,485	6,752	6,985
Liabilities					
Non-ib current liabilities	246	221	184	190	194
Short-term debt	67	223	237	249	257
Other current liabilities	396	465	465	465	465
Total current liabilities	709	908	886	904	916
Long-term IB debt	1,712	1,888	2,010	2,115	2,180
Convertibles & Lease liabilities	68	98	98	98	98
Other long-term liabilities	596	639	639	639	639
Total long-term liabilities	2,375	2,625	2,747	2,852	2,917
Total (liabilities)	3,269	3,784	3,883	4,007	4,084
Deferred tax liabilities	85	90	90	90	90
Provisions	101	160	160	160	160
Shareholders' equity	2,437	2,495	2,602	2,745	2,901
Minority interest (BS)	0	0	0	0	0
Total shareholders equity	2,437	2,495	2,602	2,745	2,901
Total equity & liabilities	5,706	6,279	6,485	6,752	6,985
DCF valuation					
WACC (%)	6.12%				
		Cash flow (EURm)			
		NPV FCF (2023-2025)			0
		NPV FCF (2026-2032)			571
		NPV FCF (2032-)			117
Assumptions 2022-2028 (%)		Non-operating assets			3,029
CAGR Sales growth	-7.4%	Interest-bearing debt			-1,633
Average EBIT margin	12.0%	Fair value estimate			2,084
		Fair value per share (EUR)			28.80
		Share price (EUR)			21.65

Free Cash Flow (EURm)	2024	2025	2026e	2027e	2028e
Operating profit	276	164	293	333	345
Depreciation	178	220	261	264	277
Change in wc	105	90	-39	-11	-7
Other oper. CF items	102	142	-29	-34	-35
Operating CF	661	615	485	552	581
CF from Investments	-654	-711	-600	-500	-489
Other CF items	22	158	120	0	0
Free Cash Flow	-194	-192	5	52	92
Capital structure	2024	2025	2026e	2027e	2028e
Equity ratio	43%	40%	40%	41%	42%
Debt/Equity	76%	89%	90%	90%	87%
Capital invested (EURm)	4,284	4,703	4,946	5,207	5,436
Profitability	2024	2025	2026e	2027e	2028e
ROE %	11.8%	6.6%	8.1%	9.2%	9.2%
EBITDA %	23.1%	19.3%	21.1%	22.0%	22.5%
EBIT %	15.2%	10.1%	11.2%	12.3%	12.5%
Net Margin	12.0%	6.6%	7.9%	9.0%	9.4%
Valuation (x)	2024	2025	2026e	2027e	2028e
P/E	5.7	9.6	7.6	6.4	6.0
P/E adjusted	5.7	9.6	7.6	6.4	6.0
P/Sales	0.6	0.6	0.6	0.6	0.6
EV/Sales	1.3	1.4	1.4	1.4	1.4
EV/EBITDA*	5.7	6.3	6.0	5.6	5.6
EV/EBIT*	8.8	10.9	9.9	8.8	8.8
P/BV	0.6	0.6	0.6	0.6	0.5
*Calculated using adj. EBITDA and adj. EBIT figures					
Per share measures	2024	2025	2026e	2027e	2028e
EPS	3.82	2.26	2.85	3.39	3.60
EPS adjusted	3.82	2.26	2.85	3.39	3.60
CEPS	9.13	8.50	6.70	7.63	8.03
EBITDA/share	7.36	6.66	7.64	8.25	8.60
Capital empl./share	59.2	65.0	68.3	71.9	75.1
Div. per share	1.33	1.37	1.41	1.45	1.49
Payout ratio	35%	60%	49%	43%	41%
Dividend yield (%)	6.8%	6.4%	6.5%	6.7%	6.9%
Shareholders					
Ministry of Finance					74.99%
Institutional investors					14.00%
Retail investors					11.01%
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

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