COMPANY UPDATE

Ignitis

from Buy to Accumulate

Analyst: Petr Bartek +420 956 765 227 pbartek@csas.cz

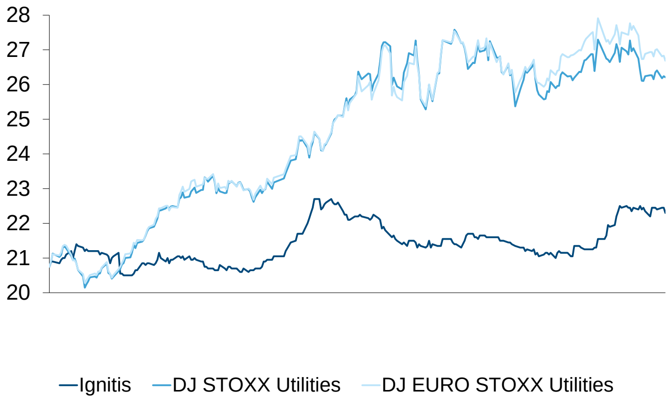
Share price (EUR) close as of 12/08/2026	22.3	Reuters	IGN1L.VL	Free float	25.0%
Number of shares (mn)	72.4	Bloomberg	IGN1L LH	Shareholders	
Market capitalization (EUR mn)	1 614.3	Div. Ex-date	22/09/26		Republic of Lithuania (75%)
Enterprise value (EUR mn)	3 797.0	**Target price**	**26.5**	Homepage:	ignitisgrupe.lt

Key figures Overview

EUR mn	2025	2026e	2027e	2028e
Net sales	2 497.7	2 638.3	2 674.4	2 609.3
EBITDA	482.1	563.6	627.7	648.4
EBIT	251.4	303.2	350.7	371.8
EBT	190.1	233.9	293.0	307.5
Net profit	163.9	191.8	237.4	252.1
EPS (EUR)	2.26	2.65	3.28	3.48
CEPS (EUR)	6.80	5.64	6.89	7.07
BVPS (EUR)	34.46	35.73	37.58	39.59
Dividend/Share (EUR)	1.37	1.41	1.45	1.49
EV/EBITDA (x)	7.15	6.74	6.35	6.48
P/E (x)	9.36	8.41	6.80	6.40
P/CE (x)	3.12	3.95	3.24	3.15
Dividend yield (%)	6.44	6.32	6.50	6.70
EBITDA margin (%)	19.30	21.36	23.47	24.85
Operating margin (%)	10.07	11.49	13.11	14.25
Net profit margin (%)	6.56	7.54	9.31	10.02

Trading data & Statistics

Daily averages	5 days	30 days	last year
Volume	13 389	23 819	19 275
Trading value (EUR mn)	0.3	0.5	0.4



Price performance:	1M	3M	6M	12M
in EUR	**1.8%**	**4.0%**	**0.2%**	**7.5%**

Financial Strength

	2025	2026e	2027e	2028e
ROE (%)	6.65	7.55	8.95	9.03
ROCE (%)	4.24	4.66	5.08	5.07
Equity ratio (%)	39.73	40.34	42.00	41.38
Net debt (EUR mn)	1 912.10	2 062.72	2 251.58	2 467.55
Gearing (%)	76.65	76.22	79.28	82.65

2Q26: Prosumer regulation approved

We reduce our recommendation on Ignitis shares to Accumulate, from Buy, following its share price increase and a slight reduction in our 2026 estimates. We have slightly reduced our twelve-month target price to EUR 26.5/share (EUR 27.1/share previously). We still like Ignitis' balanced assets, potential upside from datacenters, the supportive grid regulation and its relatively low valuation, with a 6.3% DY from 2026e profit and 8.4 P/E 2026e.

Ignitis reported a 2% y/y increase in adj. EBITDA in 2Q26, as growing Networks (thanks to higher RAB) and Green Capacities (OPEX savings) outweighed low wind speeds, lower balancing capacity market revenues and the continued negative prosumer impact in supply. Ignitis reported a stable hedging position for 2027-29, confirmed FY26 guidance calling for 1-10% higher EBITDA and proposed a 3.1% y/y higher semiannual DPS.

The Lithuanian parliament approved the long-awaited update of their prosumer regulation. While the net-metering system remains in place, the regulation introduced a contribution for prosumers and other consumers, which will cover costs of the system starting from 1/2027. Ignitis estimates that 60-70% of its loss on prosumers would be covered by the new regulation, depending on final methodology. This is in line with our previous forecast, though the regulation will be effective six months later than originally expected.

Erste Group Research – Company Update finalized and released August 15, 2026, 07:30, CET, reviewed by Henning Esskuchen (supervising analyst)

2Q26 results

Ignitis reported a 2% y/y increase in adjusted EBITDA, mainly thanks to the growing Networks segment, which benefits from 6% y/y higher RAB of EUR 1.9bn and an increased additional tariff component (a component ensuring segment leverage below 5.5x ND/EBITDA). Distribution volumes grew by 3%/5% in electricity/natural gas thanks to the cold weather.

The second driver was – surprisingly - the Green Capacities segment, which showed a significant y/y reduction in project-related costs as part of the announced cost savings program in its mid-term strategy. This offsets a drop in load factor and weak production from wind farms caused by low windiness and maintenance on one of the older wind farms. Wind farms commissioned in 2025 still seem to be producing below potential. Hedged prices fell by 37% y/y to EUR 82/MWh in 1H26, as expected, which was partly offset with y/y higher DAH prices. We estimate that the average realized price (excluding pumping) declined by 5% y/y, less than we forecasted.

A slightly negative surprise came from the low production in Reserve Capacities (natural gas units), which resulted from the declining balancing capacity services market. Moreover, the improvement in the supply business was slower than we estimated. Management said that losses on prosumers were still increasing. Volumes sold grew quickly in electricity (+17% y/y), thanks to the expansion in Poland, while natural gas volumes declined by 2% y/y, due to lower sales to Finland. We saw some underlying weakness, as domestic and B2C volumes underperformed. Overall, adjusted EBITDA was 2% below our estimates, due to lower Reserve Capacities and slower improvement in supply, mostly offset with cost savings in Green Capacities. As reported, 2Q26 EBITDA grew +25% y/y, thanks to a one-off gain of EUR 15.9mn in Reserve Capacities (carbon credit sales). Adj. net profit declined by 24%, due to 25% y/y higher D&A, as we expected. The financial result was stable and basically in line with our estimates.

Net debt was sequentially almost stable at EUR 1.93bn (3.5x ND/adj. EBITDA) and better than we expected, on significantly lowered WC and lower than expected CAPEX.

Dividend: The company will pay a DPS of EUR 0.704 (3.1% DY, +3.1% y/y) from 1H26 profit, in line with its DVD policy (subject to GM approval).

2026 guidance: Ignitis confirmed FY26 adj. EBITDA guidance for EUR 550-600mn (+5% y/y in the mid-point) and CAPEX guidance of EUR 590-690mn (-12% y/y in the mid-point). By segment, the company also confirmed the directional guidance and left expected drivers unchanged.

Hedged prices for Green Capacities declined by EUR 1/MWh for 2026-27, with the hedged price for 2026 at EUR 83/MWh for 86% of volumes (volume +11pp q/q). 2027-29 shows EUR 83//83/82 for 63%/62%/61% of volumes (unchanged volumes q/q).

2Q26 results

P&L (EURmn)	2Q26	2Q25	y/y	2Q26e Erste	2Q26e Cons.	2Q vs. Erste	2Q vs. Cons.
Total revenue	558.5	525.2	6%	612.2	591.0	-9%	-5%
EBITDA	128.1	102.4	25%	106.8	116.0	20%	10%
Adjustments	*-13.7*	*9.9*	*-238%*	*9.3*		*-247%*	
Adjusted EBITDA	**114.4**	**112.3**	**2%**	**116.2**		**-2%**	
Green Capacities	*62.9*	*57.3*	*10%*	*52.7*		*19%*	
Networks	*66.6*	*58.5*	*14%*	*65.4*		*2%*	
Reserve Capacities	*2.7*	*11.7*	*-77%*	*7.7*		*-65%*	
Customers & Solutions	*-12.9*	*-13.5*	*n.m.*	*-9.7*		*33%*	
EBIT	63.0	50.3	25%	43.7	56.0	44%	13%
Adjusted EBIT	**49.3**	**60.2**	**-18%**	**53.1**		**-7%**	
Net profit	40.4	27.5	47%	21.6		87%	
Adjustments	*-11.3*	*10.9*	-204%	*7.7*		*-246%*	
Adjusted net profit	**29.1**	**38.4**	**-24%**	**29.3**	**25.5**	**-1%**	**14%**
BS&CF (EURmn)							
Investments	149	197	-24%	177		-16%	
FCF	80	47	n.m.	-86		n.m.	
Net debt	1 925	1 610	20%	1 979		-3%	
Net debt / adjusted EBITDA LTM (x)	3.5	3.2	9%	3.6		-2%	
Operating data (GW, TWh)							
Installed green capacities	2.1	1.8	22%	2.1		0%	
Electricity production	0.71	1.05	-32%	0.99		-28%	
Green Capacities	*0.68*	0.71	*-4%*	0.75		*-9%*	
Reserve Capacities	*0.03*	*0.34*	*-91%*	*0.24*		*-87%*	
Heat production	0.46	0.40	15%	0.41		14%	
Electricity sales	1.97	1.70	17%	1.92		3%	
Electricity distribution	2.39	2.31	3%	2.43		-2%	
Natural gas sales	1.46	1.48	-2%	1.68		-13%	
Natural gas distribution	1.23	1.17	5%	1.25		-2%	

Source: Ignitis, Erste Group Research, Bloomberg

Prosumer regulation approved

Ignitis said that the Lithuanian parliament has finally approved the long-awaited update of prosumer regulation. While policymakers kept the net metering system as a service of public interest, the update introduces a modest prosumer grid contribution of EUR 0.01/kWh for the volumes produced, and for other consumers a contribution of up to EUR 0.003/kWh. Additionally, the adopted law codifies a market-rate compensation for accumulated but unused electricity. Ignitis management said it expects a roughly 60-70% reduction of losses related to prosumers, depending on the exact methodology and 'VIAP' tariff established by energy watchdog NERC. The law will be effective from 1/2027.

Ignitis reported losses on prosumers of EUR 15.2mn/28.5mn in 2024/25 and said that prosumer volumes and thus losses are still growing in 2026. The approval of the regulation as well as the expected positive impact on Ignitis is in line with our original estimates, though it comes a half-year later than we modelled. We thus have adjusted our estimates for the supply segment accordingly for 2026e.

Changes in short-term forecast

We did some minor changes in our forecasts following the 2Q26 results:

- 107 MW / 215 MWh BESS added to the project pipeline after Ignitis announced its FID in 7/26.
- Supply segment estimates slightly lowered due to the later approval of prosumer regulation and the somewhat slower than expected volume growth in 2Q26.

- Reserve Capacities slightly lowered near-term, mainly due to technical model changes, which at the same time increase estimates for Green Capacities.
- Some 0.5pp lower load factor for onshore wind (both short- and mid-term) plus a ~90 GWh impact from the weak 2Q26 in 2026e. This is partly offset with ~5% lower estimated wind O&M costs.
- One-offs from 2Q26 reflected in forecast (gain on EUA sales, etc.).
- Slight increase in 3M EURIBOR, thus Ignitis interest costs.

Change in short-term estimates

Consolidated, IFRS	**2026e**			**2027e**			**2028e**		
(EUR, mn)	**Now**	**Before**	*Change*	**Now**	**Before**	*Change*	**Now**	**Before**	*Change*
Total revenues	2638	2664	*-1%*	2674	2690	*-1%*	2609	2628	*-1%*
Adj. EBITDA	**584**	**604**	***-3%***	**642**	**641**	***0%***	**663**	**655**	***1%***
Green Capacities	*268*	*258*	*4%*	*281*	*268*	*5%*	*276*	*272*	*2%*
Networks	*292*	*292*	*0%*	*303*	*300*	*1%*	*320*	*317*	*1%*
Reserve Capacities	*36*	*42*	*-15%*	*33*	*46*	*-27%*	*33*	*29*	*12%*
Customers and solutions	*-14*	*10*	*n.m.*	*22*	*26*	*-15%*	*31*	*34*	*-10%*
EBITDA	564	568	*-1%*	628	627	*0%*	648	641	*1%*
EBIT	303	313	*-3%*	351	354	*-1%*	372	365	*2%*
Adj. net income	**211**	**235**	***-10%***	**249**	**253**	***-2%***	**264**	**260**	***1%***
Net income	192	203	*-5%*	237	242	*-2%*	252	249	*1%*
DPS* (EUR)	1.41	1.41	*0%*	1.45	1.45	*0%*	1.49	1.49	*0%*
CAPEX	647	644	*1%*	614	598	*3%*	708	692	*2%*
Green Capacities production* (TWh)	3.3	3.5	*-5%*	3.7	3.7	*-1%*	3.9	3.9	*-1%*
Reserve Capacities production (TWh)	0.5	0.5	*0%*	0.5	0.5	*0%*	0.5	0.5	*0%*
Adj. EBITDA margin	22.1%	22.7%	*-2%*	24.0%	23.8%	*1%*	25.4%	24.9%	*2%*
Adj. Net margin	8.0%	8.8%	*-9%*	9.3%	9.4%	*-1%*	10.1%	9.9%	*2%*

*Source: Erste Group Research; *excluding BESS*

Overall, our EBITDA forecast has moved in low single digits for 2026-28e, with the most visible change being a bit less optimistic estimates for the supply business, offset with marginal improvements in Green Capacities costs (in 2028e thanks also to the new 107 MW BESS).

DCF valuation

A DCF-FCFF model remains our main valuation tool for Ignitis. **Our DCF provides a EUR 26.5 per share twelve-month target price; we thus reduce our recommendation for Ignitis to Accumulate, from Buy**. The model reflects the estimated contribution from existing and under-construction assets and 0.5 GW from its advanced development pipeline. We do not include Ignitis' two offshore projects and sizable early-development pipeline in our estimates. We have rolled over our model by one year, with the fair value calculated as of YE26e, from YE25A previously. We did not make any parametric changes to our DCF model with this update. Our WACC range is 6.1% to 7.1% (for the terminal WACC). A 50bp change in the terminal WACC changes our DCF valuation by 15-20%, with a similar sensitivity to the terminal growth rate.

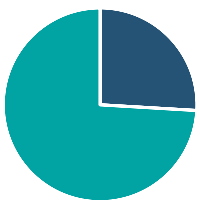
WACC calculation

	2027e	2028e	2029e	2030e	2031e	2032e	2033e	2034e	2035e	2036e (TV)
Risk free rate	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%
Equity risk premium	6.3%	6.3%	6.3%	6.3%	6.3%	6.3%	6.3%	6.3%	6.3%	6.1%
Beta	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.0
Cost of equity	**10.5%**	**10.5%**	**10.5%**	**10.5%**	**10.5%**	**10.5%**	**10.5%**	**10.5%**	**10.5%**	**9.6%**
Cost of debt	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	4.0%
Effective tax rate	17.0%	17.0%	17.0%	17.0%	17.0%	17.0%	17.0%	17.0%	17.0%	18.0%
After-tax cost of debt	**2.9%**	**2.9%**	**2.9%**	**2.9%**	**2.9%**	**2.9%**	**2.9%**	**2.9%**	**2.9%**	**3.3%**
Equity w eight	48%	45%	43%	43%	43%	44%	44%	46%	47%	60%
WACC	**6.5%**	**6.3%**	**6.2%**	**6.1%**	**6.2%**	**6.2%**	**6.3%**	**6.4%**	**6.5%**	**7.1%**

DCF valuation

(EUR mn)	2027e	2028e	2029e	2030e	2031e	2032e	2033e	2034e	2035e	2036e (TV)
Sales growth	*1.4%*	*-2.4%*	*3.5%*	*4.5%*	*-2.0%*	*2.2%*	*2.9%*	*2.2%*	*1.6%*	*2.0%*
EBIT	351	372	411	412	382	381	379	359	328	339
EBIT margin	*13.1%*	*14.2%*	*15.2%*	*14.6%*	*13.8%*	*13.5%*	*13.0%*	*12.1%*	*10.9%*	*11.0%*
Tax rate	*17.0%*	*17.0%*	*17.0%*	*17.0%*	*17.0%*	*17.0%*	*17.0%*	*17.0%*	*17.0%*	*18.0%*
Taxes on EBIT	-60	-63	-70	-70	-65	-65	-64	-61	-56	-61
NOPLAT	**291**	**309**	**341**	**342**	**317**	**316**	**315**	**298**	**272**	**278**
+ Depreciation	277	277	286	296	304	309	314	315	313	313
Capital expenditures / Depreciation	*222%*	*256%*	*247%*	*171%*	*130%*	*126%*	*126%*	*79%*	*80%*	*102%*
+/- Change in w orking capital	31.5	78.3	78.2	22.4	25.9	32.2	37.1	-4.5	7.7	0.0
Chg. working capital / chg. Sales	*87.2%*	*-120.2%*	*86.6%*	*18.5%*	*-46.7%*	*52.6%*	*44.6%*	*-7.2%*	*16.3%*	*0.0%*
- Capital expenditures, M&A	-614	-708	-707	-507	-394	-388	-397	-249	-250	-319
Free cash flow to the firm	**-14**	**-45**	**-2**	**153**	**252**	**269**	**269**	**360**	**343**	**272**
Terminal value growth										*2.0%*
Terminal value										5 474
Discounted free cash flow - Dec 31 2026e	-14	-39	-1	120	186	187	176	221	198	2 953
Enterprise value - Dec 31 2026e	**3 987**									
Minorities - Vilnius CHP	120									
Non-operating assets - Dec 31 2026e	0									
Net debt and leases - Dec 31 2026e	2 063									
Equity value - Dec 31 2026e	**1 804**									
Number of shares outstanding (mn)	72.4									
Cost of equity	10.5%									
12m target price per share	**26.5**									
Current share price (EUR)	22.3									
Up/Downside	*19%*									

Enterprise value breakdown



▪ PV of detailed period
▪ PV of terminal value

Source: Erste Group Research

Sensitivity (per share)

Terminal EBIT margin

WACC	9.0%	10.0%	11.0%	12.0%	13.0%
6.1%	27.5	32.6	37.7	42.8	47.8
6.6%	22.5	27.0	31.5	36.0	40.5
7.1%	18.4	22.5	**26.5**	30.5	34.6
7.6%	15.1	18.8	22.4	26.1	29.7
8.1%	12.3	15.7	19.0	22.3	25.7

Terminal value growth

WACC	1.0%	1.5%	2.0%	2.5%	3.0%
6.1%	26.5	31.5	37.7	45.7	56.2
6.6%	22.4	26.5	31.5	37.7	45.7
7.1%	19.0	22.4	**26.5**	31.5	37.7
7.6%	16.1	19.0	22.4	26.5	31.5
8.1%	13.6	16.1	19.0	22.4	26.5

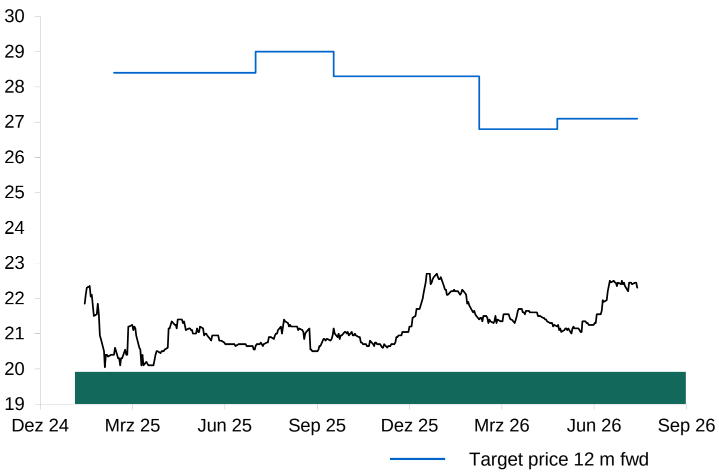
Disclosure of particular interests or indications of conflicts of interest according to delegated Regulation (EU) 958/2016 supplementing Article 20 of Regulation (EU) 596/2014 (MAR):

Company	ISIN	1 EGB/affiliates holdings exceed 5% of the share capital of issuer or vice verca	2 market maker or liquidity provider for issuer/instruments	3 agreement for the provision of services of investment firms over the previous 12 months	4a Agreement with the covered company about the production of analyses	4b Agreement with a third party about the production of analyses	5 Managed or co-managed a public offering over the previous 12 months	6 Draft of report disclosed to issuer prior its publication	7 Analyst has a position in the issued share capital of the issuer
Ignitis	LT0000115768				Y				

The above specific disclosures (marked with “Y” if applicable), are valid at the time of publication of this report. August 14 2026

For a more detailed and an up-to-date overview of conflicts of interests for all analysed companies and/or financial instruments by Erste Group, which are updated regularly upon changes, please follow below link:
Disclosure | Erste Group Bank AG

Ignitis



Rating history

Date	Rating	Price	Target Price	Action
25. May 26	Buy	21,20	27,10	
09. Mar 26	Buy	21,40	26,80	
16. Oct 25	Buy	21,15	28,30	
31. Jul 25	Buy	20,65	29,00	
13. Mar 25	Buy	20,40	28,40	

Company description

Ignitis is a Lithuanian renewable focused integrated utility active in Baltics, Poland and Finland with the aim to create a 100% green and secure energy ecosystem. The company focuses on green generation and green flexibility technologies, such as wind, batteries, pumped-storage hydro and power-to-X. Ignitis has 0.9 GW pump-storage, 1.2 GW RES and 1.1 GW natural gas fired capacities and a sizeable pipeline of RES and storage development projects. Ignitis in also dominant Lithuanian electricity and natural gas distributor with EUR 1.9bn RAB as of 2026 and biggest regional energy supplier.

A history of all recommendations for covered issuers/financial instruments within the last 12 months is provided under the following link:
Research Disclaimer | Erste Group Bank AG.

Group Research

Head of Group Research
Friedrich Mostböck, CEFA®, CESGA® friedrich.mostboeck@erstegroup.com

CEE Macro/Fixed Income Research
Head: Juraj Kotian (Macro/FI) juraj.kotian@erstegroup.com
Katarzyna Rzentarzewska (Fixed income) katarzyna.rzentarzewska@erstegroup.com
Jakub Cery (Fixed income) jaku.cery@erstegroup.com

Croatia/Serbia
Alen Kovac (Head) akovac2@hr.erstebank.com
Mate Jelić mjelic1@erstebank.hr
Ivana Rogic irogic@erstebank.com

Czech Republic
David Navratil (Head) dnavratil@csas.cz
Jiri Polansky jpolansky@csas.cz
Michal Skorepa mskorepa@csas.cz

Hungary
Orsolya Nyeste orsolya.nyeste@erstebank.hu
János Nagy janos.nagy@erstebank.hu

Poland
Piotr Bielski (Head) piotr.bielski@erste.pl
Bartosz Białas bartosz.bialas@erste.pl
Adrian Domitrz adrian.domitrz@erste.pl
Marcin Luziński marcin.luzinski@erste.pl
Grzegorz Ogonek grzegorz.ogonek@erste.pl

Romania
Ciprian Dascalu (Head) ciprian.dascalu@bcr.ro
Vlad Nicolae Ionita vlad.ionita@bcr.ro
Rares-Teodor Racovita raresteodor.racovita@bcr.ro

Slovakia
Maria Valachyova (Head) valachyova.maria@slsp.sk
Marian Kocis kocis.marian@slsp.sk
Maximilian Weber weber.maximilian@slsp.sk

Major Markets & Credit Research
Head: Rainer Singer rainer.singer@erstegroup.com
Ralf Burchert, CEFA®, CESGA® (Sub-Sovereigns & Agencies) ralf.burchert@erstegroup.com
Hans Engel (Global Equities) hans.engel@erstegroup.com
Maurice Jiszda, CEFA®, CFDS® (USA, CHF) maurice.jiszda@erstegroup.com
Peter Kaufmann, CFA® (Corporate Bonds) peter.kaufmann@erstegroup.com
Heiko Langer (Financials & Covered Bonds) heiko.langer@erstegroup.com
Stephan Lingnau (Global Equities) stephan.lingnau@erstegroup.com
Maximilian Möstl (Credit Analyst Austria) maximilian.moestl@erstegroup.com
Carmen Riefler-Kowarsch (Financials & Covered Bonds) carmen.riefler-kowarsch@erstegroup.com
Bernadett Povazsai-Römhild, CEFA®, CESGA® (Corp. Bonds) bernadett.povazsai-roemhild@erstegroup.com
Elena Statelov, CIIA® (Corporate Bonds) elena.statelov@erstegroup.com
Gerald Walek, CFA® (Eurozone) gerald.walek@erstegroup.com

CEE Equity Research
Head: Henning Eßkuchen henning.esskuchen@erstegroup.com
Daniel Lion, CIIA® (Technology, Ind. Goods&Services) daniel.lion@erstegroup.com
Michael Marschallinger, CFA® michael.marschallinger@erstegroup.com
Nora Varga-Nagy, CFA® (Telecom) nora.varga-nagy@erstegroup.com
Christoph Schultes, MBA, CIIA® (Real Estate) christoph.schultes@erstegroup.com
Thomas Unger, CFA® (Banks, Insurance) thomas.unger@erstegroup.com
Vladimira Urbankova, MBA (Pharma) vladimira.urbankova@erstegroup.com
Martina Valenta, MBA martina.valenta@erstegroup.com

Croatia/Serbia
Mladen Dodig (Head) mladen.dodig@erstebank.rs
Magdalena Basic mbasic@erstebank.hr
Ivan Lisec ilisec@erstebank.hr
Boris Pevalek, CFA® bpevalek@erstebank.hr
Marko Plastic mplastic@erstebank.hr
Davor Spoljar, CFA® dspoljar@hr.erstebank.com

Czech Republic
Petr Bartek (Head, Utilities) pbartek@csas.cz
Jan Bystřický jbystricky@csas.cz

Hungary
József Miró (Head) jozsef.miro@ersteinvestment.hu
András Nagy andras.nagy@ersteinvestment.hu

Poland
Cezary Bernatek (Head) cezary.bernatek@erstegroup.com
Piotr Bogusz piotr.bogusz@erstegroup.com
Łukasz Jańczak lukasz.janczak@erstegroup.com
Jakub Szkopek jakub.szkopek@erstegroup.com
Krzysztof Tkocz krzysztof.tkocz@erstegroup.com

Romania
Caius Rapanu caiusroa.rapanu@bcr.ro
Liviu-Mihai Bogdan liviumihai.bogdan@bcr.ro

Group Institutional & Retail Sales

Group Institutional Equity Sales
Head: Michal Rizek mrizek@csas.cz

Institutional Equity Sales Austria
Werner Fuerst werner.fuerst@erstegroup.com
Viktoria Kubalcova viktoria.kubalcova@erstegroup.com
Thomas Schneidhofer thomas.schneidhofer2@erstegroup.com
Oliver Schuster oliver.schuster@erstegroup.com

Institutional Equity Sales Croatia
Matija Tkalicanac mtkalicanac@erstebank.com

Institutional Equity Sales Czech Republic
Head: Michal Rizek michal.rizek@erstegroup.com
Jakub Brukner jakub.brukner@erstegroup.com
Pavel Krabicka pkrabicka@csas.cz
Martin Havlan mhavlan@csas.cz

Institutional Equity Sales Hungary
Levente Nándori levente.nandori@erstebroker.hu
Balázs Zánkay balazs.zankay@erstebroker.hu
Krisztián Kandik krisztian.kandik@erstegroup.com

Institutional Equity Sales Poland
Jacek Jakub Langer (Head) jacek.langer@erstegroup.com
Tomasz Galanciak tomasz.galanciak@erstegroup.com
Przemyslaw Nowosad przemyslaw.nowosad@erstegroup.com
Maciej Senderek maciej.senderek@erstegroup.com
Wojciech Wysocki wojciech.wysocki @erstegroup.com

Institutional Equity Sales Romania
Adrian Barbu adriannicola.barbu@bcr.rom

Group Markets Retail and Agency Business
Head: Martin Langer martin.langer@erstegroup.com

Markets Retail Sales AT
Head: Markus Kaller markus.kaller@erstegroup.com

Group Markets Execution
Head: Kurt Gerhold kurt.gerhold@erstegroup.com

Retail & Sparkassen Sales
Head: Uwe Kolar uwe.kolar@erstegroup.com

Markets Corporate Sales AT
Head: Martina Kranzl-Carvell martina.kranzl-carvell@erstegroup.com

Group Securities Markets
Head: Thomas Einramhof thomas.einramhof@erstegroup.com

Institutional Distribution Core
Head: Jürgen Niemeier juergen.niemeier@erstegroup.com

Institutional Distribution DACH+
Head: Marc Friebertshäuser marc.friebertshaeuser@erstegroup.com
Andreas Goll andreas.goll@erstegroup.com
Mathias Gindele mathias.gindele@erstegroup.com
Ulrich Inhofner ulrich.inhofner@erstegroup.com
Sven Kienzle sven.kienzle@erstegroup.com
Rene Klasen rene.klasen@erstegroup.com
Popovic Danijel danijel.popovic@erstegroup.com
Christopher Lampe-Traupe chris.lampe-traupe@erstegroup.com
Michael Schmotz michael.schmotz@erstegroup.com
Christoph Ungerböck christoph.ungerboeck@erstegroup.com
Klaus Vosseler klaus.vosseler@erstegroup.com

Slovakia
Šarlota Šipulová sipulova.sarlota@slsp.sk
Monika Směliková smelikova.monika@slsp.sk

Institutional Distribution CEE & Insti AM CZ
Head: Antun Burić antun.buric@erstegroup.com
Jaromir Malak jaromir.malak@erstegroup.com

Czech Republic
Head: Ondrej Čech ondrej.cech@erstegroup.com
Milan Bartoš mbartos@csas.cz
Jan Porvich jporvich@csas.cz
Pavel Zdichynec pazdichynec@csas.cz

Croatia
Head: Antun Burić antun.buric@erstegroup.com
Zvonimir Tukač zvonimir.tukac@ erstegroup.com
Ana Tunjić ana.tunjic@erstegroup.com
Natalija Zujic natalija.zujic@erstegroup.com

Hungary
Head: Peter Csizmadia peter.csizmadia@erstegroup.com
Gábor Bálint gabor.balint@erstegroup.com
Balazs Papay balazs-papay@erstebank.hu
Gergő Szabo gergo.szabo@erstegroup.com

Romania
Marius-Catalin Budur marius-catalin.budur@erstegroup.com

Institutional Asset Management Czech Republic
Head: Petr Holeček petr.holecek@erstegroup.com
Petra Maděrová pmaderova@csas.cz
Martin Peřina maperina@csas.cz
David Petráček dpetracek@csas.cz
Blanca Weinerová bweinerova@csas.cz
Petr Valenta pvalenta@csas.cz

Group Fixed Income Securities Markets
Head: Goran Hoblaj goran.hoblaj@erstegroup.com

FISM Flow
Head: Goran Hoblaj goran.hoblaj@erstegroup.com
Margit Hraschek margit.hraschek@erstegroup.com
Bernd Thaler bernd.thaler@erstegroup.com
Ciprian Mitu ciprian.mitu@erstegroup.com
Christian Kienesberger christian.kienesberger@erstegroup.com
Zsuzsanna Toth zsuzsanna.toth@erstegroup.com

Poland
Pawel Kielek pawel.kielek@erstegroup.com
Michal Jarmakowicz michal.jarmakowicz3@erstegroup.com

Disclaimer

This investment research (the "Document") has been prepared by Erste Group Bank AG or any of its consolidated subsidiaries (together with consolidated subsidiaries "Erste Group") independently and objectively for the purpose of providing additional economical information about the analyzed company or companies. The Document is based on reasonable knowledge of Erste Group's analyst in charge of producing the Document as of the date thereof and may be amended from time to time. It only serves for the purpose of providing non-binding information and does not constitute investment advice or marketing communication.
This Document does not constitute or form part of, and should not be construed as, an offer, recommendation or invitation to subscribe for or purchase any financial or connected financial instrument, and neither this Document nor anything contained herein shall form the basis of or be relied on in connection with or act as an inducement to enter into any contract or inclusion of a financial or connected financial instrument in a trading strategy. The document is also not a prospectus in the sense of the Prospectus Regulation, the Austrian Capital Market Act 2019 or comparable legal provisions. All information, analysis and conclusions provided herein are of general nature. This Document does not purport to provide a comprehensive overview about any investment, the potential risks and results nor does this Document take into account any individual needs of an investor (the "Investor") in relation to proceeds, tax aspects, risk awareness and appropriateness of the financial instrument or connected financial instruments. Therefore, this Document does not replace any investor- and investment-related evaluation nor any comprehensive risk disclosure; any financial instrument has a different risk level. Performance charts and example calculations do not provide any indication for future performance of a financial instrument resp. connected financial instruments. Information about past performance does not necessarily guarantee a positive development in the future and investments in financial instruments incl. connected financial instruments can be of risk and speculative nature. All projections, forecasts and price targets are clearly and prominently labelled as such, and the material assumptions made in producing or using them are indicated. Forecasts of future developments are based purely on estimates and assumptions. Actual future developments may differ from the forecast. Forecasts are therefore not a reliable indicator of future results and developments. The weaker the Company's credit-worthiness is, the higher the risk of an investment will be. Not every investment is suitable for every investor. Neither this document nor any of its components form the basis of any contract or commitment whatsoever. Therefore, Investors shall consult their advisors (in particular legal and tax advisors) prior to taking any investment decision to ensure that – irrespective of information provided herein – an intended transaction of a financial or connected financial instrument is appropriate for the Investor's needs and intention, that the Investor has understood all risks and that, after due examination, the Investor has concluded to make the investment and is in a position to bear the economical outcome of such investment. Investors are referred, for instance, to the suitability test according to the Austrian Securities Supervision Act 2018 and are advised to mind the client information pursuant to the Austrian Securities Supervision Act 2018. The performance of an investment is reduced by commissions, fees and other charges that depend on the individual circumstances of the investor. As a result of currency fluctuations, the investment result may increase or decrease.
Investment research is produced by Erste Group Research within the framework provided by applicable laws. The opinions featured in the equity and credit research reports may vary. Investors in equities may pursue different interests compared to those of investors on the credit side, related to the same issuer. The analyst has no authority whatsoever to make any representation or warranty on behalf of the analyzed company resp. issuer, Erste Group, one of its companies, or any other person. Care is taken, that all substantially material sources of information are clearly and prominently indicated. While all reasonable care has been taken to ensure that the facts stated herein are accurate and that the forecasts, opinions and expectations contained herein are fair and reasonable, Erste Group (including its representatives and employees) neither expressly nor tacitly makes any guarantee as to or assumes any liability for the up-to-dateness, completeness and correctness of the content of this Document. Facts are clearly distinguished in the document from interpretations, estimates, opinions, and other types of non-factual information. Neither Erste Group nor any of its respective managing directors, supervisory board members, executive board members, directors, officers or other employees shall be in any way liable for any costs, losses or damages (including subsequent damages, indirect damages and loss of profit) howsoever arising from the use of or reliance on this Document.
Erste Group as well as representatives and employees principally may, to the extent permitted by law, have a position in stated financial instruments resp. connected financial instruments and may provide trading support or otherwise engage in transactions involving these financial instruments and/or connected financial instruments. Further, Erste Group as well as representatives and employees may principally offer investment banking services or advice to, or may take over management function in a company or issuer referred to in this Document.
This Document has been produced in line with Austrian law and for the territory of Austria. Forwarding this Document as well as marketing of financial instruments resp. connected financial instruments described herein are restricted or interdicted in certain jurisdictions. This, inter alia, applies to the United States, Canada, Switzerland, Australia, Korea and Japan. In particular, neither this Document nor any copy hereof may be taken or transmitted or distributed, directly or indirectly, into the United States or to US Persons (as defined in the U.S. Securities Act of 1933, as amended) unless applicable laws of the United States or certain federal states of the United States provide for applicable exemptions. Any failure to comply with these restrictions may constitute a violation of the laws of any such other jurisdiction. Persons receiving possession of this Document are obliged to inform themselves about any such restrictions and to adhere to them. By accepting this Document, the recipient agrees to be bound by the foregoing limitations and to adhere to applicable regulations. The document may not be reproduced or redistributed to other persons without the consent of Erste Group. Further information may be provided by Erste Group upon request. This Document and information, analysis, comments and conclusions provided herein are copyrighted material. Erste Group reserves the right to amend any opinion and information provided herein at any time. Erste Group further reserves the right not to update any information provided herein or to cease updates at all. Misprints and printing errors reserved.

Notice to recipients in the United States of America:
This Document has been prepared outside the United States by Erste Group Bank AG or any of its consolidated subsidiaries (together with consolidated subsidiaries "Erste Group") Erste Group is not registered with the U.S. Securities and Exchange Commission as a broker -dealer in the United States nor is it a member of the Financial Institutions Regulatory Authority ("FINRA"). Furthermore, this Document has been prepared and reviewed by research analysts employed by Erste Group who are not registered nor qualified as research analysts with FINRA and are not subject to FINRA rules. This Document may only be distributed in the United States to "Major US Institutional Investors" (as defined in, and pursuant to the exemption provided by, Rule 15a- 6 under the U.S. Securities Exchange Act of 1934 and the no-action letters thereunder). Orders utilizing Erste Group for the purchase or sale of the securities that are the subject of this Document may be transmitted only to Baader Helvea Inc. in its role as Chaperone.

Declaration of Responsible Analyst(s):
The analyst(s) named in this report certify that: (1) the views expressed in this Document accurately reflect their own personal views about any or all of the subject securities referred to in this Document, (2) no part of their compensation was, is or will be, directly or indirectly, related to the specific recommendation or views expressed in this Document.

If one of the clauses provided for in this disclaimer is found to be illicit, inapplicable or not enforceable, the clause has to be treated separately from other clauses provided for in this disclaimer to the largest extent possible. In any case, the illicit, inapplicable or not enforceable clause shall not affect the licitness, applicability or enforceability of any other clauses.

Different entities within Erste Group operate as separate and independent businesses, subject to effective organisational and administrative arrangements, including information barriers designed to manage conflicts of interest. Accordingly, such entities may independently produce investment research and may express differing views or recommendations in respect of the same financial instruments.

Important Disclosures

THIS DOCUMENT MAY NOT BE BROUGHT INTO THE UNITED STATES OF AMERICA, CANADA, SWITZERLAND, AUSTRALIA, KOREA OR JAPAN, TO ANY PERSON WHO IS A CITIZEN OF THOSE STATES, OR SENT OR DISTRIBUTED TO ANY MEDIA IN ANY OF THOSE STATES.

General disclosures

All recommendations given by Erste Group Research are independent, objective and are based on the latest company, industry and other general information publicly available which Erste Group Research considers being reliable; however, Erste Group does not represent or assume any liability for the completeness of accuracy of such information or its recommendation. The best possible care and integrity is used to avoid errors and/or misstatements. No influence on the rating and/or target price is being exerted by either the covered company or other internal departments of Erste Group. Each research drawn up by an analyst is reviewed by a senior research executive or agreed with a senior analyst/deputy (4-eyes-principle). Erste Group has implemented extensive Compliance Rules on personal account dealings of analysts (please see "Conflicts of Interest"). Analysts are not allowed to involve themselves in any paid activities with the covered companies except as disclosed otherwise. No part of their compensation was, is, or will be directly or indirectly related to the specific recommendation(s) or views expressed by them contained in this document. Erste Group may engage in transactions with financial instruments, on a proprietary basis or otherwise, in a manner inconsistent with the view taken in this research report. In addition, others within Erste Group, including strategists and sales staff, may take a view that is inconsistent with that taken in this research report.

Conflicts of interest

Erste Group Bank AG ensures with internal policies that conflicts of interest are managed in a fair and reasonable manner. The policy „Managing Conflict of Interest in Connection with Investment Research" is provided under the following link:
https://www.erstegroup.com/legal/Managing_Conflicts_of_Interest_-_Umgang_mit_IK.pdf

Disclosures of potential conflicts of interest relating to Erste Group Bank AG and affiliated companies as well as relevant employees and representatives with respect to the issuer(s) resp. financial instruments are updated daily. An overview of conflicts of interest for all analysed companies by Erste Group Research is provided under the following link:
Disclosure | Erste Group Bank AG.

The distribution of all recommendations and the distribution of recommendations in relation to which investment services have been provided is available under the following link:
https://www.erstegroup.com/legal/Recommendations_Distribution.pdf

Erste Group rating definitions

Buy	> +20% from target price
Accumulate	+10% < target price < +20%
Hold	0% < target price < +10%
Reduce	-10% < target price < 0%
Sell	< -10% from target price

Our target prices are established by determining the fair value of stocks, taking into account additional fundamental factors and news of relevance for the stock price (such as M&A activities, major forthcoming share deals, positive/negative share/sector sentiment, news) and refer to 12 months from now. All recommendations are to be understood relative to our current fundamental valuation of the stock. The recommendation does not indicate any relative performance of the stock vs. a regional or sector benchmark.

A history of all recommendations within the last 12 months is provided under the following link:
[Research Disclaimer | Erste Group Bank AG]

Explanation of valuation parameters and risk assessment
Unless otherwise stated in the text of the financial investment research, target prices in the publication are based on a discounted cash flow valuation and/or comparison of valuation ratios with companies seen by the analyst as comparable or a combination of the two methods. The result of this fundamental valuation is adjusted to reflect the analyst's views on the likely course of investor sentiment. Whichever valuation method is used there is a significant risk that the target price will not be achieved within the expected timeframe. Risk factors include unforeseen changes in competitive pressures or in the level of demand for the company's products. Such demand variations may result from changes in technology, in the overall level of economic activity or, in some cases, from changes in social values. Valuations may also be affected by changes in taxation, in exchange rates, in the capital market sentiment and in regulatory provisions. Investment in overseas markets and instruments such as ADRs can result in increased risk from factors such as exchange rates, exchange controls, taxation, political, economic and social conditions.

All market prices within this publication are closing prices of the previous trading day (unless otherwise mentioned within the publication).
Detailed information about the valuation and methodology of investment research by the Erste Group Bank AG is provided under the following link: https://www.erstegroup.com/legal/Bewertungsmethoden_and_Valuations.pdf

Planned frequency of updates
Target prices for individual stocks are meant to be 12 month target prices, starting from the date of the publication. Target prices and recommendations are reviewed usually upon release of quarterly reports, or whenever circumstances require.

Periodical publications are identified by their respective product name and indicate update frequency as such (e.g. Quarterly). Recommendations mentioned within these publications are updated in an according frequency, unless otherwise mentioned (e.g. a 12M TP is not updated on a monthly base, even when mentioned in summarizing monthly/quarterly product).

If a recommendation change has been made in this publication, please see the following link for a detailed overview of the previous recommendation(s):
https://www.erstegroup.com/en/research/research-legal

Links

Erste Group may provide hyperlinks to websites of entities mentioned in this document, however the inclusion of a link does not imply that Erste Group endorses, recommends or approves any material on the linked page or accessible from it. Erste Group does not accept responsibility whatsoever for any such material, including in particular the completeness and accuracy, nor for any consequences of its use.

Additional notes to readers in the following countries:

Austria**:** Erste Group Bank AG is registered in the Commercial Register at Commercial Court Vienna under the number FN 33209m. Erste Group Bank AG is authorized and regulated by the European Central Bank (ECB) (Sonnemannstraße 22, D-60314 Frankfurt am Main, Germany) and by the Austrian Financial Market Authority (FMA) (Otto-Wagner Platz 5, A-1090, Vienna, Austria).

Germany**:** Erste Group Bank AG is authorised for the conduct of investment business in Germany by the Austrian Financial Market Authority (FMA) and subject to limited regulation by the Bundesanstalt für Finanzdienstleistungsaufsicht (BaFin).

United Kingdom (UK): Erste Group Bank AG is regulated for the conduct of investment business in the UK by the Financial Conduct Authority and the Prudential Regulation Authority. This document is directed exclusively to eligible counterparties and professional clients. It is not directed to retail clients. No persons other than an eligible counterparty or a professional client should read or rely on any information in this document. Erste Group Bank AG does not deal for or advise or otherwise offer any investment services to retail clients.

Czech Republic**:** Česká spořitelna, a.s. is regulated for the conduct of investment activities in Czech Republic by the Czech National Bank (CNB).

Croatia**:** Erste Bank Croatia is regulated for the conduct of investment activities in Croatia by the Croatian Financial Services Supervisory Agency (HANFA).

Hungary**:** Erste Bank Hungary ZRT. And Erste Investment Hungary Ltd. Are regulated for the conduct of investment activities in Hungary by the Hungarian Financial Supervisory Authority (PSZAF).

Serbia**:** Erste Group Bank AG is regulated for the conduct of investment activities in Serbia by the Securities Commission of the Republic of Serbia (SCRS).

Romania**:** Banka Comerciala Romana is regulated for the conduct of investment activities in Romania by the Romanian National Securities Commission (CNVM).

Poland**:** Erste Securities Polska S.A. is regulated for the conduct of investment activities in Poland by the Polish Financial Supervision Authority (PFSA).

Slovakia**:** Slovenská sporiteľňa, a.s. is regulated for the conduct of investment activities in Slovakia by the National Bank of Slovakia (NBS).

Switzerland**:** This research report does not constitute a prospectus or similar communication in connection with an offering or listing of securities as defined in Articles 652a, 752 and 1156 of the Swiss Code of Obligation and the listing rules of the SWX Swiss Exchange.

Hong Kong: This document may only be received in Hong Kong by 'professional investors' within the meaning of Schedule 1 of the Securities and Futures Ordinance (Cap.571) of Hong Kong and any rules made there under.

Published by:

Erste Group Bank AG
Group Research
1100 Vienna, Austria, Am Belvedere 1
Head Office: Vienna
Commercial Register No: FN 33209m
Commercial Court of Vienna
Erste Group Homepage: www.erstegroup.com