FLASH NOTE

Ignitis - Accumulate - Last update: 14.08.2026

Target Price: EUR 26.50 | Close as of 10/11/2026: EUR 21.45

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3Q26 review: Mixed perception, higher DPS

Q26 EBITDA arrived at EUR 145mn (+58% y/y), what was 31% above Bloomberg consensus and some 44% above our estimates.

Adj. EBITDA, which we consider a core number for Ignitis, grew by 19% y/y to EUR 124mn and was 7% above our estimates thanks to a better result in the supply segment, which was partly driven by one-off gain from the recently approved legislation changes to the prosumer regulation. Result in Networks was slightly below our estimates, driven by the compensation for damages to customers after a severe storm (IGN estimates EUR 6.5mn in compensations). Green Capacities were below our estimates on good volumes (+32%y/y, 12% above our estimates) and in-line hedged prices, while the impact from the reintroduced regulation in the mFRR market was probably higher and the average realized price lower than we expected. Still, we appreciate good load factor, after relatively low number in 1HQ26. Reserve Capacities had low adj. EBITDA due to lower balancing market business, while its reported EBITDA was high.

3Q26 adj. EBIT arrived at EUR 58mn (+25% y/y) and was 13% above our estimates thanks to higher EBITDA. D&A grew by 14% y/y and was in-line with our estimates.

Adj. net profit arrived at EUR 29.7mn (-5% y/y) and was in-line with our and consensus estimates. The reported net profit was with EUR 47.6mn higher by 127% y/y and well above consensus.

2026 guidance: Ignitis narrowed the FY26 adj. EBITDA guidance to EUR 575-600mn from EUR 550-600mn (+8% y/y in the mid-point) and kept CAPEX guidance at EUR 590-690mn (-12% y/y in the mid-point). By segment, the company lowered the directional guidance for Reserve Capacities from stable to declining due to lower expected balancing capacity services.

Dividend: The company proposes a 10% y/y increase in FY26 DPS to EUR 1.504 (ca. 7% DY), which is well above company DVD policy floor to hike DPS by at least 3% annually. This is thanks to the proceeds from the disposal of a stake in Vilnius CHP in 1Q26. It also said the higher DPS increases the floor across 2026-29 period. The DPS for 2H26 is thus proposed at EUR 0.800. The DSP is subject to GM approval.

Net debt was almost stable sequentially at EUR 1.96bn, what leads to a lower leverage of 3.4x ND/adj. EBITDA (3.7x in 2Q26).

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Hedged prices for Green Capacities are unchanged for 2026 at EUR 83/MWh and up by EUR 1/MWh for 2027-28 (EUR 84/MWh). Hedged volume for 2026 is lower by 4pp to 82%, what is probably a technical result of high production in 3Q26. d

Our opinion: Slightly Positive

The 3Q26 results were above estimates on the adj. EBITDA level as they were supported by one-off receivables related to the changes in prosumer law. This is itself positive in terms of regulation moving in positive direction. We also like the better-than-expected production in Green Capacities as we were a bit worried after 2Q26 results, but this is offset with lower realized margin. The small miss in Networks compared to our estimates is negligible. We believe that investors will appreciate the hike in DPS, which also increases DPS outlook for 2027-29. The reported net debt was slightly below our estimates. We will bring more news after the earnings call (today at 12:00 CET, 11am UK). See numbers in the PDF:

				3Q26e		3Q vs.	
P&L (EURmn)	**3Q26**	**3Q25**	**y/y**	**Erste**	**Cons.**	**Erste**	**Cons.**
Total revenue	626.7	500.7	25%	555.1	542	13%	16%
EBITDA	145.3	92.0	58%	100.8	111	44%	31%
Adjustments	*-21.4*	*12.3*	*-274%*	*15.0*		*-243%*	
Adjusted EBITDA	**123.9**	**104.3**	**19%**	**115.8**		**7%**	
Green Capacities	*47.2*	*48.8*	*-3%*	*60.2*		*-22%*	
Networks	*59.1*	*60.2*	*-2%*	*65.8*		*-10%*	
Reserve Capacities	*3.1*	*5.6*	*-45%*	*5.4*		*-43%*	
Customers & Solutions	*12.3*	*-15.3*	*n.m.*	*-12.5*		*n.m.*	
Adj. D&A and impairments	65.8	57.8	14%	64.2		2%	
EBIT	79.6	34.2	133%	36.6	46	117%	73%
Adjusted EBIT	**58.1**	**46.5**	**25%**	**51.6**		**13%**	
Net profit	47.6	21.0	127%	17.0	23	181%	107%
Adjustments	*-17.9*	*10.4*	*-272%*	*12.5*		*n.m.*	
Adjusted net profit	**29.7**	**31.4**	**-5%**	**29.4**	**30**	**1%**	**-1%**
BS&CF (EURmn)							
Investments	126	187	-32%	168		-25%	
FCF	-40	-187	n.m.	-122		n.m.	
Net debt	1 961	1 783	10%	2 047		-4%	
Net debt / adjusted EBITDA LTM (x)	3.4	3.3	3%	3.6		-6%	
Operating data (GW, TWh)							
Installed green capacities	2.1	2.1	0%	2.1		0%	
Electricity production	0.77	0.79	-3%	0.83		-8%	
Green Capacities	0.75	0.57	*32%*	0.67		*12%*	
Reserve Capacities	*0.02*	*0.22*	*-91%*	*0.16*		*-88%*	
Heat production	0.32	0.29	10%	0.30		8%	
Electricity sales	2.02	1.85	17%	1.95		4%	
Electricity distribution	2.39	2.34	2%	2.41		-1%	
Natural gas sales	1.29	1.23	-2%	1.31		-2%	
Natural gas distribution	0.96	0.94	2%	0.92		4%	

Source: Ignitis, Erste Group Research, Bloomberg

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