

Transcript.

Investor presentation: 9M 2026 results

11 November 2026, 1 pm Vilnius / 11 am London

Earnings call transcript

Investor presentation: 9M 2026 results

11 November 2026, 1 pm Vilnius / 11 am London

Disclaimer

In the event of any discrepancy between the Lithuanian and English versions, the English version shall prevail.

Corporate participants

Darius Maikštėnas, Chair of the Management Board, CEO
Jonas Rimavičius, Member of the Management Board, CFO
Ainė Riffel-Grinkevičienė, Chief of Staff to CFO and Head of Investor Relations

Presentation

Ainė Riffel-Grinkevičienė, Chief of Staff to CFO and Head of Investor Relations

[Slide No 1]

Good afternoon and welcome to Ignitis Group's earnings results for the first 9M 2026. Today, we will take you through our financial and strategic performance for the strategic period, followed by a Q&A session.

Before we begin, please note that today's presentation contains forward-looking statements based on the management's current expectations and assumptions. These statements are subject to risks and uncertainties, and actual results may differ materially from those expressed or implied.

With that, I will hand over to the management team to begin the presentation.

Darius Maikštėnas, Chair of the Management Board, CEO

[Slide No 5]

Good afternoon all and thank you for joining our earnings call.

Over the first 9M 2026, we delivered robust financial performance, reflecting continued strategic progress, with key highlights as follows.

First, our Adjusted EBITDA reached EUR 430.4 million, representing a 6% YoY increase.

Second, we continued our strategic progress across Green Capacities portfolio delivery, with 2.1 GW of Installed Capacity and 0.7 GW of assets Under Construction (an increase of 0.1 GW in the first nine months of 2026). This increase reflects the Final Investment Decision for the 107 MW / 215 MWh Tume BESS in Latvia.

Third, we preserved a stable balance sheet, with Net Debt / Adjusted EBITDA at 3.4 times, BBB+ credit

rating reaffirmed by S&P and an inaugural Baa1 credit rating assigned by Moody's, both with stable outlooks.

Last, the dividend increase. Supported by the Group's asset rotation gain realised from the partial disposal of Vilnius CHP in Q1 2026 and in accordance with our Dividend Policy, we intend to increase the dividend for 2026 by 10% compared to 2025 to EUR 1.504 per share, or to EUR 108.9 million in total. This would establish a higher base for future dividend growth of at least 3% annually and increase DPS floor for the strategic period of 2026–2029. As part of our intention, for the nine-month period ended 30 September 2026, we propose to distribute a dividend of 40 euro cents per share, or EUR 29.0 million in total, subject to the decision of our EGM to be held on 10 December. Let me now take a deeper dive into our strategic progress during the reporting period.

[Slide No 6]

First, looking at our progress of our Green Capacities projects Under Construction:

Just recently, last Friday, we announced reaching COD at 174 MW Tume SF in Latvia. This led to our Installed Capacity increase to 2.3 GW. With total Investments of up to EUR 106 million, the project is one of the largest solar farms in the Baltics and is expected to meet the electricity demand of around 85 thousand households annually.

On top of that, we have 5 further projects Under Construction, with a total capacity of 0.5 GW and Investments of around EUR 317 million. The portfolio includes one hydro expansion project and four BESS projects.

To start with Kruonis 110 MW pumped storage hydroelectric power plant expansion project, we have already invested EUR 118 million out of a total EUR 150 million. The project is around 90% completed. All main components have been assembled and civil works are nearing completion, with final adjustments and auxiliary equipment installations ongoing. The project will increase the plant's total capacity to 1.1 GW and significantly improve the flexibility and reliability of the Baltic energy grid.

Next, our four BESS projects Under Construction with a total capacity of almost 400 MW. Starting with 147 MW Kelmė BESS project, we have invested EUR 22 million out of total EUR 63 million. Deliveries of all battery units were completed. The project is co-located with the 314 MW Kelmė WF, allowing it to benefit from shared high-voltage infrastructure. Moving on – 99 MW capacity Kruonis BESS project – we have invested EUR 15 million out of a total EUR 47 million. Deliveries of all battery units were completed. As a stand-alone project, it will unlock up to 1.1 GW of flexibility through operational synergies with Kruonis PSHP. Next – 45 MW Mažeikiai BESS project – we have invested EUR 6 million out of a total EUR 21 million. Deliveries of all battery units were completed. The project is co-located with 63 MW Mažeikiai WF, allowing it, again, to benefit from shared high-voltage infrastructure. Finally – 107 MW Tume BESS project – we have just recently made the Final Investment Decision for this project. It is co-located with 174 MW Tume SF. So, here we are maximising the project's efficiency through shared grid infrastructure and unified connections.

[Slide No 7]

Moving on to our sustainability performance, over the first 9M 2026, our Green Share of Generation (net) increased by 22 pp to 88%. Our Electricity Generated decreased by 18% to 2.5 TWh. The decrease was driven by lower generation at Elektrėnai Complex, which was partly offset by higher

generation from Green Capacities. Looking at carbon intensity, our carbon intensity decreased by 23% as a result of lower electricity generation from natural gas at Elektrėnai Complex.

Lastly, on our safety, safeguarding the health and safety of our employees and contractors is among the Group's highest priorities. However, during the reporting period, we had one fatal contractor incident. We are committed to take every possible measure to prevent such tragedies in the future. Our employee TRIR increased to 1.60, driven by extensive network restoration works following the severe storm in Lithuania in August, while contractor TRIR improved to 0.63.

[Slide No 8]

Finally, let me elaborate on the intended dividend increase. We intend to increase the dividend for 2026 by 10% compared to 2025 to EUR 1.504 per share, or to EUR 108.9 million in total. This intention is supported by the Group's asset rotation gain realised from the partial disposal of Vilnius CHP in Q1 2026 and is in accordance with our Dividend Policy. The increase would establish a higher base for future dividend growth of at least 3 percent annually and increase DPS floor for the strategic period of 2026–2029. The updated DPS floor is around 7% above the original plan, reaching EUR 1.64 per share in 2029 versus EUR 1.54 previously. Following the dividend payment of 70.4 euro cents per share for 6M 2026, we intend to distribute further 80.0 euro cents per share for 2026. We therefore propose to distribute half of this amount as a dividend for the nine-month period ended 30 September 2026, representing 40.0 euro cents per share, or EUR 29.0 million in total, subject to the decision of our EGM to be held on 10 December. Decisions on the remaining dividend amount are expected to be made when allocating the Group's profit (loss) for 2026.

With the strategic overview complete, I will now hand over to Jonas for the financial update.

Jonas Rimavičius, Member of the Management Board, CFO

[Slide No 10]

Thank you, Darius.

Let me start with our financial highlights for the first 9M 2026. Adjusted EBITDA grew by 6% YoY and reached EUR 430 million, driven by stronger performance in Customers & Solutions and Networks. Adjusted Net Profit decreased by 18% and amounted to EUR 146 million, mainly due to higher depreciation and amortisation and lower financial activity results, which offset the Adjusted EBITDA growth.

Our Investments decreased by 18% YoY and amounted to EUR 432 million, mainly due to lower Investments in Green Capacities as several projects reached COD in 2025. Networks Investments are at all time high levels.

ROCE decreased by 1.2 pp to 6.9%, mainly due to lower Adjusted EBIT in Green Capacities and Reserve Capacities.

Our Net Debt amounted to EUR 2 billion, increasing by 2.5% due to continued Investments. Net Debt / Adjusted EBITDA improved to 3.4 times, and our FFO / Net Debt improved by 0.4 pp to 21.4%.

Additionally, S&P Global Ratings reaffirmed our 'BBB+' credit rating, while Moody's assigned an inaugural 'Baa1' credit rating, both with stable outlooks, confirming our strong financial position.

Finally, we paid a dividend of 70.4 euro cents per share for the first half of 2026 and intend to distribute a meaningfully higher dividend for the second half of 2026, as already presented by Darius.

[Slide No 11]

Let us now review our key performance indicators, beginning with Adjusted EBITDA. Firstly, Networks grew by 7% and amounted to EUR 206 million, mainly due to higher RAB, driven by increased Investments. Secondly, Green Capacities decreased by 9% to EUR 196 million, mainly due to lower captured prices and lower result of balancing capacity services. Thirdly, Reserve Capacities decreased by 40% to EUR 21 million, also mainly due to lower result of balancing capacity services. Finally, Customers & Solutions' Adjusted EBITDA amounted to EUR 13 million, compared to EUR -43 million for the same period last year. The increase was driven by the recognition of compensation for prosumer-related losses according to the new regulation and lower imbalance costs.

[Slide No 12]

Moving on to segment-level EBITDA performance, starting with Networks segment. 7% growth in Networks' Adjusted EBITDA was mainly supported by higher RAB, which increased by 6% from EUR 1.8 billion to EUR 1.9 billion, driven by continued Investments in the electricity network. It is important to highlight that, after the reporting period, the continuity and stability of the regulatory framework was maintained, with no significant changes to the methodology for the upcoming 2027–2031 electricity regulatory period. In addition, the regulator approved the regulatory parameters for 2027, including RAB increasing by EUR 0.3 billion to EUR 2.2 billion; weighted average WACC increasing by 0.09 pp to 5.83%; and an additional tariff component of EUR 30 million.

[Slide No 13]

Next, Green Capacities segment. The main drivers behind 9% YoY decrease were: firstly, lower prices captured by our green generation assets, with the hedge price decreasing from EUR 130/MWh last year to EUR 82/MWh this year; secondly, lower result of balancing capacity services, mainly due to lower prices following market maturity. However, the decrease was partly offset by higher generation volumes as well as lower imbalance costs and OPEX.

[Slide No 14]

Next, let's move to the Reserve Capacities segment. The segment posted 40% YoY decrease, which was mainly driven by lower result of balancing capacity services, as the market is maturing, and planned major overhaul of Unit 7 at Elektrėnai Complex.

[Slide No 15]

Finally, Customers & Solutions' Adjusted EBITDA amounted to EUR 13 million compared to EUR -43 million last year. The increase came mainly on the electricity side, where the improvement was driven by the recognition of compensation for prosumer-related losses according to the new regulation and lower imbalance costs.

[Slide No 16]

Having reviewed the segments' results, let me now take you through our investment activities. In the first nine months of this year, our Investments amounted to EUR 432 million and were 18% lower than last year. The decrease was driven by lower Investments in Green Capacities as several projects reached COD in 2025. This decrease was partly offset by higher Investments in the Networks segment, which are mainly driven by electricity distribution network maintenance investments, which includes cabling programme. Networks Investments remain at all time high levels.

[Slide No 17]

Turning to FCF, it amounted to EUR -35 million as Investments are still exceeding cash flow generated from operations.

[Slide No 18]

Let us now review our leverage metrics. At the end of September 2026, our Net Debt amounted to EUR 2 billion, increasing by EUR 49 million, mainly due to continued Investment programme. Our main credit rating metric, FFO / Net Debt, improved by 0.4 pp to 21.4%, supported by an increase in FFO. And our Net Debt / Adjusted EBITDA improved to 3.4 times from 3.5 times at the end of 2025.

[Slide No 20]

Finally, let us now look at our guidance for 2026. Following our strong results in the first 9M 2026, we narrow our full-year Adjusted EBITDA guidance to EUR 575–600 million. Our previous guidance was EUR 550–600 million. We have also updated the directional guidance of the Reserve Capacities segment. We now expect lower YoY Adjusted EBITDA compared to stable previously, reflecting lower-than-expected results from balancing capacity services. Directional guidance for the remaining business segments remains unchanged.

Finally, we reiterate our full-year 2026 Investments guidance of EUR 590–690 million, with the main drivers remaining unchanged.

With that, I will now hand over to Darius for the concluding remarks.

Darius Maikštėnas, Chair of the Management Board, CEO

[Slide No 21]

Thank you, Jonas. Let me now summarise our earnings call.

Over the first 9M 2026, we delivered robust financial performance, reflecting continued strategic progress with key highlights as follows.

First, our Adjusted EBITDA reached EUR 430.4 million, representing a 6% YoY increase.

Second, we continued our strategic progress across Green Capacities portfolio delivery, with 2.1 GW of Installed Capacity and 0.7 GW of assets Under Construction (an increase of 0.1 GW in the first 9M 2026). This increase reflects the Final Investment Decision for the 107 MW / 215 MWh Tume BESS in Latvia.

Third, we preserved a stable balance sheet with Net Debt / Adjusted EBITDA at 3.4 times, 'BBB+' credit rating reaffirmed by S&P and an inaugural 'Baa1' credit rating assigned by Moody's, both with stable outlooks.

Lastly, the dividend increase. Supported by the Group's asset rotation gain realised from the partial disposal of Vilnius CHP in Q1 2026 and in accordance with our Dividend Policy, we intend to increase the dividend for 2026 by 10% compared to 2025 to EUR 1.504 per share, or to EUR 108.9 million in total. This would establish a higher base for future dividend growth of at least 3% annually and increase DPS floor for the strategic period of 2026–2029. As part of our intention, for the nine-month period ended 30 September 2026, we propose to distribute a dividend of 40 euro cents per share, or EUR 29.0 million in total, subject to the decision of our EGM to be held on 10 December.

And lastly, we narrow our Adjusted EBITDA guidance to EUR 575–600 million, with Reserve Capacities now expected to be lower YoY. Also, we reiterate our Investment guidance of EUR 590–690 million.

With that, thank you for listening.

Ainė Riffel-Grinkevičienė, Chief of Staff to CFO and Head of Investor Relations

[Slide No 22]

Thank you to the speakers. We will now the Q&A session.

The first question is: 'In Customers & Solutions, the EUR 27.6 million YoY EBITDA increase in Q3 was mostly helped by the accrued compensation of a portion of prosumer-related losses incurred from March 2025 until the end of the reporting period. Can you please quantify it (for Q3 and 9M of this year)?'

Jonas Rimavičius, Member of the Management Board, CFO

So, in Q3 and also the same number for 9M we have accrued around EUR 30 million in compensation. After accounting for this compensation, the net results from prosumers in 9M 2026 is around EUR -6 million, so it's still a negative number, but still much more manageable than before, and the regulation is in line with what we have expected in the beginning of the year.

Ainė Riffel-Grinkevičienė, Chief of Staff to CFO and Head of Investor Relations

The second question: 'The proposed dividend increase by 10% for 2026 will raise the DPS floor across the 2026–2029 strategic period, meaning higher cash distributions. At the same time, the Group proposed higher CAPEX in Networks (+26% to EUR 4.4 billion under the updated 10-year Investment Plan). These two separate actions look a bit contradictory. Could you help us understand the logic behind that?'

Jonas Rimavičius, Member of the Management Board, CFO

So, in our view, they are not contradictory. I think the dividend increase reflects the capability of the Group. On the Investment side, in Networks this particular decision, on the gross investments level, indeed that's a sizeable increase. To look at net investments, the actual expected increase for the next four-year strategic period is around 3%. So, not material because the majority of extra CAPEX in Networks is expected to be funded through subsidies.

Ainė Riffel-Grinkevičienė, Chief of Staff to CFO and Head of Investor Relations

Third question: ‘How is the dividend floor adjusted, at least by 3% CAGR from the current basis? Within this, what is your target floor for 2029?’

Jonas Rimavičius, Member of the Management Board, CFO

Correct, the minimum growth which we have in our Dividend Policy is at least 3% annually. With the proposed increase of 10% for 2026, that will have an impact for the whole strategic period and will result for the dividend floor for 2029 of EUR 1.64 per share.

Ainė Riffel-Grinkevičienė, Chief of Staff to CFO and Head of Investor Relations

Fourth question: ‘What is the current status of the Kruonis PSHP 5th unit expansion project?’

Darius Maikštėnas, Chair of the Management Board, CEO

We continue Kruonis PSHP’s construction works. The main components have been assembled. The civil works and interim inspections are currently in progress.

Ainė Riffel-Grinkevičienė, Chief of Staff to CFO and Head of Investor Relations

Next question: ‘What is the current status of the Kruonis data center project and partner selection process?’

Darius Maikštėnas, Chair of the Management Board, CEO

On the data centre, on 11 August 2026 we launched a partner search and selection process for the development of data centres. The scope of the partnership includes the transfer of the controlling stake in UAB “Kruonis DC” and, potentially, other data centre companies currently controlled by the Group, to potential experienced partner to lead the development, construction, operation and management of large-scale data centre project or projects in Lithuania. The Group notes that the start of the process does not imply that the transaction will take place or it will take place in a foreseeable future and/or to the extent indicated. Information on binding agreements reached with potential investor or investors will be published according to the effective legal requirements.

Ainė Riffel-Grinkevičienė, Chief of Staff to CFO and Head of Investor Relations

We have one more question: ‘In which quarters of 2027 are the first battery storage projects in Lithuania expected to become operational?’

Jonas Rimavičius, Member of the Management Board, CFO

The Lithuanian BESS projects are expected to be launched in the first half of 2027.

Ainė Riffel-Grinkevičienė, Chief of Staff to CFO and Head of Investor Relations

The following question: ‘Do you expect the temporary profit-sharing mechanism to expire at the end of 2026?’

Jonas Rimavičius, Member of the Management Board, CFO

Yes, in our view, the profit-sharing mechanism should expire at the end of 2026 because, again, we see that the market has reached a certain level of maturity. So, the profit-sharing mechanism should no longer be applicable.

Ainė Riffel-Grinkevičienė, Chief of Staff to CFO and Head of Investor Relations

One more question on a Polish battery project: 'What is the current development stage of the recently acquired 49 MW battery project in Poland and when is it expected to become operational?'

Jonas Rimavičius, Member of the Management Board, CFO

The project is acquired in the development stage. So, we have not yet made the Final Investment Decision for that project. When we make and if we make that decision, then we will communicate the dates expected for the launch of this project.

Ainė Riffel-Grinkevičienė, Chief of Staff to CFO and Head of Investor Relations

Next question: 'Can you please quantify the positive effect from the CHP asset disposal?'

Jonas Rimavičius, Member of the Management Board, CFO

Just a reminder, the total inflow of the 49% stake sale in Vilnius CHP is EUR 120 million. The invested amount into that project for 49% is equal to EUR ~25 million. Hence, the gain was close to EUR 100 million.

Ainė Riffel-Grinkevičienė, Chief of Staff to CFO and Head of Investor Relations

The following question: 'What is the driver of increased low-end of the guidance?'

Jonas Rimavičius, Member of the Management Board, CFO

The main reason for the narrowing of the guidance is that we are coming to the year's end. We have good comfort in our progress so far. Hence, we are narrowing the guidance range.

Ainė Riffel-Grinkevičienė, Chief of Staff to CFO and Head of Investor Relations

The following question: 'Provide the amount of one-off gain related to prosumers in the supply segment and the amount of one-off cost related to the storms in Networks, please.'

Jonas Rimavičius, Member of the Management Board, CFO

On the prosumer side, as mentioned before, the accrual in Q3 is EUR ~30 million. The important element to note that it's not entirely a one-off because the regulation is continuous. So, for every year, there will be a certain compensation included for prosumer losses. So, not entirely a one-off, and the accrued amount is EUR 30 million. On the Networks side, the amount of one-off costs related to the storm, which were suffered, and are mainly compensations to the customers is EUR ~6 million.

Ainė Riffel-Grinkevičienė, Chief of Staff to CFO and Head of Investor Relations

Another question: ‘Could you elaborate on the prosumers effect in Q3 on the Customers & Solutions segment result? How much did it still dilute the results and what was the effect of the regulatory change?’

Jonas Rimavičius, Member of the Management Board, CFO

So, again, as mentioned before, the EUR 30 million accrual. After the accrual, the net negative result is EUR ~6 million for C&S for 9M of this year.

Ainė Riffel-Grinkevičienė, Chief of Staff to CFO and Head of Investor Relations

Another question on guidance: ‘If Reserve Capacities have been revised lower, what has been updated upwards? What can we expect at the net income level for 2026 after the 9M mark?’

Jonas Rimavičius, Member of the Management Board, CFO

On the Reserve Capacities, yes, we have revised it lower. No updates upwards, it’s just the comfort of seeing a good progress across the board, with some exception in the Reserve Capacities. That’s why we are narrowing the guidance for the remaining months of the year.

On the net income level, we are not providing the guidance for net income for a full year.

Ainė Riffel-Grinkevičienė, Chief of Staff to CFO and Head of Investor Relations

Additional question received: ‘What has structurally changed with the Curonian Nord offshore wind project that you are submitting a proposal to postpone it?’

Jonas Rimavičius, Member of the Management Board, CFO

On Curonian Nord, it’s the same things that we have flagged a year ago. It’s both the demand forecasts are not materialising and also, on the supply chain side, CAPEX/MWh has increased.

Ainė Riffel-Grinkevičienė, Chief of Staff to CFO and Head of Investor Relations

The following question: ‘Despite growing Adjusted EBITDA, Adjusted Net Profit declined by 18% and ROCE fell to 6.9%. When do you expect these metrics to recover as new projects become operational?’

Jonas Rimavičius, Member of the Management Board, CFO

Well, in short, of course our main goal is to ensure not only EBITDA but also net profit growth. So, that is high on our agenda, and of course new projects are expected to contribute positively to the net profit figures.

Ainė Riffel-Grinkevičienė, Chief of Staff to CFO and Head of Investor Relations

Another question: ‘Is there a possibility that future dividend payments become tied to earnings or free cash flow, instead of fixed annual growth rate?’

Jonas Rimavičius, Member of the Management Board, CFO

Currently, we don’t see such an option. We are very much committed to fixed rate + minimum growth rate. Sometime that growth rate will be higher than minimum rate as demonstrated this quarter. We think that this policy provides very good visibility to the investors and we plan to continue with the current dividend policy in place.

Ainė Riffel-Grinkevičienė, Chief of Staff to CFO and Head of Investor Relations

And the last question: ‘When will you publish Adjusted EBITDA guidance for 2027?’

Jonas Rimavičius, Member of the Management Board, CFO

EBITDA guidance for 2027 will be published together with the annual results at the end of February next year, as usual.

Ainė Riffel-Grinkevičienė, Chief of Staff to CFO and Head of Investor Relations

This concludes our earnings call. Thank you for joining us today. Should you have any further questions, please reach out to our Investor Relations team. Thank you and stay safe.