

In-line despite mixed weather

Q1/26 adj. EBITDA came in line with our expectations. Unfavorable wind conditions dragged on Green Capacities, but this was countered by favorable weather in the Customer & Solutions segment. The new strategic plan prioritizes profitability ahead of green capacity expansion. We make minor changes to our estimates and Fair value.

Customer & Solutions offset Green Capacities

Q1/26 adj. EBITDA for Green Capacities was EUR 19m below forecast (EUR 86m vs. est 106m) as the wind farm load factor decreased 10 pp to 23.3%. This was offset by EUR 19m better than expected adj. EBITDA (EUR 13m vs. est. neg. 6m) from the Customer & Solutions segment as favorable (cold) weather increased the energy demand.

Strategic plan profitability priority

The strategic plan 2026-29 (published with the Q1/26 report) prioritize profitability and return on investment ahead of green capacity expansion. The plan targets 2029 adj. EBITDA of EUR 640-700m, placing our EUR 681m estimate well within the guided range. We believe the plan is realistic and supportive of our dividend forecast.

Net yield 5.6-5.9%

Our adj. EBITDA 2026-28 is lowered by ~1% and our Base case SOTP valuation is lowered slightly to EUR 28.40/shr. (prev. 28.80). Our dividend forecast is unchanged implying a 2026-2028 net yield of 5.6-5.9% (in-line with the dividend policy).

Key figures (MEUR)

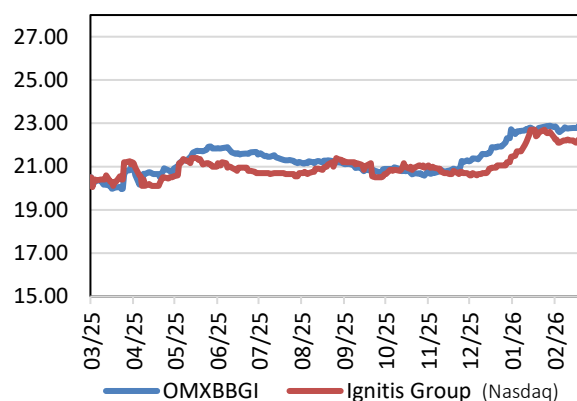
	2024	2025	2026E	2027E	2028E
Revenue	2,307	2,498	2,690	2,789	2,842
Revenue growth	-9.5%	8.3%	7.7%	3.7%	1.9%
Adj. EBITDA	528	546	592	650	667
Adj. EBITDA margin	22.9%	21.3%	22.0%	23.3%	23.4%
EBIT	350	251	274	321	362
EBIT margin	15.2%	10.1%	10.2%	11.5%	12.7%
EV/Sales	1.3	1.4	1.3	1.3	1.4
EV/adj. EBITDA	5.7	6.3	6.1	5.8	5.9
EV/adj. EBIT	8.8	10.9	10.0	9.1	9.3
P/E adj.	5.6	9.4	8.7	6.9	5.9
P/BV	0.6	0.6	0.6	0.6	0.5
EPS	3.82	2.26	2.45	3.10	3.64
EPS growth	-13.7%	-40.7%	8.4%	26.5%	17.1%
Div. per share	1.33	1.37	1.41	1.45	1.49
Dividend yield*	6.8%	6.4%	6.6%	6.8%	7.0%

Source: Company data, Enlight Research estimates

*Pre-tax yield on EUR 21.30 share price for 2026-28E and end-of-year share price for 2024 and 2025

Fair value range (EUR)	
Bull	34.08
Base	28.40
Bear	24.61
Key Data	
Price (EUR)	21.30
Ticker	IGN1L
Country	Lithuania
Listed	Vilnius (Lithuania)
Market Cap (EURm)	1,567
Net debt (EURm)*	2,071
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	

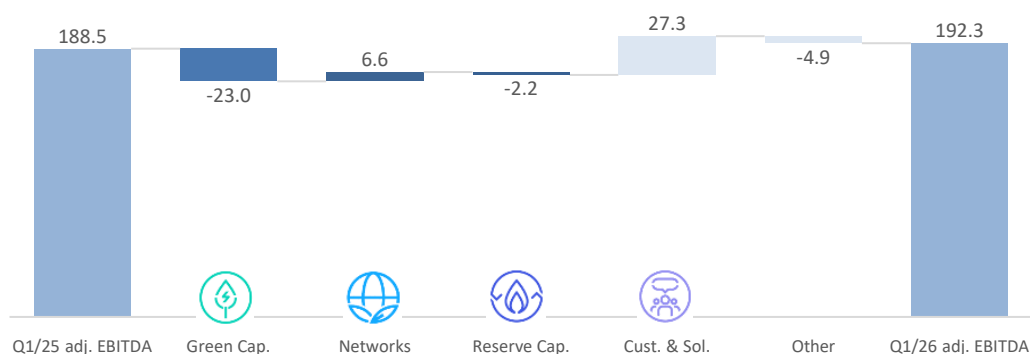
Coverage frequency	
4x per year	

Key takeaways

Customer & Solutions offset Green Capacities

The Q1/26 adj. EBITDA increased 2.0% or EUR 3.7m y/y to EUR 192.2m (just 2.3% below our est. EUR 196.8m). The Customers & Solutions segment delivered a surprisingly strong result with an adj. EBITDA of EUR 13.1m (est. EUR 5.9m loss), supported by higher electricity sales volumes of 1.5 TWh in Q1/26 vs. 1.4 TWh in Q1/25 and significantly stronger natural gas sales of 4.82 TWh (Q1/26) vs. 2.94 TWh (Q1/25). The cold winter boosted energy demand. This is not expected to repeat in the coming quarters which implies the segment will return to negative profitability (est. negative EUR 7-9m per quarter for remainder of 2026). The Green Capacities segment Q1/26 adj. EBITDA came in 18.4% below estimates at EUR 86.3m due to significantly lower overall load factor of the operating wind and solar assets (18% in Q1/26 vs. 31% in Q1/25). The lower load factor was mainly due to weaker wind conditions, which should normalize (see next Key take). The Networks segment Q1/26 adj. EBITDA was broadly in line with expectations at EUR 80.7m (est. 82.4m), while the Reserve Capacities segment also remained roughly in line at EUR 15.2m (est. 12.8m). Once again, Ignitis Grupe’s integrated business model demonstrated resilience against the unpredictable nature of the energy business.

Q1/25 to Q1/26 Adj. EBITDA development (EURm)



Source: Company reports

Adjusted EBITDA by Segment	Q1/26	Q1/26	Deviation	
	Estimate	Outcome	EURm	%
Green Capacities	105.7	86.3	-19.4	-18.4%
Networks	82.4	80.7	-1.7	-2.0%
Reserve Capacities	12.8	15.2	2.4	18.4%
Customers and Solutions	-5.9	13.1	19.0	-322.8%
Total adj. EBITDA bef. Other/eliminations	195.0	195.3	0.3	0.1%
Other segments/eliminations	1.8	-3.1	-4.9	-272.2%
Total adjusted EBITDA after Other/eliminations	196.8	192.2	-4.6	-2.3%

Adjusted EBITDA margin by Segment*	Q1/26	Q1/26	Deviation	
	Estimate	Outcome	EURm	%-pts
Green Capacities	69.8%	57.3%	nm	-12.5
Networks	45.2%	30.8%	nm	-14.5
Reserve Capacities	16.1%	22.6%	nm	6.4
Customers and Solutions	-1.3%	2.5%	nm	3.8
Total adjusted EBITDA	22.5%	19.3%	nm	-3.3
Total adjusted EBITDA after Other/eliminations	24.5%	20.1%	nm	-4.4

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

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

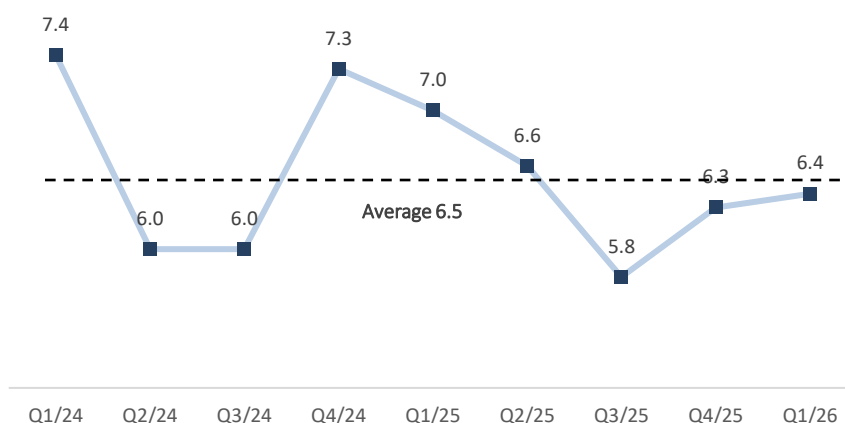
Adverse weather conditions affect Green Capacities

Despite the installed solar and wind capacity increasing materially from 300 MW in Q1/25 to 1,000 MW in Q1/26, the total wind and solar electricity generation increased modestly by 11% from 360 GWh to 400 GWh. The low generation growth relative the capacity growth was due to lower load factors across the wind portfolio. The largest negative deviation vs. the historical average were recorded at Eurakras WF (25% in Q1/26 vs. 42% historical average), Vėjo gūsis (Liepynė) WF (14% vs. 34%), Pomerania WF (32% vs. 42%), Vėjo vatas WF (19% vs. 31%), and Mažeikiai WF (26% vs. 37%). Overall, the onshore wind farms load factor decreased 10 pp to 23.3% in Q1/26 from 33.3% in Q1/25 as all wind farms recorded load factors below their three year average (see table below). We believe the weaker operational performance was primarily driven by lower captured wind speeds. In Q1/26, the averaged captured wind speed was 6.4 m/s, which is 9% lower vs. Q1/25 (7.0 m/s) and 14% lower vs. Q1/24 (7.4 m/s). Worth noting is that Q1 is typically one of the strongest quarters for wind generation. In our view, the weaker than expected Green Capacities result was due to unfavourable weather rather than structural operational issues. We forecast normal weather conditions for the remainder of the year which should reveal the earnings potential of the expanded renewable portfolio. For the full-year 2026, we lower our Green Capacities adj. EBITDA estimate by EUR 18m to EUR 271m which is roughly the same as the Q1/26 deviation of EUR 19m i.e., we do not assume above normal weather conditions to make up for the below normal weather conditions in Q1/26.

Load factor per asset	Q1/23	Q1/24	Q1/25	Q1/26	Avg.	Δ
Vėjo gūsis (Liepynė) WF	39%	34%	29%	14%	34%	-21%
Vėjo gūsis (Kreivėnai) WF	36%	37%	28%	26%	33%	-8%
Vėjo Vatas WF	35%	33%	24%	19%	31%	-11%
Tuuleenergia WF	40%	30%	34%	30%	35%	-5%
Eurakras WF	46%	45%	36%	25%	42%	-18%
Pomerania WF	41%	46%	40%	32%	42%	-10%
Mažeikiai WF		41%	34%	26%	37%	-11%
Silesia I WF		30%	23%	20%	27%	-7%

Source: Company (historic)

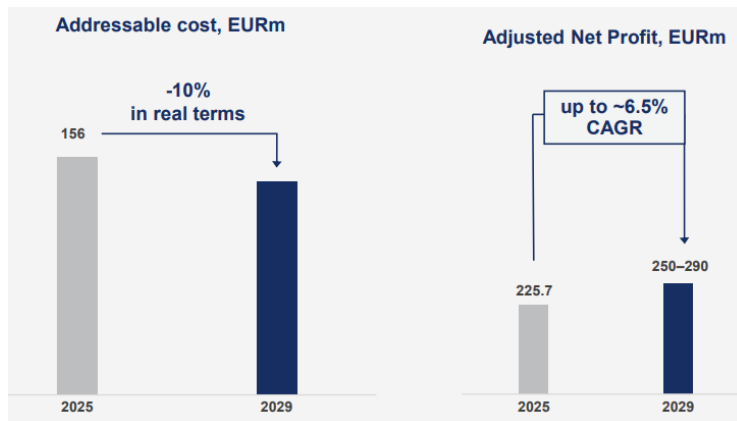
Q1/24 to Q1/26 Ignitis captured wind speed



Source: Company (historic)

Strategy shift towards disciplined growth

Ignitis Group's 2026–2029 strategic plan signals a clear focus on profitability and disciplined capital allocation ahead of capacity expansion. During the earnings call, management emphasized value-over-volume approach within the Green Capacities segment, targeting projects capable of generating returns at least one percentage point above the WACC. According to the strategic plan, Investments into the Networks segment are expected to remain elevated (2026 group investment guidance of EUR 590-690m was unchanged), which should support the regulated asset base (RAB) and earnings growth. The strategic plan targets adj. EBITDA of EUR 640–700m by 2029, supported by renewable capacity expansion, regulated asset growth, and operational efficiency measures. By 2029, management aims to reduce addressable costs by 10% in real terms and increase the adj. net profit from EUR 226m in 2025 to EUR 250–290m by 2029, implying up to 6.5% CAGR (in line with our 2026-28 forecast period). Another notable strategic focus is the development of partnerships related to data centers. One of the key bottlenecks for large-scale datacenter development in Europe is grid connectivity with sufficient capacity and competitive electricity supply. Ignitis Group is well-positioned to address both bottlenecks through its Networks and Green Capacities segments, potentially making the group an attractive partner for major datacenter developers. Although not yet included in our forecast, we believe datacenters could provide a healthy demand boost for the Networks and Green Capacities segments.



Source: Company Reports

Data centres: a new growth opportunity for Ignitis Group

How it may look

Role	Ignitis Group	Partner
Land plot	✓	✗
Grid connection	✓	✗
Power supply	✓	✗
Design & permitting	✓/✗	✓/✗
Construction	✗	✓
Maintenance	✗	✓
Commercialisation	✗	✓

Source: Company reports

Valuation

Minor change to Fair value

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 4,870m. 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 2,071m and minority interest of EUR 58m, we get an equity value of EUR 2,741m or EUR 37.9 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 28.40 (prev. 28.80). Our Bear case assumes a discount of 35% and indicates a Fair value per share of EUR 24.61 (prev. 24.96), while our Bull case assumes a discount of 10%, which indicates a Fair value per share of EUR 34.08 (prev. 34.55). 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. 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	271	9.7	2,616
Networks*	1,907	1.0	1,907
Reserve Capacities	39	8.9	347
Customer & Solutions	-10	0.0	0
Total EV			4,870
2026E Net debt (EURm)			2,071
Minority interest (EURm)			58
Equity value (EURm)			2,741
Number of shares (m)			72.4
Value per share (EUR)			37.9

* 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)	37.9	37.9	37.9
Motivated discount	35%	25%	10%
Motivated fair value (EUR)	24.61	28.40	34.08
Current share price (EUR)	21.30	21.30	21.30
Potential upside	16%	33%	60%

Source: Enlight Research

Peer valuation

Based on the 2026E EV/EBITDA multiple, Ignitis Group is trading at a 24% discount to the Integrated utilities peer group (6.8x vs. 8.9x peer average), despite offering a substantially higher estimated dividend yield (6.6% vs. 4.1% for peers). Given the company's sizeable renewable generation portfolio and regulated Networks business, one could argue that Ignitis Group deserves to trade closer to the Renewables peer group average of 9.7x EV/EBITDA or the Regulated utilities peer group average of 11.0x. Based on 2026E EV/EBITDA, Ignitis Group is currently trading at discounts of approximately 30% and 38% to the Renewables and Regulated peer groups, respectively. We believe the valuation gaps are excessive considering the high contribution of renewable and regulated activities to the group's adjusted EBITDA. It is worth noting that since the Q1/25 report, the average EV/EBITDA 2026E multiple for the Renewables peer group increased by 28% from 7.6x to 9.7x, potentially indicating more favourable market sentiment towards renewable energy sources.

Peer valuation										Div.	Div.	Div.	Div.
	Ticker	Ccy	Price (last)	Mcap (m) (last)	EV (m) (last)	EV/EBITDA 2025	EV/EBITDA 2026E	EV/EBITDA 2027E	EV/EBITDA 2028E	yield 2025	yield 2026E	yield 2027E	yield 2028E
Ignitis Group	IGN1L	EUR	21.35	1,546	3,617	7.1	6.8	6.4	6.2	6.4%	6.6%	6.8%	7.0%
Integrated										Div.	Div.	Div.	Div.
Company	Ticker	Ccy	Price (last)	Mcap (m) (last)	EV (m) (last)	EV/EBITDA 2025	EV/EBITDA 2026E	EV/EBITDA 2027E	EV/EBITDA 2028E	yield 2025	yield 2026E	yield 2027E	yield 2028E
EDP	EDP	EUR	4.28	17,891	34,927	6.9	6.9	6.9	6.8	4.8%	4.8%	4.9%	5.0%
Endesa	ELE	EUR	36.19	37,701	48,619	8.4	8.1	8.1	7.8	3.6%	4.6%	4.6%	4.9%
Enel	ENEL	EUR	9.48	96,421	159,688	7.0	6.8	6.5	6.2	5.2%	5.4%	5.7%	6.0%
Engie	ENGI	EUR	26.60	64,779	120,121	8.2	8.0	7.4	7.0	5.1%	5.2%	5.4%	5.7%
E.ON	EOAN	EUR	17.86	47,174	90,894	9.2	9.5	8.5	8.0	3.2%	3.3%	3.4%	3.6%
Iberdrola	IBE	EUR	19.20	129,751	184,284	11.1	11.1	10.5	9.9	3.5%	3.8%	3.9%	4.2%
RWE	RWE	EUR	55.20	41,060	54,351	10.7	9.6	8.2	7.4	2.2%	2.4%	2.6%	2.9%
SSE	SSE	GBP	22.71	27,633	37,549	11.2	11.6	9.3	8.0	2.8%	3.0%	3.2%	3.4%
Average						9.1	8.9	8.2	7.6	3.8%	4.1%	4.2%	4.5%
Renewables										Div.	Div.	Div.	Div.
Company	Ticker	Ccy	Price (last)	Mcap (m) (last)	EV (m) (last)	EV/EBITDA 2025	EV/EBITDA 2026E	EV/EBITDA 2027E	EV/EBITDA 2028E	yield 2025	yield 2026E	yield 2027E	yield 2028E
EDP Renewables	EDPR	EUR	13.59	14,411	22,526	11.4	10.7	10.5	10.1	0.6%	1.2%	1.3%	1.5%
Orsted	ORSTED	DKK	163	214,761	246,254	11.0	8.1	7.7	6.7	0.0%	2.2%	2.5%	2.6%
Hidroelectrica	H2O	RON	183.40	82,494	77,105	16.0	12.8	13.0	14.6	4.9%	5.0%	4.9%	4.3%
Acciona Renewables	ANE	EUR	23.30	7,567	10,838	7.0	9.1	9.6	9.1	0.1%	0.3%	1.5%	1.6%
Audax Renewables	ADX	EUR	1.36	618	920	8.0	7.9	7.3	6.9	2.4%	2.3%	2.3%	2.3%
Polenergia	PEP	PLN	49.70	3,838	5,109	9.8	10.1	8.0	3.3	0.0%	0.0%	0.0%	0.0%
Average						10.5	9.7	9.3	8.4	1.3%	1.8%	2.1%	2.1%
Regulated										Div.	Div.	Div.	Div.
Company	Ticker	Ccy	Price (last)	Mcap (m) (last)	EV (m) (last)	EV/EBITDA 2025	EV/EBITDA 2026E	EV/EBITDA 2027E	EV/EBITDA 2028E	yield 2025	yield 2026E	yield 2027E	yield 2028E
National grid	NG	GBP	11.88	61,789	105,326	14.0	13.3	11.4	10.2	3.9%	4.1%	4.2%	4.3%
Redeia Corp.	RED	EUR	14.40	7,792	14,050	11.2	10.9	10.4	9.7	5.6%	5.6%	5.7%	5.8%
REN	RENE	EUR	3.52	2,345	4,907	9.5	8.8	8.6	8.3	4.5%	4.6%	4.7%	4.8%
Italgas	IG	EUR	10.13	10,295	21,149	11.2	9.9	9.2	8.7	4.3%	4.7%	5.1%	5.6%
Terna	TRN	EUR	9.67	19,429	34,908	12.7	11.9	11.1	10.3	4.1%	4.1%	4.2%	4.3%
Average						11.7	11.0	10.1	9.4	4.5%	4.6%	4.8%	4.9%

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

Based on peers' share prices on 15 May 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 Q1/26 Group adj. EBITDA of EUR 192.2m was 2.3% or EUR 4.6m below our forecast of EUR 196.8m. The Customers & Solutions Q1/26 adj. EBITDA provided the biggest positive surprise, coming in EUR 19.0m above our forecast (EUR 13.1m adj. EBITDA versus our estimated loss of EUR 5.9m). The Green Capacities and Networks segments adj. EBITDA results were 18.4% or EUR 19.4m below estimate and 2.0% or EUR 1.7m below our estimates, respectively. Meanwhile, the Reserve Capacities segment adj. EBITDA was 18.4% or EUR 2.4m above estimate.

Forecast deviation table by Segment

Revenue by Segment (EURm)	Q1/26	Q1/26	Deviation	
	Estimate	Outcome	EURm	%
Green Capacities	151.4	150.6	-0.8	-0.6%
Networks	182.1	241.2	59.1	32.5%
Reserve Capacities	79.5	67.3	-12.2	-15.4%
Customers and Solutions	452.3	537.2	84.9	18.8%
Revenue bef. Other segm./eliminations	865.4	996.3	130.9	15.1%
Other segments/eliminations	-62.6	-57.3	5.3	-8.4%
Revenue after Other segm./eliminations	802.8	939.0	136.2	17.0%

Revenue growth	Q1/26	Q1/26	Deviation	
	Estimate	Outcome	EURm	%-pts
Green Capacities	-3.3%	-3.8%	nm	-0.5
Networks	-6.7%	23.6%	nm	30.3
Reserve Capacities	-5.4%	-20.0%	nm	-14.5
Customers and Solutions	11.6%	32.5%	nm	20.9
Revenue bef. Other segm./eliminations	2.9%	18.4%	nm	15.6
Revenue after Other segm./eliminations	3.9%	21.5%	nm	17.6

Adjusted EBITDA by Segment	Q1/26	Q1/26	Deviation	
	Estimate	Outcome	EURm	%
Green Capacities	105.7	86.3	-19.4	-18.4%
Networks	82.4	80.7	-1.7	-2.0%
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Adjusted EBITDA margin by Segment*	Q1/26	Q1/26	Deviation	
	Estimate	Outcome	EURm	%-pts
Green Capacities	69.8%	57.3%	nm	-12.5
Networks	45.2%	30.8%	nm	-14.5
Reserve Capacities	16.1%	22.6%	nm	6.4
Customers and Solutions	-1.3%	2.5%	nm	3.8
Total adjusted EBITDA	22.5%	19.3%	nm	-3.3
Total adjusted EBITDA after Other/eliminations	24.5%	20.1%	nm	-4.4

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

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

Estimate changes

In the Q1/26 earnings report, Ignitis Group reiterated its 2026 adj. EBITDA guidance of EUR 550-600m. Our 2026 Group adj. EBITDA estimate remains broadly unchanged at EUR 592m, which is 1.3% below the high-end of guidance and 3.0% above the mid-point of guidance. We believe that higher regulated returns in the Networks segment together with improving profitability in the Customers & Solutions segment should support results closer to the upper end of the guidance range. Our Green Capacities 2026 adj. EBITDA estimate is lowered by EUR 18m to EUR 271m mainly due to weaker renewable generation in Q1/26. Our Networks 2026 adj. EBITDA estimate remains unchanged at EUR 293m, while the Reserve Capacities estimate also stays broadly unchanged at EUR 39m. Meanwhile, our Customers & Solutions 2026 adj. EBITDA estimate is improved by EUR 15m to a loss of EUR 10m following significantly stronger-than-expected Q1/26 performance. Overall, our Group adj. EBITDA estimates remain largely unchanged for 2026-2028. Our 2028 adj. EBITDA estimate stands at EUR 667m, which is 2.0% below the high-end of Ignitis Group's guidance provided in the 2025-2028 strategy.

Green Capacities	2026E	2027E	2028E
Old estimate	289	316	320
New estimate	271	305	314
Change	-18	-11	-7
Change (pct)	-6.2%	-3.5%	-2.1%
Networks	2026E	2027E	2028E
Old estimate	293	298	303
New estimate	293	298	303
Change	0	0	0
Change (pct)	0.0%	0.0%	0.0%
Reserve Capacities	2026E	2027E	2028E
Old estimate	39	40	42
New estimate	39	41	42
Change	0	0	1
Change (pct)	0.0%	1.1%	2.2%
Customers & Solutions	2026E	2027E	2028E
Old estimate	-25	3	7
New estimate	-10	7	8
Change	15	4	2
Change (pct)	-60.8%	112.9%	25.7%
Group Adjusted EBITDA	2026E	2027E	2028E
Old estimate	595	657	671
New estimate	592	650	667
Change	-3	-7	-4
Change (pct)	-0.5%	-1.1%	-0.6%
Adj. EBITDA Guidance	2026E	2028E	
Adj. EBITDA high	600	680	
Adj. EBITDA mid	575	640	
Adj. EBITDA low	550	600	
Forecast	592	667	
Diff to high	-1.3%	-2.0%	
Diff to mid	3.0%	4.2%	
Diff to low	7.7%	11.1%	

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

Forecast

Revenue per segment (IFRS reported)	Q1/25	Q2/25	Q3/25	Q4/25	Q1/26	Q2/26E	Q3/26E	Q4/26E	2025	2026E	2027E	2028E
Green Capacities	157	115	106	151	151	122	108	124	529	504	570	590
Networks	195	158	158	196	241	165	167	198	707	770	784	797
Reserve Capacities	84	67	40	37	67	60	40	70	227	237	239	240
Customers and Solutions	406	225	226	357	537	239	258	331	1,213	1,365	1,383	1,402
Total Revenues bef. Other/elimin.	841	565	531	739	996	586	572	722	2,676	2,876	2,976	3,029
Other segments/eliminations	-69	-40	-30	-40	-57	-41	-32	-56	-179	-187	-187	-187
Revenue after Other segm./eliminations	773	525	501	699	939	545	540	666	2,498	2,690	2,789	2,842
Segment revenue growth (IFRS reported)	Q1/25	Q2/25	Q3/25	Q4/25	Q1/26	Q2/26E	Q3/26E	Q4/26E	2025	2026E	2027E	2028E
Green Capacities	37.2%	32.8%	26.3%	8.4%	-3.8%	5.9%	1.6%	-17.9%	24.7%	-4.6%	13.1%	3.5%
Networks	-1.8%	1.6%	0.6%	3.5%	23.6%	4.1%	5.3%	1.1%	0.9%	8.9%	1.7%	1.6%
Reserve Capacities	88.6%	247.4%	21.9%	-31.6%	-20.0%	-9.7%	-1.2%	90.8%	51.5%	4.1%	0.7%	0.7%
Customers and Solutions	14.9%	2.7%	-21.9%	-2.6%	32.5%	6.3%	14.3%	-7.3%	-1.1%	12.5%	1.3%	1.3%
Total Revenues bef. Other/elimin.	18.5%	17.6%	-5.8%	-1.1%	18.4%	3.7%	7.9%	-2.4%	7.0%	7.5%	3.5%	1.8%
Revenue after Other segm./eliminations	18.3%	19.7%	-5.3%	1.9%	21.5%	3.8%	7.9%	-4.8%	8.3%	7.7%	3.7%	1.9%
Adjusted EBITDA by Segment	Q1/25	Q2/25	Q3/25	Q4/25	Q1/26	Q2/26E	Q3/26E	Q4/26E	2025	2026E	2027E	2028E
Green Capacities	109	57	49	76	86	61	50	75	292	271	305	314
Networks	74	59	60	71	81	65	67	80	263	293	298	303
Reserve Capacities	17	12	6	3	15	5	5	13	38	39	41	42
Customers and Solutions	-14	-14	-15	-6	13	-9	-7	-7	-49	-10	7	8
Total adjusted EBITDA bef. Other/eliminations	187	114	99	144	195	122	114	161	544	593	651	667
Other segments/eliminations	2	-2	5	-3	-3	0	3	0	2	-1	-1	-1
Total adjusted EBITDA after Other/eliminations	189	112	104	141	192	122	117	162	546	592	650	667
Adjusted EBITDA margin by Segment	Q1/25	Q2/25	Q3/25	Q4/25	Q1/26	Q2/26E	Q3/26E	Q4/26E	2025	2026E	2027E	2028E
Green Capacities	69.8%	49.7%	46.0%	56.0%	57.3%	49.7%	46.0%	60.4%	56.7%	53.8%	53.5%	53.1%
Networks	34.0%	34.6%	35.3%	31.5%	30.8%	39.5%	40.2%	45.3%	33.7%	38.0%	38.1%	38.1%
Reserve Capacities	20.7%	17.5%	14.0%	7.9%	22.6%	8.7%	12.9%	19.3%	16.5%	16.5%	17.1%	17.7%
Customers and Solutions	-3.5%	-6.0%	-6.8%	-1.6%	2.5%	-3.6%	-2.9%	-2.0%	-4.0%	-0.7%	0.5%	0.6%
Total adjusted EBITDA	21.5%	19.8%	18.3%	19.2%	19.3%	20.9%	19.9%	22.9%	19.9%	20.6%	21.9%	22.0%
Total adjusted EBITDA after Other/eliminations	23.5%	21.0%	20.3%	19.8%	20.1%	22.4%	21.6%	24.9%	21.3%	22.0%	23.3%	23.4%
Income statement (EURm)	Q1/25	Q2/25	Q3/25	Q4/25	Q1/26	Q2/26E	Q3/26E	Q4/26E	2025	2026E	2027E	2028E
Total Revenue & Other income	773	525	501	699	939	545	540	666	2,498	2,690	2,789	2,842
Purchase of electricity, gas for trade	-529	-320	-317	-459	-664	-338	-346	-428	-1,625	-1,775	-1,813	-1,819
Salaries and related expenses	-46	-47	-44	-52	-53	-49	-48	-55	-189	-204	-209	-213
Repair and maintenance expenses	-14	-18	-21	-25	-15	-19	-22	-25	-78	-81	-84	-85
Other expenses	-24	-37	-27	-36	-33	-22	-16	-23	-124	-94	-98	-85
<i>Total expenses</i>	<i>-613</i>	<i>-423</i>	<i>-409</i>	<i>-571</i>	<i>-764</i>	<i>-427</i>	<i>-432</i>	<i>-532</i>	<i>-2,016</i>	<i>-2,154</i>	<i>-2,204</i>	<i>-2,203</i>
EBITDA	160	102	92	128	175	118	108	134	482	535	586	639
Adj. EBITDA	189	112	104	141	192	122	117	162	546	592	650	667
Depreciation and amortization	-49	-51	-57	-63	-63	-65	-65	-65	-220	-257	-262	-275
Write-offs, revaluations PP&E, Intang.	-1	-1	-1	-8	-3	-1	-1	-1	-11	-5	-3	-3
EBIT	110	50	34	57	110	53	43	69	251	274	321	362
<i>Financial net</i>	<i>-8</i>	<i>-21</i>	<i>-14</i>	<i>-18</i>	<i>-20</i>	<i>-16</i>	<i>-16</i>	<i>-16</i>	<i>-61</i>	<i>-68</i>	<i>-62</i>	<i>-58</i>
Pre-tax profit	102	29	20	39	89	37	27	53	190	206	260	304
Current year income tax (expenses)/benefit	-18	-1	1	-8	-16	-4	-3	-5	-26	-28	-35	-41
Net profit (loss)	84	28	21	32	73	33	24	47	164	178	225	263
Segment revenue growth (IFRS reported)	Q1/25	Q2/25	Q3/25	Q4/25	Q1/26	Q2/26E	Q3/26E	Q4/26E	2025	2026E	2027E	2028E
y-on-y	18.3%	19.7%	-5.3%	1.9%	21.5%	3.8%	7.9%	-4.8%	8.3%	7.7%	3.7%	1.9%
Margins	Q1/25	Q2/25	Q3/25	Q4/25	Q1/26	Q2/26E	Q3/26E	Q4/26E	2025	2026E	2027E	2028E
EBITDA	20.7%	19.5%	18.4%	18.3%	18.7%	21.6%	20.1%	20.1%	19.3%	19.9%	21.0%	22.5%
EBIT	14.2%	9.6%	6.8%	8.1%	11.7%	9.6%	8.0%	10.3%	10.1%	10.2%	11.5%	12.7%
Pre-tax profit	13.2%	5.5%	4.0%	5.6%	9.5%	6.7%	5.1%	7.9%	7.6%	7.7%	9.3%	10.7%
Net profit	10.9%	5.2%	4.2%	4.5%	7.8%	6.1%	4.5%	7.1%	6.6%	6.6%	8.1%	9.3%

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.

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	2024	2025	2026e	2027e	2028e
Total revenues	2,307	2,498	2,690	2,789	2,842
Total operating costs	-1,774	-2,016	-2,154	-2,204	-2,203
EBITDA	533	482	535	586	639
Depreciation	-178	-220	-257	-262	-275
Amortizations	0	0	0	0	0
Impairment charges	-4	-11	-5	-3	-3
EBIT	350	251	274	321	362
Associated companies ¹	0	0	0	0	0
Net financial items	-42	-61	-68	-62	-58
Exchange rate differences	0	0	0	0	0
Pre-tax profit (PTP)	308	190	206	260	304
Net earnings	276	164	178	225	263
Balance Sheet	2024	2025	2026e	2027e	2028e
Assets (EURm)					
Cash and cash equivalent	235	296	319	331	341
Receivables	294	272	269	279	284
Inventories	248	240	258	268	273
Other current assets	178	190	190	190	190
Total current assets	954	999	1,037	1,068	1,088
Tangible assets	4,027	4,699	4,942	5,180	5,542
Goodwill & Other Intangibles	306	293	289	286	284
Long-term investments	7	4	4	4	4
Associated Companies	0	0	0	0	0
Other non-current assets	380	235	186	189	191
Total fixed assets	4,720	5,231	5,422	5,660	6,021
Deferred tax assets	32	49	49	49	49
Total assets	5,706	6,279	6,507	6,777	7,158
Liabilities					
Non-ib current liabilities	246	221	188	195	199
Short-term debt	67	223	242	256	280
Other current liabilities	396	465	465	465	465
Total current liabilities	709	908	895	917	944
Long-term IB debt	1,712	1,888	2,051	2,176	2,372
Convertibles & Lease liabilities	68	98	98	98	98
Other long-term liabilities	596	639	639	639	639
Total long-term	2,375	2,625	2,788	2,913	3,109
Total (liabilities)	3,269	3,784	3,934	4,080	4,303
Deferred tax liabilities	85	90	90	90	90
Provisions	101	160	160	160	160
Shareholders' equity	2,437	2,495	2,573	2,696	2,855
Minority interest (BS)	0	0	0	0	0
Total shareholders equity	2,437	2,495	2,573	2,696	2,855
Total equity & liabilities	5,706	6,279	6,507	6,777	7,158
DCF valuation	Cash flow (EURm)				
WACC (%)	6.12%	NPV FCF (2023-2025)			
		NPV FCF (2026-2032)			
Assumptions 2022-2028 (%)		NPV FCF (2032-)			
CAGR Sales growth	-7.0%	Non-operating assets			
Average EBIT margin	11.8%	Interest-bearing debt			
		Fair value estimate			
		Fair value per share (EUR)			
		Share price (EUR)			

Free Cash Flow	2024	2025	2026e	2027e	2028e
Operating profit	276	164	274	321	362
Depreciation	178	220	262	264	277
Change in wc	105	90	-48	-13	-7
Other oper. CF items	102	142	-37	-43	-49
Operating CF	661	615	450	530	584
CF from Investments	-654	-711	-600	-500	-636
Other CF items	22	158	120	0	0
Free Cash Flow	-194	-192	-30	30	-52
Capital structure	2024	2025	2026e	2027e	2028e
Equity ratio	43%	40%	40%	40%	40%
Debt/Equity	76%	89%	93%	94%	96%
Capital invested (EURm)	4,284	4,703	4,964	5,227	5,604
Profitability	2024	2025	2026e	2027e	2028e
ROE %	11.8%	6.6%	7.0%	8.5%	9.5%
EBITDA %	23.1%	19.3%	19.9%	21.0%	22.5%
EBIT %	15.2%	10.1%	10.2%	11.5%	12.7%
Net Margin	12.0%	6.6%	6.6%	8.1%	9.3%
Valuation (x)	2024	2025	2026e	2027e	2028e
P/E	5.6	9.4	8.7	6.9	5.9
P/E adjusted	5.6	9.4	8.7	6.9	5.9
P/Sales	0.6	0.6	0.6	0.6	0.5
EV/Sales	1.3	1.4	1.3	1.3	1.4
EV/EBITDA*	5.7	6.3	6.1	5.8	5.9
EV/EBIT*	8.8	10.9	10.0	9.1	9.3
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	2.45	3.10	3.64
EPS adjusted	3.82	2.26	2.45	3.10	3.64
CEPS	9.13	8.50	6.22	7.32	8.07
EBITDA/share	7.36	6.66	7.39	8.09	8.83
Capital empl./share	59.2	65.0	68.6	72.2	77.4
Div. per share	1.33	1.37	1.41	1.45	1.49
Payout ratio	35%	60%	57%	47%	41%
Dividend yield (%)	6.8%	6.4%	6.6%	6.8%	7.0%
Shareholders					
Ministry of Finance					74.99%
Institutional investors					13.81%
Retail investors					11.20%
Key people					
Chair, CEO					Darius Maikštėnas
Member, CFO					Jonas Rimavičius
Member, Chief Organisational Development Officer					Dr. Živilė Skibarkienė
Member, Chief Commercial Officer					Vytėnis Koryzna
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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