

Ignitis Group

INITIAL COMMENT

Key share data

Sector	Integrated Utilities
Ticker - Nasdaq Vilnius	IGN1L
Ticker - London Stock Exchange	IGN
Market Cap (EURm)	1,502
Net Debt (EURm)	1,593
EV (EURm)	3,095
Net debt / Equity	64%
Issued shares, m	72.4
Share price (EUR)	21.85

Figures & Ratios (NOKm)

	2024	2025E	2026E
Revenues	2,307	2,363	2,519
EBITDA	533	471	502
EBIT	350	256	259
Pre-tax profit	308	228	207
Net profit	276	189	173
EPS (EUR)	3.82	2.61	2.39
DPS (EUR)	1.33	1.37	1.41
Div. yield	6.8%	6.6%	6.8%
Net Debt	1,612	1,933	2,515
EV/Sales	1.3	1.5	1.6

not updated

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Analysts

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2Q results broadly align with our estimates

Ignitis Group reported its 2Q25 results this morning showing rather limited deviations to our estimates across all segments. Slightly weaker-than-awaited Green Capacities were offset by Reserve Capacities, while Customers & Solutions segment remained under pressure. However, FCF were positive for the second consecutive quarter. The proposed dividend for 1H aligns with the policy of $\geq 3\%$.

Figures reflected limited divergence from anticipated results

Ignitis Group's 2Q25 adj. EBITDA landed at EUR 112m, which was 3% below our estimate, but 3.8% better YoY (same as in 1Q25). Weaker-than-estimated result in Green Capacities (EUR 58.5m vs awaited EUR 61.8m) was mitigated by better Reserve Capacities segment (EUR 11.7m vs awaited EUR 9.6m). The growth in Green Capacities was driven by the launch of news assets and solid electricity generation, which was at 1.05 TWh in 2Q vs our awaited 0.89 TWh and 0.55 TWh in 2Q24. Networks segment was spot on our estimate at EUR 58.5m or 17% up on YoY basis. On the negative side, Customers & Solutions segment remained under pressure due to the natural gas B2B supply result amid less favourable margins secured compared to 2Q24, while electricity result decrease was driven by the consumers operating under the current net-metering scheme.

The company proposed to distribute a dividend of EUR 0.683/sh or in line with the policy of $\geq 3\%$ growth. The FFO LTM/Net Debt ratio rose by 100bps QoQ to 29.8% (28.8% in 1Q25). Capex came in below our estimate at EUR 197m vs our estimated EUR 219m. Investments in 1H were in general 19% lower than in 1H24. FCF remained positive for the second consecutive quarter at EUR 47m (EUR 17m 1Q25) and vs EUR -110m in 2Q24. However, ROCE was lower YoY at 8.6% vs 10.4% in 1H24.

2Q/25 results	2Q/24	1Q/25	2Q/25	2Q/25e	Deviation	YoY %	Consensus*
EURm			Reported	Norne	%		
Adjusted Revenues	438.8	772.8	525.5	469.8	11.9%	19.8%	482
Adjusted EBITDA	108.0	188.5	112.3	116.0	-3.2%	3.9%	115
Green Capacities	57.4	109.3	57.3	61.8	-7%	0%	60
Networks	50.2	74.1	58.5	57.4	2%	17%	58
Reserve Capacities	5.2	17.4	11.7	9.6	22%	123%	7
Customers & Solutions	-5.6	-14.2	-13.5	-11.9	nm	nm	-10
Other activities and eliminations	0.9	1.9	-1.7	-0.9	nm	nm	-
Adjusted EBIT	63.2	138.4	60.2	63.0	-4.4%	-4.7%	48
Net profit to shareholders	49.7	83.9	27.5	30.7	-10.5%	-44.7%	32
EPS (EUR)	0.69	1.16	0.38	0.42	-10.5%	-44.7%	0.44
Investments	212.8	146.5	196.7	219.1	-10.2%	-7.6%	-
Electricity Generated (net) TWh	0.55	1.21	1.05	0.89	18.3%	90.9%	-

* Consensus collected by Ignitis Group

No changes in the financial guiding

The company stated that there are no changes in the main drivers of adj. EBITDA and directional effect per business segment for 2025. As a result, Ignitis Group reiterated its adj. EBITDA guidance for 2025 at EUR 500-540m (we are slightly ahead of the guiding at EUR 555m) as well as investments of EUR 700-900m. The guidance does not include any gains from asset rotation.

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