TGN RO: Updated development plan adds EUR 0.9b to headline pipeline, but near-term RAB upside still looks limited | NEUTRAL

* TGN RO: Transgaz published the updated 2026-2035 development plan for the National Gas Transmission System, with the total major-project pipeline increasing to EUR 10.6b, from EUR 9.7b in the previous plan. The pipeline is split between EUR 5.0b for gas transport / network development, EUR 687m for storage and EUR 4.94b for hydrogen. Gas transport remains heavily skewed towards early-stage projects, with only EUR 174m classified as FID, EUR 87m as A non-FID and EUR 4.72b as LA non-FID. The main status improvement is the EUR 100m Jupa compressor station / Recaș-Horia pipeline project, which moved from A non-FID to FID, while the EUR 12.8m Modernizare SMG Negru Vodă 1 project was added as FID. However, the EUR 494m Tuzla-Podișor project was removed from the active list after being finalised, explaining the decline in the FID gas transport envelope versus the previous plan. Storage projects total EUR 687m, with the near-term component concentrated in Bilciurești, Ghercești and Depomureș, while hydrogen remains entirely LA non-FID, at EUR 4.94b.

*** Our view:** We see the update as positive for project visibility, but not as a material change to the near-term RAB story. The headline pipeline is large, at over EUR 10b, but remains heavily weighted towards long-dated and less mature projects. In gas transport, FID and A non-FID projects now total only EUR 261m, down from EUR 742m previously, mainly following completion of Tuzla-Podișor. The major additions, including Romania-Ukraine, capacity towards Moldova and several new pipelines and compressor stations, add EUR 1.36b to the headline pipeline, but remain LA non-FID and are scheduled mainly for 2029-2033. Storage has a more visible near-term component, with FID projects scheduled over 2026-2028, although the non-FID pipeline sits mainly in 2030-2032. Hydrogen remains long-term optionality rather than a clear medium-term target, with dedicated corridors scheduled for 2032 and conversion projects for 2040-2042. Separately, the approved corrected regulated revenue for gas year 2026-2027 increased to RON 2.64b, 14.9% above the previous gas year, offering near-term P&L support. However, we would not read this as RAB-driven valuation upside, as the increase appears more likely to reflect tariff-setting mechanics and regulatory corrections rather than a material acceleration in commissioned capex. Overall, despite the larger headline pipeline, the updated plan does not materially change the near-term RAB story, as the mature gas transport pipeline remains limited after the completion of Tuzla-Podișor, while most of the new additions are still LA non-FID and long-dated **| NEUTRAL**