Swiss Capital

Equity Research
ioana.andrei@swisscapital.ro
+40(21)4084-217

Equity Sales & Trading
office@swisscapital.ro
+40(21)4084-206

August 26, 2026

H1 2026 First look

Electro-Alfa International

Q2 2026 results broadly in line, despite softer topline and margin pressure

* Electro-Alfa International reported **Q2 2026 net profit of around RON 21.7m, up 10% Y/Y and broadly in line with our RON 21.8m estimate**. EBITDA reached around **RON 26.5m, broadly flat Y/Y and virtually in line with our RON 26.6m forecast**, while net turnover increased 22% Y/Y to around **RON 228m, 6% below our estimate**. The softer topline was offset by a stronger-than-expected EBITDA margin of **11.6% versus our 10.9% forecast**.

* Revenue growth remained supported by Manufacturing and international tender activity, although the mix differed materially from our assumptions. Q2 Manufacturing external revenues reached around **RON 117m, up 14% Y/Y but below our RON 133m estimate**, while overall EPC-related activity was broadly in line with expectations. Within EPC, merchandise revenues reached around **RON 40m**, largely supported by Ukraine deliveries, while service revenues declined to around **RON 70m from RON 83m in Q2'25**.

* On the cost side, Q2 employee expenses increased to around **RON 31m from RON 17m in Q2'25**, slightly above our RON 30m estimate, reflecting the continued expansion of the workforce. Raw materials and merchandise expenses were broadly in line with our forecast at around **RON 126m**, while third-party expenses stood at around **RON 36m versus our RON 52m estimate**, remaining broadly stable Y/Y. The H1 cost mix was more materials-intensive and less reliant on subcontracting than we had assumed, although management expects subcontracting to increase in H2 as project execution accelerates.

* Q2 EBITDA margin declined to **11.6% from 14.3% in Q2'25**, but improved visibly from 7.9% in Q1, reflecting recovering Manufacturing profitability and a more favourable cost mix, partly offset by the materially higher personnel cost base.

* At H1 level, revenues increased **17.9% Y/Y to RON 363.0m**, supported by stronger Manufacturing and international tender activity, while the mix shifted away from services towards merchandise. EBITDA remained broadly flat at **RON 37.2m**, with the margin declining to **10.2% from 12.1%**, while net profit increased **8.4% Y/Y to RON 27.9m**. At segment level, H1 Manufacturing operating profit increased 21.6% Y/Y to RON 17.7m, while EPC operating profit declined to RON 13.6m from RON 17.6m, reflecting the different revenue and project mix.

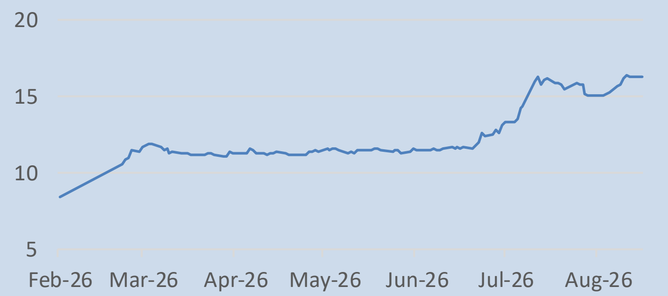
*** FY 2026 OUTLOOK:** Following the H1 results and management call, we slightly reduce our 2026 consolidated revenue estimate to around **RON 1.10b from RON 1.15b previously** and EBITDA to around **RON 139m from RON 147m**, mainly reflecting a more cautious Spiact contribution and the later consolidation of Elcomex, now expected from Q4. **Our core EAI expectations remain broadly unchanged**, with management reiterating strong H2 revenue visibility: contracted projects fully cover the FY Contracting budget, execution should start recovering from Q3, with Q4 expected to remain the strongest quarter. Green Energy should also recover in H2, while international tender activity appears to be increasingly recurring, resulting in a different EPC mix. We nevertheless assume a heavier H2 execution cost mix as subcontracting increases. **We now estimate 2026 net profit at around RON 117m vs RON 115m previously**, as stronger interest income on the IPO proceeds, currently earning around 6%, more than offsets the lower 2026 contribution from Spiact and Elcomex. Management maintained its RON 1.014b revenue and RON 111m PBT targets for 2026 **| NEUTRAL.**

Romania, Electrical Engineering and Contracting

BQ: EAI RO				
Last close	**RON 16.22**			
52 - Week range	RON 10.30	RON 17.78		
Market cap (m)	RON 3,058		EUR 582	
EV/FY 2026E EBITDA	**18.7x**	**P/FY 2026E EPS**		**26.2x**

	Q2'25	**Q2'26A**	**H1'25**	**H1'26A**
P&L summary (RONm)*				
Net turnover	**187.4**	**227.9**	**307.8**	**363.0**
Y/Y		*21.6%*		*17.9%*
Manufacturing	102.0	116.6	171.9	205.3
EPC services	83.0	69.7	129.5	103.6
Sale of merchandise	0.6	39.9	4.6	52.0
Others	1.7	1.8	1.8	2.2
Other operating income	0.3	0.7	0.8	1.3
OPEX	**163.6**	**205.1**	**276.7**	**333.2**
Employees benefits	16.7	31.2	30.6	56.7
Raw materials & merchandise	104.0	126.4	162.5	202.9
Third parties	34.4	35.7	66.5	52.0
Transport	1.8	1.7	3.4	2.8
Utilities	0.6	0.5	1.1	1.3
D&A	2.6	3.0	5.3	6.0
Other operating expenses	3.5	6.6	7.3	11.5
EBITDA	**26.7**	**26.5**	**37.2**	**37.2**
Y/Y		*-0.8%*		*0.0%*
EBITDA margin %	*14.3%*	*11.6%*	*12.1%*	*10.2%*
EBIT	**24.1**	**23.5**	**31.9**	**31.2**
Y/Y		*-2.5%*		*-2.3%*
EBIT margin %	*12.9%*	*10.3%*	*10.4%*	*8.6%*
Net financial result	-1.6	0.3	-1.9	0.9
EBT	22.5	23.8	30.0	32.1
Income tax	2.8	2.1	4.3	4.2
Net profit	**19.7**	**21.7**	**25.8**	**27.9**
Y/Y		*10.1%*		*8.4%*
Net profit margin %	*10.5%*	*9.5%*	*8.4%*	*7.7%*

*Source: The Company, Swiss Capital estimates; * IFRS consolidated*



Price performance	**1m**	**3m**	**12m**	**YTD**
	1%	41%	N/A	83%

Ioana Andrei
40*(21)*4084-217
ioana.andrei@swisscapital.ro

DISCLOSURE SECTION

Analysts Certification

The research analyst(s) undersigned and responsible for the preparation of this report hereby certify (-ies) that i) the views expressed in this research report accurately reflect their personal views about any and all of the securities or issuers referred to in this research report, ii) no part of the analyst's compensation was, is, or will be, directly or indirectly related to the specific recommendations or views expressed in this research report and iii) no part of their compensation is tied to any specific investment banking transactions performed by Swiss Capital SA.

Stocks Ratings

Stock recommendations are based on absolute valuation upside (downside), which is defined as (Fair Value - Current Price)/Current Price, subject to limited management discretion. In most cases, the Fair Value will equal the analyst's assessment of the current intrinsic fair value of the stock using an appropriate valuation methodology such as Discounted Cash Flow etc. However, if the analyst doesn't think the market will revalue the stock over the specified time horizon due to a lack of events or catalysts, then the fair value may differ from the intrinsic fair value. In most cases, therefore, our recommendation is an assessment of the difference between current market price and our estimate of current intrinsic fair value. Recommendations are set with a 6-12 month horizon unless specified otherwise. Accordingly, within this horizon, price volatility may cause the actual upside or downside based on the prevailing market price to differ from the upside or downside implied by the recommendation.
A "**STRONG BUY**" recommendation indicates that upside is more than 30%.
A "**BUY**" recommendation indicates that upside is between 15% and 30%.
A "**NEUTRAL**" recommendation indicates that upside or downside is less than 15%.
A "**SELL**" recommendation indicates that downside is more than 15%.

Company Specific Regulatory Disclosures

The following disclosures relate to relationships between Swiss Capital SA and companies covered by the Research Division of Swiss Capital and mentioned in this research.

Mentioned companies

Company	BSE	Rating	Price	Price date	Disclosure
Electro-Alfa International	EAI	NEUTRAL	16.22	25/08/2026	NONE

Rating history for Electro-Alfa International

Date	Rating	Share Price (RON)	Target Price (RON)
17/07/2026	NEUTRAL	14.34	14.5

Ioana Andrei
40*(21)*4084-217
ioana.andrei@swisscapital.ro

General disclaimer

THIS REPORT IS: (i) FOR YOUR PRIVATE INFORMATION, AND WE ARE NOT SOLICITING ANY ACTION BASED UPON IT; (ii) NOT TO BE CONSTRUED AS AN OFFER TO SELL OR A SOLICITATION OF AN OFFER TO BUY ANY SECURITY; AND (iii) BASED UPON INFORMATION THAT WE CONSIDER RELIABLE.

SWISS CAPITAL DOES NOT WARRANT OR REPRESENT THAT THE REPORT IS ACCURATE, COMPLETE, RELIABLE, FIT FOR ANY PARTICULAR PURPOSE OR MERCHANTABLE AND DOES NOT ACCEPT LIABILITY FOR ANY ACT (OR DECISION NOT TO ACT) RESULTING FROM USE OF THIS REPORT AND RELATED DATA. TO THE MAXIMUM EXTENT PERMISSIBLE ALL WARRANTIES AND OTHER ASSURANCES BY SWISS CAPITAL ARE HEREBY EXCLUDED AND SWISS CAPITAL SHALL HAVE NO LIABILITY FOR THE USE, MISUSE, OR DISTRIBUTION OF THIS INFORMATION.