PE RO: Q2/H1 2026 results | NEUTRAL

* PE RO: The Group reported **Q2'26 net profit of EUR 9.1m, down 73% Y/Y** and 36% below our EUR 14.2m estimate, mainly due to a materially larger adverse FX impact than anticipated, a EUR 3m loss from the disposal of subsidiaries and a higher effective tax rate. **Adjusted EBITDA reached EUR 38.1m, down 32% Y/Y** but 15% above our forecast, with the **beat largely reflecting a more favourable Moldova tariff deviation** than assumed.
* Looking at the underlying performance, **normalised EBITDA reached EUR 27.0m, up 34% Y/Y but 6% below our EUR 28.8m estimate**. Production normalised EBITDA came in 8% above our forecast, supported by the Hungarian wind assets, but this was offset by weaker Distribution and Supply contributions. Illustrative normalised net profit stood at EUR 11.1m, up 106% Y/Y and 8% above our forecast.
* **Q2 reported EBITDA benefited from EUR 11.1m of favourable Moldova tariff deviations vs the EUR 4.4m benefit incorporated in our estimate**. Operationally, renewable output increased 33% Y/Y to 165 GWh, but remained 9% below our estimate, while owned capacity stood at 370 MW as the additional 137 MW solar portfolio remained in final testing. Electricity supply volumes declined 31% Y/Y to 1.2 TWh, reflecting the Alive Capital disposal and aggressive customer-acquisition pricing by competitors.
* **At 1H level, adjusted EBITDA reached EUR 73.0m, down 29% Y/Y and 7% above our estimate, while normalised EBITDA increased 27% Y/Y to EUR 79.3m, 2% below our forecast.** Net profit declined 64% Y/Y to EUR 22m, although illustrative normalised net profit increased 32% to EUR 39.6m.
* Management now guides for **FY 2026 normalised EBITDA of EUR 150-160m**, excluding any contribution from the Evryo acquisition.
* We will follow up with additional details after the conference call scheduled for tomorrow at 10:00 Romanian time.