ALTEO

One year target price: HUF 5521, BUY

mln HUF	Q1 2025	Q1 2026	Change (yoy)
Revenue	29009	36062	24%
EBITDA	3627	2780	-23%
EBIT	20120	447	-98%
Net profit	981	-1367	-239%
EBITDA margin	12,5%	7,7%	-0,048
EBIT margin	69,4%	1,2%	-0,681
Profit margin	3,4%	-3,8%	-0,072

Price (06.05.2026)	HUF 4080	Net profit (Q1 2026, mln HUF)	HUF 3044
Shares outstanding (mln)	19.9	Bloomberg ticker	ALTEO HB Equity
Free float	26.2%	BÉT ticker	ALTEO
Market capitalization (mrd HUF/mln EUR)	81/225	52 week min./max.	HUF 3980–5840

Source: BÉT, Bloomberg

Summary

On 04 May 2026 ALTEO (the "Company") announced financial results for its first quarter of 2026. While the **revenue increased by 24%, EBITDA decreased by 23%** year over year.

In the first quarter of 2026 the Company put into operation a new 100MW and 20MW electricity storage facility. The latter is connected to an operating wind power plant of the Company near Bana. There has also been a change in shareholder ownership, during which MOL's ownership share will increase to 39,97%, the share of the private equity fund Riverland to 33,81%, while the share of the private equity fund Főnix will decrease to 0%.
Following the first quarter of the year, the Company commissioned another 20 MW electricity storage facility in Győr, which is connected to the Company's gas-fired power plants, bringing the total capacity of Alteo's *own* electricity storage facilities to 90 MW.

On 09 January 2025 the Company presented a new strategy plan. If you would like to find more, please read our previous flash notes on the website of the Budapest Stock Exchange[1].

Results by segments

Non-renewables-based heat and electricity production and management: the segment's revenue decreased by 6% and EBITDA decreased by 60% y-o-y. Despite the **expansion of the scheduling service portfolio the revenue decreased**, and EBITDA halved. The electricity **balancing service** is a high margin segment, but it has become **less favorable in recent**

[1] Alteo elemzések - Bet site

months due to the increasing competition, and MAVIR's new tender formats. Simply put margins are under pressure. According to the management's guidance the **current trends will certainly persist, perhaps even through the end of this year.**

Renewables-based electricity production: revenue decreased by 14% while EBITDA decreased by 25% through Q1 of 2026. **The weaker result is the consequence of the exhaustion of the Pannon wind farm's feed-in tariff system.** During the first quarter of the year solar power plant production was weaker, as was electricity generation from landfill gas, the latter because of the extreme cold in winter.

Energy services: revenue increased by 99% because of the strategic partnership with MOL, which may continue to significantly contribute to the division's results in the future.

Waste management: Revenue grew by 422%, and EBITDA increased by 85% y-o-y. **We believe after the proper integration of this division** it could become the second most profitable segment. The four-fold increase in revenue was due to the consolidation of ÉLTEX Ltd. (now Alteo Circular Ltd.). It is worth noting that we believe that this segment has a high cash outflow due to the investments required to launch the division, at the same time, the recent EBITDA margin is weak, we expect significant improvements.

Energy trading: revenue increased by 2% and EBITDA decreased by 10% through Q1 2026. The electricity trading volume increased by 6% while the gas trading volume increased by 10%. The lower EBITDA is due to the one-off energy supplier tax levied retroactively.

Results by segments

million HUF	Q1 2025	Q1 2026	Δ
Non-renewables heat and electricity production and management	18586	17383	-6%
Renewables-based electricity production	2361	2039	-14%
Energy services	983	1960	99%
Energy trading	11285	11553	2%
Waste management	1347	7033	422%
Other	1	0	NA
Revenue	**29009**	**36062**	**24%**
Non-renewables heat and electricity production and management	2564	997	-61%
Renewables-based electricity production	1461	1098	-25%
Energy services	-168	77	-146%
Energy trading	991	887	-10%
Waste management	205	380	85%
Other	-1426	-659	-54%
EBITDA	**3627**	**2780**	**-23%**
EBITDA margin			
Non-renewables heat and electricity production and management	13,8%	5,7%	-8,1%
Renewables-based electricity production	61,9%	53,8%	-8,0%
Energy services	-17,1%	3,9%	21,0%
Energy trading	8,8%	7,7%	-1,1%
Waste management	15,2%	5,4%	-9,8%

Source: ALTEO, MBH Investment Bank

Conclusion

There are no economic and market conditions that would justify a model update. Our one-year target price is HUF 5521; our recommendation is Buy.

		Equity Value Long term growth rate		
		2,7%	3,7%	4,7%
Discount	8,6%	68 748	91 941	126 976
Rate	10,1%	41 240	54 660	73 035
(WACC)	12,1%	18 737	26 236	35 756

		One Year Target Price Long term growth rate		
		2,7%	3,7%	4,7%
Discount	8,6%	4 128	5 521	7 625
Rate	10,1%	2 492	3 303	4 413
(WACC)	12,1%	1 135	1 589	2 165

Source: ALTEO, Bloomberg, MBH Investment Bank

Balance Sheet, million HUF	2026	2027	2028	2029	2030
Non-current assets	83 750	87 469	88 711	91 639	91 308
Property, plant and equipment	*50 250*	*52 481*	*53 226*	*54 984*	*54 785*
Current assets	67 000	69 975	70 969	73 312	73 047
Cash and equivalents	*17 376*	*18 674*	*21 634*	*24 124*	*28 908*
Total assets	**150 750**	**157 444**	**159 679**	**164 951**	**164 355**
Shareholders' equity	51 619	58 953	66 287	73 007	79 515
Retained earnings	*50 587*	*57 185*	*63 635*	*70 087*	*76 334*
Non-current liabilities	40 495	45 310	49 833	54 432	58 608
Long-term debt	*23 892*	*26 733*	*29 401*	*32 115*	*34 578*
Bonds payable	*13 363*	*14 952*	*16 445*	*17 963*	*19 340*
Current liabilities	58 636	53 181	43 560	37 512	26 233
Short-term debt	*5 864*	*5 318*	*8 712*	*7 502*	*5 247*
Total liabilities and equity	**150 750**	**157 444**	**159 679**	**164 951**	**164 355**

Source: ALTEO, Bloomberg, MBH Investment Bank

DCF, million HUF	2026	2027	2028	2029	2030
Revenue	**139 773**	**145 957**	**148 015**	**152 886**	**152 315**
market based, VPP, trading	*86 214*	*87 817*	*87 358*	*89 585*	*86 247*
subsidy	*3 604*	*3 590*	*3 579*	*3 569*	*3 551*
waste management	*45 955*	*50 550*	*53 078*	*55 732*	*58 518*
services	*4 000*	*4 000*	*4 000*	*4 000*	*4 000*
EBITDA	**23 592**	**24 567**	**24 415**	**24 651**	**24 398**
market based, VPP, trading	*17 383*	*17 718*	*17 016*	*16 727*	*16 192*
subsidy	*3 234*	*3 223*	*3 214*	*3 206*	*3 192*
waste management	*4 595*	*5 055*	*5 308*	*5 573*	*5 852*
services	*1 000*	*1 000*	*1 000*	*1 000*	*1 000*
HQ Ebitda	*- 2 621*	*- 2 430*	*- 2 123*	*- 1 855*	*- 1 836*
D&A	**7 829**	**8 072**	**8 288**	**8 523**	**8 780**
Capex	**- 15 046**	**- 13 265**	**- 12 459**	**- 12 671**	**- 11 502**
FCFF	**- 673**	**6 603**	**7 944**	**7 558**	**9 385**

Source: ALTEO, Bloomberg, MBH Investment Bank

Close date of the research: 04 May 2026, 18:00

Disclaimer

Disclaimer 1

This research/commentary was prepared by the assignment of Budapest Stock Exchange Ltd. (registered seat: 1013 Budapest, Krisztina körút 55.; company registration number: 01-10-044764, hereinafter: BSE) under the agreement which was concluded by and between BSE and by MBH Investment Bank co (registered seat: 1117 Budapest, Magyar Tudósok körútja 9.G.sz; company register number: 01-10-041206; business registration no.: III/41.086/2022, EN-III/M-608/2009; authority: Magyar Nemzeti Bank 55 Krisztina krt., 1013-Budapest, continuously: the Bank). This research/commentary was made with the joint, equally proportional financing of the BSE and the company that is the subject of this research/commentary.
The Investment Service Provider's policies and procedures ensure the independence of this research/commentary, and the Investment Service Provider has undertaken not to accept any instructions or additional remuneration from the company involved in the research/commentary.
BSE shall not be liable for the content of this research/commentary, especially for the accuracy and completeness of the information therein and for the forecasts and conclusions; the Service Provider shall be solely liable for these. The Service Provider is entitled to all copyrights regarding this research/commentary however BSE is entitled to use and advertise/spread it but BSE shall not modify its content.
This research/commentary shall not be qualified as investment advice specified in Point 9 Section 4 (2) of Act No. CXXXVIII of 2007 on Investment Firms and Commodity Dealers and on the Regulations Governing their Activities. Furthermore, this document shall not be qualified as an offer or call to tenders for the purchase, sale or hold of the financial instrument(s) concerned by the research/commentary. This research/commentary cannot be deemed as an incentive to enter into contract or covenant.

Disclaimer 2

1.This publication was prepared by MBH Investment Bank Nyrt. (registered seat: 1117 Budapest, Magyar Tudósok körútja 9.G.sz; company register number: 01-10-041206; business registration no.: III/41.086/2022, EN-III/M-608/2009; authority: Magyar Nemzeti Bank 55 Krisztina krt., 1013-Budapest, continuously: the Bank).

2.The findings presented in this document, as an investment analysis, are considered an objective or independent explanation based on Commission delegated regulation (EU) 2017/565, i.e. investment research, and an investment recommendation according to regulation 596/2014/EU of the European Parliament and the Council it counts as. The Bank intends to distribute this document to its customers or the public, or to give access to other persons in such a way that this document may be disclosed to the public.

3.The information contained in this publication does not constitute an offer to buy or sell, nor investment advice, nor does it constitute an incentive, invitation, offer to invest, enter into a contract or make an obligation, nor does it constitute tax advice. The information is not comprehensive, the data contained in the publication are informative. The publication does not constitute investment advice even if any part of the document contains a description of the possible price and yield development of a financial instrument. This document does not consider the unique needs, circumstances and goals of individual investors, so in the absence of a personal recommendation, it does not qualify as investment advice.
The Bank excludes its responsibility for the potential use of the contents of this publication as an investment decision, for specific individual investment decisions, and for the resulting consequences, and therefore does not assume responsibility for any damages or losses that the investor may incur as a result of the decisions made on the basis of the contents of this publication, or in any other connection.

4.The information contained in the publication is based on sources considered to be authentic, however, the Bank has not received a guarantee of the veracity, accuracy, correctness and completeness of the information, therefore neither the authors of the document nor the Bank assumes responsibility for the completeness and accuracy of the information described in the document. The contents and opinions indicated in the publication reflect the professional judgment of the specialists who prepared the publication based on the market conditions existing at the time of the preparation of the publication, which may change without special notice or warning in the event of new information, changes in market conditions and economic conditions. The Bank reserves the right to modify the findings and recommendations contained in this document in the future without prior notice.

5.It is not possible to draw clear and reliable conclusions about future prices, returns, or performance from the past development of prices, yields, and other data. Investors must assess and understand the essence and risks of individual financial instruments and investment services on their own (or with the help of an independent expert). We recommend that investors carefully read the business rules, information, other contractual conditions, announcements, and list of conditions for the given financial instrument and investment service before making a decision to invest, because it is only with knowledge of these documents and information that it can be decided that the investment is in accordance with is it in line with the investor's risk tolerance and investment goals, and also carefully consider the subject of your investment, risks, fees, costs and possible losses and damages resulting from investments! We also recommend that you find out about the tax law and other legislation related to the product and investment, and before making your investment decision, contact our staff or visit your bank advisor!

6. Recommendations

- **Overweight:** A rating of overweight means the stock's return is expected to be above the average return of the overall industry, or the index benchmark over the next 12 months.
- **Underweight:** A rating of underweight means the stock's return is expected to be below the average return of the overall industry, or the index benchmark over the next 12 months.

- **Equal-weight:** A rating of equal-weight means the stock's return is expected to be in line with the average return of the overall industry, or the index benchmark over the next 12 months.
- **Buy:** total return is expected to exceed 10% in the next 12 months.
- **Neutral:** Total return is expected to be in the range of -10 - +10% In the next 12 months.
- **Sell:** Total return is expected to be below -10% in the next 12 months.
- **Under review:** If new information comes to light, which is expected to change the valuation significantly.

7. Change from the prior research
Our first research was published on 15. December 2017. In the Initial Coverage our price target was HUF 823. The changes in fundamental factors and the operation in the Company required regular updates of our model and so the target price. Our one year price target is HUF 5521 which is the same as the previuos PT (05.12.2025).

Prior researches
MBH Bank wrote an initiation report on 15 December 2017. The research is available on the web page of the BSE (Budapest Stock Exchange):
https://bet.hu/pfile/file?path=/site/Magyar/Dokumentumok/Tozsdetagoknak/Tozsdetagok-elemzesei/MKB-Bank-Alteo-initation-report-20171215.pdf
The flash notes are available on the web page of the BSE (Budapest Stock Exchange):
https://bet.hu/Kibocsatok/BET-elemzesek/elemzesek/alteo-elemzesek

8.The Bank is entitled to provide price quotes, other investment services or additional services for the assets included in the publication. The Bank is still entitled in good faith and according to the usual method of market formation to trade, enter into transactions or trade as a market maker in accordance with the usual course of price quotation, as well as to provide other investment activities or additional services, or other financial or additional financial services to the issuer and to other persons.

9.The Bank has a Conflict of Interest Policy for the description of potentially arising conflict of interest situations related to investment service activities and the handling of such situations, as well as internal regulations for the handling and transfer of bank and securities confidential data, which measures are based on the European Commission 2016/958 are considered effective internal organizational and administrative solutions, as well as information limitations, created to prevent and avoid conflicts of interest. The remuneration of the persons participating in the preparation of the analysis is not directly related to the provision of investment service activities defined in Sections A and B of Annex I of EU Directive 2014/65 or to transactions carried out by the Bank or other legal entities belonging to the same financial group, or by the Bank or to the commission received by the company belonging to the same financial group.

10.The issuer of the product/financial instrument covered by this document does not have a share exceeding 5% of the total registered capital of the Bank. The Bank does not act as a liquidity provider with regard to the financial instrument that is the subject of this document. The Bank acts as a market maker with regard to the financial instrument that is the subject of this document. The Bank was not the lead organizer or co-lead organizer of any public issue of the issuer's financial instruments in the previous 12 months. The Bank is not a party to the agreement concluded with the issuer regarding the provision of investment services defined in Sections A and B of Annex I of Directive 2014/65/EU. The Bank does not have a net long or short position exceeding the threshold of 0.5% of the total subscribed capital of the issuer concerned in this document.

11.The Bank has established appropriate internal procedures regarding the personal transactions of (i) financial analysts and other interested persons participating in the preparation of investment-related research; (ii) to ensure the physical separation of financial analysts and other interested persons participating in the preparation of investment analyses; in addition, appropriate information limits were also set (iii) regarding the acceptance of incentives and remuneration.

13.This publication is valid at the time of its publication. The date of preparation of the publication: 18:00 04/05/2026. Analyst: Csaba Debreczeni, Head of Equity Research, MBH Investment Bank, H-1056, Budapest, Váci street 38.

14.The valuation procedures used:

Discounted cash flow valuation

The discounted cash flow valuation is a method of valuing a company (or project, assets, business, etc.) with the time value of the money. The model forecasts the company's free cash flow (free cash flow to firm) and discounts it with the average cost of capital (WACC). The cash flow is simply the cash that is generated by a business and which can be distributed to investors. The free cash flow represents economic value, while accounting metric like net earning doesn't. The WACC represents the required rate of return by the investors. If a business is risky the required rate of return, the WACC will be higher.

Discounted cash flow model (DCF): We analyze the companies using five-year forecast period and set a terminal value based on the entity's long-term growth or on different exit multiples like EV/EBITDA or EV/EBIT. In certain cases the forecast period may differ from five years. In this case the analysts must define the reason for difference. The cash flows are discounted by the company's WACC unless otherwise specified.

In the first step we forecast the company's cash flow. The free cash flow to firm (FCFF) is based on the earnings before interest and taxes (EBIT), the tax rate, depreciation and amortization (D&A), net change in working capital (which is based on the current assets and current liabilities) and the capital expenditures (CAPEX). The model requires a terminal value which can be based on the long-term growth or on an exit multiple like EV/EBITDA, or EV/EBIT. Forecasting the terminal value is a crucial point because in most cases it makes up more than 50% of the net present value.

The discount rate (WACC): The average cost of capital of the company is dependent on the industry, the risk-free rate, tax, the cost of debt and the equity risk premium. The cost of equity is calculated by the CAPM model, where the independent variables are the risk-free rate, the industry specific levered beta, and the equity risk premium. The WACC is dependent on the capital structure, so the forecast of the equity/debt mix is crucial.

At the end we get the enterprise value (EV). The EV is the market capitalization plus the total debt and preferred equity and minority interest, minus the company's cash. In the last step we reduce the EV with the net debt. This figure divided by the shares outstanding we arrive at the target share price.

The discounted cash flow model includes sensitivity analysis which takes the effects of the change in the WACC, the long-term growth or the used exit multiples on which the terminal value is based.

Our target price is based on a 12-month basis, ex-dividend unless stated otherwise.

Peer group valuation: For comparison we use peer group valuation. The analysis based on important indicators and multiples like P/E, EV/EBITDA, EV/EBIT, market capitalization, P/S, EBITDA margin, net debt to EBITDA, EBITDA growth, dividend yield and ROIC. If the industry justifies we may use other multiples. The peer group is compiled according to the companies' main business, with respect to the region (DM or EM market).