ALTEO

One year target price: HUF 5377, BUY

mln HUF	H1 2025	H1 2026	Change (yoy)
Revenue	54526	71988	32%
EBITDA	7927	8442	6%
EBIT	4734	3215	-32%
Net profit	2794	55	-98%
EBITDA margin	14,5%	11,7%	-0,028
EBIT margin	8,7%	4,5%	-0,042
Profit margin	5,1%	0,1%	-0,050

Price (03.08.2026)	HUF 3830	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)	76,3/209	52 week min./max.	HUF 3220–5480

Source: BÉT, Bloomberg

Summary

On 03 August 2026 ALTEO (the "Company") announced financial results for its H1 2026. While the **revenue increased by 32%, EBITDA increased by 6%** year over year.

In the first half of 2026 the Company put into operation approximately 140W electricity storage facility. 20MW of that is connected to the wind power plant of the Company near Bana. 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.

There has also been change in the 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%.

The Aerope Holding Ltd. - which is a 100% subsidiary of the ALTEO, founded in 2021, and acquired by the Company in 2024 – secured a building construction permit to build a 19.95MW wind power plant near Ács. The power plant will use next generation turbines, two of them will have 7MW, and one with 6MW capacity.

After the H1 2026 report we have refreshed our financial forecast, our new one year target price is HUF 5377.

Results by segments

Non-renewables-based heat and electricity production and management: revenue increased by 6% and EBITDA decreased by 29% y-o-y. Due to the **expansion of the scheduling service portfolio the revenue decreased**, but EBITDA decreased because the electricity **balancing service** has become **less favorable in recent months due to the increasing competition, and MAVIR's new tender formats**, so margins are under pressure.

Renewables-based electricity production: revenue decreased by 7% while EBITDA decreased by 9% through Q2 of 2026. **The weaker result is the consequence of the exhaustion of the Pannon wind farm's feed-in tariff system** and during the first half 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. Moreover, the past six months were less windy therefore the wind power plants generated less electricity (flat year over year).

Energy services: revenue increased by 117% 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 397%, and EBITDA increased by 75% 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. In the near future, we anticipate significant margin improvements.

Energy trading: revenue increased by 4% and EBITDA decreased by 36% in the first half of the year. The electricity trading volume increased by 4% while the gas trading volume increased by 8%. The lower EBITDA is due to the one-off energy supplier tax levied retroactively and the unfavorable portfolio effect.

Results by segments

million HUF	H1 2025	H1 2026	Δ
Non-renewables heat and electricity production and management	34636	36797	6%
Renewables-based electricity production	4672	4360	-7%
Energy services	2145	4661	117%
Energy trading	19081	19810	4%
Waste management	2800	13920	397%
Other	32	0	NA
Revenue	**54526**	**71988**	**32%**
Non-renewables heat and electricity production and management	5562	3974	-29%
Renewables-based electricity production	2791	2544	-9%
Energy services	-495	459	193%
Energy trading	1791	1139	-36%
Waste management	489	855	75%
Other	-2211	-528	-76%
EBITDA	**7927**	**8442**	**6%**
EBITDA margin			
Non-renewables heat and electricity production and management	16,1%	10,8%	-5,3%
Renewables-based electricity production	59,7%	58,3%	-1,4%
Energy services	-23,1%	9,8%	32,9%
Energy trading	9,4%	5,7%	-3,6%
Waste management	17,5%	6,1%	-11,3%

Source: ALTEO, MBH Investment Bank

Conclusion

We have updated our forecast to now include the new wind power plants and implemented batteries, and have refreshed all inputs, like discount rates, energy prices forecasts, FX prices etc. Our one-year target price HUF 5377, recommendation is Buy.

Equity Value

		Long term growth rate		
		2,7%	3,7%	4,7%
Discount Rate (WACC)	8,6%	**88 059**	**109 114**	**148 660**
	9,1%	**75 772**	**92 406**	**123 668**
	9,6%	**65 315**	**78 595**	**103 844**

One Year Target Price

		Long term growth rate		
		2,7%	3,7%	4,7%
Discount Rate (WACC)	8,6%	**5 124**	**6 349**	**8 650**
	9,1%	**4 409**	**5 377**	**7 196**
	9,6%	**3 801**	**4 573**	**6 043**

Source: ALTEO, Bloomberg, MBH Investment Bank

Balance Sheet, million HUF	2026	2027	2028	2029	2030	2031
Non-current assets	99 269	112 305	119 631	127 158	135 629	146 076
Property, plant and equipment	*59 561*	*67 383*	*71 779*	*76 295*	*81 378*	*87 646*
Current assets	64 525	72 998	77 760	82 652	88 159	94 949
Cash and equivalents	*18 420*	*17 643*	*16 397*	*20 757*	*26 606*	*26 606*
Total assets	**163 794**	**185 302**	**197 391**	**209 810**	**223 789**	**241 025**
Shareholders' equity	41 911	47 163	53 273	59 366	65 864	64 823
Retained earnings	*41 072*	*45 748*	*51 142*	*56 992*	*63 230*	*62 230*
Non-current liabilities	66 852	72 336	78 085	82 695	87 167	87 167
Long-term debt	*39 443*	*42 678*	*46 070*	*48 790*	*51 428*	*51 428*
Bonds payable	*22 061*	*23 871*	*25 768*	*27 289*	*28 765*	*28 765*
Current liabilities	55 031	65 804	66 033	67 748	70 758	89 036
Short-term debt	*5 503*	*6 580*	*13 207*	*13 550*	*14 152*	*17 807*
Total liabilities and equity	**163 794**	**185 302**	**197 391**	**209 810**	**223 789**	**241 025**

Source: ALTEO, Bloomberg, MBH Investment Bank

DCF, million HUF	2026	2027	2028	2029	2030	2031
Revenue	**141 813**	**140 381**	**149 539**	**158 947**	**169 537**	**182 595**
market based, VPP, trading	*104 284*	*98 392*	*104 104*	*109 723*	*116 144*	*124 617*
subsidy	*3 629*	*3 603*	*3 611*	*3 618*	*3 627*	*3 635*
waste management	*29 900*	*34 385*	*37 824*	*41 606*	*45 766*	*50 343*
services	*4 000*	*4 000*	*4 000*	*4 000*	*4 000*	*4 000*
EBITDA	**20 599**	**21 938**	**24 342**	**25 740**	**26 994**	**28 476**
market based, VPP, trading	*15 643*	*16 435*	*18 437*	*19 271*	*20 197*	*21 326*
subsidy	*3 254*	*3 234*	*3 240*	*3 246*	*3 252*	*3 259*
waste management	*2 990*	*3 439*	*3 782*	*4 161*	*4 577*	*5 034*
services	*1 000*	*1 000*	*1 000*	*1 000*	*1 000*	*1 000*
HQ Ebitda	*- 2 289*	*- 2 170*	*- 2 117*	*- 1 937*	*- 2 032*	*- 2 143*
D&A	**7 508**	**7 749**	**8 357**	**8 615**	**8 899**	**9 211**
Capex	**- 10 260**	**- 15 108**	**- 15 838**	**- 12 700**	**- 12 319**	**- 11 514**
FCFF	**4 516**	**3 776**	**3 490**	**7 728**	**8 967**	**10 625**

PV of FCFF	**24 454**
PV of TV	**125 792**
WACC	**9,11%**
Net Debt	**63 442**

Source: ALTEO, Bloomberg, MBH Investment Bank

Close date of the research: 05 August 2026, 18:00

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- **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 5377 which is 2.6% lower than the previuos PT (07.05.2026).

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):
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13.This publication is valid at the time of its publication. The date of preparation of the publication: 18:00 05/08/2026. 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).