

21. November 2022

Europa | Hungary | Energy

DR. KALLIWODA
RESEARCH GmbH

Comprehensive Update

BUY

Target-Price: 4181 HUF

Industry: Renewable Energies
Country: Hungary
ISIN: HU0000155726
Website: <https://alteo.hu/>

Last price: 2890
High Low
Price 52 W.: 3150,00 1640,00
Market cap. (HUF '000) 57.601.960
Number of shares (thousands) 19.931

Shareholders
Wallis Asset Management Zrt. 61,56%
Flee Float 38,44%

Performance

4 weeks 4,71%
12 weeks -3,67%
52 weeks 76,22%
5 years 362,40%

Dividend

	in HUF	in %
2017	16,00	2,26%
2018	16,00	2,50%
2019	0,00	0,00%
2020	24,00	2,58%
2021	expect 24	

Chart: 12 Months



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ALTEO Nyrt.

Outstanding results in the first 9 months

- ALTEO has managed to keep steering on the course to profitability with strong growth demonstrated in Revenue (116%), after-tax-profit (128%), and EBITDA (68%)
- Rising energy prices, Inflationary pressure, and the conflict situation in Ukraine threaten the company's operations.
- Strong renewables-based energy production and diversified portfolio enables the company to improve its performance.
- On 9/9/2022, ALTEO closed the acquisition of a 75.1% share in FE-GROUP INVEST Zrt., a company active in the treatment and recycling of inorganic waste.
- ALTEO further enhanced the circular economy and made history by becoming the first Hungarian company to be awarded an independent, international ESG certificate.
- In our comprehensive update, we increased our fair value to HUF 4181 per share based on our Discount Cashflow Model (in our last update the fair value was 3802 HUF. Our Rating is still BUY.

Figures

in '000 HUF	2021	2022e	2023e	2024e	2025e	2026e
Net sales	44.249.448	72.126.600	72.834.306	79.468.877	87.415.764	97.916.856
EBITDA	12.879.988	19.545.078	19.819.790	21.205.660	23.284.438	25.569.024
EBIT	8.943.319	15.175.375	15.394.103	16.212.954	17.652.066	19.215.032
Net income	5.857.450	11.750.060	11.529.937	11.853.711	12.734.317	13.667.221
EPS	293.879,42	589.522,90	578.478,88	594.723,26	638.904,93	685.710,52
BVPS	953.733,68	1.001.420,36	1.051.491,38	1.104.065,95	1.159.269,25	1.217.232,71
RoE	30,81%	58,87%	55,02%	53,87%	55,11%	56,33%
EBIT margin	0,92%	0,83%	0,82%	0,75%	0,69%	0,61%
P/E	0,01	0,01	0,01	0,01	0,01	0,01
P/BVPS	0,00x	0,00x	0,00x	0,00x	0,00x	0,00x
EV/EBITDA	8,81x	5,91x	5,92x	5,64x	5,23x	4,85x

Source: Dr. Kalliwoda Research GmbH © 2022 & ALTEAO Nyrt.

Dr. Kalliwoda Research GmbH | Primary Research

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1 Q3/2022 preliminary results

The results demonstrated in Q3 2022 have affirmed ALTEO's strategy and recent successful investment projects. In comparison to other more pro-cyclical sectors, ALTEO's profitability was moderately affected by the pandemic, thanks to the risk management measures taken by the company and the fact that excellent results far outweighed the negative impact of the pandemic. Another impactful event of the first nine months of 2022 was the Russian-Ukrainian conflict and its consequences on the macro-economy and energy markets. ALTEO's profitability has not been adversely affected; however, these circumstances have led to a significant increase in core activity, working capital financing and the intensification of specific risks.

In the first nine months of 2022, the net after-tax profit and the revenue of ALTEO saw a significant rise while recording revenue growth of 116% and a 128% growth in after-tax profit. Consolidated EBITDA increased by 68% year-on-year, primarily because of the remarkable profitability of the virtual power plant controlling heat and electricity generation, which was positively supported by the expansion of gas engine capacities in 2020 and significant growth in energy storage capacities in 2021. The dramatic rise in world prices also positively affected EBITDA expansion, which was attributable to the Energy Production segment and the outstanding, record result of the Retail segment. With its short response time, high flexibility and the sound expertise of its employees, ALTEO has been able to profitably exploit the opportunities opened by current volatility in energy markets and higher price levels. At the same time, this environment full of opportunities also poses financing challenges for ALTEO due to increased requirements regarding working capital, deposits and guarantees. The outstanding profits registered in recent years and the successful investments implemented necessitated the revision of ALTEO's strategic objectives communicated in 2019, and the company published a new strategy on 1/17/2022.

A key element of their new strategy is enhancing the role of circular economy and sustainability in ALTEO's portfolio. On February 2, 2022, ALTEO became the first company in the Hungarian energy sector to obtain an independent, international ESG certificate. New acquisitions further strengthened the company's strategic objectives in the first nine months of 2022. Per their strategy, ALTEO acquired a 100% stake in EDELYN SOLAR Kft. after the reporting period. As a result, ALTEO is expected to start developing a solar power plant with nearly 20MW capacity near Tereske in the first half of 2023. Also, after the reporting period, the company signed a share purchase contract for the acquisition of a share of over 75% in Hungarian-owned FE-GROUP INVEST Zrt., which will lead to significantly higher levels of integration in ALTEO's waste management activity. ALTEO consolidated

FE-GROUP INVEST Zrt. in its statements on October 1, 2022. On October 6, 2022, ALTEO and BC POWER entered a new contract about the long-term operation and maintenance tasks of small-scale gas turbine cogenerated and electricity producing power plant. This action secures partial energy supply for a major industrial company, but also enhances ALTEO's leader position in B2B energy service sector in Hungary.

In the first nine months of 2022, ALTEO repaid its bond packages ALTEO 2022/I and ALTEO 2022/II, in an amount of HUF 2,344 million in total. After a very successful year in 2021, ALTEO's General Meeting decided to pay a record dividend of nearly HUF 2 billion, which they delivered on 6/27/2022. On October 10, 2022, ALTEO claimed a bond scheme to finance its future investment activities. However, on November 3, 2022, ALTEO's management announced that it does not see the need to issue bonds at this time due to its strong financial position. ALTEO has simultaneously launched several employee share ownership programs, with the primary objective of increasing the financial motivation of existing human resources through strengthening the ownership approach to promote the company's profitability.

Notably, ALTEO decided to change its segment classification since Q3 2022. There are 2 main reasons for doing this. Firstly, wind farms and hydropower plants reached the maximum output allocated under their subsidized system in Q3 2022. Secondly, due to the significant rise in electricity price, the profit of power plants would incredibly distort the comparability of capacity of the various segments to generate profit. Therefore, ALTEO changes its segments as follows. For segment "electricity production (within the subsidized system)" in previous reports, it changed to "Renewables-based electricity production", which includes the profit/loss of ALTEO-owned power plants generating energy from renewable energy sources such as solar, wind, hydropower, and landfill gas. For segment "heat and electricity production (market rate, non-subsidized)", it changed to "non-renewables-based heat and electricity production and management", which includes the profit/loss of ALTEO-owned power plants producing fossil-based energy, energy storage facilities, power plant producing heat from electricity, and complex service provided.

Based on the segment classification given above, we make further analysis on each segment's financial situation.

Heat and electricity production (non-renewable) and trade

<i>data in HUF million</i>	9.30.2022	9.30.2021	Change HUF million	Change %
	non-audited	comparison**	over previous year	over previous year
Revenue	46 449	15 219	31 231	205%
Capitalized own production	94	62	32	52%
Material expenses	(29 828)	(6 975)	(22 853)	328%
Personnel expenses	(1 050)	(638)	(412)	65%
Other revenues and Other expenses	(2 535)	(934)	(1 601)	172%
EBITDA*	13 130	6 733	6 396	95%
Allocated administrative expenses	(551)	(339)	(212)	63%
EBITDA II*	12 579	6 394	6 185	97%

*EBITDA: In the opinion of the Company's management, this is the profit category that can most reliably be used to measure the profitability of the Group (a profit category from which financial items, taxes, depreciation, and non-systematic reductions – typically impairments – have been removed).

The revenue rose sharply due to the increase in electricity market price, with 205%(HUF 31.2 billion) change compared with previous year. Although material expenses and other expenditures increased, causing by the increase cost of gas price and CO2 quota price, the EBITDA II still increased by 97%(HUF 6.2 billion)

Electricity production (renewable)

<i>data in HUF million</i>	9.30.2022	9.30.2021	Change HUF million	Change %
	non-audited	comparison**	over previous year	over previous year
Revenue	4 275	3 734	541	14%
Capitalized own production	-	-	-	n.a.
Material expenses	(652)	(481)	(171)	36%
Personnel expenses	(158)	(138)	(20)	14%
Other revenues and Other expenses	(181)	14	(195)	(1 401%)
EBITDA*	3 283	3 128	155	5%
Allocated administrative expenses	(142)	(67)	(75)	112%
EBITDA II*	3 141	3 061	80	3%

*EBITDA: In the opinion of the Company's management, this is the profit category that can most reliably be used to measure the profitability of the Group (a profit category from which financial items, taxes, depreciation, and non-systematic reductions – typically impairments – have been removed).

The revenue of renewables-based energy production rose by 14%(HUF 541 million)compared to the previous period. However, the profit was diminished by the increase of scheduling costs . As the result, EBITDA of the segment increase by 3%(HUF 80 million)

Energy services

<i>data in HUF million</i>	9.30.2022 non-audited	9.30.2021 comparison**	Change HUF million over previous year	Change % over previous year
Revenue	3 098	2 364	734	31%
Capitalized own production	150	104	46	44%
Material expenses	(1 413)	(872)	(541)	62%
Personnel expenses	(1 375)	(1 032)	(343)	33%
Other revenues and Other expenses	0	48	(47)	(99%)
EBITDA*	460	611	(151)	(25%)
Allocated administrative expenses	(604)	(521)	(83)	16%
EBITDA II*	(144)	91	(234)	(258%)

*EBITDA: In the opinion of the Company's management, this is the profit category that can most reliably be used to measure the profitability of the Group (a profit category from which financial items, taxes, depreciation, and non-systematic reductions – typically impairments – have been removed).

The EBITDA decreased by 25%(HUF 151 million) compared to last year's revenue. For allocated administrative expense, it increased to HUF 604 million due to the launch and ramping-up of new business lines such as E-mobility and Waste Management. Therefore, the EBITDA II decreased by 234 HUF million.

Retail energy trade

<i>data in HUF million</i>	9.30.2022 non-audited	9.30.2021 comparison**	Change HUF million over previous year	Change % over previous year
Revenue	18 971	10 295	8 676	84%
Capitalized own production	-	-	-	n.a.
Material expenses	(17 153)	(9 335)	(7 817)	84%
Personnel expenses	(127)	(86)	(41)	47%
Other revenues and Other expenses	(73)	(13)	(60)	446%
EBITDA*	1 618	860	758	88%
Allocated administrative expenses	(98)	(97)	(1)	1%
EBITDA II*	1 520	763	757	99%

*EBITDA: In the opinion of the Company's management, this is the profit category that can most reliably be used to measure the profitability of the Group (a profit category from which financial items, taxes, depreciation, and non-systematic reductions – typically impairments – have been removed).

The dynamic revenue growth, with 84% (HUF 8.7 billion) compared to the period of last year, is due to the rise of energy price over this time. However, this effect is mitigated by the higher risk. ALTEO cleared up its portfolio and ended contracts with low margin and high risk clients. For electricity trade, the margin increased HUF 733 million compared to the period of last year. For gas business, it also increased by HUF 153 million due to the drop of gas supply.

Other segments

<i>data in HUF million</i>	9.30.2022 non-audited	9.30.2021 comparison**	Change HUF million over previous year	Change % over previous year
Revenue	0	1	(0)	(71%)
Capitalized own production	-	-	-	n.a.
Material expenses	(213)	(161)	(52)	32%
Personnel expenses	(522)	(451)	(71)	16%
Other revenues and Other expenses	(25)	(1)	(24)	2 800%
EBITDA*	(759)	(612)	(147)	24%

*EBITDA: In the opinion of the Company's management, this is the profit category that can most reliably be used to measure the profitability of the Group (a profit category from which financial items, taxes, depreciation, and non-systematic reductions - typically impairments - have been removed).

This segment mainly shows the costs related to the stock exchange and strategic growth for the whole group. The EBITDA decreased by 24%(HUF 147 million) due to the support to the war in Ukraine and company's growth strategy.

2 Equity Story

ALTEO is a safe, efficient and sustainable energy producer, oriented towards mainly commercial customers. With a market capitalization of HUF 59.4 bn, ALTEO has expanded largely through mergers and acquisitions, which is a faster corporate growth, see an EBITDA increase of 133.7% from 2020 to 2021. The strategy is now changing to increase the expansion of capital expenditures. Ventures such as Waste Management and E-Mobility, for which separate companies were founded, complement the ESG character of ALTEO. The Group is the first, energy company in Hungary to implement an independent ESG rating from Sustainalytics¹.

2.1 ESG-Rating

ALTEO Energiaszolgáltató Nyrt. is the first company in the Hungarian energy sector that obtained an international ESG certificate. ALTEO was rated with a lower ESG risk than the industry average receiving an ESG rating of 30.8 pts. on a 0-50 risk scale (Sustainalytics). ALTEO thereby is the first Hungarian energy company achieving a lower risk level than the global average in the energy producing and trading sector. Even though the analysis puts ALTEO at a high risk, the rating also considers that the company has a comprehensive risk response as well as a strong risk management. It has introduced robust ESG programs, practices and policies in order to effectively control and mitigate existing risks. All ESG themes received a low, medium or negligible risk rating with the exception of carbon emissions arising from ALTEO's natural gas power plants. "Last year we

¹ <https://www.sustainalytics.com/esg-rating/alteo-energiaszolg-ltat-nyrt/2003159536>

announced our intention to continue as a certified company under the ESG approach as soon as possible. As a listed company, transparency is a fundamental principle for us, and as a new generation energy provider, we want to set an example to all energy market players. We are proud to be the first company in Hungary in the energy sector, not including oil and gas industry, to obtain ESG certification (moreover, by the deadline we have set for ourselves), and we are hoping that this will gradually become a market expectation in the Hungarian large corporate sector as well. ” – Attila Chikán Jr. (ALTEO CEO).

"Since our establishment in 2008, sustainability has accompanied us in all our business decisions, and the ESG certification provides us with the reference points that form the basis of a comprehensive ESG strategy covering all areas of sustainability,"

- Anita Simon, (ALTEO Deputy CEO for Sustainability and Circular Economy).

According to her, the analysis covers all sector-specific risks and clarifies what measures can be taken to mitigate these risks.

2.2 Business Model

ALTEO can be classified as a sustainable company. This offers significant market potential, as ALTEO is able to penetrate markets that contribute to the value of the company and thus to the value of the shareholder, as well as being supported by subsidiaries.

According to ALTEO, in addition to extensive expertise in the use of alternative and renewable energy sources, it uses highly efficient natural gas fueled cogeneration systems. The cogeneration plants help to balance the volatile production of renewables.

ALTEO provides support to business partners by being able to design efficient energy management to enable the minimisation of energy costs as well as cutting environmental impact. This ensures the optimal use of renewable energy.

- **The self-declared goal of the ALTEO Group is to become a pace-setting energy service provider, providing sustainable energy for its customers. The ambition to secure optimal returns for shareholders is to be achieved through energy trading, decentralised energy generation and efficient energy management. ALTEO's business model is based on the belief in ecologically sustainable management, which is reflected in the expansion and use of renewable energy sources. This core competence is integrated into the product range in such a way that it has an impact on business partners and investors.**

3 SWOT-Analysis

Strengths

Team: ALTEO Nyrt. employs a qualified workforce, coupled with a highly competent management with a lot of experience in the relevant industries. The good prospects of the market will contribute to a stronger entrepreneurship.

Investment in (technology): Projects as the Virtual Power Plant (“VPP”), leads to growth improvements, through innovative technologies. The competitiveness increases strongly.

Pricing & Know-How: Compared to conventional energy prices, ALTEO's products and solutions are competitive. The Green Premium is striving towards zero. In the medium term, this should attract even more commercial customers as more and more attention is paid to sustainability.

Reputation: ALTEO stands for sustainable and reliable energy supplier. This reputation, of a reliable partner, coupled with sustainability, strengthens the company's market position

Business Model: Through appropriate contracts with its commercial customers, ALTEO generates recurring revenue that is more predictable and not subject to complicated contracts, and the threat of penalties, as is the case with energy buyers.

Weaknesses

- **Climate dependence:** Although ALTEO invests in balancing energies, they are still dependent on climate change. From this uncertainty, of the climate change, ALTEO is under possible endangerment.
- **High investment plans:** Burdens the balance sheet for the coming years. Cash flow generation is required. (Relative CAPEX intensive)
- **Economic condition:** ALTEO's only market is Hungary, thus depends on the economy of Hungary. None strive, as of now, to diversify.

Chances, Opportunities

- **Innovative own technology (“VPP” & ARTEMIS programm):** Technology for control and planning of power plants, which is currently being developed. It enables ALTEO to achieve a higher market share in service (O&M) segment. Furthermore, ALTEO's applications, leads to increased in efficiency at other companies, as well as in its own facilities.
- **Clean Energy for all Europeans (CEP):** SEMC² can be integrated into the EU inland energy trade in order to keep sustainable electricity broadly available for the EU market. -> New markets
- **Innovative technology (market progression):** New knowledge in sustainable power production, could be a great growth driver.
- **Growing markets:** The markets are becoming more sustainable, which means that the demand for sustainability is increasing. In the same course, the demand for balancing energy is also growing.

Risks

- **Competition (Prosumers):** High growth rates of home solar installations. Customers are becoming self-sufficient. They use similar functionalities for this, but on a smaller scale.
- **Climate change:** The Risk of global warming, causes the elements change the attributes. Global warming, could also decrease heat demand, which concludes a decrease in demand -> Market loss.
- **Russian-Ukrainian war:** The conflict situation in Ukraine continue to threaten the markets in the surrounding countries in Eastern Europe including ALTEO's primary market, Hungary.
- **Inflation and rising energy costs:** Energy price volatility, coupled with inflation still threatens ALTEO's operations, while also increasing working capital financing needs.

² Southern and Eastern Mediterranean Countries

4 Risk and Opportunities / markets

4.1 Risk

One risk could be the introduction of special taxed, on the regulatory level, which would not be beneficial for the ALTEO Group. More tax on electricity would decrease the consumption or will lead to a more difficult production. This case is not likely to occur, other than changing operability of weather dependent power plants. The Risk of global warming, causes the elements change the attributes, such as water yield of rivers may drop, outages due to extreme weather. Result would be decreasing sales revenue, as well as increasing cost. Global warming, could also decrease heat demand, due to warmer weather consumers have to heat less, which concludes a decrease in demand -> Market loss.

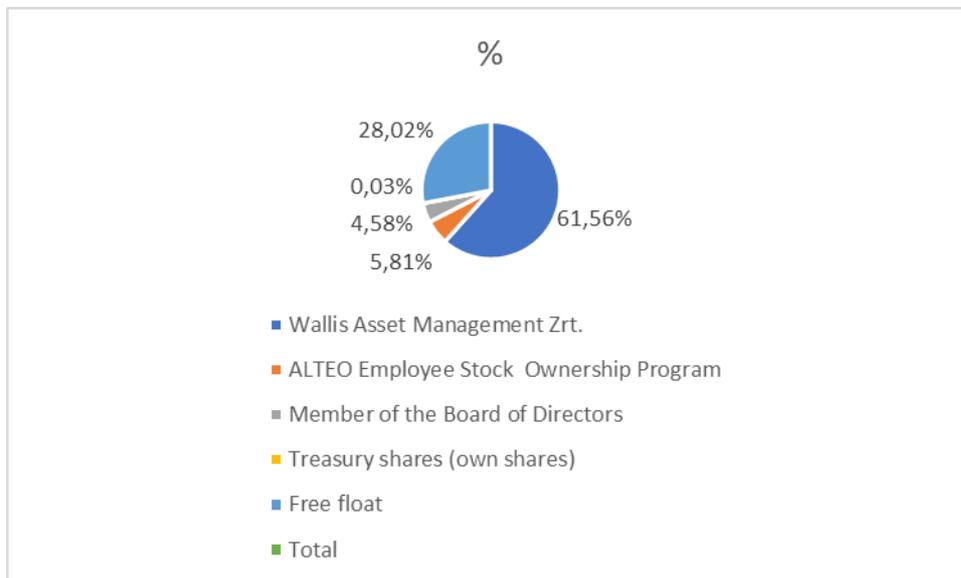
4.2 Opportunities

Growing demand for balancing energy, is a huge opportunity for the ALTEO Group. With the increase in peak demand due to warmer summer weather and weather-dependent renewable generation, balancing power is becoming more important because it is independent. Thus, even if the weather conditions are not conducive to the weather-dependent plants, electricity is still available to the consumer. Resolving this problem, ALTEO's approach is to increase the installed capacity of ALTEO's Virtual Power Plant as well as developing a balancing energy sales strategy linked to scheduling. A change in consumer needs, a shift towards a sustainable consciousness, could be a huge opportunity for ALTEO due to increasing demand of green energy.

As a result of the price premium, sales revenue could be increased. Also related to change in consumer needs, is the opportunity of a growing market for energy efficiency investments. ALTEO handles this opportunity through market research. A growth factor could also be the changing demands due to electric mobility, which results in growing electricity demand. Regulation could even enhance the expansion of the asset inventory on ALTEO's hand. Therefore, ALTEO's has to develop products to serve this market as well as doing market research. ALTEO's goal is to minimize the costs and losses caused by climate change and its risks. In addition, ALTEO's guiding principle is to increase profitability by exploiting opportunities.

5 Shareholder Structure

Type of owner	number of shares	%
Wallis Asset Management Zrt.	12.269.164	61,56%
ALTEO Employee Stock Ownership Program	1.158.263	5,81%
Member of the Board of Directors	913.102	4,58%
Treasury shares (own shares)	6.220	0,03%
Free float	5.584.725	28,02%
Total	19.931.474	100,00%



6 Valuation

For the valuation of ALTEO Nyrt., we use a traditional DCF model, from which a 12-month price target for the share of HUF 4181 is derived. Compared to the current market level, this corresponds to an upside of around 44.7%

Discounted Cash Flow Model (2022), calculated on 21 November 2022

in'000 HUF	2021	2022E	2023E	2024E	2025e	2026e	2027e
Net sales	44.249.448,00	72.126.600,24	72.834.306,44	79.468.876,73	87.415.764,40	97.916.855,84	107.833.992,50
(y-o-y change)	34,2%	63,0%	1,0%	9,1%	10,0%	12,0%	10,1%
EBIT	8.943.319,00	15.175.375,04	15.394.102,56	16.212.954,03	17.652.066,06	19.215.032,46	19.048.891,51
EBIT margin	20,2%	21,0%	21,1%	20,4%	20,2%	19,6%	17,7%
NOPLAT	7.728.501,00	13.826.927,06	13.872.891,42	14.496.845,32	15.716.089,50	17.031.018,59	16.585.061,78
+ Depreciation	3.936.669,00	4.369.702,59	4.425.687,22	4.992.706,27	5.632.371,79	6.353.991,27	7.168.064,63
= Net operating cash flow	11.665.170,00	18.196.629,65	18.298.578,64	19.489.551,59	21.348.461,30	23.385.009,86	23.753.126,41
- Total investments (Capex and WC)	3.624.645,22	10.827.988,20	12.215.270,05	12.697.263,85	13.227.134,96	13.810.839,65	14.455.095,01
Capital expenditure	8.504.828,78	10.827.988,20	12.215.270,05	12.697.263,85	13.227.134,96	13.810.839,65	14.455.095,01
= Free Cash Flow (FCF)	8.040.524,78	7.368.641,45	6.083.308,59	6.792.287,74	8.121.326,33	9.574.170,21	9.298.031,40
PV of FCFs	7.278.663,95	7.368.641,45	5.506.899,13	5.566.095,11	6.024.607,85	6.429.396,94	5.652.328,29
Terminal Value		78.613.019,96		72.464.138,10	86.643.106,86		99.196.891,77
PV of FCFs in explicit period		36.547.968,76					
PV of terminal period		60.302.377,24					
Implied Enterprise value (EV)		96.850.346,00					
- Net debt		21.408.636,75		4,00			
+ Investments / - Minorities		0,20					
Shareholder value		75.441.709,45					
Number of shares outstanding (thousands)		19.931,47		19.386,27			
WACC		10,47%					
Equity costs		21,4%					
Debt costs before tax		6,0%					
Tax rate		9,0%					
Debt costs after tax		5,5%					
Equity ratio		31,3%					
Debt ratio		68,7%					
Fair value per share in HUF today		3.785,05					
Fair value per share in HUF in 12 months		4.181,24					

Source: Dr. Kalliwoda Research GmbH © 2022

WACC assumptions

Growth assumptions

Long-term growth rate	1.0%
Assimilation phase (from 2022)	
Sales growth at the beginning	

Equity

Risk-free rate	7.00%
Equity risk premium	8.00%
Beta	1.80
Equity costs	21.40%

Debt costs (before tax)	6.03%
Tax rate on interest	9.00%
Debt costs (after tax)	5.49%

Equity	31.286%
Debt	69%
Gearing	
WACC	10.47%

Source: Dr. Kalliwoda Research GmbH © 2022

7 Profit and Loss statement

Profit and Loss Statement - Alteo Nyrt.

all figures in '000 HUF unless otherwise indicated

	2019	2020	2021	2022E	2023E	2024E	2025E	2026e	2027e
Revenues	25.573.350	32.981.301	44.249.448	72.126.600	72.834.306	79.468.877	87.415.764	97.916.856	107.833.992
Material expenses	-18.284.265	-23.072.429	-25.624.444	-44.842.777	-44.893.365	-49.298.667	-54.291.695	-61.247.547	-69.094.582
Personnel expenses	-3.078.261	-3.770.040	-4.192.237	-5.282.219	-5.349.894	-5.838.239	-6.312.778	-7.121.571	-8.033.987
Depreciation and amortization	-2.045.752	-2.858.523	-3.936.669	-4.369.703	-4.425.687	-4.992.706	-5.632.372	-6.353.991	-7.168.065
Other revenues, expenses, net	-804.281	-1.228.018	-1.795.605	-2.531.803	-2.856.178	-3.222.111	-3.634.928	-4.100.635	-4.626.008
Capitalised own production	292.494	512.226	242.826	75.276	84.920	95.800	108.074	121.921	137.541
Operating profit or loss	1.653.285	2.564.517	8.943.319	15.175.375	15.394.103	16.212.954	17.652.066	19.215.032	19.048.892
Other revenues, expenses, net -2	31.801	0	0	0	0	0	0	0	0
Other revenues, expenses, net -1	48.342	89.051	0	0	0	0	0	0	0
EBIT	1.733.428	2.653.568	8.943.319	15.175.375	15.394.103	16.212.954	17.652.066	19.215.032	19.048.892
Finance income	271.602	479.576	384.928	427.270	482.012	543.767	613.435	692.028	780.691
Financial expenses	-1.215.422	-1.569.892	-2.255.979	-2.504.137	-2.824.967	-3.186.901	-3.595.207	-4.055.825	-4.575.457
Net finance income	943.820	-1.090.316	-1.871.051	-2.076.867	-2.342.955	-2.643.134	-2.981.772	-3.363.797	-3.794.767
Profit or loss before taxes (EBT)	709.465	1.474.201	7.072.268	13.098.508	13.051.148	13.569.820	14.670.294	15.851.235	15.254.125
Income tax expenditures	-435.834	-883.660	-1.214.818	-1.348.448	-1.521.211	-1.716.109	-1.935.977	-2.184.014	-2.463.830
Net profit or loss	273.631	590.541	5.857.450	11.750.060	11.529.937	11.853.711	12.734.317	13.667.221	12.790.295
From which the owners of Par	270.717	586.663	5.855.184	6.499.254	7.331.939	8.271.307	9.331.026	10.526.518	11.875.175
Of which the minority interest	2.914	3.878	2.266	2.515	2.838	3.201	3.611	4.074	4.596
Base value of earnings per share	15,02	31	310	344	388	438	494	557	629
Diluted value of earnings per sh:	14,41	30	302	332	375	423	477	538	607
EBITDA	3.779.180	5.512.091	12.879.988	19.545.078	19.819.790	21.205.660	23.284.438	25.569.024	26.216.956

Source: Dr. Kalliwoda Research GmbH © 2022

8 Balance sheet

Balance Sheet - Alteo Nyrt.

all figures in '000 HUF unless otherwise indicated

	2019	2020	2021	2022E	2023e	2024e	2025e	2026e
ASSETS								
Fixed Assets	24,194,661	31,065,255	31,370,772	33,035,635	34,687,417	36,421,788	38,242,877	40,155,021
<i>Tangible Assets</i>	0	0	0	0	0	0	0	0
Power plants and power generating properties, p	17,711,707	25,435,923	25,738,088	27,024,992	28,376,242	29,795,054	31,284,807	32,849,047
Other property, plant and equipment (Technical	73,105	87,369	91,737	96,324	101,141	106,198	111,507	117,083
<i>Intangible Assets</i>	0	0	0	0	0	0	0	0
Other intangible assets (Capitalized start-up and	3,492,357	3,037,269	2,516,820	2,642,661	2,774,794	2,913,534	3,059,210	3,212,171
Operation contract assets	1,407,741	1,212,987	1,052,216	1,104,827	1,160,068	1,218,072	1,278,975	1,342,924
Right to use (Intellectual Property)	924,768	1,063,615	1,766,502	1,854,827	1,947,568	2,044,947	2,147,194	2,254,554
Long-term lease assets	104,376	0	0	0	0	0	0	0
Deferred tax assets	286,856	132,811	71,395	74,965	78,713	82,649	86,781	91,120
Other long-term loans (given)	193,651	95,181	225,651	236,934	248,780	261,219	274,280	287,994
Long-term participations in associate (In affili:	100	100	100	105	110	116	122	128
Current Assets	13,379,846	13,819,105	29,389,976	40,312,863	42,328,506	44,444,931	46,667,178	49,000,536
Inventories	233,165	442,622	1,076,779	1,130,618	1,187,149	1,246,506	1,308,832	1,374,273
Trade receivables	2,919,836	3,263,224	4,425,345	14,100,000	14,805,000	15,545,250	16,322,513	17,138,638
Short-term lease assets	160,814	128,949	0	0	0	0	0	0
Emission allowances	342,100	843,488	2,395,525	2,515,301	2,641,066	2,773,120	2,911,776	3,057,364
Other financial assets	360,987	1,795,982	8,627,136	9,058,493	9,511,417	9,986,988	10,486,338	11,010,655
Other Receivables and accruals	4,396,596	3,796,983	9,155,718	9,613,504	10,094,179	10,598,888	11,128,832	11,685,274
Income tax receivables	118,677	92,812	30,220	31,731	33,318	34,983	36,733	38,569
Cash and equivalents	4,847,671	3,455,045	3,679,253	3,863,216	4,056,376	4,259,195	4,472,155	4,695,763
<i>Prepaid Expenses and Accrued Income</i>	0	0	0	0	0	0	0	0
TOTAL ASSETS	37,574,507	44,884,360	60,760,748	73,348,497	77,015,922	80,866,718	84,910,054	89,155,557
	0	0	0	0	0	0	0	0
Shareholders' Equity	5,749,884	8,547,657	19,009,318	19,959,784	20,957,773	22,005,662	23,105,945	24,261,242
Issued Capital	232,948	232,972	242,235	254,347	267,064	280,417	294,438	309,160
Share premium	5,056,207	4,962,084	5,375,369	5,644,137	5,926,344	6,222,662	6,533,795	6,860,484
Transactions with owners	-192,534	0	0	0	0	0	0	0
Share-based payments reserve	68,398	62,819	-206,875	-217,219	-228,080	-239,484	-251,458	-264,031
Hedge reserve	-1,713,432	399,801	5,306,431	5,571,753	5,850,340	6,142,857	6,450,000	6,772,500
Conversion reserve	-1,059	0	0	0	0	0	0	0
Retained earnings	2,303,282	2,882,216	8,282,127	8,696,233	9,131,045	9,587,597	10,066,977	10,570,326
Non-controlling interest	-3,926	7,765	10,031	10,533	11,059	11,612	12,193	12,802
Provisions	0	0	0	0	0	0	0	1
Liabilities	31,824,623	36,336,703	41,751,430	43,839,002	46,030,952	48,332,499	50,749,124	53,286,580
Long Term Liabilities	21,758,606	27,905,833	24,490,928	25,715,474	27,001,248	28,351,311	29,768,876	31,257,320
Debts on the issue of bonds (Bond for Growth)	10,909,019	14,889,000	12,658,274	13,291,188	13,955,747	14,653,534	15,386,211	16,155,522
Long-term loans and borrowings (Long Term l	7,056,264	8,411,397	6,583,098	6,912,253	7,257,866	7,620,759	8,001,797	8,401,887
Financial lease liabilities (Other Long-Term L	917,122	1,047,406	1,687,704	1,772,089	1,860,694	1,953,728	2,051,415	2,153,985
Deferred tax liabilities (Financial Leases)	599,716	866,550	1,487,761	1,562,149	1,640,257	1,722,269	1,808,383	1,898,802
Provisions	568,680	850,493	944,136	991,343	1,040,910	1,092,955	1,147,603	1,204,983
Deferred income	535,674	436,864	593,865	623,558	654,736	687,473	721,847	757,939
Other long-term liabilities	1,172,131	1,404,123	536,090	562,895	591,039	620,591	651,621	684,202
Short Term Liabilities	10,066,017	8,430,870	17,260,502	18,123,527	19,029,703	19,981,189	20,980,248	22,029,260
short term loans			0	9,549,712	10,027,198	10,528,558	11,054,985	11,607,735
Short-term bond payables	2,215,114	0	2,312,138	2,566,473	2,895,290	3,266,234	3,684,704	4,156,788
Short-term loans and borrowings	463,165	929,693	419,778	465,954	525,652	592,998	668,973	754,682
Short-term finance lease liabilities	108,555	154,912	237,744	263,896	297,706	335,848	378,877	427,419
Advance payments received	497,963	46,500	8,989	9,978	11,256	12,698	14,325	16,161
Trade payable	1,963,934	2,308,413	4,546,498	5,046,613	5,693,185	6,422,596	7,245,459	8,173,747
Other financial liabilities	1,104,369	189,130	0	0	0	0	0	0
Other short term liabilities	3,654,710	4,522,992	9,328,196	10,354,298	11,680,890	13,177,446	14,865,740	16,770,339
Income tax liabilities	58,207	279,230	407,159	451,946	509,850	575,172	648,863	731,995
Passive Accruals	0	0	0	0	0	0	0	0
TOTAL LIABILITIES & EQUITY	37,574,507	44,884,360	60,760,748	73,348,497	77,015,922	80,866,718	84,910,054	89,155,557

Source: Dr. Kalliwoda Research GmbH © 2022

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-1	The company negatively contributes to the goal.
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