Metlen Energy & Metals

2026 shaping up well

Metlen has resumed its trajectory in 2026. After FY25 results that were in line with revised expectations, Q126 results in May showed a strong start to the year, with FY26 EBITDA guidance of €1.0–1.15bn promptly following on 21 May. Strong H126 results on 6 August that reflected solid momentum across the three divisions saw FY26 guidance reiterated despite management acknowledging it as conservative. Medium-term EBITDA guidance was also confirmed. Catalysts ahead include the proposed demerger of Metlen's concessions and PPP activities, a potential IPO of Metka (Infrastructure) and successful execution across all divisions, including growth from critical (gallium) and rare metals, and defence equipment. Our unchanged 50/50 SOTP/DCF valuation approach results in an indicative value of €75.3/share, implying upside of c 60%.

Year end	EBITDA (€m)	Net income (€m)	EPS (€)	DPS (€)	P/E (x)	Yield (%)
12/24e	1,080.1	620.1	4.50	1.53	10.5	3.3
12/25e	752.9	315.1	2.20	1.00	21.3	2.1
12/26e	1,092.5	596.9	4.19	1.47	11.2	3.1
12/27e	1,296.0	743.1	5.22	2.09	9.0	4.4

Note: EPS is normalised. DPS is final distributed dividend per share.

FY26 guidance looks achievable

Metlen's FY25 results were in line with the revised guidance issued on 6 February, and Q126 results on 7 May showed that Metlen had a strong start to the year. At the AGM on 21 May, management provided FY26 EBITDA guidance of €1.0–1.15bn, which it acknowledged on the H126 call appeared conservative against the strong H126 results, including EBITDA of €550m, up 23% y-o-y, and group revenue of €3.99bn, up 11% y-o-y.

Medium-term guidance with catalysts

Medium-term EBITDA guidance of €1.9–2.08bn originally given at the April 2025 capital markets day (CMD) has been consistently reiterated by management. Growth drivers include continued market share gains in retail electricity and gas supply; expansion of critical and rare metals activities (Metlen has already sold 25% of its expected gallium capacity at what it sees as healthy price levels); progress in circular metals, where pilot plant results have exceeded management expectations; growth in defence, where management has suggested FY27 EBITDA should be c €85m; and margin improvement in the aluminium value chain due to production hedged at progressively higher prices. We expect successful execution along with the proposed demerger of Metlen's concessions and PPP activities and a potential IPO of Metka to be positive catalysts for the share price, with the structural changes simplifying Metlen and improving its focus on metals and energy.

Valuation: 50/50 DCF/SOTP approach suggests €75.3

We assume Metlen continues to make progress towards its medium-term guidance. Our unchanged 50/50 DCF/SOTP approach (Exhibits 9 and 10) results in an indicative valuation of €75.3 per share, implying upside of c 60%. Risks include execution, project evolution and capacity expansion.

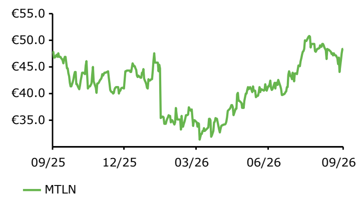
Company update

Industrials

23 September 2026

Price	**€47.00**
Market cap	**€6,888m**
Net cash/(debt) FY26e, ex non-recourse	€(1,445.0)m
Shares in issue	142.3m
Free float	78.5%
Code	MTLN
Primary exchange	LSE
Secondary exchange	ATHENS

Share price performance



%	1m	3m	12m
Abs	(0.3)	18.2	(2.7)
52-week high/low		€55.0	€29.8

Business description

Metlen Energy & Metals (previously Mytilineos) is a global industrial and energy company, operating in two main business segments: energy and metallurgy. Metlen is strategically positioned at the forefront of the energy transition as an integrated utility, while also having a successful, fully vertically integrated green metallurgy business. Metlen's strengths come from its synergies across the entire business, aiding the company's objective of becoming a global leader.

Next events

9m trading update	5 November 2026

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Edison profile page

Metlen Energy & Metals is a research client of Edison Investment Research Limited

Metlen at a glance

Metlen Energy & Metals is a dual-listed UK top 100 company spanning international industrial and energy activities. The company holds a leading position in the metals and energy sectors, focused on sustainable growth and the circular economy. Metlen has established itself as a benchmark in competitive 'green' metallurgy at both a European and a global level, operating the only fully integrated bauxite, alumina and primary aluminium production unit in the EU, with privately owned port facilities. In the Energy division, Metlen provides integrated energy solutions through the implementation of thermal and renewable power-generation projects, electricity distribution and trading, as well as investments in network infrastructure, battery storage and other green technologies. Infrastructure and Concessions is the smallest division. Metlen operates across five continents and in more than 40 countries, employing over 8,500 people worldwide, and is implementing a fully synergistic model across its divisions.

The group has a strong track record of EBITDA generation, with 2024's peak of €1,080m a roughly fourfold increase from the €254m achieved in 2014. In 2025, the group announced a medium-term EBITDA target of €1,900–2,080m for 2028–30. While 2025 EBITDA was affected by project losses, the company has resumed its trajectory towards this target in FY26. Metlen cites growth drivers including a global shortage of aluminium, the expansion of green energy and data centres, increased defence spending, raw material self-sufficiency, metal circularity and infrastructure investment in Greece. While the announcement of project losses in February 2026 temporarily affected the shares, they have since recovered, supported by FY26 guidance for EBITDA of €1.00–1.15bn introduced in May and reiterated at the H126 results in August, together with Metlen's medium-term guidance. We believe Metlen's quick return to its trajectory highlights the resilience of the business and decisive management action. Strong H126 results provide clear evidence that execution is back on track, with €550m EBITDA in H126 making the FY26 guidance appear conservative and well within reach. Future catalysts include continued execution and the announced intention to spin off its concessions and public-private partnership (PPP) activities via a demerger. On the H126 results call, management described a potential IPO of Metka (infrastructure) in H226 as a strong possibility.

Valuation: 50/50 DCF/SOTP approach

Our 50/50 discounted cash flow (DCF)/sum-of-the-parts (SOTP) valuation approach is unchanged. We believe this approach is balanced as the SOTP captures the value of the business today but struggles to capture both the medium-term growth and the shift Metlen expects in its business mix, while our DCF includes 2030 EBITDA of c €2.1bn, implying successful execution. Our faith in execution is supported by factors including management's track record and reiterated guidance. The result is a suggested valuation of €75.3 per share, which implies upside of c 60%.

2026: The story so far

FY25 results were in line with market expectations

Metlen's FY25 results were in line with the revised guidance issued on 6 February. Group revenues of €7.1bn (+25% y-o-y) were c 2.5% below consensus, with EBITDA of €753m (down 30% y-o-y) 1% above the €749m consensus. While the core business continues to demonstrate robust growth momentum, group EBITDA was affected by previously flagged project execution losses related to the Protos energy-from-waste plant in the UK.

Q126 saw a strong start to the year, medium-term guidance reiterated

Q126 results on 7 May showed that Metlen had a strong start to the year, reflecting solid momentum across the Energy, Metals and Infrastructure divisions, alongside the continued execution of its strategic investment programme. The company remained firmly committed to its medium-term EBITDA guidance of €1.92–2.08bn (Exhibit 1), and described the medium term as 2028–30 on the FY25 results call (9 April 2026).

Exhibit 1: Metlen's medium-term EBITDA targets

Metlen Group			Medium-term EBITDA €m	% total
M Energy		~	1,110	53%
	Integrated Utility	~	590	28%
	Energy Transition Platform	~	520	25%
M Metals		~	820	39%
	Integrated Aluminium Value Chain	~	410	20%
	Metallurgical Defence Equipment	~	150	7%
	M-CRM (gallium + critical metals)	~	260	13%
Infrastructure and Concessions		~	150	7%
Metlen Group		range €1,920–2,080m	2,080	100%

Source: Metlen, Edison Investment Research

FY26 guidance at the AGM confirmed the trajectory

At its AGM on 21 May, Metlen provided FY26 guidance, stating that it expects to achieve record turnover, with EBITDA fully recovering to a range of €1.0–1.15bn (mid-point €1.075bn).

Share buyback a sign of confidence

On 23 June 2026 Metlen announced it is commencing a share buyback programme with a total value of €600m, to commence on 23 June 2026 and run until June 2031, subject to availability and renewal of authority at each AGM. Metlen aims to implement the programme in tranches, with repurchased shares held in treasury and/or used for employee share plans.

In our opinion, this buyback, which represents c 9% of Metlen's current market capitalisation, is a vote of confidence in the future of the company, comfortably manageable from existing resources and perhaps an indication from management that it believes the shares are good value. Some basic assumptions can help put the buyback in context from a trading perspective. Assuming the buyback progresses linearly with the same amount purchased each day over five years, based on recent daily volume of c €8m per day for the London-listed shares, we estimate Metlen's buyback could account for c 6% of average daily volume in London. While we would not expect the programme to be executed in a perfect linear fashion, our example illustrates that the buyback is unlikely to be insignificant on a day-to-day basis.

Firing on all cylinders

Strong H126 results, FY26 and medium-term guidance reiterated, management confident

Metlen reported a strong set of H126 results on 6 August 2026. Group revenue of €3.99bn (H125: €3.61bn) grew 11% y-o-y, a c 7% beat versus Bloomberg consensus. Growth was driven primarily by gas trading within the Energy sector, although retail electricity and gas sales also increased. Group EBITDA of €550m was up c 23% y-o-y (H125: €445m) and came in 3% ahead of Bloomberg consensus, keeping Metlen on track to achieve its reaffirmed FY26 EBITDA guidance of €1.00–1.15bn. EBITDA growth was driven by both the Fully Integrated Utility, Metals and Infrastructure and Concessions.

Net profit after minorities of €313m (H125: €254m) was up 23% y-o-y and 28% ahead of consensus, driving EPS of €2.18 (H125: €1.81). EPS was up 20% y-o-y and 10% ahead of Bloomberg consensus. In addition to reaffirming its FY26 guidance, the company confirmed its medium-term EBITDA guidance of €1.92–2.08bn, stating that it has returned to its medium-term growth trajectory. Metlen has made significant progress with legacy projects that weighed on FY25 performance and noted that all strategic initiatives are progressing on schedule and within budget.

Exhibit 2: H126 results summary

	H126 (€m)	H125 (€m)	y-o-y %	EBITDA margin H126	EBITDA margin H125
Revenue	**3,987**	**3,608**	**10.5%**		
Energy Sector	3,134	2,916	7.5%		
Fully Integrated Utility	2,257	1,994	13.2%		
Renewables, Storage, Energy Transition	1,172	1,191	-1.7%		
Intrasector	(295)	(269)	-		
Metals Sector	485	480	1.1%		
Alumina	96	104	-7.0%		
Aluminium	353	349	1.2%		
Other	35	27	30.6%		
Infrastructure and Concessions Sector	368	212	73.9%		
EBITDA	**550**	**445**	**23.4%**	**13.8%**	**12.3%**
Energy Sector	331	288	14.7%	10.6%	9.9%
Fully Integrated Utility	215	199	8.0%	9.5%	10.0%
Renewables, Storage, Energy Transition	116	89	30.3%	9.9%	7.5%
Intrasector	-	-	-	-	-
Metals Sector	149	129	14.9%	30.7%	27.0%
Alumina	40	47	-15.4%	41.1%	45.2%
Aluminium	101	74	36.1%	28.5%	21.2%
Other	9	8	2.0%	24.6%	31.5%
Infrastructure and Concessions Sector	82	31	162.1%	22.2%	14.7%
Unfunded allocations	(12)	(4)			
Total operating profit	445	367			
Profit after tax	317	261			
Non-controlling interests	(4)	(7)			
Profit after tax attributable to equity holders	313	254			
EPS (€)	2.18	1.81	20.4%		

Source: Metlen, Edison Investment Research

Energy: Fully Integrated Utility and M-RESET

Energy consists of two integrated platforms: Fully Integrated Utility (generation, distribution and supply) and M-RESET (renewables, storage, energy transition). M-RESET delivered EBITDA of €116m, up 29% y-o-y, supported by a 3% increase in generation to 0.9TWh (0.4TWh from Greek renewables, energy and storage (RES), 0.5TWh from international RES) and the sale of a 283MW solar portfolio in the UK. The company expects the timing of asset rotation transactions to support a stronger contribution from this activity in H226.

Battery storage an incremental positive

Battery-based energy storage solutions (BESS) saw projects continue to progress and the portfolio expand, supported by third-party EPC activities. The company sees the battery storage partnership with listed Greek utility Public Power Corporation as a growth avenue. Metlen expects batteries/storage to be a bigger part of the mix in future at the expense of solar, which is being affected by low pricing. According to the company, the ~€520m medium-term target for the energy transition platform includes a minimal BESS contribution and we note that the energy transition platform slides (23 and 24) from the April 2025 CMD indicate storage as <1% of the total operating RES, c 4% of RES under construction and 12% of the mature RES portfolio by technology. Metlen's BESS projects are beginning to enter operation and, with rising power and natural gas prices, the arbitrage opportunity from charging at a low price at times when supply exceeds demand and discharging when prices are high could be a material boost to divisional EBITDA.

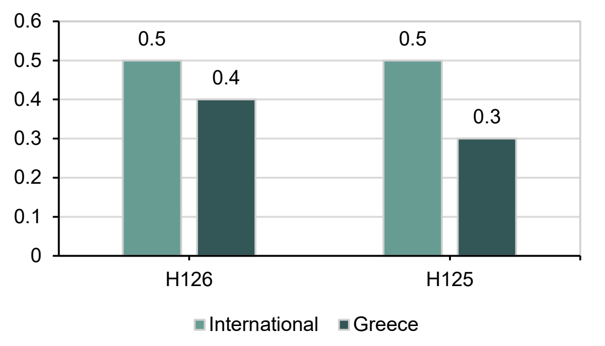
Legacy projects approaching completion

Previously problematic legacy projects in the now fully integrated Metlen Power Projects (MPP) business have made significant progress and are approaching completion. Final confirmation that these projects have been completed could come before the end of 2026, and the dilution or even removal of any remaining related headwind should be a positive catalyst.

Fully Integrated Utility on track in the medium term, supported by exports, gas and supply growth

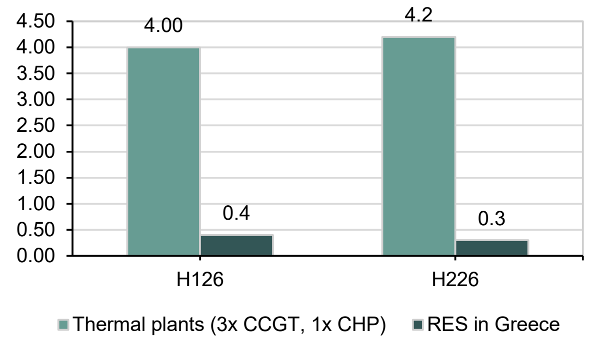
EBITDA for the Fully Integrated Utility grew 8% y-o-y to €215m, driven by operational synergies and best-in-class fleet efficiency. Metlen's Greek RES generation grew by 21% y-o-y to 0.4TWh, while thermal generation saw a small 4% decline to 4.0TWh, resulting in broadly flat generation overall. Metlen continued to benefit from Greece's role as a net energy exporter. Metlen gained market share in retail electricity and gas supply, enhancing the company's ability to optimise value across generation, trading and supply, exploiting its strategy to align electricity sales with generation output, and creating a natural hedge against market volatility. The company reconfirmed its 30% retail supply market share ambition. Natural gas procurement reached a record c 32TWh in H126 (+26% y-o-y) with sales to third parties increasing by more than 45% y-o-y, illustrating Metlen's position as a leading natural gas supplier and trader in South East Europe. Consequently we expect the Fully Integrated Utility to make continued progress towards its medium-term target, supported by increasing natural gas supply, growth in supply (retail) to align the business even more closely with generation, and increased exports of electricity.

Exhibit 3: Metlen – RES electricity generation (TWh)



Source: Metlen, Edison Investment Research

Exhibit 4: Metlen – Greek generation (TWh)



Source: Metlen, Edison Investment Research

Metals: Aluminium value chain, M-CRM and M Technologies

The Metals sector EBITDA grew by c 15% in H126 to €149m, driven by Aluminium. Higher realised prices and improved cost efficiency were the primary drivers of higher Aluminium EBITDA margins, which increased year-on-year from 21.2% to 28.5%. As Aluminium represented approximately two-thirds of Metals H126 EBITDA, this increase supported high Metals EBITDA margins, which rose from 27.0% to 30.7% y-o-y. The sector continues to benefit from high aluminium prices and the company notes that market conditions remain favourable, with London Metal Exchange (LME) three-month aluminium prices averaging $3,362/t in H126 (Exhibit 5). Europe is a net importer of aluminium and is also contending with supply disruption related to the Middle East conflict. Metlen also notes that while alumina prices have declined, it has continued to deliver robust alumina profitability supported by the indexation of the vast majority of its alumina sales to the LME aluminium price rather than the alumina price index. This indexation means that the alumina prices in these contracts reflect the appreciation in the aluminium price rather than independent moves in alumina prices.

Metlen's expectation of steadily improving margins suggests upside risk

Metlen pointed out that it has fully hedged its aluminium and the majority of its alumina production for 2026, 2027 and 2028 at progressively higher prices, as well as hedging its energy costs, hence management expects steadily improved margins. Exhibit 5 illustrates the aluminium's significant price increase since the 2025 CMD. While Metlen's targets are unchanged, management's comments regarding hedging and increased profits suggest it may have also secured favourable energy prices, and hence we believe there may be upside potential to Metlen's medium-term €410m integrated aluminium value chain EBITDA target.

Metlen Critical and Rare Metals combines gallium and circular metals

Metlen highlighted new growth avenues on the H126 call. The company expects the launch of Metlen Critical and Rare Metals (M-CRM) to create a unique growth platform. M-CRM combines Metlen's gallium and circular metals activities into one division. On 29 July, Metlen announced that it had signed a landmark gallium supply agreement covering c 25% of its expected 50t production capacity.

Gallium price strength underpins €40m EBITDA target

While the terms of the agreement are confidential, management remarked on the H126 call that the gallium price has risen significantly from c $800/kg around the time of the 28 April 2025 CMD, and Metlen's $1,000/kg CMD assumption, to the current price range of more than $3,000/kg, and that the price cap included in the agreement exceeds current prices. Management implied high demand for gallium and sounded confident that it would be able to sell the remaining 75% of its 50t capacity given the interest it is seeing from countries including the US, Japan and South Korea. Given the strength of the gallium price since the April 2025 CMD, we believe Metlen's €40m medium-term EBITDA target is well underpinned. This target is based on a $1,000/kg gallium price at the time, which implies c $50m of revenue (50t capacity at $1,000/kg), equating to c €45m at approximately US$/€ 0.9, from which Metlen targets €40m EBITDA. Implied costs are c €5m (revenue minus EBITDA). With Metlen effectively stating that gallium prices are at least $3,000/kg, we propose that EBITDA from this activity could be over €120m, assuming relatively fixed costs of production and the same approximate exchange rate. In addition, as noted in our valuation discussion, businesses such as gallium are likely to attract higher multiples as the EBITDA development becomes more visible.

Circular metals: Newsflow ahead, EBITDA delivery back-end loaded

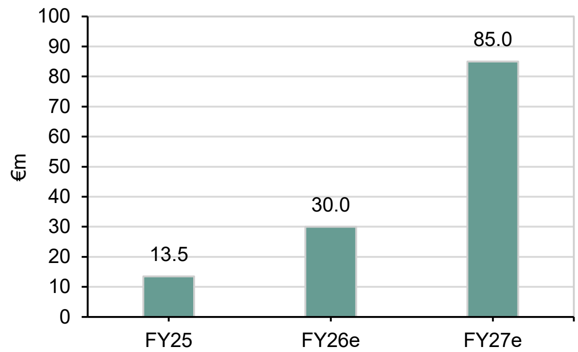
Regarding circular metals, Metlen noted that recovery rates from the circular metals pilot plant had exceeded expectations and that it expects to announce some positive developments in the next few months on metals, including scandium and germanium. The November nine-month trading update may be a good opportunity for Metlen to update the market on any such developments. Metlen is commissioning the first plant in Thessaloniki, which is expected by management to produce its first high-purity metal oxides in 2027. With proof of concept likely to come next year, we think progress towards Metlen's €220m medium-term EBITDA target in circular mentals may become more visible nearer the end of the decade.

We note Metlen's EBITDA ambitions in gallium and critical metals (Exhibit 1), which together account for €260m (12.5%) of Metlen's medium-term EBITDA guidance. The creation of M-CRM effectively combines these two targets under one division. Given management's confident tone, we look forward to more detailed guidance about the path to these targets in due course.

Exhibit 5: LME three-month aluminium price ($/tonne)

Source: Bloomberg, LME, Edison Investment Research

Exhibit 6: M Technologies – guided EBITDA evolution



Source: Metlen (H126 call), Edison Investment Research

M Technologies: Defence equipment making good progress

The company also provided some direction regarding defence equipment, with management suggesting on the H126 call that EBITDA from these activities would be c €85m in FY27, from €12–15m in FY25 (€13.5m mid-point) and c €30m in FY26, which we illustrate in Exhibit 6. The €55m incremental improvement in FY27 over FY26 leaves €65m additional EBITDA required to achieve Metlen's €150m medium-term target, which assumes annual EBITDA growth for the three years from FY27 of c €22m, a 60% reduction from the €55m increment implied for FY27. Given the strong defence market backdrop and the growth Metlen guides to for FY27, a slowdown from €55m EBITDA growth seems conservative and we therefore believe medium-term defence equipment guidance is within reach.

Sixth unit implies €150–180m EBITDA

That such guidance is within reach is also supported by the expansion of the number of operational units from the five discussed at the April 2025 CMD to six according to Metlen's January 2026 update. The defence equipment CMD target of €150m was based on five units, which could imply c €30m per unit. Metlen confirmed in its H126 results that the expansion to six units puts it ahead of the CMD targets, and therefore we believe the additional unit should be incrementally positive. Assuming €30m per unit, we think Metlen's EBITDA in this division could now be €150–180m, with the sixth unit underpinning Metlen's original target.

Infrastructure and Concessions exceeding expectations

Infrastructure and Concessions has exceeded management's expectations, according to the H126 call, which is supportive for the potential IPO of Metka, which was described as a strong possibility for H226. The division performed impressively in H126 with revenue of €368m, growth of 74% y-o-y, and EBITDA of €82m, growth of 162% y-o-y. This performance was supported by intensive project execution, with profitability benefiting from a positive project mix. According to management, both METKA and M Concessions are strengthening their positions in PPPs, while several major infrastructure projects and building projects are in the tendering phase.

FY26 guidance appears conservative

Given H126 EBITDA of €550m, FY26 guidance for EBITDA of €1.0–1.15bn (mid-point €1.075bn) gives Metlen some headroom in H2. On the H126 call management acknowledged that the H126 results could support an upgrade to guidance but reiterated it prefers to remain conservative. Management expects the Metals division's results to surprise the market, supported by progressively rising hedging prices over the coming quarters.

Proposed demerger of concessions and PPP

Metlen announced on 24 August that it is proposing to demerge its concession and PPP activities. The draft demerger agreement was approved by Metlen's board on 7 August 2026. The proposed demerger is expected to take the form of a spin-off of Metlen's 100%-owned subsidiary, M Concessions. The completion of the demerger is subject to approval at the forthcoming shareholder meeting, which Metlen expects to take place by 30 September 2026. On the H126 call management also mentioned that a potential IPO of Metka (infrastructure activities) is a strong possibility for H226.

Metlen expects the consolidation of the concessions and PPP activities under M Concessions to create a dedicated infrastructure platform, aimed at enhancing operational focus, efficiency and future growth. We expect the proposed demerger and the potential IPO to simplify Metlen, which should be focused on the remaining two divisions: M Energy (Fully Integrated Utility, renewables, storage and energy transition) and M Metals (aluminium value chain and others, including critical metals/gallium, defence and circular metals).

Medium-term guidance well underpinned

The positive developments in a number of Metlen's business areas (aluminium value chain, gallium, defence, infrastructure and concessions, and battery storage) with other key areas (the fully integrated utility, circular metals) on track suggests that Metlen's medium-term guidance is well-underpinned. Historically the company has delivered strategic updates to the market roughly every two years.

Refreshed targets a 2027 possibility

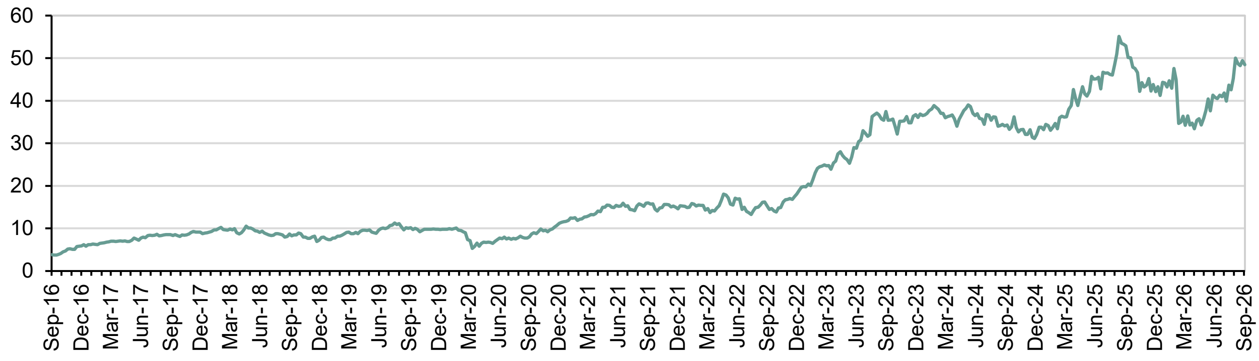
Based on its history of strategic updates (December 2022 and the April 2025 CMD, with smaller updates at the June 2023 and 2024 AGMs) we expect Metlen is likely to update the market regarding the scale of the potentially positive impact, including the possibility of refreshed medium-term targets, at some point in 2027.

Greece returning to developed market status

This year has seen Greece return to developed market status. In April, MSCI announced that from May 2027 MSCI will reclassify MSCI Greece from emerging market (EM) to developed markets (DM) status. This will reverse the 2013 downgrade and restore Greece to a status it first attained in 2001. MSCI expects to add eight securities with a combined market capitalisation of c $50bn, 10x larger than 2013's $5bn, and notes that no market in MSCI's classification history has made the journey from DM to EM to DM status before. FTSE Russell reclassified Greece from advanced EM to DM status within the FTSE Global Equity Index Series on 21 September. STOXX also reclassified Greece on the same day, with Metlen one of nine Greek companies to be included in the STOXX 600 from that point. Metlen's London listing in August 2025 effectively gave it developed market status in that it became a UK top 100 index constituent and therefore it could be viewed as an early mover in the reclassification process.

Metlen's shares are dual-listed on the London Stock Exchange and Athens Exchange. Trading in London began on 4 August 2025, and the company retained its Athens listing of many years. In Exhibit 7 we show the share price history for the company, which reflects the Greek listing to July 2025 and the London listing from August 2025.

Exhibit 7: Combined share price, €



Source: Edison Investment Research, LSEG Data & Analytics

Changes to estimates

Below we show our updated forecasts based on our expectation that Metlen continues to make progress towards its medium-term EBITDA target, which it has consistently reiterated since the April 2025 CMD. Our FY26 forecasts reflect strong growth across the P&L including a recovery in Energy EBITDA as Metlen resumes its trajectory, which was affected by contract execution issues in MPP in FY25. We see continued growth in the business in FY27, driven by higher energy and metals prices combined with successful hedging policies.

Medium-term EBITDA guidance of €1,900–2,080m suggests EBITDA growth of around 15% in the coming years to reach c €2bn.

Exhibit 8: Changes to estimates

	FY25 €m	FY26e Old, €m	FY26e New, €m	FY26e change (%)	FY26e y-o-y (%)	FY27e €m	FY27e y-o-y (%)
Energy	5,633	5,188	6,408	24%	14%	6,776	6%
Metals	907	1,071	948	-11%	5%	1,222	29%
Infrastructure and concessions	567	2,513	709	-72%	25%	744	5%
Group Revenue	**7,107**	**8,772**	**8,066**	**-8%**	**13%**	**8,742**	**8%**
Energy	443	837	672	-20%	52%	765.9	14%
Metals	225	376	288	-23%	28%	390.8	36%
Infrastructure and concessions	100	68	149	119%	49%	156.3	5%
Unallocated support functions	(14)	(15)	(17)	13%	17%	(17.0)	0%
Group EBITDA	**754**	**1,266**	**1,093**	**-14%**	**45%**	**1,296.0**	**19%**
Net income	**315**	**720**	**597**	**-17%**	**89%**	**743.1**	**24%**
EPS (€)	**2.20**	**5.15**	**4.19**	**-19%**	**90%**	**5.22**	**24%**

Source: Edison Investment Research

Valuation: 50/50 SOTP/DCF implies €75.3 per share

Our approach to the valuation of Metlen is unchanged: we continue to use a 50/50 DCF/SOTP approach. Our SOTP (Exhibit 9), based on forward EV/EBITDA multiples applied to the business divisions, uses a broadly unchanged peer group and produces a valuation of €61.9 per share, using adjusted net debt excluding non-recourse debt as at FY26e and FY27e EBITDA.

Our DCF is summarised in Exhibit 10. We use an 8.6% weighted average cost of capital, a 1% terminal growth rate and FY26e adjusted net debt excluding non-recourse debt, which results in a valuation of €88.6 per share.

Applying a 50/50 weight to each gives a valuation of €75.3 per share.

We believe this approach is balanced, as the SOTP captures the value of the traditional business today but struggles to capture both the medium-term growth and the shift Metlen expects in its business mix, given the €410m contribution to medium-term EBITDA from defence and critical and circular metals. We believe these businesses would also likely attract higher EBITDA multiples than the 8.0x implied group SOTP multiple, with European defence companies trading on c 15x EBITDA, although finding peers for gallium and circular metals is currently a challenge. By contrast, our DCF includes 2030 EBITDA of c €2.1bn, implying successful execution. Our faith in successful execution is supported by management's track record, reiterated guidance and positive comments across the divisions, including the newer business areas (defence, gallium and circular metals). Infrastructure and Concessions is on track to exceed its €150m medium-term EBITDA guidance by FY27.

Exhibit 9: Sum-of-the-parts valuation

Company	Sector	Forward EV/EBITDA (x)	% Metlen Group EBITDA (2030 target)
E.On	Energy	8.5	
EDP	Energy	8.4	
EDPR	Energy	11.5	
Enel	Energy	7.1	
Engie	Energy	6.8	
First Solar	Energy	6.4	
HelleniQ Energy	Energy	5.7	
Iberdrola	Energy	11.3	
Naturgy	Energy	7.7	
RWE	Energy	8.5	
Solaria	Energy	8.7	
SSE	Energy	9.5	
Vestas	Energy	8.8	
Voltalia	Energy	10.8	
Energy – median		**8.5**	**53.4%**
Anglo American	Metals	8.1	
Alcoa	Metals	4.9	
Arcelor	Metals	7.1	
BHP	Metals	7.9	
Glencore	Metals	5.9	
Norsk Hydro	Metals	5.6	
RIO	Metals	6.6	
Metals – median		**6.6**	**39.4%**
Infrastructure and Concessions		7.6	7.2%
Metlen EV/EBITDA based on weighted peer medians (x)		**8.0**	**100.0%**
FY27e EBITDA (€m)		1,296	
EV based on SOTP (€m)		**10,390**	
Plus cash/less adjusted net debt (2026e) (€m)		(1,445)	
Associates, minorities, employee benefits liability (€m)		(135)	
Equity value (€m)		**8,810**	
Shares in issue (m)		**142.3**	
Indicative per share valuation (€)		**61.9**	
Metlen share price (€)	(as at 10 September 2026)	47.0	
Upside/downside to peer-based EV/EBITDA valuation		**31.7%**	

Source: Edison Investment Research, LSEG Data & Analytics

Exhibit 10: Summary DCF

	2025	2026e	2027e	2028e	2029e	2030e	>>>	2035e
Revenue, €m	7,107	8,066	8,742	9,360	10,037	10,747		11,866
Energy	5,633	6,408	6,776	7,160	7,519	7,860		
Metals	907	948	1,222	1,419	1,697	2,026		
Infrastructure and Concessions	567	709	744	781	820	861		
EBITDA, €m	753	1,093	1,296	1,514	1,794	2,087		2,297
Energy	443	672	766	864	968	1,106		
Metals	225	288	391	503	670	817		
Infrastructure and Concessions	100	149	156	164	172	181		
Unallocated support function	(14)	(17)	(17)	(17)	(17)	(17)		
Capex/sales	9.7%	8.0%	6.0%	6.3%	5.8%	5.6%		6.0%
Operating FCF, €m	(711)	1025	345	553	670	746		770

WACC		8.6%	**WACC inputs**	
PV FCF €m		9,495	**Equity**	
Terminal growth rate		1.0%	Risk-free interest rate	3.70%
Terminal value €m		4,688	Equity risk premium	5.5%
Total €m		**14,183**	Systematic risk (Beta)	0.97
Plus cash/less adjusted net debt (2026e) (€m)		(1,445)	Equity weight	81%
Plus associates and JVs (end 2025) €m		11		
Less minorities (end 2025, €m) at a P/E of	11.0x	(135)	**Debt**	
MV equity €m		**12,615**	Risk-free interest rate	3.7%
Number of shares (m)		142.321	Borrowing spread	5.5%
NPV per share (€)		**88.6**	Tax rate	20.0%
Current share price (€)		47.0	Debt weight	19%
Upside/downside %		89%		

Source: Edison Investment Research

Risks

Risks include execution, including the development of the circular metals business, the expansion of the defence activities and further sales of critical metals capacity despite current healthy demand. There may be risks towards the end of the decade from movements in prices and input costs in the aluminium value chain if further hedging is not secured. Trading activities in the energy business have limited visibility. Project execution risks are a factor in parts of the group, including concessions, infrastructure and renewables/battery storage.

Exhibit 11: Financial summary

€m	2023	2024	2025	2026e	2027e
Year end 31 December					
PROFIT & LOSS					
Revenue	5,492	5,683	7,107	8,066	8,742
Cost of Sales	(4,511)	(4,664)	(6,642)	(7,390)	(7,941)
Gross Profit	981	1,019	465	675	801
EBITDA	1,013	1,080	753	1,093	1,296
Operating profit (before amort. and excepts.)	900	917	563	910	1,086
Exceptionals	0	0	0	0	0
Operating Profit	900	917	563	910	1,086
Other	(18)	1	3	3	3
Net Interest	(101)	(164)	(182)	(184)	(169)
Profit Before Tax (norm)	781	754	383	729	919
Profit Before Tax (reported)	781	754	383	729	919
Tax	(160)	(118)	(57)	(120)	(164)
Profit After Tax (norm)	631	636	326	609	756
Profit After Tax (FRS 3)	621	636	326	609	756
Minority interests	(3)	(16)	(10)	(10)	(12)
Discontinued activities	0	0	0	0	0
Average Number of Shares Outstanding (m)	138.3	137.9	143.0	142.3	142.3
Net income (normalised)	628	620	315	597	743
Net income (FRS3)	618	620	315	597	743
EPS - normalised (€)	4.54	4.50	2.20	4.19	5.22
EPS - normalised fully diluted (c)	454	450	220	419	522
EPS - reported (€)	4.47	4.50	2.20	4.19	5.22
Final distributed dividend per share (€)	1.55	1.53	1.00	1.47	2.09
Gross Margin (%)	17.9	17.9	6.5	8.4	9.2
EBITDA Margin (%)	18.4	19.0	10.6	13.5	14.8
Operating Margin (before GW and except.) (%)	16.4	16.1	7.9	11.3	12.4
BALANCE SHEET					
Fixed Assets	3,238	4,431	4,304	4,769	5,084
Intangible Assets	750	780	628	628	628
Tangible Assets	2,014	2,517	2,688	3,153	3,468
Right of use assets	175	199	198	199	198
Investments/Other	299	935	790	790	790
Current Assets	4,956	6,237	7,128	8,092	8,561
Stocks	1,335	1,590	1,055	807	874
Debtors	3,369	3,265	4,319	4,784	5,185
Cash	913	1,382	1,753	2,502	2,502
Other	(661)	0	0	0	0
Current Liabilities	(2,967)	(3,515)	(3,842)	(4,758)	(4,966)
Creditors	(2,041)	(2,828)	(2,842)	(3,757)	(3,964)
Short-term borrowings	(926)	(687)	(1,000)	(1,000)	(1,002)
Long-Term Liabilities	(2,529)	(4,060)	(4,482)	(4,482)	(4,482)
Long-term borrowings	(2,186)	(3,575)	(4,092)	(4,092)	(4,092)
Other long-term liabilities	(343)	(485)	(389)	(389)	(389)
Net Assets (ex minority)	2,699	3,093	3,108	3,622	4,198
CASH FLOW					
Operating Cash Flow	393	671	527	1,780	1,022
Net Interest	(78)	(135)	(162)	(184)	(169)
Tax	(139)	(123)	(47)	(57)	(120)
Capex	(1,054)	(781)	(688)	(647)	(525)
Acquisitions/disposals	14	0	0	0	0
Financing	6	(32)	(6)	0	0
Dividends	(167)	(210)	(232)	(142)	(209)
Other	(73)	147	239	0	0
Net Cash Flow	(1,099)	(461)	(367)	749	(1)
Opening net debt/(cash)	713	1,973	2,628	3,214	2,685
HP Finance leases initiated	(162)	(214)	(219)	(219)	(219)
Other	1	21	0	0	0
Closing net debt/(cash)	1,973	2,628	3,214	2,685	2,905
Non recourse debt	535	863	1,005	1,240	1,240
Adjusted net debt	1,438	1,765	2,210	1,445	1,665

Source: Edison Investment Research, Metlen

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