

Romgaz

Hold

Maintained

Price: RON 8.0
Price target: RON 8.2
(from RON 5.5)

Are we nearly there yet?

We maintain our HOLD on Romgaz, with an updated price target (PT) of RON 8.2 (from RON 5.5), offering upside of 3.3%. Although gas prices continue their slow decline, much of Romgaz's business is regulated and due to be unshackled in 2026E. The ramp up of investments for Neptun is having a significant impact on cash flows and its ability to pay dividends, so we expect an average yield of 3.9% over the next three years. Romgaz may make an investment in a fertiliser business, to secure a customer for Neptun, as well as small investments in renewables. The Iernut power plant is stuttering towards completion and should start contributing in 2026E, we believe. We see Romgaz trading at a P/E of 9.5x in both 2025E and 2027E.

Neptun Deep. Neptun is even bigger for Romgaz than for its partner, OMV Petrom, and should boost production by 76% between 2026-28E, on our estimates. It will also consume much of the company's resources for the next three years.

Gas prices. We expect spot gas prices to fall in 2026E, to an average of just EUR 30/MWh, and then to EUR 25/MWh in 2027E. The impact should be muted, due to regulations.

Regulations. Romgaz has the biggest market share in the household segment of the gas market and is, therefore, more affected by the price regulation than OMV Petrom. If the price caps are lifted next year, Romgaz will be affected more positively, in our view.

Leverage. Romgaz had a significantly cash rich balance sheet, which has been eliminated in 2025, due to the Neptun investments. However, we see a maximum net debt/EBITDA of 1.5x in 2027E, which is a manageable level for Romgaz, in our view.

Production declines. We project a decline of 2.5% annually for Romgaz's existing fields, in line with management's guidance. Both lower costs and the related higher capacity utilisation should reverse the recent trend of losses, in our view.

Fertiliser investment. Although Romgaz is only assessing the feasibility currently, the takeover of the Azomures fertiliser plant is a possible investment, going forward.

Dividends. During Neptun's construction, Romgaz will distribute 30% of its net income, and we expect an average yield of 3.9% over the next three years. From 2028E-onwards, we expect this to rise to 50%.

Multiples. We see Romgaz trading at a P/E of 9.5x for both 2025E and 2027E, compared to 6.5x and 7.1x for its peer group, respectively, on the consensus. For EV/EBITDA, we see 7.1x for 2025E and 8.4x in 2027E, compared to 3.5x and 3.9x for its peer group, respectively, on the consensus.

Expected events

3Q25 results	14 November 2025
4Q25 results	28 February 2026

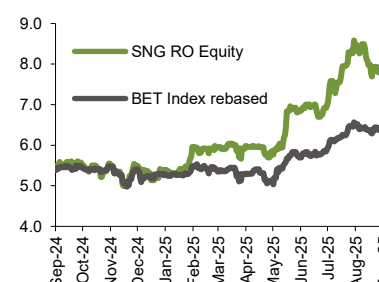
Key data

Market Cap	EUR 6.0bn
Free float	30%
Shares outstanding	3.9bn
3M ADTV (EUR m)	0.6
Major Shareholders:	State 70%
	SNG RO
Reuters code	ROSNG.BX
Bloomberg code	
ASE Index	20,790

Price performance

52-w range	RON 5.0-8.6
52-w performance	44.5%
Relative performance	28%

Romgaz 12M share price performance



	Sales	EBITDA	EBIT	Net income	EPS	P/E	P/CF	P/BV	EV/EBITDA	ROCE	DPS	Div. Yield
	RONm	RONm	RONm	RONm	RON	x	x	x	x	%	RON	%
2022	13,360	4,677	4,127	2,547	0.7	5.7	4.3	1.44	2.0	21%	0.3	9.1%
2023	9,002	5,482	5,005	2,812	0.7	6.9	8.1	1.67	3.2	22%	0.1	2.8%
2024	7,929	4,089	3,484	3,219	0.8	9.5	-206.2	2.16	7.3	22%	0.2	2.0%
2025E	8,436	4,615	3,838	3,240	0.8	9.5	-13.4	1.89	7.1	16%	0.3	3.2%
2026E	8,755	4,549	3,887	3,311	0.9	9.3	-11.1	1.65	8.0	13%	0.3	3.2%
2027E	9,136	4,473	3,549	3,232	0.8	9.5	-207.0	1.47	8.4	11%	0.4	5.3%

Analysts: Jonathan Lamb; Bram Buring, CFA
E-mail: jonathan.lamb@wood.com, bram.buring@wood.com

London: +44 20 3530 0621
Website: www.wood.com

Contents

Company snapshot – HOLD, PT RON 8.2	3
Investment case	4
Valuation	7
OQEP	8
Financial forecasts	9
Risks	10
Financials	11
Important disclosures	13

Closing Prices as of 17 September 2025

© 2025 by WOOD & Company Financial Services, a.s.

All rights reserved. No part of this report may be reproduced or transmitted in any form or by any means electronic or mechanical without written permission from WOOD & Company Financial Services, a.s. This report may not be lent, resold, hired out or otherwise disposed of by way of trade in any form of binding or cover other than that in which it is published without written permission from WOOD & Company Financial Services, a.s.

Requests for permission to make copies of any part of this report should be mailed to:

WOOD & Company Financial Services a.s.
Palladium, Namesti Republiky 1079/1a,
110 00 Prague 1 – Czech Republic
tel.: +420 222 096 111
fax: +420 222 096 222
<http://www.wood.cz>

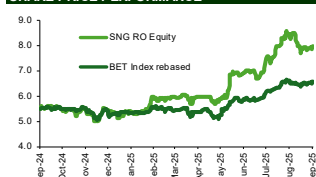
Company snapshot – HOLD, PT RON 8.2

Romgaz

HOLD

Bloomberg ticker	SNG RO
Closing price (RON)	8.0
Price target (RON)	8.2
Upside to PT	3.3%
Shares outstanding (m)	3,854.2
MCAP (EUR m)	6,044
Free float	30.0%
ADTV (EUR m)	0.6
52 Week Range (RON)	5.0-8.6
12M performance	44.5%

SHARE PRICE PERFORMANCE



COMPANY DESCRIPTION

Romgaz is the largest domestic natural gas exploration and production (E&P) company in Romania, producing c.50% of the Romanian output (4.8bcm in 2023). Romgaz has 46bcm of proved (1P) and 58bcm of proved and probable (2P) reserves. In 2023, reserve replacement was 97%, without Neptun. Romgaz has 137 commercial reservoirs in Transylvania, its largest producing basin, with 90%+ of production, Moldavia and Muntenia, mostly in mature fields, which it has been producing for 30+ years, in most cases. In 2022, Romgaz became a partner in the Neptun Deep project, for which the FID was made in 2023, and the first gas is scheduled for 2027E. Romgaz owns and operates six underground gas storage (UGS) facilities, with a total capacity of 2.76bcm. Romgaz also owns a gas-fired power plant, which is under reconstruction and will begin production in 2025E. The key risks relate to the gas macro, politics and regulation (gas prices, royalties and taxes), and geology (reservoir quality).

RATIOS

PER SHARE RATIOS	2022	2023	2024	2025E	2026E	2027E	FINANCIAL RATIOS	2022	2023	2024	2025E	2026E	2027E
EPS	0.66	0.73	0.84	0.84	0.86	0.84	Working capital to sales, days	42	58	36	44	56	56
CEPS	3.11	3.33	3.84	5.20	6.78	7.65	Capex/depreciation	0.8x	0.8x	0.8x	0.8x	0.9x	0.9x
BVPS	2.61	3.00	3.68	4.21	4.81	5.40	Capex/net fixed assets	0.07x	0.20x	0.35x	0.42x	0.33x	0.19x
DPS	0.34	0.14	0.16	0.25	0.26	0.42	Op. cash flow/capex	11.1x	3.0x	1.0x	0.6x	0.6x	1.0x
VALUATION RATIOS	2022	2023	2024	2025E	2026E	2027E	EBITDA margin	35.0%	60.9%	51.6%	54.7%	52.0%	49.0%
P/E	5.7x	6.9x	9.5x	9.5x	9.3x	9.5x	EBIT margin	30.9%	55.6%	43.9%	45.5%	44.4%	38.8%
P/CF	4.3x	8.1x	-206.2x	-13.4x	-11.1x	-207.0x	Pre-tax margin	31.1%	56.3%	45.5%	47.0%	47.3%	44.2%
P/BV	1.4x	1.7x	2.2x	1.9x	1.7x	1.5x	Net margin	19.1%	31.2%	40.6%	38.4%	37.8%	35.4%
EV/EBITDA	2.0x	3.2x	7.3x	7.1x	8.0x	8.4x	ROE	25.3%	24.3%	22.7%	20.0%	17.8%	15.5%
EV/CE	0.8x	1.4x	2.0x	1.6x	1.4x	1.3x	ROCE (avg)	21.3%	21.9%	21.7%	16.2%	12.7%	11.0%
EV/Sales	0.7x	2.0x	3.8x	3.9x	4.2x	4.1x	Net debt/EBITDA	-0.11x	-0.35x	-0.29x	0.39x	1.21x	1.49x
EV/EBIT	1.9x	3.0x	6.7x	6.8x	7.2x	7.4x							
FCF, RON m	3,399	2,396	-149	-2,279	-2,759	-148							
FCF yield	23.4%	12.4%	-0.5%	-7.4%	-9.0%	-0.5%							
Dividend yield	9.1%	2.8%	2.0%	3.2%	3.2%	5.3%							

COMPANY FINANCIALS

INCOME STATEMENT, RON m	2022	2023	2024	2025E	2026E	2027E	BALANCE SHEET, RON m	2022	2023	2024	2025E	2026E	2027E
Net Sales	13,360	9,002	7,929	8,436	8,755	9,136	Cash & cash equivalents	100	2,505	2,625	2,889	2,889	2,889
Operating Expenses	-8,683	-3,520	-3,841	-3,821	-4,207	-4,663	Accounts receivable	1,374	1,399	838	1,021	1,094	1,142
EBITDA	4,677	5,482	4,089	4,615	4,549	4,473	Inventories	284	302	394	510	730	761
DD&A	-550	-477	-605	-777	-662	-924	Other CA	2,158	857	2,070	933	2,702	3,060
EBIT	4,127	5,005	3,484	3,838	3,887	3,549	Total current assets	3,915	5,063	5,927	5,353	7,414	7,852
Other Expenses	-659	-944	-640	-759	-909	-1,004	PP&E	5,039	5,892	8,403	13,454	19,202	22,529
Pre-tax profit	4,154	5,067	3,605	3,964	4,139	4,040	Other LT assets	5,382	5,511	5,631	5,576	5,576	5,576
Income tax	-1,608	-2,255	-386	-724	-828	-808	Total fixed assets	10,422	11,403	14,034	19,030	24,778	28,105
Net profit	2,547	2,812	3,219	3,240	3,311	3,232	Total assets	14,337	16,466	19,961	24,383	32,192	35,957
CASH FLOW, RON m	2022	2023	2024	2025E	2026E	2027E	Accounts payable	110	272	457	510	486	508
CF from Operations	3,736	3,566	2,827	3,353	3,650	4,103	Other ST liabilities	2,398	2,880	1,413	1,837	1,831	1,836
Thereof depreciation	321	422	491	718	662	924	Total current liabilities	2,508	3,152	1,870	2,347	2,317	2,344
Thereof changes in w/c	-786	65	940	-729	-1,151	-861	Asset retirement obligations	7	374	328	356	356	356
CF from Investments	-337	-1,170	-2,976	-5,632	-6,409	-4,251	Pension obligation	169	189	205	204	204	204
Dividends	-1,464	-1,318	-549	-605	-972	-993	Debt	1,126	808	2,961	4,859	10,359	11,859
Change in Net debt	-1,296	-1,349	-1,140	-1,261	1,768	359	Other	450	381	398	399	399	399
							Total LT liabilities	1,752	1,753	3,892	5,818	11,318	12,818
							Minority interest	0	0	0	0	0	0
							Total shareholders' equity	10,077	11,561	14,200	16,218	18,557	20,795
							Total liab. & equity	14,337	16,466	19,961	24,383	32,192	35,957
							Net Working Capital	1,548	1,428	775	1,021	1,338	1,396

OPERATIONS	2022	2023	2024	2025E	2026E	2027E
Gross production (mcm)	4,936	4,789	4,963	4,936	4,812	5,667
Production, boepd	84,000	82,000	85,000	84,000	82,000	97,000
Growth, %		-3%	4%	-1%	-3%	18%

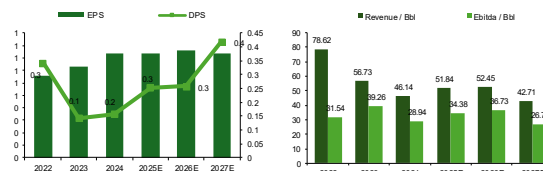
Romanian spot gas price, RON/MWh	622	207	175	200	153	129
----------------------------------	-----	-----	-----	-----	-----	-----

Per barrel economics (USD/bbl)

Revenues, USD/boe	78.6	56.7	46.1	51.8	52.4	42.7
EBITDA, USD/boe	31.5	39.3	28.9	34.4	36.7	26.8
Opex, USD/boe	47.1	17.5	17.2	17.5	15.7	15.9

MACRO ASSUMPTIONS	2022	2023	2024	2025E	2026E	2027E
Brent crude, USD/bbl	98.9	82.2	79.8	70.4	75.0	75.0
CEGH gas price, EUR/MWh	126.2	41.9	35.2	39.7	30.0	25.0
RON/USD	4.69	4.57	4.60	4.72	4.77	4.81

PROFITABILITY TRENDS



Investment case

Romgaz's share price has risen by 48% in the LTM, in anticipation of the transformational Neptun investment. We expect Neptun to add more than 75% to its upstream production and 40% to its EBITDA. The project is proceeding according to schedule, with first gas expected in 2027E. Until then, we see the net debt rising to almost RON 7bn, due to the negative cash flow from investments. A possible investment in a fertiliser plant could increase its debt further. We expect the end of the gas price regulation in 2026E, which should be positive, and the completion of the Iernut power plant, which should begin to contribute in 2026E, in our view. While we wait for the Neptun boost, we expect the dividend yield to average at about 4%. We see Romgaz trading at a P/E of 9.5x for both 2025E and 2027E, on our estimates, compared to 6.5x and 7.1x for its peer group, respectively, on the consensus.

Gas prices. We expect spot gas prices to fall in 2026E, to an average of just EUR 30/MWh, and then to EUR 25/MWh in 2027E. These prices are still good compared to the pre-pandemic levels, but represent a big drop vs. the recent past.

The impact of gas prices is somewhat muted, however, as only the industrial segment pays market prices, and the structure of the taxation means that much of the upside is taken by the government. Nonetheless, the backdrop is one of falling prices, just as investments ramp up.

Regulation. Romgaz has the biggest market share in the household segment of the gas market and is, therefore, more affected by the price regulation than OMV Petrom. If the regulations are scrapped as expected in 2026E, then Romgaz will be a bigger beneficiary. Gas prices could rise by between EUR 5-10/MWh, based on recent trends.

Neptun. Since the final investment decision (FID), the project has been running according to schedule, with a number of critical milestones reached. All of the main contracts were awarded by February 2025, which means that cost surprises are unlikely. The spudding of the first well was done in March 2025 and this will be followed with nine more in the coming months. Management expects first production before the end of 2027E, and we forecast it to affect production fully in 2028E.

For Romgaz, the Neptun project is transformational, to a greater extent than for OMV Petrom, due to the difference in the scale of the two companies. We expect production volumes to grow from 82,000 boe/day in 2026E to 144,000 boe/day in 2028E, when the field reaches full capacity, a 75% increase. Over the same timeframe, based on our calculations, Romgaz's EBITDA could rise by about 40%.

Iernut power plant. Designed to replace an outdated, inefficient gas-fired power plant, Iernut is a modern flexible plant, with 430 MW of capacity and 56% efficiency. Unfortunately, its completion has been delayed a number of times, due to construction issues. A new contract was put in place in 2023 and management now expects the completion of the first of four units by the end of 2025E. However, the recent collapse of a subcontractor has raised the possibility of further delays, even though the project is 98% complete.

The business model of the investment has changed since it was conceived, in our view, as growing renewables produced power has increased the need for balancing services, while reducing the use of the base load. We assume that the plant will use 40% of its capacity, on average, from 2026E-onwards.

Recently, Romgaz has been making a loss on its power business. Three of the four generation blocks have been closed, leaving a small inefficient plant. Price regulations have exacerbated the problems. Now, both lower costs and the related higher capacity utilisation should reverse the recent trend of losses, in our view.

Fertiliser plant. The Romanian media announced in March 2025 that Romgaz is a potential buyer of the Azomures fertiliser plant in Romania. Management has stated that it is looking at the feasibility of the investment, although no decision has been made. The plant, like many in Europe, has struggled with high gas prices and has, at times, been mothballed. It is owned currently by the Swiss group, Ameropa. The plant has 1.8mn tonnes of capacity. The only public comments from Romgaz confirm that a consultant has been retained, to perform a feasibility study on the investment.

Previously, Romgaz conducted a feasibility study on a methanol plant, as part of a strategy designed to guarantee a take-off for some of its Neptun gas volumes. That project was abandoned, and this potential investment appears to have taken its place. We believe that this decision makes sense. Across Europe, a number of fertiliser plants have closed, due to the high cost of gas, and prices remain quite high. For Romgaz, with a secure source of gas, buying an existing plant could offer a chance to diversify the business, without some of the risks faced by companies without a secure supply of gas.

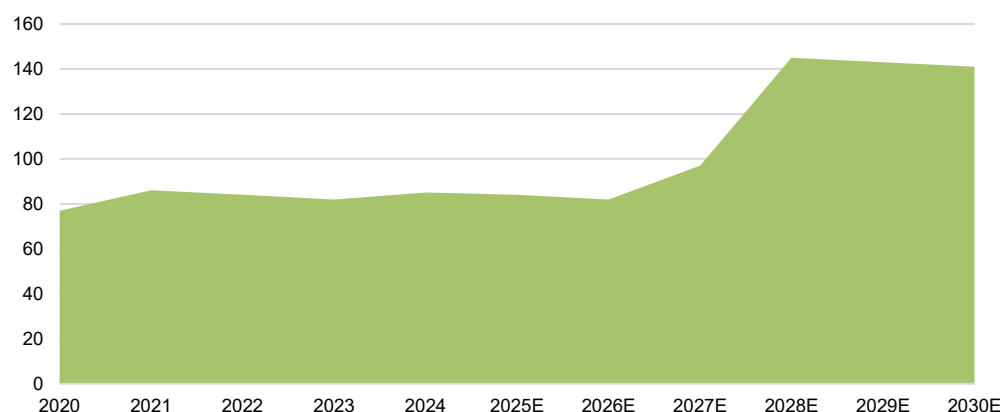
Renewables. Currently, Romgaz has an insignificant renewables business and little headroom to make major investments in the space. Management has stated that, in the long term, it wants to grow in this area, but that the demands of Neptun mean that it is not a priority right now.

In September 2025, Romgaz signed a MOU with Electrica, to form an investment vehicle to invest in renewables. The target is to reach up to 400MW of capacity, and includes storage, as well as production projects. Electrica will be the majority partner and main developer.

We have not included this partnership in our model as very little information has been released and the partnership is only at the MOU stage. We believe that it represents a low-risk way from Romgaz to kick start this business, but is unlikely to have a significant impact in the near term.

Production volumes. Although the majority of Romgaz's production sites are mature and have a high level of natural decline, production has been relatively stable in recent years. We project a decline of 2.5% annually for Romgaz's existing fields, in line with management's guidance.

Production (boe/day)



Source: Company data, WOOD Research

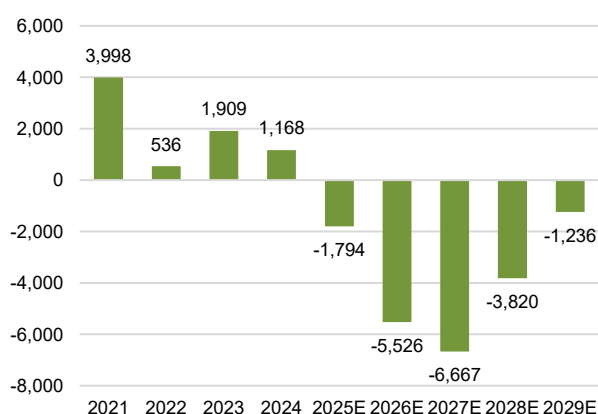
In order to keep declines to a minimum, Romgaz invests in maintaining the fields, which means that its capital expenditure per barrel is relatively high.

Bond issuance. In October 2024, Romgaz sold bonds worth EUR 500m, as part of the funding for the Neptun project. The tenor of the offer was five years, maturing in 2029, and the coupon 4.75%. Management reported that demand was 10x above the offer.

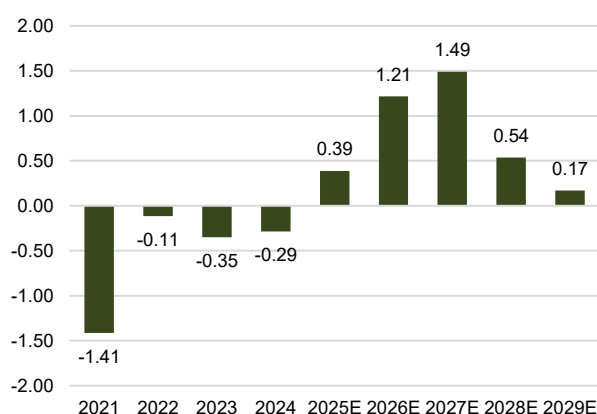
If market conditions permit it, we expect Romgaz to return to the bond markets in the next couple of years, as the need for financing grows for the Neptun project. Management has stated that this is a possibility.

Leverage. Until this year, Romgaz had a significantly cash rich balance sheet, with RON 4bn in net cash at the end of 2021, or net cash/EBITDA of 1.4x. In 2022, Romgaz acquired Exxon's stake in Neptun, which reduced the cash levels substantially; and (but not until this year), due to the investment in developing Neptun, Romgaz's balance sheet moved to net debt.

Net cash/debt (RON m)



Net debt/EBITDA (x)



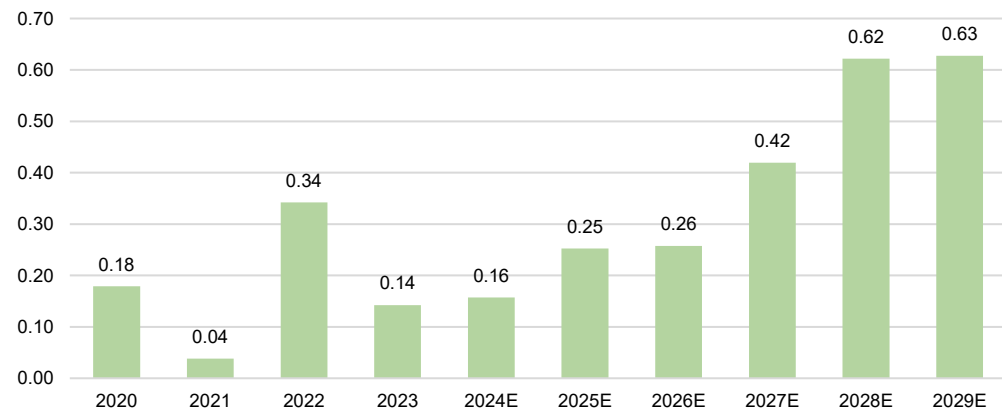
Source: Company data, WOOD Research

We expect the net debt to peak at RON 6.6bn in 2027E, the year that Neptun should be completed, and decline once the cash flows from the expanded production base begin to flow. We see a maximum net

debt/EBITDA of 1.5x in 2027E, which is a manageable level for Romgaz, in our view, but even this should only be temporary, as the leverage falls significantly once Neptun is online.

Dividends. Romanian State-owned companies are usually required to pay out at least 50% of their net income as dividends, due to the State Treasury's desire for income. In the past, Romgaz has, consistently, paid dividends above this level, and very substantially higher, at times. However during the investment phase of the Neptun project, Romgaz has been given special dispensation to pay a lower rate of 30%.

DPS (RON)



Source: Company data, WOOD Research

We assume that, from-2028E onwards, Romgaz will start distributing 50% of its net income, once again. We also see the possibility of even higher payouts, depending on the investment needs at the time.

Multiples. We see Romgaz trading at a P/E of 9.5x for 2025E, and also 9.5x in 2027E, compared to 6.5x and 7.1x for its peer group, respectively, on the consensus. For EV/EBITDA, we see 7.9x for 2025E and 11.3x in 2027E, compared to 3.5x and 3.9x for its peer group, respectively, on the consensus. We believe it is normal for Romgaz to trade at higher multiples, given the significance of the Neptun project.

Valuation

We use a combination of a DCF and a DDM, weighted equally. We have chosen to exclude a peer comparison because the Neptun project distorts the comparison, in our view.

Valuation summary

DCF	8.8
DDM	7.6
Average 12M PT (RON)	8.2
Upside potential	3.3%

Source: WOOD Research

DCF

We use a 10-year DCF, with a risk free rate of 7.0%, which gives us a WACC of 10.9%, together with a terminal growth rate of -1%. The terminal growth rate reflects the long-term decline of the upstream business.

DCF

RON m	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E	2034E
EBITDA	4,615	4,549	4,473	7,134	7,232	7,419	7,609	7,800	7,992	8,085
Capex	5,788	6,409	4,251	1,400	1,423	1,446	1,470	1,495	1,495	1,495
Tax	766	888	917	1,297	1,297	1,296	1,295	1,294	1,293	1,292
Change in WC	-327	-30	26	254	-1	-1	-1	-1	-1	-1
Free cash flow	-1,612	-2,719	-722	4,183	4,513	4,678	4,844	5,011	5,204	5,299
Discount factor	0.97	0.88	0.79	0.71	0.64	0.58	0.52	0.47	0.42	0.38
Present value of FCF	-1,564	-2,379	-570	2,978	2,898	2,709	2,530	2,360	2,211	2,030
Sum of FCF	13,203									
Terminal growth rate	-1.0%									
Terminal value PV	16,919	Risk-Free Rate			7.0%					
Enterprise value	30,122	Unlevered beta			1.05					
Net debt	-1,168	Levered beta			1.20					
Dividends paid out	605	Risk Premium			4.0%					
Decommissioning provisions	328	Cost of Equity			11.8%					
Fair value	30,356	Tax Rate			20.0%					
Shares (m)	3,854	After-tax Cost of Debt			7.2%					
Present value	7.9	Weight of Equity			79.8%					
12M PT (RON)	8.8	Weight of Debt			20.2%					
<i>Upside</i>	<i>10%</i>	WACC			10.9%					

Source: WOOD Research

DDM

RON m	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E
Net profit	3,240	3,311	3,232	4,795	4,837	4,914	4,990	5,065	5,140
Payout ratio	19%	30%	30%	50%	50%	50%	50%	50%	50%
Dividends	605	972	993	1,616	2,397	2,419	2,457	2,495	2,533
Discount factor	1.01	0.90	0.81	0.72	0.65	0.58	0.52	0.46	0.41
Present value	610	877	801	1,166	1,547	1,396	1,268	1,152	1,046
Present value of dividends	11,664								
Dividends paid out	605								
Terminal value growth	-1%								
Terminal value PV	13,933								
Total value	26,203								
Shares (m)	3,854								
Present value	6.8								
12M PT (RON)	7.6								
<i>Upside potential</i>	<i>-5%</i>								

Source: WOOD Research

Peer multiples

Company	MCAP	AVTD 3M	P/E (x)			EV/EBITDA (x)			Div. yield (%)		
	(EUR m)	(EUR m)	2025E	2026E	2027E	2025E	2026E	2027E	2025E	2026E	2027E
Integrateds											
KMG	20,244	0.1	4.4	4.2	3.5	3.2	2.9	2.3	11.5	12.5	13.8
MOL	5,944	4.1	4.1	4.0	4.1	2.7	2.5	2.5	11.1	11.8	12.5
OMV	15,251	15.3	7.7	8.4	8.0	3.7	3.8	3.7	6.7	6.9	7.1
Orlen	5,944	4.1	5.3	6.6	6.3	3.3	3.8	4.0	5.8	5.8	5.8
OQEP	6,199	5.1	10.1	12.4	12.0	5.6	6.7	6.7	9.5	8.1	8.4
OMV Petrom	10,560	1.3	9.1	8.8	8.7	5.1	5.8	5.4	7.9	8.9	8.9
Median			6.5	7.5	7.1	3.5	3.8	3.9	8.7	8.5	8.6
Average			6.8	7.4	7.1	3.9	4.3	4.1	8.7	9.0	9.4
Romgaz	6,044	0.6	9.5	9.3	9.5	7.1	8.0	8.4	3.2	3.2	5.3
discount/premium of Romgaz to median			45%	23%	33%	104%	111%	119%	-63%	-58%	-34%
discount/premium of Romgaz to average			33%	24%	30%	75%	88%	109%	-64%	-63%	-42%

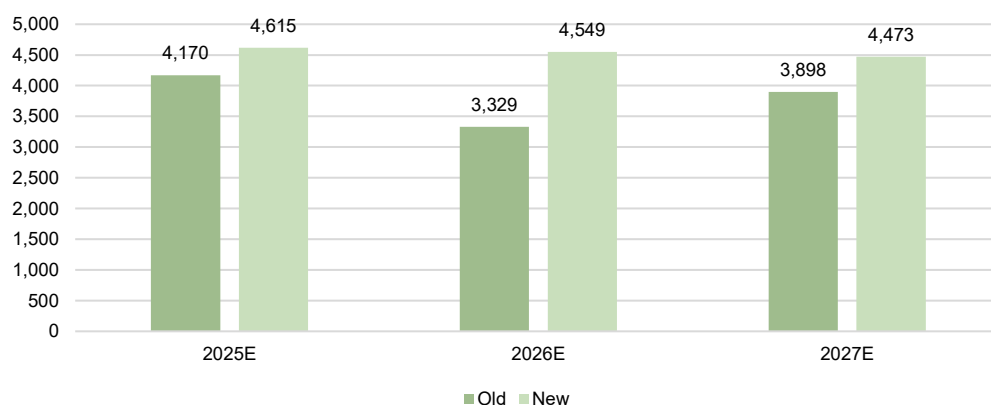
Source: Bloomberg, WOOD Research

Financial forecasts

Forecasts changes

We have increased our expectations for 2025-27E, due primarily to gas prices.

Financial forecasts changes (EBITDA, RON m)



Source: WOOD Research

WOOD vs. the consensus

In general, we are more bullish than the consensus for 2026E, but our estimates for 2027E are generally below the consensus.

Consensus comparison

RON m	Revenues			EBITDA			EBIT			Net profit		
	2025E	2026E	2027E	2025E	2026E	2027E	2025E	2026E	2027E	2025E	2026E	2027E
WOOD	8,436	8,755	9,136	4,615	4,549	4,473	3,838	3,887	3,549	3,240	3,311	3,232
Consensus	8,024	8,141	10,248	4,127	3,598	n.a.	3,714	3,005	4,616	3,157	2,705	3,842
% Difference	5.1%	7.5%	-10.9%	11.8%	26.4%	n.a.	3.3%	29.3%	-23.1%	2.6%	22.4%	-15.9%

Source: Bloomberg, WOOD Research; note: there is no consensus estimate for the EBITDA in 2027E

Risks

We associate the following risks with the company:

- ✓ **Regulations.** The Romanian government and regulator have, previously, imposed price controls and other constraints that affect profitability. New regulatory impositions may occur in the future.
- ✓ **Execution risk.** A major part of the value is related to Neptun Deep. Late completion or budget overruns could be significant.
- ✓ **Leverage.** Romgaz needs to borrow substantial amounts to implement its investments, which makes it more vulnerable to changes in the macro environment and interest rates.
- ✓ **Emissions.** Romgaz has yet to invest significantly in renewables, which may create a liability for emissions, which is not mitigated.

Financials

Income statement

RON m	2022	2023	2024	2025E	2026E	2027E
Revenue	13,360	9,002	7,929	8,436	8,755	9,136
Cost of commodities sold	-184	-107	-120	75	-350	-365
Gross Profit	13,176	8,895	7,810	8,512	8,405	8,770
Investment income	177	213	190	203	207	211
Other gains and losses	-9	-18	-31	-35	-36	-37
Changes in inventory	-2	-6	48	-7	-8	-8
Raw materials and consumables used	-118	-109	-200	-157	-160	-163
Depreciation, amortisation and impairment	-550	-477	-605	-777	-662	-924
Employee benefit expenses	-846	-914	-1,202	-1,186	-1,313	-1,096
Finance cost	-27	-62	-93	-141	-252	-492
Operating Profit	4,790	5,969	4,435	4,812	5,096	5,095
Exploration Expense	-60	-85	-79	-95	-98	-101
Other expenses	-659	-944	-640	-759	-909	-1,004
Profit before tax	4,154	5,067	3,605	3,964	4,139	4,040
Income tax expense	-1,608	-2,255	-386	-724	-828	-808
Net Profit	2,547	2,812	3,219	3,240	3,311	3,232
Depreciation	-550	-477	-605	-777	-662	-924
EBITDA	4,677	5,482	4,089	4,615	4,549	4,473
EBIT	4,127	5,005	3,484	3,838	3,887	3,549

Source: Company data, WOOD Research

Balance sheet

RON m	2022	2023	2024	2025E	2026E	2027E
PPE	5,039	5,892	8,403	13,454	19,202	22,529
Intangible assets	5,140	5,136	5,131	5,130	5,130	5,130
Other LT assets	242	375	499	446	446	446
Fixed Assets	10,422	11,403	14,034	19,030	24,778	28,105
Inventories	284	302	394	510	730	761
Receivables	1,374	1,399	838	1,021	1,094	1,142
Financial Assets	100	2,505	2,625	2,889	2,889	2,889
Cash	1,884	535	1,852	592	2,360	2,719
Other ST assets	274	322	218	342	342	342
Current Assets	3,915	5,063	5,927	5,353	7,414	7,852
Total assets	14,337	16,466	19,961	24,383	32,192	35,957
Share capital	385	385	3,854	3,854	3,854	3,854
Reserves	3,579	4,971	3,971	6,492	6,492	6,492
Retained earnings	6,112	6,205	6,375	5,871	8,210	10,449
Equity	10,077	11,561	14,200	16,218	18,557	20,795
Decommissioning Provisions	7	374	328	356	356	356
Long term debt	1,126	808	2,961	4,859	10,359	11,859
Pension Liabilities	169	189	205	204	204	204
Total non-current liabilities	1,752	1,753	3,892	5,818	11,318	12,818
Trade and other payables	110	272	457	510	486	508
Short Term Debt	321	323	348	415	415	415
Other ST Liabilities	2,398	2,880	1,413	1,837	1,831	1,836
Total current liabilities	2,508	3,152	1,870	2,347	2,317	2,344
Total Liabilities and Equity	14,337	16,466	19,961	24,383	32,192	35,957
Total Debt	1,447	1,132	3,309	5,275	10,775	12,275
Net Debt	-536	-1,909	-1,168	1,794	5,526	6,667
Working Capital	1,548	1,428	775	1,021	1,338	1,396
Net Capital Employed	11,969	12,831	14,809	20,051	26,115	29,501

Source: WOOD Research, company data

Cash flow

RON m	2022	2023	2024	2025E	2026E	2027E
Net profit	2,547	2,812	3,219	3,240	3,311	3,232
DD&A	321	422	491	718	662	924
Other non-cash (FX, impairment)	1,654	268	-1,823	123	828	808
Cash earnings	4,522	3,501	1,888	4,081	4,801	4,964
Change in NWC	-786	65	940	-729	-1,151	-861
Operating cash flow	3,736	3,566	2,827	3,353	3,650	4,103
Capex	-337	-1,170	-2,976	-5,632	-6,409	-4,251
Change in financial assets	379	-2,395	-118	-209	0	0
Other	-5,056	293	3	-2	0	0
Net Investment	-5,014	-3,271	-3,091	-5,844	-6,409	-4,251
Dividends	-1,464	-1,318	-549	-605	-972	-993
Change in borrowings	1,448	-326	-323	2,000	5,500	1,500
Other	-1	0	-4	-164	0	0
Cash from financing	-18	-1,643	-877	1,231	4,528	507
Net (decrease)/Increase in cash	-1,296	-1,349	-1,140	-1,261	1,768	359

Source: WOOD Research, company data

Important disclosures

This investment research is published by WOOD & Company Financial Services, a.s. ("WOOD&Co") and/or one of its affiliates or branches. WOOD&Co and its branches located in the European Union are authorised and regulated by the Czech National Bank (CNB) as Home State regulator and in Poland by the Polish Financial Supervision Authority (KNF), in Slovakia by the National Bank of Slovakia (NBS), in Italy by the Companies and Stock Exchange Commission (CONSOB), in Ireland by the Central Bank of Ireland (CBI) and in Romania by the Financial Supervisory Authority (ASF) as Host State regulators. WOOD & Company Financial Services Ltd, which is a UK affiliate of WOOD&Co, is authorised and regulated by the Financial Conduct Authority (FCA).

This investment research was prepared by the assignment of Bucharest Stock Exchange (having its registered office in Bucharest, 34-36 Carol I Avenue, 13-14th Floor, 2nd District, registered with the Trade Register under no J40/12328/13.07.2005, VAT Number RO, Unique Registration Code 17777754) ("BSE") under the agreement which was concluded by and between BSE and WOOD&Co. and WOOD&Co. will receive a remuneration for this commitment. BSE shall not be liable for the content of this investment research, especially for the accuracy and completeness of the information therein and for the forecasts and conclusions. The views expressed in this investment research are those of WOOD&Co. and can in no way be taken to reflect the official opinion of BSE. WOOD&Co. is entitled to all copyrights regarding this investment research.

This investment research was completed on 18/09/2025 at 14:25 CET and disseminated on 19/09/2025 at 07:30 CET.

WOOD&Co.'s rating and price target history for Romgaz in the preceding 12-month period:

Date	Rating	Date	PT
12/09/2022	BUY – transfer of coverage	12/09/2022	RON 65.6
		09/08/2023	RON 47.6
		07/06/2024	RON 4.76
22/11/2024	HOLD – transfer of coverage	22/11/2024	RON 5.50
		19/09/2025	RON 8.20

The history of all WOOD&Co's investment research disseminated during the preceeding 12-month period can be accessed via our website at <https://research.wood.com>.

The meanings of recommendations made in WOOD&Co.'s investment research are as follows:

BUY: The stock is expected to generate total returns of over 15% during the next 12 months, as measured by the price target.

HOLD: The stock is expected to generate total returns of 0-15% during the next 12 months, as measured by the price target.

SELL: The stock is expected to generate a negative total return during the next 12 months, as measured by the price target.

RESTRICTED: Financial forecasts, and/or a rating and/or a price target is restricted from disclosure, owing to Compliance or other regulatory/legal considerations, such as a blackout period or a conflict of interest.

UNDER REVIEW: Due to changes in the Research team, or other considerations indicated in WOOD&Co.'s investment research, the disclosure of a stock's rating, and/or price target, and/or financial information are suspended temporarily, until further notice.

NOT RATED: The stock is currently not rated. If applicable, the previous rating and/or price target should be relied upon no longer. The NOT RATED designation is not a recommendation or a rating.

As of the end of the last calendar quarter, the proportion of all WOOD&Co's investment research vis-à-vis the proportion of subject companies that were investment banking clients over the previous 12 months is as follows:

	BUY	HOLD	SELL	Restricted	NOT RATED	UNDER REVIEW
Equity Research Coverage	60%	29%	7%	1%	3%	n.a.
IB Clients	1%	n.a.	n.a.	n.a.	1%	n.a.

Any prices of financial instruments quoted in this investment research are taken as of the previous day's market close on the home market unless otherwise stated.

Details of the methodologies used to determine WOOD&Co's price targets and risk assessment related to the achievement of the targets are outlined throughout the most recent substantive report/note on the subject company.

It should be assumed that the risks and valuation methodology presented in daily news or flash notes, and not changing WOOD&Co's estimates or ratings, are as set out in the most recent substantive research report/note on the subject company and can be found on our website at <https://research.wood.com>.

WOOD&Co's policy is to update investment research as it deems appropriate, based on developments in the subject company, sector or market that may have a material impact on the views or opinions stated in the investment research.

WOOD Research Disclosures (as of 19 September 2025)

Company	Disclosures
Alior Bank	5
AmRest	5
Astarta Holding	4
Banca Transilvania	5, 3
Bank of Cyprus	4
Benefit Systems	1, 2, 3
BRD	5
Bucharest Stock Exchange	5
CCC	1, 2, 3, 5
CD Projekt	5
Colt CZ Group	1, 2, 3, 4, 5
CEZ	5
Diagnostyka	1, 2, 3
Dino	5
DO&CO	5
Doosan Škoda Power	1, 2, 3, 5
Electrica	5
Erste Group Bank	5
Eurobank	4
Eurocash	5
Fondul Proprietatea	4, 5
Footshop	5, 9, 10
Kazatomprom	5
Kernel	5
Kety	8
KGHM	5
Kofola CS	5
Komercni	4, 5
Kruk	5
MedLife	4
MONETA Money Bank	5
NLB Group	5
Noval Property	1, 2, 3
Nuclearelectrica	5
OMV Petrom	5

Orange PL	5
Pekao	4, 5
PGE	5
Philip Morris CR	5
PKN Orlen	5
PKO BP	4, 5
PZU	4, 5
Romgaz	5
Santander Bank Polska	5
Siauliu Bankas	5
Shoper	3
Tauron	8
THEON International	3
Transelectrica	5
Transgaz	5

The authoring analysts who are responsible for the preparation of this investment research have received (or will receive) compensation based upon (among other factors) the overall profits of WOOD&Co, which includes corporate finance/investment banking, sales and trading and principal trading revenues. However, such authoring analysts have not received, and will not receive, compensation that is directly based upon or linked to one or more specific activities, or to recommendations contained in the investment research. One factor in equity research analyst compensation is arranging corporate access events/meetings between institutional clients and the management teams of covered companies (with the company management being more likely to participate when the analyst has a positive view of the company).

WOOD&Co and its affiliates may have a corporate finance/investment banking or other relationship with the company that is the subject of this investment research and may trade in any of the designated investments mentioned herein either for their own account or the accounts of their clients, in good faith or in the normal course of market making. Accordingly, WOOD&Co or their affiliates, principals or employees (other than the authoring analyst(s) who prepared this investment research) may at any time have a long or short position in any such designated investments, related designated investments or in options, futures or other derivative instruments based thereon.

WOOD&Co manages conflicts of interest arising as a result of preparation and publication of research through its use of internal databases, notifications by the relevant employees and Chinese Walls as monitored by Compliance. For further details, please see our website at <https://www.wood.cz/mifid-information/>.

The information contained in this investment research has been compiled by WOOD&Co from sources believed to be reliable, but (with the exception of the information about WOOD&Co) no representation or warranty, express or implied, is made by WOOD&Co, its affiliates or any other person as to its fairness, accuracy, completeness or correctness. WOOD&Co has not independently verified the facts, assumptions, and estimates contained herein. All estimates, opinions and other information contained in this investment research constitute WOOD&Co's judgement as of the date of this investment research, are subject to change without notice and are provided in good faith but without legal responsibility or liability.

WOOD&Co salespeople, traders, and other professionals may provide oral or written market commentary or trading strategies to our clients and our proprietary trading desk that reflect opinions that are contrary to the opinions expressed in this investment research. WOOD&Co's affiliates, proprietary trading desk and investing businesses may make investment decisions that are inconsistent with the recommendations or views expressed in this investment research.

This investment research is provided for information purposes only and does not constitute or form part of an offer or invitation or solicitation to engage in investment activity or to buy or sell any designated investments discussed herein in any jurisdiction. As a result, the designated investments discussed in this investment research may not be eligible for offer or sale in some jurisdictions. This investment research is not, and under no circumstances should be construed as, a solicitation to act as a securities broker or dealer in any jurisdiction by any person or company that is not legally permitted to carry on the business of a securities broker or dealer in that jurisdiction.

This investment research is prepared for general circulation to WOOD&Co's clients and does not have regard to the investment objectives, financial situation or particular needs of any particular person. Investors should consider this report as only a single factor in making their investment decision and obtain advice based on their own individual circumstances before making an investment decision. To the fullest extent permitted by law, none of WOOD&Co, its affiliates or any other person accepts any liability whatsoever for any direct or consequential loss arising from or in connection with the use of this investment research.

For United Kingdom or European Economic Area (EEA) Residents:

In the United Kingdom, this investment research is only for persons of a kind described in Article 19(5) (Investment Professionals) and 49(2) (High Net Worth companies, unincorporated associations etc.) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005. In the EEA, this investment research is only for persons who are professional clients within the meaning of Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Directive 2002/92/EC and Directive 2011/61/EU. This investment research is not intended to be distributed or passed on, directly or indirectly, to any other class of persons. Accordingly, this investment research must not be acted on or relied on by any other class of persons. This material is not for distribution in the United Kingdom or EEA to persons regarded as retail clients in their home jurisdictions.

For United States Residents:

This investment research distributed in the United States by WOOD&Co, and in certain instances by Brasil Plural Securities LLC ("Brasil Plural"), a U.S. registered broker dealer, only to "major U.S. institutional investors", as defined under Rule 15a-6 promulgated under the U.S. Securities Exchange Act of 1934, as amended, and as interpreted by the staff of the U.S. Securities and Exchange Commission ("SEC"). This investment research is not intended for use by any person or entity that is not a major U.S. institutional investor. If you have received a copy of this research and are not a major U.S. institutional investor, you are instructed not to read, rely on or reproduce the contents hereof, and to destroy this research or return it to WOOD&Co or to Brasil Plural. Analyst(s) preparing this report are employees of WOOD&Co who are resident outside the United States and are not associated persons or employees of any U.S. registered broker-dealer. Therefore the analyst(s) are not be subject to Rule 2711 of the Financial Industry Regulatory Authority ("FINRA") or to Regulation AC adopted by SEC which, among other things, restrict communications with a subject company, public appearances and personal trading in securities by a research analyst. Any major U.S. Institutional investor wishing to effect transactions in any securities referred to herein or options thereon should do so by contacting a representative of Brasil Plural. Brasil Plural is a broker-dealer registered with the SEC and a member of FINRA and the Securities Investor Protection Corporation. Its address is 545 Madison Avenue, 8th Floor, New York, NY 10022 and its telephone number is 212-388-5613. WOOD&Co is not affiliated with Brasil Plural or any other U.S. registered broker-dealer.

The views and sentiments expressed in this investment research and any findings thereof accurately reflect the analyst's truthful views about the subject securities and or issuers discussed herein.

CONTACTS

Czech Republic

namesti Republiky 1079/1a
Palladium
110 00 Praha 1
Czech Republic
Tel +420 222 096 111
Fax +420 222 096 222

Poland

Centrum Marszałkowska
Marszałkowska 126/134
7th Floor
00 008 Warszawa
Poland
Tel +48 22 222 1530
Fax +48 22 222 1531

UK

16 Berkeley Street
London
W1J 8DZ
Tel +44 20 3530 0691

Italy

Via Luigi Settembrini, 35
20124 Milan
Italy
Tel +39 02 36692 500

Bloomberg page
WUCO

www.wood.com

Romania

Lamda Building
7A Bucuresti-Ploiesti Street
4th Floor
013682 Bucharest 1
Tel.: +40 316 30 11 81

Research

Co-Head of Equities/ Head of Research

Marta Jezewska-Wasilewska
+48 22 222 1548
marta.jezewska-wasilewska@wood.com

Deputy Head of Research

Jakub Caithaml
+420 222 096 481
jakub.caithaml@wood.com

Macroeconomics

Raffaella Tenconi
+44 20 3530 0685
raffaella.tenconi@wood.com

Head of EMEA Defence & Aerospace / Co-Head of Türkiye Research

Atinc Ozkan
+420 222 096 700
atinc.ozkan@wood.com

Head of Consumer/Industrials

Lukasz Wachelko
+48 22 222 1560
lukasz.wachelko@wood.com

Head of Polish Research

Maria Mickiewicz
+48 602 450 718
maria.mickiewicz@wood.com

Head of Financials

Can Demir
+44 20 3530 0623
can.demir@wood.com

Co-Head of Türkiye Research

Can Yurtcan
+420 222 096 780
can.yurtcan@wood.com

Head of TMT

Piotr Raciborski
+48 22 222 1551
piotr.raciborski@wood.com

Utilities/Mining/Pharma

Bram Buring
+420 222 096 250
bram.buring@wood.com

Energy

Jonathan Lamb
+44 20 3530 0621
jonathan.lamb@wood.com

Macroeconomics

Alessio Chiesa
+44 75177 06102
alessio.chiesa@wood.com

Industrials/Utilities

Jakub Bronicki
+ 48 22 222 1546
jakub.bronicki@wood.com

Consumer

Dmitry Vlasov
+44 750 714 6702
dmitry.vlasov@wood.com

Financials

Miguel Dias
+420 735 729 418
miguel.dias@wood.com

Real Estate

Peter Palovic
+420 222 096 486
peter.palovic@wood.cz

Greece

George Grigoriou
+30 697 410 8565
george.grigoriou@wood.com

Sales

Co-Head of Equities

Jarek Tomczynski, CFA
+48 22 222 1611
jarek.tomczynski@wood.com

Ilgin Erdogan

+420 222 096 708
ilgin.erdogan@wood.com

Jan Koch

+48 22 222 1616
jan.koch@wood.com

Piotr Kopec

+48 22 222 1615
piotr.kopec@wood.com

Constantinos Koufopoulos

+30 697 585 5517
costas.koufopoulos@wood.com

Ioana Pop

+44 20 3530 0693
ioana.pop@wood.com

Tatiana Sarandinaki

Brasil Plural in association with WOOD&Co.
1 212 388 5613
tsarandinaki@wood-brasilplural.com

Sales Trading and Execution Services

Co-Head of Equities

Zuzana Mora
+420 222 096 283
zuzana.mora@wood.com

Jan Koch

+48 22 222 1616
jan.koch@wood.com

Ermir Shkurti

+420 222 096 847
ermir.shkurti@wood.com

Vladimir Vavra

+420 222 096 397
vladimir.vavra@wood.com

RECENTLY PUBLISHED REPORTS

Date	Company/Sector	Title	Analyst
15/09/25	EME Macro/Strategy	Macro all-in-one (8-14 September)	Raffaella Tenconi, Alessio Chiesa
11/09/25	Bank of Cyprus	Value is (sometimes) relative	Can Demir, Miguel Dias
08/09/25	EME Macro/Strategy	Macro all-in-one (1-7 September)	Raffaella Tenconi, Alessio Chiesa
04/09/25	Greek Refiners	Elevated margins, extended run	George Grigoriou, Jonathan Lamb
02/09/25	The Rear-View Mirror – EME markets	Poland – worst performer in August	Research Team
01/09/25	Allegro	August is harvest time	Lukasz Wachelko, Maria Mickiewicz
29/08/25	OTP Bank	All about capital returns	Marta Jezewska-Wasilewska, Miguel Dias
27/08/25	Tupras	Enjoying life in the margins	Jonathan Lamb, Bram Buring
25/08/25	EME Macro/Strategy	Macro all-in-one (18-24 August)	Raffaella Tenconi, Alessio Chiesa
22/08/25	Premier Energy	Focus on RES	Peter Palovic, Bram Buring
19/08/25	DO & CO	On the menu – fair value	Peter Palovic, Jakub Caithaml
18/08/25	EME Macro/Strategy	Macro all-in-one (11-17 August)	Raffaella Tenconi, Alessio Chiesa
15/08/25	Georgia Capital	Multi-sector story	Dmitry Vlasov, Bram Buring
14/08/25	NLB Group	Still cheap, despite the rally	Miguel Dias, Marta Jezewska-Wasilewska
13/08/25	Asseco Poland	Unjustifiably expensive	Piotr Raciborski, Maria Mickiewicz

Although the information contained in this report comes from sources WOOD & Company believes to be reliable, we do not guarantee its accuracy, and such information may be incomplete or condensed. All opinions and estimates included in this report constitute our judgment as of this date and are subject to change without notice. This report is for information purposes only and is not intended as an offer or solicitation with respect to the purchase or sale of any security.