



Press release

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EDISON: 4iG EXECUTES ITS FIVE-YEAR PLANS ON SCHEDULE AND GROWS FAST

London analysts expect massive growth from the group this year, boosted by the completion of the DIGI transaction and the company's regional expansion

After 39 percent last year, Edison Group forecasts a 44 percent increase in revenues for 4iG Plc. this year and expects the group's revenues to exceed HUF 82 billion in 2021, with an EBITDA margin of 10.8 percent. London-based investment advisers believe that the expected closing of the DIGI acquisition in the third quarter could be a huge boost to this. According to their calculations, the group's revenues would increase to HUF 153 billion after the deal closes, and its EBITDA would reach HUF 28 billion. Edison believes that despite the attractive dividend pay-out and positive outlook, 4iG's shares are traded at a discount rate of around 40% compared to the regional average. The analyst house estimated the fair value of 4iG shares at HUF 1,237 based on a net present value calculation.

Edison Group, a London-based analyst firm, has published its latest comprehensive analysis of 4iG's performance and says that 4iG has executed its plans on schedule in 2020 and the first half of 2021, with a series of acquisitions that will transform the group. Edison believes that 4iG's transformation could be further significantly impacted by the acquisition of DIGI, the dominant telecoms operator in the Hungarian market. According to the London-based international investment advisor, the acquisitions completed (TRC, INNObyte, DTSM, Rotors & Cams, Poli Computer PC, SpaceNET and Hungaro DigiTel) in the last year and ongoing provide the right platform for 4iG to implement its strategy focused on three pillars (IT, telecoms and satellite services, space).

Excluding the impact of pending acquisitions, Edison has raised its expectations for group-wide revenues this year by a third, based on 2020 results and acquisitions made in the meantime. The company expects 4iG's revenues to reach HUF 82.7 billion in 2021, up 44 percent year-on-year, while the group's EBIDTA could increase to HUF 8.9 billion. To this, DIGI would add an additional HUF 70 billion in revenues and HUF 19 billion in EBIDTA, based on last year's figures, bringing revenues to HUF 153 billion and EBIDTA to HUF 28 billion.

According to the analysis, 4iG's shares are undervalued both in terms of the company's current performance and its positive outlook and are traded at a 40% discount compared to the regional average on the Budapest stock exchange. Based on Edison's net present value calculations, the fair value of the share price would be HUF 1,237 per share.