

# Mostostal Zabrze

**buy**

engineering and construction, machinery

previous recommendation: buy

Price\*: 5.96

**Target price: 7.60**

## Positive Scenario Materialized

Mostostal Zabrze continues to strengthen its position as a specialized engineering and manufacturing group focused on contracts requiring high competence rather than the lowest price. As a result, the company is not affected by the price war in the construction sector, and its reputation among global chemical, metallurgical, and environmental giants provides access to projects with above-average margins.

### Record Order Backlog

The backlog at the end of May reached PLN 1,315.3 million (+127.7% y/y), which corresponds to 130.2% of 2024 revenues and represents the highest level in the group's history. The portfolio includes numerous contracts exceeding PLN 100 million, ensuring diversification and mitigating the risk of individual orders. An additional offer pipeline of PLN 389.7 million raises the potential revenue coverage to approximately PLN 1.7 billion. The management emphasizes that the current backlog is "the highest quality the company has ever had."

### Current Results and Outlook

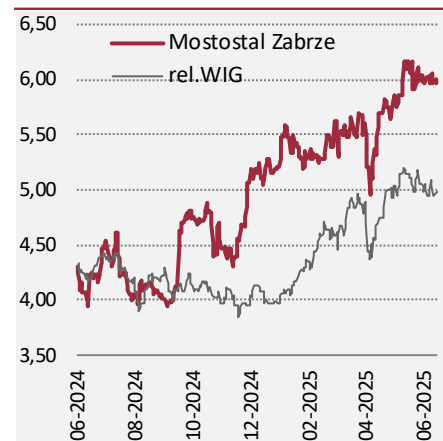
Mostostal Zabrze's current performance in its two main segments—industrial projects and engineering construction—is very strong. However, the mechanical and chemical production segments remain a drag on performance. Mechanical production continues to feel the effects of the global slowdown in the crane industry, and a recovery is expected to take several more quarters. The chemical segment, represented by Polwax, initially required support—which it has received—and we forecast a significant improvement later this year, particularly during the company's key "grave candle season."

### On the Threshold of Steel Decarbonization

Major steel industry projects related to decarbonization remain on the horizon. While they are not yet a significant component of the current order book, the company is well-positioned to compete for contracts in this area.

### Valuation and Recommendation

Continued strong performance in the key segments and further growth in the order backlog have led us to raise our earnings forecasts. Additionally, the cancellation of 5.32 million treasury shares, as approved at the AGM on May 28, increased the value per share by 7.2% compared to our last published valuation. A decline in interest rates between March and June contributed to a further increase of approximately 4.4%. In total, this results in a revised valuation of PLN 7.6 per share and supports maintaining a "buy" recommendation for Mostostal Zabrze shares.



Max/min 52 weeks (PLN)	6,17 / 3,94		
Shares issued (m)	68,7		
Market cap. (m PLN)	409		
EV (m PLN)	451		
Free float (m PLN)	175		
Average turnover (mln PLN)	0,2		
Main shareholder	Jędrzejewski Krzysztof		
% of shares, % of votes	39.1%, 39.1%		
	<b>1 m</b>	<b>3 m</b>	<b>12 m</b>
Price change	-3,2%	8,8%	16,9%
Change rel. WIG	-0,3%	5,6%	-5,7%

**Adam Zajler**

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	Revenues	EBIT	EBITDA	Profit before tax	Net profit	EPS	CEPS	BVPS	P/E	P/BV	DY (%)	EV /EBIT	EV /EBITDA	ROE (%)
2024	1010,3	51,1	98,7	78,9	61,8	0,84	1,09	4,2	0,0	0,0	91,6%	0,0	0,0	19,8%
2025p	1306,5	60,7	79,9	61,3	43,9	0,64	0,92	4,7	0,0	0,0	133,1%	0,0	0,0	13,6%
2026p	1395,2	64,6	85,3	64,1	43,2	0,63	0,93	4,9	0,0	0,0	0,0%	0,0	0,0	12,9%
2027p	1419,3	66,5	88,9	65,3	40,4	0,59	0,91	5,1	0,0	0,0	0,0%	0,0	0,0	11,6%

f - BN Banku Millennium consolidated forecasts, mPLN

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## Explanation of the professional terminology used in the report

EV - market valuation of the company + net interest debt

EBIT - operating profit

EBITDA - operating profit + depreciation

WNB - result on banking activity

P/E - ratio of the share price to the net profit per share

P/BV - ratio of the share price to the book value per share

ROE - return on equity

ROA - return on assets

EPS - net profit per share

CEPS - net profit and depreciation per share

BVPS - book value per share

DPS - dividend per share

NPL - non performing loans

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BUY - we believe that the company's shares have more than 20% upside potential

ACCUMULATE - we believe that the company's shares have more than 10% upside potential

NEUTRAL - we believe that the price of the company's shares will remain stable (+/- 10%)

REDUCE - we think that the company's shares are overvalued by 10-20%

SELL - we believe that the company's shares are overvalued by over 20%

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Comparative method (comparison of relevant market indicators at which the company is listed with similar indicators for other companies from the same industry or related industries) - better than the DCF method, it reflects the perception of the industry in which the company operates by investors. The disadvantage of the comparative method is the sensitivity to the selection of the adopted comparative group and the compared ratios, as well as high volatility of the valuation depending on the market situation.

ROE-P/BV method (a model that makes the appropriate P/BV ratio dependent on the company's profitability) - a method considered the most appropriate for the valuation of banks. The disadvantage of this method is the sensitivity of the valuation obtained in this way to the assumptions made regarding both the company itself (profitability, effectiveness) and its macroeconomic environment.

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The work related to the preparation of the report was completed on June 18, 2025 at 1:30 p.m., and the date of the first dissemination of the report is the day of completion of the work at 2:15 p.m.

The report was prepared by the Biuro Maklerskie Banku Millennium S.A. commissioned by the Warsaw Stock Exchange S.A. under the Analytical Coverage Support Program.

## BM Banku Millennium recommendation for the last 12 months

Company	Recommendation	Date of the recommendation	Market price on the day the recommendation issue	Target price	Author
Mostostal Zabrze	Buy	01/07/2024	4,46	5,90	Adam Zajler
iFirma	Neutral	24/09/2024	22,80	20,80	Seweryn Żołyniak
Ambra	Accumulate	01/10/2024	26,10	30,40	Grzegorz Gawkowski
IMS	Buy	07/10/2024	3,54	4,50	Łukasz Bugaj
Mostostal Zabrze	Buy	06/12/2024	5,10	6,10	Adam Zajler
Ambra	Accumulate	12/03/2025	22,70	25,90	Grzegorz Gawkowski
Mostostal Zabrze	Buy	27/03/2025	5,68	6,80	Adam Zajler
iFirma	Accumulate	09/04/2025	22,90	25,40	Seweryn Żołyniak
IMS	Buy	21/05/2025	3,75	4,60	Łukasz Bugaj
Ambra	Accumulate	29/05/2025	20,90	24,90	Grzegorz Gawkowski
iFirma	Accumulate	29/05/2025	26,35	29,70	Seweryn Żołyniak
IMS	Buy	11/06/2025	3,73	4,50	Łukasz Bugaj

Source: BM Banku Millennium, recommendations issued by BM Banku Millennium valid for 6 months from the date of issue, unless they are updated before that. Ambra, Agora, Korporacja KGL, Mostostal Zabrze, PZU, Eurotel, Lokum Deweloper, Zamet Industry, GR media and Carlson.

## Structure of BM Banku Millennium recommendation for the last 12 months

	Number of recommendations	Share
Buy	6	50%
Accumulate	5	42%
Neutral	1	8%
Reduce	0	0%
Sell	0	0%

## The structure of recommendations for companies for which BM Banku Millennium provided

No recommendations were issued for companies for which BM Banku Millennium provided services in the field of investment banking

\*last 12 months, including companies for which BM Banku Millennium is a market maker