

The report was prepared by Dom Maklerski BDM at the request of the WSE as part of the Exchange's Analytical Coverage Support Programme

			2022	2023	2024	2025F	
Price [PLN]	9,8	P/E	13,8	10,7	21,1	20,9	Analyst:
MC [mln PLN]	225,7	EV/EBITDA	6,6	2,0	7,3	5,8	Krzysztof Pado
		EV/EBIT	11,6	3,0	13,2	11,4	krzysztof.pado@bdm.pl
		P/BV	1,3	1,1	1,1	1,0	tel.: (+48) 512 338 250

**Last recommendation BDM: HOLD with target price 8,70 PLN/share (19.05.2025) [LINK](#)**

**Preliminary standalone results for Q2'25 [m PLN]**

	Q2'24	Q2'25E	y/y	Q2'25F BDM	dev.	H1'24	H1'25	y/y
Sales	272,9	204,5	-25,1%	190,0	7,6%	570,0	367,0	-35,6%
Gross profit	13,2	19,9	51,0%	8,6	132,2%	24,2	23,8	-1,5%
EBIT	6,1	14,6	138,9%	1,5	888,0%	11,5	10,0	-13,0%
Net profit	6,1	10,5	70,1%	1,2	741,5%	7,2	6,1	-15,7%
Gross margin	4,8%	9,7%		4,5%		4,2%	6,5%	
EBIT margin	2,2%	7,1%		0,8%		2,0%	2,7%	
Net margin	2,3%	5,1%		0,7%		1,3%	1,7%	

Source: Dom Maklerski BDM S.A., ZUE

**Standalone results [m PLN]**

	Q1'22	Q2'22	Q3'22	Q4'22	Q1'23	Q2'23	Q3'23	Q4'23	Q1'24	Q2'24	Q3'24	Q4'24	Q1'25	Q2'25E
Sales	141,9	192,1	236,3	261,6	222,7	268,3	333,1	555,0	297,1	272,9	276,7	268,3	162,5	204,5
Gross profit	7,4	8,6	5,7	7,4	6,9	7,3	10,2	23,9	11,0	13,2	5,5	13,4	3,9	19,9
EBIT	3,7	2,8	0,6	1,2	1,9	2,6	7,4	16,9	5,4	6,1	0,8	4,5	-4,6	14,6
Net profit	4,1	3,9	0,8	1,4	1,2	3,3	6,5	11,0	1,1	6,1	0,0	3,0	-4,4	10,5
Gross margin	5,2%	4,5%	2,4%	2,8%	3,1%	2,7%	3,1%	4,3%	3,7%	4,8%	2,0%	5,0%	2,4%	9,7%
EBIT margin	2,6%	1,5%	0,2%	0,5%	0,9%	1,0%	2,2%	3,0%	1,8%	2,2%	0,3%	1,7%	-2,8%	7,1%
Net margin	2,9%	2,0%	0,4%	0,5%	0,5%	1,2%	2,0%	2,0%	0,4%	2,3%	0,0%	1,1%	-2,7%	5,1%

**Results of subsidiaries and forecast for Q2'25 [m PLN]**

	Q1'22	Q2'22	Q3'22	Q4'22	Q1'23	Q2'23	Q3'23	Q4'23	Q1'24	Q2'24	Q3'24	Q4'24	Q1'25	Q2'25E
Sales	11,7	27,5	19,8	30,5	26,6	24,2	25,9	28,4	19,0	28,1	27,6	29,6	17,6	27,7
Gross profit	0,9	4,1	3,3	5,4	1,7	3,0	1,1	1,9	1,6	1,8	1,5	2,6	1,5	2,0
EBIT	-0,1	2,5	2,4	5,0	0,0	1,5	-0,1	0,3	0,3	0,5	0,4	1,1	0,0	0,3
Net profit	-0,4	1,6	0,7	4,2	-0,1	-0,3	-0,6	0,0	-0,1	0,0	-0,2	0,8	-0,4	0,0
Gross margin	8,1%	14,9%	16,7%	17,5%	6,3%	12,4%	4,4%	6,7%	8,2%	6,2%	5,6%	8,8%	8,4%	7,0%
EBIT margin	-1,1%	9,1%	12,0%	16,4%	0,1%	6,1%	-0,4%	1,2%	1,7%	1,7%	1,3%	3,7%	0,1%	1,2%
Net margin	-3,0%	5,8%	3,7%	13,7%	-0,4%	-1,1%	-2,3%	-0,1%	-0,7%	0,0%	-0,8%	2,7%	-2,4%	0,0%

**Consolidated results and forecast for Q2'25 [m PLN]**

	Q1'22	Q2'22	Q3'22	Q4'22	Q1'23	Q2'23	Q3'23	Q4'23	Q1'24	Q2'24	Q3'24	Q4'24	Q1'25	Q2'25E
Sales	153,6	219,6	256,0	292,2	249,3	292,4	359,0	583,5	316,2	301,0	304,3	297,9	180,1	232,2
Gross profit	8,3	12,7	9,0	12,8	8,5	10,3	11,4	25,8	12,6	14,9	7,0	16,0	5,4	21,8
EBIT	3,6	5,3	3,0	6,2	1,9	4,1	7,2	17,2	5,7	6,6	1,2	5,6	-4,6	14,9
Net profit	3,8	5,5	1,6	5,5	1,1	3,0	5,9	10,9	1,0	6,2	-0,2	3,8	-4,8	10,5
Gross margin	5,4%	5,8%	3,5%	4,4%	3,4%	3,5%	3,2%	4,4%	4,0%	5,0%	2,3%	5,4%	3,0%	9,4%
EBIT margin	2,3%	2,4%	1,2%	2,1%	0,8%	1,4%	2,0%	2,9%	1,8%	2,2%	0,4%	1,9%	-2,5%	6,4%
Net margin	2,4%	2,5%	0,6%	1,9%	0,4%	1,0%	1,7%	1,9%	0,3%	2,0%	-0,1%	1,3%	-2,7%	4,5%

Source: Dom Maklerski BDM S.A., ZUE

- The company has reported preliminary standalone Q2'25 results.
- In Q2'25, ZUE's standalone revenue amounted to PLN 205 million (-25% y/y). We expected PLN 190 million. The y/y decline in revenue is mainly a consequence of a lower portfolio (after Q1'25, it amounted to PLN 1.3 billion, which was -20% y/y).
- Gross sales profitability in Q2'25 (9.7%) was a positive surprise and was better q/q and y/y (2.4% in Q1'25 and 4.8% a year ago). We assume that such a large difference in profitability between Q2'25 and Q1'25 may be a result of a conservative approach to risk at the beginning of the year, followed by a positive resolution of some issues for the company in Q2'25 (we note that the company has completed or is currently completing several long-term contracts). We assumed an improvement in margins in Q2'25 vs Q1'25, but the scale of the improvement surprised us positively.

- EBIT amounted to PLN 14.6 million (vs. PLN 6.1 million a year ago), while the net result was PLN 10.5 million (vs. PLN 6.1 million in 2Q'24 and PLN -4.4 million in 1Q'25).
- The consolidated results should also include the trading company Railway gft Polska and the road construction company Energopol. We assume that they will contribute almost PLN 30 million in revenue to the consolidated results in Q2'25 and will not have a significant impact on the final net result.
- The company will present its full report on 20 August 2025.

**Consolidated results forecasts for Q2'25 and 2025–26**

	Q2'24	Q2'25F	y/y	H1'24	H1'25F	y/y	2024	2025F	y/y	2026F	y/y
Revenue	301,0	232,2	-22,9%	617,2	412,4	-33,2%	1 219,4	877,9	-28,0%	967,3	10,2%
Gross profit on sales	14,9	21,8	46,3%	27,5	27,2	-0,9%	50,5	52,1	3,2%	54,9	5,4%
Profit on sales	6,8	13,6	99,6%	11,5	9,9	-13,9%	16,6	17,1	2,9%	18,1	5,8%
EBITDA	10,3	19,1	85,2%	19,8	18,7	-5,7%	34,7	34,4	-0,9%	35,3	2,7%
EBIT	6,6	14,9	126,9%	12,3	10,3	-15,7%	19,1	17,5	-8,2%	18,1	3,3%
Gross profit	6,3	13,6	117,5%	9,3	7,6	-18,4%	12,1	14,1	16,1%	16,3	15,8%
Net profit	6,2	10,5	70,0%	7,1	5,7	-20,1%	10,7	10,8	0,7%	13,0	20,5%
Gross margin	5,0%	9,4%		4,5%	6,6%		4,1%	5,9%		5,7%	
Sales margin	2,3%	5,9%		1,9%	2,4%		1,4%	1,9%		1,9%	
EBITDA margin	3,4%	8,2%		3,2%	4,5%		2,8%	3,9%		3,7%	
EBIT margin	2,2%	6,4%		2,0%	2,5%		1,6%	2,0%		1,9%	
Net margin	2,0%	4,5%		1,2%	1,4%		0,9%	1,2%		1,3%	

Source: Dom Maklerski BDM S.A.

**BDM Comment:**

The preliminary standalone results for Q2'25 surprised us positively with the gross margin (9.7%). The company did not provide any further commentary in its announcement. We assume that this may be due to a positive resolution of risks on expiring contracts, which were previously conservatively recognised.

In the context of the outlook for H2'25, the benchmark should not be the Q2'25 margin, but rather the margin for the entire H1'25 period (6.5% on a standalone basis), although even this level would be considered a success. The company has set itself a medium-term margin target of 6%, with an average of 4.0% for 2020-24. We note that currently, revenues should be based largely on the Katowice-Będzin contract, which was awarded during a favourable tender window in 2023.

In terms of revenue, both Q1'25 and Q2'25 showed a clear year-on-year decline. We assume that in H2'25, the growth rate may still be negative (but on a smaller scale than in H1'25, due to the new railway contract signed in Q2'25, which will partially contribute to revenue).

We note that at the beginning of July, the company submitted the lowest bid in the PKP PLK tender for PLN 2.6 billion (Gdynia Chylonia – Łęborg). We assume that if the company's bid is not challenged in appeals by competitors, the contract could probably be signed around Q1'26 (the completion date is nearly 5 years from the date of signing, the contract is of a P&B nature, but it is likely that materials could be 'sold' at the beginning of the contract, which could slightly smooth out the distribution of revenues over time).

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**Explanations of terminology:**

EBIT - earnings before interest and tax

EBITDA — earnings before interest, taxes, depreciation, and amortization

Net debt – interest bearing debt minus cash and equivalents

WACC - weighted average cost of capital

CAGR - cumulative average annual growth

EPS - earnings per share

DPS - dividend per share

CEPS - net profit plus depreciation per share

EV – market capitalization plus interest bearing debt minus cash and equivalents

EV/S – market capitalization / sales

EV/EBITDA – EV / sales

P/EBIT – market capitalization / EBIT

MC/S – market capitalization / sales

P/E – market capitalization / net profit

P/BV – market capitalization / book value

P/CE - market capitalization / net profit plus depreciation

ROE – net profit / equity

ROA - net income / assets

Gross margin - gross profit on sales / sales

EBITDA margin – EBITDA / sales

EBIT margin – EBIT / sales

Net margin – net profit / sales

**Explanation of ratings:**

Buy – we believe that the security will reach the target price in the recommended period, which significantly exceeds the current market price (at least + 15%);

Accumulate – we believe that the security will reach the target price in the recommended period, which exceeds the current market price (in the range of +5 to + 14.99%);

Hold – we believe that a security in the recommended period will fluctuate around the target price, which is close to the current market price (in the range from -4.99% to + 4.99%);

Reduce – we believe that the security will reach the target price in the recommended period, which is lower than the market price (range of decline from 5% to 14.99%);

Sell – we believe that a security in the recommended period will reach the target price, which is significantly lower than the market price (suggested erosion of the value exceeds 15%).

Target price – the theoretical price which, in our opinion, should reach a security in the recommended period; This price is the result of the company's value (eg based on DCF, comparative and other valuations), market conditions and the industry as well as other factors subjectively considered by the analyst.

Recommendations made by BDM are binding for 12 months from the issue date or until the target level is reached, unless they are updated during this period of time.

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**Ratings and price targets history:**

rating	price target	previous rating	previous target price	report date	report date (hour)	price	WIG
Hold	8,70	Hold	11,0	19.05.2025*	07:30 CEST	8,90	103 150
Hold	11,0	Hold	11,0	19.02.2025*	08:48 CEST	11,20	94 651
Hold	11,0	Hold	11,1	22.08.2024*	11:55 CEST	10,60	84 528
Hold	11,1	Accumulate	8,43	22.04.2024*	14:28 CEST	11,10	84 109
Accumulate	8,43	Buy	7,76	04.01.2024*	09:55 CEST	7,86	77 054
Buy	7,76	relaunch	---	12.09.2023*	13:45 CEST	5,62	66 241
Buy	11,8	---	---	17.02.2017	14:39 CEST	9,94	58 348

\* The report was prepared by Dom Maklerski BDM at the request of the WSE as part of the Exchange's Analytical Support Programme.

**Distribution of BDM's recommendations in Q3'25\*:**

, distribution of BDM's recommendations for the companies which BDM has supplied with investment banking services within the last 12 months

	number	%	number	%
Buy	1	50%	0	0%
Accumulate	1	50%	0	0%
Hold	0	0%	0	0%
Reduce	0	0%	0	0%
Sell	0	0%	0	0%

\* detailed list of all analytical reports (recommendations) published by BDM during the last 12 months is included at <https://www.bdm.pl/analizy-i-informacje/analizy/historia-rekomendacji>

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The report constitutes an investment research within the meaning of art. 36 §1 of Commission Delegated Regulation (EU) 2017/565.

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