

Stalprofil

2Q'25 EBITDA of PLN 14.0mn i.e. 10% below our fcst., OCF of PLN -87.4mn and higher net debt

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Stalprofil has published its 2Q'25 earnings with following highlights:

- **Revenues** of PLN 609.6mn (+57% y/y and +6% q/q) i.e. 2% below our forecast, including Steel segment of PLN 226.1mn (-3% y/y and -25% q/q) and Infrastructure segment of PLN 383.6mn (+147% y/y and +19% q/q)
- **Gross profit** amounted to PLN 47.6mn (vs. our forecast of PLN 45.4mn), including Steel segment of PLN 16.5mn and Infrastructure segment of PLN 31.1mn
- **Gross profit margin** of 7.8% (+0.2pp. y/y and +0.3pp. q/q), where Steel segment's gross profit margin amounted to 7.3% (+2.7pp. y/y and +1.5pp. q/q) and Infrastructure segment of 8.1% (-4.0pp. y/y and -0.8pp. q/q)
- **EBITDA** amounted to PLN 14.0mn i.e. 10% below our forecast
- **Financing cost** of PLN 3.4mn vs. PLN 3.0mn a year ago
- **Net profit (parent company)** of PLN 2.5mn vs. PLN 4.6mn year ago
- **Net debt** of 207.3mn (vs. PLN 120.4mn a quarter ago), which implies of ND/EBITDA LTM of 4.4x vs. 2.6x a quarter ago.
- **Inventories** of PLN 365.8mn i.e. down 9.4% q/q
- **OCF** of PLN -87.4mn vs. PLN 1.8mn a year ago

Our view: NEGATIVE

We view 2Q25 results slightly negatively. STF reported top-line revenues of PLN 610mn, i.e. 2% below our expectations. While the gross profit margin came in slightly above our forecast but the company reported SG&A expenses 11.5% higher q/q and 9% above our assumptions, which resulted in an EBITDA margin of 2.3% vs. our estimate of 2.5%.

Additionally, net debt increased by PLN 87mn q/q. The key question is whether further execution of new infrastructure agreements will lead to additional increases in net debt and financing costs for the Group. The ND/EBITDA LTM ratio rose to 4.4x vs. 1.9x a year ago. In 2Q25, net income amounted to PLN 2.5mn. Based on the current market capitalization of around PLN 141mn, this implies a P/E ratio of 16.7x.

Stalprofil – 2Q'25 results

PLN mn	1Q'24	2Q'24	3Q'24	4Q'24	1Q'25	2Q'25	Y/Y	Q/Q	Pekao	vs. Pekao	2023	2024	2025e
Revenues	349.3	388.0	355.6	611.2	573.3	609.6	57%	6%	621.2	-2%	1,533.8	1,704.0	2,144.5
Gross profit	33.3	29.6	32.3	36.5	42.9	47.6	61%	11%	45.4	5%	132.0	131.7	152.4
EBITDA	14.8	12.4	11.6	8.2	13.6	14.0	13%	2%	15.5	-10%	54.5	47.0	54.0
EBIT	10.1	7.7	6.8	3.2	8.4	8.7	13%	3%	10.3	-16%	37.1	27.9	34.5
Net profit	5.1	4.6	2.9	1.8	1.2	2.5	-46%	101%	3.1	-19%	15.6	14.5	16.4
CF/BS													
Operating CF	-26.9	1.8	41.2	-105.6	46.9	-87.4							
Investing CF	3.5	15.8	10.4	-3.7	-1.4	-1.1							
Financing CF	16.4	-35.7	-47.7	117.4	-25.6	59.6							
ND	104.5	92.1	50.3	162.4	120.4	207.3							
ND/EBITDA LTM	2.0	1.9	1.0	3.5	2.6	4.4							
Margins													
Gross profit	9.5%	7.6%	9.1%	6.0%	7.5%	7.8%	0.2 pp.	0.3 pp.			8.6%	7.7%	7.1%
EBITDA	4.2%	3.2%	3.2%	1.3%	2.4%	2.3%	-0.9 pp.	-0.1 pp.			3.6%	2.8%	2.5%
Divisions													
Steel													
Revenues	188	233	226	351	264	226.1	-3%	-25%					
Gross profit	16	11	12	14	15	16.5	53%	12%					
Gross profit margin	8.6%	4.7%	5.3%	3.9%	5.8%	7.3%	2.7 pp.	1.5 pp.					
Infrastructure													
Revenues	161	155	129	260	309	383.6	147%	19%					
Gross profit	17	19	20	23	28	31.1	66%	21%					
Gross profit margin	10.7%	12.1%	15.7%	8.8%	8.9%	8.1%	-4.0 pp.	-0.8 pp.					

Source: Company, Pekao Equity Research

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