TRIGON

Research

CEE | Equity Research

13 October 2025

Mirbud

Pain before gain

In recent years, Mirbud has been one of the leading companies in the domestic road construction industry. However, the Skierniewice-based group has even greater ambitions. With the acquisition of the Kielce-based company Transkol at the end of last year, Mirbud officially began to establish a presence in the construction sector that is arguably the most important for domestic infrastructure investments: railways. Results came relatively quickly: in recent weeks, Mirbud submitted the lowest bids in PKP PLK tenders worth over PLN 6 billion, including the prestigious tender for the construction of the Polish section of Rail Baltica. Meanwhile, the share price has fallen 18% from its peak, and the market is growing impatient with the group's downward trajectory, which has been evident for two years.

Nevertheless, we believe that the current price presents an attractive entry point and that news from the company and the sector will improve significantly in the near future. In our opinion, the objectively disappointing FY25E results have already been factored into the market price, creating an opportunity for positive surprises towards the end of the year. We expect the reported results for H2 2025 to be 7% better year on year. Furthermore, we anticipate a contractual 'offensive' from both PKP PLK and GDDKiA towards the end of the year. Based on recently published schedules, the market could be flooded with record-breaking CPK tenders as early as January. In the first half of 2025 alone, tenders worth over PLN 30 billion are expected to be released. CPK is a key investor for domestic general contractors in the coming years and is increasingly implementing projects in the form of competitive dialogue.

Taking these arguments into account, we are raising our target price by 23% to PLN 18.50 and maintaining our 'BUY' recommendation. Based on our forecasts, the CAGR EPS for FY25-27E is 41%, which is the highest in the sector. Mirbud's current valuation implies a P/E ratio of 9.5x for FY26-27E, which is 28% below that of the peer group.

3Q25 results: We expect a weak quarter. We note the high negative base of other operating activities (PLN -25m a year ago), and at the adjusted earnings level we expect a 36% year-on-year decline in EBITDA. On a positive note, we anticipate further growth in the order book (+9% year on year, PLN 8.9 billion) and a record PLN 4 billion-plus in contracts in the pipeline. Additionally, we anticipate a profit of PLN 20m on the revaluation of Torpol shares in the final quarter of the year.

Valuation: Our valuation of Mirbud is based entirely on the DCF model – we assume a WACC of 5.5% and a market premium of 5.5%. In the residual period, we are assuming average annual revenues of PLN 7.2 billion and a gross margin of 7.3% (compared to PLN 6.5 billion and 8.1% previously, due to higher, albeit more aggressive, contracting in the railway segment). Our assumptions imply a 12-month target price of PLN 18.5. Additionally, we present a scenario analysis: in the optimistic scenario, we value Mirbud shares at PLN 22.8; in the pessimistic scenario, we value them at PLN 14.8. The comparative valuation returns a value of PLN 15.9. We note that Mirbud is currently valued at a 24–33% discount to the comparative group's P/E ratio in FY26/27E.

Risk factors: These include prices of materials and raw materials, lack of funds for infrastructure investments, increased competition, and further delays in tenders.

PLNm	2022	2023	2024	2025E	2026E	2027E
Revenues	3,319	3,322	3,252	2,959	3,306	4,054
EBITDA	194	243	204	189	229	276
EBIT	178	224	182	159	195	237
adj. Net profit	132	140	126	88	139	175
EPS (PLN)	1.4	1.5	1.1	0.8	1.3	1.6
adj. P/E (x)	9.2	8.7	11.6	16.7	10.6	8.4
EV/EBITDA (x)	6.0	5.1	7.0	7.9	6.6	4.9
FCFF Yield (%)	9.3%	-1.7%	-11.1%	-2.5%	1.2%	13.2%
DY (%)	1.5%	2.1%	1.3%	0.7%	0.7%	0.9%

Source: Company, Trigon

Buy

(Previous: Buy, 15 PLN)

Target Price: PLN 18.5

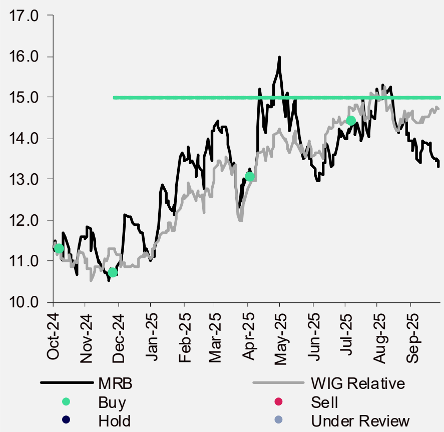
Upside: +39%

FACT SHEET

Ticker	**MRB**
Sector	**Construction**
Price (PLN)	**13.3**
52W range (PLN)	**10.22 / 16.28**
Shares outstanding (m)	**110.1**
Market Cap (PLNm)	**1,464**
Free-float	**62%**
3M Avg. Vol. (PLNm)	**3.0**

	1M	3M	1Y
Price performance	**-7%**	**-7%**	**12%**

RELATIVE SHARE PRICE VS WIG INDEX



RECOMMENDATIONS	DATE	TP
Buy	21.07.2025	15.0
Buy	17.04.2025	15.0
Buy	10.12.2024	15.0
Buy	21.10.2024	20.0
Buy	19.07.2024	20.0
Buy	17.07.2024	20.0
Buy	19.04.2024	11.0

SHAREHOLDERS	Share %
Jerzy Mirgos	37.9%
OFE Nationale-Nederlanden	10.9%
TFI PZU	6.8%
OFE PZU Złota Jesień	5.0%

INVESTOR CALENDAR

3Q25 Earnings	27.11.2025

ANALYST

David Sharma, CFA

Valuation	Current		Previous		Change
DCF	18.5	100%	15.0	100%	23%
Multiples	15.9	0%	18.0	0%	-12%

Estimates chng	2025E			2026E			2027E		
PLNm	Curr.	Prev.	Chg.	Curr.	Prev.	Chg.	Curr.	Prev.	Chg.
Revenues	**2,959**	**3,406**	**-13%**	**3,306**	**4,001**	**-17%**	**4,054**	**4,430**	**-8%**
EBITDA	**189**	**208**	**-9%**	**229**	**262**	**-12%**	**276**	**271**	**2%**
margin	6.4%	6.1%	0.3pp	6.9%	6.5%	0.4pp	6.8%	6.1%	0.7pp
EBIT	**159**	**183**	**-13%**	**195**	**230**	**-15%**	**237**	**236**	**0%**
margin	5.4%	5.4%	0.0pp	5.9%	5.7%	0.2pp	5.8%	5.3%	0.5pp
Net profit	**108**	**119**	**-9%**	**139**	**158**	**-12%**	**175**	**168**	**4%**
margin	3.6%	3.5%	0.2pp	4.2%	3.9%	0.3pp	4.3%	3.8%	0.5pp

Trigon vs. cons	2025E			2026E			2027E		
PLNm	Trigon	Cons.	Diff.	Trigon	Cons.	Diff.	Trigon	Cons.	Diff.
Revenues	**2,959**	**-**	**-**	**3,306**	**-**	**-**	**4,054**	**-**	**-**
EBITDA	**189**	**-**	**-**	**229**	**-**	**-**	**276**	**-**	**-**
margin	6.4%	-	-	6.9%	-	-	6.8%	-	-
EBIT	**159**	**-**	**-**	**195**	**-**	**-**	**237**	**-**	**-**
margin	5.4%	-	-	5.9%	-	-	5.8%	-	-
Net profit	**108**	**-**	**-**	**139**	**-**	**-**	**175**	**-**	**-**
margin	3.6%	-	-	4.2%	-	-	4.3%	-	-

KPIs (PLNm)	2022	2023	2024	2025E	2026E	2027E	CAGR
Shares outstanding	91.7	91.7	110.1	110.1	110.1	110.1	4%
DPS (PLN)	0.2	0.3	0.2	0.1	0.1	0.1	-9%
EPS (PLN)	1.3	1.5	1.1	0.8	1.3	1.6	4%
BVPS (PLN)	7.4	8.6	9.9	10.8	12.0	13.5	13%
ND / EBITDA (x)	-0.3	0.0	-0.2	0.2	0.2	-0.4	
ND / Equity (x)	-0.1	0.0	0.0	0.0	0.0	-0.1	
FCFF	104	-26	-224	-38	18	180	12%
NWC	122	91	492	572	549	481	
Net Debt	-59	9	-41	31	46	-102	
Minorities & other EV adj.	0	0	0	0	0	0	
adj. Net Debt	-59	9	-41	31	46	-102	

Ratios	2022	2023	2024	2025E	2026E	2027E	Avg.
adj. EBITDA yoy	9%	18%	-15%	-22%	40%	20%	
EBIT yoy	2%	26%	-19%	-13%	22%	21%	
adj. EPS yoy	0%	14%	-25%	-28%	58%	26%	
Gross margin	8.1%	10.1%	9.0%	7.8%	9.1%	8.6%	8.8%
adj. EBITDA margin	6.4%	7.5%	6.5%	5.5%	6.9%	6.8%	6.6%
EBIT margin	5.4%	6.7%	5.6%	5.4%	5.9%	5.8%	5.8%
adj. Net profit margin	4.0%	4.2%	3.9%	3.0%	4.2%	4.3%	3.9%
ROE (%)	17%	17%	11%	9%	10%	12%	13%
ROA (%)	5%	6%	5%	4%	5%	5%	5%

Company specific KPIs	2022	2023	2024	2025E	2026E	2027E	CAGR
Backlog	5,564	4,622	7,992	8,783	12,877	14,323	21%
New orders signed	4,014	2,186	6,367	3,750	7,400	5,500	7%
Residential	189	73	101	200	200	200	1%
Public Utility and I&L	1,578	1,205	999	450	1,500	1,500	-1%
Roads	2,247	907	5,267	2,100	2,500	2,000	-2%
Railways	0	0	0	1,000	3,200	1,800	-

Source: Company, Trigon

Multiples at PLN 13.3	2022	2023	2024	2025E	2026E	2027E
P/E (x)	10.2	9.0	12.1	13.6	10.6	8.4
adj. P/E (x)	9.2	8.7	11.6	16.7	10.6	8.4
EV/EBITDA (x)	6.0	5.1	7.0	7.9	6.6	4.9
adj. EV/EBITDA (x)	5.5	4.9	6.8	9.1	6.6	4.9
P/BV (x)	1.8	1.5	1.3	1.2	1.1	1.0
FCFF Yield (%)	9%	-2%	-16%	-3%	1%	13%
DY (%)	1.5%	2.1%	1.3%	0.7%	0.7%	0.9%

Multiples at Target Price	2022	2023	2024	2025E	2026E	2027E
P/E (x)	14.2	12.5	16.8	18.9	14.7	11.7
adj. P/E (x)	12.8	12.1	16.1	23.2	14.7	11.7
EV/EBITDA (x)	8.4	7.0	9.8	10.9	9.1	7.0
adj. EV/EBITDA (x)	7.8	6.9	9.5	12.6	9.1	7.0
P/BV (x)	2.5	2.1	1.9	1.7	1.5	1.4
FCFF Yield (%)	6%	-2%	-11%	-2%	1%	9%
DY (%)	1.1%	1.5%	0.9%	0.5%	0.5%	0.7%

P&L Statement (PLNm)	2022	2023	2024	2025E	2026E	2027E
Revenues	**3,319**	**3,322**	**3,252**	**2,959**	**3,306**	**4,054**
COGS	3,049	2,987	2,961	2,726	3,005	3,704
Gross Profit	**270**	**336**	**291**	**232**	**301**	**350**
Selling costs	6	7	8	7	8	10
G&A costs	67	88	95	90	98	104
Other operating items, net	-2	-10	105	20	0	0
EBITDA	**194**	**243**	**204**	**189**	**229**	**276**
adj. EBITDA	**211**	**249**	**211**	**164**	**229**	**276**
D&A	16	19	22	30	35	40
EBIT	**178**	**224**	**182**	**159**	**195**	**237**
Net financial costs	-27	-54	-30	-24	-22	-18
EBT	**151**	**170**	**152**	**135**	**173**	**218**
Minority interest	0	0	0	0	0	0
Net profit	**119**	**135**	**121**	**108**	**139**	**175**
adj. net profit	**132**	**140**	**126**	**88**	**139**	**175**

Balance Sheet (PLNm)	2022	2023	2024	2025E	2026E	2027E
Non-current Assets	**730**	**845**	**830**	**920**	**1,086**	**1,166**
Current Assets	**1,518**	**1,439**	**1,583**	**1,554**	**1,691**	**2,164**
Inventories	393	390	361	347	399	508
Receivables	578	596	795	851	951	1,166
Cash and cash equivalents	508	396	397	325	310	458
Assets	**2,248**	**2,284**	**2,414**	**2,474**	**2,777**	**3,330**
Equity	**682**	**794**	**1,095**	**1,193**	**1,321**	**1,482**
Non-current Liabilities	**649**	**496**	**495**	**495**	**495**	**495**
Long-term borrowings	395	314	218	218	218	218
Current Liabilities	**917**	**994**	**824**	**786**	**962**	**1,353**
Short-term borrowings	53	91	138	138	138	138
Payables	848	895	664	626	801	1,193
Equity and Liabilities	**2,248**	**2,284**	**2,414**	**2,474**	**2,777**	**3,330**

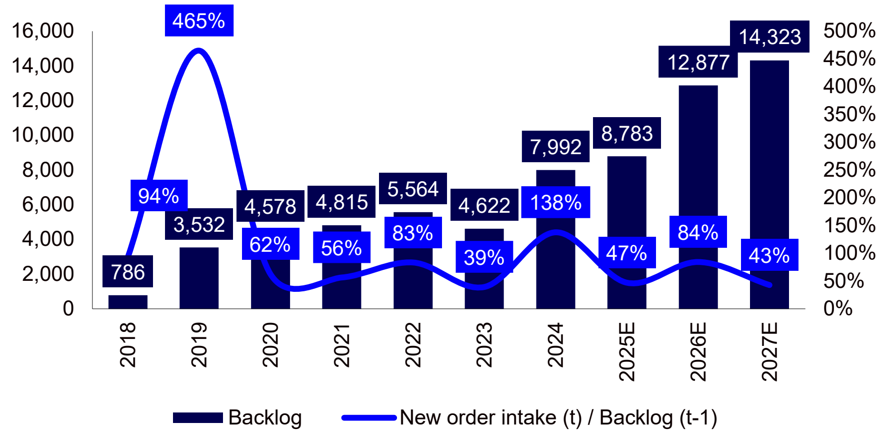
CF Statement (PLNm)	2022	2023	2024	2025E	2026E	2027E
Operating CF	**133**	**148**	**-48**	**77**	**218**	**300**
Change in NWC	-37	-30	-335	-80	23	67
D&A	16	19	22	30	35	40
Investing CF	**-4**	**-146**	**-85**	**-85**	**-170**	**-90**
CAPEX	-8	-150	-150	-85	-170	-90
Financing CF	**-89**	**-114**	**134**	**-64**	**-62**	**-62**
Lease payments	-22	-23	-25	-30	-30	-30
Dividend/Buy-back	-18	-26	-19	-10	-11	-14
Net change in cash	**40**	**-112**	**1**	**-72**	**-14**	**148**

Investment summary

Order book expansion

Record order book... with a unique opportunity for even faster growth. The last two years have been a real breakthrough in the history of the Mirbud Group. At the end of FY23, the order book in all operating segments amounted to approximately PLN 4.6 billion, which is similar to that of FY20 (in general, the backlog remained at a similar level in FY19–FY23). Record tender activity by GDDKiA (in the last three years, the agency has announced tenders for the construction of over 800 km of expressways) enabled Mirbud to rapidly scale up its business in FY24 – from January to December of that year, the Group signed road contracts worth over PLN 5 billion, which increased the entire Group's portfolio to PLN 8 billion. Given the record investment plans, visible in virtually all categories of civil engineering, we assume that the Mirbud Group's order portfolio will exceed PLN 17 billion at the end of FY27 – CAGR growth in the next two years may reach almost 30%.

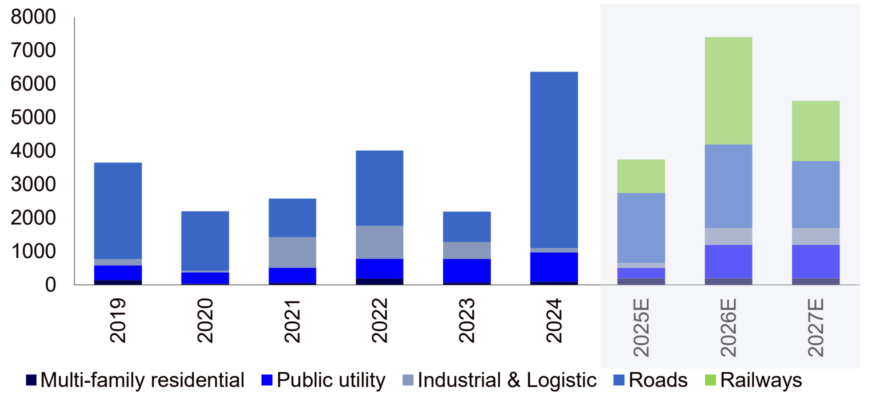
#MRB: Backlog evolution (PLNm)



Source: Trigon, GDDKiA, Company

High contracting volume despite a conservative approach to railway construction. In our recent recommendations and financial forecasts, we assumed that MRB would build its presence in the railway segment relatively slowly and achieve an annual contracting volume of approximately PLN 1bn starting from FY27. However, the situation turned out to be much more positive from the point of view of the Group's equity story, and the submission of the highest bid for three significant railway contracts, including the prestigious tender for the construction of the Polish section of Rail Baltica, allowed the Company to build a so-called 'waiting room' of contracts in this segment at a level of over PLN 4 billion. Given that PKP PLK is de facto obliged to sign all awarded contracts/agreements before announcing 'new' railway contracts, we expect Mirbud to sign a contract for the construction of the C-E 20 railway line by the end of 2025, while the signing of the contract for the construction of the above-mentioned section of Rail Baltica will be postponed until H2 2026 (due to the issue of financing, including the use of the CEF instrument). We also expect that after the 'post-election' turmoil and personnel changes at GDDKiA, as well as the resulting delay in announcing new contracts (in FY24-25E it is expected to be approx. 300km of roads per year vs. over 500km in FY23 alone) contracting in the road segment will rebound starting in FY26, although based on our assumptions, it will be at a relatively lower level than in the past (an average of approx. PLN 2 billion per year vs. >PLN 5 billion in FY24). At the aggregate level, excluding any major rebound in new building contracts, we expect Mirbud's contracting to amount to PLN 3.8/7.4/5.5 billion in FY25-27, well above the average for FY18-24.

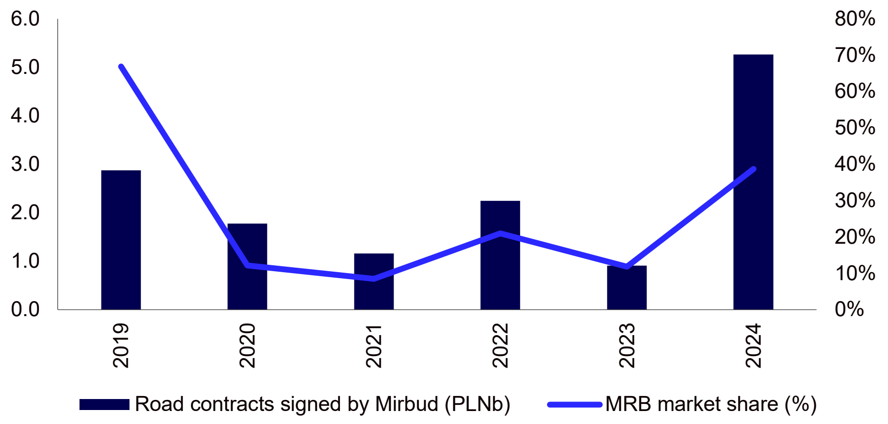
#MRB: New order intake (PLNm)



Source: Trigon, Company

Maintaining market share... is it worth it? In recent years, Mirbud has been one of a small group of 'players' in the domestic road construction industry, and in some periods it was even the largest contractor for GDDKiA in terms of the nominal length of projects implemented (more on page 9). Currently, MRB is the second road construction champion in Poland, after Budimex, with market shares (understood as the percentage of all contracts signed by GDDKiA) reaching 39% in FY24 (or 22% in total over the last 6 years). Considering that Mirbud's broadly defined infrastructure contract portfolio exceeded PLN 7 billion (at the end of September), we expect MRB to be more cautious in road contracting…

#MRB: road contracts signed by Mirbud and its market share



Source: Trigon, GDDKiA, Company

... which is already clearly visible in the results of this year's tenders. We conclude that in recent years (also in the railway segment) Mirbud has focused on gaining market share at the expense of better margins. With the commencement of road contracts awarded until around the turn of FY22/23, margins in the construction segment began to decline – from a gross margin of 7.8% in FY23 to 5.8/6.0% in FY24-25E. Of course, there are many reasons for this, with the relatively old S1 Obejście Węgierskiej Górki contract causing a lot of 'damage' (we do not assume any further claims in our model), while a granular analysis of Mirbud's order portfolio indicates quite clearly that in recent years Mirbud has been bidding relatively aggressively, with the total deviation of the Group's winning bids from investor budgets amounting to 16/25% in FY23/24. However, in our opinion, the recent jump in the portfolio has made it possible to intensify efforts to improve the Group's average order portfolio. In the base case scenario, we assume that margins in the construction segment will expand starting next year, and this year's contracting seems to support our thesis – in the case of 14 road contracts won by Mirbud in FY25, the total deviation of the Group's bid from the investor's budget was only 5%, which, in our view, should allow for an improvement in profitability in the road segment in the coming years, even in the event of an increase in construction and assembly production and the resulting inflation in material prices.

#MRB: road tenders won in FY22—FY25

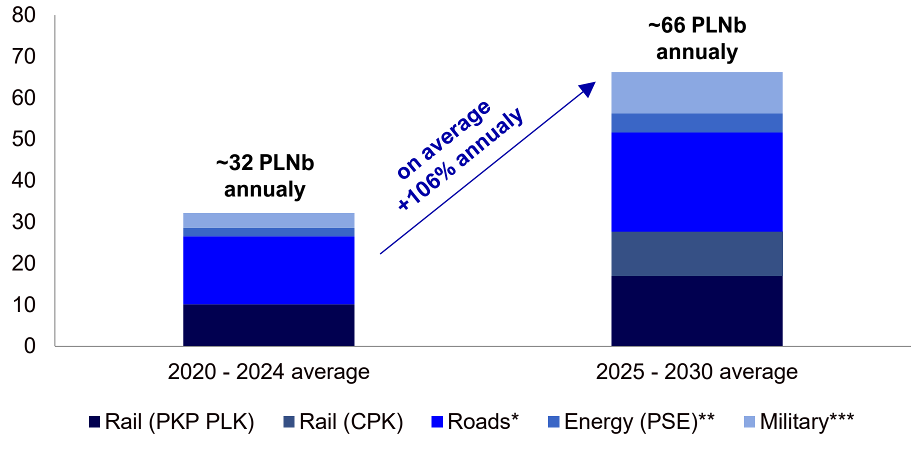
Num.	PLNm MRB bid	PLNm 2nd lowest	diff.	PLNm Inv. budget	diff.	Investor	Status
1	189	196	4%	260	38%	Gmina Olsztyn	Lowest bid
2	131	171	30%	143	9%	Powiat Inowrocław	Lowest bid
3	66	85	28%	61	-8%	Powiat Inowrocław	Lowest bid
4	279	280	0%	285	2%	GDDKiA	Signed
5	158	180	13%	192	21%	GDDKiA	Signed
6	190	207	9%	154	-19%	Gmina Sławków	Signed
7	549	564	3%	501	-9%	GDDKiA	Signed
8	121	136	12%	147	21%	GDDKiA	Signed
9	267	297	11%	221	-17%	GDDKiA	Signed
10	134	142	6%	155	15%	MZDW w Warszawie	Signed
11	279	280	0%	285	2%	GDDKiA	Signed
12	43	69	59%	69	60%	GDDKiA	Signed
13	115	133	16%	171	48%	GDDKiA	Signed
14	114	128	12%	132	16%	Gmina Miękinia	Signed
2025 TOTAL	2,636	2,867	**9%**	2,777	**5%**		
2024 TOTAL					**25%**		
2023 TOTAL					**16%**		
2022 TOTAL					**50%**		

Source: Trigon, Mirbud, GDDKiA, Powiat Inowrocław, Gmina Sławków, MZDW, Gmina Miękinia

Sources of new contracts

We are entering a unique period for the domestic construction industry. The accumulation of infrastructure expenditure financed by EU funds, combined with the implementation of the Central Communication Complex (CPK) project, the tendency to increase military spending in the region and the ad hoc increase in the transmission capacity of the power grid (one of the factors limiting the development of renewable energy sources) will, in our opinion, result in a significant increase in the supply of new orders over the next 5 years.

#MRB: comparison of annual expenditures in major segments of public infrastructure investments

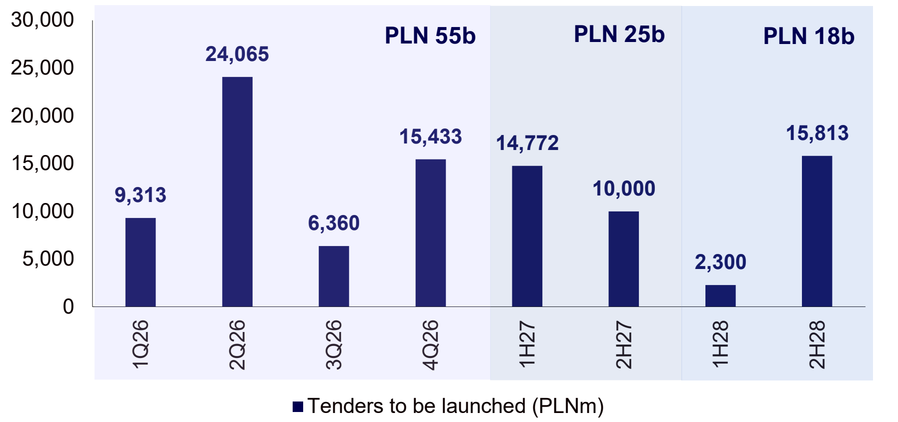


*Source: own elaboration based on public data provided by: GDDKiA, PKP PLK, Ministry of National Defence, CPK, PSE, Ministry of Infrastructure, *includes ONLY investments on new roads/highways within PBDK programme, ** includes ONLY PSE investments on distribution grid, ***includes ONLY construction investment expenditures of the Ministry of National Defence, data as of March 2025*

We estimate that construction expenditure under programmes implemented by PKP PLK, GDDKiA, CPK, PSE and MON will amount to approximately PLN 66 billion per year, which is more than twice as much as in 2020-2024. These estimates do not take into account the potential of the entire market, including orders from private investors and growing expenditure on hydroelectric and renewable energy projects.

CPK as the driving force behind contracting next year? In the next three years, CPK plans to announce tenders with a total value of nearly PLN 100 billion, which, from our point of view, will structurally change the contracting potential of the largest construction groups in Poland. The first half of next year will be particularly active, with contracts worth over PLN 30 billion expected to hit the market. Of the 49 orders planned for next year, as many as 17 are expected to be worth at least PLN 1 billion, which may prompt the contracting authority to conduct the tender in the form of a competitive dialogue.

#MRB: CPK procedure plan for tenders over next 2 years

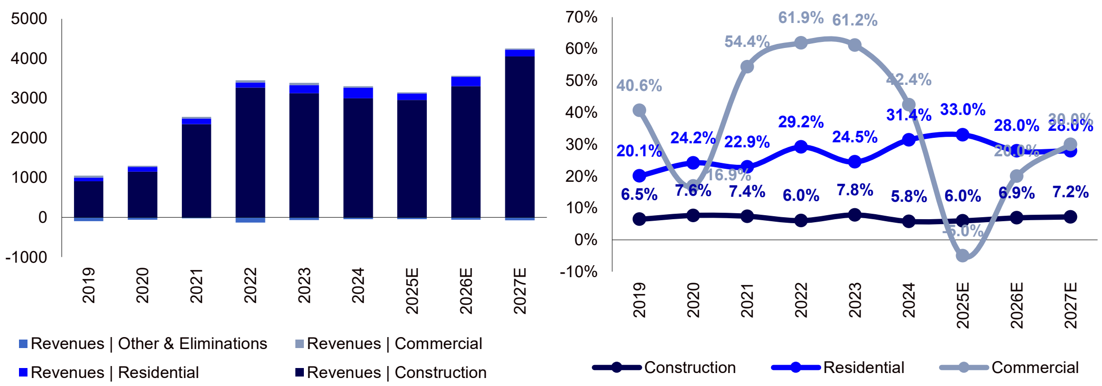


Source: Trigon, CPK

Cash generation under the burden of backlog expansion

Time for revenue growth. Despite practically doubling its order book in the last two years, Mirbud's revenues have been on a downward trend since FY23. However, the decomposition of the Group's backlog is significant – the share of infrastructure contracts increased from 70% at the end of FY23 to over 80% at the end of Q3 2025, which significantly prolongs the project implementation process, partly due to the 'design and build' formula. The continuing weak economic situation in the broadly understood building construction industry (historically Mirbud's core business) limits the inflow of new private orders, including warehouse orders, to the market, as a result of which the consumption of the order portfolio is significantly prolonged.

#MRB: P&L projections for FY25-27E

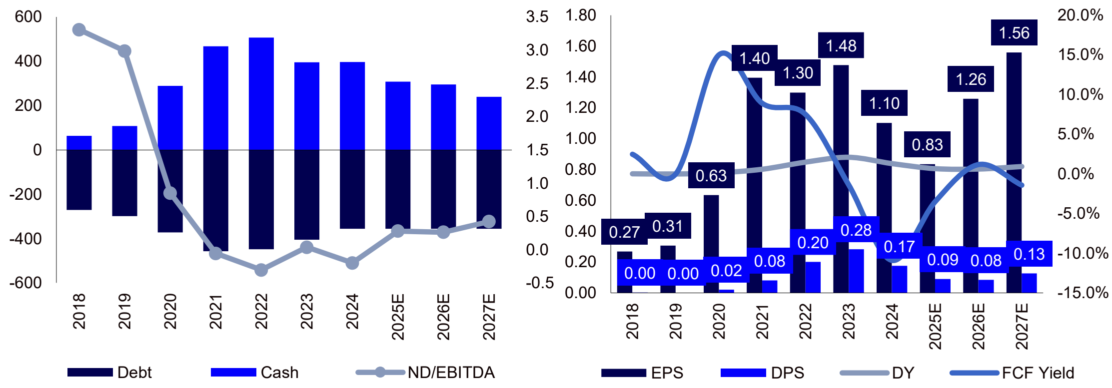


Source: Trigon, Company

However, we believe that revenue momentum will reverse at the beginning of next year – some large road contracts, after receiving the so-called ZRiDs, will finally enter the implementation phase, and railway contracts implemented under the 'build' formula should support revenues. We estimate that Mirbud's revenues in the road segment will increase in FY26-28E by 12/23/24%, respectively – the critical level of PLN 4bn should be exceeded at the end of FY27E.

Better FCF yield only in 2 years time. The aforementioned structural extension of the duration of contracts in the Group's order book has consequences not only for the revenue trajectory, but also for cash generation. We estimate that in the last two years, the Group has invested over PLN 500m in working capital, mainly as a result of the rapid growth in the volume of contracts under construction, but also due to the acquisition of margin contracts from the so-called Polish Deal, implemented on a finance-and-build basis (the Group still has approximately PLN 150 million frozen in this contract portfolio). In our opinion, additional factors limiting FCF in the near future will also include the reconstruction of Marywilska 44 (we assume ~PLN 100 million of CAPEX in the next 2 years) and the expansion of JHMu's land bank.

#MRB: cash flow projections for FY25-27E



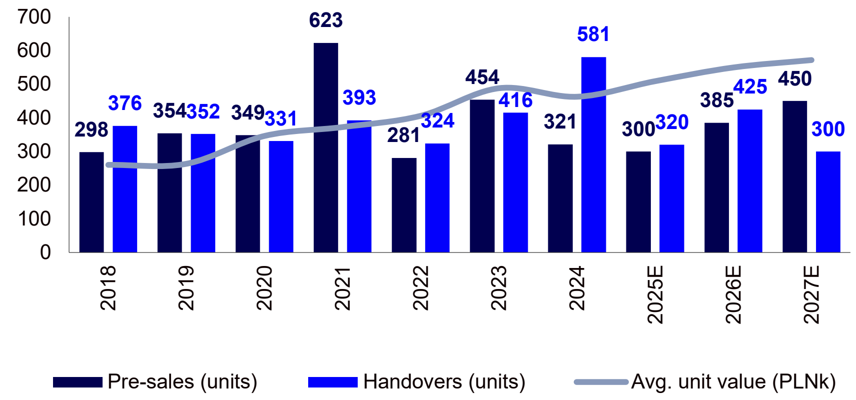
Source: Trigon, Company

However, the situation should partially reverse in FY27E – we estimate that with the transition of the most important contracts to the construction phase and a general increase in advance payments related to the implementation of infrastructure contracts, Mirbud will generate over PLN 175m in FCF in FY27E – for comparison, the total FCF "outflow" in FY23-26E will amount to PLN 200m, in our opinion. Due to the above factors, we do not expect significant growth in DPS in the coming years (DY ~1%).

JHM to stabilize group earnings

A temporary setback. JHM was a very important part of the Mirbud Group, accounting for 12-39% of the Group's EBIT in the last five years. Last year was particularly crucial, with JHM delivering 581 flats to customers (+40% y/y) and generating a record PLN 71 million in EBIT – practically the same as the construction and commercial segments (PLN 80 million). In recent quarters, like most smaller developers, JHM has run out of steam, primarily in the form of eroding sales volumes – last year, JHM sold 321 units (-29% y/y), and in FY25E we expect a contracting volume of 300 units (after three quarters, buyers found 242 flats). As a result of weaker sales, despite the expected stronger rebound in volumes in FY25-26E (by 28%/17%, respectively), we assume a downward trajectory for JHM's results in the coming years. Based on our latest forecasts, JHM should be able to deliver 320/425/300 units to customers in the next three years, compared to 581 last year. After the recognition of flats sold during the 'Bezpieczny Kredy 2%' programme in the results, we also expect gross margins to compress to <30%.

#MRB: JHM projections for FY25-27E



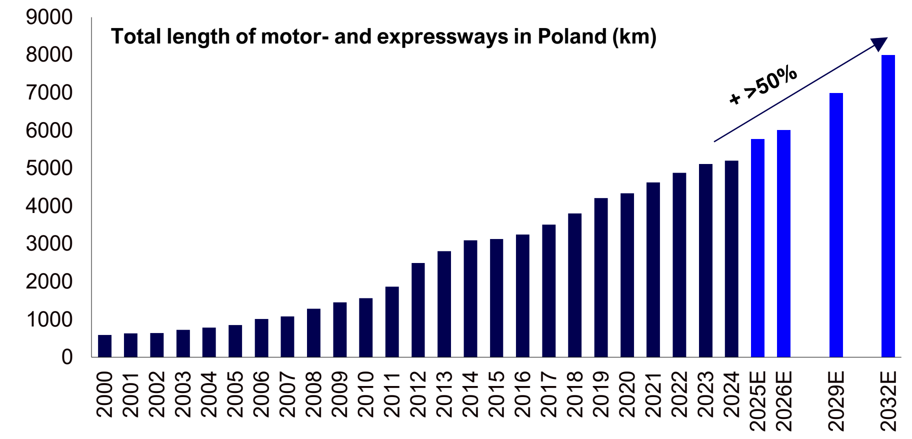
Source: Trigon, Company

Market and competitive environment

Roads

By the end of 2025, the length of motorways and expressways in Poland should exceed 5,700 km, 11% more than last year. In the last 11 years, the length of expressways has practically doubled, and we estimate that the next 5 years will bring an extension of this type of road by another 1,200 km (+21%) – as at the end of September 2025, 108 projects with a total length of 1,414 km were currently under construction, and we believe that the government's ambitious plans for the implementation of the National Road Construction Programme and the 100 Ring Roads Construction Programme will be reflected in relatively high tender activity by the General Directorate for National Roads and Motorways (GDDKiA) over the next 2-3 years.

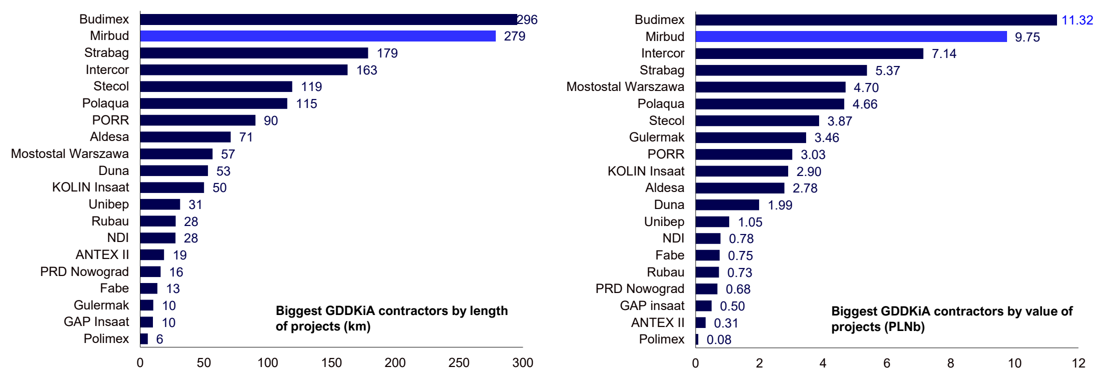
#MRB: total length of motor– and –expressways in Poland (km)



Source: Trigon, GDDKiA, Ministry of Infrastructure, data as of October 2025

As at the end of March 2025, Mirbud was the second largest contractor for GDDKiA, constructing over 279 km of new roads (worth nearly PLN 10 billion). Although in the 2024 financial year the company signed road contracts worth a record PLN 5.3bn, we believe that in the coming years the road segment will lose importance in the structure of MRB's new orders, with railway and building contracts taking the lead – we assume that the share of road contracts in the total contract value will decrease from 83% in FY24 to 34% in FY26E.

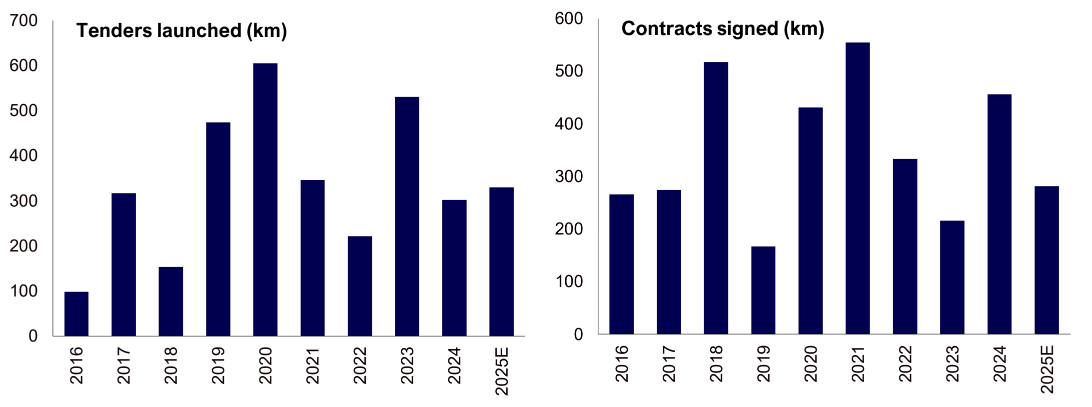
#MRB: biggest contractors for GDDKiA



Source: GDDKiA, PKP PLK, Budimex, Trigon, data as of March 2025

Throughout 2025, GDDKiA should announce tenders worth over PLN 14 billion.

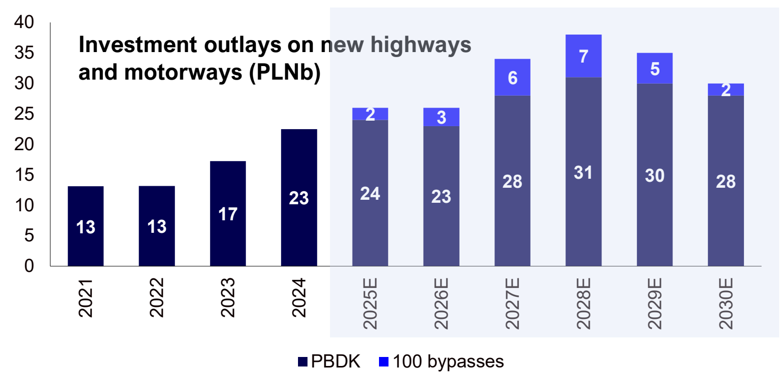
#MRB: road tenders launched (lhs) and signed (rhs) by GDDKiA



Source: GDDKiA, Trigon estimates

An increase in capital expenditure on new motorways and expressways is planned in the coming years. Taking into account only the National Road Construction Programme (PBDK) and the 100 Bypasses Programme implemented by the General Directorate for National Roads and Motorways (GDDKiA), we expect capital expenditure on new motorways and expressways to reach PLN 38 billion in 2028, which represents a 120% increase compared to 2021. Mirbud and Kobylarnia could potentially be among the biggest beneficiaries of this record wave of spending, especially given the current structure of the Group's portfolio.

#MRB: GDDKiA investments on new roads

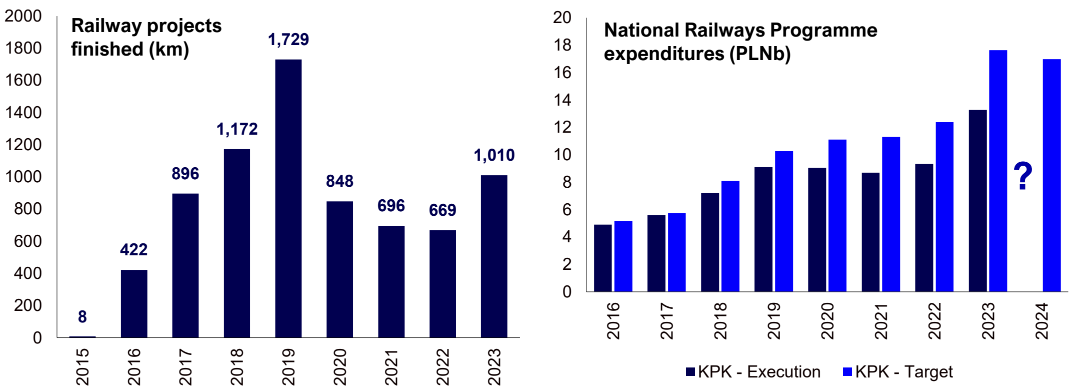


Source: Trigon, GDDKiA, Ministry of Infrastructure, data as of March 2025

Railways

The Ministry of Infrastructure has still not shared with the public its report on the implementation of the National Railway Programme... in 2024 (sic!). In recent years, however, the failure to deliver on strategic plans has been strikingly high.

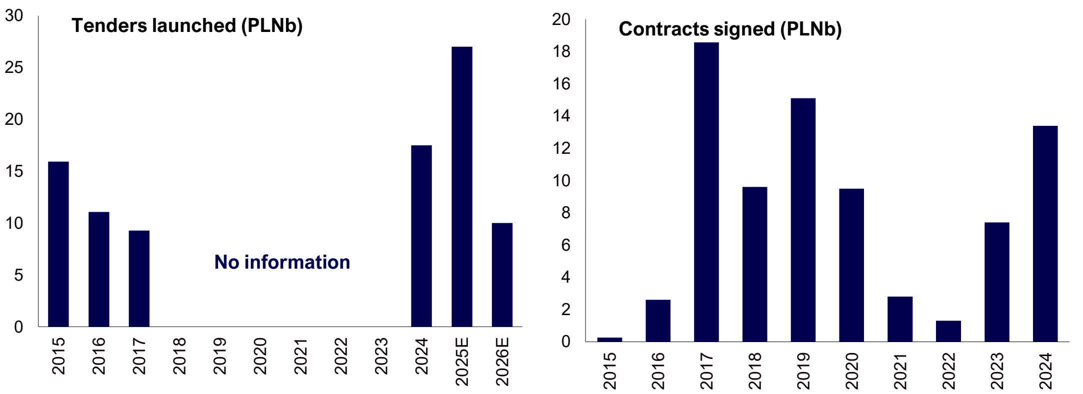
#MRB: railway projects finished by PKP PLK (lhs) and National Railways Programme execution (rhs)



Source: Ministry of Infrastructure, Trigon estimates

Quo vadis, PKP? In many respects, 2024 brought a long-awaited revival in the railway industry. After several years of disappointing suspension of most new railway investments, the release of EU funds effectively stimulated the most important contracting authorities, thanks to which tenders worth ~PLN 40 billion have been launched on the market in the last two years. Despite the decline in the planned tender volume for 2026, we do not fear a stagnation in the domestic railway sector – the 'gap' should be more than filled by railway investments related to the CPK.

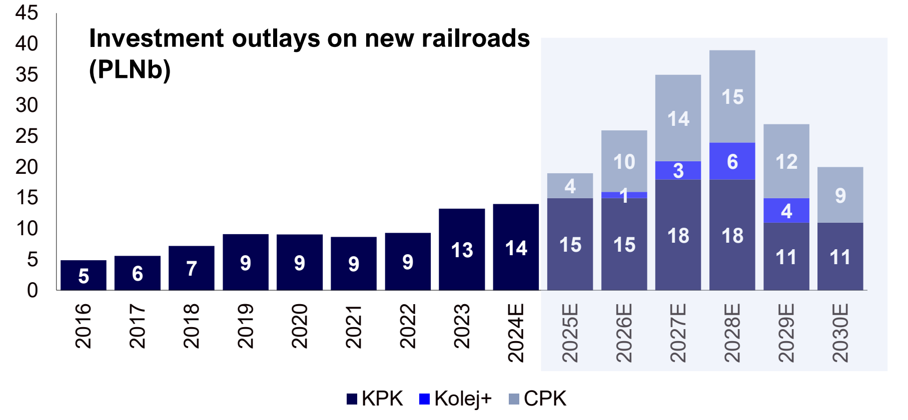
#MRB: rail tenders launched (lhs) and signed (rhs) by PKP PLK



Source: PKP PLK, Trigon estimates

Railways, railways and more railways. After several years of a so-called 'investment gap' in the industry (PKP PLK signed contracts worth only PLN 11 billion in 2021-2023), we believe that railway projects will be the dominant 'flywheel' of record infrastructure spending in Poland. Not only EU funds, which are boosting PKP PLK's investments, should improve sentiment in the industry, but an equally important piece of the puzzle will be the railway part of the CPK project, which will add another PLN 80 billion to the tender pool over the next six years. In summary, we predict that annual railway investments will average PLN 28 billion until the 2030 financial year, which is over 200% more than the average for 2016-2024.

#MRB: annual investment outlays on new railroads

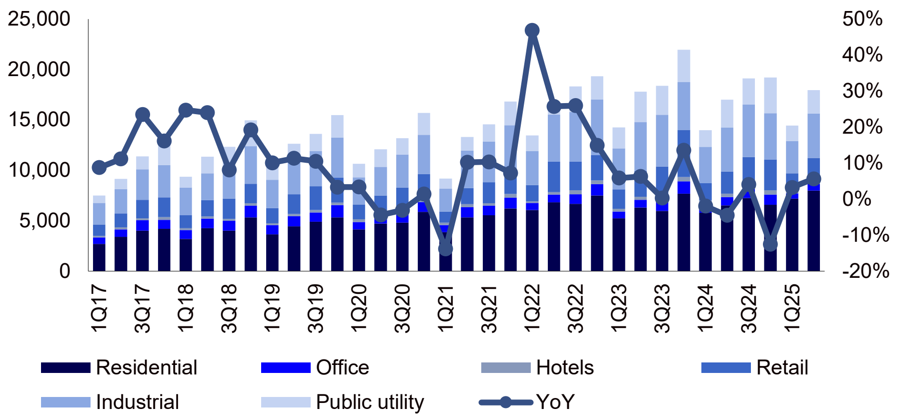


Source: Trigon, PKP PLK, Ministry of Infrastructure, CPK, KPK = National Railway Programme, data as of December 2024

General construction

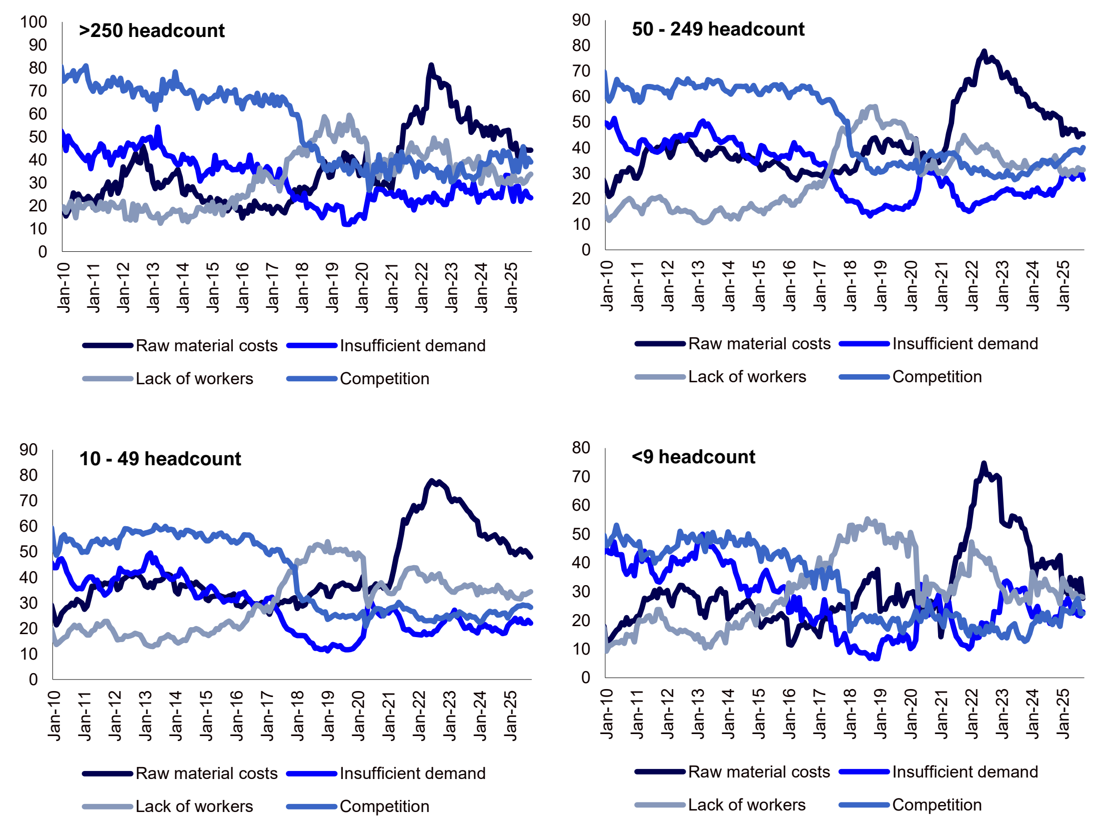
Building volume under pressure. The situation in the domestic building volume industry is much more difficult than in construction segments related to broadly understood infrastructure. Smaller players and subcontractors have virtually no bargaining power, which helps, among others, developers and the largest general contractors with record order portfolios. Despite the negative base, construction and assembly production in the building segment has fallen by a further 5% since the beginning of the year. The aggregate level of investments in individual categories of buildings looks slightly better. We estimate that in nominal terms, sales of production in key categories increased by approx. 5% y/y, which, taking into account inflation (resulting, among other things, from wage growth), is a relatively poor result. There are no factors on the horizon that could reverse the downward trend.

#MRB: construction output in general construction (PLNm)



Source: Trigon, Statistics Poland

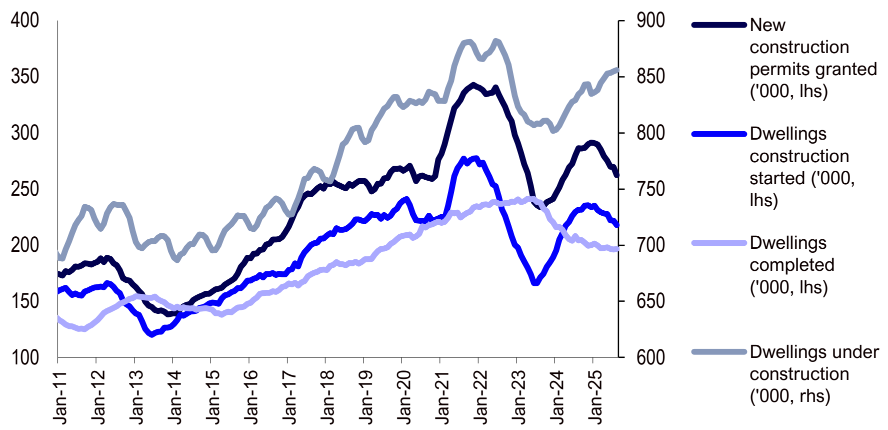
#MRB: factors limiting economic activity in the construction sector—GUS survey



Source: Trigon, Statistics Poland

Residential construction to the rescue? For some time now, in the face of a slowdown in private investment in commercial assets, the residential segment has been the key representative of the building industry, accounting for approximately 50% of the entire building industry. Over the last two years, developers, taking advantage of the high number of land plots ready for development, have been quite ambitious in launching new projects, which has led to an increase in the number of buildings under construction. The volume of flats under construction has increased by 3% since the beginning of the year, which is quite a good result in a market that is difficult from the developers' point of view. In our opinion, falling interest rates may encourage the largest players to launch projects to an even greater extent, which could theoretically stimulate the economy in the building segment.

#MRB: construction activity in the residential sector (LTM data for finished constructions)

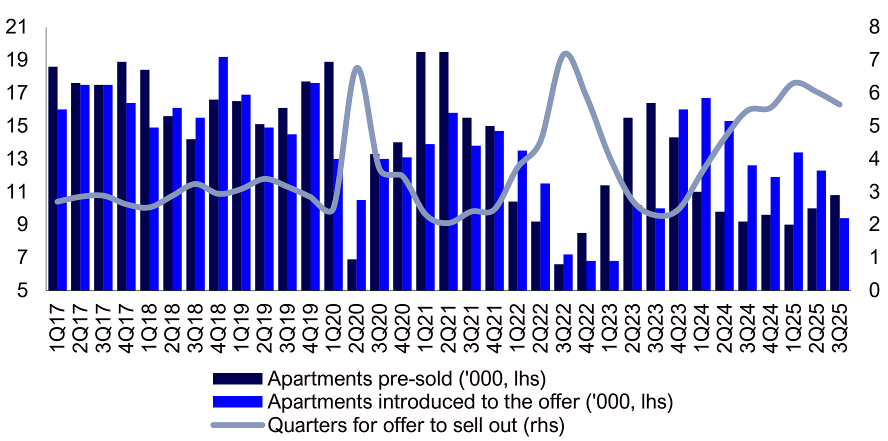


Source: Trigon, Statistics Poland

Residential RE

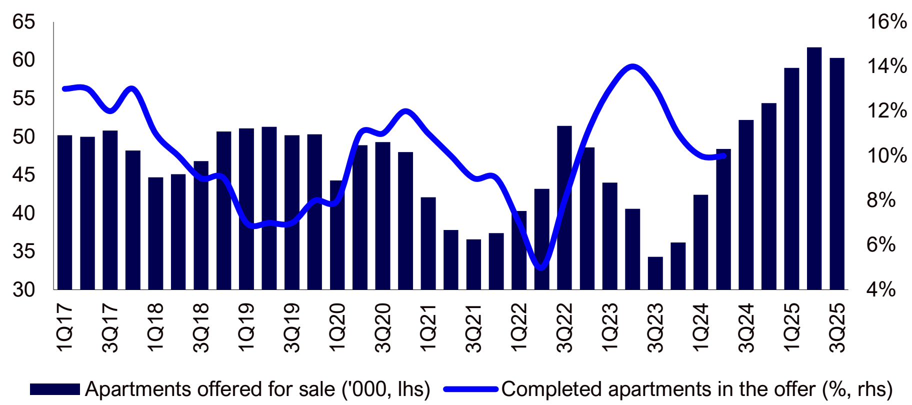
3Q25 a turning point? According to JLL data, developers in the six largest markets sold 10,800 flats in 3Q25, up 17% y/y. In the context of the current phase of the cycle, these figures look promising, especially considering the holiday period and the introduction of the price transparency law in September, which caused a temporary slowdown in the conversion of sales leads. Although, in our opinion, it is still too early to talk about a ‘rebound’ in the primary market, given the latest data from the credit market, we expect growth to continue in Q4 2025. However, the number of flats put up for sale slowed down significantly (9,400 flats, -24% q/q), although we estimate that the supply remained high at >60,000 flats.

#MRB: apartments offered for sales on TOP6 markets



Source: Trigon, JLL/REAS

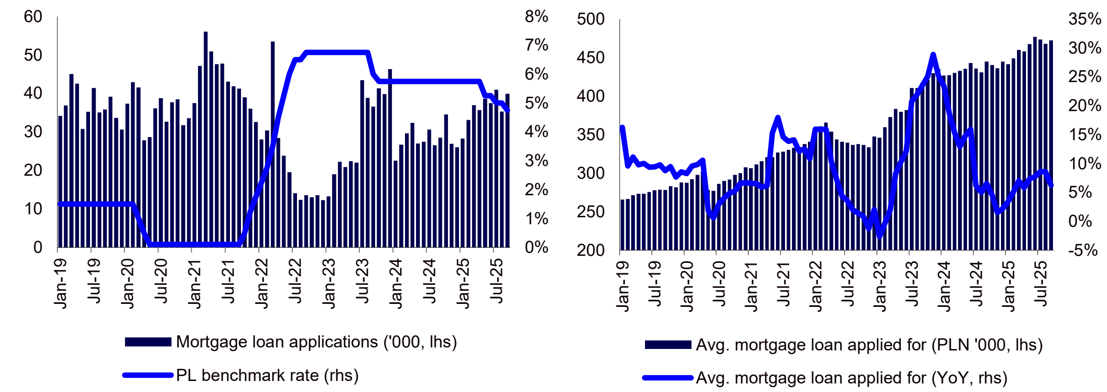
#MRB: apartments offered for sales on TOP6 markets



Source: Trigon, JLL/REAS

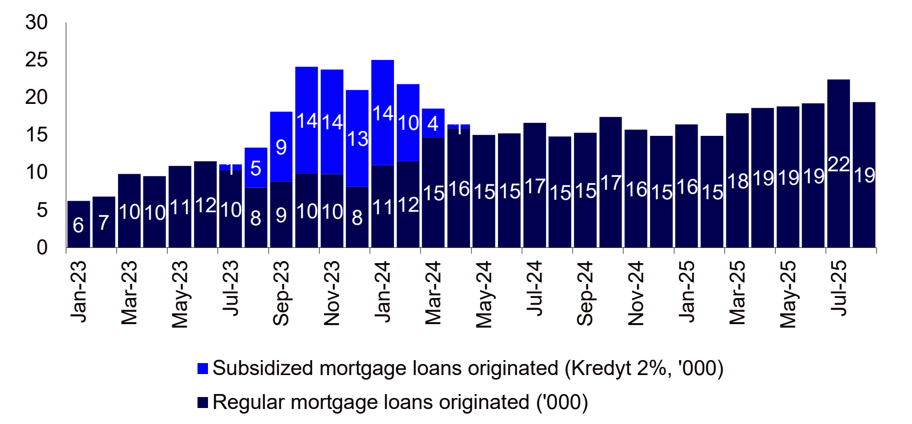
BIK data indicate a sharp increase in interest in mortgages. The number of mortgage applications submitted in Q3 2025 was as much as 35% higher y/y, and recent interest rate cuts, including the surprising one in October, raise hopes for an even greater rebound in flat sales in the last quarter of the year.

#MRB: mortgage loans applications



Source: Trigon, BIK

#MRB: mortgage loans origination



Source: Trigon, BIK

JHM remains one of the 15-20 largest developers in the country, with market shares ranging from 0.3% to 0.8%, depending on the quarter. We expect the Mirbud Group developer to sell 300 units throughout FY25.

#MRB: Sales summary of WSE– and Catalyst-listed developers

Developer	2017	2018	2019	2020	2021	2022	2023	2024	2025YTD
Dom Development	**3,786**	**3,602**	**3,661**	**3,756**	**4,066**	**3,093**	**3,906**	**4,269**	**3,216**
Develia	**2,029**	**1,710**	**1,510**	**1,361**	**1,921**	**1,634**	**2,675**	**3,197**	**2,500**
Murapol	**3,605**	**3,560**	**3,674**	**2,720**	**2,809**	**2,783**	**2,889**	**2,914**	**2,112**
Archicom	**2,856**	**2,356**	**2,819**	**2,716**	**2,928**	**1,516**	**1,836**	**2,201**	**1,781**
Atal	**2,726**	**2,414**	**3,180**	**2,912**	**4,276**	**2,090**	**2,838**	**2,068**	**1,158**
Robyg	**3,470**	**2,520**	**2,569**	**2,156**	**4,308**	**2,144**	**2,809**	**1,891**	960
Victoria Dom	864	1,051	1,692	1,269	1,402	1,208	2,047	1,014	924
Ronson	815	773	761	918	877	442	1,006	514	183
Inpro	739	801	769	635	728	420	863	587	460
Marvipol	765	843	942	1,086	376	207	661	430	266
Dekpol	135	569	382	148	490	341	472	466	354
Cavatina Holding									333
Cordia						266	263	322	156
Matexi								318	170
Unidevelopment (g. Unibep)		495	716	819	908	635	423	231	202
Lokum	1,052	1,011	268	463	744	435	706	157	85
Wikana	270	238	283	160	324	188	255	169	158
JHM Development (g. Mirbud)	491	298	354	349	623	281	454	321	242
TOTAL	**23,603**	**22,241**	**23,580**	**21,468**	**26,780**	**17,683**	**24,103**	**21,069**	**15,260**
Pre-sales in TOP 6 cities	**72,700**	**64,800**	**65,400**	**53,100**	**69,500**	**34,700**	**57,600**	**39,600**	**29,800**
Market share of listed companies	**32%**	**34%**	**36%**	**40%**	**39%**	**51%**	**42%**	**53%**	**51%**

Source: Companies, JLL, REAS, Trigon

Developer	1Q24	2Q24	3Q24	4Q24	1Q25	2Q25	3Q25	YoY	QoQ
Dom Development	**1,011**	**943**	**1,156**	**1,159**	**1,033**	**1,000**	**1,183**	*2%*	*18%*
Develia	**1,038**	**911**	**751**	**497**	**951**	**748**	**801**	*7%*	*7%*
Murapol	**666**	**683**	**692**	**873**	**670**	**708**	**734**	*6%*	*4%*
Archicom	**415**	**472**	**589**	**725**	**530**	**632**	**619**	*5%*	*-2%*
Atal	**717**	**552**	**354**	**445**	**345**	**388**	**425**	*20%*	*10%*
Robyg	665	584	251	391	390	570		-	-
Victoria Dom	332	297	224	161	278	328	318	*42%*	*-3%*
Ronson	170	88	130	126	96	87		-	-
Inpro	212	138	124	113	144	128	188	*52%*	*47%*
Marvipol	144	110	109	67	87	81	98	*-10%*	*21%*
Dekpol	115	121	138	92	173	181		-	-
Cavatina Holding			66		67	120	146	*121%*	*22%*
Cordia	78	132	57	55	79	77		-	-
Matexi		72		69	71	99		-	-
Unidevelopment (g. Unibep)	89	64	18	60	50	60	92	*411%*	*53%*
Lokum	70	45	7	35	31	34	20	*186%*	*-41%*
Wikana	41	38	25	65	57	68	33	*32%*	*-51%*
JHM Development (g. Mirbud)	112	73	66	70	84	96	62	*-6%*	*-35%*
TOTAL	**5,875**	**5,323**	**4,757**	**5,003**	**5,136**	**5,405**	**4,719**	***-1%***	***-13%***
Pre-sales in TOP 6 cities	**11,000**	**9,800**	**9,200**	**9,600**	**9,000**	**10,000**	**10,800**	***17%***	***8%***
Market share of listed companies	**53%**	**54%**	**52%**	**52%**	**57%**	**54%**	**44%**		

Source: Companies, JLL, REAS, Trigon

3Q25 Results Preview [negative]

PLNm	3Q24	4Q24	1Q25	2Q25	3Q25E	Y/Y	Q/Q
Revenues	894	896	497	720	782	-12%	9%
Construction	816	853	475	731	799	-2%	9%
Residential	69	77	38	18	11	-84%	-36%
Rental	3	7	5	5	4	15%	-17%
Other & Eliminations	5	-5	-21	-33	-28	-	-
Other operating activity, net	-24.6	-12.1	2.4	3.8	0.0	-	-100%
Revaluations	-0.6	40.9	0.5	4.6	0.0	-	-100%
EBITDA	21.4	86.6	32.3	39.5	29.7	39%	-25%
adj. EBITDA	**46.6**	**57.8**	**29.4**	**31.1**	**29.7**	**-36%**	**-4%**
EBIT	16.2	79.8	25.3	31.8	22.0	36%	-31%
Net profit	10.2	56.9	15.0	21.1	13.0	28%	-38%
Gross Margin	7.8%	8.7%	8.7%	6.3%	5.9%	-2.0pp	-0.4pp
Construction	5.2%	5.5%	6.8%	5.2%	5.5%	0.3pp	0.3pp
Residential	26.8%	29.5%	36.4%	34.6%	31.0%	4.2pp	-3.6pp
Rental	-2.6%	17.7%	-37%	-22%	-1%	2pp	-
Backlog	8,099	7,992	7,817	8,115	8,865	9%	9%
Net Debt	55	-41	301	343	393		
P/E12M trailing	10.2	12.1	14.2	14.2	13.8		
EV/EBITDA 12M trailing	6.2	7.0	9.9	10.1	9.9		
EBITDA margin	2.4%	9.7%	6.5%	5.5%	3.8%	59%	-31%
EBIT margin	1.8%	8.9%	5.1%	4.4%	2.8%	55%	-36%
Net profit margin	1.1%	6.3%	3.0%	2.9%	1.7%	0.5pp	-1.3pp

Source: Company, Trigon

#Results. Given the 36% decline in adjusted EBITDA, we expect a negative market reaction to the results. On the other hand, the relatively disappointing results are already, at least partially, priced in, which creates interesting momentum for Q4 2025, when we expect an increase in results – also at the adjusted level.

#Construction. Continuation of trends. The record order book (PLN 8.7bn, +9% y/y) does not offer much opportunity for revenue growth in the short term due to the lack of new building contracts. In line with the Management Board's announcements at the last results conference, we do not expect an improvement in margins (we are waiting for key contracts to move into the construction phase), although last year's base was not demanding in this respect. Overall, we expect a decline in revenues and a 5.5% gross margin – additional claims related to the S1 Węgierska Górka contract may be a source of surprise, although this is unlikely to affect the Q3 2025 results.

#Residential. A quarter without history. JHM delivered only 22 flats (in Q4 2025, the situation will reverse dramatically) – we assume PLN 510,000 in revenue per unit (flat y/y) and a 31% gross margin (+420bps y/y). JHM may deliver 320 flats throughout the year.

#Rental, other. No change compared to previous quarters. The key factor in the near future will be the newsflow concerning Marywilska 44, whose reconstruction may begin as early as this year.

Valuation

Model assumptions

Revenues. We expect revenues to grow by 13/19/26% in FY26-28E, respectively, and then slow down before peaking around FY30E (due to the signing of a large number of contracts in the pool from FY28E). In the case of JHM, we expect the level of deliveries to stabilise at 450 units starting from FY28E. After the reconstruction of Marywilska 44, we assume that the asset will only become fully operational in 2H28E.

Backlog. Conservative CAGR of the order portfolio at 9% in FY25-34E vs. 28% in FY17-24.

Margins. In the construction segment, as a result of a change in the revenue mix and the entry into the implementation phase of more profitable road contracts, we expect a gradual increase in gross margin from the current 6% to 7.2% in FY27E, followed by a residual anchoring of margins at 6%. At JHM, we assume margin compression starting in FY26E.

Dividend. We assume a return to a more attractive dividend policy after the end of the ‘investment’ phase - both in working capital (order portfolio) and fixed assets (M&A + Marywilska 44).

#MRB: FY25-34E estimates

PLNm	2021	2022	2023	2024	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E	2034E
Revenues	**2,506**	**3,319**	**3,322**	**3,252**	**3,101**	**3,503**	**4,178**	**5,275**	**5,796**	**6,944**	**6,638**	**7,140**	**7,205**	**7,263**
yoy	*102%*	*32%*	*0%*	*-2%*	*-5%*	*13%*	*19%*	*26%*	*10%*	*20%*	*-4%*	*8%*	*1%*	*1%*
Construction	2,344	3,266	3,127	2,997	2,959	3,306	4,054	5,041	5,558	6,693	6,373	6,860	6,910	6,953
yoy	*103%*	*39%*	*-4%*	*-4%*	*-1%*	*12%*	*23%*	*24%*	*10%*	*20%*	*-5%*	*8%*	*1%*	*1%*
Residential	146	132	203	269	163	234	171	267	278	289	301	313	325	338
yoy	*28%*	*-10%*	*54%*	*32%*	*-39%*	*43%*	*-27%*	*56%*	*4%*	*4%*	*4%*	*4%*	*4%*	*4%*
Rental	42	54	62	36	25	27	28	51	53	55	57	59	62	64
yoy	*28%*	*29%*	*13%*	*-42%*	*-29%*	*5%*	*5%*	*81%*	*4%*	*4%*	*4%*	*4%*	*4%*	*4%*
Other & Elimination	-27	-132	-69	-50	-46	-63	-75	-84	-93	-93	-93	-93	-93	-93
Gross Profit	**232**	**270**	**336**	**291**	**232**	**301**	**350**	**392**	**426**	**498**	**483**	**516**	**523**	**530**
Gross Margin	**9.2%**	**8.1%**	**10.1%**	**9.0%**	**7.5%**	**8.6%**	**8.4%**	**7.4%**	**7.4%**	**7.2%**	**7.3%**	**7.2%**	**7.3%**	**7.3%**
Construction	7.4%	6.0%	7.8%	5.8%	6.0%	6.9%	7.2%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%
Residential	22.9%	29.2%	24.5%	31.4%	33.0%	28.0%	28.0%	28.0%	28.0%	28.0%	28.0%	28.0%	28.0%	28.0%
Rental	54.4%	61.9%	61.2%	42.4%	-5.0%	20.0%	30.0%	30.0%	30.0%	30.0%	30.0%	30.0%	30.0%	30.0%
EBITDA	**188**	**194**	**243**	**204**	**189**	**229**	**276**	**311**	**337**	**398**	**376**	**399**	**397**	**395**
EBITDA margin (%)	*7.5%*	*5.9%*	*7.3%*	*6.3%*	*6.1%*	*6.5%*	*6.6%*	*5.9%*	*5.8%*	*5.7%*	*5.7%*	*5.6%*	*5.5%*	*5.4%*
EBIT	**174**	**178**	**224**	**182**	**159**	**195**	**237**	**268**	**292**	**351**	**326**	**346**	**341**	**335**
EBIT margin (%)	*7.0%*	*5.4%*	*6.7%*	*5.6%*	*5.4%*	*5.9%*	*5.8%*	*5.3%*	*5.3%*	*5.2%*	*5.1%*	*5.0%*	*4.9%*	*4.8%*
Net financial costs	**-18**	**-27**	**-54**	**-30**	**-24**	**-22**	**-18**	**-17**	**-27**	**-27**	**-28**	**-27**	**-26**	**-25**
Interest income	5	10	1	9	4	3	3	5	3	3	3	4	4	5
Interest costs	23	37	55	39	28	25	21	21	30	30	30	30	30	30
Net profit	**128**	**119**	**135**	**121**	**108**	**139**	**175**	**201**	**212**	**259**	**238**	**256**	**252**	**248**
Net profit margin (%)	*5.1%*	*3.6%*	*4.1%*	*3.7%*	*3.5%*	*4.0%*	*4.2%*	*3.8%*	*3.7%*	*3.7%*	*3.6%*	*3.6%*	*3.5%*	*3.4%*
Backlog	**4,815**	**5,564**	**4,622**	**7,992**	**8,783**	**12,877**	**14,323**	**16,082**	**17,375**	**17,582**	**18,160**	**18,300**	**18,390**	**18,437**
Contracts signed	**2,581**	**4,014**	**2,186**	**6,367**	**3,750**	**7,400**	**5,500**	**6,800**	**6,850**	**6,900**	**6,950**	**7,000**	**7,000**	**7,000**
Residential buildings	58	189	73	101	200	200	200	200	200	200	200	200	200	200
Public utility	455	592	704	871	300	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Industrial buildings	910	986	502	129	150	500	500	600	650	700	750	800	800	800
Roads	1,158	2,247	907	5,267	2,100	2,500	2,000	2,500	2,500	2,500	2,500	2,500	2,500	2,500
Railways	0	0	0	0	1,000	3,200	1,800	2,500	2,500	2,500	2,500	2,500	2,500	2,500
OCF	**205**	**133**	**148**	**-48**	**77**	**218**	**300**	**-84**	**166**	**166**	**362**	**263**	**326**	**325**
CAPEX	**-57**	**-8**	**-150**	**-150**	**-85**	**-170**	**-90**	**-50**	**-50**	**-50**	**-50**	**-50**	**-50**	**-60**
DY	**0.6%**	**1.5%**	**2.1%**	**1.3%**	**0.7%**	**0.7%**	**0.9%**	**6.0%**	**6.9%**	**7.2%**	**8.8%**	**8.1%**	**8.7%**	**8.6%**
FCF Yield	**9.1%**	**7.6%**	**-1.4%**	**-11.1%**	**-2.5%**	**1.2%**	**13.2%**	**-10.1%**	**5.2%**	**5.0%**	**17.7%**	**11.7%**	**16.8%**	**17.0%**

Source: Trigon

Income-based valuation

DCF. Our valuation of Mirbud shares is based entirely on the DCF model. Our assumptions imply a 12-month target price of PLN 18.5 per share, 39% above the last closing price.

DCF valuation assumptions:

i) Risk-free rate of 5.5%.

ii) Market premium of 5.5% (Trigon methodology for mWIG40 companies).

iii) Unleveraged beta of 1.0x.

iv) Residual growth rate of 2.5%.

#MRB: DCF valuation

PLNm	2024
Loans and borrowings (+)	356
Cash and cash equivalents (-)	397
Cash adjustment (+)	317
Investment in Torpol (-)	109
ND	**167**

DCF (PLNm)	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E	2034E	>2034E
adj. EBIT	**134**	**195**	**237**	**268**	**292**	**351**	**326**	**346**	**341**	**335**	
Tax rate	*20.0%*	*20.0%*	*20.0%*	*20.0%*	*20.0%*	*20.0%*	*20.0%*	*20.0%*	*20.0%*	*20.0%*	
NOPLAT	**107**	**156**	**189**	**214**	**233**	**280**	**261**	**277**	**273**	**268**	
D&A	30	35	40	44	45	47	50	53	56	60	
CAPEX	-85	-170	-90	-50	-50	-50	-50	-50	-50	-60	
Change in NWC	-80	23	67	-345	-118	-167	46	-73	-9	-8	
FCF	**-28**	**44**	**206**	**-137**	**111**	**110**	**306**	**207**	**271**	**260**	**267**
Relevered beta	1.2	1.2	1.2	1.3	1.3	1.3	1.3	1.3	1.3	1.3	1.3
Cost of equity	12.4%	12.4%	12.4%	12.8%	12.8%	12.8%	12.8%	12.8%	12.8%	12.8%	11.3%
After-tax cost of debt	6.4%	6.4%	6.4%	6.4%	6.4%	6.4%	6.4%	6.4%	6.4%	6.4%	4.8%
Debt ratio	19.5%	19.5%	19.5%	25.7%	25.7%	25.7%	25.7%	25.7%	25.7%	25.7%	25.7%
WACC	**11.2%**	**11.2%**	**11.2%**	**11.2%**	**11.2%**	**11.2%**	**11.2%**	**11.2%**	**11.2%**	**11.2%**	**9.7%**
DFCF	**-27**	**38**	**163**	**-98**	**71**	**63**	**158**	**96**	**113**	**98**	

Risk-free rate	**5.5%**
Market premium	**5.5%**
PV FCF 2025-2034E	677
Residual growth rate	**2.5%**
Terminal Value	3,699
Discounted TV	**1,391**
EV	**2,068**
Net Debt	167
Dividend paid-out	10
Equity Value	**1,892**
Shares outstanding (m)	110.1
Equity Value per share (PLN) as of 13/10	17.2
12M Target Price (PLN)	**18.5**
Upside / (Downside)	*39%*

g \ WACC	10.2%	10.7%	**11.2%**	11.7%	12.2%
1.5%	20.0	18.2	16.7	15.3	14.1
2.0%	21.2	19.2	17.5	16.0	14.7
2.5%	22.6	20.4	**18.5**	16.9	15.4
3.0%	24.3	21.8	19.6	17.8	16.2
3.5%	26.3	23.4	20.9	18.9	17.1

Source: Trigon

Scenario analysis

Scenarios. Due to the record wave of investments in the domestic construction industry and the resulting limited visibility regarding the situation of Polish contractors in the next few years, in addition to the basic DCF valuation, we also present a scenario analysis, valuing two different outcome paths for the Mirbud Group.

In the optimistic scenario (assumptions in the table below), we value the Mirbud Group at PLN 22.8 per share, 71% above current levels. In this scenario, we take into account:

1) a very well-valued portfolio of railway contracts (gross margin 0.3 p.p. residual above our expectations)
2) the position of leader or runner-up in the group of contractors (road, railway, airport projects) for CPK
3) rescaling JHM to >500 units per year.

#MRB: Bull Case assumptions

PLNm	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E	2034E	TP
Revenues	2,959	3,405	4,257	5,444	6,002	7,228	6,882	7,409	7,463	7,509	22.8
vs. Base Case	*0%*	*3%*	*5%*	*8%*	*8%*	*8%*	*8%*	*8%*	*8%*	*8%*	*71%*
GM	7.8%	9.4%	8.9%	8.1%	8.0%	7.7%	7.9%	7.8%	7.9%	7.9%	
vs. Base Case	*0.0pp*	*0.3pp*	*0.3pp*	*0.3pp*	*0.3pp*	*0.3pp*	*0.3pp*	*0.3pp*	*0.3pp*	*0.3pp*	
EBITDA	171	249	308	389	414	465	440	468	466	464	
vs. Base Case	*-10%*	*8%*	*12%*	*25%*	*23%*	*17%*	*17%*	*17%*	*17%*	*18%*	
Net profit	93	153	199	250	279	320	298	319	316	313	
vs. Base Case	*-13%*	*11%*	*14%*	*25%*	*32%*	*24%*	*25%*	*25%*	*26%*	*26%*	

Source: Trigon

In the pessimistic scenario (assumptions in the table below), we value the Mirbud Group at PLN 14.8 per share, which is still above the current market price. In this scenario, we take into account:

1) aggressively valued railway and road portfolio (gross margin >0.5 p.p. residual below our expectations)

2) marginal role in the CPK construction project

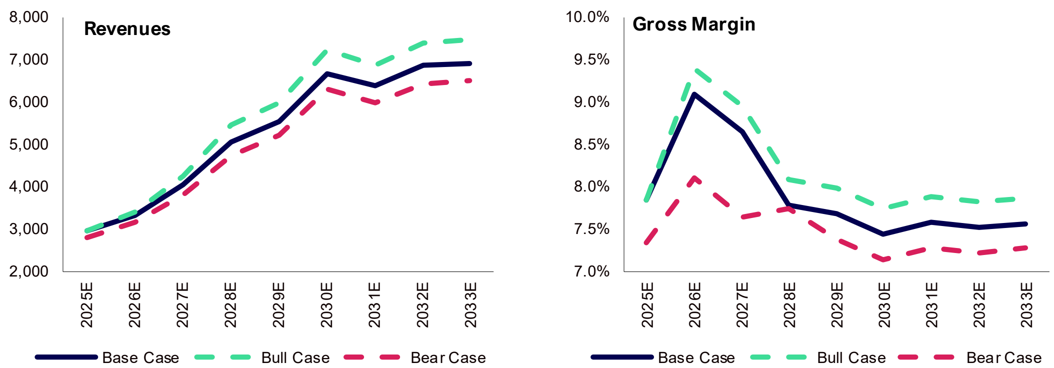
3) failure of Marywilska 44 to reach 'full capacity'.

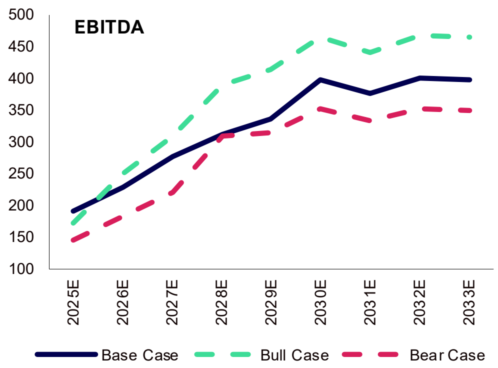
#MRB: Bear Case assumptions

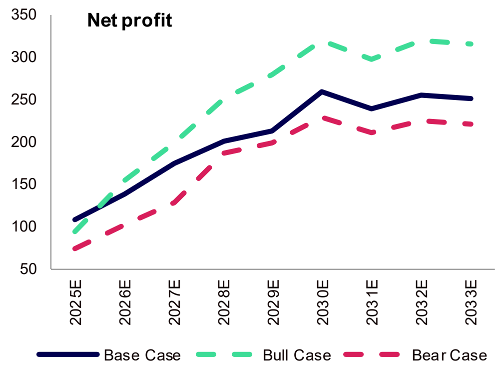
PLNm	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E	2034E	TP
Revenues	2,811	3,140	3,811	4,738	5,224	6,291	5,990	6,448	6,495	6,535	14.8
vs. Base Case	*-5%*	*-5%*	*-6%*	*-6%*	*-6%*	*-6%*	*-6%*	*-6%*	*-6%*	*-6%*	*11%*
GM	7.3%	8.1%	7.6%	7.7%	7.4%	7.1%	7.3%	7.2%	7.3%	7.3%	
vs. Base Case	*-0.5pp*	*-1.0pp*	*-1.0pp*	*-0.1pp*	*-0.3pp*	*-0.3pp*	*-0.3pp*	*-0.3pp*	*-0.3pp*	*-0.3pp*	
EBITDA	146	183	220	310	315	353	333	353	350	346	
vs. Base Case	*-23%*	*-20%*	*-21%*	*0%*	*-7%*	*-11%*	*-11%*	*-12%*	*-12%*	*-12%*	
Net profit	73	101	128	187	199	230	211	226	221	216	
vs. Base Case	*-32%*	*-27%*	*-27%*	*-7%*	*-6%*	*-11%*	*-11%*	*-12%*	*-12%*	*-13%*	

Source: Trigon

#MRB: Base case valuations assumptions, vs. bull and bear case scenarios







Source: Trigon

Peer-based valuation

Comparative valuation. Our valuation of Mirbud shares is based entirely on the DCF model, but we also present a comparative valuation. The comparative group mainly includes highly diversified construction groups that also have a property development arm (Skanska, Budimex). This approach yields a target price of PLN 15.9. Given the phase of the cycle and record spending on domestic infrastructure, we believe that the comparative valuation does not provide a valuation context for Mirbud.

#MRB: relative-based valuation

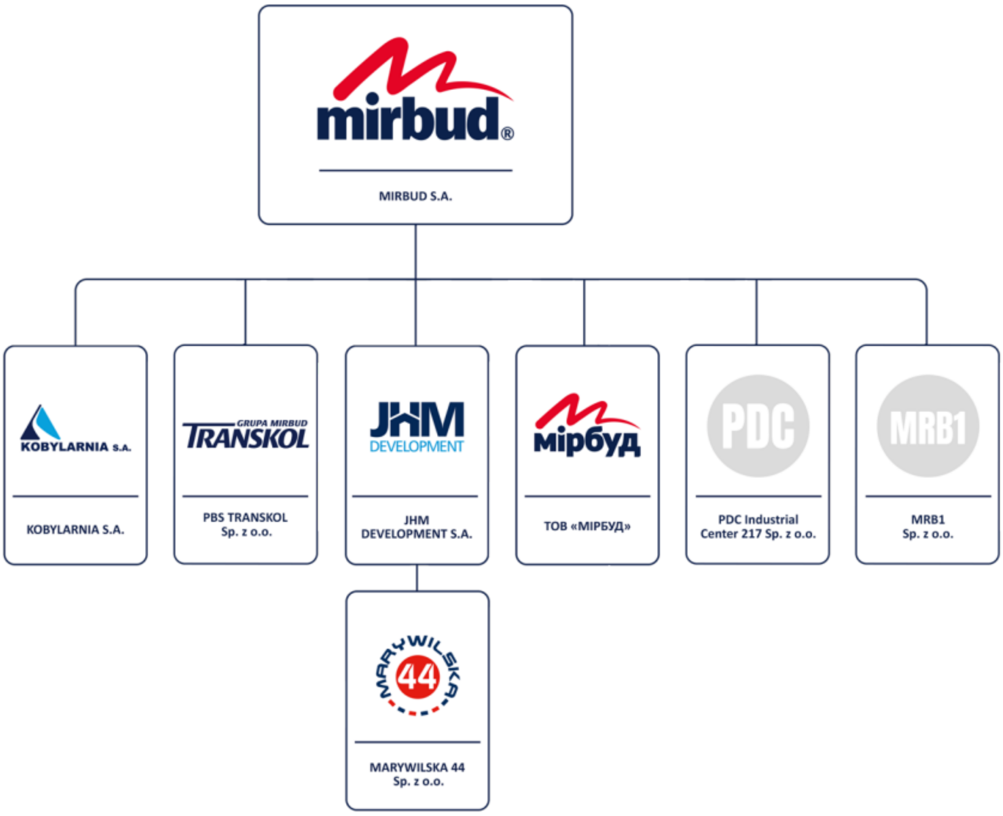
	Kraj	MC (EUR)	P/E			EV/EBITDA			FCF Yield		
			2025E	2026E	2027E	2025E	2026E	2027E	2025E	2026E	2027E
Mirbud		343	13.6	10.6	8.4	7.9	6.6	4.9	-2.5%	1.2%	13.2%
Peers											
Skanska AB	SWEDEN	10,069	16.7	14.5	13.7	10.9	10.0	9.7	2.3%	5.6%	5.8%
Acciona SA	SPAIN	10,017	14.5	23.3	20.9	7.0	7.7	7.5	-1.1%	-2.0%	-0.7%
Budimex SA	POLAND	3,099	19.9	17.3	16.7	-	-	-	-	-	-
Peab AB	SWEDEN	2,018	15.7	10.5	9.4	7.8	7.1	6.5	6.7%	6.8%	8.0%
Torpol SA	POLAND	258	14.6	13.2	11.1	7.1	5.8	4.5	-	-	-
Median			15.1	13.8	12.4	7.1	7.1	6.5	2.8%	2.4%	3.6%
premium/(discount)			*-10%*	*-24%*	*-33%*	*11%*	*-7%*	*-24%*	*-5pp*	*-1pp*	*10pp*
Implied valuation per share (PLN)			**15**	**17**	**20**	**12**	**14**	**17**			
applied weight (year)			33%	33%	33%	33%	33%	33%			
applied weight (multiple)				50%			50%				
Valuation per share (PLN)			**15.9**								

Source: Trigon, Bloomberg

Business model and strategy

Mirbud Capital Group has been developing since around 2008. Investment projects in the field of residential construction in the development system are carried out by JHM DELOPMENT S.A., while KOBYLARNIA S.A., located in Kobylarnia near Bydgoszcz, expands the group's scope of activity to include road and bridge works, as well as the production of bituminous masses.

#MRB: Group structure



Source: Mirbud

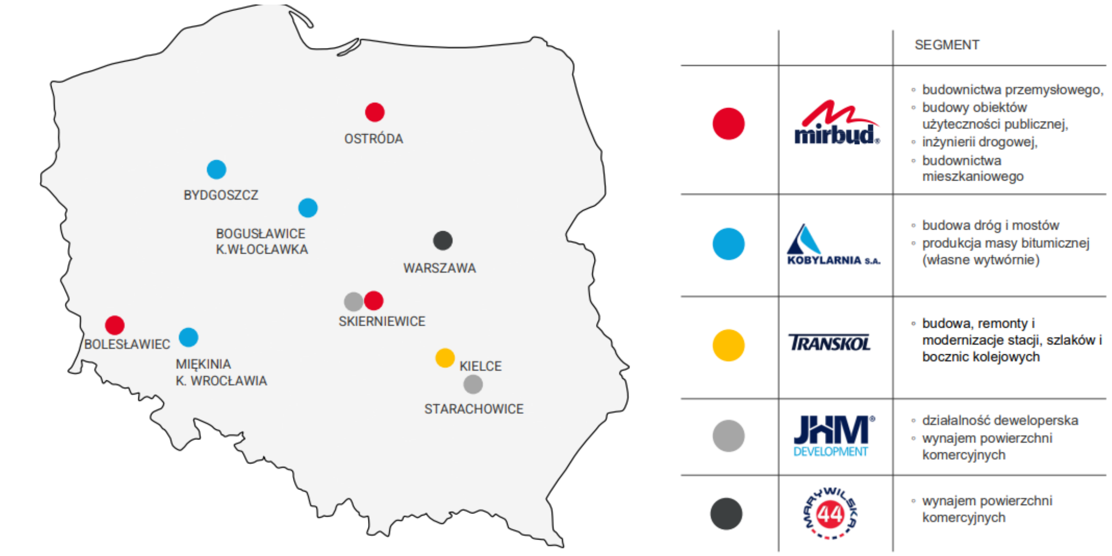
In addition, MARYWILSKA 44 Sp. z o.o. belongs to the MIRBUD Capital Group, which as at 30 June 2025 owns and manages the Marywilska 44 Shopping Centre.

In November 2017, the Management Board of MIRBUD S.A. decided to establish a single-member limited liability company under the name: МІРБУД Spółka z ograniczoną odpowiedzialnością (abbreviated name: ТОВ «МІРБУД») with its registered office in Kiev. The company was registered on 25 January 2018. Currently, the company does not conduct any operational activities in Ukraine.

In November 2023, the Capital Group was joined by the special purpose vehicle PDC Industrial Center 217 sp. z o.o., which owns a property located in Chościszowice, Bolesławiec municipality, comprising plot No. 75 from precinct 0004 Chościszowice, with an area of 10. 37 ha. In 2024, the company completed the construction of a hall on the property, intended for lease for logistics and storage purposes, with an area of approximately 50,000 m2. The acquisition of shares in PDC Industrial Center Sp. z o. o. constitutes another area of the Company's activity in the market of warehouse and logistics property rental.

On 18 December 2024, 92.78% of shares in the share capital and the same number of votes at the shareholders' meeting of Przedsiębiorstwo Budownictwa Specjalistycznego 'Transkol' Sp. z o.o. with its registered office in Kielce were purchased. Upon redemption of the own shares held by Transkol, MIRBUD S.A."s shares as at 30 June 2025 constituted 100% of the share capital and 100% of the votes at the shareholders" meeting. Transkol Sp. z o.o. specialises in the construction, renovation and modernisation of railway stations, routes and sidings.

#MRB: Company assets and HQs



Source: Mirbud

Mirbud S.A. The company operates primarily as a general contractor in all segments of construction, including: industrial (warehouses), public utility (halls, stadiums, hospitals), commercial (shopping centres, galleries, market halls), engineering and road construction (motorways, national roads, sidings, bridges) and residential.

Kobylarnia S.A. The company specialises in the comprehensive construction of national roads and bridges. It is also a manufacturer of bituminous mixtures with plants located in Kobylarnia, Miękinia, Bogusławice, Bierkowo and Żukowo, among others.

PBS Transkol Sp. z o.o. The company's main area of activity is the design and comprehensive construction of railway facilities and their renovation and modernisation.

JHM Development S.A. A residential developer implementing single-family and multi-family projects. As at the end of September 2025, the company had 861 flats under construction and ready for sale.

Marywilska 44 Sp. z o.o. A company managing the commercial assets of the Mirbud Group, including the Marywilska 44 shopping centre in Warsaw, which burned down last year.

Risk factors

Risk related to material and raw material prices. Accelerated inflation of key material prices (steel, aggregates, cement, asphalt) may have a negative impact on our forecasts, especially given that the indexation mechanism does not fully compensate general contractors for the increase in costs.

Risk of employee outflow. After the outbreak of war in Ukraine, approximately 66% of workers from that country left the Polish construction industry. The construction industry, especially in the building segment, has struggled with a shortage of skilled workers in the past, and it cannot be ruled out that a similar situation will not recur in the future, e.g. in the event of an acceleration of investment in Germany.

Competition risk. Historically, road and railway companies have faced a price war in tenders caused by aggressive contracting by foreign companies (including Italian, Chinese and Turkish ones). Given the record plans of GDDKiA, PKP PLK and CPK in terms of contract supply over the next 10 years, a change in the competitive environment in the industry cannot be ruled out.

Risk of delays in the awarding of tenders. In recent years, GDDKiA, PKP PLK, CPK and PEJ projects have all encountered significant delays compared to their original schedules. Further delays in announcing new tenders may lead to intensified competition.

Exchange rate risk. The EUR/PLN and USD/PLN exchange rates are crucial, primarily from the point of view of suppliers of materials and raw materials to construction companies, and a potential weakening of the PLN may lead to price increases.

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Glossary of professional terms:

capitalisation – market price multiplied by the number of a company’s shares

free float (%) – percentage of a company’s shares held by shareholders with less than 5% of total voting rights attached to the shares, reduced by treasury shares held by the company

min/max 52 wks – lowest/highest share price over the previous 52 weeks

average turnover – average volume of share trading over the previous month

EBIT – operating profit

EBITDA – operating profit before depreciation and amortisation

adjusted profit – net profit adjusted for one-off items

CF – cash flow

CAPEX – sum of investment expenditures on fixed assets

OCF – cash generated through a company’s operating activities

FCF – cash generated by a company after accounting for cash outflows to support its operations and maintain capital assets

FCFF - free cash flow, cash generated through the operational activities of the company minus capital expenditures and lease payments

ROA – rate of return on assets

ROE – rate of return on equity

ROIC – rate of return on invested capital

NWC – net working capital

cash conversion cycle – length of time it takes for a company to convert its cash investments in production inputs into cash revenue from sale of its products or services

gross profit margin – ratio of gross profit to net revenue

EBITDA margin – ratio of the sum of operating profit and depreciation/amortisation to net revenue

EBIT margin – ratio of operating profit to net revenue

net margin – ratio of net profit to net revenue

EPS – earnings per share

DPS – dividend per share

BVPS – book value per share

P/E – ratio of market price to earnings per share

P/BV – ratio of market price to book value per share

EV/EBITDA – ratio of a company’s EV to EBITDA

EV – sum of a company’s current capitalisation and net debt

DY – dividend yield, ratio of dividends paid to share price

FCFF yield – free cash flow yield, FCFF divided by EV and adjustments

RFR – risk free rate

WACC – weighted average cost of capital

Recommendations of the Brokerage House

Issuer – MIRBUD SA

BUY – we expect the total return on an investment to reach at least 15%

HOLD − we expect the price of an investment to be largely stable, with potential upside of up to 15%

SELL – we expect negative total return on an investment of more than -0%

Recommendations of the Brokerage House are valid for a period of 12 months from their issuance or until the price target of the financial instrument is achieved.

The Brokerage House may update its recommendations at any time, depending on the prevailing market conditions or the judgement of persons who produced a given recommendation.

Short-term recommendations (particularly those designated as speculative) may be valid for shorter periods of time. Short-term recommendations designated as speculative involve a higher investment risk.

Document prepared by: David Sharma

Valuation methods used

The Discounted Cash Flow (DCF) method values a company by estimating its future cash flows and discounting them back to their present value.

- Advantages: future-oriented, flexible when it comes to assumptions, based on the intrinsic value of a company, widely accepted.

- Disadvantages: sensitivity to assumptions, complexity, subjectivity, doesn't consider market sentiment or short-term fluctuations.

The comparable valuation method values a company by comparing it to similar publicly traded companies.

- Advantages: simplicity, transparency, benchmarking, reflects current market valuations and investor sentiment.

- Disadvantages: lack of specificity, limited comparables, sensitive to market fluctuations, ignoring fundamental differences.

SOTP – sum-of-the-parts method, which consists in valuing a company by valuing its individual business lines separately and then summing them up.

Advantages: different valuation methods can be applied to diverse business lines; the approach is useful for assessing the value of a company e.g. in the case of planned acquisition or restructuring.

Disadvantages: the peer group for individual business lines is usually limited, the method does not adequately account for synergies between business segments.

Risk-adjusted net present value method (rNPV)

Advantages: accounting for probabilities assigned to future cash flows, providing a more realistic assessment of the present value of future cash flows and reflecting business-specific factors, especially in the case of innovative companies.

Disadvantages: subjectivity involved in the adoption of a discount rate, significant reliance on a number of assumptions, high level of complexity in the calculations and exclusion of qualitative factors from the valuation.

Discounted residual income method (DRI)

Advantages: valuation based on the excess of income over risk-adjusted opportunity cost to owners of capital, the method can be applied to companies that do not pay dividends or generate positive FCF.

Disadvantages: significant reliance on subjective judgements and assumptions, as well as sensitivity of the valuation to any changes in those variables.

Discounted dividend model (DDM)

Advantages: accounting for real cash flows to equity owners, the model works best for companies with a long history of dividend distribution.

Disadvantages: the method can be applied to dividend-paying companies only, it is not suitable for companies with a short history of dividend distribution.

Net asset value method (NAV)

Advantages: the approach is particularly relevant to holding companies with significant property, plant and equipment assets, the calculation of NAV is relatively straightforward.

Disadvantages: the method neglects future revenue or earnings potential and may not properly reflect the value of intangible assets.

Target multiple method

Advantages: the method can be applied to any company.

Disadvantages: it involves a high degree of subjectivity.

Replacement value method – it assesses the value of a company based on the costs of replacing its assets.

Advantages: the method is particularly relevant to companies with significant property, plant and equipment assets.

Disadvantages: it may be hard to capture the value of a company's intangible assets, reputation and market potential.

Liquidation value method – the sum of prices that the business would receive upon selling its individual assets on the open market.

Advantages: the method can capture the lowest threshold of a company's value.

Disadvantages: it may be hard to capture the value of a company's intangibles.

Basis of the valuation or methodology and the underlying assumptions used to evaluate the financial instrument or the issuer, or to set a price target for the financial instrument: DCF model.

The valuation, methodology or underlying assumptions have not changed since the date when this Document was completed and first disseminated.

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