Monday, 17 November 2025 | special comments

# (+) Newag: Q3'25 Results

Recommendation: buy | target price: PLN 98.00 | current price: PLN 97.00

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**Newag released its full 2025 third-quarter results on November 14, after the market closed.**

**The full reported figures matched the preliminary results released on November 7. With Q3 2025 EBITDA at PLN 212m (+193% y/y), Newag achieved 96% of our full-year FY2025 EBITDA forecast in the year to 30 September, suggesting room for an upward revision.**

- **Sales** in Q3'25 amounted to PLN 925m (+64% y/y), exceeding our forecast of PLN 429m by an impressive 116%. YTD EBITDA achieved 82% of our full-year estimate.

**Locomotive deliveries**

- Newag delivered the following locomotives in the first three quarters of 2025:
  - **28 electric locomotives** delivered to for PKP Intercity S.A. under a December 2023 contract,
  - **10 electric locomotives** for Akiem, and
  - **8 electric locomotives** to Cargounit Sp. z o.o. under a July 2023 contract.
- In Q3 2025 alone, Newag delivered 10 locomotives. This brings YTD deliveries to 88% of our full-year forecast.

**Electric Multiple Unit deliveries**

- Newag delivered the following EMUs in the first three quarters of 2025:
  - **3 'Impuls 2' for Koleje Śląskie,**
  - **6 EMUs for the Silesian Voivodeship, and**
  - **9 for the Pomeranian Voivodeship.**
- In Q3 2025 alone, Newag delivered **15 EMUs**, compared to only three in the entire first half of the year. This brings YTD EMU deliveries to **69% of our full-year forecast.**

- EBITDA reached the highest quarterly level in history at PLN 212m (+193% y/y), and it beat our PLN 89m estimate by a staggering 139%.

- **Net profit** also exceeded expectations PLN 154m (+240% y/y), 168% ahead of our PLN 57m forecast.

- The spectacular increase in sales was driven by exceptionally high deliveries of both EMUs and locomotives, enabling Newag to achieve its best results in history.
- Owing to another quarter of high locomotive deliveries (10 units), EBITDA margin came in at a robust 23%
- A favorable EUR/PLN exchange rate enabled savings to be generated through a higher proportion of purchases in euros and conservative budget assumptions.

- The final Q325 results are consistent with the strong preliminary earnings release. On the other hand, the actual EBITDA exceeds the figure cited in our November 10 comments on preliminary Q325 results, which contained a clerical error: total EBITDA for the three quarters ended 30 September 2025 was misstated as PLN 349m instead of PLN 394m, leading to an understated Q3 EBITDA of PLN 167m versus the actual PLN 212m delivered in the quarter.

- We are impressed by the 23% EBITDA margin, achieved thanks to a higher proportion of EMUs relative to locomotives (15 vs. 10 units). The average EBITDA margin for three quarters ended 30 September amounted to 22%. Given that Q4 is typically the strongest period of the year, we see potential to raise our full-year forecast. The 2026 projection may also warrant an upward revision, as we expect next year to mark peak locomotive production, Newag's highest-margin product. Our current FY2026 forecasts assume EBITDA of PLN 556m and a margin of 21%

**2025 Q3 Results of Newag**

| (PLN m) | 3Q24 | 4Q24 | 1Q25 | 2Q25 | 3Q25 | Y/Y | Q/Q | 3Q25P | diff. | 2025E | %YTD |
|---|---|---|---|---|---|---|---|---|---|---|---|
| **Sales** | **565.0** | **449.1** | **374.6** | **474.6** | **924.9** | **64%** | **95%** | **428.5** | **116%** | **2.164.0** | **82%** |
| Gross profit | 93.0 | 103.1 | 107.6 | 131.2 | 246.0 | 164% | 88% | 115.3 | 113% | 559.9 | 87% |
| Gross margin | 16% | 23% | 29% | 28% | 27% | | | 27% | | 26% | |
| Profit on sales | 58.4 | 64.5 | 67.7 | 88.9 | 203.2 | 248% | 129% | 76.3 | 166% | 363.0 | 99% |
| **EBIT** | **59.6** | **44.2** | **67.0** | **87.9** | **196.7** | **230%** | **124%** | **74.3** | **165%** | **357.0** | **98%** |
| EBIT margin | 11% | 10% | 18% | 19% | 21% | | | 17% | | 16% | |
| **EBITDA** | **72.3** | **58.0** | **81.2** | **102.2** | **211.5** | **193%** | **107%** | **88.5** | **139%** | **409.5** | **96%** |
| EBITDA margin | 13% | 13% | 22% | 22% | 23% | | | 21% | | 19% | |
| Profit before tax | 56.4 | 41.8 | 65.9 | 84.3 | 192.2 | 241% | 128% | 70.9 | 171% | 345.1 | 99% |
| **Net profit** | **45.0** | **30.1** | **52.5** | **76.7** | **153.3** | **240%** | **100%** | **57.1** | **168%** | **278.9** | **101%** |
| # of shares | 45.0 | 45.0 | 45.0 | 46.0 | 47.0 | | | | | | |
| Net profit LTM | 144.0 | 121.8 | 159.5 | 204.3 | 312.6 | | | | | | |
| EPS (PLN) | 1.0 | 0.7 | 1.2 | 1.7 | 3.3 | | | | | | |
| EPS LTM (PLN) | 3.2 | 2.7 | 3.5 | 4.5 | 6.8 | | | | | | |
| Net debt (cash) | 71.0 | -127.5 | -48.0 | 120.9 | -122.3 | | | | | | |
| Equity | 851.1 | 881.1 | 933.7 | 920.8 | 1.074.2 | | | | | | |
| **CF (PLNm)** | | | | | | | | | | | |
| Net profit | 45.0 | 30.1 | 52.5 | 76.7 | 153.3 | | | | | | |
| DD&A | 12.7 | 13.8 | 14.2 | 14.3 | 14.7 | | | | | | |
| WC chng | 17.9 | 127.1 | -109.4 | -173.8 | 42.0 | | | | | | |
| Other | 18.0 | 41.5 | -24.1 | 18.5 | 48.5 | | | | | | |
| **OCF** | **93.6** | **212.4** | **-66.9** | **-64.4** | **258.5** | | | | | | |
| CAPEX | -28.3 | -18.4 | -6.4 | -19.0 | -11.4 | | | | | | |
| **FCF** | **65.4** | **194.0** | **-73.2** | **-83.4** | **247.1** | | | | | | |
| **FCF-4Q trail** | **285.7** | **-79.2** | **44.7** | **102.8** | **284.5** | | | | | | |
| MCAP | 4.365.0 | 4.365.0 | 4.365.0 | 4.462.0 | 4.559.0 | | | | | | |
| EV | 4.436.0 | 4.237.5 | 4.317.0 | 4.582.9 | 4.436.7 | | | | | | |
| **EV/EBITDA** | **17.7** | **17.3** | **14.2** | **13.7** | **9.2** | | | | | | |

Source: Newag, E – estimates by mBank

**List of abbreviations and ratios contained in the report:**
**EV** (Enterprise Value) – Equity Value + Net Debt; **EBIT** – Earnings Before Interest and Taxes; **EBITDA** – EBIT + Depreciation & Amortisation; **Net Debt** – Borrowings + Debt Securities + Interest-Bearing Loans - Cash and Cash Equivalents; **P/E** (Price/Earnings) – Price Per Share Divided by Earnings Per Share; **P/CE** (Price to Cash Earnings) – Price Per Share Divided by Earnings + Depreciation & Amortisation; **P/B** (Price to Book Value) – Price Per Share Divided by Book Value Per Share; **P/CF** (Price to Cash Flow) – Price Divided by Cash Flow from Operations; **ROE** (Return on Equity) – Earnings Divided by Shareholders' Equity; **ROCE** (Return on Capital Employed) – EBIT x (Average Assets - Current Liabilities); **ROIC** (Return on Invested Capital) – EBIT x (1-Tax Rate) / (Average Equity + Minority Interest + Net Debt); **FCFF** (Free Cash Flow to Firm) – Cash Flow from Operations - CAPEX - Lease Payments; **FCFE** (Free Cash Flow to Equity) – Free Cash Flow to Firm - Net Interest Expense (incl. Debt + Leases); **EBITDA margin** – EBITDA/Sales

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