# Mostostal Zabrze – review of the 3Q'25 results

**2025-11-20**

Mostostal Zabrze published its results on November 6, and today it held a conference during which they were discussed. **In 3Q25 the company generated revenue of 332.5 m (+33% y/y)**, with the strongest growth in Industrial Projects & Design (143.4 m; +60% y/y) and General & Civil Engineering (99.0 m; +53% y/y), while Chemical Production fell to 54.0 m (-18% y/y; 3Q24 pro forma). Although reported EBITDA of 19.6 m was lower by -58% y/y (EBIT -65% y/y), this was due to the base effect, as the company recorded a non-cash one-off in the prior year: PLN 27.3 m of gain on the acquisition of Polwax. **EBIT adjusted for this one-off increased by +5% y/y, while adjusted net profit rose to 10.6 m (+54% y/y).** Debt decreased to PLN 143 m, with a further decline expected in 4Q25. **The outlook for 4Q25 and 2026 remains optimistic**, supported by the expanding backlog, large contracts entering the execution phase, and the recovery of Polwax.

**Industrial Projects & Design**. The segment is executing more than thirty projects, including two contracts in the Netherlands worth over PLN 400 m, a battery plant in Nysa exceeding PLN 200 m, steelworks and petrochemical projects, including a BASF contract completed above budget. Waste-to-energy facilities and nuclear projects at NCBJ (approx. PLN 50 m) also make a significant contribution. A high share of exports supports profitability, while the HITREK technology in the ESCO model (cost approx. PLN 5 m per 1 MW, payback <2 years) increases the segment's potential.

**General & Civil Engineering**. The segment maintains low-teen margins, although lower than in industrial projects due to domestic price pressure. Key projects include the apron at Chopin Airport (PLN 157 m), hydrotechnical and water-sewage projects in Gliwice, roadworks, and public projects: a student dormitory in Opole, a hospice in Rybnik, and a school in Gliwice. Conservation work is also carried out, including the "Kazimierz Odnowa" project (PLN 66 m), as well as defence-related projects in Sulejówek and Redzikowo. The company remains selective in tenders to limit the risk of low margins.

**Mechanical Production**. The segment remains pressured by weaker demand, lower volumes, and order deliveries shifted to 4Q25. Margins are weighed down by raw-material prices and fewer new contracts, but supply chain improvement thanks to Exxon deliveries and a contract with the Gdańsk refinery is stabilising the situation. Modular production is being developed at MZKP, along with the ModQS project based on leasing Stalmech's assets. Negotiations are ongoing on a large contract with a global module manufacturer. The acquisition of Stalmech remains an option, conditional on the cooperation results.

**Consolidated results of the Mostostal Zabrze Group**

| | 3Q23 | 4Q23 | 1Q24 | 2Q24 | 3Q24 | 4Q24 | 1Q25 | 2Q25 | 3Q25 | r/r |
|---|---|---|---|---|---|---|---|---|---|---|
| **Revenue** | **365,9** | **230,5** | **231,9** | **222,5** | **249,3** | **306,6** | **239,0** | **266,3** | **332,5** | *33%* |
| Industrial Projects and Design | 167,2 | 73,5 | 102,5 | 113,8 | 89,4 | 126,5 | 111,5 | 117,4 | 143,4 | *60%* |
| Mechanical Production | 41,3 | 39,8 | 41,8 | 36,6 | 32,6 | 32,9 | 32,6 | 42,5 | 33,9 | *4%* |
| General and Civil Engineering | 155,8 | 111,9 | 86,0 | 70,2 | 64,6 | 73,2 | 83,3 | 90,9 | 99,0 | *53%* |
| Chemical Production | 99,5 | 89,0 | 27,0 | 25,3 | 65,8 | 71,9 | 9,5 | 13,4 | 54,0 | *-18%* |
| Other Activities | 1,7 | 5,3 | 1,6 | 1,9 | 1,9 | 2,0 | 2,1 | 2,1 | 2,2 | *12%* |
| **EBITDA** | **24,2** | **39,8** | **18,8** | **11,5** | **46,2** | **22,2** | **16,8** | **15,3** | **19,6** | ***-58%*** |
| **EBIT** | **20,3** | **35,4** | **14,7** | **7,5** | **41,1** | **16,6** | **11,6** | **9,6** | **14,5** | ***-65%*** |
| Industrial Projects and Design | 12,2 | 19,4 | 5,4 | 10,0 | 9,2 | 11,0 | 7,7 | 8,9 | 15,2 | *66%* |
| Mechanical Production | 1,3 | 0,5 | 0,1 | -1,9 | -2,8 | -4,9 | -4,2 | -1,5 | -3,1 | - |
| General and Civil Engineering | 12,1 | 17,5 | 10,9 | 2,3 | 7,7 | 8,4 | 14,1 | 6,9 | 5,7 | *-26%* |
| Chemical Production | | | | | 2,3 | 5,7 | -2,9 | -1,9 | 0,2 | *-93%* |
| Other Activities | -5,0 | -2,1 | -2,3 | -2,9 | -2,0 | -5,0 | -3,1 | -3,3 | -3,1 | - |
| Polwax acquisition | | | | | 27,3 | 1,4 | | | | |
| **Adjusted EBIT** | **20,3** | **35,4** | **14,7** | **7,5** | **13,8** | **15,2** | **11,6** | **9,6** | **14,5** | ***5%*** |
| Financial income | 3,8 | 2,5 | 4,5 | 1,9 | 3,7 | 2,3 | 3,6 | 10,6 | 2,6 | *-29%* |
| Financial expenses | -3,1 | -2,0 | -2,7 | -3,2 | -1,9 | -5,5 | -2,2 | -3,4 | -3,2 | *73%* |
| Income tax | -6,1 | -7,9 | -3,9 | -5,1 | -2,4 | -2,7 | -4,7 | -5,2 | -3,5 | *46%* |
| Minority interest | 0,5 | 0,6 | 0,4 | 0,2 | 0,6 | 1,8 | -0,9 | 2,1 | -0,3 | *-153%* |
| **Net profit** | **13,8** | **27,3** | **12,5** | **6,3** | **34,2** | **8,8** | **9,2** | **9,3** | **10,6** | ***-69%*** |
| *Net margin* | *3,8%* | *11,8%* | *5,4%* | *2,8%* | *13,7%* | *2,9%* | *3,8%* | *3,5%* | *3,2%* | |
| **Adjusted net profit** | | | | **6,3** | **6,9** | **7,4** | **9,2** | **2,3** | **10,6** | ***54%*** |
| Operating CF | *53,2* | *38,7* | *3,7* | *11,9* | *16,6* | *55,4* | *-32,8* | *-8,6* | *42,8* | |
| Investing CF | *-43,6* | *-35,9* | *-9,6* | *3,4* | *8,1* | *3,6* | *0,0* | *-6,0* | *-7,7* | |
| Financing CF | *-6,0* | *-11,0* | *-2,3* | *-6,7* | *-53,8* | *-11,5* | *2,5* | *22,5* | *6,4* | |

*Source: Mostostal Zabrze, BM Bank Millennium; Figures in the box represent pro forma values – not included in the total*

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**Chemical Production**. Polwax recorded a weaker 3Q25 due to a season for candle products that was not fully utilised. Additional products are being developed, such as casting masses and granulates, and the customer base is expanding thanks to entry into large retail chains. Stable paraffin supplies from Exxon and Gdańsk support the segment, while competitors face supply constraints. The assets in Czechowice (>PLN 60 m) may be sold, partially divested or repurposed, and several million PLN of fixed costs may be reduced. Improvement in results is expected from 2026 with the launch of the foam-insert production line.

**Backlog**. The backlog amounts to PLN 1,375 m and is the highest in the company's history. Importantly, it is also diversified. The pipeline adds another approx. PLN 200 m, while the company also mentions nearly PLN 2 bn in submitted offers.

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