Flash Note

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Mirbud (Buy; PLN 18.5)

4Q25 Results Preview [neutral]

PLNm	4Q24	1Q25	2Q25	3Q25	4Q25E	Y/Y	Q/Q
Revenues	896	497	720	732	860	-4%	17%
Construction	853	475	731	731	871	2%	19%
Residential	77	38	18	11	57	-26%	401%
Rental	7	5	5	12	4	-41%	-64%
Other & Eliminations	-5	-21	-33	-22	-47	-	-
Other operating activity, net	-12.1	2.4	3.8	-3.8	48.6	-	-
Revaluations	40.9	0.5	4.6	-0.6	0.5	-99%	-
EBITDA	86.6	32.3	39.5	28.4	99.3	15%	249%
adj. EBITDA	**57.8**	**29.4**	**31.1**	**32.9**	**50.2**	**-13%**	**53%**
EBIT	79.8	25.3	31.8	20.4	90.9	14%	346%
Net profit	56.9	15.0	21.1	14.1	71.9	26%	409%
Gross Margin	8.7%	8.7%	6.3%	7.5%	8.5%	-0.1pp	1.0pp
Construction	5.5%	6.8%	5.2%	6.9%	5.8%	0.3pp	-1.1pp
Residential	29.5%	36.4%	34.6%	34.4%	32.1%	2.7pp	-2.3pp
Rental	17.7%	-37%	-22%	19.5%	8.9%	-8.8pp	-0.5pp
Backlog	7,992	7,817	8,115	8,865	8,465	6%	-5%
OCF	100	-330	21	-1	64	-36%	-
FCF	97	-340	-14	-10	4	-96%	-
Net Debt	-41	301	343	365	349		
P/E12M trailing	12.3	14.5	14.5	14.0	12.2		
EV/EBITDA 12M trailing	7.1	10.1	10.2	9.9	9.2		
EBITDA margin	9.7%	6.5%	5.5%	3.9%	11.5%	0.2pp	2.0pp
EBIT margin	8.9%	5.1%	4.4%	2.8%	10.6%	0.2pp	2.8pp
Net profit margin	6.3%	3.0%	2.9%	1.9%	8.4%	2.0pp	6.4pp

Source: Company, Trigon

Comment: *We expect a neutral market reaction to the results – we believe that their tone will be largely ambivalent. On the one hand, we believe that the Group should show positive growth in its key lines, but on the other hand, we note that the entire growth will be attributable to the revaluation of Torpol shares (~PLN 50m) – we believe that adjusted EBITDA will be down 13% y/y.*

#4Q25E. Construction: *We expect a 2% increase in turnover – the Group managed to obtain a building permit for one section of the S10 route, while several larger projects (including the Tri-City bypass) were completed in the last quarter of the year. In addition, we assume a stable gross margin, which, based on our assumptions, was only 30bps higher y/y – we see more room for margin decompression (even by approx. 100bps) in FY26E, when road contracts acquired in FY24 will enter processing. We also expect the elevated leverage (ND/EBITDA 1.7x) to remain, although this effect should be partially reversed in 1H26E, when the Group will receive a payment of part of the claim related to overhead costs incurred on the Obejście Węgierskiej Górki contract. Importantly, based on our estimates, in the last quarter of the year, the Group should report approximately PLN 50 million in profit on the revaluation of Torpol shares, which will significantly increase the reported results, but will not yet be visible in the preliminary results.*

Residential: *The strongest quarter of the year, though without much history. JHM delivered 112 apartments to customers, and while we expect the average unit price to increase by 16% y/y to PLN 506,000, the contribution of this segment to the Group's results will, in our opinion, be limited.*

Rental: *We expect seasonal tenant turnover and no major revaluations.*

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***#Outlook.** In our base scenario, we assume that the contract for the construction of the Polish section of Rail Baltica will ultimately not go to the MRB x TOR consortium (we provided a more detailed description of events in a recent note). Sentiment towards the Group's railway expansion has deteriorated significantly recently – in the case of both contracts (Rail Baltica and Tymbark – Limanowa, with MRB's share totaling approximately PLN 3 billion), for which Mirbud's bid was the cheapest, PKP PLK ultimately selected other bids or rejected the Company's bid. As a result, we see room to revise our revenue assumptions for FY27/28E downwards by 7/14%, respectively – the question is to what extent the loss of this revenue stream will be offset, e.g., by PKP PLK orders that hit the market last year. We currently expect Mirbud's contracting in the railway segment to amount to approximately PLN 1 billion in FY26E and PLN 1.8 billion in FY27E, although these assumptions may also prove to be overly optimistic. On the positive side, we believe that this year's (FY26E) revenue mix may be significantly more profitable than last year's – in Q1 2026E alone, the Group should receive another three ZRiDys for further projects on expressways, and considering that these projects were planned in FY23-24, their average profitability may be even about 100bps higher. The start of the reconstruction of Marywilska 44 is also delayed – assuming that negotiations with the City of Warsaw will be completed in the middle of the year, the reconstruction should, based on our estimates, cost about PLN 50 million this year.*

#Valuation.** Ultimately, we believe that the Q4 2025E results will be weaker than our initial assumptions, and the revenue trajectory in the coming years, following the likely "loss" of two railway contracts, now appears less attractive. Nevertheless, given the record supply of railway and road orders and the growing activity of CPK/Port Polska, it is difficult not to be optimistic about MRB's contracting prospects. We currently expect that the Group will be able to sign contracts worth approximately PLN 5 billion in FY26E, and the turnover for the entire Group (assuming 350 apartments (+44% y/y) delivered by JHM) should amount to less than PLN 3.5 billion. Assuming that in FY26E the Company will receive approximately PLN 120 million in claims from GDDKiA (these have already been recognized in the P&L) and that some of the contracts executed under the Polish Deal will be settled, FCF may be close to zero – we see a greater chance for a jump in cash generation only in FY27E.* ***(David Sharma, +48 603 173 749)

PLNm	2023	2024	2025E	2026E	2027E	2028E
Revenues	3,322	3,252	2,809	3,216	3,904	4,891
EBITDA	243	204	200	223	266	303
EBIT	224	182	169	189	226	259
adj. Net profit	140	126	76	124	157	191
EPS (PLN)	1.5	1.1	0.7	1.1	1.4	1.7
adj. P/E (x)	8.9	11.8	19.6	12.0	9.5	7.8
EV/EBITDA (x)	5.2	7.1	9.2	8.6	6.4	5.3
FCFF Yield (%)	-1.7%	-10.9%	-19.5%	-3.9%	15.9%	11.0%
DY (%)	2.1%	1.3%	0.7%	0.8%	0.8%	5.3%

Source: Company, Trigon

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