Flash Note

CEE | Equity Research

MIRBUD (MRB PW; BUY; TP PLN 13.5)

Signing of a PLN 350m loan agreement

- Proceeds from the term loan may be used exclusively for the potential acquisition of an entity in the railway sector.
- The syndicated loan was signed with Bank Gospodarstwa Krajowego and mBank.
- The Company may draw down the term loan until 31 January 2027. If drawn, the loan is to be repaid no later than 30 October 2036. The term loan bears interest at a floating rate, with three-month interest periods.

Comment: *Interesting news – at this stage it is difficult for us to say whether the above financing is an alternative to the planned bond issue (the same ticket size) or whether the bonds will be used to refinance the facility taken out with BGK. Importantly, in line with the Management Board's earlier declarations, the large railway M&A deal should be finalized by the end of January.* ***#Who could Mirbud acquire?*** *We believe that the list of potential targets in the railway segment is relatively limited. The most obvious candidate appears to be* ***#TOR****, whose 38% stake, held by CPK, is officially up for sale – perhaps the appointment of a new CEO of CPK in recent days will accelerate the divestment process.* ***#TRK*** *seems to us to be too large an entity in the context of its shareholder structure. At the same time, a potentially interesting acquisition target could be* ***#PPMT,*** *i.e. a non-listed company from the PKP PLK Group, which is not only already executing the LK8 contract together with Transkol (the companies are also bidding jointly in other tenders, such as another section of line no. 8 or line no. 230), but also has an order backlog of over PLN 2.2bn (information from a September PB article). Moreover, the acquisition of PPMT would give Mirbud full control over an entity that generated PLN 39m of net profit on PLN 1.1bn of revenue in FY25.* ***(David Sharma)***

PLNm	2023	2024	2025	2026E	2027E	2028E
Revenues	3,322	3,252	2,951	3,541	4,115	5,065
adj. EBITDA	249	211	130	215	226	251
EBIT	224	182	168	183	182	203
adj. Net profit	140	126	58	120	127	147
EPS (PLN)	1.5	1.1	0.5	1.1	1.2	1.3
adj. P/E (x)	7.4	9.9	21.5	10.4	9.9	8.5
adj. EV/EBITDA (x)	4.2	5.7	11.0	6.6	6.6	5.4
FCFF Yield (%)	-2.0%	-13.1%	-10.9%	3.4%	-1.4%	14.3%
DY (%)	2.5%	1.5%	0.9%	1.8%	2.0%	2.0%

Source: Company, Trigon

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