Flash Note

CEE | Equity Research

MIRBUD (MRB PW; BUY; TP PLN 13.5)

3Q26 Results Review [neutral]

PLNm	3Q25	4Q25	1Q26	2Q26	3Q26	Y/Y	Q/Q	3Q26P	3Q26E	Cons.
Revenues	732	1,002	547	910	1,062	45%	17%	1,062	981	930
Construction	731	1,016	505	935	1,059	45%	13%		950	
Residential	11	59	44	74	55	386%	-25%		59	
Rental	12	8	9	8	8	-34%	-1%		14	
Other & Eliminations	-22	-51	-10	-107	-60	-	-		-28	
Other operating activity, net	-3.8	74.2	-0.4	6.3	14.8	-	135%		12	
Revaluations	-0.6	-11.4	-0.6	0.1	-0.6	-	-		0	
EBITDA	28.4	99.1	32.9	60.7	86.3	204%	42%	n.a.	70.4	63.0
adj. EBITDA	**32.9**	**36.3**	**33.9**	**54.3**	**72.2**	**120%**	**33%**	**n.a.**	**70.4**	
EBIT	20.4	90.9	23.5	51.4	76.0	272%	48%	n.a.	60.9	54.0
Net profit	14.1	62.0	9.7	35.2	63.6	351%	80%	63.1	43.3	36.8
Gross Margin	7.5%	8.3%	10.2%	8.4%	9.3%	1.8pp	0.9pp	9.3%	8.8%	
Construction	6.9%	6.6%	7.9%	6.6%	7.0%	0.1pp	0.4pp		7.0%	
Residential	34.4%	33.4%	33.0%	31.1%	29.0%	-5.5pp	-2.1pp		32.0%	
Rental	19.5%	5.2%	10.9%	16.6%	-5.3%	-25pp	-22pp		15.0%	
Backlog	8,865	8,465	8,279	8,879	8,833	0%	-1%		8,833	
OCF	-1	251	-266	35	107	-	206%			
NWC	-29	184	-294	-18	25	-	-			
FCF	-10	208	-280	13	210	-	1554%			
Net Debt	365	177	462	436	234					
P/E12M trailing	11.9	11.3	11.9	10.5	7.4					
EV/EBITDA 12M trailing	8.7	7.3	8.7	7.7	5.4					
EBITDA margin	3.9%	9.9%	6.0%	6.7%	8.1%	4.2pp	1.5pp		7.2%	6.8%
EBIT margin	2.8%	9.1%	4.3%	5.7%	7.2%	4.4pp	1.5pp		6.2%	5.8%
Net profit margin	1.9%	6.2%	1.8%	3.9%	6.0%	4.1pp	2.1pp	5.9%	4.4%	4.0%

Source: Company, Trigon

Comment:* The Group's final results came in close to the preliminary figures** *(although adj. EBITDA ultimately came in better than we had expected), which we assessed as unequivocally positive. In line with our expectations, the Group generated ~PLN 200mn of CF, which enabled a step-change reduction in net debt –* ***at the same time, the trajectory of contract assets remains counterintuitive to us, as on a net basis they rose by PLN 167mn in 3Q26 (+36% q/q), despite a flat order backlog (more detail in the table below).

Relative to the earlier disclosures, we would highlight above all:

1) *a stable 7.0% gross margin in the construction segment alongside a marked increase in construction output (at the last conference, the Group signaled limited room for further margin expansion in this segment),*
2) *PLN 17mn of gains related to Torpol (sale of a stake + dividend), which lifted EBITDA in 3Q26,*
3) *Strong cash flow, largely driven by divestments (PLN 143mn of cash flow from investing activities),*
4) *A counterintuitive increase in net contract assets (relative to revenue, they currently stand at as much as -19% vs. an average of +4% for the construction companies we cover), which on the one hand may result from the receipt of ZRID decisions (road investment permits), although in such a scenario the simultaneous decline in contract liabilities and trade receivables is difficult to understand, and*
5) *A material decline in net debt, which in our view should fall further in 4Q26E, although it remains an open question when the Group will finalize the M&A in the rail segment.*

In summary**, despite the still relatively aggressive accounting policy, we view Mirbud's current valuation as attractive (EV/EBITDA 1Y FWD ~6x). Recently, the Group placed PLN 100mn of bonds and obtained a PLN 350mn loan from BGK/mBank to finance an acquisition in the rail segment – we therefore believe, in line with the Management Board's guidance, that the M&A should be finalized in January at the latest.* ***In a recent interview, the CEO mentioned talks being held with several entities; our most likely acquisition "candidates" remain, unchanged, Torpol and PPMT, i.e. companies with which Mirbud has bid jointly in consortia in the past (although only the joint bid with PPMT resulted in the signing of a construction contract). (David Sharma)

MIRBUD	1H21	FY21	1H22	FY22	1H23	FY23	1H24	FY24	1H25	FY25	1H26	3Q26
AKTYWA OBROTOWE	**570**	**498**	**912**	**1,518**	**741**	**1,437**	**669**	**1,583**	**1,035**	**1,867**	**2,291**	**2,501**
Należności handlowe	360	398	751	439	527	384	386	458	505	284	571	522
Naliczenie należności z tytułu rozliczenia kontraktów długoterminowych	**49**	**0**	**58**	**50**	**99**	**98**	**156**	**337**	**415**	**705**	**568**	**600**
Pozostałe	161	100	102	1,029	115	955	126	788	115	878	1,152	1,379
ZOBOWIĄZANIA KRÓTKOTERMINOWE	**534**	**673**	**942**	**847**	**856**	**892**	**664**	**657**	**681**	**812**	**700**	**998**
Zobowiązania handlowe	392	376	455	352	281	452	266	363	410	471	320	399
Zobowiązania z tytułu rozliczenia kontraktów długoterminowych	**0**	**90**	**179**	**136**	**162**	**69**	**60**	**4**	**28**	**48**	**107**	**27**
Zaliczki otrzymane króterminowe	73	108	196	188	227	190	145	87	90	126	67	113
Pozostałe	69	100	112	171	186	181	193	204	152	167	206	458
Rezerwy na naprawy gwarancyjne	1	1	1	2	2	2	2	2	2	5	5	5
Rezerwy na naprawy gwarnacyjne jako %LTM przychodów	*0.1%*	*0.0%*	*0.0%*	*0.1%*	*0.1%*	*0.1%*	*0.1%*	*0.1%*	*0.1%*	*0.2%*	*0.2%*	*0.2%*
Rezerwy na naprawy gwarnacyjne jako % portfela zamówień	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.1%*	*0.1%*	*0.1%*
Przychody segmentu budowlanego	**810**	**1,534**	**1,354**	**1,912**	**1,196**	**1,931**	**1,329**	**1,668**	**1,206**	**1,747**	**1,440**	**1,059**
Wycena kontraktów (AKTYWA) jako %LTM przychodów	*3%*	*0%*	*2%*	*2%*	*3%*	*3%*	*5%*	*11%*	*14%*	*24%*	*18%*	*17%*
Wycena kontraktów (PASYWA) jako %LTM przychodów	*0%*	*4%*	*6%*	*4%*	*5%*	*2%*	*2%*	*0%*	*1%*	*2%*	*3%*	*1%*
Różnica (na plus = konserwatywniejsze prowadzenie P&L)	*-3%*	*4%*	*4%*	*3%*	*2%*	*-1%*	*-3%*	*-11%*	*-13%*	*-22%*	*-14%*	*-16%*
Portfel zamówień	**4,815**	**4,815**	**5,755**	**5,564**	**4,817**	**4,622**	**6,092**	**7,992**	**8,115**	**8,465**	**8,879**	**8,833**
Wycena kontraktów (AKTYWA) jako % portfela zamówień	*1%*	*0%*	*1%*	*1%*	*2%*	*2%*	*3%*	*4%*	*5%*	*8%*	*6%*	*7%*
Wycena kontraktów (PASYWA) jako % portfela zamówień	*0%*	*2%*	*3%*	*2%*	*3%*	*1%*	*1%*	*0%*	*0%*	*1%*	*1%*	*0%*
Różnica (na plus = konserwatywniejsze prowadzenie P&L)	*-1%*	*2%*	*2%*	*2%*	*1%*	*-1%*	*-2%*	*-4%*	*-5%*	*-8%*	*-5%*	*-6%*

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)	7.5	10.1	21.9	10.5	10.0	8.6
adj. EV/EBITDA (x)	4.3	5.8	11.2	6.7	6.7	5.4
FCFF Yield (%)	-2.0%	-12.9%	-10.7%	3.4%	-1.4%	14.1%
DY (%)	2.4%	1.5%	0.9%	1.7%	2.0%	2.0%

Source: Company, Trigon

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