

Izostal

3Q25E Results Preview

Izostal is due to publish its 3Q25E results on 13 November 2025.

Opinion. *Neutral.* We expect IZS to once again deliver positive year-on-year growth rates in revenues and net profit this quarter, however increase in costs will result in lower margins year-on-year. At the same time, we forecast that quarterly EBITDA margin should increase to 4.0%. We assume that both of the company's operating segments achieved positive revenues dynamics (we expect a 63% y/y increase in the Infrastructure Segment and a 1% y/y increase in the Steel Segment). However higher year-on-year costs will translate into lower margins on an annual basis. We assume gross margin of 7.2% vs 10.4% in 3Q24 and EBITDA margin of 4.0% vs 5.7% in 3Q24. Furthermore, we would like to point out the decline in results on a quarterly basis due to the completion of the final deliveries (assumed to be smaller than in previous quarters) related to the FSRU project for Gaz-System. Given our forecast for 3Q25E results, we believe the company is on track to achieve mid-double-digit revenues growth and low-double-digit EBITDA growth in 2025E.

Revenues. We assume that Izostal maintained positive year-on-year growth, consistent with previous quarters. In 3Q25E, the company is expected to recognize the final deliveries for Gaz-System related to the FSRU project, which should positively impact revenues from the sale of insulated pipes and serve as the main driver of revenues growth. In addition, we estimate an increase in revenues from trading activities, while in other business areas we expect flat or low single-digit results. Taking this into account, we forecast 3Q25E revenues at PLN 224.3m (+47% y/y).

Infrastructure Segment. We estimate revenues from the sale of insulated pipes at PLN 117.8m (+75% y/y), trading revenues at PLN 63.3m (+49% y/y), while other segment items are expected to remain flat year-on-year. Consequently, we forecast Infrastructure Segment revenues in 3Q25E at PLN 183.9m (+63% y/y).

Steel Segment. We assume the company will achieve PLN 40.4m (+1% y/y) in revenues in 3Q25E from the segment. We expect a decline in the volume of sold steel structures to 580 tons in 3Q25E versus 680 tons in 3Q24, along with lower selling prices for structures. In trading of steel products, we anticipate low single-digit growth, which should offset the decline in steel structures.

Costs. We expect cost of goods sold to reach PLN -208.2m (+52% y/y), increasing faster than revenues. Selling and administrative expenses are estimated at PLN -10.9m (+3.1% y/y).

EBITDA. We forecast EBITDA of PLN 8.9m (+2% y/y) in 3Q25E. We assume a decline in the EBITDA margin of 1.7 pp, mainly due to higher costs in the Infrastructure Segment.

Net Profit. We project net profit at PLN 2.2m (+8% y/y), assuming net financial expenses of PLN -3.1m.

Industrials

Izostal

HOLD

FV PLN 3.00

8% downside

Price as of 13 October 2025 PLN 3.26

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Figure 1. Izostal 3Q25E preview summary

IZS PW (PLN m)	1Q23	2Q23	3Q23	4Q23	1Q24	2Q24	3Q24	4Q24	1Q25	2Q25	3Q25E	Y/Y	Q/Q
Revenues	303.7	145.9	180.6	120.8	172.0	179.4	152.8	267.5	329.7	373.4	224.3	47%	-40%
Infrastructure Segment	265.8	104.9	144.1	87.5	140.8	135.8	112.6	229.5	285.1	326.4	183.9	63%	-44%
Steel Segment	37.9	41.0	36.5	33.4	31.2	43.6	40.2	38.0	44.6	47.0	40.4	1%	-14%
COGS	-279.8	-125.6	-168.2	-104.9	-156.3	-164.9	-136.8	-249.0	-302.2	-341.3	-208.2	52%	-39%
Gross profit	23.9	20.3	12.4	15.9	15.7	14.5	15.9	18.5	27.5	32.1	16.1	1%	-50%
EBITDA	11.7	13.4	7.2	9.4	9.8	8.0	8.7	6.3	12.4	12.9	8.9	2%	-31%
EBIT	9.5	10.3	4.6	6.6	6.9	5.0	5.7	3.1	9.3	9.8	5.8	3%	-41%
Net profit	4.1	2.9	3.1	1.8	3.2	3.0	2.1	1.8	3.3	5.0	2.2	8%	-55%
Gross margin	7.9%	13.9%	6.9%	13.2%	9.1%	8.1%	10.4%	6.9%	8.3%	8.6%	7.2%		
EBITDA margin	3.9%	9.2%	4.0%	7.8%	5.7%	4.4%	5.7%	2.4%	3.8%	3.5%	4.0%		
EBIT margin	3.1%	7.1%	2.6%	5.5%	4.0%	2.8%	3.7%	1.2%	2.8%	2.6%	2.6%		
Net profit margin	1.4%	2.0%	1.7%	1.5%	1.9%	1.7%	1.4%	0.7%	1.0%	1.3%	1.0%		

Source: Company, IPOPEMA Research

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The definitions of terms used in the document include:

AGM/EGM – annual/extraordinary general meeting of shareholders.

BVPS – book value per share - the book value of the company's shareholders equity divided by the number of shares outstanding without treasury shares at the end of period.

CAGR – compound annual growth rate.

CFO – net cash flow from operations.

Cost/Income – operating expenses divided by total banking revenue.

D&A – depreciation and amortization.

DCF – discounted cash flow model – a valuation method based on the sum of discounted future cashflows with appropriate adjustments (such as net debt, etc., if applicable).

DDM – dividend discount model – a valuation method of based on the sum of discounted future dividends.

DPS – dividend per share – dividend of a given year divided by the number of shares outstanding without treasury shares at the moment of distribution.

DY – dividend yield – total DPS of a given financial year divided by share price.

EBIT – earnings before interests and tax.

EBITDA – earnings before interests, tax, depreciation and amortization.

EPS – earnings per share – the net income (or adjusted net income) divided by the number of shares outstanding without treasury shares at the end of period.

EV – enterprise value – market cap adjusted by treasury shares, plus gross debt, less cash and equivalents, less associates, plus minorities.

EV/EBITDA – EV divided by EBITDA.

EV/S, or EV/revenues – EV divided by revenues (sales).

FCFE – free cash flow to the equity.

FCFF – free cash flow to the firm.

FV – fair value – fair value price of the company calculated based on valuation methods outlined in the document.

LLP – loan loss provisions – an expense set aside as an allowance for bad loans.

ND – net debt – gross debt and leases (depending on accounting standard) less cash and equivalents.

Net F&C – net fee and commission income – fee and commission income minus fee and commission expense.

NII – net interest income – interest income minus interest expense.

NPL – non-performing loan – loans that are in default or close to be in default.

P/BV – price to book value - price divided by the BVPS.

P/E – price to earnings ratio – price divided by earnings per share.

PEG – P/E ratio divided by the annual EPS growth, usually over a certain period of time.

ROA – return on assets – net income (or adjusted net income) divided by the average assets.

ROE – return on equity – net income (or adjusted net income) divided by the average shareholders' equity.

ROIC – return on invested capital – EBIT * (1 – tax rate) divided by average invested capital.

uCF – underlying free cash flow – IPOPEMA's measure reflecting the amount of potential cash flow generation available for distribution before outflow on discretionary purposes (such as shareholders' distribution, unannounced M&A, financial assets, etc.), calculated as follows: net cash from operations less net CAPEX on PP&E, intangibles and subsidiaries (related to announced deals), less net interest paid on debt, leases and granted loans, less lease payment, less dividends paid to minorities, plus received dividends, plus other items if necessary depending on company's specifics/presentation.

uCFps – uCF per share.

WACC – weighted average cost of capital.

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IPOPEMA Research - Distribution by rating category (1 April – 30 June 2025)		Number	%
Buy		22	65%
Hold		8	24%
Sell		4	12%
Total		34	100%

Rating History - Izostal				
Date	Recommendation	Fair Value	Price at recommendation	Author
12/09/2025	HOLD	PLN 3.00	PLN 2.89	Krzysztof Otczyk Marcin Nowak