

Izostal

4Q25E Results Preview

Izostal is due to publish its 4Q25E results on 27 March 2026.

Opinion. *Slightly negative.* We expect IZS to deliver negative year-on-year growth rates due to competition of deliveries related to FSRU project for Gaz-System in 3Q25, absence of any major large-diameter pipe contract and low backlog. At the same time, we forecast that EBITDA margin should increase to 3.3% vs 2.4% in 4Q24. We assume that Infrastructure Segment will drive the decline in revenues. Revenues from the segment should amount at PLN 145.5m (-37% y/y). On the other hand, revenues from Steel Segment should be slightly positive at PLN 38.8m. However lower year-on-year costs will translate into higher margins on annual basis. We assume gross margin of 7.3% vs 6.9% in 4Q24, and EBITDA margin of 3.3% vs 2.4% in 4Q24. Given our forecast of 4Q25E, we believe the company achieved mid-double digit growth in revenues and ca. 30% EBITDA growth in 2025E.

Revenues. We assume that following the completion of deliveries related to the FSRU project for Gaz-System in 3Q25, revenues should decline both year-on-year and quarter-on-quarter. Taking into account the completion of FSRU deliveries, the absence of a new contract of comparable size, and the low backlog reported at the end of 3Q25, we forecast 4Q25E revenues of PLN 184.3m (-31% y/y, -40% q/q). The decline in revenues will be driven by the Infrastructure Segment, which is expected to generate PLN 145.5m (-37% y/y, -45% q/q), while the contribution from the Steel Segment should be slightly positive at PLN 38.8m (+2% y/y, -8% q/q).

Infrastructure Segment. Taking into account the absence of any major large-diameter pipe supply contracts and the low backlog level at the end of 3Q25, we estimate revenues from the sale of insulated pipes at PLN 64.3m, trading revenues at PLN 78.8m, while other segment items are expected to remain flat year-on-year. The higher share of trading in the segment's results stems from a lower number of executed insulated pipe supply contracts. Consequently, we forecast Infrastructure Segment revenues in 4Q25E at PLN 145.5m (-37% y/y).

Steel Segment. We assume the company will achieve PLN 38.9m (+2% y/y) in revenues in 4Q25E from the segment. We expect an increase in the volume of sold steel structures to 520 tons in 4Q25E versus 430 tons in 4Q24, along with flattish selling prices for structures. In trading of steel products, we anticipate low single-digit decrease.

Costs. We expect cost of goods sold to reach PLN -170.8m (-31% y/y), decreasing at the same pace as revenues. Selling and administrative expenses are estimated at PLN -10.9m (-30.5% y/y).

EBITDA. We forecast EBITDA of PLN 6.0m (-5% y/y) in 4Q25E. We assume an increase in the EBITDA margin of 0.9 pp, mainly due to lower costs in the Infrastructure Segment.

Net Profit. We project net profit at PLN 0.4m (-80% y/y), assuming net financial expenses of PLN -2.5m.

Industrials

Izostal

HOLD

FV PLN 3.20

0% downside

Price as of 20 January 2026 PLN 3.20

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Figure 1. Izostal 4Q25E preview summary

IZS PW (PLN m)	1Q23	2Q23	3Q23	4Q23	1Q24	2Q24	3Q24	4Q24	1Q25	2Q25	3Q25	4Q25E	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	307.6	184.3	-31%	-40%
Infrastructure Segment	265.8	104.9	144.1	87.5	140.8	135.8	112.6	229.5	285.1	326.4	265.4	145.5	-37%	-45%
Steel Segment	37.9	41.0	36.5	33.4	31.2	43.6	40.2	38.0	44.6	47.0	42.2	38.8	2%	-8%
COGS	-279.8	-125.6	-168.2	-104.9	-156.3	-164.9	-136.8	-249.0	-302.2	-341.3	-277.5	-170.8	-31%	-38%
Gross profit	23.9	20.3	12.4	15.9	15.7	14.5	15.9	18.5	27.5	32.1	30.0	13.5	-27%	-55%
EBITDA	11.7	13.4	7.2	9.4	9.8	8.0	8.7	6.3	12.4	12.9	11.6	6.0	-5%	-48%
EBIT	9.5	10.3	4.6	6.6	6.9	5.0	5.7	3.1	9.3	9.8	8.5	2.9	-7%	-65%
Net profit	4.1	2.9	3.1	1.8	3.2	3.0	2.1	1.8	3.3	5.0	3.4	0.4	-80%	-89%
Gross margin	7.9%	13.9%	6.9%	13.2%	9.1%	8.1%	10.4%	6.9%	8.3%	8.6%	9.8%	7.3%		
EBITDA margin	3.9%	9.2%	4.0%	7.8%	5.7%	4.4%	5.7%	2.4%	3.8%	3.5%	3.8%	3.3%		
EBIT margin	3.1%	7.1%	2.6%	5.5%	4.0%	2.8%	3.7%	1.2%	2.8%	2.6%	2.8%	1.6%		
Net profit margin	1.4%	2.0%	1.7%	1.5%	1.9%	1.7%	1.4%	0.7%	1.0%	1.3%	1.1%	0.2%		

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.

uFCF – 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.

uFCFps – uFCF per share.

WACC – weighted average cost of capital.

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Buy		54	57%
Hold		27	28%
Sell		14	15%
Total		95	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
01/12/2025	HOLD	PLN 3.20	PLN 3.37	Krzysztof Otczyk Marcin Nowak