

# Izostal

## 1Q26 Results Review

Izostal published its final 1Q26 results on 18 May 2026.

**Opinion.** *Neutral. Final results in line with preliminary.*

**Revenues.** Group revenues in 1Q26 amounted to PLN 162.7m (-51% y/y, -27% q/q), in line with preliminary.

**Infrastructure Segment.** Total revenues for this segment amounted to PLN 122.7m (-57% y/y, -32% q/q). The main factor behind the lower revenues was no large contract of insulated pipes to Gaz-System.

**Steel Segment.** The company generated PLN 40.0m (-10% y/y, -6% q/q) in revenues in this segment. The volume of steel structures sold amounted to 610 tonnes (+24% y/y).

**Costs.** Cost of goods sold amounted to PLN -145.3m (-52% y/y), decreasing faster than revenues.

**EBITDA.** EBITDA amounted to PLN 7.9m (-36% y/y, 17% q/q), in line with preliminary. EBITDA margin reached 4.9% (vs. 3.8% in 1Q25).

**Net Profit.** Net profit amounted to PLN 16.1m (+396% y/y) vs. prel. PLN 16.1m, while net financial profits totaled PLN 12.5m.

Industrials

Izostal

**HOLD**

**FV PLN 3.25**

3% upside

Price as of 15 May 2026 PLN 3.16

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Figure 2. Izostal 1Q26 final results

IZS PW (PLN m)	1Q24	2Q24	3Q24	4Q24	1Q25	2Q25	3Q25	4Q25	1Q26	Y/Y	Q/Q	1Q26 prel.	vs prel.
Revenues	172.0	179.4	152.8	267.5	329.7	373.4	307.6	222.9	162.7	-51%	-27%	162.67	0%
Infrastructure Segment	140.8	135.8	112.6	229.5	285.1	326.4	265.4	180.4	122.7	-57%	-32%		
Steel Segment	31.2	43.6	40.2	38.0	44.6	47.0	42.2	42.5	40.0	-10%	-6%		
COGS	-156.3	-164.9	-136.8	-249.0	-302.2	-341.3	-277.5	-199.6	-145.3	-52%	-27%		
Gross profit	15.7	14.5	15.9	18.5	27.5	32.1	30.0	23.3	17.4	-37%	-26%	17.36	0%
EBITDA	9.8	8.0	8.7	6.3	12.4	12.9	11.6	6.8	7.9	-36%	17%	7.94	0%
EBIT	6.9	5.0	5.7	3.1	9.3	9.8	8.5	3.6	4.1	-56%	14%		
Net profit	3.2	3.0	2.1	1.8	3.3	5.0	3.4	1.1	16.1	396%	1346%	16.1	0%
Gross margin	9.1%	8.1%	10.4%	6.9%	8.3%	8.6%	9.8%	10.5%	10.7%				
EBITDA margin	5.7%	4.4%	5.7%	2.4%	3.8%	3.5%	3.8%	3.0%	4.9%				
EBIT margin	4.0%	2.8%	3.7%	1.2%	2.8%	2.6%	2.8%	1.6%	2.5%				
Net profit margin	1.9%	1.7%	1.4%	0.7%	1.0%	1.3%	1.1%	0.5%	9.9%				

Source: Company, IPOPEMA Research

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DCF models encapsulate the forecasted cash streams for a company, and are widely used in the investment industry. DCF models rely on multiple discretionary assumptions regarding the company's operations, future profits and its market environment. DCF model usually present only one variant of the future, hence to analyze the different scenarios a sensitivity analysis is needed (for either/both operational items or valuation parameters). The weak points of DCF method include the susceptibility to a change of a specific forecasts assumptions in the model, and the fact that it present only one discretionary future scenario.

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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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IPOPEMA Research - Distribution by rating category (1 October – 31 December 2025)	Number	%
Buy	6	46%
Hold	6	46%
Sell	1	8%
Total	13	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
13/04/2026	HOLD	PLN 3.25	PLN 3.06	Krzysztof Otczyk Marcin Nowak