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(=) Newag: 2025 Q3 Earnings Forecast

Recommendation: buy | target price: PLN 98.00 | current price: PLN 88.80

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Newag will publish Q3 2025 results on Friday, November 14, 2025.

We expect Newag to report another quarter of solid performance in 3Q25. Based on the assumption that the company delivered eight 8 locomotives and seven Electric Multiple Units (EMU) in the quarter, we forecast revenue at PLN 429m (-24% y/y). In our view, the continued benefits of repeat production will support Q3'25 profitability, with the EBITDA margin maintained at 21% and EBITDA estimated at PLN 89m.

- **Sales:** We estimate that Newag's 3Q25 revenue will reach PLN 429m (-24% y/y), supported by a consistently solid order backlog and timely execution of key rolling stock contracts. Deliveries during the quarter remained diversified across both the locomotive and EMU segments.

  We assume that these revenues comprise the following units delivered and accepted in 3Q25 by the following **customers**:

- **8 Locomotives:**
  - **PKP Intercity:** 4 Griffin EU160 (E4DCU-080, -081, -086, -087) locomotives delivered during the quarter.
  - **PKP Intercity:** 2 Griffin EU160 locomotives delivered in early July 2025, potentially recognized in 3Q25.
  - **Akiem / IGL:** 1 Dragon 2 (E6ACTadnb) locomotive handed over during the TRAKO 2025 fair
  - We also assume Newag delivered 1 additional locomotive in Q3 under other contracts.

- **7 Electric Multiple Units (EMU):**
  - **PKP SKM Trójmiasto:** 2 Impuls 2 (58WE) EMUs delivered on 8 September 2025
  - **PKP SKM Trójmiasto:** 2 Impuls 2 (58WE) EMU delivered on 23 September 2025
  - We also assume Newag delivered three additional EMUs under other contracts.

- **Profitability:** Thanks to repeatable production and favorable exchange rates, we expect Newag was able to maintain EBITDA margin at ~21% in Q3'25.

- **EBITDA.** In view of the above, we estimate that Newag will report EBITDA of PLN 89m for the quarter (+22% y/y).

- **Net profit.** We estimate net profit for Q3'25 at PLN 57.1m (+27% y/y).

Forecast of 3Q 2025 results of Newag

(PLN m)	1Q24	2Q24	3Q24	4Q24	1Q25	2Q25	3Q25E	Y/Y	Q/Q
Sales	**223.4**	**352.0**	**565.0**	**449.1**	**374.6**	**474.6**	**428.5**	**-24%**	**-10%**
Gross profit	46.2	93.5	93.0	103.1	107.6	131.2	115.3	24%	-12%
Gross margin	21%	27%	16%	23%	29%	28%	27%		
Profit on sales	11.6	60.0	58.4	64.5	67.7	88.9	76.3	31%	-14%
EBIT	**12.9**	**43.3**	**59.6**	**44.2**	**67.0**	**87.9**	**74.3**	**25%**	**-16%**
EBIT margin	6%	12%	11%	10%	18%	19%	17%		
EBITDA	**24.5**	**55.6**	**72.3**	**58.0**	**81.2**	**102.2**	**88.5**	**22%**	**-13%**
EBITDA margin	11%	16%	13%	13%	22%	22%	21%		
Profit before tax	11.2	40.3	56.4	41.8	65.9	84.3	70.9	26%	-16%
Net profit	**14.7**	**32.0**	**45.0**	**30.1**	**52.5**	**76.7**	**57.1**	**27%**	**-26%**

Source: Newag, E – estimates by mBank

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List of abbreviations and ratios contained in the report:
EV (Enterprise Value) – Equity Value + Net Debt; **EBIT** – Earnings Before Interest and Taxes; **EBITDA** – EBIT + Depreciation & Amortisation; **Net Debt** – Borrowings + Debt Securities + Interest-Bearing Loans - Cash and Cash Equivalents; **P/E** (Price/Earnings) – Price Per Share Divided by Earnings Per Share; **P/CE** (Price to Cash Earnings) – Price Per Share Divided by Earnings + Depreciation & Amortisation; **P/B** (Price to Book Value) – Price Per Share Divided by Book Value Per Share; **P/CF** (Price to Cash Flow) – Price Divided by Cash Flow from Operations; **ROE** (Return on Equity) – Earnings Divided by Shareholders' Equity; **ROCE** (Return on Capital Employed) – EBIT x (Average Assets - Current Liabilities); **ROIC** (Return on Invested Capital) – EBIT x (1-Tax Rate) / (Average Equity + Minority Interest + Net Debt); **FCFF** (Free Cash Flow to Firm) – Cash Flow from Operations - CAPEX - Lease Payments; **FCFE** (Free Cash Flow to Equity) – Free Cash Flow to Firm - Net Interest Expense (incl. Debt + Leases); **EBITDA margin** – EBITDA/Sales

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