

Izostal

3Q25 Results Review

Izostal published its 3Q25 results on 13 November 2025.

Opinion. Positive. For yet another consecutive quarter, the company recorded triple-digit growth in the Infrastructure Segment (+136% y/y) and a modest year-on-year increase in the Steel Segment, in line with our expectations. The main driver of revenue growth was the execution of deliveries for Gaz-System related to the construction of the onshore part of the FSRU terminal, as well as increased deliveries to other customers. The company's results exceeded our expectations; however, the EBITDA margin was slightly below our forecast (3.8% vs. 4.0%).

Revenues. Group revenues in 3Q25 amounted to PLN 307.6 (+101% y/y, -18% q/q), exceeding our expectations of PLN 224.3m. The higher-than-expected result was driven by greater revenues from the FSRU contract than we had assumed and increase in revenue from other clients. In line with our assumptions, the company recorded solid year-on-year performance for another quarter; however, a slowdown in this growth rate and a decline on a quarterly basis are already visible.

Infrastructure Segment. Total revenues for this segment amounted to PLN 265.4(+136% y/y, -19% q/q), exceeding our expectations of PLN 183.9m. The main factor behind the higher revenues was the delivery of insulated pipes to Gaz-System, primarily related to the execution of the FSRU contract and higher y/y deliveries to other customers.

Steel Segment. The company generated PLN 42.2m (+5% y/y, -10% q/q) in revenues in this segment, compared to our forecast of PLN 40.4m. The volume of steel structures sold amounted to 663 tonnes, versus the 580 tonnes we had anticipated.

Costs. Cost of goods sold amounted to PLN -277.5m (+103% y/y), increasing faster than revenues. Selling and administrative expenses reached PLN -21.8m vs. -22.5 in 2Q25.

EBITDA. EBITDA amounted to PLN 11.6m (+33% y/y, -11% q/q). EBITDA margin reached 3.8% (vs. 5.7% in 3Q24) and was below our assumed level of 4.0%.

Net Profit. Net profit amounted to PLN 3.4m (+65% y/y, -32% q/q), while net financial costs totaled PLN -4.1m.

Industrials

Izostal

HOLD

FV PLN 3.00

14% downside

Price as of 12 November 2025 PLN 3.47

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Figure 1. Izostal 3Q25 results review

IZS PW (PLN m)	1Q23	2Q23	3Q23	4Q23	1Q24	2Q24	3Q24	4Q24	1Q25	2Q25	3Q25	Y/Y	Q/Q	IPO 3Q25	Act. vs. IPO
Revenues	303.7	145.9	180.6	120.8	172.0	179.4	152.8	267.5	329.7	373.4	307.6	101%	-18%	224.3	37%
Infrastructure Segment	265.8	104.9	144.1	87.5	140.8	135.8	112.6	229.5	285.1	326.4	265.4	136%	-19%	183.9	44%
Steel Segment	37.9	41.0	36.5	33.4	31.2	43.6	40.2	38.0	44.6	47.0	42.2	5%	-10%	40.4	4%
COGS	-279.8	-125.6	-168.2	-104.9	-156.3	-164.9	-136.8	-249.0	-302.2	-341.3	-277.5	103%	-19%	-208.2	33%
Gross profit	23.9	20.3	12.4	15.9	15.7	14.5	15.9	18.5	27.5	32.1	30.0	89%	-6%	16.1	86%
EBITDA	11.7	13.4	7.2	9.4	9.8	8.0	8.7	6.3	12.4	12.9	11.6	33%	-11%	8.9	30%
EBIT	9.5	10.3	4.6	6.6	6.9	5.0	5.7	3.1	9.3	9.8	8.5	49%	-14%	5.8	45%
Net profit	4.1	2.9	3.1	1.8	3.2	3.0	2.1	1.8	3.3	5.0	3.4	65%	-32%	2.2	52%
Gross margin	7.9%	13.9%	6.9%	13.2%	9.1%	8.1%	10.4%	6.9%	8.3%	8.6%	9.8%			7.2%	
EBITDA margin	3.9%	9.2%	4.0%	7.8%	5.7%	4.4%	5.7%	2.4%	3.8%	3.5%	3.8%			4.0%	
EBIT margin	3.1%	7.1%	2.6%	5.5%	4.0%	2.8%	3.7%	1.2%	2.8%	2.6%	2.8%			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%	1.1%			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 July – 30 September 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