

Izostal

Fewer tenders in 2026E

In this report, we update our recommendation for Izostal following the 3Q25 results. We raise our fair value to PLN 3.20 (implying a 5% downside potential) and maintain our HOLD recommendation. We continue to like the outlook for gross margin improvement in the coming years supported by "local content" requirements (i.e., barriers for foreign entities) in tender procedures, as well as the company's strong cash generation in 2025E/2026E (equivalent to 77%/26% of market capitalization). We expect a y/y decline in results in 2026E. We also note the current order backlog, which stands at PLN 226m, down 71% y/y, following the completion of FSRU-related contracts for Gaz-System last year. We forecast company revenues in 2025E/2026E/2027E at PLN 1,195m/717m/847m (with the 2026E decline reflecting the completion of key contracts), and adjusted EBITDA at PLN 42.9m/28.8m/44.5m (2026E excluding a one-off gain of PLN 14.5m from the acquisition of Proma), representing annual dynamic of +31%/-33%/+55%. Based on our forecasts, Izostal is trading at an EV/EBITDA multiple of approximately 5.6x/5.0x/5.0x for 2025E/2026E/2027E.

Market investments update. President of the Energy Regulatory Office (URE) has approved the National Development Plan of Gaz-System, which has also been revised. According to the approved plan, Gaz-System assumes an expansion of the transmission network by approximately 2.0 thousand km by 2035E (versus around 1.7 thousand km in the previous plan submitted for consultation). This translates into an average of 200 km of new pipelines per year (higher compared to the 165 km per year assumed in the consultation version). An important change from the company's perspective is the significant increase in the DN1000 network, which in the approved plan more than doubled to 640 km compared with 311 km in the earlier consultation version. We assume that the first major tenders should appear in 2H26E, and revenues should be higher due to both the increased length of the new transmission network and the substantial expansion of the DN1000 pipeline segment.

A contract has been signed for the implementation of the Polish section of the NATO pipeline. Under this agreement, the design phase will last until the end of 2027E. The total length of the pipeline is expected to be around 300 km, with a diameter of less than half a meter. Its length is lower than previously anticipated; therefore, we have reduced our revenue forecasts related to NATO pipeline contracts. We now expect the first tenders and deliveries to appear in 2028E, whereas earlier we expected them in 2027E.

Given the above, we assume that higher revenues from Gaz-System projects will more than offset the lower revenues from NATO pipeline-related contracts compared to our previous expectations. As a result, we are raising our revenue forecasts for the coming years.

Figure 1. Izostal: financial forecasts summary

| PLN m | 2022 | 2023 | 2024 | 2025E | 2026E | 2027E |
|---------------|---------|-------|-------|---------|-------|-------|
| Revenue | 1,171.6 | 751.0 | 771.6 | 1,194.9 | 717.1 | 846.8 |
| EBITDA | 41.7 | 41.7 | 32.8 | 42.9 | 43.3 | 44.5 |
| EBIT | 32.5 | 31.1 | 20.6 | 30.5 | 27.6 | 28.4 |
| Net profit | 22.5 | 11.9 | 10.1 | 12.0 | 16.2 | 17.9 |
| EPS (PLN) | 0.69 | 0.36 | 0.31 | 0.37 | 0.50 | 0.55 |
| DPS (PLN) | 0.12 | 0.12 | 0.09 | 0.09 | 0.13 | 0.17 |
| EV/EBITDA (x) | 7.0 | 5.2 | 8.9 | 5.6 | 5.0 | 5.0 |
| P/E (x) | 3.0 | 6.8 | 7.8 | 9.2 | 6.8 | 6.2 |

Source: Company, IPOPEMA Research

Industrials

Izostal

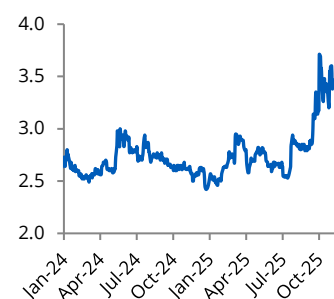
HOLD

FV PLN 3.20

5% downside

Price as of 28 November 2025 PLN 3.37

Recommendation maintained



Share data

| | |
|--------------------------------|-----------|
| Number of shares (m) | 32.7 |
| Market cap (EUR m) | 26.1 |
| 12M avg daily volume (k) | 40.5 |
| 12M avg daily turnover (EUR m) | 0.03 |
| 12M high/low (PLN) | 3.81/2.32 |
| WIG weight (%) | 0.01% |
| Reuters | IZS.WA |
| Bloomberg | IZS PW |

Total performance

| | |
|-----|------|
| 1M | +2% |
| 3M | +21% |
| 12M | +37% |

Shareholders (% of equity)

| | |
|--------------------|-------|
| Stalprofil S.A. | 60.3% |
| Allianz Polska OFE | 6.1% |
| Others | 33.6% |

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IZOSTAL

HOLD

FV PLN 3.20

Market Cap EUR 26m

Downside 5%

| Valuation multiples | 2023 | 2024 | 2025E | 2026E | 2027E |
|---------------------|--------|--------|-------|-------|-------|
| P/E rep. (x) | 6.8 | 7.8 | 9.2 | 6.8 | 6.2 |
| EV/EBITDA rep. (x) | 5.2 | 8.9 | 5.6 | 5.0 | 5.0 |
| EV/Sales (x) | 0.3 | 0.4 | 0.2 | 0.3 | 0.3 |
| P/BV (x) | 0.3 | 0.3 | 0.4 | 0.4 | 0.4 |
| uFCF yield (%) | 116.9% | -92.4% | 76.7% | 25.9% | 1.0% |
| DY (%) | 4.8% | 3.7% | 2.7% | 3.8% | 5.1% |

| Per share | 2023 | 2024 | 2025E | 2026E | 2027E |
|-------------------------|------|-------|-------|-------|-------|
| No. of shares (m units) | 32.7 | 32.7 | 32.7 | 32.7 | 32.7 |
| EPS rep. (PLN) | 0.36 | 0.31 | 0.37 | 0.50 | 0.55 |
| BVPS (PLN) | 7.69 | 7.91 | 8.18 | 8.55 | 8.93 |
| uFCFPS (PLN) | 2.90 | -2.22 | 2.58 | 0.87 | 0.03 |
| DPS (PLN) | 0.12 | 0.09 | 0.09 | 0.13 | 0.17 |

| Change y/y (%) | 2023 | 2024 | 2025E | 2026E | 2027E |
|-----------------|--------|--------|-------|--------|-------|
| Revenues | -35.9% | 2.7% | 54.8% | -40.0% | 18.1% |
| EBITDA rep. | 0.1% | -21.4% | 30.9% | 0.8% | 2.8% |
| Adj. EBITDA | 0.1% | -21.4% | 30.9% | -33.0% | 54.6% |
| EBIT rep. | -4.3% | -33.6% | 48.1% | -9.6% | 3.0% |
| Net profit rep. | -46.9% | -15.0% | 18.8% | 34.7% | 10.5% |

| Leverage and return | 2023 | 2024 | 2025E | 2026E | 2027E |
|----------------------|------|------|-------|-------|-------|
| Gross margin (%) | 9.7% | 8.4% | 8.6% | 7.2% | 8.7% |
| Rep. EBITDA mar. (%) | 5.6% | 4.2% | 3.6% | 6.0% | 5.3% |
| Adj. EBITDA mar. (%) | 5.6% | 4.2% | 3.6% | 4.0% | 5.3% |
| Rep. EBIT margin (%) | 4.1% | 2.7% | 2.6% | 3.8% | 3.4% |
| Rep. net margin (%) | 1.6% | 1.3% | 1.0% | 2.3% | 2.1% |
| ND / EBITDA rep. (x) | 3.3 | 6.5 | 3.0 | 2.5 | 2.5 |
| ND / adj. EBITDA (x) | 3.3 | 6.5 | 3.0 | 3.7 | 2.5 |
| ND / Equity (x) | 0.5 | 0.8 | 0.5 | 0.4 | 0.4 |
| ROE rep. (%) | 4.8% | 4.0% | 4.6% | 5.9% | 6.3% |
| ROA rep. (%) | 3.2% | 2.0% | 1.6% | 1.6% | 2.5% |
| ROIC rep. (%) | 9.4% | 6.0% | 6.7% | 5.2% | 5.5% |

| Segments revenues | 2023 | 2024 | 2025E | 2026E | 2027E |
|------------------------|-------|-------|---------|-------|-------|
| Infrastructure Segment | 602.3 | 618.7 | 1 022.3 | 582.3 | 698.5 |
| Steel Segment | 148.7 | 152.9 | 172.5 | 134.7 | 148.3 |

| Segments EBITDA | 2023 | 2024 | 2025E | 2026E | 2027E |
|------------------------|------|------|-------|-------|-------|
| Infrastructure Segment | 35.9 | 23.7 | 32.2 | 32.4 | 33.3 |
| Steel Segment | 5.8 | 9.1 | 10.7 | 10.8 | 11.1 |

| P&L (PLN m) | 2022 | 2023 | 2024 | 2025E | 2026E | 2027E |
|----------------------------------|----------------|--------------|--------------|----------------|--------------|--------------|
| Revenues total | 1,171.6 | 751.0 | 771.6 | 1,194.9 | 717.1 | 846.8 |
| Cost of sales | -1,088.0 | -678.6 | -707.0 | -1,091.8 | -665.5 | -773.1 |
| Gross profit on sales | 83.6 | 72.5 | 64.6 | 103.1 | 51.6 | 73.7 |
| Other operating income | 1.8 | 2.1 | 2.0 | 3.1 | 20.9 | 6.5 |
| Sales and marketing costs | -21.5 | -13.3 | -12.8 | -40.1 | -17.7 | -20.6 |
| Administrative expenses | -30.6 | -29.5 | -32.6 | -33.6 | -24.8 | -28.8 |
| Other operating expenses | -0.9 | -0.7 | -0.5 | -1.9 | -2.4 | -2.4 |
| EBITDA | 41.7 | 41.7 | 32.8 | 42.9 | 43.3 | 44.5 |
| Adj. EBITDA | 41.7 | 41.7 | 32.8 | 42.9 | 28.8 | 44.5 |
| EBIT | 32.5 | 31.1 | 20.6 | 30.5 | 27.6 | 28.4 |
| Finance income | 6.6 | 0.8 | 5.0 | 0.7 | 0.4 | 0.3 |
| Finance expense | -10.8 | -16.9 | -12.6 | -15.9 | -7.9 | -6.6 |
| Profit before income tax | 28.2 | 14.9 | 13.0 | 15.3 | 20.0 | 22.1 |
| Income tax expense | -5.8 | -3.0 | -2.9 | -3.2 | -3.8 | -4.2 |
| Minorities (profit)/loss | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Net profit for domin. sh. | 22.5 | 11.9 | 10.1 | 12.0 | 16.2 | 17.9 |

| BALANCE SHEET (PLN m) | 2022 | 2023 | 2024 | 2025E | 2026E | 2027E |
|------------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Non-current assets | 209.3 | 215.4 | 205.9 | 199.5 | 232.8 | 226.7 |
| PP&E | 184.3 | 187.7 | 181.5 | 177.0 | 198.8 | 193.5 |
| Goodwill | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 |
| Intangible assets (incl. goodwill) | 13.2 | 18.4 | 17.1 | 15.1 | 13.7 | 11.7 |
| Other non-current assets | 10.5 | 8.1 | 6.1 | 6.1 | 19.0 | 20.3 |
| Current assets | 484.0 | 295.8 | 569.5 | 490.1 | 374.6 | 399.4 |
| Trade and other receivables | 192.2 | 123.4 | 226.3 | 222.0 | 177.5 | 220.4 |
| Inventories | 282.6 | 161.4 | 310.9 | 209.2 | 172.8 | 159.2 |
| Cash and equivalents | 8.3 | 9.2 | 31.2 | 48.9 | 23.3 | 18.8 |
| Other current assets | 0.9 | 1.8 | 1.1 | 9.9 | 1.0 | 1.0 |
| Total assets | 693.2 | 511.1 | 775.4 | 689.6 | 607.4 | 626.0 |
| Equity | 243.8 | 251.7 | 258.9 | 268.0 | 280.0 | 292.3 |
| Minorities | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Non-current liabilities | 41.8 | 41.0 | 34.5 | 32.4 | 33.9 | 34.1 |
| Loans, borrowings and leases | 14.9 | 15.1 | 10.4 | 7.8 | 8.9 | 8.7 |
| Other non-current liabilities | 26.9 | 25.9 | 24.1 | 24.5 | 25.0 | 25.4 |
| Current liabilities | 407.6 | 218.4 | 482.0 | 389.2 | 293.5 | 299.7 |
| Loans, borrowings and leases | 218.8 | 131.7 | 233.0 | 171.2 | 121.2 | 121.2 |
| Trade and other payables | 183.1 | 84.4 | 249.0 | 218.0 | 171.3 | 177.6 |
| Other current liabilities | 5.7 | 2.2 | 0.0 | 0.0 | 0.9 | 0.8 |
| Equity & liabilities | 693.2 | 511.1 | 775.4 | 689.6 | 607.4 | 626.0 |
| Net debt | 225.3 | 137.7 | 212.1 | 130.1 | 106.8 | 111.1 |

| CASH FLOW (PLN m) | 2022 | 2023 | 2024 | 2025E | 2026E | 2027E |
|---------------------------------|--------------|---------------|--------------|--------------|--------------|--------------|
| Operating cash flow | -44.2 | 119.9 | -55.0 | 116.2 | 60.3 | 19.0 |
| Net profit for domin. sh. | 28.2 | 14.9 | 13.0 | 15.3 | 20.0 | 22.1 |
| D&A | 9.2 | 10.6 | 12.2 | 12.4 | 15.7 | 16.0 |
| Change in WC | -83.2 | 86.2 | -89.3 | 75.3 | 34.7 | -22.6 |
| Tax paid net | -8.5 | -1.5 | -0.3 | -3.2 | -3.8 | -4.2 |
| Other | 10.0 | 9.6 | 9.4 | 16.4 | -6.2 | 7.6 |
| Investment cash flow | -21.8 | -11.9 | -4.8 | -14.0 | -21.8 | -8.6 |
| CAPEX | -21.9 | -12.0 | -4.9 | -14.1 | -21.9 | -8.6 |
| Other | 0.2 | 0.1 | 0.0 | 0.1 | 0.1 | 0.1 |
| Financial cash flow | 43.0 | -107.1 | 81.9 | -84.4 | -64.1 | -15.0 |
| Change in equity | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Change in debt | 58.4 | -88.3 | 97.8 | -64.0 | -50.0 | 0.0 |
| Dividends to shareholders | -3.9 | -3.9 | -2.9 | -2.9 | -4.2 | -5.7 |
| Interest paid (debt and leases) | -9.2 | -12.3 | -10.7 | -16.0 | -7.9 | -7.4 |
| Lease payments | -1.4 | -1.7 | -1.3 | -1.5 | -1.9 | -2.0 |
| Other | -0.9 | -0.9 | -1.0 | 0.0 | 0.0 | 0.0 |
| Change in cash | -23.0 | 0.9 | 22.0 | 17.7 | -25.6 | -4.5 |
| Cash as of EoP | 8.3 | 9.2 | 31.2 | 48.9 | 23.3 | 18.8 |

Source: Company data, IPOPEMA Research

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Valuation

We value Izostal using the Discounted Cash Flow (DCF) method. Additionally, we present a valuation based on the Dividend Discount Model (DDM), although no weight is assigned to this approach.

Based on our forecasts, we value Izostal at PLN 3.20 per share, which is 5% below the current market price, implying a HOLD recommendation.

Figure 2. Izostal: valuation summary

| Valuation summary | Weight | Price |
|----------------------------|--------|-------------|
| DCF (PLN ps) | 100% | 3.20 |
| DDM (PLN ps) | 0% | 2.54 |
| Fair value (PLN) ps | | 3.20 |

Source: IPOPEMA Research

DCF

For Izostal's valuation, we use a DCF model based on our projected cash flows for the period 2025E–2034E. Our assumptions include an equity risk premium of 5.5%, a risk-free rate of 5.0%, and a debt risk premium of 2.0% to reflect the effective cost of financing. We applied an effective tax rate of 19% and assumed an unlevered beta of 1.2x to account for risks related to dependence on key partners. The terminal growth rate is assumed at 1.0%.

Figure 3. Izostal: DCF model (PLN m)

| DCF (PLN m) | 2025E | 2026E | 2027E | 2028E | 2029E | 2030E | 2031E | 2032E | 2033E | 2034E | Terminal year |
|--|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|---------------|
| Revenues total | 1 194.9 | 717.1 | 846.8 | 901.0 | 930.1 | 848.9 | 875.3 | 890.9 | 914.6 | 921.9 | 931.1 |
| Reported EBITDA | 42.9 | 43.3 | 44.5 | 51.2 | 48.5 | 43.5 | 43.8 | 43.9 | 44.8 | 44.9 | 45.3 |
| EBIT | 30.5 | 27.6 | 28.4 | 35.8 | 33.8 | 29.2 | 30.0 | 30.4 | 31.7 | 32.0 | 32.6 |
| Effective tax rate | 21.2% | 19.0% | 19.0% | 19.0% | 19.0% | 19.0% | 19.0% | 19.0% | 19.0% | 19.0% | 19.0% |
| NOPAT | 24.0 | 10.6 | 23.0 | 29.0 | 27.3 | 23.7 | 24.3 | 24.6 | 25.6 | 25.9 | 26.4 |
| + D&A | 12.4 | 15.7 | 16.0 | 15.4 | 14.8 | 14.3 | 13.8 | 13.4 | 13.1 | 12.9 | 12.7 |
| + CAPEX net | -14.1 | -21.9 | -8.6 | -8.8 | -9.0 | -9.2 | -9.4 | -9.6 | -9.9 | -10.3 | -10.3 |
| + Lease payments | -1.5 | -1.9 | -2.0 | -2.0 | -2.1 | -2.1 | -2.2 | -2.3 | -2.3 | -2.4 | -2.4 |
| + Change in working capital | 75.3 | 34.7 | -22.6 | -16.9 | -2.5 | 15.6 | -4.0 | -1.1 | -1.2 | -1.3 | -2.3 |
| FCFF | 96.1 | 37.1 | 5.9 | 16.7 | 28.6 | 42.2 | 22.6 | 25.1 | 25.3 | 24.8 | 24.1 |
| Discount multiple | 0.99 | 0.89 | 0.80 | 0.72 | 0.65 | 0.58 | 0.52 | 0.47 | 0.42 | 0.38 | 0.38 |
| Present value of FCFF | 95.2 | 33.0 | 4.7 | 12.0 | 18.5 | 24.5 | 11.8 | 11.8 | 10.7 | 9.4 | |
| Terminal growth rate | | | | | | | | | | | 1% |
| Terminal value | | | | | | | | | | | 233.4 |
| Risk free rate | 5.0% | 5.0% | 5.0% | 5.0% | 5.0% | 5.0% | 5.0% | 5.0% | 5.0% | 5.0% | 5.0% |
| Equity risk premium | 5.5% | 5.5% | 5.5% | 5.5% | 5.5% | 5.5% | 5.5% | 5.5% | 5.5% | 5.5% | 5.5% |
| Unlevered beta | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 |
| Levered beta | 2.7 | 2.3 | 2.3 | 2.3 | 2.3 | 2.1 | 2.1 | 2.1 | 2.1 | 2.0 | 2.0 |
| Cost of equity | 20.0% | 17.9% | 17.9% | 17.8% | 17.5% | 16.5% | 16.5% | 16.4% | 16.3% | 16.1% | 16.1% |
| Debt risk premium | 2.0% | 2.0% | 2.0% | 2.0% | 2.0% | 2.0% | 2.0% | 2.0% | 2.0% | 2.0% | 2.0% |
| Effective tax rate | 21.2% | 19.0% | 19.0% | 19.0% | 19.0% | 19.0% | 19.0% | 19.0% | 19.0% | 19.0% | 19.0% |
| Cost of debt after tax | 5.5% | 5.7% | 5.7% | 5.7% | 5.7% | 5.7% | 5.7% | 5.7% | 5.7% | 5.7% | 5.7% |
| Weight of debt | 61.9% | 54.1% | 54.1% | 53.7% | 52.4% | 47.8% | 47.9% | 47.4% | 46.8% | 45.6% | 45.6% |
| Weight of equity | 38.1% | 45.9% | 45.9% | 46.3% | 47.6% | 52.2% | 52.1% | 52.6% | 53.2% | 54.4% | 54.4% |
| WACC | 11.1% | 11.3% | 11.3% | 11.3% | 11.3% | 11.3% | 11.3% | 11.3% | 11.3% | 11.3% | 11.3% |
| Sum of PV of FCFF | 231.5 | | | | | | | | | | |
| + PV of terminal value | 88.1 | | | | | | | | | | |
| Value of EV = | 319.7 | | | | | | | | | | |
| + Net debt | -212.1 | | | | | | | | | | |
| + Minorities | 0.0 | | | | | | | | | | |
| + Dividend paid | -2.9 | | | | | | | | | | |
| Value of equity = | 104.6 | | | | | | | | | | |
| Number of shares (diluted, m units) | 32.74 | | | | | | | | | | |
| Fair Value (PLN) | 3.20 | | | | | | | | | | |

Source: Company, IPOPEMA Research

Figure 4. Izostal: DCF sensitivity for WACC in terminal year (PLN ps)

| | | WACC in terminal year | | | | | |
|----------------------|------|-----------------------|-------|-------|-------|-------|--|
| | | 10.3% | 10.8% | 11.3% | 11.8% | 12.3% | |
| Terminal growth rate | 0.5% | 3.16 | 3.03 | 2.92 | 2.82 | 2.73 | |
| | 0.8% | 3.31 | 3.18 | 3.05 | 2.94 | 2.84 | |
| | 1.0% | 3.49 | 3.33 | 3.20 | 3.07 | 2.96 | |
| | 1.3% | 3.68 | 3.51 | 3.36 | 3.22 | 3.09 | |
| | 1.5% | 3.89 | 3.70 | 3.53 | 3.38 | 3.24 | |

Source: IPOPEMA Research

Figure 5. Izostal: DCF sensitivity for EBITDA margin in terminal year (PLN ps)

| | | EBITDA margin in terminal year | | | | | |
|----------------------|------|--------------------------------|------|------|------|------|--|
| | | 3.9% | 4.4% | 4.9% | 5.4% | 5.9% | |
| Terminal growth rate | 0.5% | 2.16 | 2.54 | 2.92 | 3.30 | 3.68 | |
| | 0.8% | 2.25 | 2.65 | 3.05 | 3.45 | 3.85 | |
| | 1.0% | 2.35 | 2.77 | 3.20 | 3.62 | 4.04 | |
| | 1.3% | 2.46 | 2.91 | 3.35 | 3.80 | 4.24 | |
| | 1.5% | 2.59 | 3.06 | 3.53 | 4.00 | 4.47 | |

Source: IPOPEMA Research

DDM

In the DDM model, we adopt the same assumptions regarding the cost of capital as in our DCF model: an equity risk premium of 5.5%, a risk-free rate of 5.0%, and an unlevered beta of 1.2x.

Taking into account the company's cash generation capacity and the assumed partial repayment of loans, in our scenario we assume a dividend payout of 35% of net profit achieved in the previous year in 2026E–2027E. We then forecast an increase in DPS to PLN 0.25ps/0.45ps/0.45ps in 2028E/2029E/2030E, respectively. Up to 2034E, we assume a stable DPS of PLN 0.50ps. The projected dividend for 2026E amounts to PLN 0.13 per share (4% DY). In the long term, we estimate a sustainable potential dividend level of PLN 0.58 per share.

Figure 6. Izostal: DDM model (PLN ps)

| DDM | 2025E | 2026E | 2027E | 2028E | 2029E | 2030E | 2031E | 2032E | 2033E | 2034E | Terminal year |
|---|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|---------------|
| DPS (PLN ps) | 0.00 | 0.13 | 0.17 | 0.25 | 0.45 | 0.45 | 0.50 | 0.50 | 0.50 | 0.50 | 0.58 |
| Cost of equity | 20.0% | 17.9% | 17.9% | 17.8% | 17.5% | 16.5% | 16.5% | 16.4% | 16.3% | 16.1% | 16.1% |
| Discount multiple | 0.00 | 0.91 | 0.77 | 0.65 | 0.56 | 0.48 | 0.41 | 0.35 | 0.30 | 0.26 | 0.26 |
| Discounted DPS (PLN ps) | 0.00 | 0.12 | 0.13 | 0.16 | 0.25 | 0.21 | 0.20 | 0.18 | 0.15 | 0.13 | |
| Sum of discounted DPS (PLN ps) | | | | | | | | | | | 1.54 |
| Terminal growth | | | | | | | | | | | 1.0% |
| Discounted value of terminal DPS (PLN ps) | | | | | | | | | | | 1.00 |
| Fair Value (PLN ps) | | | | | | | | | | | 2.54 |

Source: Company, IPOPEMA Research

Changes in forecast

In the table below we present changes in our forecasts vs. our previous report dated 12 September 2025.

Figure 7. Changes in IPOPEMA's forecast (PLN m)

| | 2025E | | | 2026E | | | 2027E | | |
|-------------|----------|----------|--------|--------|--------|--------|--------|--------|--------|
| | New | Old | Change | New | Old | Change | New | Old | Change |
| Revenues | 1,194.87 | 1,102.10 | 8% | 717.09 | 678.45 | 6% | 846.77 | 827.07 | 2% |
| Adj. EBITDA | 42.92 | 40.77 | 5% | 28.76 | 31.06 | -7% | 44.46 | 48.12 | -8% |
| EBIT | 30.52 | 28.46 | 7% | 27.60 | 29.99 | -8% | 28.42 | 31.16 | -9% |
| Net profit | 12.04 | 10.42 | 16% | 16.22 | 16.90 | -4% | 17.94 | 20.21 | -11% |

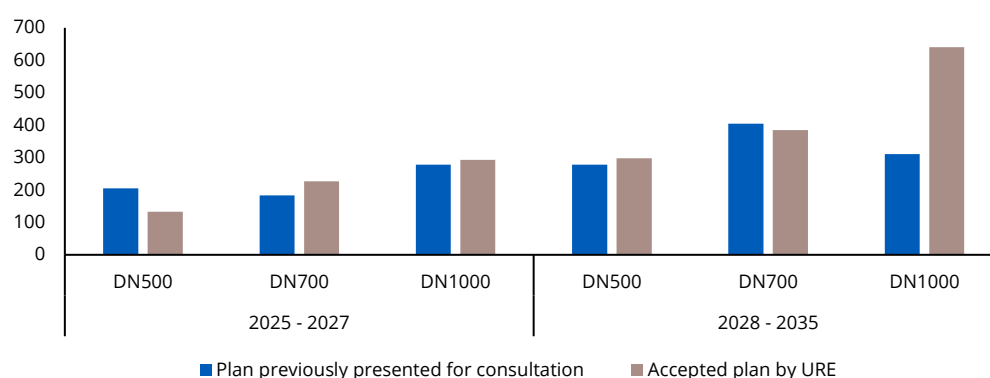
Source: IPOPEMA Research

Updated market investments

GAZ System - Agreed transmission system development plan

The Energy Regulatory Office has approved Gaz-System's 10-year transmission network development plan. The total length of the new transmission network is expected to increase by approximately 2,000 km, which is nearly 300 km more than in the plan previously submitted for consultation. We note that in the approved plan for the period 2028–2035, the total length of DN1000 pipelines more than doubled to 640 km compared with 311 km in the earlier consultation version. We estimate that Gaz-System's spending on pipe purchases over the duration of the approved plan will amount to around PLN 4bn. Below we present a chart illustrating the differences for each period and pipe type.

Figure 8. Changes in total length of pipes type by period (km)



Source: Gaz-System, IPOPEMA Research

NATO pipeline

The Ministry of National Defence announced the signing of a cooperation agreement between the NATO Investment Committee (ZIOTP) and PERN S.A. concerning the expansion of Poland's fuel infrastructure to connect it to the NATO pipeline system. According to Deputy Defence Minister Cezary Tomaczyk, the total estimated value of the investment is expected to reach around PLN 20bn. Under the current plan, the design phase will take two years and should therefore be completed by the end of 2027E. The project will then need to be approved by the NATO Council and all member states, after which implementation may begin.

The pipeline is expected to be approximately 300 km long and located in western Poland, stretching from PERN's facility near Bydgoszcz to the German border. The planned pipeline will have a diameter of less than half a meter. It is worth noting that on the German side, there is currently no suitable NATO-system pipeline to which the planned Polish section could be connected.

Additionally, we want to highlight that once work begins on the Polish segment of the NATO pipeline, the topic of constructing the second line of the Pomorski Pipeline may return. That project was suspended due to a lack of interest from domestic and foreign partners. The total planned length of the second Pomorski line was approximately 240 km, with a diameter of 800 millimeters. However, we are not including this in our model.

Risk factors

This section outlines the main risks for Izostal.

Customer Concentration Risk

The company relies on a few key clients that account for the majority of its revenue. Dependence on a limited number of customers may negatively impact revenues if one of the main clients reduces orders.

Risk Related to Reduced Investment Plans of Gaz-System and Polska Spółka Gazownictwa

Poland's gas transmission and distribution market depends on the investment plans of Gaz-System and Polska Spółka Gazownictwa. These investments directly affect Izostal's performance, either through its direct participation or by providing services to contractors and subcontractors executing these projects.

Risk Related to Steel Pipe Price Fluctuations

The price of steel pipes constitutes a major cost in insulated steel pipe products. Changes in steel pipe prices can affect the company's revenue and margins.

Risk Related to Rising Raw Material Costs

Profitability in pipe insulation services and insulated pipe sales depends on production inputs, mainly polyethylene and polypropylene. Prices of these chemical raw materials are linked to crude oil prices, which can fluctuate significantly due to the current global political and economic environment.

Risk of Influx of Cheap Steel Products

High prices of European steel products, driven by factors such as the requirement to purchase ETS certificates and the lack of anti-dumping measures by the EU, may lead to an influx of cheaper products from countries like China into the domestic and European markets.

Risk Related to Declining Demand for Steel Structures

A decrease in demand for steel structures from the machinery and construction sectors may negatively impact the company's financial results.

Financial forecast

Figure 9. Izostal: financial forecast 2022-2034E

| P&L (PLN m) | 2022 | 2023 | 2024 | 2025E | 2026E | 2027E | 2028E | 2029E | 2030E | 2031E | 2032E | 2033E | 2034E |
|---|----------------|---------------|--------------|----------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Revenue | 1,171.6 | 751.0 | 771.6 | 1,194.9 | 717.1 | 846.8 | 901.0 | 930.1 | 848.9 | 875.3 | 890.9 | 914.6 | 921.9 |
| Cost of sales | 1,088.0 | 678.6 | -707.0 | -1,091.8 | -665.5 | -773.1 | -817.2 | -846.5 | -774.5 | -798.6 | -812.9 | -834.0 | -840.6 |
| Gross profit | 83.6 | 72.5 | 64.6 | 103.1 | 51.6 | 73.7 | 83.8 | 83.6 | 74.4 | 76.7 | 78.0 | 80.5 | 81.3 |
| Other operating income | 1.8 | 2.1 | 2.0 | 3.1 | 20.9 | 6.5 | 6.6 | 6.6 | 6.7 | 6.8 | 6.8 | 6.9 | 7.0 |
| Sales and marketing costs | 21.5 | 13.3 | -12.8 | -40.1 | -17.7 | -20.6 | -21.7 | -22.5 | -20.6 | -21.2 | -21.6 | -22.2 | -22.4 |
| Administrative expenses | 30.6 | 29.5 | -32.6 | -33.6 | -24.8 | -28.8 | -30.4 | -31.5 | -28.8 | -29.7 | -30.3 | -31.1 | -31.3 |
| Other operating expenses | 0.9 | 0.7 | -0.5 | -1.9 | -2.4 | -2.4 | -2.4 | -2.4 | -2.5 | -2.5 | -2.5 | -2.5 | -2.6 |
| EBITDA | 41.7 | 41.7 | 32.8 | 42.9 | 43.3 | 44.5 | 51.2 | 48.5 | 43.5 | 43.8 | 43.9 | 44.8 | 44.9 |
| EBIT | 32.5 | 31.1 | 20.6 | 30.5 | 27.6 | 28.4 | 35.8 | 33.8 | 29.2 | 30.0 | 30.4 | 31.7 | 32.0 |
| Finance income | 6.6 | 0.8 | 5.0 | 0.7 | 0.4 | 0.3 | 0.3 | 0.3 | 0.3 | 0.3 | 0.4 | 0.4 | 0.4 |
| Finance expense | 10.8 | 16.9 | -12.6 | -15.9 | -7.9 | -6.6 | -7.7 | -7.6 | -7.2 | -6.0 | -6.0 | -5.9 | -5.8 |
| Profit before income tax | 28.2 | 14.9 | 13.0 | 15.3 | 20.0 | 22.1 | 28.5 | 26.5 | 22.4 | 24.4 | 24.8 | 26.1 | 26.6 |
| Income tax expense | 5.8 | 3.0 | -2.9 | -3.2 | -3.8 | -4.2 | -5.4 | -5.0 | -4.3 | -4.6 | -4.7 | -5.0 | -5.1 |
| Net profit for dominant shareholder | 22.5 | 11.9 | 10.1 | 12.0 | 16.2 | 17.9 | 23.1 | 21.5 | 18.1 | 19.7 | 20.1 | 21.2 | 21.6 |
| EPS (PLN) | 0.69 | 0.36 | 0.31 | 0.37 | 0.50 | 0.55 | 0.70 | 0.66 | 0.55 | 0.60 | 0.61 | 0.65 | 0.66 |
| Balance Sheet (PLN m) | 2022 | 2023 | 2024 | 2025E | 2026E | 2027E | 2028E | 2029E | 2030E | 2031E | 2032E | 2033E | 2034E |
| Total non-current assets | 209.3 | 215.4 | 205.9 | 199.5 | 232.8 | 226.7 | 218.8 | 213.0 | 207.8 | 203.4 | 199.5 | 196.3 | 193.8 |
| PP&E | 184.3 | 187.7 | 181.5 | 177.0 | 198.8 | 193.5 | 188.6 | 184.2 | 180.3 | 176.8 | 173.8 | 171.3 | 169.4 |
| Goodwill | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 |
| Other intangible assets | 13.2 | 18.4 | 17.1 | 15.1 | 13.7 | 11.7 | 10.0 | 8.6 | 7.4 | 6.4 | 5.5 | 4.8 | 4.2 |
| Other non-current assets | 10.5 | 8.1 | 6.1 | 6.1 | 19.0 | 20.3 | 19.0 | 19.0 | 19.0 | 19.0 | 19.0 | 19.0 | 19.0 |
| Total current assets | 484.0 | 295.8 | 569.5 | 490.1 | 374.6 | 399.4 | 420.3 | 421.7 | 421.1 | 438.3 | 451.1 | 466.1 | 474.9 |
| Trade and other receivables | 192.2 | 123.4 | 226.3 | 222.0 | 177.5 | 220.4 | 246.4 | 240.3 | 207.8 | 209.8 | 227.0 | 242.1 | 255.8 |
| Inventories | 282.6 | 161.4 | 310.9 | 209.2 | 172.8 | 159.2 | 150.8 | 154.8 | 182.9 | 194.0 | 185.1 | 180.3 | 173.7 |
| Cash and equivalents | 8.3 | 9.2 | 31.2 | 48.9 | 23.3 | 18.8 | 20.0 | 22.0 | 24.2 | 26.6 | 29.2 | 32.2 | 32.0 |
| Other current assets | 0.9 | 1.8 | 1.1 | 9.9 | 1.0 | 1.0 | 3.0 | 4.6 | 6.2 | 7.9 | 9.7 | 11.5 | 13.4 |
| Total assets | 693.2 | 511.1 | 775.4 | 689.6 | 607.4 | 626.0 | 639.1 | 634.6 | 628.9 | 641.7 | 650.6 | 662.4 | 668.7 |
| Shareholders equity | 243.8 | 251.7 | 258.9 | 268.0 | 280.0 | 292.3 | 307.2 | 313.9 | 317.3 | 320.7 | 324.4 | 329.2 | 334.4 |
| Minority interest | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Non-current liabilities | 41.8 | 41.0 | 34.5 | 32.4 | 33.9 | 34.1 | 34.3 | 34.5 | 34.8 | 35.0 | 35.3 | 35.6 | 36.0 |
| Non-current debt and leases | 14.9 | 15.1 | 10.4 | 7.8 | 8.9 | 8.7 | 8.4 | 8.2 | 8.0 | 7.8 | 7.6 | 7.5 | 7.3 |
| Other non-current liabilities | 26.9 | 25.9 | 24.1 | 24.5 | 25.0 | 25.4 | 25.8 | 26.3 | 26.7 | 27.2 | 27.7 | 28.1 | 28.6 |
| Current liabilities | 407.6 | 218.4 | 482.0 | 389.2 | 293.5 | 299.7 | 297.6 | 286.2 | 276.9 | 286.0 | 290.9 | 297.6 | 298.4 |
| Current debt and leases | 1.6 | 1.3 | 1.2 | 171.2 | 121.2 | 121.2 | 119.5 | 113.1 | 93.1 | 93.5 | 91.6 | 89.7 | 85.2 |
| Trade and other payables | 183.1 | 84.4 | 249.0 | 218.0 | 171.3 | 177.6 | 178.1 | 173.0 | 183.7 | 192.5 | 199.2 | 207.9 | 213.2 |
| Other current liabilities | 222.9 | 132.7 | 231.8 | 0.0 | 0.9 | 0.8 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.1 | 0.1 |
| Total equity & liabilities | 693.2 | 511.1 | 775.4 | 689.6 | 607.4 | 626.0 | 639.1 | 634.6 | 628.9 | 641.7 | 650.6 | 662.4 | 668.7 |
| ND / reported EBITDA | 5.4 | 3.3 | 6.5 | 3.0 | 2.5 | 2.5 | 2.1 | 2.0 | 1.8 | 1.7 | 1.6 | 1.5 | 1.3 |
| ND / adj. EBITDA | 5.4 | 3.3 | 6.5 | 3.0 | 3.7 | 2.5 | 2.1 | 2.0 | 1.8 | 1.7 | 1.6 | 1.5 | 1.3 |
| BVPS (PLN) | 7.4 | 7.7 | 7.9 | 8.2 | 8.6 | 8.9 | 9.4 | 9.6 | 9.7 | 9.8 | 9.9 | 10.1 | 10.2 |
| Cash Flow (PLN m) | 2022 | 2023 | 2024 | 2025E | 2026E | 2027E | 2028E | 2029E | 2030E | 2031E | 2032E | 2033E | 2034E |
| Profit / loss before tax | 22.5 | 11.9 | 13.0 | 15.3 | 20.0 | 22.1 | 28.5 | 26.5 | 22.4 | 24.4 | 24.8 | 26.1 | 26.6 |
| Adjustments: | -72.5 | 105.0 | -68.0 | 100.9 | 40.3 | -3.1 | 1.0 | 15.1 | 33.0 | 11.5 | 13.9 | 13.1 | 12.6 |
| D&A | 9.2 | 10.6 | 12.2 | 12.4 | 15.7 | 16.0 | 15.4 | 14.8 | 14.3 | 13.8 | 13.4 | 13.1 | 12.9 |
| Change in WC | -83.2 | 86.2 | -89.3 | 75.3 | 34.7 | -22.6 | -16.9 | -2.5 | 15.6 | -4.0 | -1.1 | -1.2 | -1.3 |
| Tax paid | 8.5 | 1.5 | -0.3 | -3.2 | -3.8 | -4.2 | -5.4 | -5.0 | -4.3 | -4.6 | -4.7 | -5.0 | -5.1 |
| Interest expenses and income | 10.5 | 13.1 | 11.7 | 16.5 | 8.3 | 7.7 | 8.0 | 7.9 | 7.5 | 6.3 | 6.3 | 6.2 | 6.1 |
| Other | -1.2 | 9.7 | -2.2 | -0.1 | -14.6 | -0.1 | -0.1 | -0.1 | -0.1 | -0.1 | -0.1 | -0.1 | -0.1 |
| Net cash from operating activities | -44.2 | 119.9 | -55.0 | 116.2 | 60.3 | 19.0 | 29.5 | 41.6 | 55.4 | 35.8 | 38.7 | 39.3 | 39.2 |
| Net CAPEX | -21.8 | -11.9 | -4.8 | -14.0 | -21.8 | -8.6 | -8.7 | -8.9 | -9.1 | -9.3 | -9.5 | -9.8 | -10.3 |
| Other | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Net cash flows from investing activities | -21.8 | -11.9 | -4.8 | -14.0 | -21.8 | -8.6 | -8.7 | -8.9 | -9.1 | -9.3 | -9.5 | -9.8 | -10.3 |
| Change in equity | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Change in debt | 58.4 | -88.3 | 97.8 | -64.0 | -50.0 | 0.0 | -1.7 | -6.4 | -20.1 | 0.4 | -1.9 | -1.9 | -4.6 |
| Dividend paid to dominant shareholders | -3.9 | -3.9 | -2.9 | -2.9 | -4.2 | -5.7 | -8.2 | -14.7 | -14.7 | -16.4 | -16.4 | -16.4 | -16.4 |
| Lease payments | -1.4 | -1.7 | -1.3 | -1.5 | -1.9 | -2.0 | -2.0 | -2.1 | -2.1 | -2.2 | -2.3 | -2.3 | -2.4 |
| Interests | -9.2 | -12.3 | -10.7 | -16.0 | -7.9 | -7.4 | -7.7 | -7.6 | -7.2 | -6.0 | -6.0 | -5.9 | -5.8 |
| Other | -0.9 | -0.9 | -1.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Net cash flow from financing activities | 43.0 | -107.1 | 81.9 | -84.4 | -64.1 | -15.0 | -19.6 | -30.8 | -44.1 | -24.1 | -26.5 | -26.5 | -29.1 |
| Beginning cash | 31.3 | 8.3 | 9.2 | 31.2 | 48.9 | 23.3 | 18.8 | 20.0 | 22.0 | 24.2 | 26.6 | 29.2 | 32.2 |
| Increase / (decrease) in cash | -23.0 | 0.9 | 22.0 | 17.7 | -25.6 | -4.5 | 1.2 | 2.0 | 2.2 | 2.4 | 2.7 | 2.9 | -0.2 |
| FX effect | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Ending cash | 8.3 | 9.2 | 31.2 | 48.9 | 23.3 | 18.8 | 20.0 | 22.0 | 24.2 | 26.6 | 29.2 | 32.2 | 32.0 |
| DPS (PLN) | 0.12 | 0.12 | 0.09 | 0.09 | 0.13 | 0.17 | 0.25 | 0.45 | 0.45 | 0.50 | 0.50 | 0.50 | 0.50 |

Source: Company, IPOPEMA Research

3Q25 results review

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.

Figure 10. 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

Recent Company Developments

In August, the company received a certificate allowing it to mark its 3LPE anti-corrosion coating with the Q INiG quality and safety mark. The certificate was issued by the Oil and Gas Institute in Kraków and is valid until 12 August 2030.

On 14 November 2025, the company announced that the President of the Office of Competition and Consumer Protection had granted approval for the acquisition of Proma sp. z o.o.

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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 |
| 01/12/2025 | HOLD | PLN 3.20 | PLN 3.37 | Krzysztof Otczyk Marcin Nowak |