

The report was prepared by Dom Maklerski BDM at the request of the WSE as part of the Exchange's Analytical Coverage Support Programme

			2022	2023	2024	
Price [PLN]	10,5	P/E	14,7	11,4	22,5	<u>Analyst:</u>
MC [mln PLN]	240,7	EV/EBITDA	7,1	2,4	7,7	Krzysztof Pado
		EV/EBIT	12,5	3,5	14,0	krzysztof.pado@bdm.pl
		P/BV	1,3	1,2	1,2	tel.: (+48) 512 338 250

Last recommendation BDM: ACCUMULATE with target price 10,9 PLN/share (22.08.2025) [LINK](#)

Q3'25 results [million PLN]

	Q3'24	Q3'25	y/y	Q3'25E BDM	dev.	Q3'25F BDM	dev.	Q1-3'24	Q1-3'25	y/y
Sales	304,3	288,1	-5,3%	288,1	0,0%	250,0	15,3%	921,5	690,9	-25,0%
Gross profit	7,0	10,4	48,1%	10,4	-0,2%	11,5	-9,5%	34,5	37,4	8,4%
Profit on sales	-1,0	0,3	---	---	---	2,0	-87,5%	10,5	9,0	-14,7%
Other operating activity net	2,2	-0,2	---	---	---	0,0	---	2,9	1,0	-66,7%
EBITDA	5,2	3,9	-24,4%	---	---	6,2	-36,5%	25,0	22,0	-11,9%
EBIT	1,2	0,0	-97,3%	0,0	---	2,0	-98,5%	13,4	9,9	-26,1%
Profit before tax	-1,3	-0,4	---	---	---	1,4	---	8,0	5,9	-26,5%
Net profit before the excl. of minorities	-0,2	-0,3	---	-0,4	---	1,1	---	6,9	5,2	-24,2%
Net profit	-0,2	-0,4	---	---	---	1,1	---	6,9	5,2	-24,6%
Gross margin	2,3%	3,6%		3,6%		4,6%		3,7%	5,4%	
EBITDA margin	1,7%	1,4%		---		2,5%		2,7%	3,2%	
EBIT margin	0,4%	0,0%		0,0%		0,8%		1,5%	1,4%	
Net margin	-0,1%	-0,1%		-0,1%		0,5%		0,7%	0,8%	

Source: Dom Maklerski BDM S.A., ZUE

- The company has provided a full report for Q3'25. In early November, the company already reported preliminary consolidated and standalone results.
- The final results are in line with the company's estimates.
- At the revenue level, ZUE generated PLN 288m in Q3'25 (-5% y/y). The y/y drop in revenue is mainly a consequence of a lower backlog (after Q2'25, it amounted to PLN 1.19bn, or -19% y/y).
- Gross margin in Q3'25 (3.6%) was better y/y, but below our earlier expectations (2.3% in Q3'24). Margin fell sharply vs 2Q'25, when it was uncharacteristically high (among other things, surcharges on some contracts were obtained then). We note a significant increase (by PLN 6.4m vs. 2Q'25) in allowances for increased credit risk.
- EBIT amounted to PLN 0.0m (vs. PLN 1.2m a year ago). The balance of other operating activities was minimal (PLN -0.2m). The financial balance was negative (PLN -0.4m).
- The net result was PLN -0.4m (vs. PLN -0.2m in Q3'24). We had originally expected positive results at these levels (lower results are a consequence of lower gross sales margin).
- Revenues from the Romanian market amounted to PLN 35m in Q3'25 (vs. PLN 70m in H1'25, for the whole of 2024 at PLN 155m).
- Net debt after Q3'25 was PLN 38m (vs. PLN 73m a year ago). Q3'25 operating CF was positive (+PLN 29m).
- Backlog as of the date of the report was PLN 1,139m (vs. PLN 1,188m a quarter ago). The value of new contracts signed until the approval of the financial statements amounted to PLN 575m.
- The company has the best bids in tenders for a total of PLN 2,844m.

BDM Comment: Preliminary results in line with previously published estimates. Q3'25 results, after a very positive surprise in Q2'25, showed a decline in margins q/q, as expected. Although the margin erosion is slightly larger than we expected. Revenues, on the other hand, are stronger than we expected (probably the effect of the start of the Lomza - Łapy contract). The company also reduced debt q/q.

At the last earnings conference (after Q2'25), management communicated that the company wants to maintain a "good" and "highest possible" margin (the company sets a target of 6% gross margin in the medium term). The company's gross margin has been quite choppy in recent quarters. We believe this is probably related to the company's completion of old contracts, which may affect the reported margin to varying degrees (the Annopol depot contract may still remain to be finally settled). We note that current revenues should be based largely on the Katowice - Będzin contract, which was won in a favorable tender window in 2023.

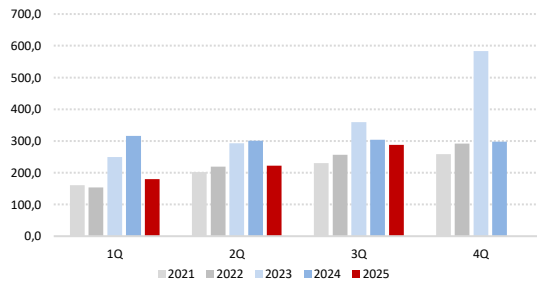
We note that the company is getting closer to securing a PLN 2.6bn contract for PKP PLK for the Gdynia Chylonia - Łębork section (the KIO recently rejected a competitor's appeal). The completion date is nearly five years from signing. Its potential acquisition could stabilise the company's portfolio for a few years and give space for balanced bidding in subsequent years.

Results in previous quarters [PLN m]

	Q1'22	Q2'22	Q3'22	Q4'22	Q1'23	Q2'23	Q3'23	Q4'23	Q1'24	Q2'24	Q3'24	Q4'24	Q1'25	Q2'25	Q3'25
Sales	153,6	219,6	256,0	292,2	249,3	292,4	359,0	583,5	316,2	301,0	304,3	297,9	180,1	222,6	288,1
Construction	140,8	191,5	236,1	262,6	223,8	273,2	340,6	567,6	305,4	282,0	286,4	277,9	166,5	209,1	265,6
Trade	11,1	26,2	17,5	23,0	23,5	17,2	18,0	15,8	10,8	19,0	17,9	20,0	13,6	13,5	22,5
Design	1,8	1,7	2,4	2,6	1,7	2,2	0,4	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0
Exclusion	0,0	0,2	0,0	3,9	0,3	-0,1	0,0	0,1	0,0	0,0	0,0	0,0	0,0	0,0	0,0
Gross profit	8,3	12,7	9,0	12,8	8,5	10,3	11,4	25,8	12,6	14,9	7,0	16,0	5,4	21,6	10,4
Construction	7,4	8,6	5,7	9,4	6,4	8,6	10,0	24,9	11,7	13,7	5,8	14,8	4,8	20,7	9,0
Trade	1,0	4,1	3,0	2,9	1,8	0,9	1,1	0,8	0,8	1,3	1,3	1,2	0,8	0,9	1,4
Design	0,2	0,1	0,5	0,4	0,3	0,7	0,1	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0
Exclusion	-0,2	-0,1	-0,2	0,0	-0,1	0,1	0,2	0,1	0,0	-0,1	0,0	0,0	-0,2	0,0	0,1
SG&A	5,3	7,2	6,3	7,4	6,8	7,5	8,0	8,1	7,9	8,1	8,0	9,9	9,1	9,1	10,2
Profit on sales	3,1	5,5	2,8	5,3	1,7	2,8	3,4	17,6	4,7	6,8	-1,0	6,1	-3,7	12,4	0,3
Other operat. activity net	0,6	-0,1	0,2	0,9	0,2	1,3	3,9	-0,5	1,0	-0,2	2,2	-0,5	-0,9	2,1	-0,2
EBITDA	7,0	8,7	6,4	9,8	5,5	7,8	11,0	20,9	9,5	10,3	5,2	9,7	-0,5	18,5	3,9
EBIT	3,6	5,3	3,0	6,2	1,9	4,1	7,2	17,2	5,7	6,6	1,2	5,6	-4,6	14,5	0,0
Profit before tax	4,9	6,9	3,0	7,3	2,0	3,7	7,8	15,4	3,0	6,3	-1,3	4,1	-6,1	12,3	-0,4
Net profit	3,8	5,5	1,6	5,5	1,1	3,0	5,9	10,9	1,0	6,2	-0,2	3,8	-4,8	10,4	-0,4
Gross margin	5,4%	5,8%	3,5%	4,4%	3,4%	3,5%	3,2%	4,4%	4,0%	5,0%	2,3%	5,4%	3,0%	9,7%	3,6%
Construction	5,2%	4,5%	2,4%	3,6%	2,9%	3,1%	2,9%	4,4%	3,8%	4,9%	2,0%	5,3%	2,9%	9,9%	3,4%
Trade	9,0%	15,5%	17,1%	12,5%	7,7%	5,0%	5,9%	5,1%	7,5%	6,9%	7,1%	5,9%	6,2%	6,8%	6,1%
Design	10,9%	8,2%	21,2%	16,3%	19,8%	32,0%	---	---	---	---	---	---	---	---	---
EBITDA margin	4,5%	4,0%	2,5%	3,4%	2,2%	2,7%	3,1%	3,6%	3,0%	3,4%	1,7%	3,3%	-0,3%	8,3%	1,4%
EBIT margin	2,3%	2,4%	1,2%	2,1%	0,8%	1,4%	2,0%	2,9%	1,8%	2,2%	0,4%	1,9%	-2,5%	6,5%	0,0%
Net margin	2,4%	2,5%	0,6%	1,9%	0,4%	1,0%	1,7%	1,9%	0,3%	2,0%	-0,1%	1,3%	-2,7%	4,7%	-0,2%
CFO	-28,9	-9,5	-35,9	31,8	-29,6	4,2	-34,1	196,9	-180,6	9,0	6,7	49,3	-10,6	-23,6	29,1
Net debt	-49,5	-35,5	2,3	-14,6	17,3	20,1	50,5	-134,2	50,2	75,8	73,0	26,3	39,9	83,4	37,9

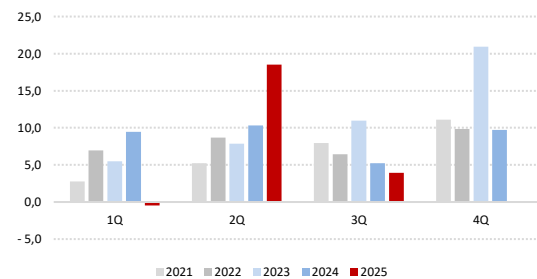
Source: Dom Maklerski BDM S.A., company

Sales [PLN m]



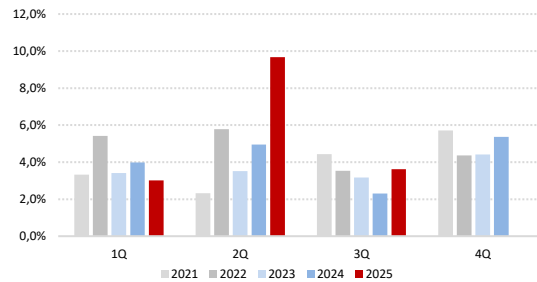
Źródło: BDM S.A., spółka

EBITDA [PLN m]



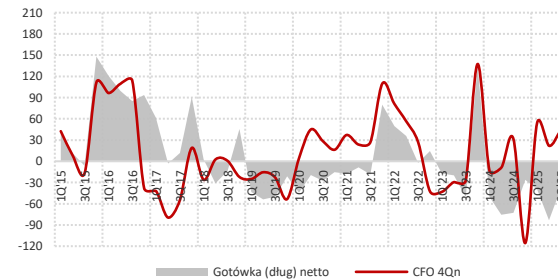
Źródło: BDM S.A., spółka

Gross margin



Źródło: BDM S.A., spółka

Net cash (debt) and OCF [PLN m]



Źródło: DM BDM S.A., spółka

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Explanations of terminology:

EBIT - earnings before interest and tax
EBITDA — earnings before interest, taxes, depreciation, and amortization
Net debt – interest bearing debt minus cash and equivalents
WACC - weighted average cost of capital
CAGR - cumulative average annual growth
EPS - earnings per share
DPS - dividend per share
CEPS - net profit plus depreciation per share
EV – market capitalization plus interest bearing debt minus cash and equivalents
EV/S – market capitalization / sales
EV/EBITDA – EV / sales
P/EBIT – market capitalization / EBIT
MC/S – market capitalization / sales
P/E – market capitalization / net profit
P/BV – market capitalization / book value
P/CE - market capitalization / net profit plus depreciation
ROE – net profit / equity
ROA - net income / assets
Gross margin - gross profit on sales / sales
EBITDA margin – EBITDA / sales
EBIT margin – EBIT / sales
Net margin – net profit / sales

Explanation of ratings:

Buy – we believe that the security will reach the target price in the recommended period, which significantly exceeds the current market price (at least + 15%);
Accumulate – we believe that the security will reach the target price in the recommended period, which exceeds the current market price (in the range of +5 to + 14.99%);
Hold – we believe that a security in the recommended period will fluctuate around the target price, which is close to the current market price (in the range from -4.99% to + 4.99%);
Reduce – we believe that the security will reach the target price in the recommended period, which is lower than the market price (range of decline from 5% to 14.99%);
Sell – we believe that a security in the recommended period will reach the target price, which is significantly lower than the market price (suggested erosion of the value exceeds 15%).
Target price – the theoretical price which, in our opinion, should reach a security in the recommended period; This price is the result of the company's value (eg based on DCF, comparative and other valuations), market conditions and the industry as well as other factors subjectively considered by the analyst.
Recommendations made by BDM are binding for 12 months from the issue date or until the target level is reached, unless they are updated during this period of time.

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Ratings and price targets history:

rating	price target	previous rating	previous target price	report date	report date (hour)	price	WIG
Accumulate	10,9	Hold	8,70	22.08.2025*	13:00 CEST	10,05	108594
Hold	8,70	Hold	11,0	19.05.2025*	07:30 CEST	8,90	103 150
Hold	11,0	Hold	11,0	19.02.2025*	08:48 CEST	11,20	94 651
Hold	11,0	Hold	11,1	22.08.2024*	11:55 CEST	10,60	84 528
Hold	11,1	Accumulate	8,43	22.04.2024*	14:28 CEST	11,10	84 109
Accumulate	8,43	Buy	7,76	04.01.2024*	09:55 CEST	7,86	77 054
Buy	7,76	relaunch	---	12.09.2023*	13:45 CEST	5,62	66 241
Buy	11,8	---	---	17.02.2017	14:39 CEST	9,94	58 348

* The report was prepared by Dom Maklerski BDM at the request of the WSE as part of the Exchange's Analytical Support Programme.

Distribution of BDM's recommendations in Q4'25*:

, distribution of BDM's recommendations for the companies which BDM has supplied with investment banking services within the last 12 months

	number	%	number	%
Buy	5	100%	0	0%
Accumulate	0	0%	0	0%
Hold	0	0%	0	0%
Reduce	0	0%	0	0%
Sell	0	0%	0	0%

* detailed list of all analytical reports (recommendations) published by BDM during the last 12 months is included at <https://www.bdm.pl/analizy-i-informacje/analizy/historia-rekomendacji>

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The report constitutes an investment research within the meaning of art. 36 §1 of Commission Delegated Regulation (EU) 2017/565.

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**BDM acts as an issue sponsor for ZUE

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