

Thursday, 14 May 2026 | update

Newag: buy (reiterated)

NWG PW; NWGP.WA | Industrials, Poland

Locked-In Backlog, Promising Pipeline

We revise our earnings outlook and valuation of Newag following solid 2025 Q4 results. With the target price raised to PLN 133.00, implying 24% upside potential, we reiterate our 'Buy' call.

For the first time, we have incorporated into our models for Newag expected revenues from selected pipeline tenders, including locomotive and EMU tenders and the high-speed rail train supply partnership with Siemens Mobility, projected to materialize mainly in 2029-2032.

According to our calculations, Newag is poised to deliver a record number of locomotives in 2026. As locomotives are the highest-margin component of the Company's sales mix, 2026 may prove a year of peak EBITDA margin, estimated at 23.2% compared to 20.9% in 2025.

We have revised Newag's expected dividend payout ratio upward to 60%, implying rising and more attractive dividend yields. On our current 2026 estimates, NWG is trading at 7.1x 2026E EV/EBITDA and 10.0x P/E, which we consider attractive levels compared to peer multiples.

Pipeline Yet to Be Priced In

An increasing number of tenders and potential contracts seem to be emerging in the rolling stock market which, in our view, are not fully reflected in current expectations for Newag and, if selectively secured, would materialise mainly in 2029-2032.

Among others, Newag is taking part in a competitive dialogue process by PKP Intercity concerning high-speed rail trains (twenty 320 km/h EMUs + an option for an extra 35 units). Since Newag's role is that of junior partner to Siemens Mobility, we make a conservative assumption as to its share in the revenues.

Further, we have identified upcoming contract opportunities from regional rail operators, funded under the FEnIKS program, alongside tenders by local government in which, historically, Newag was awarded 35-50% of total order volumes. In the locomotive segment, where the Company has no real domestic competition, we expect a PKP LHS tender for 20 diesel locomotives and continued deliveries to existing customers.

Alongside prospective opportunities, Newag generates growing and cycle-proof revenue streams from standing aftermarket and maintenance orders.

Significant Revisions to Earnings Outlook Post 2028

We have made marginal revisions to our 2026-2027 earnings forecasts for Newag based on a locked-in order backlog (revenues unchanged, EBITDA +1.2%/+3.6%). However, our expectations for 2028 have received more marked adjustments (+17.0% revenue, +2.5% EBITDA and net income), reflecting the potential new pipeline. In our 10-year model, the full impact of HSR projects and upcoming EMU and locomotive tenders is reflected in the forecasts for 2029-2032.

Attractive Valuation

We use the DCF method exclusively in our valuation of Newag, given the limited comparability of international peers operating in more diversified markets. On our 2026 estimates, NWG stock is trading at 7.1x EV/EBITDA and 10.0x P/E, indicating a discount to the peer group. Our new 12-month target price of PLN 133.00 (raised from PLN 115.00) implies upside potential close to 24% relative to the current market price.

(PLN m)	2024	2025	2026E	2027E	2028E
Revenue	1,589.4	2,386.4	2,823.5	2,885.0	2,870.0
EBITDA	210.8	498.7	656.0	623.8	517.7
margin	13.3%	20.9%	23.2%	21.6%	18.0%
EBIT	160.4	440.6	602.7	568.7	460.9
Net profit	122.2	355.9	480.5	458.5	371.9
P/E	39.5	13.6	10.0	10.5	13.0
P/S	3.0	2.0	1.7	1.7	1.7
EV/EBITDA	22.3	8.8	7.1	7.4	9.0
DPS	0.96	2.00	4.75	6.41	6.11
Dividend yield	0.9%	1.9%	4.5%	6.1%	5.8%

Source: Newag, E- mBank estimates

Current Price*	PLN 107.20
Target Price	PLN 133.00
MCap	PLN 4.8bn
Free Float	PLN 0.8bn
ADTV (3M)	PLN 2.1m

*Price as of 13 May 2026, 5:00 PM

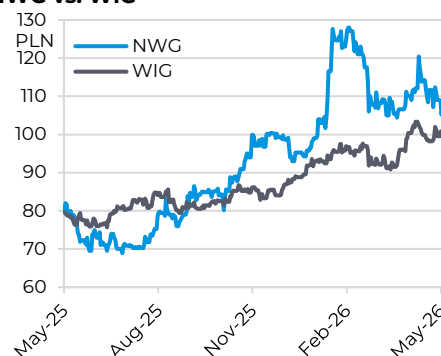
Shareholders

Jakubas Investments	50.3%
NN OFE	8.8%
Allianz OFE	8.0%
Generali OFE	7.4%
PZU OFE	7.3%
Others	18.2%

About

Newag is a Polish rolling stock manufacturer specializing in the design, modernization and production of electric multiple units, locomotives and specialized rail vehicles. The company operates mainly in Poland, serving regional carriers and PKP Intercity, while developing competencies in vehicle service and maintenance.

NWG vs. WIG



Company	Target Price		Recommendation	
	New	Old	New	Old
Newag	133.00	115.00	Buy	Buy

Company	Current Price	Target Price	Upside
Newag	107.2	133.00	+24%

Forecast Revision	2026E	2027E	2028E
	Revenue	0.0%	0.0%
EBITDA	+1.2%	+3.6%	+2.5%
Net profit	+1.3%	+3.6%	+2.0%

Analyst:

Marlen Jakub Sargsyan
Equity Analyst
+48 519 419 895
marlen.sargsyan@mbank.pl

Key Risks

1) Customer Concentration (Demand Risk).

A breakdown of Newag's revenues reveals an overreliance on a single customer. Sales to PKP Group, Poland's national railway holding company, accounted for 47.83% of the total revenue in 2024, with two major local government procurers – the West Pomeranian and Pomeranian Voivodeships – accounting for 13.21% each.

Such a structure indicates significant dependence on a few customers and makes Newag highly sensitive to any variations triggered by competitive bidding outcomes, budget shifts, and adjustments to delivery deadlines. In addition, Newag generates the bulk of its sales in Poland, which means demand for its services remains highly correlated with the public sector's investment cycle.

2) Inadequate Contract Price Indexation vs. Inflation in Material Costs (Margin Pressure)

Materials and energy represent Newag's single largest cost driver, equivalent to about 72% of total operating expenses. Newag's contracts with customers contain price adjustment clauses based on metrics by Statistics Poland (GUS), however, the adjustments are often subject to caps. Whenever the pace of increase in the prices of steel, copper, and electronic components exceeds these limits, this puts a squeeze on Newag's margins.

This risk has become particularly relevant in the current geopolitical environment, where an escalation of the conflict in the Middle East, most notably the Strait of Hormuz crisis, could materially affect prices of crude oil, industrial commodities, and electronic components. In long-term fixed-price contracts, Newag's ability to pass on cost increases to customers remains limited, and indexation clauses may prove insufficient in a scenario of sustained inflationary pressure. A 1pp increase in material costs translates into ca. PLN 10.7m of potential downside to operating profit.

3) Liquidity and Working Capital Cycle Risk, Homologation Delays

The operating model used by the rolling stock industry, which spans pre-sales, production, technical inspections, and homologation, entails a time lag between when a product is manufactured and when it is paid for. The homologation process, identified by management as a key source of delays, increases pressure on liquidity. This risk becomes particularly relevant in years with a high concentration of planned deliveries – such as 2026 and 2028 – when potential homologation delays could materially affect revenue recognition.

4) Delivery, Warranty and Contractual Risks

The advanced technology used in Newag's products gives rise to risk of claims for damages due to defects and repair costs, as well as late fines. This risk increases in line with the scale and complexity of the portfolio – as Newag moves into new product categories (hybrid EMUs, potential participation in the HSR project), tolerance for defects declines, while potential contractual penalties may materially burden results.

5) Supply Chain and Long-Term Components

Armed conflicts, including both the ongoing war in Ukraine and the escalating tensions in the Middle East, pose a risk of disruptions to the supply of key components, including traction drives, electronics, and semiconductors. In an industry with long lead times, these factors may lead to shifts in production schedules and generate additional costs related to reorganising operations and shortening delivery deadlines.

6) Dependence of Demand on Public Funding (RRF/FENIKS/CEUPT) and Missed Deadline Risk

A significant portion of Newag's future pipeline depends on the availability and timely launch of EU funding calls. Delays in CEUPT tenders, changes in expenditure eligibility or shifts in RRF disbursement schedules may materially slow the pace of securing and executing new orders – particularly in the regional EMU segment, where public funding is a prerequisite for most proceedings.

7) Labor Market and Wage Pressure

Newag is observing a limited supply of skilled labour. In 2025, the Company's labour costs amounted to PLN 262m. A 10% wage increase without a corresponding price pass-through would imply a burden of ca. PLN 26m, or around 5% of 2025 EBITDA. The risk also extends to project timelines amid staff turnover and skills gaps, particularly relevant when executing a large number of contracts in parallel.

8) Reputational and Compliance Risk

The lawsuits filed by Newag in 2024 against the rail vehicle maintenance provider, Serwis Pojazdów Szynowych (SPS), and the Dragon Sector hacker group, concerning unauthorized software tampering, remain at an early procedural stage. Management assesses the legal and reputational risks as moderate; to date, no customers have filed claims related to alleged service restrictions or lost contracts.

In our view, the ongoing litigation could pose a reputational risk for Newag in future tender processes.

9) Technological and Regulatory Risk (TSI, ETCS, EU Taxonomy)

New EU regulations require the use of ERTMS/ETCS systems, low-emission solutions, and compliance with taxonomy criteria. Failure to adapt designs to changing requirements can give rise to risk of exclusion from certain tender procedures. Additionally, there is technological pressure from competitors offering battery and hydrogen-powered trains, whereas Newag is only beginning to develop its portfolio.

10) Structural Risks from Entering the HSR Market

Newag is entering the high-speed rail segment for the first time, acting as a junior partner. The HSR market is characterised by significantly more demanding technical requirements, a longer production cycle (36-42 months from contract award), and a different execution risk profile compared with Newag's existing sales mix.

Potential technical challenges, homologation delays or changes in the consortium terms with Siemens Mobility could materially affect the timing and value of revenues forecast from this segment in 2030-2032.

Valuation

Newag's valuation is derived entirely from a discounted cash flow (DCF) model, with no contribution from peer-based multiples due to limited comparability. Our 12-month per-share price target comes to PLN 133.00.

We have assigned a 0% weight to the comparative method because the business structure of the comparable companies differs significantly from Newag's. Peer companies operate in broader, more diversified markets, while Newag remains focused on domestic public-sector contracts. Moreover, the limited comparability of financial metrics supports exclusive reliance on the DCF approach.

Valuation Summary

	Weight	Price (PLN)
Relative Valuation	0%	135.0
DCF Analysis	100%	121.7
	price	122.0
	12M Target Price	133.0

Source: mBank

Relative Valuation

Due to the absence of directly comparable listed peers in the domestic market, Newag's valuation metrics are benchmarked against global rail sector companies. The valuation incorporates P/E and EV/EBITDA multiples as reference metrics.

Multiples Comparison

Company	Country	MCap (USDm)	P/E			EV/EBITDA			PEG
			26E	27E	28E	26E	27E	28E	
ALSTOM	FR	12,263	11.1	9.4	8.3	5.0	4.5	4.0	0.5
STADLER RAIL AG	SZ	2,424	13.2	10.7	9.7	7.0	6.0	5.2	0.4
CONSTRUCC Y AUX DE FERROCARR	SP	2,054	11.6	10.3	9.4	5.8	5.1	4.7	0.5
TALGO SA	SP	406	-	29.0	19.3	11.8	9.7	8.5	n.a.
WABTEC CORP	US	34,120	25.3	22.2	19.8	17.4	15.6	14.1	1.6
GREENBRIER COMPANIES INC	US	1,298	15.9	12.3	9.4	-	-	-	3.2
KNORR-BREMSE AG	GE	15,591	22.4	19.0	17.2	11.8	10.2	9.3	1.7
HYUNDAI ROTEM COMPANY	SK	14,832	24.8	17.1	13.4	17.1	11.4	8.7	0.5
Minimum			11.1	9.4	8.3	5.0	4.5	4.0	0.4
Maximum			25.3	29.0	19.8	17.4	15.6	14.1	3.2
Median			15.9	14.7	11.6	11.8	9.7	8.5	0.5
Newag			10.0	10.5	13.0	7.1	7.4	9.0	0.2
Premium / discount			-37%	-28%	12%	-39%	-24%	5%	

Implied valuation of Auto Partner

Median	15.9	14.7	11.6	11.8	9.7	8.5	0.5
Premium / discount	0%	0%	0%	0%	0%	0%	100%
Multiple weight		50%		50%			
Year weight	33%	33%	33%	33%	33%	33%	33%

Equity value per share (PLN)

134.7

Source: mBank

DCF Valuation

DCF model assumptions:

- The DCF valuation is based on free cash flow projection for the 2026-2035 period.
- Risk-free rate in the terminal period = 4.5%, beta=1.0x.
- We assume that FCF after 2034 will grow at an annual rate of 3.00%.
- We include an equity risk premium of 5.25%.

DCF Model

(PLN m)	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E	2033E	2033E	+
Revenue	2,824	2,885	2,870	3,331	3,163	2,714	2,792	2,864	2,996	3,260	3,085
change	18.3%	2.2%	-0.5%	16.1%	-5.1%	-14.2%	2.9%	2.6%	4.6%	8.8%	3.0%
EBITDA	656	624	518	669	611	480	499	517	555	638	557
EBITDA margin	23.2%	21.6%	18.0%	20.1%	19.3%	17.7%	17.9%	18.1%	18.5%	19.6%	18.1%
D&A	53	55	57	58	59	61	62	63	63	64	63
EBIT	603	569	461	611	551	420	437	454	492	573	494
EBIT margin	21.3%	19.7%	16.1%	18.3%	17.4%	15.5%	15.7%	15.9%	16.4%	17.6%	16.0%
Tax on EBIT	115	108	88	116	105	80	83	86	93	109	94
NOPLAT	717	677	549	727	656	500	520	541	585	682	587
CAPEX	-70	-70	-70	-70	-70	-70	-70	-70	-70	-70	-63
Working capital	-571	-77	-124	-323	-72	87	-124	-168	-212	-313	0
FCF	-100	369	236	160	365	417	222	193	180	146	400
WACC	7.8%	8.7%	8.9%	9.3%	9.5%	9.5%	10.0%	9.9%	10.1%	10.4%	8.2%
Discount factor	1.0	0.9	0.8	0.8	0.7	0.6	0.6	0.5	0.5	0.4	
PV FCF	-99.9	339.6	199.4	123.9	257.5	269.3	130.4	102.9	87.1	63.9	
WACC	7.8%	8.7%	8.9%	9.3%	9.5%	9.5%	10.0%	9.9%	10.1%	10.4%	8.2%
Cost of debt	4.7%	5.7%	6.0%	6.5%	6.8%	6.8%	7.4%	7.3%	7.6%	7.9%	5.5%
Risk-free rate	3.7%	4.7%	5.0%	5.5%	5.8%	5.8%	6.4%	6.3%	6.6%	6.9%	4.5%
Risk premium	5.3%	5.3%	5.3%	5.3%	5.3%	5.3%	5.3%	5.3%	5.3%	5.3%	5.3%
Effective tax rate	19.0%	19.0%	19.0%	19.0%	19.0%	19.0%	19.0%	19.0%	19.0%	19.0%	19.0%
Net debt / EV	23.8%	24.7%	25.6%	26.5%	27.3%	28.2%	29.1%	30.0%	30.0%	30.0%	30.0%
Cost of equity	9.0%	10.0%	10.3%	10.8%	11.0%	11.0%	11.7%	11.6%	11.8%	12.2%	9.8%
Risk premium	5.3%	5.3%	5.3%	5.3%	5.3%	5.3%	5.3%	5.3%	5.3%	5.3%	5.3%
Beta	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0

FCF growth after the forecast period (g)	3.0%
Terminal value	7,747.0
Present value of terminal value	3,400.1
Present value of FCF in the forecast period	1,474.0
Enterprise value	4,874.1
Net debt	-150.1
Minority interests	0.7
Equity value	5,023.4
Shares outst. (millions)	45.0
Equity value per share (PLN)	111.6
12M cost of equity	9.0%
Target price (PLN)	121.7
EV/EBITDA ('26) at target price	8.1
P/E ('26) at target price	11.4
TV/EV	69.8%

Source: mBank

Sensitivity Analysis

	FCF growth in perpetuity				
	1.0%	2.0%	3.0%	4.0%	5.0%
WACC +1.0 p.p.	90.4	98.1	108.3	122.5	143.4
WACC +0.5 p.p.	93.7	102.5	114.4	131.4	157.7
WACC	97.5	107.6	121.7	142.5	176.4
WACC -0.5 p.p.	101.9	113.7	130.5	156.5	202.1
WACC -1.0 p.p.	107.0	120.9	141.5	175.1	239.8

Forecasts of 2026 Q1 Financial Results

Newag will release 2026 Q1 results on Friday, May 22, 2026.

We expect another quarter of solid performance, with revenue projected at PLN 471m (+26% Y/Y) assuming delivery of 12 locomotives and four EMUs in the quarter.

In our view, recurring production and a high number of locomotive deliveries will support profitability in Q1'26, resulting in a stable EBITDA margin close to 21% and EBITDA of PLN 100.7m.

- **Sales:** We expect Q1'26 revenue to reach PLN 471m (+26% y/y), supported by a consistently solid order backlog and timely execution of key rolling stock contracts. Deliveries during the quarter remained diversified across the locomotive and EMU segments.
- **Deliveries.** Based on our assumptions and disclosed delivery schedules, Newag is set to deliver a record number of

locomotives in 2026, with these remaining the highest-margin products in its portfolio. Additionally, given the historical pattern of sequentially increasing delivery volumes, we assume that Newag will fulfill around 20% of our 2026 full year locomotive volume forecast in the first quarter.

We expect the following deliveries in Q1'26:

- **12 locomotives**, and
- **4 Electric Multiple Units (EMU).**
- **Margin:** We expect Newag to maintain EBITDA margin at ~21% in Q1'26, supported by recurring production and a more locomotive deliveries.
- **EBITDA** for Q1'26 is estimated at PLN 100.7m (+24% Y/Y).

Net profit is projected at PLN 67.5m (+29% Y/Y).

Forecast of 2026 Q1 Results

(PLN m)	3Q24	4Q24	1Q25	2Q25	3Q25	4Q25	1Q26E	Y/Y	Q/Q	2026E	%YTD
Sales	565.0	449.1	374.6	474.6	924.9	612.3	471.4	26%	-23%	2,823.5	17%
Gross profit	93.0	103.1	107.6	131.2	246.0	193.1	121.9	13%	-37%	834.6	15%
Gross margin	16%	23%	29%	28%	27%	32%	26%			30%	
Profit on sales	58.4	64.5	67.7	88.9	203.2	137.0	88.9	31%	-35%	608.7	15%
EBIT	59.6	44.2	67.0	87.9	196.7	89.0	86.9	30%	-2%	602.7	14%
EBIT margin	11%	10%	18%	19%	21%	15%	18%			21%	
EBITDA	72.3	58.0	81.2	102.2	211.5	103.9	100.7	24%	-3%	656.0	15%
EBITDA margin	13%	13%	22%	22%	23%	17%	21%			23%	
Profit before tax	56.4	41.8	65.9	84.3	192.2	89.3	83.5	27%	-6%	593.9	14%
Net profit	45.0	30.1	52.5	76.7	153.3	73.5	67.5	29%	-8%	480.5	14%

Source: Newag, E – mBank estimates

P&L							Cash Flow						
(PLN m)	2023	2024	2025	2026E	2027E	2028E	(PLN m)	2023	2024	2025	2026E	2027E	2028E
Revenue	1,231	1,589	2,386	2,824	2,885	2,870	Oper. CF	694	-11	473	-37	437	305
Gross profit	263	336	678	835	806	697	D&A	44	50	58	53	55	57
Margin	21%	21%	28%	30%	28%	24%	Working capital	-616	235	-11	571	77	124
SG&A	119	141	181	226	231	230	Investing CF	-27	-52	-28	-70	-70	-70
EBITDA	186	211	499	656	624	518	CAPEX	-33	-68	-46	-70	-70	-70
Margin	15%	13%	21%	23%	22%	18%	Financing CF	-230	-153	-136	-46	-358	-237
D&A	44	50	58	53	55	57	Dividend	0	-43	-90	-214	-288	-275
EBIT	142	160	441	603	569	461	CF	438	-216	309	-153	9	-2
Margin	12%	10%	18%	21%	20%	16%	OCF/EBITDA	373.1%	-5.3%	94.8%	-5.7%	70.1%	58.9%
Net financing costs	-29	-10	-9	-9	-2	-1	FCFF	661.8	-79.2	426.8	-107.1	367.4	235.0
Pre-tax profit	113	150	432	594	567	460	FCFF/EV	14.5%	-1.7%	9.8%	-2.3%	8.0%	5.1%
Tax rate	16%	18%	17%	19%	19%	19%	FCFE	633.0	-89.2	418.0	-115.9	365.5	233.9
Minority interests	-0.1	0.6	0.6	0.6	0.6	0.6	FCFE/MCAP	13.1%	-1.8%	8.7%	-2.4%	7.6%	4.8%
Net profit	95	122	356	480	459	372	ROIC	2.6%	2.8%	8.3%	10.4%	10.0%	8.0%
							ROCE	15.9%	16.4%	38.8%	41.6%	33.5%	25.3%
							DPS	0.0	1.0	2.0	4.7	6.4	6.1
							Div. Payout Ratio	0.0%	45.4%	73.6%	60.0%	60.0%	60.0%
							Yield	0.0%	0.9%	1.9%	4.5%	6.1%	5.8%

Balance Sheet							Key Ratios						
(PLN m)	2023	2024	2025	2026E	2027E	2028E	(PLN m)	2023	2024	2025	2026E	2027E	2028E
Fixed assets	541	557	557	573	588	602	P/E	50.7	39.5	13.6	10.8	11.7	13.3
PP&E	431	450	449	466	481	494	EV/EBITDA	24.5	22.3	8.8	7.7	8.2	9.3
Intangible assets	5	21	17	17	17	17	P/S	3.9	3.0	2.0	1.7	1.7	1.7
Other	105	86	91	91	91	91	P/BV	0.2	0.2	0.2	0.3	0.3	0.3
Current assets	1,190	1,176	1,549	1,835	1,962	2,038	P/CF	11.0	-	15.6	-	522.9	-
Inventory	493	612	720	706	765	804	P/FCFE	7.6	-	11.5	-	15.1	21.5
Accounts receivable	168	254	251	706	765	804	EBITDA margin	15.1%	13.3%	20.9%	21.7%	19.6%	17.6%
Cash	484	267	577	424	433	431	YoY % EBITDA change	91.3%	13.3%	136.6%	23.1%	-7.7%	-10.6%
Other	46	43	0	0	0	0	Net margin	7.7%	7.7%	14.9%	15.8%	14.3%	12.6%
Equity	802	881	1,147	1,380	1,525	1,641	EPS Y/Y % change	318.2%	28.4%	191.2%	25.4%	-7.7%	-11.9%
Minority interests	0	1	1	2	3	3	Price (PLN)	107	107	107	107	107	107
Noncurrent liab.	141	127	115	243	215	228	Shares outst. (m)	45.00	45.00	45.00	45.00	45.00	45.00
Loans and borrowings	3	6	6	203	175	187	mCap	4,824	4,824	4,824	4,824	4,824	4,824
Other	138	121	109	41	41	41	EV	4,556	4,697	4,365	4,720	4,667	4,688
Current liab.	788	725	843	785	810	771							
Loans and borrowings	107	36	36	116	100	107							
Trade payables	580	550	668	536	577	531							
Other	100	139	139	132	132	132							
Net debt	-268	-127	-459	-104	-157	-136							
Net debt / EBITDA	-6.1	-2.5	-7.9	-2.0	-2.9	-2.4							

Source: Newag, E- mBank estimates

List of abbreviations and ratios used by mBank:

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 / (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

OVERWEIGHT (OW) – a rating which indicates that we expect a stock to outperform the broad market

NEUTRAL (N) – a rating which indicates that we expect the stock to perform in line with the broad market

UNDERWEIGHT (UW) – a rating which indicates that we expect the stock to underperform the broad market

Recommendations of Biuro maklerskie mBanku:

A recommendation is valid for a period of 12 months, unless a subsequent recommendation is issued in this period. Expected returns from individual recommendations are as follows:

BUY – we expect that the rate of return from an investment will be at least 10%

HOLD – we expect that the rate of return from an investment will range from 0% to +10%

SELL – we expect that an investment will bear a loss

The foregoing principle may be waived where circumstances warrant, including but not limited to periods of increased share price volatility experienced by the company that is the subject of a recommendation immediately preceding the time the recommendation is issued.

Recommendations are updated at least once every twelve months.

mBank S.A. with its registered office in Warsaw at Prosta 18 renders brokerage services via a dedicated organisational unit, the Brokerage Bureau, which uses the Polish name Biuro maklerskie mBanku.

mBank S.A. as part of the Exchange's Analytical Coverage Support Programme ("Programme", <https://www.gpw.pl/eacsp>) prepares analytical reports for Auto Partner S.A, Cyber_Folks S.A, Newag S.A. These documents are prepared at the request of Giełda Papierów Wartościowych w Warszawie S.A. ("WSE"), which is entitled to copyrights to these materials. mBank S.A. receives remuneration from the WSE for the preparation of the reports. All documents prepared for the Programme are available at: https://www.mdm.pl/ui-pub/site/market_and_analysis/analysis_and_recommendations/analytical_coverage_support_programme

This document has been created and published by Biuro maklerskie mBanku. This report expresses the knowledge as well as opinions of the authors on day the report was prepared. The opinions and estimates contained herein constitute our best judgment at this date and time, and are subject to change without notice. This report was prepared with due care and attention, observing principles of methodological correctness and objectivity, on the basis of sources available to the public, which Biuro maklerskie mBanku considers reliable, including information published by issuers, shares of which are subject to recommendations. However, Biuro maklerskie mBanku, in no case, guarantees the accuracy and completeness of the report, in particular should sources on the basis of which the report was prepared prove to be inaccurate, incomplete or not fully consistent with the facts. mBank S.A. bears no responsibility for investment decisions taken on the basis of this report or for any damages incurred as a result of investment decisions taken on the basis of this report.

This document does not constitute an offer or invitation to subscribe for or purchase any financial instruments and neither this document nor anything contained herein shall form the basis of any contract or commitment whatsoever. It is being furnished to you solely for your information and may not be reproduced or redistributed to any other person. This document does not constitute investment, legal, accounting or other advice, and mBank is not liable for damages resulting from or related to the use of data provided in the documents. This document may not be copied, duplicated and/or be directly or indirectly distributed in the United States, Canada, Australia or Japan, nor transferred to citizens or residents of a state where its distribution may be legally restricted, which does not limit the possibility of publishing materials prepared for the Programme on Auto Partner S.A, Cyber_Folks S.A, Newag S.A, mBank or WSE websites. Persons who disseminate this document should be aware of the need to comply with such restrictions.

Recommendations are based on essential data from the entire history of a company being the subject of a recommendation, with particular emphasis on the period since the previous recommendation.

Investing in shares is connected with a number of risks including, but not limited to, the macroeconomic situation of the country, changes in legal regulations as well as changes on commodity markets. Full elimination of these risks is virtually impossible.

It is possible that mBank S.A. in its brokerage activity renders, will render or in the past has rendered services for companies and other entities mentioned in this report.

BM, as a separate organisational unit of the Bank, may buy or sell (or may have bought or sold in the past) the financial instruments discussed herein in the name and on behalf of clients subject to powers of attorney granted by the clients.

mTFI may hold (or may have held in the past) positions in the financial instruments discussed herein, or in related instruments, held in the investment portfolios of funds operated or managed by mTFI.

The Bank may hold (or may have held in the past) positions in the financial instruments discussed herein, or in related instruments, held in the trading portfolios or banking portfolios managed by the Bank. The Bank and other members of the Bank's group of companies may hold (or may have held in the past) positions in the financial instruments discussed herein, or in related instruments, held in portfolios they manage.

mBank S.A. does not rule out offering brokerage services to an issuer of securities being the subject of a recommendation.

Biuro Maklerskie mBanku S.A. ("BM") has put in place internal regulations governing the active management of conflicts of interest, which establish internal organizational and administrative frameworks and information barrier protocols to prevent and avoid conflicts of interest in connection with recommendations. Different types of brokerage activities are separated from each other within BM's internal organizational structure, including the equity research department, which is separated from other brokerage activities. Information barriers, called "Chinese walls," have been created to restrict the exchange of information between different organizational units and employees of BM.

Information concerning a conflict of interest arising in connection with issuing a recommendation (should such a conflict exist) is located below.

The present report was not transferred to the issuer prior to its publication.

The Issuer is a client of mBank S.A.

The Issuer is a counterparty to mBank S.A.

mBank S.A. receives compensation from the Warsaw Stock Exchange for publishing equity research as part of the WSE's coverage support program.

The production of this recommendation was completed on May 14, 2026, 8:14 AM.

This recommendation was first disseminated on May 14, 2026, 8:57 AM.

mBank S.A., its shareholders and employees may hold long or short positions in the issuer's shares or other financial instruments related to the issuer's shares.

Copying or publishing this report, in full or in part, or disseminating in any way information contained in this report requires the prior written consent of mBank S.A.

Recommendations are addressed to all Clients of Biuro maklerskie mBanku.

All investment recommendations and strategies issued by mBank S.A. over the last 12 months are available at: <https://mdm.pl/bm/analizy>

The activity of mBank S.A. is subject to the supervision of the Polish Financial Supervision Commission.

Individuals who did not participate in the preparation of recommendations, but had or could have had access to recommendations prior to their publication, are employees of Biuro maklerskie mBanku authorised to access the premises in which recommendations are prepared and/or individuals having to access to recommendations based on their corporate roles, other than the analysts mentioned as the authors of these recommendations.

This publication constitutes investment research in the meaning of Art. 36.1 of Commission Delegated Regulation (EU) 2017/565.

The compensation of the research analysts responsible for preparing investment research is determined independently of and without regard to the compensation of or revenue generated by any other employee of the Bank, including but not limited to any employee whose business interests may reasonably be considered to conflict with the interests of the persons to whom the investment research prepared by the Research Department of Biuro maklerskie mBanku is disseminated. With that being said, since one of the factors taken into consideration when determining the compensation of research analysts is the degree of fulfillment of annual financial targets by customer service functions, there is a risk that the adequacy of compensation offered to persons preparing investment research will be questioned by a competent oversight body.

For U.S. persons only: This research report is a product of mBank SA which is the employer of the research analyst(s) who has prepared the research report. The research analyst(s) preparing the research report is/are resident outside the United States (U.S.) and are not associated persons of any U.S. regulated broker-dealer and therefore the analyst(s) is/are not subject to supervision by a U.S. broker-dealer, and is/are not required to satisfy the regulatory licensing requirements of FINRA or required to otherwise comply with U.S. rules or regulations regarding, among other things, communications with a subject company, public appearances and trading securities held by a research analyst account.

This report is intended for distribution by mBank SA only to "Major Institutional Investors" as defined by Rule 15a-6(b)(4) of the U.S. Securities and Exchange Act, 1934 (the Exchange Act) and interpretations thereof by U.S. Securities and Exchange Commission (SEC) in reliance on Rule 15a 6(a)(2). If the recipient of this report is not a Major Institutional Investor as specified above, then it should not act upon this report and return the same to the sender. Further, this report may not be copied, duplicated and/or transmitted onward to any U.S. person, which is not the Major Institutional Investor.

In reliance on the exemption from registration provided by Rule 15a-6 of the Exchange Act and interpretations thereof by the SEC in order to conduct certain business with Major Institutional Investors, mBank SA has entered into an agreement with a U.S. registered broker-dealer, Cabrera Capital Markets, ("Cabrera"). Transactions in securities discussed in this research report should be effected through Cabrera or another U.S. registered broker dealer.

Strong and weak points of valuation methods used in recommendations:

DCF – acknowledged as the most methodologically correct method of valuation; it consists in discounting financial flows generated by a company; its weak point is the significant susceptibility to a change of forecast assumptions in the model.

Relative – based on a comparison of valuation multipliers of companies from a given sector; simple in construction, reflects the current state of the market better than DCF; weak points include substantial variability (fluctuations together with market indices) as well as difficulty in the selection of the group of comparable companies.

Economic profits – discounting of future economic profits; the weak point is high sensitivity to changes in the assumptions made in the valuation model.

Discounted Dividends (DDM) – discounting of future dividends; the weak point is high sensitivity to changes in the assumptions as to future dividends made in the valuation model.

NAV – valuation based on equity value, one of the most frequently used method in case of developing companies; the weak point of the method is that it does not factor in future changes in revenue/profits of a company.

mBank issued the following recommendations for Newag in the 12 months prior to this publication:

Newag (Marlen Jakub Sargsyan)

Rating	buy	buy
Rating date	2025-11-19	2025-09-19
Target price (PLN)	115,00	98,00
Price on rating day	97,10	83,00

mBank S.A.

Prosta 18
00-850 Warszawa
<http://www.mbank.pl/>

Research Department

Beata Szparaga-Waśniewska, CFA
director
+48 510 929 021
beata.szparaga-wasniewska@mbank.pl
biotechnology, healthcare

Filip Osadczyk
+48 789 773 565
filip.osadczyk@mbank.pl
oil & gas, utilities

Janusz Pięta
+48 506 065 659
janusz.pieta@mbank.pl
retail, e-commerce

Paweł Szpigiel
+48 509 603 258
pawel.szpigiel@mbank.pl
media, IT, telco, e-commerce

Mikołaj Lemańczyk, CFA
+48 501 663 511
mikolaj.lemanczyk@mbank.pl
banks, financials, property developers

Marlen Jakub Sargsyan
+48 519 419 895
marlen.sargsyan@mbank.pl
industrials, mining

Michał Konarski
+48 515 025 640
michal.konarski@mbank.pl
banks, financials

Piotr Poniatowski
+48 509 603 046
piotr.poniatowski@mbank.pl
gaming, leisure

Paweł Rudowski
+48 696 192 931
pawel.rudowski@mbank.pl
construction, defence

Sales and Trading**Traders**

Paweł Cyłkowski
deputy director
+48 503 684 130 | +48 22 697 47 31
pawel.cylkowski@mbank.pl

Krzysztof Grabiński
+48 509 602 984 | +48 22 697 47 89
krzysztof.grabinski@mbank.pl

Łukasz Płaska
+48 784 449 962 | +48 22 697 47 90
lukasz.plaska@mbank.pl

Piotr Brożyna
+48 512 756 702 | +48 22 697 48 47
piotr.brozyna@mbank.pl

Patryk Gniadek
+48 505 116 638 | +48 22 697 48 82
patryk.gniadek@mbank.pl

Andrzej Kowalczyk
+48 789 868 634 | +48 22 697 47 44
andrzej.kowalczyk@mbank.pl

Andrzej Sychowski
+48 605 848 003 | +48 22 697 48 46
andrzej.sychowski@mbank.pl

Sales, Foreign Markets

Marzena Łempicka-Wilim
deputy director
+48 696 427 249
marzena.lempicka-wilim@mbank.pl

Private Client Sales

Maciej Sokółowski
director
maciej.sokolowski@mbank.pl

Jarosław Banasiak
deputy director
jaroslaw.banasiak@mbank.pl