

Monday, 20 April 2026 | special comments

(+) Newag: 2025 Q4 Preliminary Results

Recommendation: buy | target price: PLN 115.00 | current price: PLN 120.00

NWG PW; NWGP.WA | Industrials, Poland

Analyst: Marlen Jakub Sargsyan +48 519 419 895

Newag released preliminary 2025 Q4 results after markets closed on Friday, April 17, 2026. The full results will be published on Friday, April 24.

Newag delivered strong growth across the board in Q4'25, with EBITDA up 118% year-over-year at PLN 126.5m – a result in line with market expectations and only 4% below our estimate.

- **Sales** in Q4'25 totaled PLN 612.5m (+36% y/y), in line with our estimate and 3% ahead of consensus.
- **EBITDA** posted a year-over-year rebound of 118% at PLN 126.5m falling in line with market expectations and 4% short of our forecast; at the same time, Newag delivered FY2025E EBITDA at 108% of our full-year forecast, which we view as a bullish signal.
- **Net profit** posted a small negative surprise, coming in at PLN 74m versus the market consensus of PLN 89m and our estimate of PLN 93m. Nevertheless, owing to a robust 3Q25, the FY2025 full-year result will most likely reach 105% of our current forecast – a positive outcome.
- Newag posted strong revenue growth in Q4'25, driven by timely contract execution, supported by a consistently growing backlog, ensuring a sustainable and predictable production base and high capacity utilization.
- This was accompanied by gross margin expansion fueled by a fast-paced rise in sales volumes, a favorable revenue mix, dominated by electric locomotives, and lower-than-expected costs of materials and components. As additional boost in Q4'25 was provided by a favorable EUR/PLN exchange rate vis-à-vis conservative forecasts built into contracts.
- Full operating leverage utilization: higher sales volumes above the break-even point translated into a meaningful increase in operating profit, with incremental margin above break-even flowing directly into EBIT.
- Newag incurred a loss of PLN 22.3m on financing activity in Q4'25, mainly due to arise in interest expenses following a transfer of PKP Cargo receivables to NEWAG Lease.
- Other operating activity generated a one-time net loss of PLN 25.3m in the quarter, stemming primarily from inventory write-downs and provisioning.
- SG&A expenses increased in Q4'25, underpinned by the recognition of employee bonus reserves coupled with increased hiring and payroll. However, costs in the period increased at a slower pace than revenues, confirming Newag achieves economies of scale.
- We have a positive view on Newag's 2025 Q4 performance, showing strong growth across the P&L. The company's cumulative EBITDA and net profit for the four quarters of 2025 exceeded our full-year forecasts by 8% and 5%, respectively, which we view as a positive signal. EBITDA margin as well exceeded expectations at close to 22% vs. our 20.2% average estimate for FY2025. Newag did not disclose detailed volume data in its Q4'25 earnings preview but, based on reported financial data, we expect that the volume delivered in the quarter was in line with our expectations for 9 locomotives and 10 EMUs.

2025 Q4 preliminary financial results of Newag

(PLN m)	1Q24	2Q24	3Q24	4Q24	1Q25	2Q25	3Q25	4Q25	Y/Y	4Q25E	differ.	Consensus	differ.
Revenue	223.4	352.0	565.0	449.1	374.6	474.6	924.9	612.5	36%	631.0	-3%	595.5	3%
EBITDA	24.5	55.6	72.3	58.0	81.2	102.2	211.5	126.5	118%	132.4	-4%	127.2	-1%
margin	11.0%	15.8%	12.8%	12.9%	21.7%	21.5%	22.9%	20.7%	-	21.0%	-	21.4%	-
EBIT	12.9	43.3	59.6	44.2	67.0	87.9	196.7	-	-	118.2	-	112.7	-
Net profit	14.7	32.0	45.0	30.1	52.5	76.7	153.3	74.0	146%	92.9	-20%	88.6	-16%

Source: Newag, E – estimates by mBank

List of abbreviations and ratios contained in the report:

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

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

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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 Osadczuk
+48 789 773 565
filip.osadczuk@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