

Monday, 10 November 2025 | special comments

(+) Newag: Preliminary 2025 Q3 Results

Recommendation: buy | target price: PLN 98.00 | current price: PLN 94.00

NWG PW; NWGP.WA | Industrials, Poland

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Newag released preliminary Q3 2025 results after market close on Friday, November 7. Full financials are scheduled for publication on Friday, November 14, 2025.

The preliminary figures indicate a record-breaking quarter, with all key P&L metrics reaching all-time highs. Q3'25 EBITDA came in at PLN 167m, marking a 130% y/y increase and exceeding our forecast of PLN 89m by 88%.

- **Sales** reached PLN 925m in Q3'25 (+64% y/y), exceeding our PLN 429m forecast by an impressive 116%.
- **EBITDA** hit a record quarterly high at PLN 167m (+130% y/y), surpassing our PLN 89m estimate by a remarkable 88%.
- **Net profit** also exceeded expectations, coming in at PLN 154m (+242% y/y), which is 169% above our PLN 57m projection.
- Sales growth in Q3'25 was driven by contract fulfilment, which propelled year-to-date (9M'25) revenue to the highest level the Company's in history.
- Gross margin in 9M'25 expanded by 6.9 p.p. to 27.3%, supported by higher production volumes, efficient use of resources and lower-than-expected cost pressures.
- A favorable EUR/PLN exchange rate contributed to cost savings, enabled by a higher share of purchases denominated in euros and conservative budget assumptions.
- SG&A expenses amounted to PLN 42m in Q3'25, up 25%, primarily due to increased headcount. However, revenue growth outpaced the rise in costs, contributing positively to the operating margin.
- Newag reported a PLN 4.5m loss on financing activity in Q3'25, despite a PLN 0.7m y/y reduction in interest expenses.
- In summary, Newag's outstanding Q3'25 performance supports our positive outlook. The preliminary figures significantly exceed our expectations at both the top and bottom lines, highlighting an exceptionally strong operating quarter. The scale of quarterly revenue suggests that Newag delivered substantially more EMUs in Q3'25 than anticipated, potentially closing the gap left after 2Q25, when only 3 of the planned 36 units (12%) had been delivered.
- At the same time, an EBITDA margin of 18% may reflect a lower share of high-margin locomotives and a higher share of EMUs. Had the locomotive share been higher, the EBITDA margin would have likely exceeded 20%. For reference, locomotive deliveries after 1H25 accounted for 69% of the full-year target.

Preliminary 2025 Q3 Results of Newag

(PLN m)	1Q24	2Q24	3Q24	4Q24	1Q25	2Q25	3Q25	Y/Y	3Q25E	diff.
Revenue	223.4	352.0	565.0	449.1	374.6	474.6	924.9	64%	428.5	116%
EBITDA	24.5	55.6	72.3	58.0	81.2	102.2	166.5	130%	88.5	88%
EBIT	12.9	43.3	59.6	44.2	67.0	87.9	-	-	74.3	-
Net profit	14.7	32.0	45.0	30.1	52.5	76.7	153.9	242%	57.1	169%

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 x (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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