

Thursday, 30 October 2025 | update

XTB: buy (upgraded)

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Not as bad as 3Q'25 results

We raise our TP to PLN 87.00 and we upgrade XTB to 'Buy,' despite weak 3Q performance.

The main trigger behind the upgrade is higher assumed profitability per lot in terminal, raised from 220 to 250 PLN. Management indicated that 3Q profitability was a rare event, so we use the 1H average as a benchmark, assuming very strong and weak quarters cancel each other out over time. We also incorporated the CEO's estimate of a 50% rise in 2026 marketing costs (+40-60% range, vs. ~30% before). Considering slight client acquisition outperformance in 2025, we revise our 2026-2027 net profit positively but still we are below consensus by 17%/34%/48% for years 2025/26/27.

Long-term assumptions on client activity remain unchanged. CAGR of active clients between 3Q'23 and 3Q'25 reached an impressive 103%, but traded lots grew only 12%, reinforcing our January view that client activity is diluting.

We do not include cryptocurrencies or options in current estimates due to uncertainty around timing and market penetration. Cryptos are already offered by competitors, and it is unclear whether interested clients will transfer their coins to XTB. Options appear more complex than equities and ETFs and may not be suitable for mass-market clients – though upside remains possible.

In conclusion, despite disappointing 3Q'25 results, XTB's consistently growing client base creates potential for strong performance during periods of supportive market conditions. To illustrate, had market conditions in 3Q'25 resembled those in 1Q'24, net profit for the quarter could have reached PLN 450m instead of the PLN 50m actually posted.

Sensitivity to Client Activity

One of the key variables in our understanding of XTB's future results is client activity. We assume the declining trend will continue, which significantly impacts net profit forecasts. However, if we are wrong and activity in the coming years remains at levels comparable to 2025, this could prompt upward revisions to our 2026 and 2027 net profit estimates of 32% and 81%, respectively (reaching PLN 1.2bn).

Current Price*	65.60 PLN	Upside
12M Target Price	87.00 PLN	+32.6%

* Price as of October 29, 2025, 5:00 PM

		rating	target price	issued
new		buy	87.00 PLN	2025-10-30
old		sell	74.00 PLN	2025-01-31
Key Metrics		XTB PW		vs. WIG
Ticker	XTB PW	1M Price Chng	-8.3%	-14.7%
ISIN	PLXTRDM00011	YTD Price Chng	+1.0%	-41.4%
Outst. Stock (m)	117.6	ADTV 1M	30.9 mln PLN	
MC (PLN m)	7,712.5	ADTV 6M	28.4 mln PLN	
EV (PLN m)	4,550.7	EV/EBITDA 12M fwd	4.6	+17.5%
Free Float	56.2%	EV/EBITDA 5Y avg	3.9	premium

Earnings Projections

(PLN m)	2023	2024	2025E	2026E	2027E
Revenue	1,586	1,873	2,121	2,484	2,588
EBITDA	911	998	865	844	759
EBITDA margin	57.4%	53.3%	40.8%	34.0%	29.3%
EBIT	894	990	856	834	759
Net income	791	859	678	711	652
P/E	9.7	9.0	11.4	10.8	11.8
P/B	4.4	3.8	3.8	3.4	3.3
EV/EBITDA	6.5	5.2	5.3	4.4	4.0
DPS	4.85	5.02	5.45	4.30	4.51
DYield	7.4%	7.7%	8.3%	6.6%	6.9%
Forecast Update (% change)			2025E	2026E	2027E
Revenue			+4.5%	+13.3%	+17.5%
EBIT			+6.4%	+17.1%	+47.4%
EBITDA			0.0%	-5.4%	+14.3%
Net income			-6.1%	+7.9%	+30.9%

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 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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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

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mBank issued the following recommendations for XTB in the 12 months prior to this publication:
XTB (Mikołaj Lemańczyk)

Rating	sell	buy
Rating date	2025-01-31	2024-12-02
Target price (PLN)	74.00	88.00
Price on rating day	75.62	70.82

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