

Czech defence conglomerate CSG becomes the most valuable company in Central Europe

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On 23 January, the Czech-based defence conglomerate Czechoslovak Group (CSG) made an exceptionally successful debut on the Euronext Amsterdam stock exchange. The company's market value surged by 30% to over €33 billion on the first day of trading, marking the strongest initial listing on this exchange in 25 years. This makes CSG the largest publicly listed Czech company, with a valuation approximately 18% higher than that of the previous leader, the energy group ČEZ. CSG has also become the most valuable company in Central Europe, surpassing Poland-based Orlen SA, whose market capitalisation stands at around €29 billion.

Floating approximately 15% of its shares on the stock exchange has enabled the group to raise funds for further expansion without the risk of losing control over the holding company. CSG's revenues soared from around €600 million in 2021 to €4 billion in 2024 and €4.5 billion in the first three quarters of 2025 alone, marking an 82% year-on-year increase. Roughly a quarter of these revenues is directly linked to supplies for the Ukrainian military – down from 43% in 2024, as orders from other directions have increased since then. Only 11% of the group's income comes from its Czech subsidiaries (for a detailed business profile and history, see Appendix below). In 2024, CSG's operating profit (EBITDA) reached €1.1 billion, a tenfold increase on the previous year. During the first nine months of 2025, the group recorded a further 79% year-on-year growth.

The growing prominence of CSG stems directly from its supply of ammunition, military equipment and repair services to the Ukrainian armed forces, particularly since 2022, when it began recording sharp annual increases in both revenue and operating profit.

Commentary

- **CSG has benefited from rising defence spending among NATO's member states and from the supply of weapons and military equipment to Ukraine.** It manufactures and imports munitions for the so-called ammunition initiative, through which the Czech Republic has coordinated the transfer of artillery shells to Ukraine. As of the end of last year, CSG accounted for 55-60% of the shells supplied under this project. After 20 months of operation, the total value of all deliveries made through the initiative reached €4-4.5 billion, with the profit margins of defence companies averaging around 10%. CSG has also fulfilled orders under other contracts for Ukraine, funded primarily by Western European countries – notably Germany, Denmark and the Netherlands – and by Ukraine

itself.

- **To support further growth, CSG should invest primarily in more innovative manufacturing.** Its management may also be considering a greater diversification of the group's operations. The fact it was listed on the Amsterdam stock exchange alone serves as a guarantee of transparency for its partners, strengthening its credibility in the context of potential investments in Western countries. The need to go public, especially on such a prestigious exchange as Euronext, was underscored by difficulties encountered in pursuing an acquisition in the United States: the \$1.91 billion purchase of the Kinetic Group faced prolonged opposition from a group of senators led by J.D. Vance before it was finalised in the autumn of 2024.
- **CSG is an example of a company whose growth has benefited from good relations with the governments in both the Czech Republic and Slovakia.** On the other hand, its close ties to the current centre-right opposition in Prague have limited its influence following a change of government in the Czech Republic in December 2025. The group gained significantly from the ammunition initiative: in the previous government of Petr Fiala (Civic Democratic Party, ODS), the key figure behind it was national security adviser Tomáš Pojar (2023-25), formerly a consultant to the company. The Czech media has reported on the tense relations between CSG's CEO Michal Strnad and the new Prime Minister Andrej Babiš, which reportedly bore an impact on Babiš's reluctance to continue the ammunition initiative. Ultimately, the Czech Republic will retain its coordinating role, but without contributing financially, while previously it had covered around 2% of the project's budget. In the past, the Strnad family financed the successful 2018 presidential campaign of Miloš Zeman, a political opponent of the centre-right. Since 2022, however, CSG has clearly focused on supplying Ukraine and NATO's member states, which now account for a combined 96% of its total revenue. In the Czech Republic, the company (through its subsidiaries Eldis Pardubice and Tatra Defence Vehicle) delivered 62 Titus armoured vehicles worth around €250 million in 2024. The same year, it also signed a €550 million framework agreement to supply the Czech Army with 872 Tatra Force off-road vehicles, with binding orders already placed for 280 of these.
- **CSG is the largest defence group based in the Czech Republic, but other Czech companies in this sector have also performed strongly in recent years.** Between 2021 and 2024, Colt CZ Group (formerly Česká zbrojovka), a firearms and ammunition manufacturer controlled by René Holeček (the country's 19th wealthiest individual), more than doubled both its revenue (to €920 million) and operating profit (EBITDA, to €190 million). 2025 was the most successful year in Hungarian-owned Aero Vodochody's history, with 14 L-39 Skyfox light trainer and combat aircraft delivered to customers, primarily Hungary. Revenues and profits have also soared at STV Group (owned by Martin Drda, the Czech Republic's 17th richest individual), the country's sole producer of large-calibre ammunition, and at Explosia, a state-owned manufacturer of explosives based in Pardubice.

Appendix: business profile and history of CSG

CSG comprises more than 100 companies that manufacture ammunition (this segment accounts for approximately 60% of the total revenue and includes the MSM Group, ZVS and VOP Nováky, among others), wheeled armoured vehicles (companies such as Tatra

Defence), land systems (Excalibur Army) and radars (Eldis). The group operates around 40 factories worldwide and employs more than 14,000 people. Its manufacturing and servicing activities are concentrated mainly in the Czech Republic, Slovakia, the United States and Italy. The holding company traces its origins to Excalibur Army, a firm founded in 1995 by Jaroslav Strnad, which initially specialised in the trade of used weapons and military equipment, including spare parts. A decade later, it purchased and subsequently renovated its first production hall near Pardubice, enabling the construction of a military equipment repair facility. In 2008, the company began its international expansion, starting with Slovakia, where its three subsidiaries established artillery ammunition factories that later became central to the country's ammunition initiative, gradually expanding their production capacity. In 2020, it completed its first acquisition in Western Europe (Spain), followed in subsequent years by other purchases in countries such as Italy. In 2024, it finalised a major acquisition in the United States, underscoring its global ambitions.

CSG has operated under its current name since 2016, two years after the Strnad family's companies were consolidated into a holding structure. The founder's son, 33-year-old Michal Strnad, has owned CSG since 2018. According to the daily Bloomberg Billionaires Index, he is currently the wealthiest individual in Central Europe and the 65th richest person in the world. As of 28 January, his fortune stood at \$37.7 billion, exceeding the combined wealth of Poland's ten richest individuals, according to Forbes.