

Rainbow Tours

Buy || TP PLN 155/sh

EBITDA in 2Q24 amounted to PLN 73.2mn (+48% y/y vs +14% to our and +9% to consensus).

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Rainbow Tours published its 2Q24 preliminary figures with following highlights (PLN mn):

- Revenues: 933mn (+32% y/y),
- EBITDA: 73.2mn (+48% y/y),
- Net profit: 57.3mn (+65% y/y).

and separate financial data:

- Revenues: 897mn (+30% y/y),
- EBITDA: 72mn (+62% y/y),
- Net profit: 56mn (+72% y/y).

Our view: POSITIVE

*At current valuation levels, we view the results as positive. The financial results are above our assumptions (+14%) and the market consensus (+9%). Compared to our last update, this 2Q24 EBITDA result is around 30% higher (73.2mn vs 56.6mn / +17mn). We have updated our 2Q24e results following better revenue results for May. Despite the high base of last year, the EBITDA margin improved to 7.8% (+0.8 pp y/y). After 1H24, this EBITDA result is up by almost +60% on revenue growth of +30% y/y. The level of the gross margin may have been slightly lower by around 0/-1pp. compared to the previous year. **Exchange rates and jet fuel remain favourable for the realisation of gross margin levels (vs tour price changes) in 3Q/4Q24.** Recently there has been a slight increase in tour prices towards the end of the holiday season. **As a result, our forecasts for this year are conservative (again) and we see room for upward revisions (net profit in 24e >200mn).** It is also worth noting that revenue growth in May-June was at a very good level and there are signs that revenue growth in 3Q24e could be higher than expected (3Q24e: +18% y/y). Moreover, the increase in the winter pre-sale offer is at a good level (+17% y/y).*

Preliminary 2Q24 results:

PLN mn	2Q23	3Q23	4Q23	1Q24	2Q24p	Y/Y	Q/Q	Pekao fcst	vs. Pekao fcst	consensus	vs. consensus	YTD'23	YTD'24	Y/Y
Revenues	709.1	1434.0	594.3	721.6	933.0	32%	29%	886.2	5%	910	3%	1265	1655	31%
Gross profit	121.8	266.6	71.1	120.7		-	-	143.0						
SG&A expenses	-77.1	-123.9	-68.2	-74.2		-	-	-87.0						
Net profit on sales	44.6	142.7	2.9	46.5		-	-	56.0						
EBITDA	49.6	146.4	10.3	55.0	73.2	48%	33%	64.3	14%	67.4	9%	80	128	60%
EBIT	43.2	142.6	4.9	46.0		-	-	54.8		60.8				
Net profit	34.7	111.9	8.1	39.0	57.3	65%	47%	45.2	27%	49.0	17%	53	96	82%
Valuation ratios														
EV/EBITDA (TTM)	3.9	1.5	1.2	2.6	4.7									
PE (TTM)	5.9	3.8	3.5	4.8	6.7									

Source: Company, Pekao Equity Research

Key financial data (PLN million):

PLN mn	2022	2023	2024e	2025e	2026e	2027e
Revenues	2393	3293	3908	4504	4970	5374
EBITDA IFRS 16	54	237	241	216	226	236
EBITDA IAS 17 ad	42	227	231	207	217	226
EBIT	33	215	219	192	200	207
Net income	21	173	181	158	162	168
EPS	1.5	11.9	12.4	10.9	11.1	11.5
FCF (%)	15%	39%	8.7%	6.5%	9.7%	10.1%
DY (%)*	1.5%	1.3%	7.8%	9.1%	7.9%	8.1%
P/E	14.1	3.1	8.2	9.4	9.2	8.8
EV/EBITDA	6.2	1.4	5.5	6.3	5.9	5.5

* ex-payment of advance in January 2024

NB: Historical multiples based on avg. prices. Source: Company, Pekao Brokerage Office

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