

Rainbow Tours

Buy || TP PLN 155/sh

EBITDA in 3Q24 amounted to PLN 216mn (+47% y/y vs +20% to our and +13% to consensus).

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Rainbow Tours published its 3Q24 figures with following highlights (PLN mn):

- Revenue: 1736mn (+21% y/y)
- Gross profit: 345mn (+29% y/y).
- Gross margin: 19.9% (+1.3 pp. y/y).
- SG&A costs: -135mn (+9% y/y). SG&A costs ratio: -7.7% (+0.9 pp. y/y).
- Net profit on sales: 211mn (+47% y/y).
- EBITDA: 216mn (+47% y/y).
- Financial costs: -6mn vs -2mn in last year.
- OCF: 149mn vs 118mn in last year.
- CAPEX: -19mn vs -6mn in last year.
- Deferred revenue: 383mn (+40% y/y).
- Net cash (PLN mn): 351mn.
- FCF (PLN mn): +128mn and +109mn in 3Q. FCF LTM: 88mn (FCF yield (%): .5.3%).
- Pre-sales of travel tours from the "Winter 2024/25" season offer (tours conducted in the months of November-March 2025) from the start of pre-sales to November 15, 2024 amounted to 121.739 people (+18.3% y/y).

Our view: POSITIVE

*At current valuation levels, our view of the results is positive. Results well above market assumptions and our. Gross margin levels significantly better than expected (+1.3 pp. y/y vs -0.5 pp. in model assumptions). The optimistic scenario regarding the impact of the FX rates and jet fuel costs on the realised gross margin level has materialised in the results. **As a result, this year's results will be very strong.** Given the results, which are well above our assumptions, and the outlook for 4Q24e, as well as pre-sales for the following periods, we see room for a significant upward revision of forecasts. We note that pre-sales momentum for the 'Winter 2024/25' season has accelerated to +18% y/y. On the demand side, we believe the market remains strong, but the currency environment has deteriorated slightly*

Rainbow Tours reported 3Q24 results:

mln PLN	3Q23	4Q23	1Q24	2Q24	3Q24	r./r. kw./kw.	Pekao fcst	vs. Pekao fcst	consensus	vs. consensus	YTD22	YTD23	Y/Y
Przychody ze sprzedaży	1434.0	594.3	721.6	885.8	1736.7	21% 96%	1 724.8	1%	1 750	-1%	2699	3344	24%
Zysk (strata) brutto na sprzedaży	266.6	71.1	120.7	166.7	345.0	29% 107%	312.0	11%			476	632	33%
SG&A	-123.9	-68.2	-74.2	-92.4	-134.6	9% 46%	-140.0	-4%			-201	-301	50%
Zysk (strata) ze sprzedaży	142.7	2.9	46.5	74.2	210.4	47% 183%	172.0	22%			212	285	34%
EBITDA	146.4	10.3	51.1	77.1	215.7	47% 180%	180.4	20%	191.5	13%	226.6	343.9	52%
EBIT	142.6	4.9	46.0	71.6	209.8	47% 193%	170.9	23%	184.2	14%	210.1	327.4	56%
Zysk netto	111.9	8.1	39.0	58.0	159.8	43% 175%	139.3	15%	148.9	7%	166.4	256.8	54%
Marże operacyjne													
Marża brutto na sprzedaży	18.6%	12.0%	16.7%	18.8%	19.9%		18.1%				17.6%	18.9%	1.3%
zmiana w pp. r./r.	6.0%	3.7%	0.9%	1.6%	1.3%		-0.5%						
SG&A %	-8.6%	-11.5%	-10.3%	-10.4%	-7.7%		-8.1%				-7.4%	-9.0%	-1.6%
zmiana w pp. r./r.	-1.5%	0.0%	1.1%	0.4%	0.9%		0.5%						
marża zysk (strata) ze sprzedaży	9.9%	0.8%	6.4%	8.1%	12.1%		9.9%				7.8%	9.8%	2.0%
zmiana w pp. r./r.	4.4%	4.6%	2.0%	2.0%	2.1%		0.0%						
Bilans i przepływy pieniężne													
Dług netto IAS 17	-337	-236	-131	-256	-383								
ND / EBITDA IAS 17	-	-	-	-	-								
OCF IAS 17	115	-98	-58	144	147						23	233	
CAPEX	-6	-2	-7	-18	-19						-48	-44	
FCF	109	-101	-65	126	128						-25	188	
FCF LTM	20	-126	-108	69	88								
FCF LTM (% yield)	1.1%	-6.8%	-5.8%	3.7%	4.8%								
Wycena wskaźnikowa													
EV/EBITDA (TTM)	0.8	1.4	1.9	2.3	4.1								
PE (TTM)	3.4	3.2	3.2	4.3	7.0								

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%	7.0%	5.2%	7.8%	8.1%
DY (%)*	1.2%	1.0%	6.3%	7.3%	6.4%	6.5%
P/E	14.1	3.1	10.2	11.7	11.4	11.0
EV/EBITDA	6.2	1.4	7.0	8.0	7.5	7.1

* ex-payment of advance in January 2024

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

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