

Marvipol Development

4Q24 results review

Opinion: MVP reported strong improvement in 4Q24, which is in line with our expectations, driven by a massive increase in delivered dwellings from 5 to 376 units. Additionally, the numbers were underpinned by a net other operating income of PLN 8m, which we did not assume in our predictions. All in all, MVP reported revenues of PLN 274m, EBIT of PLN 41m (vs. PLN -6m in 4Q23; vs. our forecast of PLN 35m) and the net profit of PLN 30m (vs. PLN -14m in 4Q23; vs. our assumption of PLN 27m). Additionally, we point to poor OCF, which arrived at PLN -111m, vs. PLN 13m in 4Q23.

As of now, we assume that the results will continue the improvement in 2025E, as MVP is going to end the construction of 674 units (of which 484 flats is already pre-sold).

Volumes: The company delivered 376 dwellings (vs. 5 flats in 4Q23) and pre-sold 67 units (-67% y/y, -39% q/q) in 4Q24.

Revenues: Marvipol Development revenues arrived at PLN 274.4m (vs. PLN 22.5m in 4Q23). The result was driven by higher volume of deliveries and a decline in average dwelling price to PLN 692k (we point to an extra-ordinary deliveries mix in 4Q23).

Gross margin: The margin deteriorated in yearly comparison and arrived at 17.3%, including 17.2% in residential segment and 19.1% in "other" activity. We point to extra-ordinary high base from 4Q23 (>60% in residential segment).

SG&A costs: SG&A expenses reached PLN 14.4m (vs. PLN 11.1m in 4Q23). SG&A's to sales ratio stood at 5.2%.

EBITDA: EBITDA came in at PLN 44.1m, (vs. PLN -3.4m in 4Q23).

Net profit: Net profit arrived at PLN 30.2m (vs. PLN -14.3m in 4Q23).

OCF: Marvipol Development posted OCF of PLN -110.6m (vs. PLN 13.4m in 4Q23; negative impact of changes in working capital, especially in inventories).

Net debt: Net Debt/LTM EBITDA came in at 4.2x and net debt/BV arrived at 0.4x. At the end of 4Q24 Marvipol Development had PLN 258m in cash.

Figure 1. Marvipol Development 4Q24 results summary (PLNm)

	4Q23	1Q24	2Q24	3Q24	4Q24	y/y	q/q	4Q24E	vs. IPOP
Revenues	22.5	25.7	40.3	121.2	274.4	1121%	126%	269.3	2%
Gross profit	8.4	5.4	13.0	22.9	47.4	467%	107%	47.5	0%
Profit on sales	-2.7	-5.0	1.4	9.5	33.0	n.a.	249%	34.1	-3%
EBITDA	-3.4	-1.3	4.6	16.5	44.1	n.a.	167%	37.5	18%
EBIT	-5.8	-3.7	2.0	13.8	41.3	n.a.	200%	34.7	19%
EBT	-18.4	-6.4	2.9	6.4	36.5	n.a.	466%	33.2	10%
Net profit	-14.3	-5.4	1.3	5.6	30.2	n.a.	439%	26.9	12%
Gross margin	37.2%	20.9%	32.3%	18.9%	17.3%			17.6%	
EBITDA margin	-15.0%	-5.0%	11.4%	13.6%	16.1%			13.9%	
EBIT margin	-25.8%	-14.4%	4.9%	11.3%	15.0%			12.9%	
Net margin	-63.8%	-20.8%	3.3%	4.6%	11.0%			10.0%	
Pre-sales	200	144	110	109	67	-67%	-39%	67	0%
Deliveries	5	14	18	163	376	7420%	131%	376	0%
Avg.price (PLNk)	2,037	821	1,297	659	692	-66%	5%	690	0%

Source: Company, IPOPEMA Research

Real Estate

Marvipol
Development

BUY

FV PLN 8.93

27.2% upside

Price as of 20 March 2025 PLN 7.02

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The definitions of terms used in the document include:

NII – Net interest income – interest income minus interest expense.

Net F&C – Net fee and commission income – fee and commission income minus fee and commission expense.

LLP – loan loss provisions – an expense set aside as an allowance for bad loans.

NPL – non-performing loan – loans that are in default or close to be in default.

Cost/Income – operating expenses divided by total banking revenue.

ROE – return on equity – net income (or adjusted net income) divided by the average shareholders' equity.

ROA – return on assets – net income (or adjusted net income) divided by the average assets.

EBIT – earnings before interests and tax.

EBITDA – earnings before interests, tax, depreciation and amortization.

EPS – earnings per share – the net income (or adjusted net income) divided by the number of shares outstanding.

P/E – price to earnings ratio – price divided by earnings per share.

PEG – P/E ratio divided by the annual EPS growth, usually over a certain period of time.

CAGR – compound annual growth rate.

BVPS – book value per share, the book value of the Company's equity divided by the number of shares outstanding.

P/BV – price to book value - price divided by the BVPS.

DPS – dividend per share – dividend of a given year divided by the number of shares outstanding.

DY – dividend yield – dividend of a given year divided by the current price.

DDM – dividend discount model – a fundamental method of valuation based on the assumption that the value of stock equals the sum of all discounted future dividends.

FV – Fair Value, calculated based on valuation methods outlined in the document.

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	Number	%
Buy	48	62%
Hold	20	25%
Sell	10	13%
Total	78	100%

Rating History – Marvipol Development

Date	Recommendation	Fair Value	Price at recommendation	Author
07/09/2023	BUY	PLN 10.49	PLN 8.00	Adrian Górniak
12/12/2023	BUY	PLN 10.07	PLN 7.20	Adrian Górniak
20/03/2024	BUY	PLN 11.15 (adjusted on 02.05.2024 to PLN 10.09 by PLN 1.06 DPS)	PLN 8.26	Adrian Górniak
29/08/2024	BUY	PLN 9.30	PLN 7.06	Adrian Górniak
11/12/2024	BUY	PLN 8.93	PLN 6.12	Adrian Górniak