

Rainbow Tours

Buy || TP PLN 200/sh

EBITDA amounted to PLN 34mn (+227% y/y) vs. 26mn in our estimates and 22mn market consensus

Dariusz Dziubiński
dariusz.dziubinski@pekao.com.pl

Rainbow Tours published its 4Q24 preliminary figures with following highlights (PLN mn):

- Revenues: 724mn (+22% y/y vs 729mn to our model assumptions and 724mn in market consensus)
- EBITDA IFRS 16: +34mn vs 10mn in last year (vs 26mn in our model assumptions and -23mn in market consensus)
- Net income: +26mn vs +8mn in last year (vs 13mn in our model assumptions and 13mn in market consensus)

2024 (preliminary figures):

- Revenues: 4068mn (+23% y/y),
- EBITDA: 377mn (+60% y/y),
- Net profit: 283mn (+63% y/y).

Our view: POSITIVE

*Financial results well above our assumptions and market consensus. In the structure of the full-year results, the 4Q results have the lowest contribution, but they seem to confirm a still favourable environment for the gross margin. In the model, we have assumed a gross margin increase of +1.0 pp y/y in 4Q, and the level of results probably indicates an improvement of around +1.5-2.0pp y/y. **Consequently, at current valuation levels, our view on the results is positive.** In the context of this year's results, demand seems to remain strong and the environment for gross margins remains supportive due to FX levels as well as jet fuel prices. **As a result, our net profit forecast of around PLN 235mn currently seems too conservative and we see room for a significant upward revision.***

Preliminary 4Q24 results:

PLN mn	4Q23	1Q24	2Q24	3Q24	4Q24p	Y/Y	Q/Q	Pekao fcst	vs. Pekao fcst	consensus	vs. consensus	2023	2024	Y/Y
Revenues	594.3	721.6	885.8	1736.7	723.9	22%	-58%	729.1	-1%	724	0%	3293	4068	24%
Gross profit	71.1	120.7	166.7	345.0				95.0						
SG&A expenses	-68.2	-74.2	-92.4	-134.6				-77.0						
Net profit on sales	2.9	46.5	74.2	210.4				18.0						
EBITDA	10.3	51.1	77.1	215.7	33.6	227%	-84%	26.5	27%	22.6	49%	237	378	59%
EBIT	4.9	46.0	71.6	209.8				16.5		14.9				
Net profit	8.1	39.0	58.0	159.9	26.2	223%	-84%	13.4	96%	12.5	110%	174	283	63%
Profitability ratios														
Gross margin (%)	12.0%	16.7%	18.8%	19.9%				13.0%	1.1%					
change yoy	3.7%	0.9%	1.6%	1.3%										
SG&A %	-11.5%	-10.3%	-10.4%	-7.7%				-10.6%	0.9%					
change yoy	0.0%	1.1%	0.4%	0.9%										
EBIT margin	0.8%	6.4%	8.1%	12.1%				2.3%	1.4%					
change yoy	4.6%	2.0%	2.0%	2.1%										
Valuation ratios														
EV/EBITDA (TTM)	1.8	3.2	4.1	3.2	4.9									
PE (TTM)	3.8	4.9	6.5	5.7	8.0									

Source: Company, Pekao Equity Research

Key financial data (PLN million):

PLN mn	2022	2023	2024e	2025e	2026e	2027e
Revenues	2393	3293	4094	4723	5267	5760
EBITDA IFRS 16	54	237	369	325	323	308
EBITDA ex Lease adj	42	227	359	315	314	298
EBIT	33	215	347	298	293	275
Net income	21	173	272	233	226	210
EPS	1.5	11.9	18.7	16.0	15.5	14.4
FCF (%)	15%	39%	7.2%	7.1%	8.5%	7.9%
DY (%)*	1.0%	0.8%	5.7%	9.0%	7.7%	7.5%
P/E	14.1	3.1	8.3	9.7	10.0	10.7
EV/EBITDA	6.2	1.4	5.5	6.4	6.4	6.7

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

SECTOR ANALYSTS

**Director & Chief Analyst
Mining, Construction & Real Estate**
Tomasz Duda
tomasz.duda2@pekao.com.pl

**Deputy Head of Research
IT, Video Games**
Emil Popławski
emil.poplawski@pekao.com.pl

Banking & Financials (Poland)
Michał Fidelus
michal.fidelus@pekao.com.pl

Banking & Financials (CEE)
Adam Motala
adam.motala@pekao.com.pl

Chemicals, Oil & Gas
Krzysztof Kozieł, CFA
krzysztof.koziel@pekao.com.pl

Consumer
Dariusz Dziubiński
dariusz.dziubinski@pekao.com.pl

Telecommunication, E-commerce
Konrad Musiał
konrad.musial@pekao.com.pl

Real Estate
Michał Hanc
Michal.hanc@pekao.com.pl

Foreign Markets
Patryk Olszanowski, CFA
patryk.olszanowski@pekao.com.pl

Damian Szparaga, CFA
damian.szparaga@pekao.com.pl

Lukas Cinikas
lukas.cinikas@pekao.com.pl

INVESTMENT ANALYSIS OFFICE

Market Projections
Piotr Kaźmierkiewicz
piotr.kazmierkiewicz@pekao.com.pl

Technical Analyst
Bartosz Kulesza
bartosz.kulesza@pekao.com.pl

CONTACT AND PUBLICATION ADDRESS

Pekao Brokerage Office
ul. Żubra 1
01-066 Warsaw
Poland
bm@pekao.com.pl

Sales
Poland
+48 22 586 23 99

Sales Trading
Poland
+48 22 586 28 83

Internet
www.pekao.com.pl/biuro-maklerskie

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