

The report was prepared by Dom Maklerski BDM at the request of the WSE as part of the Exchange's Analytical Coverage Support Programme

			2022	2023	2024F	
Price [PLN]	5,3	P/E	40,5	5,9	---	<b>Analyst:</b> Krzysztof Pado krzysztof.pado@bdm.pl tel.: (+48) 512 338 250
MC [mln PLN]	50,5	EV/EBITDA	5,1	4,3	---	
		EV/EBIT	10,8	6,7	---	
		P/BV	0,5	0,5	0,5	

**Last recommendation BDM: HOLD with target price 5,16 PLN/share (25.10.2024) [LINK](#)**

**Q4'22 preliminary standalone results vs BDM forecasts\* [million PLN]**

	preliminary standalone results						BDM consolidated forecasts 31/03/2025			
	Q4'23	Q4'24E	y/y	2022	2023	2024E	y/y	Q4'23	Q4'24F BDM	
Sales	27,9	26,9	-3,7%	146,5	159,5	109,3	-31,5%	Sales	27,8	27,3
Gross profit	4,4	3,0	-33,2%	22,3	30,4	12,1	-60,1%	Gross profit	4,7	4,3
EBITDA	4,3	-0,1	---	12,5	16,3	0,5	-97,1%	EBITDA	3,6	1,2
EBIT	2,2	-1,2	---	5,9	9,7	-5,5	---	EBIT	2,0	-0,7
Net profit	1,6	-1,4	---	4,4	7,2	-6,5	---	Net profit	1,5	-1,0
Gross margin	15,8%	11,0%		15,2%	19,0%	11,1%		Gross margin	16,8%	15,6%
EBITDA margin	15,3%	-0,3%		8,5%	10,2%	0,4%		EBITDA margin	12,8%	4,3%
EBIT margin	7,8%	-4,5%		4,0%	6,1%	-5,1%		EBIT margin	7,3%	-2,5%
Net margin	5,6%	-5,3%		3,0%	4,5%	-5,9%		Net margin	5,4%	-3,5%

Source: Dom Maklerski BDM S.A., Relpol, \*consolidated

- The company reported preliminary standalone results for Q4'24/2024
- In Q4'24, Relpol's revenue was PLN 26.9m (-4% y/y). EBITDA amounted to PLN -0.1m (vs. PLN 4.3m a year ago), and the net loss was PLN -1.4m (vs. PLN +1.6m a year ago). On a standalone basis, the company posted Q3'24 revenue of PLN 24.3m, EBITDA of PLN +0.3m and net loss of PLN -1.8m.
- Standalone results usually account for over 90% of the group's earnings.
- Our consolidated Q4'24 forecast assumed PLN 27.3m revenue, PLN +1.2m EBITDA and PLN -1.0m net loss.
- In its commentary, the Company's Management Board pointed out that weak demand continued throughout 2024 (from H2'23 onwards), and the Company was severely affected by the downturn in the Polish and European markets, particularly in Germany (low investment in industry, construction and energy transition). In addition, the strong PLN exchange rate negatively affected profitability, reducing revenue from export sales.
- The Company is 'looking with hope' to 2025, based on forecasts of a gradual recovery in Polish and European industry. The company is seeing 'gently' growing orders, especially in the industrial relay and RES segments. Relpol is working intensively to acquire new customers.
- In Q1'25, the company plans to reach full capacity of its new automated production lines, which will allow it to increase process efficiency and improve profitability. The company has also signalled for several quarters that it is also pursuing a number of measures to optimise operating costs.
- The company will present its full consolidated report on 25 April 2025.

**BDM Comment:** The Q4'24 standalone results did not bring a break-even, the year-end business continued to be weak (additionally, the calendar layout was not favourable). Revenues increased slightly compared to Q3'24, but EBITDA fell marginally below break-even. The results are slightly below our forecasts, which we presented at the consolidated level (the difference between consolidated and standalone results should not be significant at the revenue or EBITDA level). A quarter ago the company indicated that it saw indications of slow market improvement in 2025, the tone of the current management commentary is along similar lines. Management points to the improved performance of the new automated production line (formally the investment was already completed a year ago), which could improve profitability in future periods.

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**Explanations of terminology:**

EBIT - earnings before interest and tax  
EBITDA – earnings before interest, taxes, depreciation, and amortization  
Net debt – interest bearing debt minus cash and equivalents  
WACC - weighted average cost of capital  
CAGR - cumulative average annual growth  
EPS - earnings per share  
DPS - dividend per share  
CEPS - net profit plus depreciation per share  
EV – market capitalization plus interest bearing debt minus cash and equivalents  
EV/S – market capitalization / sales  
EV/EBITDA – EV / sales  
P/EBIT – market capitalization / EBIT  
MC/S – market capitalization / sales  
P/E – market capitalization / net profit  
P/BV – market capitalization / book value  
P/CE - market capitalization / net profit plus depreciation  
ROE – net profit / equity  
ROA - net income / assets  
Gross margin - gross profit on sales / sales  
EBITDA margin – EBITDA / sales  
EBIT margin – EBIT / sales  
Net margin – net profit / sales

**Explanation of ratings:**

Buy – we believe that the security will reach the target price in the recommended period, which significantly exceeds the current market price (at least + 15%);  
Accumulate – we believe that the security will reach the target price in the recommended period, which exceeds the current market price (in the range of +5 to + 14.99%);  
Hold – we believe that a security in the recommended period will fluctuate around the target price, which is close to the current market price (in the range from -4.99% to + 4.99%);  
Reduce – we believe that the security will reach the target price in the recommended period, which is lower than the market price (range of decline from 5% to 14.99%);  
Sell – we believe that a security in the recommended period will reach the target price, which is significantly lower than the market price (suggested erosion of the value exceeds 15%).  
Target price – the theoretical price which, in our opinion, should reach a security in the recommended period; This price is the result of the company's value (eg based on DCF, comparative and other valuations), market conditions and the industry as well as other factors subjectively considered by the analyst.  
Recommendations made by BDM are binding for 12 months from the issue date or until the target level is reached, unless they are updated during this period of time.

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**Ratings and price targets history:**

rating	price target	previous rating	previous target price	report date	report date (hour)	price	WIG
Hold	5,16	Hold	6,25	25.10.2024*	16:10 CEST	5,38	80 846
Hold	6,25	Hold	7,42	20.05.2024*	14:00 CEST	6,20	89 376
Hold	7,42	Hold	8,62	05.02.2024*	14:30 CET	7,10	80 119
Hold	8,62	Buy	10,48	26.09.2023*	12:20 CET	8,52	65 687
Buy	10,48	Buy	8,03	9.06.2023*	10:50 CET	8,90	66 513
Buy	8,03	Hold	5,62	16.05.2023*	08:55 CET	6,14	63 691
Hold	5,62	Accumulate	6,32	16.12.2022*	11:40 CET	5,60	55 850,6
Accumulate	6,32	Buy	11,1	11.10.2022*	16:20 CEST	5,68	46 402,8
Buy	11,1	Buy	16,5	23.05.2022*	20:30 CEST	5,4	57 168
Buy	16,5	---	---	30.08.2021*	7:00 CEST	7,8	69 775

\* The report was prepared by Dom Maklerski BDM at the request of the WSE as part of the Exchange's Analytical Support Programme.

-- the author of the reports on Relpol between 2021 to 05.2022 was Krystian Brymora  
-- the author of the reports on Relpol between 10.2022 to 12.2022 was Kajetan Sroczynski

**Distribution of BDM's recommendations in Q1'25\*:**

, distribution of BDM's recommendations for the companies which BDM has supplied with investment banking services within the last 12 months

	number	%	number	%
Buy	6	50%	0	0%
Accumulate	3	25%	0	0%
Hold	2	17%	0	0%
Reduce	1	8%	0	0%
Sell	0	0%	0	0%

\* detailed list of all analytical reports (recommendations) published by BDM during the last 12 months is included at <https://www.bdm.pl/analizy-i-informacje/analizy/historia-rekomendacji>

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The report constitutes an investment research within the meaning of art. 36 §1 of Commission Delegated Regulation (EU) 2017/565.

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The report constitutes an investment research within the meaning of art. 36 §1 of Commission Delegated Regulation (EU) 2017/565.

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