

# Marvipol Development

## 1Q25 results review

**Opinion:** MVP reported uninspiring results in 1Q25, despite slight increase in deliveries and average dwelling price. The numbers were hit by higher (y/y and vs. our forecast) SG&A expenses, which arrived at PLN 12.4m, vs. PLN 10.4m in 1Q24. Moreover, the net profit was affected by the negative net financial income, which stood at PLN -7.2m (we anticipated PLN -2.9m). Given that, MVP reported the net loss of PLN 12.2m, vs. PLN -5.4m in 1Q24 and vs. our assumption of PLN -4.0m. From the positives, we point to solid OCF, which arrived at PLN 49.4m, vs. PLN 48.6m in 1Q24.

As of now, we assume that the results will improve in 2025E, as we forecast that MVP will deliver 601 flats (+5% y/y) and will pre-sell 510 dwellings (+19% y/y).

**Volumes:** The company delivered 18 dwellings (vs. 14 flats in 1Q24) and pre-sold 87 units (-40% y/y, +30% q/q) in 1Q25.

**Revenues:** Marvipol Development revenues arrived at PLN 34.3m (vs. PLN 25.7m in 1Q24). The result was driven by slightly higher volume of deliveries and an increase in average dwelling price to PLN 1,210k.

**Gross margin:** The margin deteriorated in yearly comparison and arrived at 20.0%, including 19.6% in residential segment and 20.6% in "other" activity. We point to extra-ordinary high base from 1Q24 (nearly 35% in residential segment).

**SG&A costs:** SG&A expenses reached PLN 12.4m (vs. PLN 10.4m in 1Q24). SG&A's to sales ratio stood at 36.2%.

**EBITDA:** EBITDA came in at PLN -2.3m, (vs. PLN -1.3m in 1Q24).

**Net profit:** Net profit arrived at PLN -12.2m (vs. PLN -5.4m in 1Q24).

**OCF:** Marvipol Development posted OCF of PLN 49.4m (vs. PLN 48.6m in 1Q24; positive impact of changes in working capital, especially in prepayments).

**Net debt:** Net Debt/LTM EBITDA came in at 3.7x and net debt/BV arrived at 0.3x. At the end of 1Q25 Marvipol Development had PLN 222m in cash.

Figure 1. Marvipol Development 1Q25 results summary (PLNm)

	1Q24	2Q24	3Q24	4Q24	1Q25	y/y	q/q	1Q25E	vs. IPOP
Revenues	25.7	40.3	121.2	274.4	34.3	34%	-87%	30.9	11%
Gross profit	5.4	13.0	22.9	47.4	6.9	28%	-86%	7.7	-11%
Profit on sales	-5.0	1.4	9.5	33.0	-5.6	n.a.	n.a.	-2.8	n.a.
EBITDA	-1.3	4.6	16.5	44.1	-2.3	n.a.	n.a.	0.8	n.a.
EBIT	-3.7	2.0	13.8	41.3	-5.1	n.a.	n.a.	-2.0	n.a.
EBT	-6.4	2.9	6.4	36.5	-12.4	n.a.	n.a.	-4.9	n.a.
Net profit	-5.4	1.3	5.6	30.2	-12.2	n.a.	n.a.	-4.0	n.a.
Gross margin	20.9%	32.3%	18.9%	17.3%	20.0%			24.8%	
EBITDA margin	-5.0%	11.4%	13.6%	16.1%	-6.8%			2.5%	
EBIT margin	-14.4%	4.9%	11.3%	15.0%	-14.9%			n.a.	
Net margin	-20.8%	3.3%	4.6%	11.0%	-35.7%			n.a.	
Pre-sales	144	110	109	67	87	-40%	30%	87	0%
Deliveries	14	18	163	376	18	29%	-95%	18	0%
Avg.price (PLNk)	821	1,297	659	692	1,210	48%	75%	1,163	4%

Source: Company, IPOPEMA Research

Real Estate

**Marvipol  
Development  
BUY**

**FV PLN 8.91**

26.9% upside

Price as of 14 May 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	13	81%
Hold	1	6%
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Total	16	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
07/04/2025	BUY	PLN 8.91	PLN 6.40	Adrian Górniak