

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	2024	
Price [PLN]	5,3	P/E	40,9	6,0	---	Analyst: Krzysztof Pado krzysztof.pado@bdm.pl tel.: (+48) 512 338 250
MC [mln PLN]	51,1	EV/EBITDA	5,1	4,4	---	
		EV/EBIT	10,9	6,7	---	
		P/BV	0,5	0,5	0,5	

**Last recommendation BDM: HOLD with target price 5,14 PLN/share (19.05.2025) [LINK](#)**

**Q1'25 results [PLN m]**

	Q1'24	Q1'25	y/y	1Q'25F BDM	dev.
Sales	31,3	27,2	-12,9%	27,0	1,0%
Gross profit	3,2	2,7	-17,5%	3,2	-16,7%
Profit on sales	-1,8	-2,4	---	-1,5	---
EBITDA	-0,3	-0,7	---	0,2	---
EBIT	-1,8	-2,1	---	-1,5	---
Profit before tax	-2,0	-2,1	---	-2,0	---
Net profit	-1,8	-2,0	---	-1,6	---
Gross margin	10,4%	9,8%		11,9%	
EBITDA margin	-5,8%	-8,8%		-5,7%	
EBIT margin	-5,7%	-7,8%		-5,7%	
Net margin	-5,8%	-7,5%		-5,9%	

Source: BDM S.A., company

- On the revenue level, Relpol had PLN 27.2m in Q1'25 (-13% y/y, +1% q/q). Sales on the Polish market increased by 12% y/y. Export sales fell by -23% y/y (including in Germany by -30% y/y).
- Gross margin was slightly lower y/y (9.8% vs. 10.4% a year ago, in Q4'24 it was 10.0%). The strong PLN in 1Q'25 and the relatively high cost of materials at that time may have limited export margins.
- Production profitability in Q1'25 was 5.5% (7.5% a year ago) and merchandise sales were 45.3%.
- EBITDA amounted to PLN -0.7m (vs. PLN -0.3m a year ago).
- Net income was PLN -2.0m (vs. PLN -1.8m in Q1'24).
- Operating cash flow: PLN +1.9m (vs. PLN +9.2m a year ago).
- CAPEX: PLN 0.1m in Q1'25 (PLN 9.2m in FY2024).
- Net debt after Q1'25: PLN 19.8m (vs. PLN 18.1m a year ago).
- In March, Relpol concluded an annex with BNP Paribas, which reduced the working capital loan limit from PLN 5m to PLN 4m and extended its maturity by another year. The company is renegotiating the requirement to achieve a set debt-to-EBITDA ratio. An annex was also signed with Pekao, which extended the repayment date of the working capital loan (PLN 5m) by a further year. In the case of the investment loan with ING, the company signed an annex in April to waive the calculation of the debt-to-EBITDA ratio until the end of June (the bank also accepted the violation of the debt service ratio).
- The company reported. that it continued to take measures to reduce costs and minimise losses. The effects are expected to be visible in Q3-4'25.
- Management believes that 1H'25 will be a challenging period. At the same time, there are indications of a slow improvement in the market situation in the following months, especially in the area of industrial relays and their accessories, i.e. products intended for the power industry. The situation with some domestic and foreign customers is gradually improving (increasing number of incoming orders).

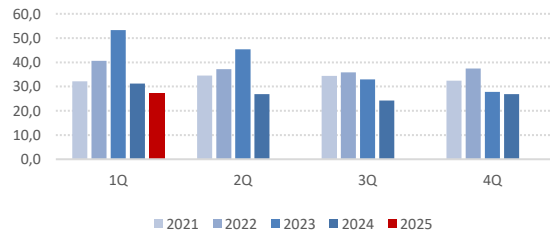
**BDM Comment:** Q1'25 results are not surprising given the management's outlook from the annual report (1H'25 was expected to remain "difficult" in terms of earnings). Despite the weak results, the company is managing its relationships with banks on an ongoing basis (extension of repayment terms, periodic waiver of covenants). According to the company, gently increasing orders can be seen, especially in the industrial relay segment. Among other things, the management also points to investments made in recent years (including a new automated line) and ongoing cost optimisation, which together are expected to improve results in 2H'25.

Results in previous quarters [PLN m]

	Q1'22	Q2'22	Q3'22	Q4'22	Q1'23	Q2'23	Q3'23	Q4'23	Q1'24	Q2'24	Q3'24	Q4'24	Q1'25
<b>Sales</b>	<b>40,6</b>	<b>37,1</b>	<b>35,8</b>	<b>37,5</b>	<b>53,3</b>	<b>45,4</b>	<b>32,9</b>	<b>27,8</b>	<b>31,3</b>	<b>26,9</b>	<b>24,3</b>	<b>26,9</b>	<b>27,2</b>
Poland	12,7	12,4	7,9	14,5	14,6	11,7	9,4	8,8	9,4	8,8	9,1	8,9	10,6
Germany	15,1	13,7	15,3	12,9	23,0	21,1	14,5	12,4	13,3	11,0	8,8	10,4	9,3
Russia	2,1	3,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0
Europe - other	7,0	6,4	10,1	4,5	11,3	7,8	5,2	3,1	4,8	4,5	3,2	4,3	3,9
Asia	2,7	1,1	1,8	4,0	2,5	3,2	1,4	1,8	1,9	1,9	2,8	2,1	2,4
Other	1,0	0,5	0,8	1,5	1,9	1,7	2,4	1,7	1,8	0,7	0,4	1,2	1,1
Automation components	33,5	28,0	31,2	32,0	46,9	40,9	29,5	24,2	27,6	24,2	21,2	23,9	23,8
Goods	6,0	7,4	3,5	4,0	4,5	3,1	2,3	2,9	2,7	2,2	2,2	2,3	2,9
Other	1,0	1,7	1,2	1,4	2,0	1,4	1,2	0,8	1,0	0,6	0,9	0,7	0,6
<b>Gross profit</b>	<b>7,2</b>	<b>6,2</b>	<b>4,8</b>	<b>6,0</b>	<b>12,4</b>	<b>10,0</b>	<b>5,3</b>	<b>4,7</b>	<b>3,2</b>	<b>3,4</b>	<b>2,6</b>	<b>2,7</b>	<b>2,7</b>
Automation components	4,9	2,9	3,3	3,7	9,9	9,2	4,4	0,8	2,1	2,3	1,7	1,7	1,3
Goods	2,1	2,9	1,3	1,6	1,8	0,8	0,7	1,9	1,1	0,9	0,9	1,1	1,3
Other	0,2	0,4	0,2	0,8	0,7	0,0	0,2	1,9	0,2	0,0	0,0	-0,1	0,1
SG&A	4,3	4,6	3,9	4,4	4,9	5,1	4,5	4,9	5,1	4,8	4,3	4,5	5,1
Other operating activity net	0,2	-0,9	-0,3	0,0	0,0	-0,2	-3,9	2,3	0,0	-0,2	0,0	0,2	0,3
<b>EBITDA</b>	<b>4,7</b>	<b>2,4</b>	<b>2,3</b>	<b>3,2</b>	<b>9,0</b>	<b>6,1</b>	<b>-1,6</b>	<b>3,6</b>	<b>-0,3</b>	<b>0,1</b>	<b>0,0</b>	<b>0,0</b>	<b>-0,7</b>
<b>EBIT</b>	<b>3,1</b>	<b>0,7</b>	<b>0,6</b>	<b>1,6</b>	<b>7,4</b>	<b>4,7</b>	<b>-3,1</b>	<b>2,0</b>	<b>-1,8</b>	<b>-1,6</b>	<b>-1,7</b>	<b>-1,7</b>	<b>-2,1</b>
Net financial activity	0,0	-2,9	0,0	-0,3	-0,3	-0,6	0,3	-0,6	-0,2	0,1	-0,3	-0,2	0,0
Profit before tax	7,1	4,2	-2,7	1,4	-2,0	-1,5	-2,0	-1,9	-2,1	-0,5	1,0	1,2	-5,6
<b>Net profit</b>	<b>2,3</b>	<b>-2,3</b>	<b>0,7</b>	<b>0,5</b>	<b>5,7</b>	<b>3,5</b>	<b>-2,1</b>	<b>1,5</b>	<b>-1,8</b>	<b>-1,7</b>	<b>-2,2</b>	<b>-1,9</b>	<b>-2,0</b>
CFO	-3,9	2,7	-1,7	1,1	-6,9	2,3	4,2	0,4	9,2	7,5	-1,2	0,6	1,9
CAPEX	2,3	2,4	6,4	0,9	1,5	1,2	4,0	8,8	3,5	2,0	0,3	3,4	0,1
Net debt	10,9	9,9	15,2	13,9	20,7	14,9	18,8	23,7	18,1	11,9	12,7	21,6	19,8
<b>Sales change y/y</b>	<b>26,0%</b>	<b>7,6%</b>	<b>4,1%</b>	<b>15,4%</b>	<b>31,5%</b>	<b>22,3%</b>	<b>-8,1%</b>	<b>-25,7%</b>	<b>-41,4%</b>	<b>-40,8%</b>	<b>-26,3%</b>	<b>-3,3%</b>	<b>-12,9%</b>
Poland	28%	18%	-15%	37%	15%	-5%	20%	-39%	-36%	-25%	-4%	1%	12%
Germany	26%	6%	24%	10%	52%	54%	-5%	-4%	-42%	-48%	-39%	-16%	-30%
Russia	16%	55%	-100%	-100%	-100%	-100%	---	---	---	---	---	---	---
Europe - other	6%	-11%	21%	-13%	61%	21%	-49%	-31%	-57%	-42%	-39%	38%	-20%
Asia	62%	4%	19%	129%	-6%	181%	-20%	-56%	-23%	-40%	97%	20%	23%
Other	215%	-41%	-31%	42%	95%	215%	219%	19%	-7%	-58%	-82%	-33%	-38%
<b>Gross margin</b>	<b>17,8%</b>	<b>16,6%</b>	<b>13,3%</b>	<b>16,1%</b>	<b>23,2%</b>	<b>22,1%</b>	<b>16,2%</b>	<b>16,8%</b>	<b>10,4%</b>	<b>12,5%</b>	<b>10,6%</b>	<b>10,0%</b>	<b>9,8%</b>
Automation components	14,5%	10,3%	10,5%	11,5%	21,1%	22,5%	15,0%	3,5%	7,5%	9,6%	7,8%	7,1%	5,5%
Goods	35,7%	39,6%	36,6%	39,1%	39,8%	25,9%	32,2%	66,4%	42,6%	40,8%	41,5%	46,7%	45,3%
Other	20,1%	20,4%	18,6%	56,6%	35,0%	2,6%	14,3%	246,4%	23,5%	-6,0%	1,1%	-11,0%	12,2%
S&GA/sales	10,6%	12,4%	10,8%	11,9%	9,3%	11,1%	13,8%	17,8%	16,2%	17,8%	17,8%	16,9%	18,6%
<b>EBITDA margin</b>	<b>11,6%</b>	<b>6,5%</b>	<b>6,5%</b>	<b>8,6%</b>	<b>17,0%</b>	<b>13,5%</b>	<b>-4,7%</b>	<b>12,8%</b>	<b>-1,0%</b>	<b>0,4%</b>	<b>-0,1%</b>	<b>0,0%</b>	<b>-2,5%</b>
<b>EBIT margin</b>	<b>7,6%</b>	<b>1,9%</b>	<b>1,7%</b>	<b>4,2%</b>	<b>13,9%</b>	<b>10,4%</b>	<b>-9,3%</b>	<b>7,3%</b>	<b>-5,7%</b>	<b>-6,0%</b>	<b>-7,1%</b>	<b>-6,3%</b>	<b>-7,8%</b>
<b>Net margin</b>	<b>5,8%</b>	<b>-6,3%</b>	<b>2,0%</b>	<b>1,4%</b>	<b>10,7%</b>	<b>7,7%</b>	<b>-6,4%</b>	<b>5,4%</b>	<b>-5,8%</b>	<b>-6,3%</b>	<b>-8,9%</b>	<b>-7,0%</b>	<b>-7,5%</b>

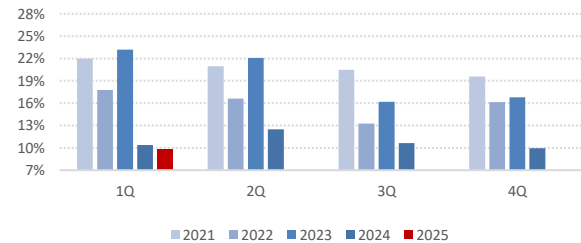
Source: Dom Maklerski BDM S.A., company

Sales [PLN m]



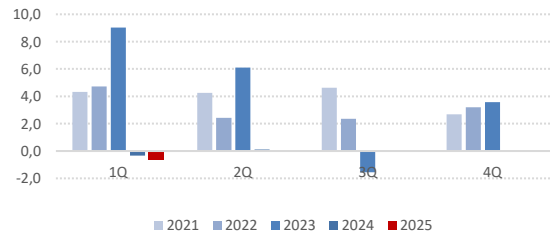
Source: Dom Maklerski BDM S.A., company

Gross margin



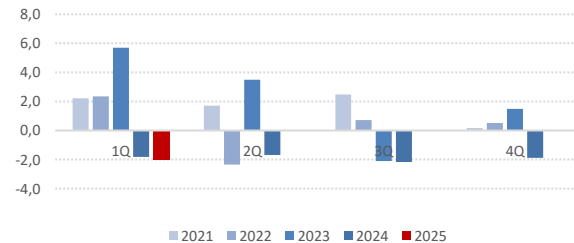
Source: Dom Maklerski BDM S.A., company

EBITDA [PLN m]



Source: Dom Maklerski BDM S.A., company

Net profit [PLN m]



Source: Dom Maklerski BDM S.A., company

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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	5,03	Hold	5,16	11.04.2025*	15:00 CEST	5,16	91 492
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 Sroczyński

**Distribution of BDM's recommendations in Q2'25\*:**

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

	number	%	number	%
Buy	8	62%	0	0%
Accumulate	1	8%	0	0%
Hold	4	31%	0	0%
Reduce	0	0%	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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This report (hereinafter also referred to as an analysis, a document) has been prepared in compliance with Regulation (EU) No. 596/2014 of the European Parliament and of the Council of 16 April 2014 (on market abuse), Commission Delegated Regulation (EU) 2016/958 and Commission Delegated Regulation (EU) 2017/565.

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 has been prepared by Dom Maklerski BDM S.A. (hereinafter BDM S.A.) within the Exchange Analytical Coverage Support Programme (<https://www.gpw.pl/gpwpa>). BDM S.A. is a party to the „Agreement on the provision of analytical report services” concluded with the Warsaw Stock Exchange Company („GPW”), on the basis of which BDM provides services of analytical coverage of the Issuer for the term of the Agreement. Under the agreement BDM obtains remuneration from GPW. All materials prepared by BDM within the framework of co-operation are available at <https://www.bdm.pl/program-wsparcia-pokrycia-analitycznego-gpw>

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An investor should be aware that each investment decision in the capital market is subject to numerous risks that finally can result in a financial loss suffered by him. The return rate on individual investments can fluctuate depending on various factors beyond the control of the investor. Therefore, a customer who makes a single investment decision should not only check currency and correctness of individual assumptions made by the analyst in the report but also to have an independent assessment and own analysis (also based on scenarios other than the ones presented in the report) taking into consideration the level of acceptable risk. When deciding on activity on the capital market the investor should take into consideration the fact that the investment portfolio structure (diversification of investment through possessing more than one financial instrument) can reduce risk exposure to an individual instrument bringing a negative rate of return in a given period. At the same time, however, it can lead to limitation of a positive rate of return the investor could achieve in the case of a single financial instrument in a given time period. The investor should be aware that the investment portfolio structure and any investment strategy for the stock market do not guarantee the achievement of a positive rate of return and do not protect him against final loss.

For the first time this report has been made available to the public on 22.05.2025 (11:55 CET). Date of preparing the report is the date of making it accessible. Before the recommendation was made accessible, information included in it had been confidential.

The prices of the financial instruments listed in the document have been taken from the real-time pricing as provided by Bloomberg. Data concerning financial instrument prices used in the report could be loaded to 24 hours before the moment of completing the report.

Detailed list of all analytical reports (recommendations) published by BDM during the last 12 months is included in a cyclical “Monthly Report”.

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Each of the above-mentioned persons could carry out transaction relating to the financial instruments concerned prior to this publication. At the same time, however, the instruments concerned are entered in the restrictive list for employees of the Analysis Department immediately at the start of work on the report.

We have not identified significant conflicts of interest between BDM and persons associated with BDM and the financial instrument issuer. If a conflict of interest arises BDM shall manage it by applying the principles defined in the “Policy of management of conflicts of interest at the BDM S.A.”. We point out that as for 22.05.2025:

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- BDM is not a holder of net long or short positions exceeding the threshold of 0,5 % of the total issued share capital of the issuer,
- The person that participated in preparing recommendation is not a holder of net long or short positions exceeding the threshold of 0,5 % of the total issued share capital of the issuer,
- The issuer does not hold shares exceeding 5 % of the BDM issued share capital,
- BDM is not a market maker or liquidity provider in the financial instruments of the issuer,
- BDM has not been lead manager or co-lead manager over the previous 12 months of any publicly disclosed offer of financial instruments of the issuer;
- BDM is not a party to an agreement with the issuer relating to the provision of investment banking services pursuant to art. 69 §2 and 4 of the Act on Trading in Financial Instruments dated 25<sup>th</sup> July 2005,
- BDM is not a party to an agreement with the issuer relating to the provision of investment banking services pursuant to section A and B of Annex I to the Directive 2014/65/EU of the European Parliament and of the Council (hereinafter the Directive 2014/65/EU),
- BDM is not a party to an agreement with the issuer relating to the production of the recommendation,
- There is other significant financial interest that BDM or its related affiliates have in relation to the issuer of financial instruments\*
- There are no significant connections between BDM or its related affiliates and the issuer of financial instruments,
- The person affiliated with BDM who was involved in the preparation of recommendations did not receive or purchase the shares of the issuer, to whom the recommendation relates directly or indirectly, prior to public offering of such shares,
- The person affiliated with BDM who was involved in the preparation of recommendations declares that they respect internal regulations and are subject to organizational and technical solutions and information barriers established by BDM to eliminate any conflicts of interest concerning recommendations and to avoid them,
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\*BDM is a party to the “ANALYTICAL REPORT PREPARATION SERVICES AGREEMENT” concluded with the WSE.

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