

Rainbow Tours S.A.



Price target: PLN 205.60

Update

Rating: BUY

Rainbow Tours' Q1/25 results came in 4.1%-19.4% above PAP consensus and 19%-20.3% above our EBITDA, EBIT and net income forecasts. At +7.6% the growth of bookings for the summer season 2025 has been much weaker y-o-y, while average prices for the most important destinations are up as we expected. Revenues in Jan-Jun 2025, which RBW already reported, equalled PLN 1.86bn (+12.6% y-o-y). However, due to, among others, the weaker growth of bookings – as of July 2024, it equalled 22.8% y-o-y – we believe that in Apr-Jun 2025 EBIT and net income were down 57.8% y-o-y to PLN 30.2m and 53% to PLN 27.3m respectively. Although share sales by two of RBW's founders have temporarily weighted on the company's share price, we highly appreciate the announced acquisition of the leading, profitable travel agency in Romania Paralela 45 Turism, which – we believe - in 2024 had revenues of c. PLN 260m. As Romania is less developed than Poland, we expect that Paralela 45 will accelerate RBW's top-line growth and hence have increased our long-term assumption for RBW's sales growth from 10.8% to 11.6%. In addition, after discussions with RBW's management we now believe that the company's target EBIT margin will be higher than we had previously expected (3.2% vs. 2.4%) e.g. due to efficiency improvements and a rapidly growing share of E-Commerce sales. After adjusting our model – we have assumed that Paralela 45 will be consolidated by RBW from August 2025 – we derive a new 12-months PT (80% DCF, 20% peer group) for the stock of PLN 205.60/share (prev. PLN 200.60). In our view, with an upside of 42.7% at present, a DYield 2025E of 7.8% and the significant growth potential of the Polish and Romanian travel markets, RBW remains one of the most attractive stocks on the WSE.

Q1/25 results came in surprisingly strong In Jan-Mar 2025, Rainbow Tours generated revenues of PLN 869.8m (+20.5% y-o-y, Cons.: PLN 835.8m). Gross margin improved from 16.7% in Q1/24 to 17.4%, which stemmed from lower fuel costs, a stronger PLN and an increasing share of online sales y-o-y. EBIT (+51.7% y-o-y to PLN 69.8m, Cons. PLN 62.1m) and net income (+52.5% to PLN 59.5m, Cons. PLN 49.8m) were additionally impacted by a lower share of distribution expenses (6.6% vs. 7.6%). In Q1/25, RBW's operating (-66.4% to PLN 18.6m) and free cash flow (-59.8% to PLN 16.1m) declined following a PLN 70.5m increase in working capital. At the end of March 2025, the company's net cash equalled PLN 185.2m (31/03/2024: PLN 102.2m).

in PLNm	2022	2023	2024	2025E	2026E	2027E
Net sales	2,393.31	3,293.39	4,068.06	4,698.39	5,385.62	6,058.42
EBITDA	54.42	236.89	376.13	319.47	314.76	294.02
EBIT	32.83	215.01	353.68	296.00	290.82	269.60
Net income	21.50	172.84	281.98	237.31	232.58	214.79
EPS	1.53	11.94	19.94	16.31	15.98	14.76
DPS	0.50	6.29	11.00	11.20	11.40	11.60
Dividend yield	0.35%	4.37%	7.63%	7.77%	7.91%	8.05%
RoE	19.53%	108.41%	91.82%	53.22%	44.78%	34.92%
Net gearing	3.43%	-89.39%	-47.74%	-47.24%	-38.77%	-35.18%
EV/Sales	0.82x	0.59x	0.48x	0.42x	0.36x	0.32x
EV/EBITDA	35.91x	8.25x	5.19x	6.12x	6.21x	6.65x
P/E	94.18x	12.07x	7.23x	8.84x	9.02x	9.76x

Company profile

Rainbow Tours is the third-largest travel operator in Poland.

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Website	www.r.pl
Sector	Travel
Country	Poland
ISIN	PLRNBWT00031
Reuters	RBW.WA
Bloomberg	RBW PW

Share information

Last price	144.10
No of shares (m)	14.55
Market cap. (PLNm)	2096.94
Market cap. (EURm)	493.40
52-week range	PLN 167 / PLN 87.30
Average volume	80,181

Performance

4-weeks	8.86%
13-weeks	-4.85%
26-weeks	18.02%
52-weeks	55.21%
YTD	14.13%

Shareholder structure

Slawomir Wysmyk*	11.54%
NN Pension Fund	16.16%
Generali Pension Fund	7.51%
Free float	64.79%

* Mr Wysmyk is one of RBW's founders

Financial calendar

H1/25 report	September 25, 2025
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Acquisition of Paralela 45 / Updated forecasts

Details on RBW's Romanian acquisition

On May 15, Rainbow Tours announced that it was going to buy a 70% stake in the fifth largest Romanian travel operator by revenue Paralela 45 Turism (Source: Romania Insider, FCM Travel) for c. EUR 8.2m (corresponds to a value of 100% of EUR 11.7m/PLN 49.8m). When it comes to the remaining 30%, RBW intends to purchase it in three tranches in the coming years based on Paralela 45's results, with the completion of the transaction scheduled for 2031E.

Like Rainbow Tours, Paralela 45 was founded at the beginning of the 1990s. The privately-held company has – we believe - 46 offices in all parts of Romania and operates the website www.paralela45.ro (had 283,913 unique visitors in July 2025, however Paralela 45 apparently does not yet have an iOS/Android app). According to our information, in 2024 the Romanian company generated revenues of c. PLN 260m, was profitable and had c. 100,000 clients. It sells holiday packages to foreign countries (e.g. Southern Europe, but also North Africa, the Maldives or United Arab Emirates) and destinations in Romania, and offers flight/hotel/transport reservations.

Based on our discussions with RBW's CEO, we believe that while for 2025E Paralela 45 should report similar revenues y-o-y and a break-even, in 2026E-2027E it will likely generate a loss as Rainbow Tours plans significant investments in its product offering, the network of additional travel offices - especially in shopping malls - and its online shop.

Regarding Paralela 45's future growth, we expect its revenues to increase at a CAGR of 19.4% by 2033E, which we believe is realistic as Romania has the second largest population in CEE/SEE but today is still significantly behind Poland when it comes to development: 1. In 2024, the GDP per capita in Romania equalled c. USD 20,278 vs. c. USD 24,810 in Poland and 2. The average monthly gross salary in Romania currently equals c. EUR 1,800 compared to EUR 2,100 in Poland, however has a much weaker "buying power" (in contrast to the Polish Zloty, whose FX rate has remained stable over the last 10 years, the Romanian Leu has lost c. 12% to the EUR).

Changes to our forecasts

Although we have included Paralela 45 in our estimates from August, our full-year 2025E forecasts for Rainbow Tours have gone down as we are now more cautious due to the confirmed bookings for the summer and winter season 2025, which show a significantly slower growth dynamic y-o-y and compared to Q1/25. However, we would like to emphasize that what continues to support RBW's gross margin this year, are 12.5% lower jet fuel prices y-o-y and a stronger PLN vs. USD and EUR.

	Latest	Prev. Year	change y-o-y
Pre-bookings for the summer season 2025*	528,936	491,639	7.6%
Pre-bookings for the winter season 2025/26**	36,541	34,103	7.1%
Sum	565,477	525,742	7.6%

* sales related to the summer season appear in RBW's revenues from April to October

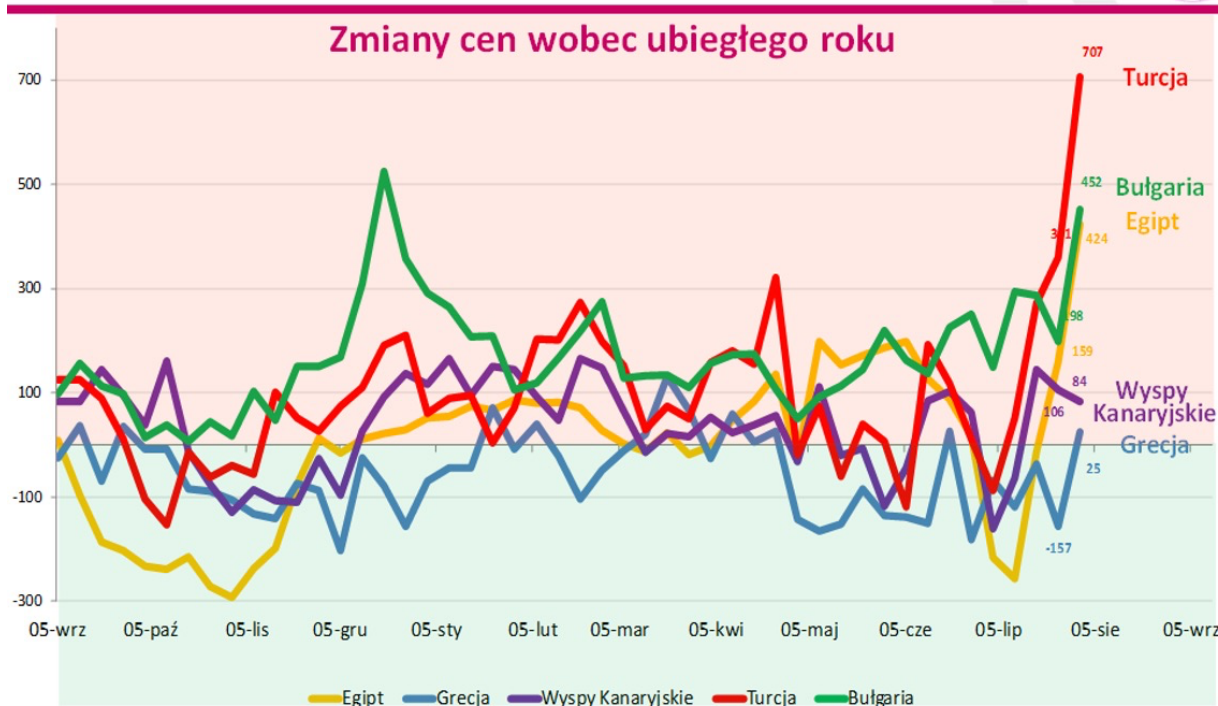
** sales related to the winter season appear in RBW's revenues from November to March

Source: Company information, East Value Research GmbH

Avg. prices of holidays (first week of August 2025) in Turkey, Bulgaria, Greece, Egypt and Canary Islands are between PLN 25 and PLN 707 above September 2024

RYNEK: LATO 2025 sierpień All Inclusive

Średnie ceny wycieczek na głównych kierunkach z wylotami w pierwszym tygodniu sierpnia

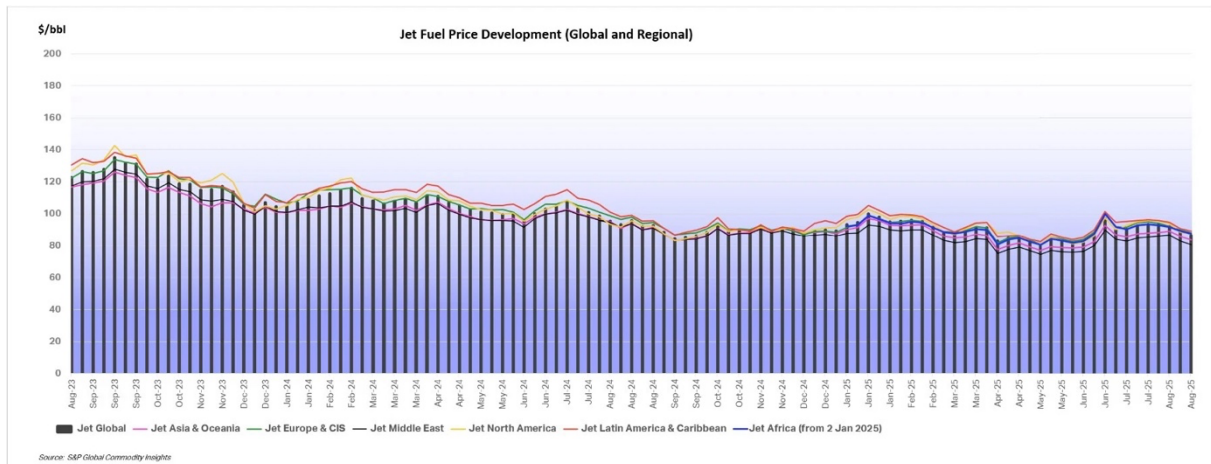


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ANALYSTYK BIZNESU PRZEDSIĘWZIĘCZYSTWA

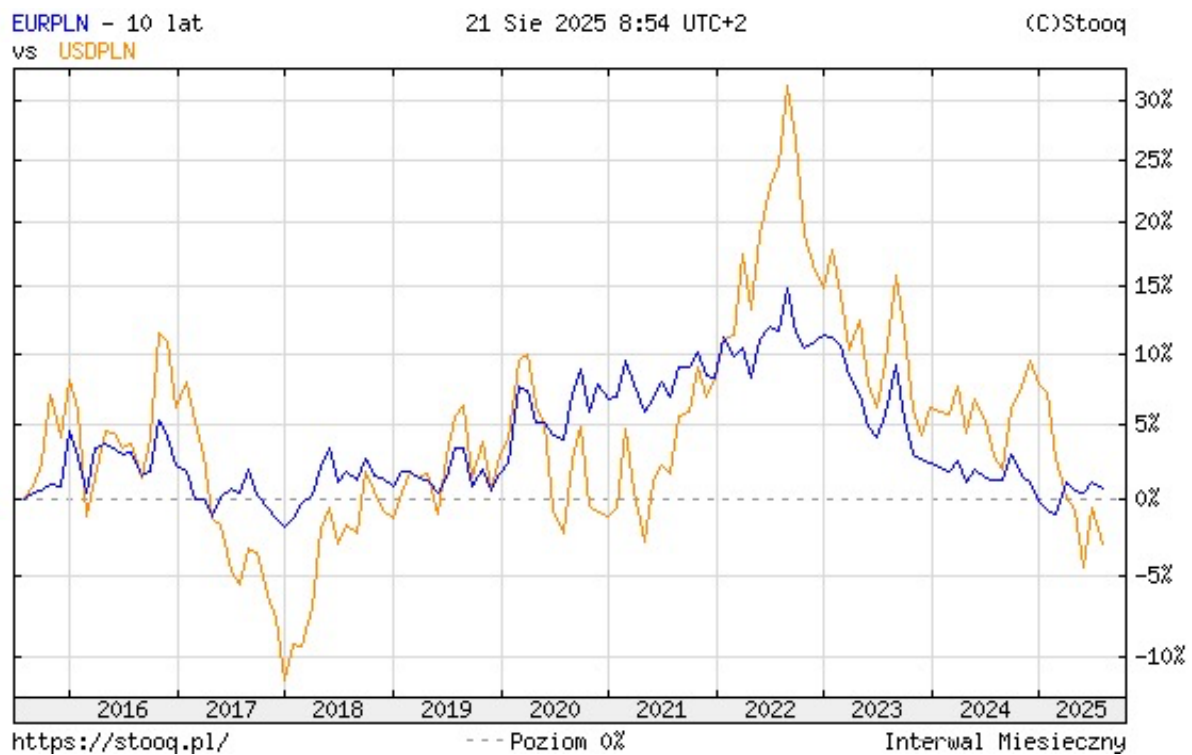
Source: rp.pl, Traveledata.pl, East Value Research GmbH

Jet Fuel Prices over the last 24 months: In Europe & CIS, they are currently 12.5% below last year's average



Source: IATA, East Value Research GmbH

USD-PLN vs. EUR-PLN rate – 08/2015 until 08/2025



Source: Stooq, East Value Research GmbH

In 2026E-2030E, we believe that Paralela 45 will grow at 20% every year as it should benefit from the fact that the value of the Romanian travel market is >5 times below Poland's, although the country only has c. 50% less inhabitants – According to wiadomosciturystyczne.pl, in 2024 Polish travel operators generated revenues of PLN 21.1bn/EUR 5bn, while Romania Insider estimates the value of revenues of Romanian travel operators at RON 4.6bn/EUR 910m. However, we expect that due to necessary investments Paralela 45 will only contribute a positive operating and net profit from 2028E. In the long run, Rainbow Tours and Paralela 45 should be able to negotiate better terms with hotels and airlines due to their larger combined size.

Regarding the long term development of Rainbow Tours, we expect that while Paralela 45 should increase its long-term growth (our estimate: revenue CAGR until 2033E of 11.6% vs. 10.8% before), management's efficiency improvements and a stronger focus on direct (especially online) sales should allow the company to generate higher EBIT margins than we had previously expected. Following our discussions with RBW's management, we now believe that by 2033E the company's EBIT margin will equal 3.2% compared to 2.4% which we had assumed before.

When it comes to investment spending, due to the announced acquisition we now believe that Rainbow Tours' gross CAPEX in 2025E-2027E will equal PLN 216.1m (prev. PLN 142m). Regarding RBW's future dividend payments, we do not believe that the acquisition of Paralela 45 and the planned investments will have a strong impact on them as the company has almost PLN 200m of net cash and continues to generate positive operating and free cash flows.

Below are our updated estimates for Rainbow Tours:

in PLNm	2025E	2026E	2027E
Touristic events	4,458.86	5,002.84	5,613.19
<i>Share in total sales</i>	<i>94.9%</i>	<i>92.9%</i>	<i>92.7%</i>
Gross margin	16.8%	16.1%	14.9%
Number of bookings	909,415	1,000,357	1,100,392
Average price per booking	4,903	5,001	5,101
Hotel business	60.01	64.53	64.53
<i>Share in total sales</i>	<i>1.3%</i>	<i>1.2%</i>	<i>1.1%</i>
Gross margin	4.1%	6.1%	8.1%
Number of rooms	930	1,000	1,000
Avg. capacity utilisation	80.0%	80.0%	80.0%
Avg. Room rate	52	52	52
Avg. FX rate	4.25	4.25	4.25
Others (incl. brokerage of flights, bus trips, travel)	6.18	6.25	6.31
<i>Share in total sales</i>	<i>0.1%</i>	<i>0.1%</i>	<i>0.1%</i>
Gross margin	17.9%	16.9%	15.9%
Paralela 45	173.33	312.00	374.40
<i>Share in total sales</i>	<i>3.7%</i>	<i>5.8%</i>	<i>6.2%</i>
Gross margin	10.0%	6.0%	8.5%
Total net sales	4,698.39	5,385.62	6,058.42
(change y-o-y)	15.5%	14.6%	12.5%

Source: East Value Research GmbH

	2025E		2026E		2027E	
in PLNm	new	old	new	old	new	old
Net sales	4698.39	4715.76	5385.62	5217.62	6058.42	5769.76
EBITDA	319.47	386.02	314.76	346.85	294.02	300.78
<i>EBITDA margin</i>	<i>6.8%</i>	<i>8.2%</i>	<i>5.8%</i>	<i>6.6%</i>	<i>4.9%</i>	<i>5.2%</i>
EBIT	296.00	363.11	290.82	323.49	269.60	276.95
<i>EBIT margin</i>	<i>6.3%</i>	<i>7.7%</i>	<i>5.4%</i>	<i>6.2%</i>	<i>4.5%</i>	<i>4.8%</i>
Net income	237.31	293.02	232.58	260.97	214.79	223.30
<i>Net margin</i>	<i>5.1%</i>	<i>6.2%</i>	<i>4.3%</i>	<i>5.0%</i>	<i>3.5%</i>	<i>3.9%</i>

Source: East Value Research GmbH

in PLNm	Q1/23	Q2/23	Q3/23	Q4/23	2023	Q1/24	Q2/24	Q3/24	Q4/24	2024	Q1/25	Q2/25E
Net sales	556.03	709.05	1434.04	594.26	3293.39	721.60	885.77	1736.75	723.95	4068.06	869.93	987.17
<i>y-o-y change</i>	76.1%	40.5%	26.6%	35.1%	37.6%	29.8%	24.9%	21.1%	21.8%	23.5%	20.6%	11.4%
EBITDA	30.58	49.62	146.40	10.28	236.89	51.15	77.09	215.69	32.21	376.13	75.64	36.00
<i>EBITDA margin</i>	5.5%	7.0%	10.2%	1.7%	7.2%	7.1%	8.7%	12.4%	4.4%	9.2%	8.7%	3.6%
EBIT	24.27	43.24	142.62	4.89	215.01	46.00	71.59	209.78	26.31	353.68	69.77	30.23
<i>EBIT margin</i>	4.4%	6.1%	9.9%	0.8%	6.5%	6.4%	8.1%	12.1%	3.6%	8.7%	8.0%	3.1%
Net income	19.82	34.71	110.83	7.48	172.84	38.17	58.10	159.80	25.91	281.98	57.71	27.29
<i>Net margin</i>	3.6%	4.9%	7.7%	1.3%	5.2%	5.3%	6.6%	9.2%	3.6%	6.9%	6.6%	2.8%

Source: Company information, East Value Research GmbH

Valuation

Despite lower profit estimates for 2025E-2027E and a higher WACC (10.5% vs. 10.3%), our 12-months PT for Rainbow Tours goes up from PLN 200.60 to PLN 205.60 as we now assume a stronger long-term sales growth and higher target operating margin. In addition, the peer-group-based Fair Value has significantly gone up since our last update in May (PLN 230.78 vs. PLN 188.10). As our new PT implies an upside of 42.7% at present, we continue to rate Rainbow Tours a BUY.

We would like to emphasize that after discussions with RBW's management this time we have decided not to account for the approved share buyback in 2025E-28E of max. 2.5m shares at PLN 150-PLN 220 in our valuation.

Below are the key assumptions of our WACC calculation:

- (1) *Risk-free rate*: Current yield of Polish long-term government bonds with maturity in 2047E is 5.58% (Source: www.boerse-stuttgart.de)
- (2) *Beta*: 4y average unlevered beta of companies from the Recreation sector of 0.91x (Source: www.damodaran.com)
- (3) *Equity risk premium (Poland)*: 5.46% (Source: www.damodaran.com)
- (4) *Effective tax rate*: 19%
- (5) *Target equity ratio*: 100%
- (6) *After-tax debt costs*: 6.5%
- (7) *WACC = Equity costs*: 10.6%
- (8) Free cash flows and residual values are discounted to August 25th, 2025

DCF model

in PLNm	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E
Net sales	4,698.39	5,385.62	6,058.42	6,675.04	7,358.90	8,118.05	8,951.91	9,876.83	10,903.54
(y-o-y change)	15.5%	14.6%	12.5%	10.2%	10.2%	10.3%	10.3%	10.3%	10.4%
Operating profit	296.00	290.82	269.60	280.35	287.00	308.49	322.27	335.81	350.33
(operating margin)	6.3%	5.4%	4.5%	4.2%	3.9%	3.8%	3.6%	3.4%	3.2%
NOPLAT	239.76	235.57	218.38	227.08	232.47	249.87	261.04	272.01	283.77
+ Depreciation & amortisation	23.47	23.94	24.42	24.91	25.41	25.91	26.43	26.96	27.50
= Net operating cash flow	263.23	259.51	242.80	251.99	257.87	275.79	287.47	298.97	311.27
- Total investments (Capex and WC)	-166.68	-79.78	-82.21	-75.14	-82.39	-76.24	-83.36	-137.94	-65.11
Capital expenditures	-106.19	-54.72	-55.18	-45.61	-46.18	-26.78	-27.38	-28.01	-28.67
Working capital	-60.49	-25.06	-27.02	-29.54	-36.20	-49.46	-55.98	-109.93	-36.45
= Free cash flow (FCF)	96.55	179.73	160.59	176.85	175.49	199.55	204.11	161.03	246.15
PV of FCF's	93.21	156.96	126.86	126.37	113.43	116.68	107.96	77.04	106.53
PV of FCFs in explicit period	1,025.05								
PV of FCFs in terminal period	1,375.23								
Enterprise value (EV)	2,400.28								
+ Net cash / - net debt (31 March 2025)	185.18								
+ Investment / - minorities	-42.13								
Shareholder value	2,543.33								
Terminal EBIT margin									
Number of shares outstanding (m)	14.55								
WACC	10.5%								
Cost of equity	10.5%								
Pre-tax cost of debt	8.0%								
Normal tax rate	19.0%								
After-tax cost of debt	6.5%								
Share of equity	100.0%								
Share of debt	0.0%								
Fair value per share in PLN	174.78								
Fair value per share in PLN (in 12 months)	193.21								

WACC		0.2%	1.2%	2.2%	3.2%	4.2%	5.2%	6.2%
	6.5%	103.30	191.86	280.42	368.98	280.42	191.86	103.30
	7.5%	99.36	166.51	233.67	300.82	233.67	166.51	99.36
	8.5%	95.75	148.41	201.08	253.75	201.08	148.41	95.75
	9.5%	92.40	134.72	177.05	219.37	177.05	134.72	92.40
	10.5%	89.29	123.93	158.57	193.21	158.57	123.93	89.29
	11.5%	86.37	115.14	143.91	172.68	143.91	115.14	86.37
	12.5%	83.65	107.82	131.99	156.16	131.99	107.82	83.65
	13.5%	81.08	101.59	122.09	142.60	122.09	101.59	81.08

Source: East Value Research GmbH

Peer Group Analysis

Our peer group analysis includes tour operators e.g. TUI, Voyageurs du Monde and companies that provide online travel services such as Booking Holdings and Expedia.

In Poland, Rainbow's main competitors are Itaka Holdings and TUI Poland. Itaka, which is based in Opole, is privately owned by four Polish investors, including its founders. It generates c. 12% of its revenues abroad, through its activity in the Czech Republic, Slovakia, the Baltics and Hungary. TUI Poland is a subsidiary of the listed TUI Group designated to operate in the Polish market. With c. 1.1m clients served, it has the largest customer base in Poland. According to RBW, it uses aggressive pricing (in contrast to RBW, which focuses on profitability) and targets a younger age group (RBW's target group are the 40-60 year olds, who are more affluent and often book highly profitable round trips and exotic destinations).

Another international peer of Rainbow Tours, Despegar.com, which we had previously included in our peer group, announced a takeover by Dutch Prosus NV in Q2/25. The online travel agency, which is focused in Latin America, was taken over at an Enterprise Value of USD 1.7bn, which corresponds to an EV/Sales 2024 and EV/EBITDA 2024 of 2.1x and 9.1x respectively.

- (1) *TUI AG*: TUI, which is headquartered in Hanover/Germany, is the world's largest tour operator company. TUI offers a broad suite of travel products, including boat cruises, airline tickets, hotel rentals, travel packages. The TUI Group operates and owns >130 aircraft, c. 400 own hotels and 18 cruise ships. The German company serves >21m clients annually and has over 65k employees. The TUI AG comprises 266 direct and indirect subsidiaries as well as 20 affiliated companies and 27 joint ventures. In its latest financial year ending in 09/2024, TUI generated revenues of EUR 23.2bn and an EBITDA margin of 5%. Its ROCE equalled 8.3%. Currently, TUI has a market cap of EUR 4.6bn.
- (2) *Booking Holdings Inc.*: Booking Holdings, which is based in Norwalk/USA, is the world's leading online travel company, offering comprehensive platforms that facilitate travel purchases between travel service suppliers and travellers. With over 21k employees, it provides services to international customers through six recognisable brands. In 2024, Booking generated revenues of USD 23.7bn, an EBITDA margin of 34.5% and ROCE of 49.7%. The company currently has a market cap of USD 185bn.
- (3) *Voyageurs du Monde SA*: Voyageurs du Monde, which is based in Paris/France, is a leading French tour operator that specializes in tailor-made individual and adventure travel and cycling holidays. The French company has 18 sales outlets in various countries (mostly Europe) and >1,700 employees. In 2024, Voyageurs generated revenues of EUR 735.3m, an EBITDA margin of 9.3% and ROCE of 20.2%. Its current market cap equals EUR 798.8m.

- (4) *On the Beach Group PLC*: On the Beach, which is based in Manchester/UK and was founded in 2004, is one of the UK's largest online package holiday specialists with c. 2m customers annually. Since its inception, the company has evolved from short haul beach destinations to also offering long haul and premium beach holidays, and city breaks in an asset-light and tech-powered model. In 2023/24, On the Beach generated revenues of GBP 128.2m, an EBITDA margin of 22.5% and a ROCE of 10.3%. Currently, the company has a market cap of GBP 450.7m.
- (5) *Lastminute.com NV*: Lastminute, which is headquartered in Amsterdam/the Netherlands, is an European online travel and leisure retailer. Lastminute sells a variety of travel related products and services, including holiday packages, transportation tickets, hotel and vacation rentals, adventure experiences, and ancillaries. With over 1,700 employees, the company focuses on holiday packages in five core markets, located in Western Europe. In 2024, Lastminute Group reported revenues of CHF 293.4m, an EBITDA margin of 8.7% and ROCE of 20.4%. Currently, the company is worth CHF 171.4m.
- (6) *Expedia Group Inc.*: Expedia, which is based in Seattle/USA, is a global online travel provider. It operates and owns various online travel websites and travel metasearch engines, including Trivago, Hotels.com and Orbitz. It creates travel products and services, including airplane tickets, boat cruises, travel packages, car rentals, accommodations, and adventure experiences. With >200 travel sites in >70 countries, it offers over 3m bookable properties and >220 unique activities. In 2024, Expedia generated revenues of USD 13.7bn, an EBITDA margin of 13.4% and a ROCE of 15%. Currently, the company is worth USD 25.4bn.
- (7) *Jet2 PLC*: Jet2, which is based in Leeds/UK, engages in the leisure travel business primarily in the United Kingdom. The company operates scheduled holiday flights to leisure destinations in the Mediterranean, the Canary Islands, and European leisure cities. It is also involved in the package holiday and non-ticket retail activities, as well as passenger and charter aircraft operations. In addition, it engages in the aircraft leasing and financing services. In 2024/25, Jet2 generated revenues of GBP 7.2bn, an EBITDA margin of 8.4% and a ROCE of 11.8%. Currently, it is valued at GBP 3.4bn.

Company	EV/Sales			EV/EBITDA			P/E			P/BVPS	EBITDA margin	Net gearing
	2025E	2026E	2027E	2025E	2026E	2027E	2025E	2026E	2027E	Latest	Last FY	Latest
TUI AG (EUR)	0.30x	0.29x	0.28x	3.21x	3.04x	2.91x	7.31x	6.62x	6.01x	6.52x	5.04%	268.46%
Booking Holdings Inc. (USD)	6.99x	6.54x	5.99x	19.38x	17.45x	15.52x	25.83x	22.44x	19.29x	neg	34.46%	n.a
Voyageurs du Monde SA (EUR)	0.89x	0.86x	0.83x	9.81x	9.33x	8.96x	16.48x	15.56x	15.88x	6.49x	9.25%	-92.76%
On the Beach Group PLC (GBP)	3.38x	2.99x	2.69x	10.32x	8.71x	7.58x	16.00x	13.09x	11.08x	2.82x	22.54%	19.68%
Lastminute.com NV (CHF)	0.20x	0.19x	0.17x	1.41x	1.29x	1.18x	9.89x	8.17x	7.32x	3.51x	8.73%	-211.28%
Expedia Group Inc. (USD)	1.85x	1.74x	1.61x	8.24x	7.53x	6.77x	14.46x	12.38x	10.42x	16.31x	13.37%	78.10%
Jet2 PLC (GBP)	0.17x	0.16x	0.14x	1.65x	1.51x	1.37x	7.59x	7.12x	6.52x	1.88x	8.41%	-126.64%
Median	0.89x	0.86x	0.83x	8.24x	7.53x	6.77x	14.46x	12.38x	10.42x	5.00x	9.25%	-36.54%
Rainbow Tours S.A. (PLN)	0.42x	0.36x	0.32x	6.12x	6.21x	6.65x	8.84x	9.02x	9.76x	4.76x	9.25%	-42.02%
Premium/Discount	-53.3%	-57.7%	-61.0%	-25.8%	-17.5%	-1.8%	-38.9%	-27.2%	-6.3%			
Fair value per share Rainbow Tours (PLN)	230.78											

Source: CapitalIQ, marketscreener.com, bankier.pl, East Value Research GmbH

As the table below shows, Rainbow Tours continues to perform well in comparison to its direct local peers when it comes to web site traffic and app ratings.

	Jul-25		App ratings	
	Total visits	Country rank	iOS	Android
r.pl	5.51m	174	4.8/5	4.7/5
itaka.pl	7.33m	130	4.7/5	4.8/5
tui.pl	6.93m	162	4.9/5	3.9/5
coraltravel.pl	2.99m	359	4.4/5	4.4/5

Source: Similarweb.com, Google search, East Value Research GmbH

Price target calculation

Valuation method	Fair value	Weight
DCF model	174.78	80%
Peer-group-based fair value	230.78	20%
Weighted average (present value)	185.98	
In 12-months (PV * (1+WACC))	205.60	

Source: East Value Research GmbH

Profit and loss statement

in PLNm	2022	2023	2024	2025E	2026E	2027E
Revenues	2,393.31	3,293.39	4,068.06	4,698.39	5,385.62	6,058.42
Cost of goods sold	-2,116.88	-2,724.09	-3,298.10	-3,928.40	-4,556.44	-5,184.00
Gross profit	276.43	569.31	769.97	769.99	829.17	874.42
Other operating income	6.01	10.90	2.95	2.00	1.90	1.81
Distribution costs	-172.39	-255.62	-287.06	-314.79	-360.84	-405.91
Administration costs	-48.52	-76.82	-96.70	-126.86	-145.41	-163.58
Other operating expenses	-7.10	-10.88	-13.02	-10.87	-10.06	-12.71
EBITDA	54.42	236.89	376.13	319.47	314.76	294.02
Depreciation	-21.59	-21.88	-22.45	-23.47	-23.94	-24.42
Operating income	32.83	215.01	353.68	296.00	290.82	269.60
Net financial result	-4.08	0.44	-0.10	5.62	5.82	6.02
Gain/Loss from at-equity investments	0.00	0.00	0.00	0.00	0.00	0.00
EBT	28.75	215.45	353.57	301.62	296.65	275.62
Income taxes	-6.42	-41.69	-70.52	-57.31	-56.36	-52.37
Minorities	-0.83	-0.92	-1.07	-7.00	-7.70	-8.47
Net income / loss	21.50	172.84	281.98	237.31	232.58	214.79
EPS	1.53	11.94	19.94	16.31	15.98	14.76
DPS	0.50	6.29	11.00	11.20	11.40	11.60
Share in total sales						
Revenues	100.00 %	100.00 %	100.00 %	100.00 %	100.00 %	100.00 %
Cost of goods sold	-88.45 %	-82.71 %	-81.07 %	-83.61 %	-84.60 %	-85.57 %
Gross profit	11.55 %	17.29 %	18.93 %	16.39 %	15.40 %	14.43 %
Other operating income	0.25 %	0.33 %	0.07 %	0.04 %	0.04 %	0.03 %
Distribution costs	-7.20 %	-7.76 %	-7.06 %	-6.70 %	-6.70 %	-6.70 %
Administration costs	-2.03 %	-2.33 %	-2.38 %	-2.70 %	-2.70 %	-2.70 %
Other operating expenses	-0.30 %	-0.33 %	-0.32 %	-0.23 %	-0.19 %	-0.21 %
EBITDA	2.27 %	7.19 %	9.25 %	6.80 %	5.84 %	4.85 %
Depreciation	-0.90 %	-0.66 %	-0.55 %	-0.50 %	-0.44 %	-0.40 %
Operating income	1.37 %	6.53 %	8.69 %	6.30 %	5.40 %	4.45 %
Net financial result	-0.17 %	0.01 %	0.00 %	0.12 %	0.11 %	0.10 %
Gain/Loss from at-equity investments	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %
EBT	1.20 %	6.54 %	8.69 %	6.42 %	5.51 %	4.55 %
Income taxes	-0.27 %	-1.27 %	-1.73 %	-1.22 %	-1.05 %	-0.86 %
Minorities	-0.03 %	-0.03 %	-0.03 %	-0.15 %	-0.14 %	-0.14 %
Net income / loss	0.90 %	5.25 %	6.93 %	5.05 %	4.32 %	3.55 %

Balance sheet

in PLNm	2022	2023	2024	2025E	2026E	2027E
Cash and equivalents	142.42	275.63	287.63	307.08	290.02	309.99
Short-term financial assets	0.16	2.02	6.29	0.00	0.00	0.00
Inventories	0.18	0.19	0.24	0.29	0.33	0.38
Trade accounts and notes receivables	27.91	39.27	53.68	94.18	144.84	204.43
Other current assets	267.86	325.27	438.90	452.07	465.63	479.60
Current assets, total	438.52	642.38	786.74	853.62	900.82	994.40
Property, plant and equipment	243.79	236.62	383.10	465.10	495.10	525.10
Other intangible assets	4.69	4.34	4.61	5.33	6.10	6.87
Goodwill	4.54	4.54	4.54	4.54	4.54	4.54
Other long-term assets	22.24	72.58	112.36	114.61	116.90	119.24
Deferred tax assets	12.21	22.97	7.89	0.00	0.00	0.00
Non-current assets, total	287.47	341.05	512.51	589.58	622.65	655.75
Total assets	725.99	983.43	1299.24	1443.19	1523.47	1650.15
Trade payables	73.22	74.81	117.93	108.60	145.04	188.90
Other short-term liabilities	274.86	471.47	560.98	560.98	560.98	560.98
Short-term financial debt	44.23	40.20	27.09	22.09	20.09	18.09
Provisions	46.26	72.35	44.45	140.95	107.71	60.58
Current liabilities, total	438.57	658.82	750.45	832.62	833.82	828.56
Long-term financial debt	102.02	50.49	66.10	56.10	55.10	54.10
Other long-term liabilities	30.98	23.18	16.44	18.98	21.76	24.48
Other provisions	0.52	1.17	15.02	0.00	0.00	0.00
Long-term liabilities, total	133.52	74.84	97.55	75.09	76.86	78.58
Total liabilities	572.09	733.65	848.00	907.71	910.69	907.14
Shareholders equity, total	111.96	206.91	407.30	484.54	554.15	675.90
Minority interests	41.94	42.87	43.94	50.94	58.64	67.11
Total equity and debt	725.99	983.43	1299.24	1443.19	1523.47	1650.15

Cash Flow Statement

in PLNm	2022	2023	2024	2025E	2026E	2027E
Net income / loss	21.50	172.84	281.98	237.31	232.58	214.79
Depreciation	21.59	21.88	22.45	23.47	23.94	24.42
Change of working capital	3.80	-5.09	-65.77	-60.49	-25.06	-27.02
Others	35.64	66.48	23.95	-89.38	33.24	47.13
Net operating cash flow	82.52	256.10	262.61	110.91	264.71	259.31
Cash flow from investing	-20.17	-18.74	-82.06	-106.19	-54.72	-55.18
Free cash flow	62.35	237.36	180.55	4.72	209.99	204.13
Cash flow from financing	-3.87	-104.15	-168.93	14.73	-227.05	-184.16
Change of cash	58.48	133.21	12.00	19.45	-17.06	19.97
Cash at the beginning of the period	83.93	142.42	275.63	287.63	307.08	290.02
Cash at the end of the period	142.42	275.63	287.63	307.08	290.02	309.99

Financial ratios

	2022	2023	2024	2025E	2026E	2027E
Profitability and balance sheet quality						
Gross margin	11.55%	17.29%	18.93%	16.39%	15.40%	14.43%
EBITDA margin	2.27%	7.19%	9.25%	6.80%	5.84%	4.85%
EBIT margin	1.37%	6.53%	8.69%	6.30%	5.40%	4.45%
Net margin	0.90%	5.25%	6.93%	5.05%	4.32%	3.55%
Return on equity (ROE)	19.53%	108.41%	91.82%	53.22%	44.78%	34.92%
Return on assets (ROA)	3.52%	17.53%	21.71%	16.05%	14.88%	12.65%
Return on capital employed (ROCE)	8.87%	53.42%	51.59%	39.27%	34.16%	26.58%
Economic Value Added (in PLNm)	-4.83	139.16	225.24	175.35	162.81	131.70
Net debt (in PLNm)	3.84	-184.95	-194.43	-228.89	-214.82	-237.79
Net gearing	3.43%	-89.39%	-47.74%	-47.24%	-38.77%	-35.18%
Equity ratio	15.42%	21.04%	31.35%	33.57%	36.37%	40.96%
Current ratio	1.00	0.98	1.05	1.03	1.08	1.20
Quick ratio	0.39	0.48	0.46	0.48	0.52	0.62
Net interest cover	-8.05	488.67	-3467.40	52.63	49.94	44.75
Net debt/EBITDA	0.07	-0.78	-0.52	-0.72	-0.68	-0.81
Tangible BVPS	7.65	13.98	28.48	32.99	37.77	46.13
Capex/Sales	1.20%	0.44%	4.16%	2.26%	1.02%	0.91%
Working capital/Sales	-3.47%	-6.22%	-4.98%	-3.02%	-2.17%	-1.48%
Cash Conversion Cycle (in days)	-8	-6	-8	-7	-6	-5
Trading multiples						
EV/Sales	0.82	0.59	0.48	0.42	0.36	0.32
EV/EBITDA	35.91	8.25	5.19	6.12	6.21	6.65
EV/EBIT	59.52	9.09	5.52	6.60	6.72	7.25
P/Tangible BVPS	18.85	10.31	5.06	4.37	3.82	3.12
P/E	94.18	12.07	7.23	8.84	9.02	9.76
P/FCF	33.63	8.83	11.61	443.90	9.99	10.27

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The respective supervisory authority is:

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