

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]	44,4	P/E	5,5	10,0	15,0	Analyst:
MC [mln PLN]	1019,9	EV/EBITDA	2,5	4,2	8,7	Krzysztof Pado
		EV/EBIT	2,8	5,2	11,8	krzysztof.pado@bdm.pl
		P/BV	2,5	2,0	1,9	tel.: (+48) 512 338 250

Last recommendation BDM: BUY with target price 45,1 PLN/share (19.02.2025) [LINK](#)

Results for Q2'25 [m PLN]

	Q2'24	Q2'25	y/y	Q2'25E	dev.	Q2'25F BDM	dev.	Q2'25F cons.*	Dev.	H1'24	H1'25	y/y
Sales	298,0	468,1	57,1%	468,1	0,0%	400,0	17,0%	382,5	22,4%	558,5	853,1	52,8%
Gross profit	29,1	35,2	20,7%	35,2	0,0%	30,9	14,0%	---	---	49,2	58,6	19,2%
Profit on sales	18,2	22,7	25,0%	---	---	19,3	17,5%	---	---	28,1	33,5	19,2%
Other operating activity net	0,1	0,9	610,8%	---	---	-0,5	---	---	---	-2,3	1,4	---
EBITDA	24,5	30,4	24,0%	---	---	25,6	18,7%	---	---	38,1	48,2	26,4%
EBIT	18,3	23,6	29,1%	23,6	-0,1%	18,8	25,5%	14,5	62,5%	25,8	34,9	35,3%
Profit before tax	19,6	25,6	30,7%	---	---	20,3	26,1%	---	---	32,1	38,5	20,1%
Net profit	15,2	20,4	34,0%	20,4	0,2%	16,4	24,2%	12,5	63,6%	26,0	30,5	17,6%
Gross margin	9,8%	7,5%		7,5%		7,7%		---		8,8%	6,9%	
Sales margin	6,1%	4,9%		---		4,8%		---		5,0%	3,9%	
EBITDA margin	8,2%	6,5%		---		6,4%		---		6,8%	5,7%	
EBIT margin	6,1%	5,0%		5,1%		4,7%		3,8%		4,6%	4,1%	
Net margin	5,1%	4,4%		4,4%		4,1%		3,3%		4,6%	3,6%	

Source: BDM S.A., Torpol, *PAP

- The company announced its final Q2'25 results on Friday evening. The results are in line with previously published estimates (which were higher than expectations).
- In Q2'25 at the level of consolidated revenues Torpol had PLN 468m (+57% y/y). The increase in revenues is mainly a consequence of the high portfolio of rail orders in ongoing execution. Following the completion of a large contract for Orlen, however, revenues (and profit) of the subsidiary TOG declined markedly now.
- Gross margin in Q2'25 (7.5%) was better q/q but still weaker y/y (5.8% in Q1'25 and 9.6% a year ago). The margin was little affected this time by a change in contract valuation estimates (PLN +2.4m in Q2'25 vs. +PLN 13.5m in Q1'25 and PLN +17.3m a year ago).
- EBIT amounted to PLN 23.6m (vs. PLN 18.3m a year ago), while net profit was PLN 20.4m (vs. PLN 15.2m in Q2'24).
- Cash net after Q2'25 at PLN 266m (vs. PLN 267m after Q1'25 and PLN 174m a year ago, debt excludes dividend payables). Operating CF PLN -3m in Q2'25. CAPEX after H1'25 ca. PLN 14m (including new lease; annual plan at PLN 62m)
- Portfolio at PLN 3.15bn (vs. PLN 3.35bn after Q1'25). The largest portion in contract in Katowice (PLN 1.76bn).
- Earnings conference call today at 10:00.

BDM Comment:

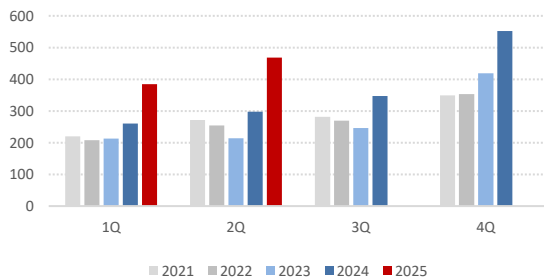
Final results in line with previously published estimates (they were above our and market expectations). Thanks to strong revenue growth (+57% y/y), as in Q1'25, the company managed to record y/y EBIT growth, despite a lower y/y gross margin. The margin probably does not include any significant one-offs. The level of net cash is similar q/q (the improvement should be replaced at the end of the year when the second instalment of the advance on the Katowice contract is expected). At the earnings conference, we are mainly waiting for the management's comment on the bid recently submitted jointly with Mirbud in the tender for the Białystok - Elk section of the railway line (PLN 3.7bn net, 8% below the 2nd bid, the base bid for 70% of the investor's budget).

Results in previous quarters [PLN m]

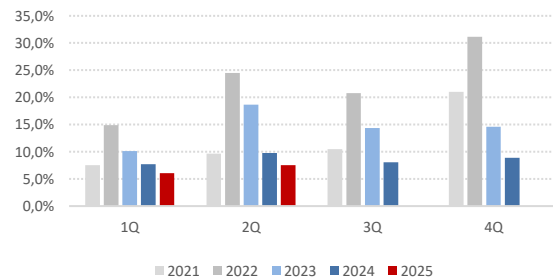
	Q1'22	Q2'22	Q3'22	Q4'22	Q1'23	Q2'23	Q3'23	Q4'23	Q1'24	Q2'24	Q3'24	Q4'24	Q1'25	Q2'25
Sales	207,8	254,4	269,6	353,0	212,4	214,4	246,3	418,7	260,5	298,0	347,4	552,3	385,0	468,1
standalone	202,3	239,1	240,7	312,5	188,7	171,0	183,3	361,2	214,1	270,2	320,0	519,5	363,4	459,9
subsidiaries	5,5	15,4	28,9	40,5	23,7	43,4	62,9	57,5	46,4	27,8	27,4	32,7	21,5	8,3
Gross profit	31,0	62,3	56,0	110,0	21,5	40,0	35,4	61,2	20,0	29,1	28,0	49,0	23,4	35,2
standalone	30,5	61,3	53,1	106,3	19,9	37,0	30,5	55,5	16,7	26,0	25,1	42,6	21,2	34,8
subsidiaries	0,4	1,1	2,9	3,6	1,5	3,0	4,9	5,7	3,3	3,2	2,9	6,4	2,3	0,4
SG&A	8,5	10,3	9,0	10,5	9,6	10,8	10,7	13,0	10,1	11,0	10,6	12,3	12,6	12,5
Profit on sales	22,5	52,1	47,0	99,5	11,9	29,1	24,7	48,2	9,9	18,2	17,4	36,7	10,8	22,7
Other operating activity net	0,6	-1,1	1,4	-1,4	0,5	-2,0	0,9	0,7	-2,5	0,1	-0,6	-4,7	0,5	0,9
EBITDA	29,1	56,9	54,5	104,4	18,8	33,4	31,6	54,8	13,6	24,5	23,5	38,8	17,8	30,4
EBIT	23,0	51,0	48,5	98,1	12,3	27,1	25,6	48,9	7,5	18,3	16,8	31,9	11,3	23,6
Profit before tax	25,2	56,2	51,2	98,9	18,3	30,4	29,0	51,5	12,5	19,6	17,5	33,0	13,0	25,6
Net profit	20,3	45,0	40,6	78,0	14,4	23,7	23,0	40,9	10,7	15,2	13,7	28,3	10,1	20,4
Gross margin	14,9%	24,5%	20,8%	31,2%	10,1%	18,6%	14,4%	14,6%	7,7%	9,8%	8,1%	8,9%	6,1%	7,5%
standalone	15,1%	25,6%	22,1%	34,0%	10,6%	21,6%	16,6%	15,4%	7,8%	9,6%	7,9%	8,2%	5,8%	7,6%
subsidiaries	8,0%	7,0%	10,1%	9,0%	6,5%	6,8%	7,8%	9,9%	7,1%	11,5%	10,6%	19,6%	10,6%	4,6%
EBITDA margin	14,0%	22,4%	20,2%	29,6%	8,8%	15,6%	12,8%	13,1%	5,2%	8,2%	6,8%	7,0%	4,6%	6,5%
EBIT margin	11,1%	20,0%	18,0%	27,8%	5,8%	12,6%	10,4%	11,7%	2,9%	6,1%	4,8%	5,8%	2,9%	5,0%
Net margin	9,8%	17,7%	15,1%	22,1%	6,8%	11,0%	9,3%	9,8%	4,1%	5,1%	3,9%	5,1%	2,6%	4,4%
CFO	61,2	-11,7	5,8	119,9	-28,6	-14,5	-15,3	105,3	-136,5	-102,1	89,1	-63,0	131,2	-3,5
Net debt	-371,4	-351,7	-285,9	-399,5	-361,6	-351,1	-340,9	-432,7	-294,7	-173,9	-214,1	-143,0	-266,8	-266,3
Backlog	1 093	1 311	1 194	984	1 650	1 732	3 010	2 440	4 738	4 191	4 009	3 530	3 350	3 150

Source: BDM S.A., company

Sales [PLN m]

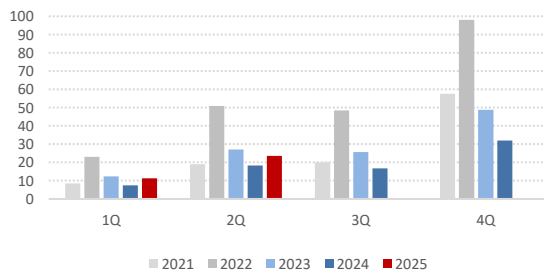


Gross margin



Source: BDM S.A., company

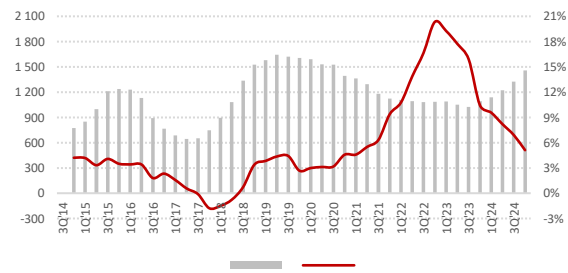
EBIT [PLN m]



Source: BDM S.A., company

Source: BDM S.A., company

Revenue and EBIT margin (LTM)



Source: 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
Buy	45,1	Accumulate	37,3	19.02.2025	08:50 CEST	38,80	94 651
Accumulate	37,3	Accumulate	35,6	22.08.2024	11:52 CEST	33,55	84 528
Accumulate	35,6	Buy	27,9	22.04.2024	14:25 CEST	32,35	84 109
Buy	27,9	Hold	19,3	04.01.2024	09:55 CEST	23,75	77 054
Hold	19,3	Hold	22,0	12.09.2023	13:35 CEST	18,50	66 241
Hold	22,0	Accumulate	22,8	14.04.2023	14:50 CEST	21,15	61 305
Accumulate	22,8	---	---	16.01.2023	12:40 CEST	21,00	61 324

Distribution of BDM's recommendations in Q3'25*:

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

	number	%	number	%
Buy	2	25%	0	0%
Accumulate	3	38%	0	0%
Hold	1	13%	0	0%
Reduce	2	25%	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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