ANALYST COMMENT – **TORPOL**
Q3'25 FINAL RESULTS
2025/11/24, 08:35 CEST/CET

Dom Maklerski BDM S.A.

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]	54,8	P/E	6,8	12,4	18,5
MC [mln PLN]	1258,8	EV/EBITDA	3,5	6,0	11,1
		EV/EBIT	3,9	7,3	15,0
		P/BV	3,1	2,5	2,4

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Last recommendation BDM: ACCUMULATE with target price 49,1 PLN/share (08.09.2025) LINK

Results for Q3'25 [m PLN]

	Q3'24	Q3'25	y/y	Q3'25E	dev.	Q3'25F BDM	dev.	Q1-3'24	Q1-3'25	y/y
Sales	347,4	504,6	45,2%	504,6	0,0%	480,0	5,1%	905,9	1 357,7	49,9%
Gross profit	28,0	36,4	29,7%	36,4	-0,1%	36,0	1,1%	77,2	95,0	23,0%
Profit on sales	17,4	23,7	35,8%	---	---	23,2	2,1%	45,6	57,2	25,6%
Other operating activity net	-0,6	-1,3	---	---	---	0,0	---	-3,0	0,1	---
EBITDA	23,5	29,5	25,5%	---	---	30,4	-3,0%	61,6	77,7	26,1%
EBIT	16,8	22,4	33,1%	22,4	0,0%	23,2	-3,4%	42,6	57,3	34,5%
Profit before tax	17,5	22,5	28,9%	---	---	23,9	-5,8%	49,6	61,1	23,2%
Net profit	13,7	17,8	30,0%	17,8	0,1%	19,4	-8,2%	39,6	48,3	21,9%
Gross margin	8,1%	7,2%		7,2%		7,5%		8,5%	7,0%	
Sales margin	5,0%	4,7%		---		4,8%		5,0%	4,2%	
EBITDA margin	6,8%	5,8%		---		6,3%		6,8%	5,7%	
EBIT margin	4,8%	4,4%		4,4%		4,8%		4,7%	4,2%	
Net margin	3,9%	3,5%		3,5%		4,0%		4,4%	3,6%	

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

- The company reported its final Q3'25 results on Friday evening. The results are in line with previously published estimates (which were slightly lower than our expectations).
- At the consolidated revenue level, Torpol posted PLN 505m in Q3'25 (+45% y/y). The increase in revenues is mainly a consequence of a high portfolio of rail orders in ongoing execution. In contrast, revenues (and earnings) of the subsidiary TOG declined sharply today following the completion of a large contract for Orlen.
- Gross margin in Q3'25 (7.2%) was slightly weaker q/q (7.5%) and y/y (8.1% a year ago). The margin was slightly below our original expectations (we had assumed 7.5%). On a standalone level, the margin was 7.0%, while TOG had a 13.1% margin. The margin was impacted this time by a change in contract valuation estimates (+PLN 16.7m in Q3'25 vs. +PLN +2.4m in Q2'25 and +PLN 20.3m a year ago). In Q3'25, the Company reached a settlement with PKP PLK under which it received PLN 5.7m for indirect costs incurred on the Działdowo - Olsztyn contract. This amount was recognised in Q3'25 revenue.
- EBIT amounted to PLN 22.4m (vs. PLN 16.8m a year ago), while net income was PLN 17.8m (vs. PLN 13.7m in Q3'24). The results on these lines are slightly below our assumptions, which is a consequence of the aforementioned slightly lower margin and a slightly negative balance of other operating activities.
- Net cash after Q3'25 at PLN 262m (vs. PLN 266m after Q2'25 and PLN 214m a year ago; the company paid dividends in Q3'25). Operating CF +PLN 34m in Q3'25. CAPEX after 1-3Q'25 ca. PLN 28m (including new lease; annual plan at PLN 62m). We expect higher cash outflows at the end of the year due to the expected payment of the second installment of the advance on the Katowice contract.
- Backlog at PLN 4.48bn (vs. PLN 3.15bn after Q2'25; it includes a major contract signed already in Q4'25). The largest portion is the Katowice contract (PLN 1.63bn).
- Earnings conference call today at 09:30.

BDM Comment:

Final results in line with previously published estimates (they were marginally below our expectations on margins). Thanks to strong revenue growth (+45% y/y), as in 1H'25, the company managed to record a y/y increase in EBIT, despite a lower y/y gross sales margin. The margin was supported this time by a positive change in contract valuation estimates and a settlement on one of the contracts. Net cash levels are similar q/q (OCF was positive, but the company also paid a dividend). At the earnings conference, we are mainly looking forward to the management's commentary on the outlook for margins and cash flow at the end of the year, as well as further potential for portfolio construction (the company has, among other things, a bid selected by PKP PLK in a tender for a section of the Białystok-Ełk railway line in a consortium with Mirbud).

This report 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. Detailed contents of legal notes is located on the last page of this report.
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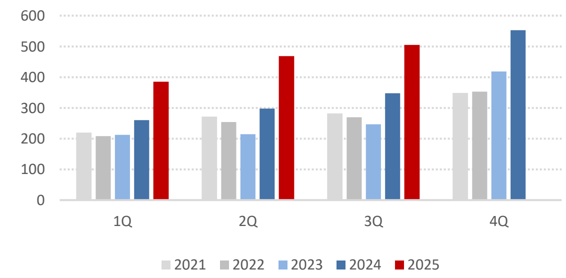
Results in previous quarters [PLN m]

	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	Q3'25
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**	**504,6**
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	485,1
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	19,5
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**	**36,4**
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	33,8
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	2,6
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	12,7
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**	**23,7**
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	-1,3
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**	**29,5**
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**	**22,4**
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	22,5
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**	**17,8**
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%**	**7,2%**
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%	7,0%
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%	13,1%
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%	5,8%
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%	4,4%
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%	3,5%
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	33,6
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	-261,9
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	4 480

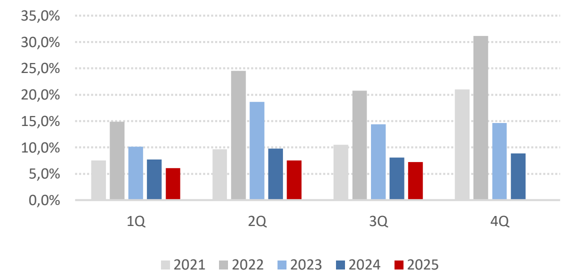
Source: BDM S.A., company

Sales [PLN m]



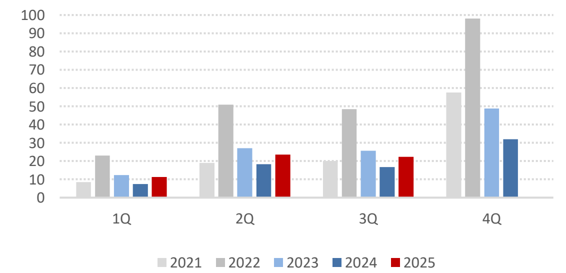
Source: BDM S.A., company

Gross margin



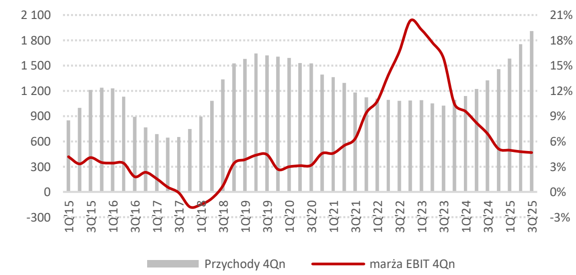
Source: BDM S.A., company

EBIT [PLN m]



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.

Ratings and price targets history:

rating	price target	previous rating	previous target price	report date	report date (hour)	price	WIG
Accumulate	**49,1**	**Buy**	**45,1**	**8.09.2025***	**15:50 CEST**	**45,1**	**107 136**
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 Q4’25*:		**, distribution of BDM’s recommendations for the companies which BDM has supplied with investment banking services within the last 12 months**	
	number	**%**	**number**	**%**
Buy	5	100%	0	0%
Accumulate	0	0%	0	0%
Hold	0	0%	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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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 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.

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- The issuer does not hold shares exceeding 5 % of the BDM issued share capital,
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