ANALYST COMMENT – **TORPOL**
Q3'25 PRELIMINARY RESULTS
2025/10/28, 08:33 CEST

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]	49,9	P/E	6,2	11,2	16,9
MC [mln PLN]	1146,2	EV/EBITDA	3,0	5,1	10,0
		EV/EBIT	3,4	6,3	13,5
		P/BV	2,8	2,2	2,2

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

Preliminary results for Q3'25 [m PLN]

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

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

- The company reported preliminary Q3'25 results last Friday.
- At the consolidated revenue level, Torpol posted PLN 505m in Q3'25 (+45% y/y). We had expected PLN 480m. The y/y revenue growth is mainly a consequence of a high portfolio of railway orders in the pipeline (after Q2'25 it amounted to PLN 3.2bn). On the other hand, following the completion of a large contract for Orlen, revenues of the subsidiary TOG have now fallen sharply.
- Gross margin in Q3'25 (7.2%) was slightly weaker q/q (7.5%) and y/y (8.1% a year ago). The margin is slightly below our expectations (we assumed 7.5%). On a standalone level, the margin was 7.0%, while TOG had a 13.1% margin.
- EBIT was 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, as a consequence of the aforementioned slightly lower margin.
- Cash after Q3'25 at PLN 332m. The Company did not disclose the level of its interest-bearing debt, which amounted to PLN 78m after Q2'25 - net cash is estimated at ca. PLN 250m (vs. PLN 266m after Q2'25, we assumed, more or less; the Company paid dividends, Q3'25 operating CF should be neutral). We expect a larger cash inflow at the end of the year due to the expected payment of the second installment of the advance on the Katowice contract.
- The company will report in full on 21 November 2025.

BDM Comment:

Thanks to strong revenue growth (+45% y-o-y), as in H1'25, the company managed to record a y-o-y increase in EBIT, despite a still lower y-o-y gross sales margin. The results are marginally below our expectations on EBIT and net profit, due to a 0.3 pp weaker-than-forecast gross sales margin. Net cash levels are likely to be marginally lower q/q (Q3'25 saw a dividend payment; an improvement in the cash position should replace the year-end when the second instalment of the advance on the Katowice contract is expected). Full results will appear on 21 November.

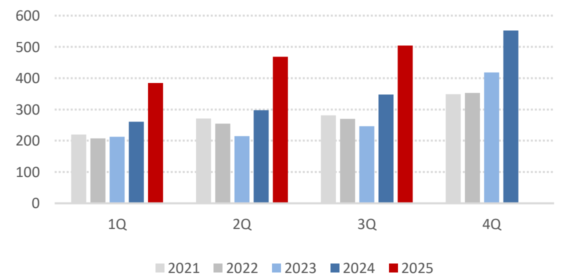
Dom Maklerski BDM S.A.

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	Q3'25E
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	33,9
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	2,5
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	14,0
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**	**22,4**
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	0,0
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**	**29,6**
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	23,0
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%	5,9%
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	---
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	---

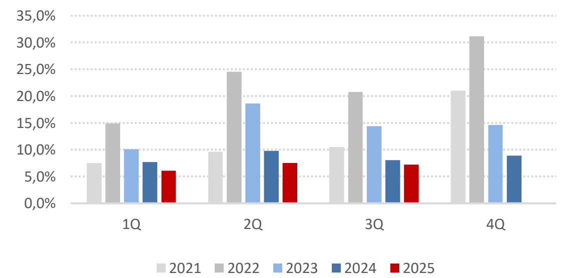
Source: BDM S.A., company

Sales [PLN m]



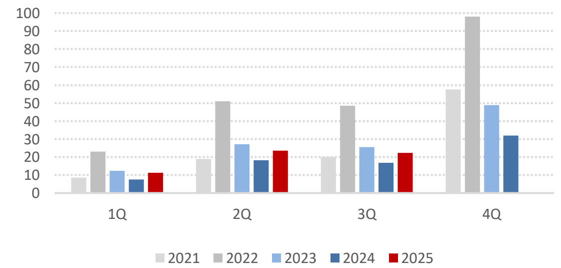
Source: BDM S.A., company

Gross margin



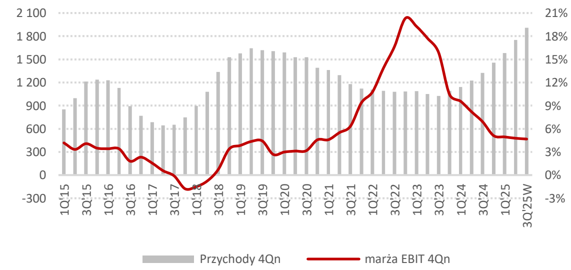
Source: BDM S.A., company

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	4	100%	0	0%
Accumulate	0	0%	0	0%
Hold	0	0%	0	0%
Reduce	0	0%	0	0%
Sell	0	0%	0	0%

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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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