

The report was prepared by Dom Maklerski BDM at the request of the WSE as part of the Exchange's Analytical Coverage Support Programme

			2023	2024	2025	
Price [PLN]	61,9	P/E	14,0	20,9	18,2	Analyst: Krzysztof Pado krzysztof.pado@bdm.pl tel.: (+48) 512 338 250
MC [mln PLN]	1421,8	EV/EBITDA	7,1	12,7	7,0	
		EV/EBIT	8,7	17,2	9,1	
		P/BV	2,8	2,7	2,5	

Last recommendation BDM: HOLD with target price 62,2 PLN/share (11.12.2025) [LINK](#)

Results for Q4'25 [m PLN]

	Q4'24	Q4'25	y/y	Q4'25E	dev.	Q4'25F BDM	dev.	2024	2025	y/y
Sales	552,3	620,8	12,4%	620,7	0,0%	592,5	4,8%	1 458,2	1 978,4	35,7%
Gross profit	49,0	51,2	4,5%	51,2	0,0%	47,3	8,4%	126,2	146,2	15,8%
Profit on sales	36,7	36,3	-0,9%	---	---	33,3	9,2%	82,2	93,5	13,7%
Other operating activity net	-4,7	0,2	---	---	---	-0,5	---	-7,7	0,3	---
EBITDA	38,8	43,2	11,5%	---	---	40,3	7,2%	100,4	120,9	20,4%
EBIT	31,9	36,5	14,3%	36,5	0,0%	32,8	11,4%	74,5	93,8	25,8%
Profit before tax	33,0	37,0	11,9%	---	---	34,3	7,9%	82,6	98,0	18,7%
Net profit	28,3	29,8	5,3%	29,8	-0,1%	27,8	7,2%	67,9	78,1	15,0%
Gross margin	8,9%	8,3%		8,3%		8,0%		8,7%	7,4%	
Sales margin	6,6%	5,9%		---		5,6%		5,6%	4,7%	
EBITDA margin	7,0%	7,0%		---		6,8%		6,9%	6,1%	
EBIT margin	5,8%	5,9%		5,9%		5,5%		5,1%	4,7%	
Net margin	5,1%	4,8%		4,8%		4,7%		4,7%	3,9%	

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

- The company announced its final results for Q4'25 on Friday evening. The results are in line with previously published estimates (which were slightly higher than our expectations).
- In Q4'25, Torpol's consolidated revenue stood at PLN 621 million (+12% y/y, against a high base). The y/y revenue growth is mainly a consequence of the high portfolio of railway orders currently in progress (which stood at PLN 4.5bn after Q3 2025). Following several weaker quarters, the revenues of the subsidiary TOG also improved.
- Gross margin in Q4'25 (8.3%) was better q-o-q (7.2% in Q3'25), but still weaker y-o-y (8.9% a year ago). The margin was slightly above our expectations (we had forecast 8.0%). On a standalone basis, the margin stood at 8.3%; TOG reported a similar margin. This time, the change in contract valuation estimates had a significant impact on the margin (+PLN 80.5m in Q4'25 vs +PLN 32.6m in Q1-Q3'25 and +PLN 29.3m in Q4'24). In Q4'25, the company reached a settlement with Zeman HDF and Opal regarding mutual claims under the Łódź Fabryczna contract (the impact of the settlement on results was not disclosed).
- EBIT amounted to PLN 36.5 million in Q4'25 (vs PLN 31.9 million a year ago), whilst net profit stood at PLN 29.8 million (vs PLN 28.3 million in Q4'24). Results on these lines are above our expectations.
- Net cash after Q4'25 stood at PLN 571 million (vs PLN 262 million after Q3'25 and PLN 143 million a year ago). We had anticipated a high cash inflow (operating cash flow of PLN 347 million in Q4'25) at the end of the year due to the expected payment of the second instalment of the advance under the contract in Katowice, amounting to PLN 165 million net; at the same time, other balance sheet items related to working capital also performed well.
- CAPEX in 2025 at PLN 55 million (including a new lease; the annual plan had assumed a level of PLN 62 million).
- In 2026, CAPEX is expected to amount to PLN 67 million.
- Portfolio at PLN 3.99 billion (vs PLN 4.48 billion after Q3'25). The largest part is the contract in Katowice (PLN 1.51 billion).
- Torpol plans to participate in tenders for PSE (either independently or in consortia). Meanwhile, TOG anticipates participating in tenders in the defence sector (construction of fuel storage facilities), the construction of small gas-fired power units, and, in the longer term, tenders for the construction of nuclear power plants.
- In 2025, the company observed stabilisation or slight declines in the prices of basic materials and raw materials across most product groups. In the company's view, an increase in PKP PLK's tendering activity could potentially lead to a renewed rise in material prices.
- The strategic materials used by the company are: steel (approx. 17,000 tonnes), concrete (89,000 tonnes + 48,000 tonnes of concrete sleepers), cables/wires (555 tonnes, mainly copper) and aggregates (1.3 million tonnes). The largest single purchase group in 2025 was railway rails, costing PLN 63 million – 14% of material costs.
- The company stated that it has already contracted for the "vast majority" of basic materials required for its current order book.
- Earnings conference today at 10:00.

BDM Comment:

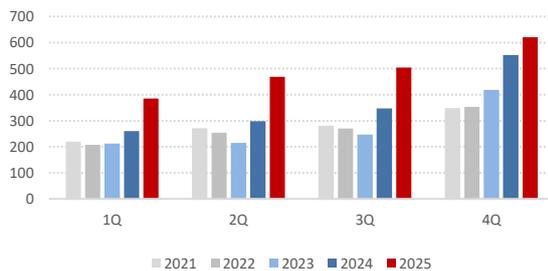
We view the Q4 2025 results positively. Despite a high base, the company delivered better year-on-year results and exceeded our expectations. Of particular note is the very strong cash position at year-end (the company received an advance payment for the Katowice project, and other working capital items also performed well at year-end).

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	Q4'25
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	620,8
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	589,5
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	31,2
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	51,2
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	33,8	48,6
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	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	14,9
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	36,3
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	0,2
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	43,2
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	36,5
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	37,0
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	29,8
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%	8,3%
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%	8,2%
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%	8,4%
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%	7,0%
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%	5,9%
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%	4,8%
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	346,5
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	-261,9	-570,9
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	3 986

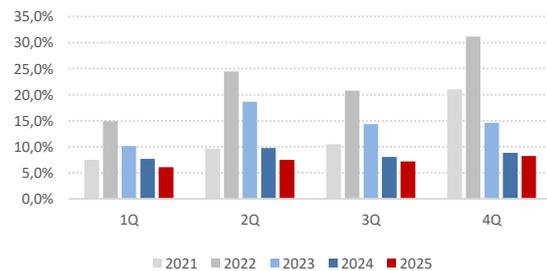
Source: BDM S.A., company

Sales [PLN m]



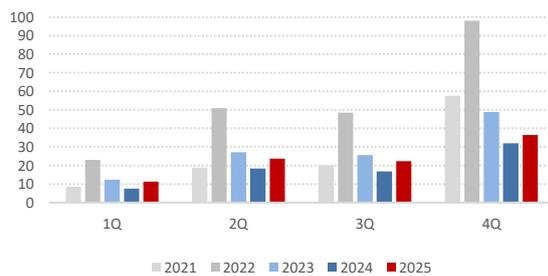
Source: BDM S.A., company

Gross margin



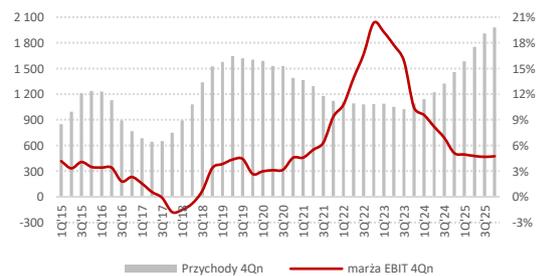
Source: BDM S.A., company

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.

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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	62,2	Accumulate	49,1	11.12.2025	11:20 CET	62,8	111 969
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 Q1'26*:

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

	number	%	number	%
Buy	1	50%	0	0%
Accumulate	0	0%	0	0%
Hold	1	50%	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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