ANALYST COMMENT – **TORPOL**

Q2'26 FINAL RESULTS

2026/09/07, 07:40 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

			2023	2024	2025
Price [PLN]	70,0	P/E	15,8	23,7	20,6
MC [mln PLN]	1607,9	EV/EBITDA	8,5	14,6	8,6
		EV/EBIT	10,3	19,7	11,1
		P/BV	3,2	3,0	2,8

Analyst:
Krzysztof Pado
krzysztof.pado@bdm.pl
tel.: (+48) 512 338 250

Last recommendation BDM: ACCUMALATE with target price 73,3 PLN/share (11.06.2026) LINK

Results for Q2'26 [m PLN]

	Q2'25	Q2'26	y/y	Q2'26E	dev.	Q2'26F BDM	dev.	H1'25	H1'26	y/y
Sales	468,1	579,0	23,7%	579,5	-0,1%	505,0	14,7%	853,1	913,5	7,1%
Gross profit	35,2	47,5	35,0%	47,5	0,0%	41,4	14,8%	58,6	71,6	22,1%
Profit on sales	22,7	33,4	47,3%	---	---	27,9	19,8%	33,5	44,1	31,6%
Other operating activity net	0,9	-2,4	---	---	---	-0,5	---	1,4	-3,2	---
EBITDA	30,4	39,0	28,3%	---	---	35,0	11,6%	48,2	56,1	16,3%
EBIT	23,6	31,1	31,6%	31,1	-0,1%	27,4	13,4%	34,9	40,9	17,2%
Profit before tax	25,6	32,7	27,6%	---	---	28,6	14,1%	38,5	45,7	18,6%
Net profit	20,4	23,5	15,2%	23,5	0,2%	22,9	2,7%	30,5	33,8	10,8%
Gross margin	7,5%	8,2%		8,2%		8,2%		6,9%	7,8%	
Sales margin	4,9%	5,8%		---		5,5%		3,9%	4,8%	
EBITDA margin	6,5%	6,7%		---		6,9%		5,7%	6,1%	
EBIT margin	5,0%	5,4%		5,4%		5,4%		4,1%	4,5%	
Net margin	4,4%	4,1%		4,0%		4,5%		3,6%	3,7%	

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

- The company released its final Q2'26 results on Friday evening. The results were in line with the previously published preliminary figures, which were above our expectations.
- In Q2'26, Torpol generated consolidated revenue of PLN 579m (+24% yoy). Revenue increased both at the parent-company level and at TOG.
- The Q2'26 gross margin came in at 8.2%, improving yoy from 7.5% in Q2'25. The margin was exactly in line with our expectations of 8.2%. The parent-company margin was 8.2%, while TOG generated a margin of 8.0%. The margin was positively affected by revisions to contract estimates (+PLN 16.1m in Q2'26 vs +PLN 2.4m in Q2'25).
- The company stated that the higher yoy margin in H1'26 (7.8% vs 6.9% a year earlier) was mainly attributable to improved operating efficiency and the recognition of contract indexation and variation orders.
- Q2'26 EBIT amounted to PLN 31.1m, compared with PLN 23.6m a year earlier, while net profit came in at PLN 23.5m, versus PLN 20.4m in Q2'25. The company recorded a negative balance on other operating activities of PLN 2.4m, while the effective income tax rate was relatively high at 28%.
- Net cash after Q2'26 stood at PLN 354m, compared with PLN 436m after Q1'26 and PLN 266m a year earlier. Operating cash flow in Q2'26 amounted to PLN -64m. The dividend was paid at the beginning of Q3'26. The company has already deducted the dividend in its net cash calculation, while we will recognise it in the quarter in which it was actually paid.
- The company stated that the negative operating cash flow recorded in H1'26 was temporary. It expects cash flows to rebalance in the coming periods as receivables are collected.
- H1'26 CAPEX amounted to PLN 28m, including new leases, compared with the full-year plan of PLN 67m.
- The backlog stood at PLN 6.34bn, compared with PLN 3.84bn after Q1'26. The largest project is the Warsaw East railway station modernisation contract, worth PLN 2.78bn, followed by the Katowice contract (PLN 1.33bn, compared with PLN 1.44bn after Q1'26).
- The results conference is scheduled for today at 10:00.

BDM Comment:

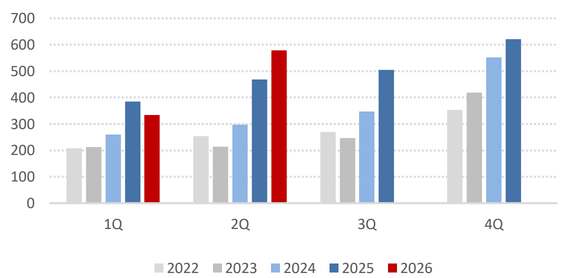
We view the Q2'26 results as slightly positive. The company made up for the revenue shortfall recorded in Q1'26 and reported positive revenue growth for H1'26. We highlight the continued yoy improvement in profitability. The company's net cash position declined by several dozen million PLN qoq in Q2'26 but remained significantly higher yoy. The company expects operating cash flow to improve in the remainder of the year.

Results in previous quarters [PLN m]

	1Q'23	2Q'23	3Q'23	4Q'23	1Q'24	2Q'24	3Q'24	4Q'24	1Q'25	2Q'25	3Q'25	4Q'25	1Q'26	2Q'26
Sales	**212,4**	**214,4**	**246,3**	**418,7**	**260,5**	**298,0**	**347,4**	**552,3**	**385,0**	**468,1**	**504,6**	**620,8**	**334,4**	**579,0**
standalone	188,7	171,0	183,3	361,2	214,1	270,2	320,0	519,5	363,4	459,9	485,1	589,5	322,2	559,0
subsidiaries	23,7	43,4	62,9	57,5	46,4	27,8	27,4	32,7	21,5	8,3	19,5	31,2	12,2	20,0
Gross profit	**21,5**	**40,0**	**35,4**	**61,2**	**20,0**	**29,1**	**28,0**	**49,0**	**23,4**	**35,2**	**36,4**	**51,2**	**24,1**	**47,5**
standalone	19,9	37,0	30,5	55,5	16,7	26,0	25,1	42,6	21,2	34,8	33,8	48,6	24,1	45,9
subsidiaries	1,5	3,0	4,9	5,7	3,3	3,2	2,9	6,4	2,3	0,4	2,6	2,6	0,0	1,6
SG&A	9,6	10,8	10,7	13,0	10,1	11,0	10,6	12,3	12,6	12,5	12,7	14,9	13,5	14,0
Profit on sales	**11,9**	**29,1**	**24,7**	**48,2**	**9,9**	**18,2**	**17,4**	**36,7**	**10,8**	**22,7**	**23,7**	**36,3**	**10,6**	**33,4**
Other operating activity net	0,5	-2,0	0,9	0,7	-2,5	0,1	-0,6	-4,7	0,5	0,9	-1,3	0,2	-0,8	-2,4
EBITDA	**18,8**	**33,4**	**31,6**	**54,8**	**13,6**	**24,5**	**23,5**	**38,8**	**17,8**	**30,4**	**29,5**	**43,2**	**17,1**	**39,0**
EBIT	**12,3**	**27,1**	**25,6**	**48,9**	**7,5**	**18,3**	**16,8**	**31,9**	**11,3**	**23,6**	**22,4**	**36,5**	**9,8**	**31,1**
Profit before tax	18,3	30,4	29,0	51,5	12,5	19,6	17,5	33,0	13,0	25,6	22,5	37,0	13,1	32,7
Net profit	**14,4**	**23,7**	**23,0**	**40,9**	**10,7**	**15,2**	**13,7**	**28,3**	**10,1**	**20,4**	**17,8**	**29,8**	**10,3**	**23,5**
Gross margin	**10,1%**	**18,6%**	**14,4%**	**14,6%**	**7,7%**	**9,8%**	**8,1%**	**8,9%**	**6,1%**	**7,5%**	**7,2%**	**8,3%**	**7,2%**	**8,2%**
standalone	10,6%	21,6%	16,6%	15,4%	7,8%	9,6%	7,9%	8,2%	5,8%	7,6%	7,0%	8,2%	7,5%	8,2%
subsidiaries	6,5%	6,8%	7,8%	9,9%	7,1%	11,5%	10,6%	19,6%	10,6%	4,6%	13,1%	8,4%	0,1%	8,0%
EBITDA margin	8,8%	15,6%	12,8%	13,1%	5,2%	8,2%	6,8%	7,0%	4,6%	6,5%	5,8%	7,0%	5,1%	6,7%
EBIT margin	5,8%	12,6%	10,4%	11,7%	2,9%	6,1%	4,8%	5,8%	2,9%	5,0%	4,4%	5,9%	2,9%	5,4%
Net margin	6,8%	11,0%	9,3%	9,8%	4,1%	5,1%	3,9%	5,1%	2,6%	4,4%	3,5%	4,8%	3,1%	4,1%
CFO	-28,6	-14,5	-15,3	105,3	-136,5	-102,1	89,1	-63,0	131,2	-3,5	33,6	346,5	-129,9	-63,7
Net debt	-361,6	-351,1	-340,9	-432,7	-294,7	-173,9	-214,1	-143,0	-266,8	-266,3	-261,9	-570,9	-436,0	-353,6
Backlog	1 650	1 732	3 010	2 440	4 738	4 191	4 009	3 530	3 350	3 150	4 480	3 986	3 839	6 336

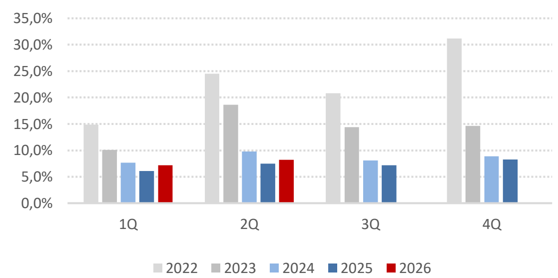
Source: BDM S.A., company

Sales [PLN m]



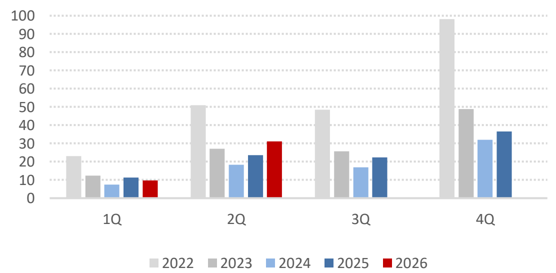
Source: BDM S.A., company

Gross margin



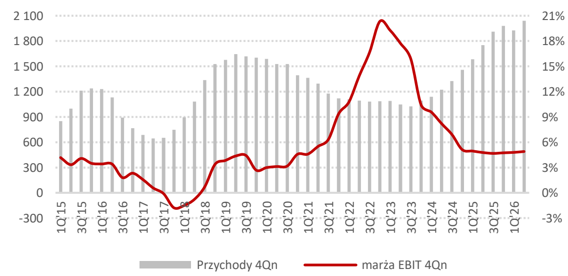
Source: BDM S.A., company

EBIT [PLN m]



Source: BDM S.A., company

Revenue and EBIT margin (LTM)



Source: BDM S.A., company

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Q2'26 FINAL RESULTS

2026/09/07, 07:40 CEST/CET

RESEARCH DEPARTMENT:

Maciej Bobrowski
Director, Investment Adviser
tel. (032) 208 14 12
e-mail: maciej.bobrowski@bdm.pl
strategy, industry, media/entertainment, TMT

Krzysztof Pado
Deputy Director
Investment Adviser
tel. (032) 208 14 35
e-mail: krzysztof.pado@bdm.pl
oil&gas, construction, building materials, real estate

Anna Tobiasz
Analyst
Investment Adviser
tel. (032) 208 14 35
e-mail: anna.tobiasz@bdm.pl

Jakub Zamorski
Junior analyst
tel. (032) 208 14 39
e-mail: jakub.zamorski@bdm.pl

Krystian Grzegorczyk
Junior analyst
tel. (032) 208 14 35
e-mail: krystian.grzegorczyk@bdm.pl

INSTITUTIONAL SALES DEPARTMENT:

Tomasz Grzeszczyk
tel. (022) 62-20-854
e-mail: tomasz.grzeszczyk@bdm.pl

Tomasz Figiel
tel. (022) 62-20-855
e-mail: tomasz.figiel@bdm.pl

Piotr Komorowski
tel. (022) 62-20-851
e-mail: piotr.komorowski@bdm.pl

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	**73,3**	**Accumulate**	**68,1**	**11.06.2026***	**16:25 CET**	**66,7**	**135 420**
Accumulate	68,1	Hold	62,2	23.03.2026*	16:00 CET	61.6	119 363
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 Q3'26*:		**, distribution of BDM's recommendations for the companies which BDM has supplied with investment banking services within the last 12 months**	
	number	**%**	**number**	**%**
Buy	2	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 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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