

Marvipol Development

1Q25E Results Preview

Marvipol is due to publish its 1Q25E results on 23 May 2025.

Opinion: Neutral as Marvipol Development presented relatively flattish deliveries (only 18 apartments, vs. 14 dwellings in 1Q24; we note that the management board had informed about the project schedules earlier). Thus, we anticipate that the group will not present crucial 1Q25 numbers, including: 1) revenues of PLN 30.9m (vs. PLN 25.7m in 1Q24), 2) EBITDA of PLN 0.8m, and 3) a net profit of PLN -4.0m (vs. PLN -5.4m in 1Q24).

As of now, we assume that Marvipol will improve its financial results in 2025E, as the project schedules are more favorable than it was in 2024. Moreover, we believe that the group will improve its pre-sales in 2025E, due to extended offer and assumed interest rate cuts (the most probably just in 2Q25E).

Pre-sales: The company reported pre-sales of 87 units in 1Q25 (-40% y/y and +30% q/q; the value of units sold amounted to PLN 65.6m, implying average value of ca. PLN 754.0k. -11% y/y). We note that the group had dwelling offer of 691 units as of end-4Q24.

Deliveries: At the same time, the company delivered 18 units (vs. 14 flats in 1Q24; with value of PLN 20.9m).

Revenues: We estimate that total revenues arrived at PLN 30.9m (vs. PLN 25.7m in 1Q24), which is broadly in line with company's current report, driven mainly by a slightly higher number of handed over apartments. We include sales of PLN 10.0m in "other" segment.

Gross margin: Given the above-mentioned, we expect gross margin to arrive at 24.8% (vs. 20.9% in 1Q24 and 17.3% in 4Q24).

EBITDA: We assume that the company will report ca. PLN 10.5m in SG&A costs (+1% y/y). Thus, EBITDA could come in at PLN 0.8m. We predict that profit on sales could reach PLN -2.8m (vs. PLN -5.0m in 1Q24).

Net profit: We expect that net financial loss amounted to PLN -2.8m, vs PLN -2.7m in 1Q24 (we do not assume any major impact of FX differences). Thus, the net profit could arrive at PLN -4.0m (vs. loss of PLN 5.4m in 1Q24).

Figure 1. Marvipol Development 1Q25E preview summary (PLNm)

	1Q24	2Q24	3Q24	4Q24	1Q25E	Y/Y	Q/Q
Revenues	25.7	40.3	121.2	274.4	30.9	20%	-89%
Gross profit	5.4	13.0	22.9	47.4	7.7	43%	-84%
Profit on sales	-5.0	1.4	9.5	33.0	-2.8	n.a.	n.a.
EBITDA	-1.3	4.6	16.5	44.1	0.8	n.a.	-98%
EBIT	-3.7	2.0	13.8	41.3	-2.0	n.a.	n.a.
EBT	-6.4	2.9	6.4	36.5	-4.9	n.a.	n.a.
Net profit	-5.4	1.3	5.6	30.2	-4.0	n.a.	n.a.
Gross margin	20.9%	32.3%	18.9%	17.3%	24.8%		
EBITDA margin	n.a.	11.4%	13.6%	16.1%	2.5%		
EBIT margin	n.a.	4.9%	11.3%	15.0%	n.a.		
Net margin	n.a.	3.3%	4.6%	11.0%	n.a.		
Pre-sales	144	110	109	67	87	-40%	30%
Deliveries	14	18	163	376	18	29%	-95%
Avg.price (PLNk)	821	1,297	659	692	1,163	42%	68%

Source: Company, IPOPEMA Research

Real Estate

Marvipol Development
BUY

FV PLN 8.91

28.3% upside

Price as of 17 April 2025 PLN 6.96

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The definitions of terms used in the document include:

NII – Net interest income – interest income minus interest expense.

Net F&C – Net fee and commission income – fee and commission income minus fee and commission expense.

LLP – loan loss provisions – an expense set aside as an allowance for bad loans.

NPL – non-performing loan – loans that are in default or close to be in default.

Cost/Income – operating expenses divided by total banking revenue.

ROE – return on equity – net income (or adjusted net income) divided by the average shareholders' equity.

ROA – return on assets – net income (or adjusted net income) divided by the average assets.

EBIT – earnings before interests and tax.

EBITDA – earnings before interests, tax, depreciation and amortization.

EPS – earnings per share – the net income (or adjusted net income) divided by the number of shares outstanding.

P/E – price to earnings ratio – price divided by earnings per share.

PEG – P/E ratio divided by the annual EPS growth, usually over a certain period of time.

CAGR – compound annual growth rate.

BVPS – book value per share, the book value of the Company's equity divided by the number of shares outstanding.

P/BV – price to book value – price divided by the BVPS.

DPS – dividend per share – dividend of a given year divided by the number of shares outstanding.

DY – dividend yield – dividend of a given year divided by the current price.

DDM – dividend discount model – a fundamental method of valuation based on the assumption that the value of stock equals the sum of all discounted future dividends.

FV – Fair Value, calculated based on valuation methods outlined in the document.

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Buy	13	81%
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Total	16	100%

Rating History – Marvipol Development

Date	Recommendation	Fair Value	Price at recommendation	Author
07/09/2023	BUY	PLN 10.49	PLN 8.00	Adrian Górniak
12/12/2023	BUY	PLN 10.07	PLN 7.20	Adrian Górniak
20/03/2024	BUY	PLN 11.15 (adjusted on 02.05.2024 to PLN 10.09 by PLN 1.06 DPS)	PLN 8.26	Adrian Górniak
29/08/2024	BUY	PLN 9.30	PLN 7.06	Adrian Górniak
11/12/2024	BUY	PLN 8.93	PLN 6.12	Adrian Górniak
07/04/2025	BUY	PLN 8.91	PLN 6.40	Adrian Górniak