EDISON

LM PAY

FY25 and Q126 preliminary results

Strong EBIT momentum in FY25

Financial services

13 July 2026

LM PAY reported a strong 48.5% y-o-y increase in revenue in FY25 to PLN37.8m or c €8.9m (based on preliminary results). This resulted in a considerably higher EBIT of PLN10.8m (c €2.6m) in FY25 versus PLN7.0m in FY24 and positive earnings before taxes of PLN1.2m (vs a PLN0.6m loss in FY24), despite PLN3.0m of one-off costs associated with the change in financing partner in Q425 (see our initiation note for details). While LM PAY reported a net loss of PLN1.9m in FY25, this was largely due to deferred tax adjustments. The company maintained a low default rate of less than 3% in FY25. Management will provide detailed FY26 guidance around the end of July, when it should have greater visibility on the revenue potential of its car insurance premium financing segment. It is in discussions with multiple new partners regarding this business and expects a more significant financial tailwind from car insurance premium financing in H226. We will update our forecasts and valuation following the release of the guidance.

Year end	Revenue (PLNm)	PBT (PLNm)	EPS (PLN)	DPS (PLN)	P/E (x)	Yield (%)
12/23	17.5	(2.9)	(3.87)	0.00	N/A	N/A
12/24	25.5	(0.6)	0.11	0.00	N/A	N/A
12/25	37.8	1.2	(3.01)	0.00	N/A	N/A

Note: Revenue, PBT and EPS reported by the company, except FY25 EPS, which is Edison Investment Research's estimate based on reported net loss, assuming a weighted average number of shares of 631.7k.

Top-line aided by strong beauty and health sectors

Management attributes the robust revenue momentum primarily to an expanding partner network and growing customer demand in the beauty and healthcare sectors, with an additional positive impact from the initial ramp-up of its new car insurance premium financing business. The number of serviced clients increased 11.5% y-o-y to 43k in FY25, and the share of returning clients went up from 30% in FY24 to 32% in FY25.

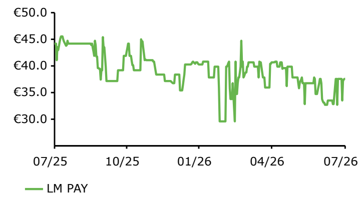
The value of granted loans rose by c 26% y-o-y to PLN128.4m in FY25, ahead of the 12% y-o-y increase in the number of granted loans, reflecting a higher average ticket size. MediPay, LM PAY's lower-ticket product for beauty and medical treatments, accounted for 75% of total sales in FY25 (up from 70% in FY24) and reached an average ticket size of c PLN2.1k (see Exhibit 1) compared to PLN1.9k a year earlier. MediRaty, LM PAY's earlier, less automated, higher-ticket product, represented 14% of total sales (FY24: 17%) and had an average ticket size of c PLN6.3k (FY24: PLN6.1k). The remaining 11% of sales was attributable to general purpose (cash) loans to customers with an established credit history with LM PAY.

Contemplating capital measures and dividends

LM PAY communicated that it is contemplating the introduction of dividends based on a payout ratio of around 75–80%. However, this is dependent on a PLN65–100m equity raise, which would allow the company to repay its internal debt (ie outside of funding provided by UniCredit), comprising a blend of shareholder loans and bank debt. While the share issue could be dilutive for existing shareholders, it could unlock further growth through enhanced balance sheet flexibility arising from a higher equity ratio (which at end-2025 stood at 21.9%).

Price	**€37.80**
Market cap	**€24m**
Shares in issue	0.6m
Free float	31.0%
Code	Y00
Primary exchange	DUS
Secondary exchange	FSE

Share price performance



%	1m	3m	12m
Abs	(0.5)	(7.4)	(17.5)
52-week high/low		€45.6	€30.0

Business description

LM PAY is a Polish fintech specialising in consumer financing for beauty and healthcare services via B2B partnerships. The company recently expanded into car insurance financing and launched a card in partnership with Visa.

Next events

FY26 guidance	Late July 2026
H126 report	September 2026

Analyst

Milosz Papst +44 (0)20 3077 5700

financials@edisongroup.com

Edison profile page

LM PAY is a research client of Edison Investment Research Limited

Management eyes strong growth in the car insurance segment

Although LM PAY's reported preliminary revenue is close to the midpoint of management's guidance of PLN32–42m, we note that, following a recent revision of the company's accounting policy, its reported revenue for FY25 does not include a deduction related to early repayments and customer withdrawals (which in FY25 stood at PLN6.0m), as this effect is now accounted for in other operating expense. Therefore, the accounting change affected LM PAY's top-line reporting but is earnings neutral. Management's guidance did not reflect this accounting change. After adjusting for it, LM PAY's revenue in FY25 was PLN31.9m, effectively at the lower end of the guided range. That said, we note that LM PAY's preliminary FY25 EBIT of PLN10.8m is closer to the upper end of management's guided range of PLN7–12m, and the value of loans granted (PLN128.4m) is close to the midpoint of the PLN120–140m guidance.

We understand that the reason for sales being closer to the lower bound of management guidance could have been the timing of the roll-out of LM PAY's partnership with CUK Ubezpieczenia, one of Poland's largest insurance multi-agencies, which LM PAY initiated in June 2025. The company has been working on a direct implementation within the multi-agency's systems and management highlighted that it is close to signing collaborations (involving direct implementations) with a further three major multi-agencies. Management sees further expansion potential beyond this, as there are around 20 large insurance brokers in Poland. LM PAY may also pursue the opportunity for direct implementations with around 50–60 of the c 120 smaller brokers in the country, which should be less expensive than the integrations with the largest players. The company will provide further details on its expansion into car insurance premium financing with the announcement of the FY26 guidance.

Exhibit 1: LM PAY's products in FY25

	MediPay securepay	MediRaty	Cash loans known clients
average loan amount (in PLN)	PLN 2,106 (€490)	PLN 6,332 (€1,474)	PLN 5952 (€1,385)
focus on	all medical treatments	treatments in dental services	multi-purpose
creditworthiness/loan decision carried out	at a healthcare facility	by own Call Centre	by own Call Centre
payment direct to healthcare provider	✓	✓	-
repayment in instalments	✓	✓	✓
max loan	PLN 9,300 (€2,183)	PLN 20,000 €4,695 (online agreement) / PLN 30,000 €7,042 (offline agreement)	PLN 50,000 (€11,737)
share of business (in % of sales)	**75% of sales**	**14% of sales**	**11% of sales**

Source: LM PAY

Softer Q126 performance

LM PAY's revenue increased by only 3.8% y-o-y in Q126, which management attributes to the temporary loss of a significant partner in the beauty segment. The partner decided to shift its customer financing to a bank, but, due to the bank's less efficient credit approval process compared to LM PAY, reversed its decision and was fully onboarded again in May 2026. LM PAY's management had highlighted similar cases (with similar outcomes) in the past. The company stated that its revenue is diversified across around 60 partners. We believe that the recent interest rate cuts in Poland (the main reference rate of the local central bank went down from 5.75% at end-2024 to 3.75% currently) also had a negative effect on LM PAY's year-on-year revenue momentum in Q126. The company's EBIT fell by c 25% y-o-y in Q126 to PLN1.7m (c €0.4m) amid higher operating costs and further investments in sales channel expansion and the roll-out of new insurance financing products.

Suspending expansion into Romania

LM PAY announced that it is suspending its Romanian expansion in the current fiscal year, as the National Bank of Romania (NBR) refused to approve the registration of LM PAY's Romanian branch. This was because the NBR requested detailed documentation for all minority shareholders, including copies of their identity documents, criminal records or equivalent credentials issued by the relevant local authorities. This requirement is extremely difficult to fulfil given the daily changes in shareholder register typical for a publicly listed company. Management highlighted the company fulfilled all other requirements set out by the Romanian central bank.

MFG to repay at least PLN30m by year-end

Management provided an update on the repayment of the loan LM PAY provided to Medical Finance Group (MFG), its majority shareholder (see our initiation note for details). Management expects at least PLN30m of the total outstanding balance (including accrued interest) of PLN75m at end-2025 to be repaid by the end of this year. We believe that this would unlock additional balance sheet capacity for LM PAY's business expansion and reduce the material related-party exposure.

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London | New York | Frankfurt
20 Red Lion Street
London, WC1R 4PS
United Kingdom