

This report is prepared for the Warsaw Stock Exchange SA within the framework of the Analytical Coverage Support Program 4.0.

689/2024/AR/November 26, 2024

Company	LT fundamental recommendation	12M EFV (PLN)	ST market-relative bias	Analyst
Cloud Technologies	Hold	70.0	Neutral	Tomasz Rodak, CFA

Event: 3Q24 financials – close to our expectations; monthly sales growth to key clients at +1% yoy in September 2024.

Yesterday, after the market close, Cloud Technologies released 3Q24 financial results with adj EBITDA at PLN 6.6 million (up 8% yoy) that is 2% ahead of our forecast.

The Group's top line reached PLN 11.6 million (down 13% yoy) and was 1% above our forecast due to slightly lower revenues in the main segment of Data sales that anyway scored a 17% yoy growth. The segment of Other activity showed a substantial decline of revenues (down 99% yoy) on the back of deconsolidation of financial reports of the sold subsidiary Audience Network, but without any adverse impact on EBITDA.

The Group's OPEX at PLN 9.6 million exceeded our expectations by 4% due to higher costs of media and data. The result on other operating activities amounting to PLN +0.6 million beat our expectations at PLN +0.3 million, mainly due to higher subsidies. Ultimately adj EBITDA was close to our forecast.

3Q24 net financial result at PLN -0.6 million beat our expectations at PLN -1.0 million Hence, adj net profits reached PLN 2.4 million and was higher than we expected by 25%.

Operating cash flows reached PLN 6.8 million (up 12% yoy) in 3Q24.

Cloud Technologies; 3Q24 financial results vs expectations

IFRS consolidated (PLN m)	3Q24E		Results vs forecasts (DM BOŚ SA)	2Q24	3Q23	qoq chg	yoy chg
	3Q24	(DM BOŚ)					
Revenues, including:	11.6	11.5	→	12.0	13.4	-3%	-13%
Data sales	11.6	11.5	→	11.9	9.9	-3%	17%
Other activity	0.0	0.1	→	0.1	3.4	-65%	-99%
Operating costs, including:	9.6	9.2	→	9.3	11.6	3%	-18%
Media and data acquisition costs	1.7	1.3	↑	1.4	3.8	27%	-54%
Other costs	7.8	7.9	→	7.9	7.8	-1%	0%
EBITDA	6.1	6.0	→	6.4	5.5	-5%	11%
Adj EBITDA	6.6	6.4	→	6.9	6.1	-5%	8%
EBIT	2.7	2.7	→	3.1	2.3	-13%	17%
Adj EBIT	3.2	3.1	→	3.6	2.9	-11%	9%
NI	1.9	1.4	↑	3.7	3.2	-48%	-40%
Adj NI	2.4	1.9	↑	4.2	3.8	-43%	-37%

Adj figures exclude an impact of the incentive program (c. PLN 0.6 million per quarter)
Source: Company, DM BOŚ

Yesterday, after the market close, the Company released a **monthly sales growth dynamic to key clients in September that reached +1% yoy.**

Expected impact: 3Q24 figures are close to our expectations and we consider them neutral. A monthly sales growth dynamic, on the other hand, looks slightly disappointing at +1% yoy. Given the US\$ weakening vs PLN it implies a c. 10% yoy fall of revenues denominated in PLN while we expected -1% yoy.

The report is not a recommendation within the meaning of Commission Delegated Regulation (EU) 2016/958 of 9 March 2016 supplementing Regulation (EU) No 596/2014 of the European Parliament and of the Council with regard to regulatory technical standards for technical arrangements for objective presentation of investment recommendations or other information recommending or suggesting an investment strategy and for disclosure of particular interests or indications of conflicts of interest.