

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

183/2024/AR/April 16, 2024

Company	LT fundamental recommendation	12M EFV (PLN)	ST market-relative bias	Analyst
Cloud Technologies	Hold	71.0	Underweight	Tomasz Rodak, CFA

Event: 4Q23 results released – close to our expectations; recommendation of PLN 1.25 dividend per share.

Yesterday, after the market close, the Company revealed 4Q23 financial results with adj EBITDA at PLN 8.0 million (down 3% yoy) vs PLN 7.5 million expected by us.

The Group's revenues at PLN 12.9 million (down 21% yoy) were 4% lower than we expected, mainly due to lower revenues delivered by the main segment of Data sales which stood at PLN 12.2 million (down 5% yoy) in 4Q23. A yoy decline of sales stems from (i) phasing out of the sales in the segment Other activity and (ii) deeply negative impact of the US\$ depreciation.

4Q23 OPEX at PLN 9.0 million turned to be 8% lower than we forecasted and included a PLN 1.4 million cost of media and of data purchase vs PLN 3.4 million expected by us (143% above the actual figure). This difference was offset by slightly higher than we expected Other costs. The margin in the main segment of Data sales reached 70% vs our forecast at 65% due to lower costs of media and data purchase.

4Q23 adj EBITDA at PLN 8.0 million (down 3% yoy) beat our expectations at PLN 7.5 million by 7%. As the Company paid a higher tax than we assumed, quarterly net profit at PLN 1.7 million missed our expectations and was 18% below our estimates. OCF in the discussed period reached PLN 3.6 million (down 58% yoy).

The Company's management proposed to pay a PLN 5.6 million dividend from FY23 profits which implies a PLN 1.25 dividend per share. **This is 6% above our expectations (PLN 1.18 per share).**

Cloud Technologies; 4Q23 financial results vs forecasts

IFRS consolidated (PLN million)	4Q3E		Results vs DM BOŚ SA forecasts	3Q23		4Q22		qoq chg	yoy chg
	4Q23A	(DM BOŚ SA)		3Q23	4Q22				
Revenues, including:	12.9	13.4	→	13.4	16.3	-4%	-21%		
Data sales	12.2	12.9	→	9.9	12.9	23%	-5%		
Other activity	0.6	0.5	→	3.4	3.5	-81%	-81%		
OPEX, including:	9.0	9.8	↓	11.6	11.5	-23%	-22%		
Media and data costs	1.4	3.4	↓↓	3.8	4.3	-63%	-67%		
Other costs	7.6	6.4	↑	7.8	7.2	-3%	5%		
EBITDA	7.4	6.9	→	5.5	7.7	34%	-4%		
Adj EBITDA	8.0	7.5	→	6.1	8.2	31%	-3%		
EBIT	4.4	3.9	↑	2.3	5.4	89%	-19%		
Adj EBIT	5.0	4.5	↑	2.9	6.0	71%	-17%		
Net profit	1.7	2.1	↓	3.2	2.5	-45%	-29%		
Adj net profit	2.3	2.7	↓	3.8	3.1	-38%	-24%		

* Adj figures exclude the impact of the incentive program costs (c. PLN 0.6 million quarterly)

Source: Company, DM BOŚ SA estimates

Expected impact: 4Q23 figures are close to our expectations, thus we consider them neutral. At the same time we would like to emphasize the negative impact of a weak US\$ over 1Q24 which may bring about another quarter with a negative yoy dynamic of EBITDA.

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.