



This report is prepared for the Warsaw Stock Exchange SA within the framework of the Analytical Coverage Support Program 3.0.

19/2024/AR/January 15, 2024

Company	LT fundamental recommendation	12M EFV (PLN)	ST market-relative bias	Analyst
Brand24	Not rated	48.8	Not rated	Sobieslaw Pająk, CFA +48 22 504 32 72

Event: Selected 4Q23 KPIs

On January 15 (before the beginning of the session) Brandt24 revealed selected 4Q23 operating figures.

First, we would like to note that 4Q23 PLN-denominated KPIs were calculated based on average PLN/US\$ rate in 2023 (at 4.2021) that is over 2% higher than an average PLN/US\$ rate in 4Q23 (at 4.1075).

At the end of 4Q23 monthly recurring revenues (**MRR**) stood at PLN 2.4 million which implies an increase of c. PLN 0.500 million (up 29% yoy) and PLN 0.15 million more than a quarter before (up 6.8% qoq). In US\$ terms MRR at the 4Q23 end reached US\$ 572,000 which implies a 7.7% qoq and 37% yoy growth pace (up US\$ 41,000 qoq and US\$ 156,000 yoy).

Our interpretation (*ceteris paribus*): Positive.

At the end of 4Q23 **ARPU** (average revenue per user) reached PLN 624 (US\$ 148) which implies a qoq increase by PLN 35, up 5.9%, and by US\$ 9, up 6.5% (in US\$ terms 4Q23 ARPU grew US\$ 40, up 37% yoy).

Our interpretation (*ceteris paribus*): Positive.

Contrary to previous quarters, the Company did not reveal 4Q23 **Initial ARPU** (average ARPU per a new subscriber acquired in 4Q23) that in previous quarters remained materially higher than ARPU for all the clients.

Our interpretation (*ceteris paribus*): Slightly negative (further limitation of data released by the Company)¹.

We would like to stress that under an upward trend of a number of trials (since the beginning of 2023; up c. 40% yoy in 4Q23) a **percent conversion** (down c. 20% yoy in 4Q23) maintains a long-term downtrend while a **monthly churn rate** (mainly due to price upgrades including subsequent groups of clients) has been steadily rising since last spring resulting in a falling number of months when an average subscriber remains the Company's client (over 20 in 4Q22-1Q23 vs below 19 in 4Q23).

Our interpretation (*ceteris paribus*): Slightly negative.

All in all, we consider selected 4Q23 KPIs at least **slightly positive** (the market's reaction to a set of KPIs reflected in Monday's share price movements was definitely positive).

The main drivers behind the Company's 4Q23 operating figures were: (i) price list restructuring (price upgrades for subsequent cohorts of clients), (ii) the subscribers portfolio skew towards bigger brands, (iii) introduction of new functionalities in Bran24's application, (iv) Black Friday promos, and (v) US\$ weakening against PLN.

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.

¹ We would like to remind that before (i.e. from 1Q22) Brand 24 stopped releasing data regarding a number of its subscribers.