

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

86/2024/AR/February 20, 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 forecast.

On April 15 Cloud Technologies will release 4Q23 financial results.

Based on current reports, the Company informed that in October/November/December dynamics of US\$-denominated sales to key clients stood at 17%/ 11%/ 11% yoy. Given the US\$ weakening vs PLN we estimate October/November/December dynamics of PLN-denominated sales to key clients at 3%/-2%/0% yoy. In turn, we forecast 4Q23 flat yoy revenues in the segment Data Sales. We also expect an 85% yoy decline of the revenues from the segment Other activity on the back of the assumed deconsolidation of Audience Network (without any negative impact on EBITDA). Due to the US\$ depreciation vs PLN in the discussed quarter (at c. 10%) we assume negative FX differences to reach c. PLN 1.5 million. Ultimately, we expect 4Q23 revenues and adjusted EBITDA to fall by 18% and 10% yoy, respectively. We forecast an 11% yoy decline of adjusted NI as well.

Cloud Technologies; 4Q23E financial results

IFRS consolidated (PLN m)	4Q23E (DM BOŚ)	3Q23	4Q22	qoq chg	yoy chg
Revenues, including:	13.4	13.4	16.3	0%	-18%
Data sales	12.9	9.9	12.9	30%	0%
Other activity	0.5	3.4	3.5	-85%	-86%
Operating costs, including:	9.8	11.6	11.5	-16%	-15%
Media and data acquisition costs	3.4	3.8	4.3	-10%	-21%
Other costs	6.4	7.8	7.2	-19%	-12%
EBITDA	6.9	5.5	7.7	25%	-10%
Adj EBITDA	7.5	6.1	8.2	23%	-10%
EBIT	3.9	2.3	5.4	70%	-27%
Adj EBIT	4.5	2.9	6.0	56%	-24%
NI	2.1	3.2	2.5	-33%	-14%
Adj NI	2.7	3.8	3.1	-28%	-11%

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

Simultaneously, we cut our FY23 forecast incorporating somewhat lower revenue growth dynamics reported in November and December.

Cloud Technologies; DM BOŚ forecasts changes

IFRS consolidated (PLN m)	2023E		
	Current	Previous	Change
Revenues	55.2	55.7	-1%
EBITDA	24.6	25.0	-1%
Adj EBITDA	27.0	27.3	-1%
EBIT	12.7	13.0	-3%
Adj EBIT	15.0	15.4	-2%
NI	9.0	9.4	-3%
Adj NI	11.4	11.7	-3%
Net debt	-25.6	-25.8	-1%

Adj figures exclude an impact of the incentive program
Source: Company, DM BOŚ

Expected impact: Depending on the actual results level and quality.

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.