

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

456/2022/AR

Company	LT fundamental recommendation	12M EFV (PLN)	ST market-relative bias	Analyst
Brand24	Not rated	30.5	Not rated	Sobieslaw Pająk, CFA

Event: Preliminary 2Q22 results revealed.

On August 18 (Thursday morning) Brand24 released its selected preliminary 1H22 financial results: (i) consolidated revenues at c. PLN 10.31 million vs PLN 7.35 million for 1H21, (ii) EBITDA at c. PLN 2.67 million vs PLN 1.52 million for 1H21, (iii) EBIT at c. PLN 1.48 million vs PLN 0.42 million for 1H21; after deducting 1Q22 results it is possible to estimate some preliminary 2Q22 financials (see the table below).

Brand24; selected preliminary 2Q22 financial results

IFRS cons. (PLN million)	2Q22	2Q21	chg yoy	1Q22	chg qoq	1-2Q22	1-2Q21	chg yoy
Revenues	5.36	3.82	40%	4.95	8%	10.31	7.35	40%
EBITDA	1.43	0.85	69%	1.24	16%	2.67	1.52	76%
EBIT	0.82	0.28	190%	0.66	26%	1.48	0.42	254%

Source: Company

The implied 1Q22 sales at PLN 5.36 million (up 40% yoy and 8% qoq) are almost in line with our forecast in the range of PLN 5.30- 5.40 million (see our earlier report 394/2022/AR dated July 15) while 2Q22 EBITDA at PLN 1.43 million (up 69% yoy and 16% qoq) implying the EBIT margin growth (over 4 pp yoy and c. 2 pp qoq) indicates that, as we expected, a growth rate of other operating costs, D&A aside, was slower than a revenues growth rate, both yoy (32% vs 40%) and qoq (6% vs 8%).

The Company will publish its final consolidated 2Q22 and 1H22 financial results on September 28.

These implied preliminary figures for 2Q22 are good, in our view, albeit unsurprising, hence, we take them neutrally. On the other hand, the market's reaction seems to be positive, as the share price has grown after the data release, though they should have been already discounted.

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.