

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

618/2022/AR

Company	LT fundamental recommendation	12M EFV (PLN)	ST market-relative bias	Analyst
<b>DataWalk</b>	<b>Hold</b>	<b>158.0</b>	<b>Neutral</b>	Tomasz Rodak, CFA +48 797 487 381

**Event: 3Q22 preliminary results revealed – 31% yoy growth of revenues – below expectations.**

After yesterday's market close, DataWalk released preliminary financials for 1-3Q22 with the revenues at PLN 25.8 million (up 29% yoy) which implies 3Q22 revenues at PLN 7.7 million (up 31% yoy) while an implied 3Q22 operating loss adjusted for the incentive program costs reached PLN -7.3 million. The incentive program valuation had a positive impact on the reported result. Operating costs grew in 3Q22 (up 65% yoy and 8% qoq) to PLN 15.0 million.

The CEO Paweł Wieczoryński commented on the results:

- DataWalk expected a revenue dynamic growth in 3Q22, but this expectations did not materialize;
- In 3Q22 the Company witnessed a slowdown in making purchase decisions by some clients in spite of the fact that the implementation of solutions offered by DataWalk is deemed indispensable. The Company does not lose contracts, albeit they are delayed and in some cases split into parts with a lower first order;
- The CEO believes that even if uncertain economic circumstances prevail, DataWalk will come out of it with the stronger organization enabling the Company to accelerate its growth.

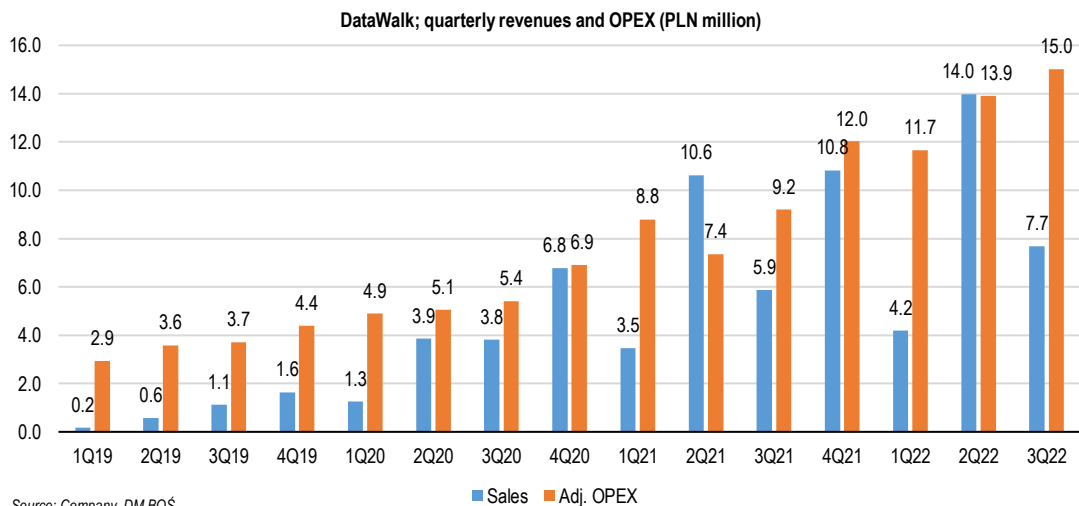
Our comment: 2Q22 poor dynamics were justified by insufficient training and performance of field engineering teams handling the pre-sale (software trial version installation) and post-sale services (software implementations); this time, in 3Q22 the situation was aggravated by the problems of the wide market such as clients' delaying decisions stemming from a harsher economic reality.

The full 1-3Q22 report will be published on November 22, 2022.

**DataWalk; 3Q22 preliminary financial results**

(PLN million)	3Q22 (preliminary)		3Q21	2Q22	chg yoy	chg qoq	1-3Q22	1-3Q21	chg yoy
Revenues	7.7	5.9	14.0	14.0	31%	-45%	25.8	20.0	29%
Adj operating costs	-15.0	-9.1	-13.9	-13.9	65%	8%	-40.5	-24.6	65%
EBIT	-4.4	-3.2	-106.2	-106.2	37%	-96%	-118.0	-4.6	b.z.
Adj EBIT	-7.3	-3.2	0.1	0.1	128%	b.z.	-14.7	-4.6	218%

Adj EBIT excludes non-cash costs of the incentive program  
Source: Company, DM BOŚ SA estimates





**DOM MAKLERSKI**  
BANKU OCHRONY ŚRODOWISKA S.A.

---

**Expected impact:** *Slightly negative; as the revenue growth dynamic disappointed. Nevertheless, it looks like this has been partially discounted by the market.*

---

*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.*