



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

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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 3Q23 KPIs (positive interpretation).

On October 16 (after the start of the session) Brandt24 revealed selected 3Q23 operating figures

At the end of 3Q23 monthly recurring revenues (**MRR**) stood at PLN 2.247 million which implies c. PLN 445,000 more than a year ago (up 25% yoy) and PLN 134,000 more than a quarter before (up 6.3% qoq)¹. In US\$ terms (as the global version users who generate the bulk of revenues (above 80%) pay prices denominated in US\$) at the 3Q23 end MRR reached US\$ 531,000 which implies a 7.7% qoq and 30% yoy growth pace (up US\$ 38,000 qoq and US\$ 121,000 yoy).

Our interpretation: **Positive**

At the end of 3Q23 **ARPU** (average revenue per user) reached PLN 589 (US\$ 139) which implies a qoq increase by PLN 39², up 7.1%, and US\$ 11, up 8.6% (in US\$ terms 3Q23 ARPU grew US\$ 31, up 29% yoy).

The Company also informed that average ARPU per a new subscriber (acquired in 3Q23) (so called **Initial ARPU**) stood at PLN 764 (US\$ 180) which is (i) considerably (30%) above the overall ARPU (for another consecutive quarter) and (ii) up 16%/ 17% qoq in PLN/ US\$ terms.

Our interpretation: **Positive**.

A slightly lower qoq growth pace (by c. 1 pp) of MRR vs ARPU qoq growth pace implies probably that a number of subscribers was slightly down in 3Q23.

Our interpretation: **Marginally negative**.

All in all, we consider selected 3Q23 KPIs **positive**.

The main drivers behind the Company's 3Q23 operating figures were: (i) price upgrades for new clients (introduced at this year's beginning, followed by further upgrades in July), (ii) price upgrades for the first cohorts of 'seasoned' clients (in August and September), (iii) the subscribers portfolio shift towards bigger brands, (iv) introduction of new functionalities in Bran24's application, and (v) PLN/US\$ rate yoy movements.

According to Brand24's management 4Q23 KPIs may bear the impact of: (i) price upgrades for the next cohorts of 'seasoned' clients, (ii) deeper subscribers portfolio skew towards bigger brands, (iii) new functionalities in Bran24's application, and (iv) PLN/US\$ rate movements.

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 note that in 2Q23 MRR grew merely by 0.4% qoq, but in 1Q23 it was impressive 14% qoq

² We remind you that in the previous quarter an ARPU growth reached 2% qoq following a 12% qoq increase.