

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

703/2023/AR

November 16, 2023

Company	LT fundamental recommendation	12M EFV (PLN)	ST market-relative bias	Analyst
<b>DataWalk</b>	<b>Hold</b>	<b>53.0</b>	<b>Underweight</b>	Tomasz Rodak, CFA

**Event: Final 3Q23 results released – in line with preliminary figures.**

Yesterday, after the market close, DataWalk released final 3Q23 financial results which proved to be in line with the preliminary figures.

**DataWalk; Final 3Q23 results vs preliminary figures**

(PLN million)	Final 3Q23	Preliminary 3Q23	3Q22	3Q23	yoy chg	qoq chg
Revenues	4.6	4.6	7.7	10.3	-41%	-56%
EBITDA	-5.6	-5.6	-3.7	-17.4	n.m.	n.m.
Clean EBITDA	-11.4	-10.0	0.7	-12.0	n.m.	n.m.
Net profit	-8.2	-	-20.2	-17.6	n.m.	n.m.

Adj EBITDA excludes the incentive program revaluation and write-offs for development  
Source: Company, DM BOS SA estimates

Other topics from the financial statement and letter to shareholders include:

- Costs (incl. CAPEX) fell 6% yoy and 11% qoq – this direction should be maintained in 4Q23;
- As far as costs in 2024 are concerned, decisions will be made dependent on the financial results delivered in the following months;
- At 3Q23 end cash reached PLN 23.1 million vs PLN 33.6 million and PLN 48.2 million, respectively, at the end of 2Q23 and 1Q23.**

Our comment: this year in 3Q and 2Q DataWalk burned PLN 10.5 million and 14.6 million, respectively. In 3Q23 the burn rate decreased in a qoq perspective which may be related to lower OPEX. We assume that DataWalk will have to acquire new funding in 1Q24 at the latest unless 4Q23 revenues grow materially.

- According to the Company's CEO, the sales funnel implies the substantial potential for a revenue growth. An average value of a potential new contract in the sales funnel rose from c. US\$ 320,000 to almost US\$ 500,000.
- Currently, the Company is focused on the finalization of as many as new contracts as possible.
- DataWalk presented the sales funnel graph** which implies that as of the financial statement release date the total sales funnel value reached PLN 40.5 million; this indicates the record high level of the sales funnel value, albeit it has been almost flat since 2Q23 end.

**Expected impact: Neutral**

Today, at 12:00 hours ([link](#)) DataWalk will hold the conference to sum up 3Q23 financial results.

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.