

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

328/2024/AR/May 28, 2024

Company	LT fundamental recommendation	12M EFV (PLN)	ST market-relative bias	Analyst
Cloud Technologies	Hold	75.0	Neutral	Tomasz Rodak, CFA

Event: 1Q24 results released – close to our expectations.

After yesterday's market close Cloud Technologies released 1Q24 financial results featuring quarterly EBITDA at PLN 6.7 million (up 8% yoy), in line with our expectations.

1Q24 revenues at PLN 11.0 million (down 21% yoy) were 6% below our forecast as the Company's both segments delivered slightly lower sales; the main segment of Data Sales generated PLN 10.7 million of revenues (up 2% yoy) despite strong unfavorable impact of the weaker US\$ while the Other Activity segment showed a material yoy decline of revenues due to the deconsolidation of a sold subsidiary Audience Network (albeit without any negative impact on the Company's EBITDA).

1Q24 OPEX reached PLN 8.7 million and were 4% above our expectations. They included PLN 3.5 million of D&A while we forecasted PLN 2.9 million. A material growth of D&A is the main reason for lower than we expected EBIT and NI.

1Q24 adj EBITDA at PLN 6.7 million (up 8% yoy) was in line with our expectations. The quarterly adj EBITDA margin at 61% exceeded our forecast at 57% on the back of slightly lower costs of external services. **Quarterly adj NI was 17% below our forecast due to higher D&A.**

Operating cash flows in 1Q24 reached PLN 5.0 million (up 15% yoy), albeit we would like to note that in 4Q23 they were down 58% yoy.

Cloud Technologies; : 1Q24 results vs forecasts

IFRS consolidated (PLN m)	1Q24E		Results vs forecasts (DM BOŚ)	3Q23	4Q22	qoq chg	yoy chg
	1Q24	(DM BOŚ)					
Revenues, including:	11.0	11.7	→	12.9	13.9	-15%	-21%
Data sales	10.7	11.1	→	12.2	10.6	-12%	2%
Other activity	0.3	0.6	↓	0.6	3.4	-61%	-93%
OPEX, including:	8.7	8.4	→	9.0	11.4	-3%	-23%
Cost of media and data	1.1	1.0	→	1.4	4.1	-20%	-73%
Other costs	7.6	7.4	→	7.6	7.2	1%	6%
EBITDA	6.3	6.3	→	7.4	5.7	-15%	11%
Adj EBITDA	6.7	6.7	→	8.0	6.3	-16%	8%
EBIT	2.8	3.4	↓	4.4	3.0	-35%	-6%
Adj EBIT	3.3	3.8	↓	5.0	3.6	-35%	-10%
NI	2.5	3.1	↓	1.7	2.4	45%	8%
Adj NI	3.0	3.5	↓	2.3	2.9	27%	1%

Adj profits exclude the impact of costs of the incentive program based on shares
Source: Company, DM BOŚ estimates

Expected impact: 1Q24 figures are close to our expectations, so we consider them neutral.

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.