

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

428/2024/AR/July 30, 2024

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

Event: Monthly sales growth to key clients at +4% yoy in May 2024; 2Q24 results preview.

Yesterday, after the market close, the Company released a monthly sales growth dynamic to key clients in May that reached +4% yoy.

2Q24 financial results forecast.

On September 16 Cloud Technologies will release 2Q24 results.

According to the sales data published monthly by the Company a sales growth to key clients in US\$ reached 6%/ 4% yoy in April/May. Given the US\$ weakening vs PLN we estimate a yoy dynamic in PLN at c.+1% in April and c. -1% in May. At the same time we expect a sales growth to key clients in US\$ terms to reach c. 5% yoy in June which implies +3% yoy for the figures denominated in PLN. In consequence, we forecast a 1% yoy growth of 2Q24 revenues in the Data sales segment (average of monthly dynamics). We assume the revenues for the Other activities should fall 91% yoy due to deconsolidation of the disposed company Audience Network (without any adverse impact on the Company's EBITDA). All in all, we forecast a 16% yoy decline of the Company's revenues in 2Q24; still we expect both, adj EBITDA and net profit to grow by 2% and 79% yoy, respectively (in the base quarter the Company's net profit was depressed due to high costs of FX differences).

Cloud Technologies; 2Q24E results

IFRS consolidated (PLN m)	2Q24E (DM BOŚ)			qoy chg	yoy chg
	1Q24	2Q23			
Revenues, including:	12.2	11.0	14.5	11%	-16%
Data sales	11.9	10.7	11.8	11%	1%
Other activity	0.3	0.3	2.7	0%	-91%
Operating costs, including:	9.5	8.7	11.7	9%	-19%
Cost of media and data	1.4	1.1	3.5	30%	-59%
Other costs	8.1	7.6	8.2	6%	-2%
EBITDA	6.8	6.3	6.6	8%	4%
Adj EBITDA	7.3	6.7	7.2	9%	2%
EBIT	3.4	2.8	3.4	19%	1%
Adj EBIT	3.9	3.2	3.9	20%	-2%
Net profit	3.0	2.5	1.4	19%	118%
Adj net profit	3.5	2.9	2.0	20%	79%

* Adjusted figures exclude the impact of costs of the initiative program based on shares
Source: Company, DM BOS estimates

Expected impact: Slightly negative – the main segment's dynamics keep falling to the lowest levels unseen for many years.

Monthly data are calculated based on US\$-denominated revenues. Given the US\$ weakening vs PLN in May (by c. 5% yoy) they imply a yoy dynamic at c.-1% for the figures denominated in PLN while we expected +10% yoy for 2Q24 which means that our expectations are not met.

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.