

468/2021/AR

Company	LT fundamental recommendation	12M EFV (PLN)	ST market-relative bias	Analyst
DataWalk	Buy	280.0	Overweight	Tomasz Rodak, CFA +48 797 487 381

Event: 2Q21 preliminary results released – significantly above our expectations

After yesterday's session the Company revealed its 1H21 preliminary results. The implied 2Q21 revenues were 176% higher yoy. The 2Q21 net profit arrived at PLN 3.7 million (vs PLN -1.0 million in 2Q20). Consequently, quarterly sales exceeded PLN 10 million threshold first time in the history. Moreover, the Company had a record high quarterly net profit amounting to PLN 3.7 million.

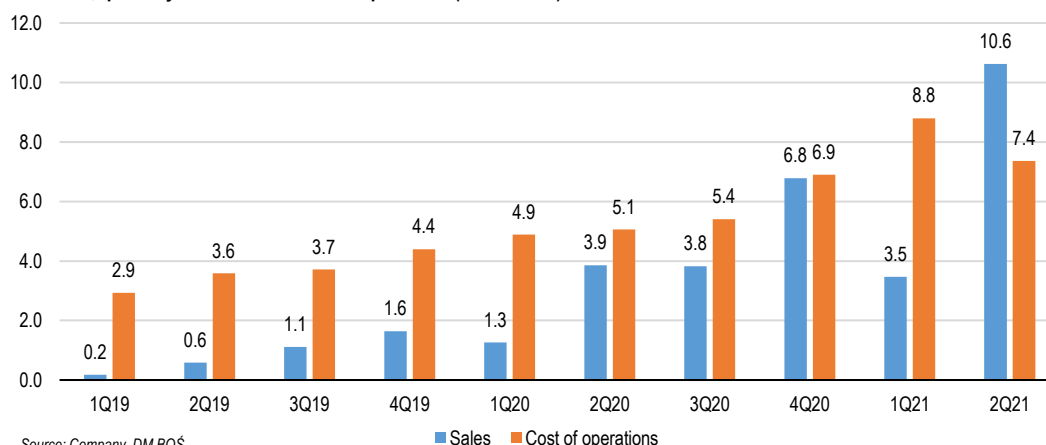
Preliminary 2Q21 results are also significantly higher than our forecasts. 2Q21 revenues were 58% (or PLN 3.9 million) higher than expected. Moreover, cost of operations arrived 23% (or PLN 2.2 million) below our expectations, which effected in significantly better net profit.

2Q21 final report will be released on September 30, 2021.

DataWalk; 2Q21 preliminary results compared to expectations

(PLN m)	2Q21 (preliminary)	2Q21E	2Q21 (preliminary) vs expectations	2Q20	1Q21	yoy chg	qoq chg	1H21	1H20	yoy chg
Sales	10.6	6.7	↑↑	3.9	3.5	176%	207%	14.1	5.1	175%
Cost of operations	-7.4	-9.6	↓↓	-5.1	-5.0	45%	46%	-16.2	-9.9	62%
Gross profit on sales	3.3	-2.9	↑↑	-1.2	-5.4	-371%	-161%	-2.1	-4.8	-57%
Net profit	3.7	-2.9	↑↑	-1.0	-5.0	-477%	-173%	-1.3	-4.4	-70%

Source: Company

DataWalk; quarterly revenues and cost of operations (PLN million)


Source: Company, DM BOS

Expected impact: Positive – both, the 2Q21 revenues and cost of operations turned out better than expected. However, it must be underlined that at current relatively low scale of revenues, booking of one big contract may lead to strong positive surprise. In 1H21 the Company fulfilled 53% of our FY21 revenue forecast (vs 38% expected), which may imply that our forecast is too conservative.

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.