

OrderYOYO (YOYO)



Positive Cash Flow Around the Corner

OrderYOYO A/S (“OrderYOYO” or the “Company”) delivered a strong H1-23, beating our expectations both regarding growth and profitability. Net revenue amounted to DKK 116m, corresponding to a growth of 33% compared to consolidated H1-22 proforma results, while the ARR grew 47% compared to June 2022, amounting to DKK 246m at the end of H1-23. By consistently diversifying the range of products, a strategy anticipated to draw in a larger number of restaurant partners while also presenting upselling opportunities, along with enhanced customer retention leading to reduced churn rates, OrderYOYO is projected to achieve a revenue of DKK 238 million in the year 2023. Based on an EV/S-multiple of 4x on the 2023 forecast and adjusted for OrderYOYO’s net debt, a potential fair value of DKK 10.2 per share (8.1) is derived in a Base scenario.

Continued Increased Profitability

The EBITDA before extraordinary items amounted to DKK 9.0m in H1-23, compared to a loss of DKK -6m in H1-22 (proforma), corresponding to a margin of 8%, showcasing a great trend regarding in profitability. The last year has proven the scalability in OrderYOYO’s business model, where external costs and staff costs has decreased in relation to revenue. The staff costs represented 36% of revenue in H1-23, compared to 45% in H1-22, while external costs represented 37% of revenue compared to 51% in H1-22. This falling trend is expected to continue going forward, leading to further increased profitability. Moreover, as a result of the increased profitability, we expect positive free cash flow in H2-23.

Acquisition of a Leading Online Ordering Company

In April OrderYOYO announced the acquisition of Kingfood, a vertical market leader within the Asian cuisine segment. Founded in 2017 in Dublin, Kingfood has built a strong market leading position within the market of online ordering software for the Asian cuisine takeaway vertical in Ireland and UK. The acquisition is according to OrderYOYO’s consolidation strategy, and Kingfoods +500 restaurant partners brought the total number of restaurant partners for OrderYOYO to over 10,000, which is a big milestone for the Company. The transaction was completed at approximately 1.3x Kingfood’s ARR in March 2023, which is lower than what OrderYOYO is valued at, which creates a multiple arbitrage.

Updated Valuation Range

As OrderYOYO has delivered above our expectations so far in 2023 regarding both growth and profitability, we have updated our financial forecasts. Through a continued expanded product offering, which is expected to attract more restaurant partners, in combination with the scalability in the business model, OrderYOYO is expected to continue to deliver profitable growth. The updated financial forecasts has resulted in an updated valuation range in a Base, Bull and Bear scenario.

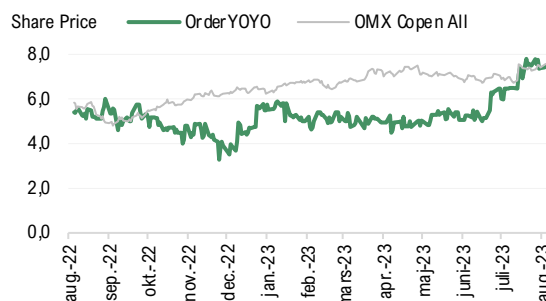
VALUATION RANGE

Bear DKK 5.8 **Base** DKK 10.2 **Bull** DKK 13.2

KEY INFORMATION

Share Price (DKK) (2023-08-29)	7.44
Shares Outstanding	89,272,231
Market Cap (DKKm)	649.3
Net cash(-)/debt(+)	29.5
Enterprise Value (DKKm)	678.8
List	First North Copenhagen
Q3 Trading Update 2023	October 18 2023

SHARE PRICE DEVELOPMENT



OWNERS (SOURCE: ORDERYOYO)

Smart Capital GmbH	17.5%
SEED Capital	15.7%
TJOYY 2022	13.4%
EIFO	12.7%
Damgaard Company	10.9%

Estimates (DKKm)	2022*	2023E	2024E	2025E
Revenue	149.0	238.0	288.0	329.4
Gross Profit	123.2	195.2	240.5	281.6
Gross Margin	83%	82%	84%	86%
Operating Costs	-124.1	-172.6	-203.1	-220.7
Operational EBITDA **	-0.9	22.6	37.4	60.9
Operational EBITDA Margin **	-1%	9%	13%	19%
P/S	4.4	2.7	2.3	2.0
EV/S	4.6	2.9	2.4	2.1
EV/EBITDA	neg.	37.0	18.1	11.1

* OrderYOYO + app smart consolidated from July 2022.

** EBITDA before non-recurring cost such as IPO-related costs, acquisition costs related to the app smart merger and severance costs.

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