

OrderYOYO (YOYO)



Strong Delivery in a Tough Market

OrderYOYO A/S (“OrderYOYO” or the “Company”) continued the Company’s strong performance in Q3-23, showing 38% ARR growth, amounting to DKK 256m and a net revenue growth of 44%, amounting to DKK 65m in Q3-23. Moreover, profitability continued to improve, and the EBITDA margin (before other extraordinary items) amounted to 11.5%, compared to 4.2% the same quarter last year, showcasing a continuing trend regarding profitability. By solving digital challenges for restaurants and a steady expansion of its product offerings, something that is expected to attract a greater number of restaurant partners and create upselling opportunities, OrderYOYO is estimated to continue to deliver profitable growth. Based on an EV/S-multiple of 3.9x on the 2023 forecast and adjusted for OrderYOYO’s net debt, a potential fair value of DKK 10.2 per share (10.2) is derived in a Base scenario.

Continued Growth in Difficult Conditions

The ARR grew 38% and amounted to DKK 256m in September 2023 compared to DKK 185m in September 2022, showcasing a continued strong growth during Q3-23. Moreover, the Q3-23 net revenue reached DKK 65m, in contrast to DKK 45m in Q3-22, reflecting an increase of 44% Y-Y. Thus, OrderYOYO continues to exhibit robust top-line growth, notwithstanding persistent macroeconomic challenges. Restaurant partners in the Company’s second-largest market, the UK, continues to be affected by high inflation and a lack of supply of goods in the economy, while consumers continue to grapple with inflation and rising interest rates. Although inflation is now trending downward in several markets, OrderYOYO’s performance in the current climate is perceived as strong and indicative of the Company’s resilient value proposition.

Economies of Scale are Increasing Profitability

EBITDA before other extraordinary items amounted to DKK 7.5m in Q3-23, in contrast to DKK 1.9m in Q3-22, corresponding to a growth of 295% and resulting in a margin of 11.5% (4.2%). Furthermore, OrderYOYO has been Cash EBITDA positive (defined as EBITDA before other extraordinary items minus capitalized R&D expenditures) in all months since June 2023, which means that the Company is self-sustaining and independent of external capital. The continued improved profitability is assumed to be a result of OrderYOYO being a market leader and increased economies of scale resulting from the Company’s consolidation strategy.

Intact Valuation Range

As OrderYOYO developed in line with our expectations during Q3-23, we have only made small adjustments in our estimates, mostly regarding costs as we anticipate some investments regarding staff during Q4-23. However, we still consider OrderYOYO to be well positioned to continue to deliver profitable growth and thus we repeat our valuation range in a Base, Bull and Bear scenario.

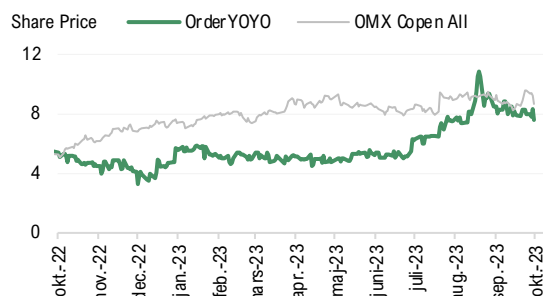
VALUATION RANGE

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

KEY INFORMATION

Share Price (DKK) (2023-10-20)	7.54
Shares Outstanding	89,272,231
Market Cap (DKKm)	658.0
Net cash(-)/debt(+) (DKKm)	29.5
Enterprise Value (DKKm)	687.5
List	First North Copenhagen
Q4 Trading Update 2023	January 18 2024

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	243.5	287.8	329.0
Gross Profit	123.2	199.7	238.8	279.0
Gross Margin	83%	82%	83%	85%
Operating Costs	-124.1	-176.1	-208.1	-228.0
Operational EBITDA **	-0.9	23.6	30.8	51.0
Operational EBITDA Margin **	-1%	10%	11%	16%
P/S	4.4	2.7	2.3	2.0
EV/S	4.6	2.8	2.4	2.1
EV/EBITDA	neg.	35.7	22.3	13.5

* 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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Other

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