

OrderYOYO (YOYO)



Ending 2022 strong with profitability in sight

With the second half of the year 2022 presented, we can state that OrderYOYO A/S (“OrderYOYO” or the “Company”) has ended the year strongly, where the Company continues to grow sales to both new and existing customers within the European markets. In light of several successful data points in the annual report, OrderYOYO delivered a strong Annual Recurring Revenue (ARR) higher than our expectations, which amounted to DKK 212m, corresponding to a growth of 23% YoY. Through a continued expanded product offering, which is expected to attract more restaurant partners as well as provide significant upsell potential, in combination with a higher customer stickiness, and thus reduced churn rates OrderYOYO is estimated to reach a revenue of DKK 206m in 2023. Based on an EV/S-multiple of 3.6x on the 2023 forecast and adjusted for the estimated net debt, a potential fair value of DKK 8.1 per share (8.1) is derived, in a Base scenario.

▪ FY 2022 Report Roughly in Accordance to Estimates

OrderYOYO's net revenue amounted to DKK 149m in 2022 which was in line with our expectations (148), corresponding to an increase of 37% YoY. The proforma net revenue (app smart consolidated full year), which is considered to be a more comparable metric, increased to DKK 184m in 2022 (165) corresponding to a growth of 12%. Analyst Group considers this as a strong development since the restaurant partners are facing challenging market conditions with high inflation, which in turn affects OrderYOYO's Gross Merchandise Value (GMV) and thereby topline growth. Furthermore, OrderYOYO has shown a positive profitability trend during the last six months, where the EBITDA before other non-recurring costs was positive in all months within the second half of 2022. This was a strong contributor to that operational EBITDA was only slightly negative during the full-year of 2022 and amounted to DKK -0.9m.

▪ The Positive Profitability Trend is Expected to Continue

OrderYOYO currently supports almost 10,000 takeaway restaurants and as the customer base matures supporting each one becomes cheaper, hence future sales are expected to show a stronger margin. This, in combination with OrderYOYO's large restaurant partner base, which can be used to drive a flywheel effect of sign-ups, is expected to reduce the sales and marketing costs and thus result in a positive EBITDA margin of 7% in 2023.

▪ We Repeat our Valuation Range

Analyst Group believes that OrderYOYO is developing at a good pace with increased growth within the Company's main markets. We take a particularly positive view of, as *previously mentioned*, OrderYOYO showing profitability regarding the Company's operational EBITDA during all six months of H2-22, something that should be rewarded by investors. All in all, we repeat our valuation range where we still see that an investment in OrderYOYO offers a good risk-reward at current levels.

VALUATION RANGE

Bear
DKK 5.2

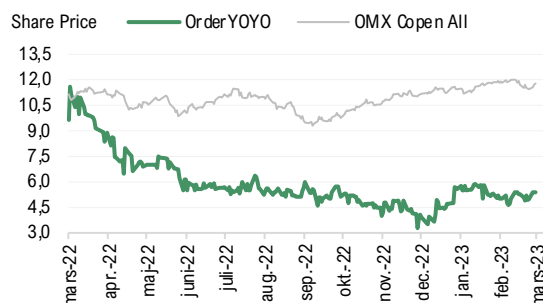
Base
DKK 8.1

Bull
DKK 11.2

KEY INFORMATION

| | |
|--------------------------------|------------------------|
| Share Price (DKK) (2023-03-28) | 5.0 |
| Shares Outstanding | 87,266,118 |
| Market Cap (DKKm) | 436.3 |
| Net cash(-)/debt(+) (DKKm) | 13.2 |
| Enterprise Value (DKKm) | 449.5 |
| List | First North Copenhagen |
| Q1 Trading Update 2023 | April 17 2023 |

SHARE PRICE DEVELOPMENT



OWNERS (SOURCE: ORDERYOYO)

| | |
|--------------------|-------|
| Smart Capital GmbH | 17.9% |
| SEED Capital | 16.0% |
| TJOYY 2022 | 13.6% |
| Damgaard Company | 11.1% |
| Others | 28.6% |

| Estimates (DKKm) | 2022 * | 2023E | 2024E | 2025E |
|------------------------------|--------------|--------------|--------------|--------------|
| Revenue | 149.0 | 205.8 | 239.4 | 269.4 |
| Gross Profit | 123.2 | 174.9 | 208.3 | 237.1 |
| Gross Margin | 83% | 85% | 87% | 88% |
| Operating Costs | -124.1 | -160.5 | -181.9 | -199.4 |
| Operational EBITDA ** | -0.9 | 14.4 | 26.3 | 37.7 |
| Operational EBITDA Margin ** | -1% | 7% | 11% | 14% |
| P/S | 2.9 | 2.1 | 1.8 | 1.6 |
| EV/S | 3.0 | 2.2 | 1.9 | 1.7 |
| EV/EBITDA | neg. | 31.2 | 17.1 | 11.9 |

* 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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