

Market: First North Premier DK

Ticker: MAPS

Share price (DKK): 3.18

Market cap (DKKm): 251.4

Net debt (DKKm): 22.7 (end 2023)

Enterprise value (DKKm): 274.1

Share information



Note: *IPO date was 2 June 2021 (subscription price of DKK 6.80). We apply the closing price from 22 March 2024 (Nasdaq).

Financials

(DKKm)	2022	2023	2024E*
Total ARR	31.8	52.0	72.0-80.0
ARR growth	N/A	63%	38-54%
Revenue	29.1	40.5	58.0-63.0
Revenue growth	4%	39%	43-55%
EBITDA	-56.9	-59.7	-25.0 to -20.0
EBITDA margin	-196%	-147%	-43% to -32%
Cash	9.5	6.0	N/A
Interest-bearing debt	29.1	28.7	N/A

Note: Interest-bearing debt includes leasing liabilities.
*MapsPeople's own guidance range for 2024.

Valuation multiples

	2022	2023	2024E*
P/ARR (x)	8.2	1.4	3.3
P/S (x)	9.0	1.8	4.2
EV/Sales (x)	9.7	2.3	4.5
EV/EBITDA (x)	-4.9	-1.6	-12.2
EV/EBIT (x)	-4.4	-1.4	N/A
P/E (x)	-4.3	-1.0	N/A
P/CF (x)	-5.9	-2.1	N/A

Note: Multiples for 2022 and 2023 are based on historical numbers.
*2024E multiples are based on the midpoint in MapsPeople's own guidance.

Company description

MapsPeople is a Software-as-a-Service (SaaS) company with HQ in Aalborg and offices in Copenhagen, München, Singapore, and Austin. MapsPeople has two revenue streams: MapsIndoors and Other Licenses (including Google Maps). MapsIndoors is the main growth product, providing an indoor mapping platform that helps make buildings smart in multiple ways. MapsPeople also provides Google Maps licenses and services for companies wishing to integrate Google Maps into their products, apps, websites, etc.

Investment case

With the MapsIndoors platform, MapsPeople solves key problems for customers and users by optimizing corporate office utilization, making hospitals and universities more accessible, helping guests navigate to their seats at the stadium, displaying vacant parking lots, avoiding long queues, and helping travelers find their way to the gate in airports.

MapsPeople taps into the smart building market¹ and indoor positioning and navigation market², which are estimated to grow with a CAGR of approx. 22% and 20%, respectively, over the coming years. The markets are driven by the digital transformation trend and structural changes from e.g. hybrid work. These trends have promoted the optimization of corporate office utilization and increased people's demand for smart digital wayfinding solutions across industries.

Looking at valuation, MapsPeople's market capitalization has increased significantly after the 2023 annual report with a positive 2024 outlook after a challenging and transformative 2023. MapsPeople now trades at 3.6x EV/ARR (2024E) compared to a selected median for the Danish sector of 2.6x EV/ARR (2024E). This is partly explained by MapsPeople's higher growth expectations for 2024. MapsPeople's burn multiple measured by FCF/net new ARR has also improved, however, it has been more negative than the Danish SaaS peer group in recent years.

¹Fortunebusinessinsights (2022) and ²IndustryARC (2020)

Key investment reasons

MapsPeople has proven its global presence and scalability through its partner-based go-to-market strategy and well-known global customers in +50 countries across industries. MapsPeople still has much room to grow with its value proposition of delivering fast and cost-efficient indoor maps visualized in both 2D and 3D.

After cost reductions of approx. DKK 30m on an annualized basis and 2024 expectations of continued high growth above the Danish SaaS sector median, the company projects to reach positive cash flow from operations during Q4 2024. Combined with the capital increase and new loan agreement at the end of 2023, MapsPeople is in a good position to continue its growth strategy.

MapsPeople has the potential to be a category leader in a fast-growing fragmented market. This could be supported by further market consolidation. In 2023, MapsPeople also acquired US-based Point Inside's customer contracts and indoor mapping assets.

Key investment risks

After the completion of a capital increase and new loan agreement with EIFO in late 2023 (both tranches of the new EIFO loans have been paid out in February 2024), MapsPeople's operational plan for 2024 is expected to be fully covered with a projection of reaching positive operational cash flow by the end of 2024. However, there is a risk of additional capital raises if the projection is delayed, or the company aims to raise more capital for growth investments.

As MapsPeople operates in a fragmented growing market with competitors, MapsPeople is also exposed to general market and competitive risks. This implies that MapsPeople continuously invests in its product platform to stay on top of the competition.

With the partner-based strategy, MapsPeople has a high sales scalability. However, this also comes with a business risk, as MapsPeople is more reliable on the partners. MapsPeople mitigates this risk by working closely with its partners.

Danish SaaS peer group

Company	Total return	EV/ARR (x)		ARR growth (%)		Growth adj. ARR multiple (x)		EV/Sales (x)		Revenue growth (%)		NRR (%)	EBITDA (DKKm)		Net debt (DKKm)		FCF / Net new ARR	
	YTD (%)	2023	2024E	2023	2024E	2023	2024E	2023	2024E	2023	2024E	2023	2023	2024E	Latest reported	2022	2023	
Selected Danish SaaS (median)*	7.1%	2.8	2.6	34%	32%	0.09	0.09	2.9	N/A	26%	N/A	111%	-8.7	-3.3	-16.5	-1.9	-0.8	
MansPeople	247.5%	1.8	3.6	63%	46%	0.03	0.08	2.3	4.5	39%	48%	111%*	-57.0	-22.5	22.7	-4.0	-2.2	

Note: The table shows multiples, key SaaS metrics, and financials for MapsPeople and the median values of selected Danish SaaS companies (Agilic, Impero, Penneo, Releysys, and RISMA). Note that SaaS metrics definitions may differ across companies (there are no standards or regulations yet), i.e., this overview is only for perspective. Most data is manually collected from company reports. We apply MapsPeople's own 2024 guidance (midpoint) as well as other SaaS companies' 2024 guidance (midpoint). MapsPeople's NRR is based on MapsIndoors' NRR. Find more information on the appendix page. Source: HC Andersen Capital and company reports.

Appendix: Danish SaaS peer group

Selected Danish-listed SaaS companies (expected/reported ARR in the range of DKK 20-100m in 2023)

Company	Total return	EV/ARR (x)		ARR growth (%)		Growth adj. ARR multiple (x)		EV/Sales (x)		Revenue growth (%)		NRR (%)	EBITDA (DKKm)		Net debt (DKKm)		FCF / Net new ARR	
	YTD (%)	2023	2024E	2023	2024E	2023	2024E	2023	2024E	2023	2024E	2023	2023	2024E	Latest reported	2022	2023	
Agillic	-31.1%	3.2	2.3	-9%	0%	N/A	N/A	3.5	2.5	-3%	-1%	98%	1.9	1.0	15.1	-0.5	N/A	
Impero	13.2%	2.8	2.6	34%	32%	0.08	0.08	3.1	N/A	39%	N/A	111%	-10.6	-10.0	-14.9	-3.4	-1.6	
Penneo	7.1%	2.6	2.3	26%	22%	0.10	0.10	2.6	N/A	23%	N/A	112%	-8.7	7.5	-18.3	-1.9	-0.8	
Relesys	48.6%	2.6	2.9	37%	38%	0.07	0.08	2.8	3.3	29%	30%	112%	-13.0	N/A	-18.5	-1.7	-0.3	
RISMA	0.6%	5.3	3.8	49%	39%	0.11	0.10	N/A	N/A	N/A	N/A	107%	-7.3	-7.6	-16.5	-3.5	N/A	
Median	7.1%	2.8	2.6	34%	32%	0.09	0.09	2.9	N/A	26%	N/A	111%	-8.7	-3.3	-16.5	-1.9	-0.8	
MapsPeople	247.5%	1.8	3.6	63%	46%	0.03	0.08	2.3	4.5	39%	49%	111%*	-57.0	-22.5	22.7	-4.0	-2.2	

Note: The table shows multiples, financials, and key SaaS metrics for MapsPeople and the median values from selected Danish SaaS companies. Note that SaaS metrics definitions may differ across companies (there are no standards or regulations yet), i.e. this overview is only for perspective. Most data is manually collected from company reports. In the table above, we apply MapsPeople's own 2024 guidance (midpoint in guidance range) as well as other SaaS companies' 2024 guidance range (midpoint in guidance range). We apply end 2023 (31 December 2023) market capitalizations and reported cash and interest-bearing debt for 2023 multiples. For 2024E multiples, market capitalizations are from 22 March 2024 and the latest reported cash and interest-bearing debt are used, primarily from the 2023 annual report. Lease liabilities are included in the net debt calculations. FCF in the FCF/Net new ARR ratio calculation includes cash flow from operating activities and cash flow from investing activities (investments in intangible assets). Adjusted for Penneo's costs related to the Main Market listing in 2022, FCF/Net new ARR (2022) will be -1.7x. MapsPeople's NRR is based on MapsIndoors' NRR. N/A is applied for data points where there is no data, or we have assessed it makes no sense to use the number for comparison (one or few cases). Source: HC Andersen Capital and company reports.

Disclaimer: From the table above (and from page 1), HC Andersen Capital receives payment from MapsPeople for a Digital IR/Corporate Visibility subscription agreement.