

# OrderYOYO

Market: First North DK

Ticker: YOYO

Share price (DKK): 4.76

Market cap (DKK): 424.9

Net debt (DKK): 11.4

Enterprise value (DKK): 436.3

## Share information



YTD: 22.5% 1 year: -33.2%  
1 month: -7.0% Since IPO\*: -65.0%

Note: \*IPO date was 2 July 2021 (subscription price of DKK 13.60). We apply the closing price from 17 May 2023 (Nasdaq).

## Financials

(DKKm)	2021	2022	2023E*
Total ARR	173.0	212.0	245.0-255.0
ARR growth	25.4%	22.5%	15.6-20.3%
Revenue	108.5	149.0	215.0-230.0
Revenue growth	42.3%	37.3%	44.2-54.4%
EBITDA**	0.7	-0.9	13.0-18.0
EBITDA margin	0.6%	-0.6%	5.7-8.4%
Cash	45.9	61.1	N/A
Interest-bearing debt	26.4	72.5	N/A

Note: \*OrderYOYO's guidance range for 2023. \*\*EBITDA before other extraordinary items (normalized).

## Valuation multiples

	2021	2022	2023E*
P/ARR (x)	3.9	1.6	1.7
P/S (x)	6.3	1.8	1.9
EV/Sales (x)	6.1	1.9	2.0
EV/EBITDA** (x)	964.8	-408.9	28.2
EV/EBIT (x)	-23.3	-7.3	N/A
P/E (x)	-29.3	-7.0	N/A
P/CF (x)	-39.5	-31.3	N/A

Note: Pro forma full-year is applied (2022). \*2023E multiples are based OrderYOYO's guidance (midpoint). \*\*EBITDA before other extraordinary items (normalized).

## Company description

OrderYOYO is a Software-as-a-Service (SaaS) company providing a white-label online ordering, payment, and marketing software solution for restaurants across European countries. OrderYOYO's solution enables smaller takeaway restaurants to build their own-branded online presence from their OrderYOYO-powered website or app. As a result, restaurants get insights into their own customers' behavior and avoid paying larger commissions to food portals.

## Investment case

Up to 90% of all orders in the takeaway industry are recurring orders from loyal consumers. OrderYOYO has created a software solution that makes it possible to create direct traffic between consumers and takeaway restaurants, as opposed to food portals such as Just Eat and Wolt. This implies that takeaway restaurants achieve higher consumer loyalty and, at the same time pay a lower commission fee for OrderYOYO's software platform compared to the food portals.

With a consolidation strategy, proven by its merger with German app smart in 2022 and recently the UK and Irish online ordering company, Kingfood, OrderYOYO taps into a European addressable market of more than DKK 50bn<sup>1</sup> measured by end-user revenue, also called gross merchandise value (GMV). For perspective, OrderYOYO guides December 2023 annualized GMV in the range of DKK 2.5-2.7bn (approx. 5% of the market).

Looking at valuation, OrderYOYO trades at an EV/ARR multiple of 1.7x (2023E) based on the midpoint in the company's 2023 guidance. This is lower than the Danish SaaS sector (selected companies), which is traded to a median EV/ARR multiple of 3.4x ARR (2023E). Taking perspectives from larger US-listed companies, Olo and Toast, with business models and products closer to OrderYOYO, these companies are also traded at higher multiples, measured on EV/Sales (2023E) multiples. See peer group below.

<sup>1</sup>OrderYOYO's company description from the IPO (2021)

## Key investment reasons

A good product-market fit is indicated with OrderYOYO's recent guidance upgrades, most recently following a strong performance in Q1 2023 despite continued challenging market conditions.

Since the strategy change and merger with app smart in 2022, OrderYOYO has been operationally profitable in every quarter. Higher profitability levels and margins in 2023 and onwards are supported by efficiency gains, a strict cost focus, as well as its market-leading position as the largest restaurant liberator in Europe, now serving more than 10,000 restaurant partners in key markets such as Austria, Denmark, Germany, Ireland, and the UK.

Looking ahead, OrderYOYO's vision is to reach 25,000 restaurant partners by the end of 2025 ("25in25") through organic growth and further M&A activities. The attractiveness of the M&A strategy is supported by OrderYOYO's recent acquisition at a lower ARR valuation multiple.

## Key investment risks

OrderYOYO still faces challenging market conditions with an uncertain macroeconomic environment, affecting the consumers. With 64% of ARR (end of 2022) being usage-based ARR, a less favorable economic situation could affect financials negatively.

Despite market-leading positions in key European markets, there is a risk that OrderYOYO may face increasing competition from existing players or new entrants with new solutions. Food portals are also a part of the competition; however, portals have different business models, focusing on end-users rather than restaurants. In relation to that, OrderYOYO also takes lower commission fees from a restaurant perspective.

With OrderYOYO's consolidation strategy and focus on M&A, there is a risk that OrderYOYO fails to realize strategic synergies from the M&A activities. There is also a risk of a dilution effect for existing shareholders from potential new share issues.

## Peer group

Company	Total return		EV/ARR (x)		ARR growth (%)		EV/Sales (x)		Revenue growth (%)		Gross margin (%)	
	YTD (%)	2022	2022	2023E	2022	2023E	2022	2023E	2022	2023E	2021	2022
Selected Danish SaaS (median)*	-3.4%	4.2	3.4	3.4	33%	36%	4.3	3.8	28%	29%	88%	86%
Olo Inc	6.1%	N/A	N/A	N/A	N/A	N/A	3.1	2.9	24%	17%	79%	69%
Toast Inc	15.4%	9.3	N/A	N/A	59%	N/A	3.1	2.7	60%	38%	18%	19%
<b>Median</b>	<b>6.1%</b>	<b>6.7</b>	<b>3.4</b>	<b>3.4</b>	<b>46%</b>	<b>36%</b>	<b>3.1</b>	<b>2.9</b>	<b>28%</b>	<b>29%</b>	<b>79%</b>	<b>69%</b>
<b>OrderYOYO</b>	<b>22.5%</b>	<b>1.7</b>	<b>1.7</b>	<b>1.7</b>	<b>23%</b>	<b>18%</b>	<b>1.9</b>	<b>2.0</b>	<b>12%</b>	<b>21%</b>	<b>85%</b>	<b>83%</b>

Note: The table shows multiples and key SaaS metrics and financials for OrderYOYO and the median values for selected Danish SaaS companies (Agillic, Digizuite, Impero, MapsPeople, Penneo, Relesys, and RISMA) and selected US peers (Olo and Toast). Note that ARR definitions may differ across companies (there are no standards or regulations yet), i.e., this overview is only for perspective. Data is manually collected for Danish company reports, and Refinitiv numbers and analyst mean estimates (2023E) are used for US peers. We apply OrderYOYO's 2023 guidance (midpoint) and other Danish companies' 2023 guidance (midpoint). We apply OrderYOYO's pro forma net revenue in this overview (app smart consolidated full year) for both valuation multiples and growth rates. Source: HC Andersen Capital, Refinitiv, and company reports.