

Quick Comment

Yojee Ltd (YOJ \$0.17) Speculative Buy

EUROZ HARTLEYS

Analyst	Date	Price Target
Seth Lizee	28 th January 2021	\$0.50/sh

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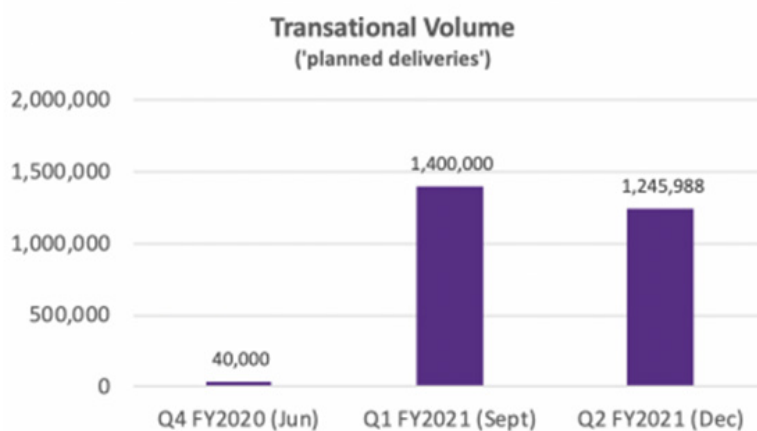
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Dec Q Update

Key Points

YOJ has provided a December Q update

- The company continued to make strong operational progress during the Q
 - 3 Enterprise countries went live into billing phase during the Q (single client), transactional billing to commence post Q end
 - YOJ received expansion order for Indonesia during Q
- A further 4 Enterprise countries (2 clients) are moving close to 'Go-live'
- YOJ finished the Q with a total of 8 signed enterprise clients, 4 of which are live and transacting
- 1.25m 'planned deliveries' during the Q
 - Recent 'Go-lives' only occurred in the final weeks of the Q, hence as anticipated a bulk of volumes are likely to have originated from the Philippines
 - YOJ further notes volumes during the Q were impacted by unprecedented weather events and COVID-19 related lockdowns during the period, especially within the Philippines
 - YOJ however notes it is expected that online business will offer promotions and aggressively market into early CY'21 to make up for the lower than anticipated volumes



- We continue to highlight 'Planned deliveries' describes platform usage for deliveries of containers, pallets or parcels.

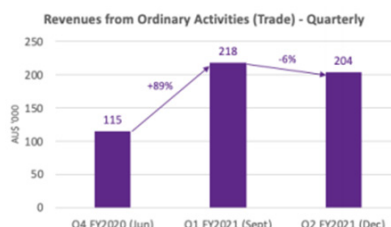
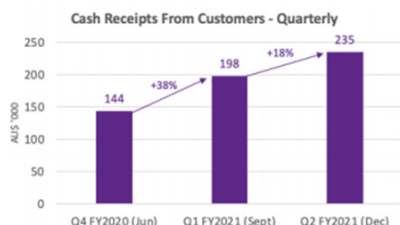
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- Financial Highlights:
 - \$235k (+18% QoQ) cash receipts for Dec'Q (\$433k 1H, +46% HoH)
 - \$204k (-6% QoQ) revenue for Dec'Q (\$422k 1H, +35%)



- YOJ finished the Dec'Q with \$21.1m cash providing the company a strong runway for growth
- We maintain our Speculative Buy recommendation with a \$0.50/sh PT

Investment Thesis

YOJ has provided an update on its December Q. We broadly remain pleased with the companies progress on rollouts during the Q in addition to receiving the Indonesia expansion order from an existing client. Although we would have like to have seen more QoQ growth in volumes and revenues, as anticipated the Q was idiosyncratically dependent on the Philippines as a result of recent rollouts only occurring near the Qs end, YOJ noting volumes were further impacted (particularly in the Philippines) by unprecedented weather events and COVID-19 lockdowns. Notwithstanding, going forward we look towards significant transaction volume growth in coming quarters from recent and coming rollouts. In parallel, YOJ continues to provide commentary on a strong pipeline of additional opportunities to expand existing agreements (as has recently occurred last month) and sign potentially new ones all together. The business remains well funded for growth, boasting a solid balance sheet. The Global logistics industry accounts for +US\$9 trillion annually, parcel movements alone are forecasted to surpass 100 billion this year and double to 200 billion by 2025. Industry wide changes are creating new demands and issues driving rapid increases in digitisation. YOJs comprehensive cloud based logistics SaaS platform is well placed to solve these issues. YOJs recent agreements show growing demand for the platform, securing agreements with three major global logistics companies who have \$100 billion in combined revenues. The YOJ investment case is predicated on the rollout of its logistics platform with Geodis, Kuehne+Nagel, and Maersk's in parallel to signing new SaaS agreements, thereby growing revenue scale through rapidly increasing market share.

Yojee Ltd (YOJ)

Share Price	0.17	A\$/sh	Enterprise Value	173.7	A\$/m
Price Target	0.50	A\$/sh	Debt	Nil	A\$/m
Valuation	0.50	A\$/sh	Cash	21.1	A\$/m
Shares on issue	1146	m(dil)			
Market Capitalisation	194	A\$m			

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