

Yojee

'Playbook' delivering revenue as YOJ ramps up for CY22

Event: 1H22 result & outlook commentary

YOJ reported \$0.87m in 1H22 revenue (+105.6% pcp, +9.6% CCZe), -\$2.5m in U-EBITDA (+51.3% pcp, -10.0% CCZe) and -\$4.0m in U-NPAT (+37.1% pcp, +6.2% CCZe). YOJ's results are demonstrating early signs of traction with key clients in APAC and now Europe.

28 February 2022

Thomas Chapman
tchapman@ccz.com.au
61 2 9238 8222

Enterprise client revenue growth accelerating

11 revenue-generating hubs by the end of 1H22, including YOJ's first in Europe has driven YOJ to deliver 81.6% of FY21 revenue (\$1.1m) in 1H22 alone (\$868k). This indicates strengthening relationships between YOJ and enterprises clients, where YOJ's "playbook and automation" catalyses hub deployment time improvements from 6 months in CY20 to 4 weeks currently.

Warehouse IoT development supercharged by HERE Technologies partnership

After a successful PoC program with a current enterprise client, YOJ has phased into commercial discussions with a 3-level SaaS pricing structure, scaled on floor space and asset metrics. In late Q2, YOJ partnered with the #1 global location services company, HERE Technologies, to enhance YOJ's warehouse offering. YOJ expect some revenue from this in 2H22 but not materially until FY23.

Positive outlook for 2H22; CCZ forecasts unchanged

Despite global supply-chain headwinds and geopolitical uncertainties hindering change management programs, YOJ have delivered good operational growth in line with CCZ's exponential forecasts. YOJ thus anticipates increased trade volumes, additional client interest, warehouse commercialisation and a rising demand for ESG reporting to drive continual revenue momentum in 2H22.

Valuation summary

Our investment thesis remains unchanged. Our 5-year DCF suggests a 12-month fair valuation range of \$0.40-\$0.50 per share. Given our baseline forecasts do not factor in any additional enterprise clients or warehouse IoT revenue, there is valuation upside risk beyond YOJ achieving their 126-hub rollout target.

Company Details

Stock Code	YOJ
Last Close	13.0cps
Market Cap	\$146.8m
Enterprise Value	\$131.4m
Shares on Issue	1,128.9m
Sector	Packaged Software
Index	All Technology

Top 5 Shareholders

Thorney Investment Group	8.31%
Reef Investments Pty Ltd.	5.48%
Ravenhill Investments Pty Ltd.	3.13%
Ice Cold Investments Pty Ltd.	3.10%
Grant Russell Povey	2.52%

YOJ Actuals vs CCZ Estimates

1H22	YOJ	CCZe	Var.
Hubs	11	11	0.00%
Revenue	\$0.87m	\$0.79m	+9.6%
U-EBITDA	-\$2.5m	-\$2.3m	-10.0%

Earnings Forecasts

	2021A	2022	2023	2024	2025
<i>P&L Brief</i>					
Revenue	1.1	2.3	7.8	27.3	47.3
U-EBITDA	(9.2)	(5.1)	(1.8)	14.5	30.8
U-EBIT	(11.3)	(7.5)	(4.0)	11.8	27.7
U-NPAT	(11.3)	(7.4)	(3.9)	11.9	27.9
U-EPS (cps)	(1.1)	(0.7)	(0.3)	1.0	2.4
<i>Growth</i>					
Revenue	62.6%	115.2%	239.3%	251.3%	73.4%
U-EBIT	(83.0%)	33.4%	47.3%	396.9%	135.1%
U-EPS	(55.8%)	38.0%	48.0%	400.3%	134.9%

Values in AUD'm unless otherwise stated

Performance Metrics

	2021A	2022	2023	2024	2025
<i>Valuation</i>					
P/E	(12.3x)	(19.9x)	(38.2x)	12.7x	5.4x
EV/EBITDA	(14.0x)	(26.5x)	(79.8x)	9.1x	3.4x
EV/EBIT	(11.3x)	(17.9x)	(35.2x)	11.1x	3.8x
EV/Rev.	120.7x	59.0x	18.0x	4.8x	2.2x
Div Yield	0.0%	0.0%	0.0%	0.0%	0.0%
<i>Margins</i>					
U-EBITDA	(862%)	(222.8%)	(22.6%)	53.0%	65.0%
U-EBIT	(1,064%)	(329.5%)	(51.2%)	43.2%	58.6%
U-NPAT	(1,063%)	(325.4%)	(50.2%)	43.5%	59.1%

Yojee (YOJ.AX)

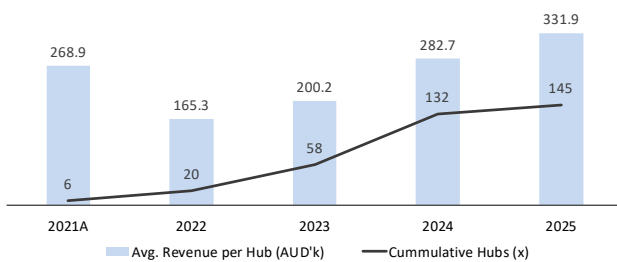
Analyst: Tom Chapman e: tchapman@ccz.com.au p: 61-2-9238-8222
 Values are in millions and in AUD unless otherwise expressly stated
 Latest Published Forecast Date: 28 Feb 2022

Market Capitalization	147m	Index	ASX All Tech.	Year End	Jun	Reporting Currency	AUD
Share Price (AUD/share)	0.13	Sector	Packaged Software	Shares on Issue (m)	1,128.9		

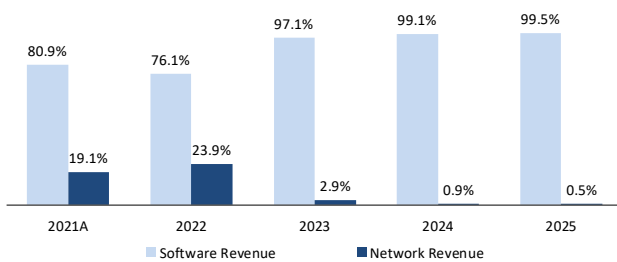
Segment Performance	2021A	2022	2023	2024	2025
Sales Mix					
Software	0.9	1.7	7.5	27.0	47.1
Network	0.2	0.5	0.2	0.2	0.3
Total Revenue	1.1	2.3	7.8	27.3	47.3
U-EBITDA Profile					
U-EBITDA	(9.2)	(5.1)	(1.8)	14.5	30.8
Capitalized Cost	(1.6)	(2.3)	(3.1)	(3.5)	(2.7)
True U-EBITDA	(10.8)	(7.4)	(4.9)	11.0	28.1
Growth & Margin Metrics					
Software Sales Growth	97.7%	102.5%	332.8%	258.7%	74.0%
U-EBITDA Margin	(862.4%)	(222.8%)	(22.6%)	53.0%	65.0%
True U-EBITDA Margin	(1,015.3%)	(323.8%)	(62.5%)	40.2%	59.4%

Summary	2021A	2022	2023	2024	2025
PE	(12.3x)	(19.9x)	(38.2x)	12.7x	5.4x
EV/EBITDA	(14.0x)	(26.5x)	(79.8x)	9.1x	3.4x
EV/EBIT	(11.3x)	(17.9x)	(35.2x)	11.1x	3.8x
Sales Growth	62.6%	115.2%	239.3%	251.3%	73.4%
U-EPS Growth	(55.8%)	38.0%	48.0%	400.3%	134.9%
U-EBIT Margin	(1,064.4%)	(329.5%)	(51.2%)	43.2%	58.6%
ROFE	(49.4%)	(45.4%)	(30.0%)	46.6%	52.4%
Gearing (ND/ND+E)	0.0%	0.0%	0.0%	0.0%	0.0%
ND/EBITDA	0.0x	0.0x	0.0x	0.0x	0.0x
Dividend (AUD cps)	0.00	0.00	0.00	0.00	0.00
Yield	0.0%	0.0%	0.0%	0.0%	0.0%
Franking	0.0%	0.0%	0.0%	0.0%	0.0%

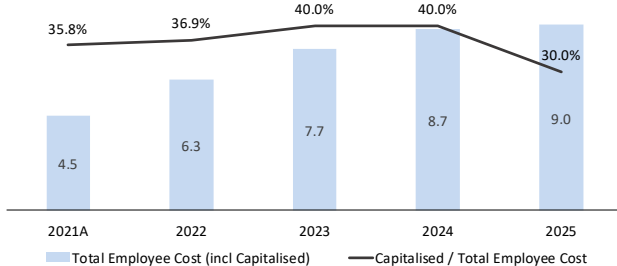
Hub Rollout



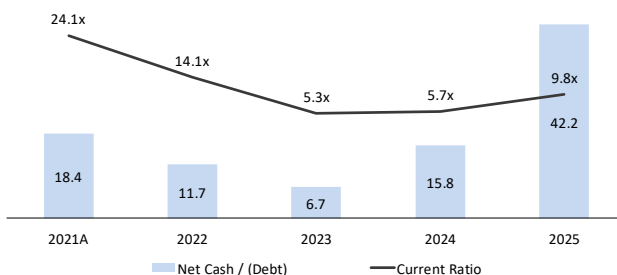
Sales Mix



Capitalized Cost Model



Liquidity Metrics



Income Statement	2021A	2022	2023	2024	2025
Revenue	1.1	2.3	7.8	27.3	47.3
U-EBITDA	(9.2)	(5.1)	(1.8)	14.5	30.8
D&A	(2.1)	(2.4)	(2.2)	(2.7)	(3.0)
U-EBIT	(11.3)	(7.5)	(4.0)	11.8	27.7
Net Interest	0.1	0.1	0.1	0.1	0.2
U-PBT	(11.2)	(7.4)	(3.9)	11.9	27.9
U-Tax	(0.1)	(0.0)	0.0	0.0	0.0
U-NPAT	(11.3)	(7.4)	(3.9)	11.9	27.9
One-offs	0.0	0.0	0.0	0.0	0.0
NPAT	(11.3)	(7.4)	(3.9)	11.9	27.9
U-EPS (cps)	(1.06)	(0.65)	(0.34)	1.02	2.40
Basic EPS (cps)	(1.06)	(0.65)	(0.34)	1.02	2.40
Wtd Avg SOI (m)	1,069.9	1,137.7	1,146.7	1,161.7	1,164.2

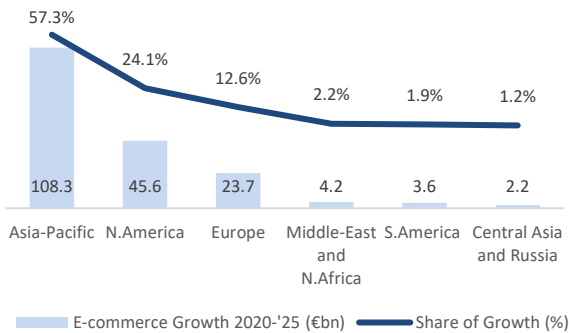
Balance Sheet	2021A	2022	2023	2024	2025
Cash & Equivalents	18.4	11.7	6.7	15.8	42.2
Trade Receivables	0.2	0.4	1.3	4.3	6.2
Inventories	0.0	0.0	0.0	0.0	0.0
PPE	0.1	0.2	0.3	0.4	0.6
Right of Use Assets	0.0	0.0	0.0	0.0	0.0
Goodwill	0.0	0.0	0.0	0.0	0.0
Other Intangibles	4.9	5.0	6.0	7.0	6.9
Other	0.0	0.0	0.0	0.0	0.0
Total Assets	23.7	17.4	14.7	29.0	57.9
Trade Payables	0.4	0.4	0.6	0.8	0.9
Debt	0.0	0.0	0.0	0.0	0.0
Lease Liabilities	0.0	0.1	0.1	0.1	0.1
Total Liabilities	0.9	1.0	1.7	3.9	5.2
Net Assets	22.8	16.4	13.0	25.1	52.7
Contributed Equity	52.5	54.4	54.1	55.3	55.5

Cash Flow Statement	2021A	2022	2023	2024	2025
Cash EBITDA	(3.8)	(5.7)	(3.2)	9.5	27.8
Change in Working Capital	0.1	(0.2)	(0.5)	(1.9)	(1.1)
Net Interest Paid	0.1	0.1	0.1	0.1	0.2
Tax Paid	(0.0)	(0.0)	0.0	0.0	0.0
Other	(0.1)	0.9	1.2	4.0	2.4
Operating Cash Flow	(3.7)	(4.9)	(2.5)	11.6	29.3
Capital Expenditure	(0.1)	(0.1)	(0.2)	(0.3)	(0.5)
Acquisitions	0.0	0.0	0.0	0.0	0.0
Payments for Intangibles	(1.6)	(2.3)	(3.1)	(3.5)	(2.7)
Other	0.0	0.0	0.0	0.0	0.0
Investing Cash Flow	(1.7)	(2.4)	(3.3)	(3.8)	(3.2)
Change in Debt	0.0	0.0	0.0	0.0	0.0
Change in Equity	19.7	0.8	0.9	1.2	0.3
Dividends Paid	0.0	0.0	0.0	0.0	0.0
Lease Payments	(0.2)	(0.1)	0.0	0.0	0.0
Other	0.0	0.0	0.0	0.0	0.0
Financing Cash Flow	19.5	0.6	0.8	1.2	0.2
Net Cash Flow	14.1	(6.7)	(5.0)	9.1	26.3
Free Cash Flow	(5.5)	(7.3)	(5.7)	7.9	26.3

INVESTMENT THESIS

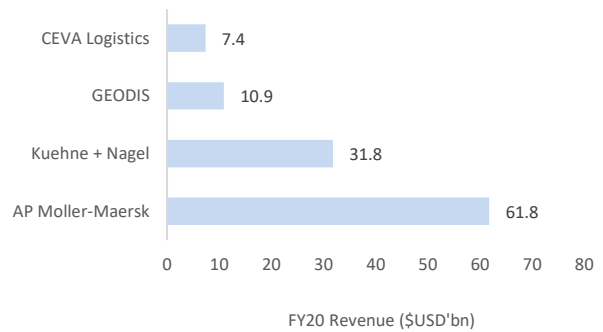
Yojee is an AI-powered end-to-end fleet management SaaS provider to global blue-chip logistics enterprises, poised to capitalise on a re-opening global logistics industry demanding greater visibility and control of supply chains. Contracts with 4 of the Top 10 global logistics leaders achieved in the last 18 months, and 6 expansion orders across 20 countries in APAC and Europe received since, posits customer confidence, and positively supports Yojee's bold 126 hub rollout targets by FY24.

Post Covid-19 recovery in logistics to be driven by a reliable, land-based, APAC-led boom in e-commerce...



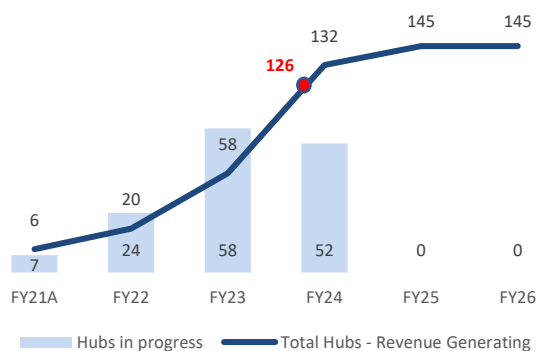
Source: Company Data, CCZ Analysis

... dominated by 10 key global logistics enterprises of which Yojee have signed and expanded contracts with 4



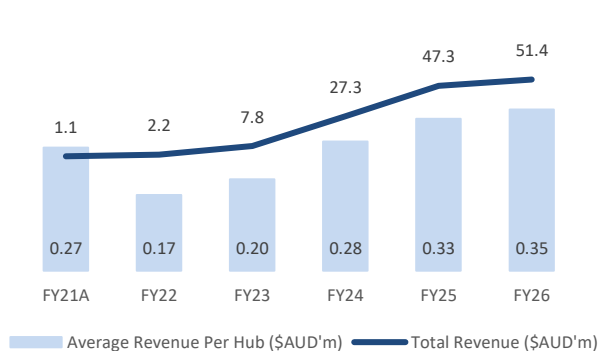
Source: Company Data, CCZ Analysis

... which together should contribute to Yojee's 126 revenue-generating hub rollout target by FY24...



Source: Company Data, CCZ Analysis

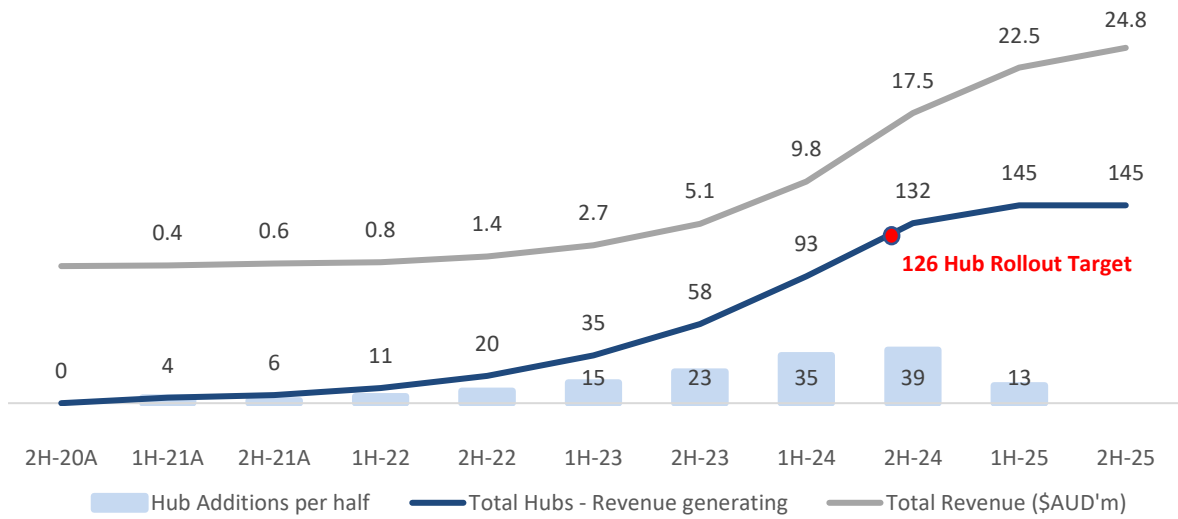
...in turn creating a substantial, high-margin revenue pipeline in APAC with significant upside from Europe.



Source: Company Data, CCZ Analysis

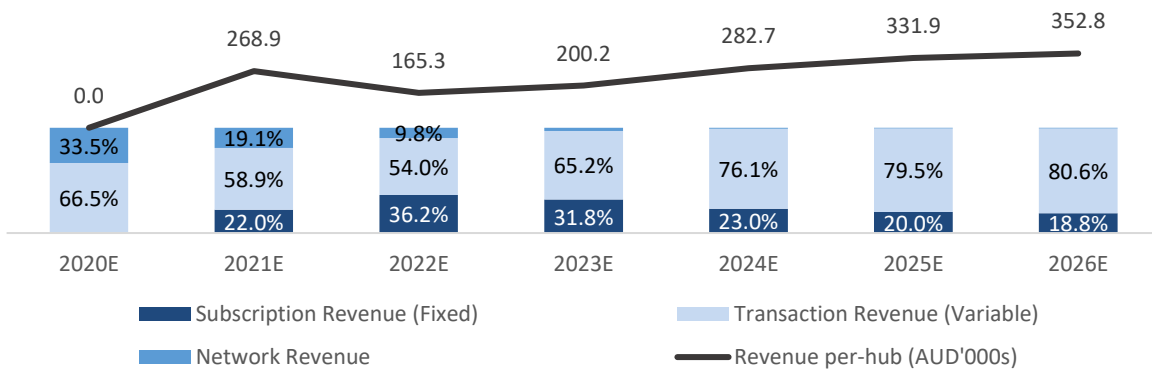
DASHBOARD

Semi-Annual Hub Rollout & Revenue Forecasts



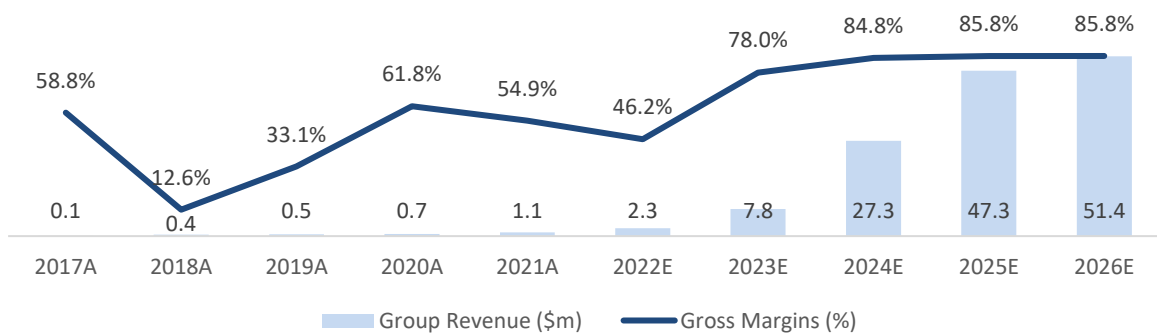
Source: Company Data, CCZ Analysis

Revenue Composition Forecasts



Source: Company Data, CCZ Analysis

Annual Revenue & GP Margin Forecasts



Source: Company Data, CCZ Analysis

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