



# OrderYOYO

## INVESTMENT CASE



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### #DIGITALIR

## HIGHLIGHTS



**OrderYOYO is a leading European Software-as-a-Service (SaaS) company providing an online ordering, payment, and marketing software solution for takeaway restaurants.** With a usage-based business model, the solution enables smaller takeaway restaurants, which already have their own delivery service, to build own-branded online presence from their OrderYOYO powered website or app.



**With up to 90% of all orders being repeating orders from consumers,** solutions to directly traffic consumers to restaurants instead of food portals create loyalty to the restaurant and much lower commissions, i.e. **reasons for takeaway restaurants to use OrderYOYO instead of food portals such as Just Eat and Wolt are very strong.**



**OrderYOYO has a strong footprint in Denmark, Ireland and United Kingdom with much room to grow.** From 2022 to 2023, OrderYOYO expects to enter Germany and Sweden. In Europe, OrderYOYO's total addressable market is estimated to more than DKK 50bn.



Measured on ARR, OrderYOYO will become the **largest and fastest growing SaaS company on Nasdaq First North Denmark.** Total ARR is DKK 113m as of March 2021 after increasing ARR with 169% Y/Y. Going forward, OrderYOYO expects to increase its ARR with a CAGR of 48% towards 2023 and reach between DKK 275-300m in 2023. **Being profitable (EBITDA) in 2020,** OrderYOYO has proven its business model and not paid too much for high growth rates.



With a pre-money valuation of DKK ~675m, OrderYOYO's **ARR valuation multiple** corresponds to **6.5x ARR (end 2020) and 5.2x ARR (end 2021E).** This is both much lower than the comparable, however, larger US-listed peer company, Olo Inc. (~40x platform revenue 2021E) and the US SaaS sector<sup>1</sup> despite OrderYOYO having higher growth rates and an attractive usage-based business model.



**OrderYOYO has received DKK 37.5m in pre-subscription from institutional investors including BankInvest (DKK 20m) and Vækstfonden (DKK 10m).** Moreover, board member Preben Damgaard Nielsen and chairman Jesper Johansen have pre-subscribed for DKK 5m and DKK 2.5m, respectively. All have pre-subscribed to the same price per share as the public price.

<sup>1</sup>SaaS Capital Index (31 May 2021)

## IPO INFORMATION

Market: Nasdaq First North Growth Market Denmark

Existing shares: 48,009,510

Offer price per share: DKK 13.60

Pre-money valuation: DKK ~675m (fully diluted)

Size of the offering\*: DKK 59.4m (+DKK 20m)

Pre-subscription amount: DKK 37.5m

Subscription period: 11 June 2021 – 24 June 2021

Expected first day of trading: 2 July 2021

\*OrderYOYO has prior to the offering obtained a private placement of DKK 20m to the same price per share of DKK 13.60. The private placement is conditional upon completion of the offering.

## DISCLAIMER

HC Andersen Capital receives payment from OrderYOYO for a Digital IR/Corporate Visibility subscription agreement.

Kasper Lihn has no ownership in OrderYOYO and has no intention of subscribing to new shares in connection with the offering.

This is not a piece of advice to buy, not to buy, sell, or not to sell shares.

The material has been read by the company before publication.

HC Andersen Capital assumes no responsibility for correctness of the contents of the material.

## SELECTED RISK FACTORS AND LOCK-UP AGREEMENTS

**Nasdaq First North Growth Market:** Potential investors must be aware of the significant risks related to investing in IPOs and in companies being listed on Nasdaq First North Growth Market. Companies traded on Nasdaq First North Growth Market are subject to less regulations compared to the regulated main market.

**Share price development and the offering:** The market price of the OrderYOYO share may vary negatively from the offer price per share depending on several factors including financial results varying from expectations, economic downturns, changes in expectations, changes in geopolitical conditions, and the risk of declining global stock markets. There is also a risk that the offering is withdrawn which can take place any time prior to the announcement of the result of the offering.

**Business model risks:** OrderYOYO is currently active in Denmark, the UK and Ireland with different market characteristics. Thus, expanding to new geographical markets implies that OrderYOYO adjusts the business model for each market. Hence, there is a risk that the market penetration will not be sufficiently deep after entering a new market. OrderYOYO's management assesses the risk to be high with a medium probability to occur.

There is also a risk that OrderYOYO loses customers if the company fails to satisfy the needs and expectations for support and assistance to the individual Restaurant Partner due to the expansion strategy focusing on new customers. Additionally, customer lifetime may be shorter than expected, i.e. growth and profitability will be negatively affected.

**Industry risks:** Within white label online ordering, payment and marketing software, OrderYOYO has a market leading position in Europe with presence in Denmark, the UK and Ireland. However, there is a risk that OrderYOYO can lose their competitive position from either existing players or new entrants. OrderYOYO's white-label solution targets individual takeaway restaurants. Thus, the risk of competition from food portals is assessed to be lower because food portals focus on end-users with several restaurants into the portal. Overall, OrderYOYO's management considers the industry risks to be medium with a medium probability to occur. Looking at the market development, there is also a risk that the market for online food services may either decrease compared to 2020 and 2021, stabilize or may increase at a slower pace.

**Operational risks:** OrderYOYO collects, control and processes personal data to deliver its value for the restaurants. The processing of personal data must be in accordance with data protection legislation, i.e. OrderYOYO can risk claims for damages in breach of GDPR or other data protection regulation. Moreover, there is a risk that OrderYOYO's SaaS solution may have down time, however, the company has established an organization to always maintain operations.

**Financial risks:** OrderYOYO's current focus is on Denmark, the UK and Ireland. Thus, OrderYOYO is exposed to currency fluctuations of GBP and EUR. The main risk is related to fluctuations in GBP since DKK is pegged to EUR. However, the company performs no hedging of exchange rate fluctuations. Going forward, exchange fluctuations are expected to increase due to the expansion strategy, and Restaurant Partners are invoiced in local currency. This may be mitigated by introducing an active hedging strategy.

**Liquidity risks:** OrderYOYO expects to continue the expansion strategy which requires access to capital in the short and mid-term. There is no assurance that OrderYOYO has sufficient capital and liquidity to reach the strategic goals from the offering. Hence, there is a risk that OrderYOYO is required to raise additional capital which could negatively impact the share price. However, the management assesses that this risk is low with a low probability to occur.

**Sale of shares by major and existing shareholders:** Large sales of shares by major shareholders or members from the Board of Directors and management team may affect the company's share price negatively and ability to raise additional capital in the future.

**Lock-up agreements:** Existing major shareholders and PreSeed Ventures A/S have agreed to enter into lock-up agreements. Initial lock-up obligation starts from the first day of trading and for 12 months. In the period between 12 months and 18 months after the first day of trading, existing major shareholders and PreSeed Ventures A/S only have 50% of existing shares released. Between 18 months and 24 months after first day of trading, additionally 25% of existing shares owned by major shareholders and PreSeed Ventures A/S will be released. Lastly, 24 months after the first day of trading, the last 25% of existing shares will be released for the major shareholders and PreSeed Ventures A/S.

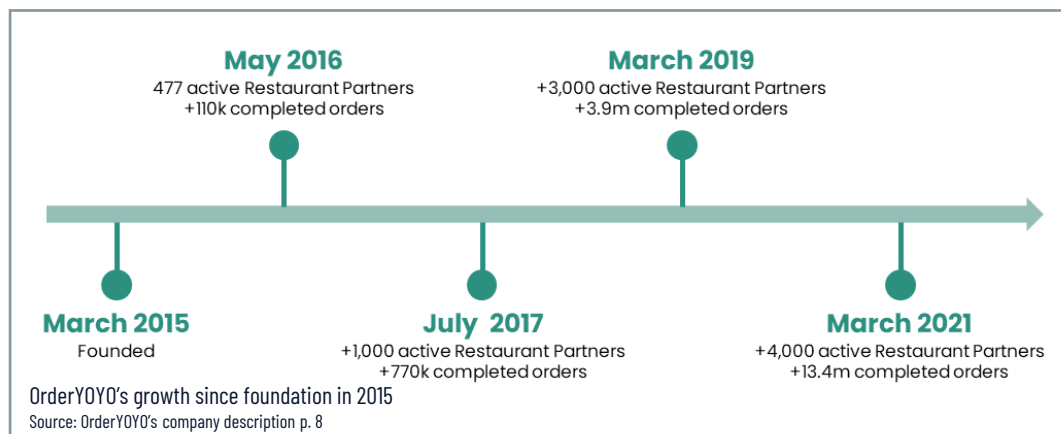
## ORDERYOYO - IN BRIEF / OFFERING DETAILS

### *OrderYOYO's software solution has a clear value proposition helping more than 4,000 restaurants in Denmark, Ireland and the UK*

OrderYOYO is a **Software-as-a-Service (SaaS) company** dual-headquartered in Copenhagen and Manchester. The company was founded in 2015 with the mission to inspire and empower local takeaway restaurants to engage directly with their end-users.

**Today, OrderYOYO supports more than 4,000 restaurants in Denmark, Ireland, and the UK** with white-label online ordering payment and marketing software solutions. OrderYOYO is a software provider helping primarily takeaway restaurants with their online presence, i.e. no delivery service like food portals such as Just Eat and Wolt offer. Takeaway restaurants with their own delivery service are choosing online ordering software providers such as OrderYOYO due to clear advantages such as lower commissions on orders of 5-9% compared to 14-35% on food portals and maintenance of direct relation with the restaurants own loyal customers.

**The market for online takeaway food has increased significantly** in the past year which has been pushed by COVID-19. With a shift to a usage-based business model in March 2020, OrderYOYO has had the full upside of the increasing consumption of takeaway during the pandemic. As of March 2021, OrderYOYO has a total ARR of DKK 113m after increasing ARR with 169% from March 2020 to March 2021.



**More than DKK 100m has been invested in OrderYOYO** over the past five years. With a market leading position, OrderYOYO handles more than 500,000 orders per month primarily in Denmark, UK and Ireland. The **primary reason behind the offering is to boost the growth and internationalization strategy.**

Besides the offering of DKK 59.4m, OrderYOYO also sells new shares for DKK 20m in a private placement. It will be settled at the same time and price per share as the offering in connection with the IPO. Additionally, two existing shareholders have entered into separate share transfer agreements of DKK 25m. Both the private placement and share transfer agreements are conditional upon completion of the offering, and **the main reason is to fulfill the free float requirements of 10% when being listed on Nasdaq First North.**

Specifically, **gross proceeds of DKK ~79.4m including the private placement** will be allocated:

- **35% for sales and marketing in existing markets:** OrderYOYO already has a market-leading position in Denmark, United Kingdom and Ireland. However, OrderYOYO has identified more than 27,000 restaurants within OrderYOYO's core Restaurant Partner segment in the UK. Currently, OrderYOYO has approx. 10% of this market, i.e. OrderYOYO still has a large potential in the market.
- **33% for investments in market entry in new selected European markets:** OrderYOYO expects to enter Germany and Sweden from 2022 to 2023 with a total potential of more than 25,000 takeaway restaurants.
- **20% for investments in product development:** OrderYOYO will invest in product development to further enhance functionalities and continue deliver best-in-class solutions.
- **12% of the gross proceeds are allocated to IPO costs** which covers advisor fees, VAT, etc.

## VALUATION PERSPECTIVES

**OrderYOYO is valued to 6.5x ARR (end 2020) which is significantly below peer company Olo Inc. traded to more than 50x platform revenue and the US SaaS sector traded to 14.5x ARR**

### OrderYOYO

#### ARR valuation multiple\*

End 2020A	End 2021E	End 2022E	End 2023E
6.5x	5.2x	3.6x	2.3x

\*Based on pre-money valuation of DKK ~675m (fully diluted) divided by realized total ARR in 2020 and midranges in OrderYOYO's financial guidance towards 2023.

### Close peer company: Olo Inc.

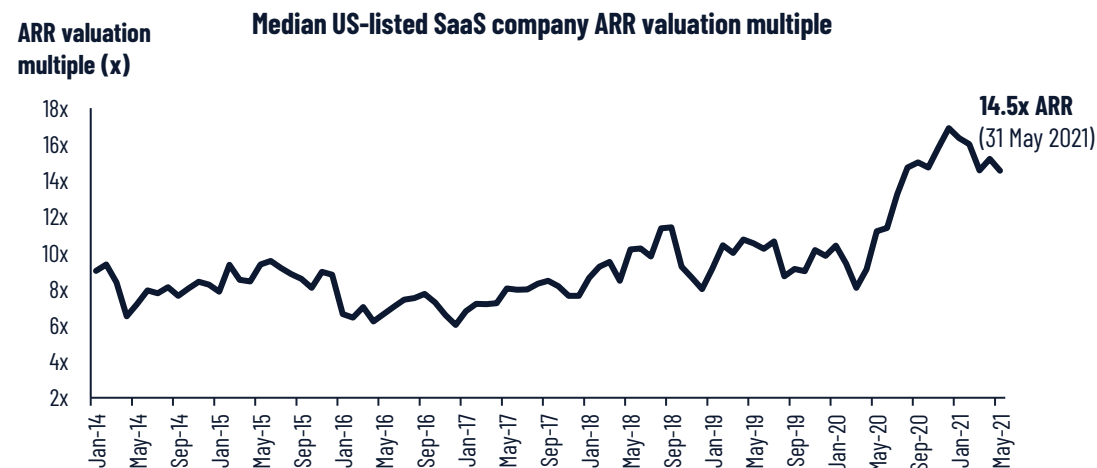
#### Platform revenue multiple\*

End 2020A	End 2021E	End 2022E	End 2023E
56.9x	39.7x	31.1x	23.7x

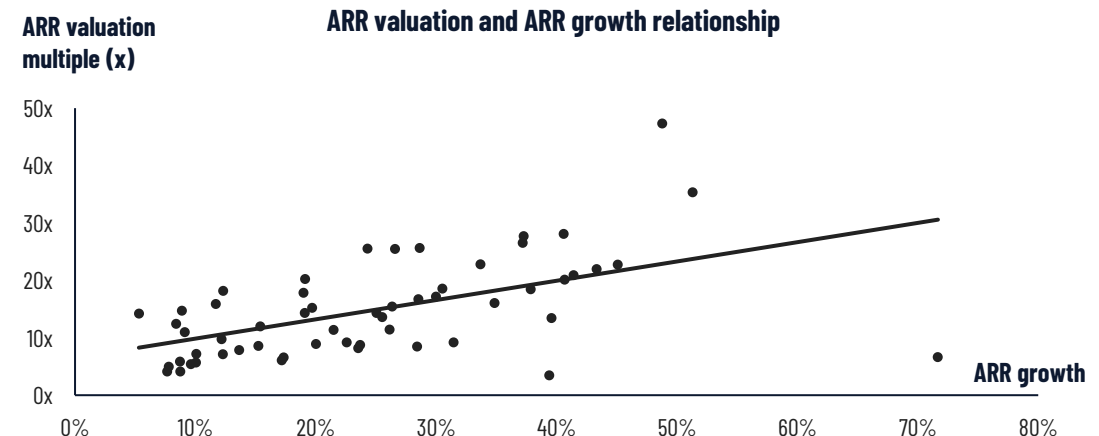
\*Platform revenue represents 94% of Olo's total revenue in 2020 which is an approximate of total ARR. We assume that Olo maintains this share going forward and use revenue estimates. Source of estimates (2021-2023E): MarketScreener

**OrderYOYO is valued to 6.5x ARR (2020A), 5.2x ARR (2021E), 3.6x ARR (2022E) and 2.3x ARR (2023E). Olo is a close peer company** which was listed in the United States in March 2021. **Most significant differences are Olo's dispatch module which allows restaurants to offer and manage their own delivery service and a focus on large chains.** OrderYOYO runs a 100% usage-based business model, whereas Olo has 43.3% as usage-based business model and 56.7% as subscription-based revenue. Looking at growth rates, Olo grew with 106% Y/Y in 2020 and 136% Y/Y in Q1 2021, and OrderYOYO grew its ARR even more with 131% Y/Y in 2020 and 169% Y/Y in Q1 2021. Olo is a larger company with a yearly platform revenue of USD 92.8 million (2020), however, it is **very difficult to explain why Olo should trade to multiples 5-8 times above OrderYOYO's valuation.**

**Comparing with the whole US SaaS sector** using *The SaaS Capital Index*, OrderYOYO is also valued 55% below the median value despite a significant higher historical growth rate. This is interesting since usage-based SaaS companies, on average, have been traded to higher valuations than the broader SaaS index.



Current valuation of US-listed SaaS companies, 31 May 2021. Source: SaaS Capital Index



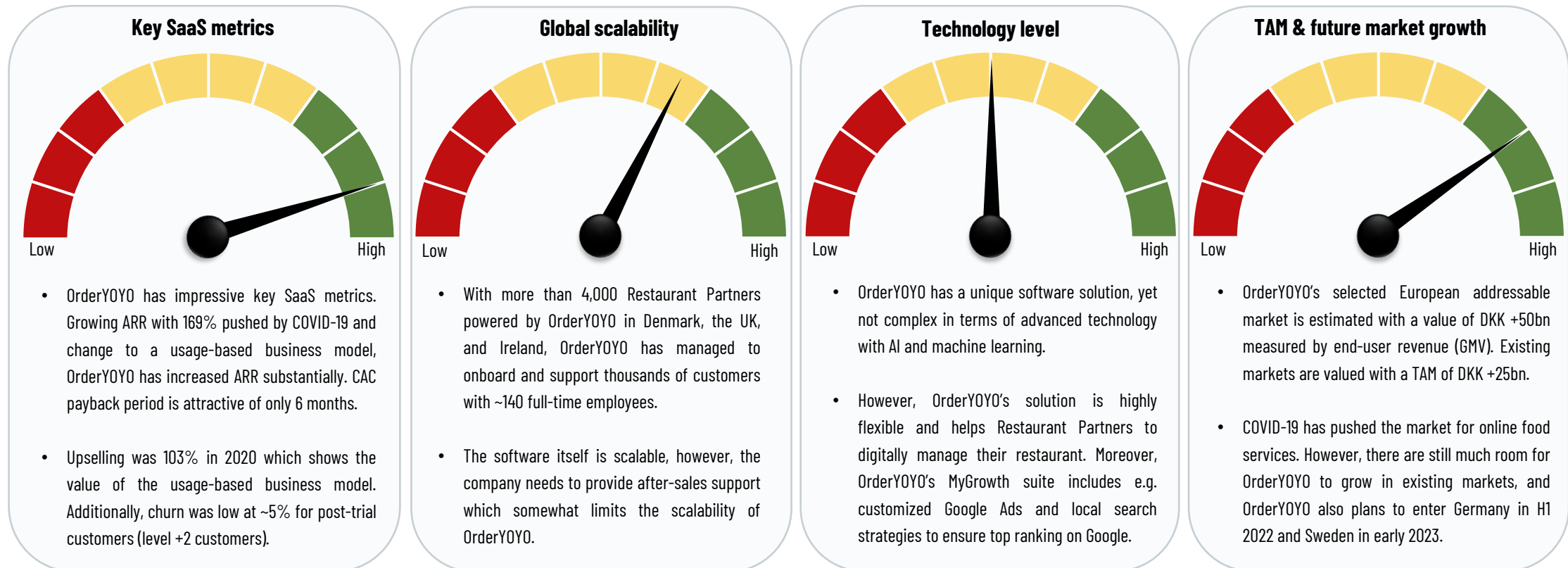
Plot of relationship between historical ARR growth rate and ARR valuation (SaaS Capital Index, 31 May 2021). Zoom Video Communications and companies without ARR growth data are excluded. Source: SaaS Capital Index.

## SaaS ASSESSMENT OF ORDERYOYO

### How does OrderYOYO stack up with other companies in the SaaS sector?

The SaaS business model and market potential vary across companies and industries besides growth rates. Therefore, it is helpful to score the company on some of the most important general criteria for the SaaS industry to determine whether a company should trade with a discount/premium to other SaaS companies. We have pointed out four criteria to assess OrderYOYO or any other SaaS company as shown in the speedometers below. **A medium/neutral rating points to pricing on par with the SaaS sector.**

The assessment criteria are **1) Key SaaS metrics**, i.e. OrderYOYO's ARR growth, churn rate, upselling etc., **2) Global scalability**, i.e. how scalable the business model is across borders and in terms of onboarding time etc., **3) Technology level**, i.e. how advanced the software is and whether it is inimitable, and **4) Total addressable market (TAM) and future market growth**, i.e. how big is the market and future growth rates.



## KEY SaaS METRICS AND AMBITIONS

**OrderYOYO's ARR growth rate has been impressive increasing 169% from March 2020 to March 2021**

### OrderYOYO's key SaaS metrics

#### Total ARR (March 2021)

**113m**

ARR run rate (DKK) as of March 2021

#### ARR growth rate

**169%**

ARR growth rate from March 20 to March 21

#### Expected CAGR ARR (21-23E)

**48%**

Expected CAGR ARR from 2021 to 2023

#### ARR churn rate

**~5%**

Post-trial churn rate (level +2 churn rate)

#### CAC payback period

**6 months**

Payback time in months per new Restaurant Partner

#### Net GMV Retention Rate

**107%**

Average end-user revenue increase after 12 months

**As of March 2021, OrderYOYO has a total ARR of DKK 113m** implying that OrderYOYO by far will be the largest SaaS company on Nasdaq First North Denmark measured on ARR. OrderYOYO has experienced significant growth rates from DKK 30m in 2018 to DKK 104m in 2020 implying a CAGR of 82%. Most recent, a change to a usage-based business model and COVID-19 have pushed the growth even further with an ARR growth rate of 169% from March 2020 to March 2021. These very high growth rates are not expected to continue going forward. However, the company has a more conservative outlook, yet, still high CAGR of 48% from 2021 to 2023. **If OrderYOYO successfully manage to achieve its ambitions, the total ARR will be in the interval DKK 275-300m by the end of 2023.**

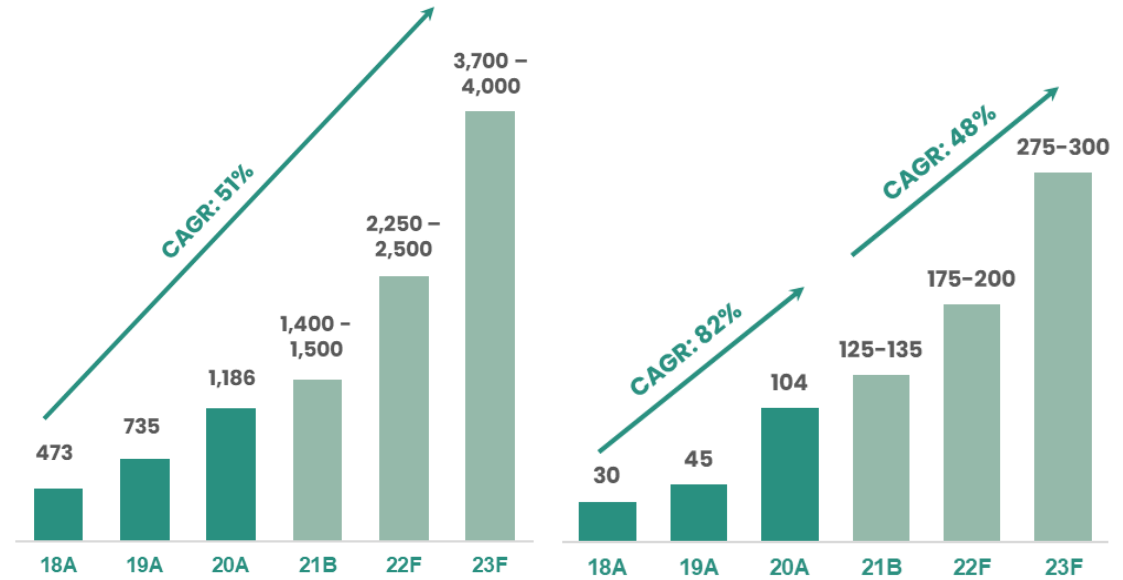
Another key metric for OrderYOYO with a usage-based business model is end-user revenue (GMV). In 2020, the annualized GMV was approx. DKK 1.2bn which is expected to grow to the interval DKK 3.7-4.0bn in 2023. This corresponds to a CAGR of between 46% and 50%.

**Looking at profitability, OrderYOYO has managed to be profitable in 2020 with an EBITDA of DKK 12.7m.** Going forward, OrderYOYO expects to maintain profitability (EBITDA) despite the expansion strategy investing heavily in growth. EBITDA is expected to be in the ranges DKK 5-10m in 2021, DKK 10-15m in 2022 and DKK 20-25m in 2023.

**With an attractive CAC payback period of only 6 months,** it pays off for OrderYOYO to invest significant in acquiring new customers when the churn rate is only 5% for post-trial (level +2) customers, i.e. a theoretically customer lifetime of ~20 years.

#### End-user revenue (GMV) 2018A-2023F (DKKm)

#### ARR development 2018A - 2023F (DKKm)



OrderYOYO's GMV and ARR expectations from 2018 - 2023  
Source: OrderYOYO's company description p.49

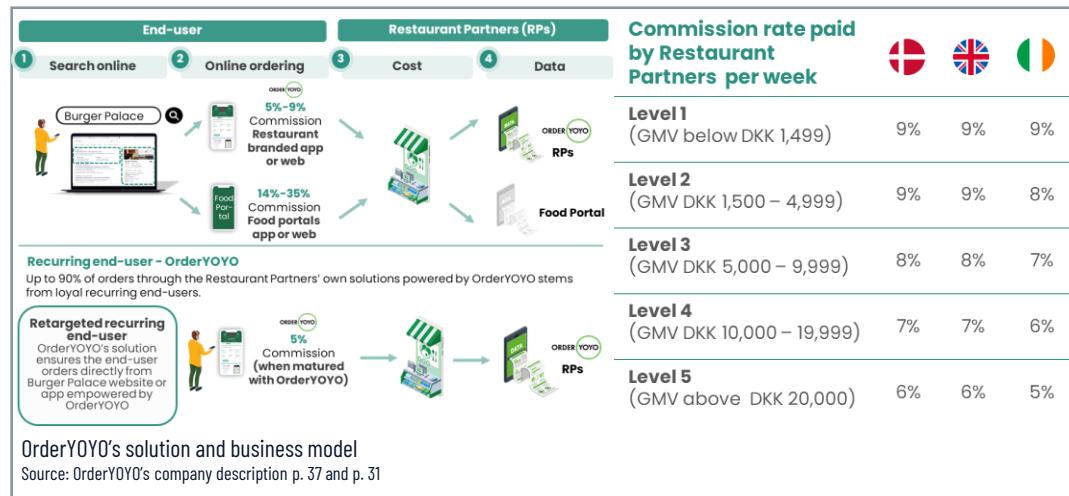


## INCENTIVIZED AND USAGE-BASED PRICING MODEL

**OrderYOYO's business model is usage-based implying that OrderYOYO grows with the Restaurant Partners**

**OrderYOYO's pricing model is based on weekly commission rates from restaurants.** The restaurants are classified into five different levels based on the gross merchandise value (GMV) which is the total revenue from the end-customer.

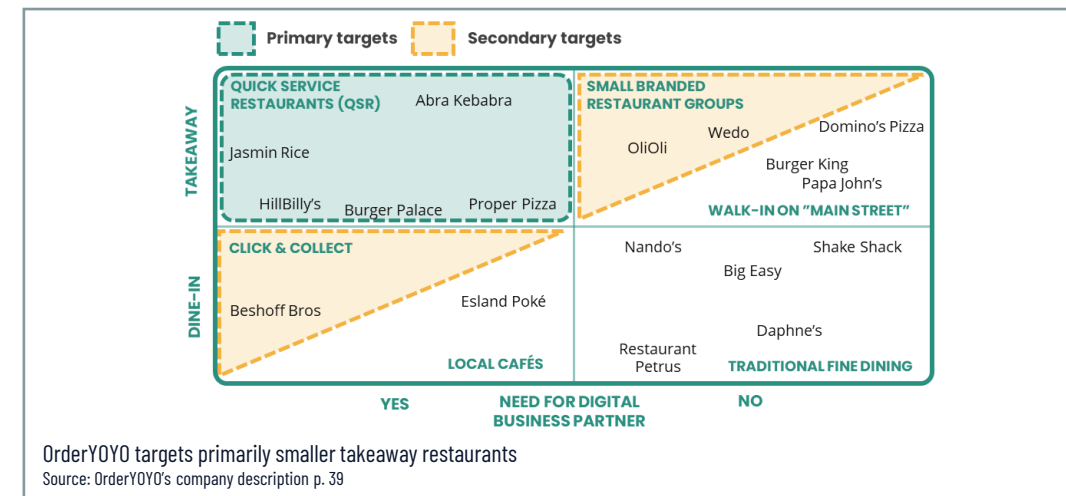
When searching for a restaurant via the internet, OrderYOYO ensures that the restaurant's website is ranked in the top of the Google search using e.g. search engine optimization (SEO). As a result, restaurants avoid paying high commission rates to food portals or being deselected due to the many opportunities in food portals. OrderYOYO handles payments from end-users and transfers payments to Restaurant Partners every Tuesday. **Restaurant Partners receive total-end-user revenue (GMV) minus the commission fees**, i.e. OrderYOYO has no receivables from the restaurants. This creates a win-win because Restaurant Partners can focus on operating their restaurant, and OrderYOYO handles all digital presence and marketing which are difficult to handle for many smaller takeaway restaurants. **Importantly, OrderYOYO's solution is more cost-effective for Restaurant Partners relative to food portals.** OrderYOYO has commission rates of 5-9% which is lower than the 14-35% that food portals require through their portals.



The advantage of this business model is clear; Restaurant Partners are only paying OrderYOYO if end-users are using the software solution powered by OrderYOYO. Thus, the more customers buying through the online website, the lower is the percentage of the commission rate for restaurants. As a result, OrderYOYO's Restaurant Partners have an incentive to grow with OrderYOYO.

We also stick to the fact that **up to 90% of orders through Restaurant Partners' solution powered by OrderYOYO comes from loyal recurring end-users.** This makes the usage-based business model less vulnerable because loyal customers are typically returning and using OrderYOYO's platform.

**Moreover, OrderYOYO's primary customers are smaller takeaway restaurants with own delivery** and not larger restaurants or cafes that normally focus on dine-in. Therefore, OrderYOYO is less vulnerable to re-opening of dine-in restaurants in the wake of COVID-19 since consumers are expected to continue buying takeaway online from smaller restaurants.





## TOTAL ADDRESSABLE MARKET AND COMPETITION

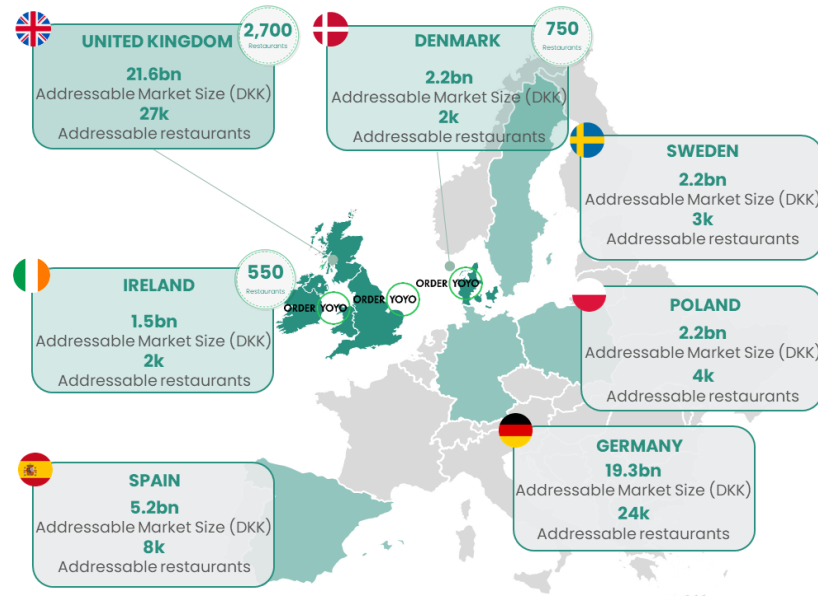
**OrderYOYO's total addressable market in existing markets is estimated with a value of more than DKK 25bn**

**OrderYOYO taps into a selected European addressable market of more than DKK 50bn** measured by end-user revenue (GMV). Looking at current markets, OrderYOYO is present in Denmark, Ireland and the UK. **In the current markets, total addressable market is DKK 25.2bn, and OrderYOYO has much room to grow**, i.e. the company assesses that market penetrations are 38% for Denmark, 28% for Ireland and 10% for the UK. In 2022 and 2023, OrderYOYO expects to enter Germany and Sweden.

Obviously, the COVID-19 pandemic has accelerated growth in the online takeaway market. Reports show that approx. 40% of end-users have increased takeaway spent during COVID-19, and 58% expects to order about the same or more on takeaway. Pace of the growth rates might decrease; however, online takeaway ordering online is expected to increase to higher levels.

**OrderYOYO differentiates itself from competitors by having four advantages;** 1) Defined Restaurant Partner segment, 2) scale, 3) service and operational support, and 4) ongoing innovation.

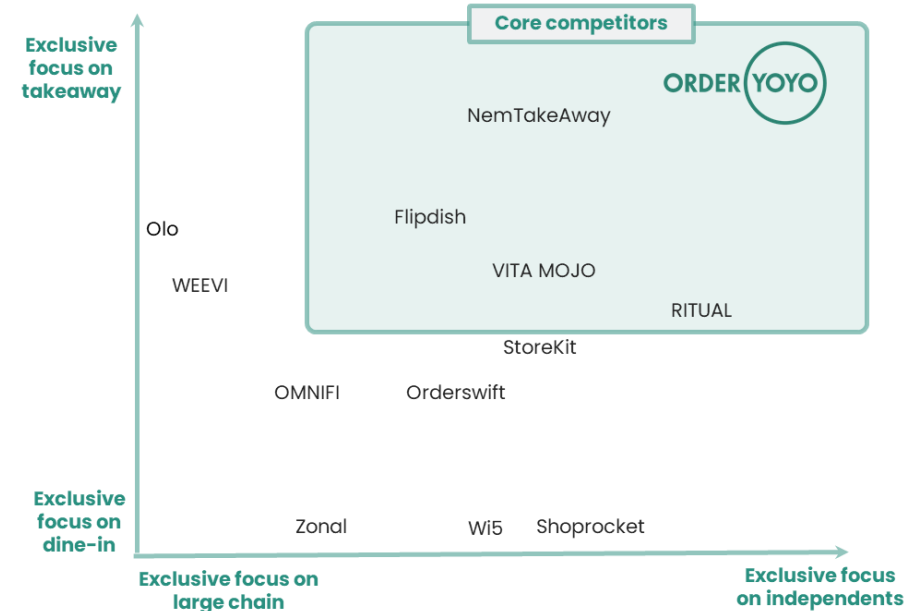
Some competitors have multiple segments implying that products must fit to many customer cases. With OrderYOYO's solution, software solutions can be customized to takeaway restaurants having a focus on being independent. Another advantage is OrderYOYO's existing customer base which will increase the awareness of the solution and bring customers in themselves. Being an operational partner with after-sales support increases the stickiness, however, it also limits the scalability. Finally, OrderYOYO has also invested more than DKK 100m over the past five years with significant amounts invested in product development and innovation.



Source: Statistics Denmark, MCA, Euromonitor, Company data & analysis

OrderYOYO's total addressable market

Source: OrderYOYO's company description p. 27



OrderYOYO's competitive landscape

Source: OrderYOYO's company description p. 25

## MANAGEMENT TEAM AND MEMBERS OF THE BOARD OF DIRECTORS

*CEO with experience in large companies and management team with extensive experience in the takeaway market combined with a top professional board*

**Søren Gammelgaard**  
Chief Executive Officer



**Jesper Johansen**  
Chairman



**Kristian Brønshjerg**  
CCO, UK/Ireland Country Manager



**Ralf Sohl**  
Chief Technology Officer



**Jesper Jakobsen**  
Country Manager Denmark



**Preben Damgaard Nielsen**  
Board member



**Ulla Brockenhuus-Schack**  
Board member



**Jacob Christian Bratting Pedersen**  
Board member



**Theis Regner Riber Søndergaard**  
Board member



OrderYOYO's executive management is **Søren Gammelgaard**, who has been CFO since 2017 and CEO since 2019. He has more than 10 years experience in top positions including CFO in Profil Optik, ISS, and LEO Pharma. He owns 0.4% of OrderYOYO after the offering.

The management team referring to CEO Søren Gammelgaard consists of Kristian Brønshjerg, Ralf Sohl and Jesper Jakobsen. **Kristian Brønshjerg** joined OrderYOYO in 2020 and has more than 6 years experience as Sales Director for Denmark & Norway at Just Eat. **Ralf Sohl** will join the company in August 2021 as a new CTO. He has more than 15 years of hands-on CTO experience. **Jesper Jakobsen** joined OrderYOYO in 2019. He has an extensive knowledge within the takeaway market after working more than 10 years as Director in Just Eat.

**Jesper Johansen** is the chairman of OrderYOYO. He is a professional investor, primarily in technology companies. He has been board member in well-known companies such as Mofibo, Plenti, Edulab and Endomondo. He owns 10.7% of OrderYOYO after the offering including pre-subscribed shares for DKK 2.5m. **Preben Damgaard Nielsen** is a serial entrepreneur and has been board member since 2016. He has also been board member in large companies such as TDC, Rockwool and Bang Olufsen. He owns 15.9% of OrderYOYO after the offering including pre-subscribed shares for DKK 5m. **Ulla Brockenhuus-Schack** and **Jacob Christian Bratting Pedersen** are partners in Seed Capital (owns 23.9% of OrderYOYO after the offering) and Vækstfonden (owns 19.0% of OrderYOYO after the offering), respectively. **Theis Regner Riber Søndergaard** is a serial entrepreneur who has co-founded companies such as Vivino where he is CPO. He is also board member in Too Good To Go. He owns 0.2% of OrderYOYO after the offering.



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