

Yojee Ltd

(YOJ \$0.15) Speculative Buy

EUROZ HARTLEYS

Analyst	Date	Price Target
Seth Lizee	March 2021	\$0.50/sh

Dec'Q Update

Investment case

YOJ recently provided an update on its December quarter. We remain pleased with the company's progress on rollouts in addition to receiving its first expansion order from an existing client during the Q. Revenue and volumes growth (%QoQ) were broadly flat as a result of recent rollouts occurring in the final weeks of the Q, in addition to unprecedented weather events and COVID-19 lockdowns occurring in the Philippines which was the only live enterprise country during the Q. 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.

We Maintain our Speculative Buy recommendation and \$0.50/sh. Price Target

Key points

- 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
- Financial Highlights:
 - \$235k cash receipts
 - \$204k revenue
- YOJ finished the Dec'Q with \$21.1m cash providing the company a strong run-way for growth
- We maintain our Speculative Buy recommendation with a \$0.50/sh. Price Target.

Yojee Ltd	Year End x
Share Price	0.15 A\$/sh
Price Target	0.50 A\$/sh
Valuation	0.50 A\$/sh

Shares on issue	1143m, diluted
Market Capitalisation	171.5 A\$m
Enterprise Value	147.4 A\$m
Debt	0.0 A\$m
Unpaid cap	3.0 A\$m
Cash	21.1 A\$m

Turnover	3 sh/day
12 Mth Hi-Lo	0.29-0.012 A\$/sh
Balance date	June 30th

Directors & Management

Ed Clarke	Co-founder & MD
Vivek Gudapur	CTO
Ciaran Gunne	CFO
Paul Bell	Chief Exp. Officer
David Morton	Chairman
Ray Lee	NED
Gary Flowers	NED

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Share Price Chart



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This analyst declares that he has a beneficial interest in YOJ.

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