

# Quick Comment

## Yojee Ltd (YOJ \$0.061) Speculative Buy

Analyst	Date	Price Target
Seth Lizee	24 <sup>th</sup> June 2020	\$0.13/sh

### YOJ Goes Live in Philippines

#### Key Points

- YOJ announced its SaaS logistics platform has gone live in the Philippines
- This is significantly ahead of its original 'end of July' target for the Kuehne + Nagel project
- YOJ processed 10,000 transactions on the first day
  - This equates to ~3.65m transactions on an annualised basis
  - While still in its early days we can begin to see the potential present
  - YOJ noted the Philippines is a thriving logistics market with +100m population and a booming e-commerce industry
  - This further strengthened by YOJ working with Kuehne+Nagel, a world leading logistics company
- We can explore the revenue potential through the hypothetical mental exercise below, sensitised against different transaction volume levels:

Mental Exercise	Units	10,000	20,000	50,000	100,000	200,000
Transactions	Trans./day	10,000	20,000	50,000	100,000	200,000
x 365 days/yr	x	365	365	365	365	365
x \$0.20/parcel*	\$/unit	0.20	0.20	0.20	0.20	0.20
Revenue Potential	A\$m/yr	0.7	1.5	3.7	7.3	14.6

*\*June Investors Presentation*

- The takeaway being that there are material revenues present with scale, which we have conservatively estimated could operate on EBITDA margins of 50% with potential for higher margins per our past research
- The size of the Philippines addressable market is difficult to quantify
- However, we don't see it as unreasonable to see these sorts of volumes supported by the size of the Philippines population alone
- The greater opportunity remains on this rollout providing more validation of the YOJs platform to Kuehne + Nagel and others, paving the path for rollouts in other countries and markets around the world.
- We maintain our Speculative Buy recommendation and \$0.13/sh. Price Target

#### Investment Thesis

YOJ has made significant progress with its SaaS logistics platform in the Philippines going live more than a month ahead of schedule, YOJ noting the entrance being "prioritised due to client demand". The rollout has further hit the road running with 10k transactions in the first day with potential runway for much more. If YOJ can begin to show this trajectory we can see the potential for significant revenues being generated. The YOJ investment case is predicated on driving material revenues through the rollout of its logistics platform with the likes of Geodis, Kuehne+Nagel and others in parallel to signing new SaaS agreements. We maintain our Speculative Buy recommendation and \$0.13/sh Price Target.

#### Yojee Ltd (YOJ)

Share Price	0.061	A\$/sh	Enterprise Value	50.8	A\$/m
Price Target	0.13	A\$/sh	Debt (inc. AASB16)	0.3	A\$/m
Valuation (blended)	0.13	A\$/sh	Cash (Mar'20)	5.5	A\$/m
Shares on issue	923.6	m(dil)			
Market Capitalisation	56.3	A\$m			

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## Contact Details

**Euroz Securities Limited** +61 8 9488 1400

### Research Analysts

Jon Bishop - Head of Research	+61 8 9488 1481
Andrew Clayton - Resources Analyst	+61 8 9488 1427
Steven Clark - Resources Analyst	+61 8 9488 1430
Gavin Allen - Industrials Analyst	+61 8 9488 1413
Harry Stevenson - Industrials Analyst	+61 8 9488 1429
Seth Lizee - Associate Research Analyst	+61 8 9488 1414

### Institutional Sales

Andrew McKenzie - Executive Chairman	+61 8 9488 1407
Rob Black - Managing Director	+61 8 9488 1423
Jay Hughes - Executive Director	+61 8 9488 1406
Russell Kane - Executive Director	+61 8 9488 1426
Simon Yeo - Executive Director	+61 8 9488 1404
Timothy Bunney - Executive Director	+61 8 9488 1461
Peter Schwarzbach - Executive Director	+61 8 9488 1492
Stacy Kitsantas - Institutional Adviser	+61 8 9488 1486
Jayne Walsh - Institutional Adviser	+61 8 9488 1418

### Private Client Advisers

Chris Webster - Head of Private Clients	+61 8 9488 1412
Ben Statham - Executive Director	+61 8 9488 1417
Brian Bates - Executive Director	+61 8 9346 0314
Cameron Murray - Executive Director	+61 8 9488 1440
James Mackie - Executive Director	+61 8 9488 1416
Lucas Robinson - Executive Director	+61 8 9488 1424
Ryan Stewart - Executive Director	+61 8 9488 1441
Tim Lyons - Executive Director	+61 8 9346 0324
Brett Stapleton - Associate Director	+61 8 9488 1435
Giles McCaw - Associate Director	+61 8 9488 1462
Michael Bowden - Associate Director	+61 8 9346 0307
Richard Gardner - Associate Director	+61 8 9488 1444
Paul Berson - Associate Director	+61 8 9346 0314
Paul Cooper - Associate Director	+61 8 9346 0316
Ian Harrison - Investment Adviser	+61 8 9488 1422
Lauren Walker - Investment Adviser	+61 8 9488 1495
Michael Bartley - Investment Adviser	+61 8 9346 0352
Tom Kenny - Investment Adviser	+61 8 9488 1431
Zac Vinten - Associate Adviser	+61 8 9488 1473
Laurence Grescos - Associate Adviser	+61 8 9488 1419
Katrina Ryan - Associate Adviser	+61 8 9488 1453
Brandon Oosthuizen - Associate Adviser	+61 8 9488 1471

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