



MyHotelMatch

Travel Services / France

Successful restart of MyAgency achieved

Earnings/sales releases - 21/02/2023

MyAgency's revenue was above our initial expectations. The matching application (MyHotelMatch) will start its tests in the coming weeks.

Fact

- MyAgency, a travel agency specialised on ultra-luxury tourism and spending, was acquired by MHM in June 2022. It was fully consolidated in H2 22.
- MyAgency's full revenue of €12.8m in FY 22 was above our initial expectation of €10m.
- As far as H2 22 was concerned, revenue was €7.8m vs. our estimate of €5m.
- Top line registered the full volume of business billed (flights, hotels, etc.), the gross margin has yet to be made public.
- No FY 22 guidance was given and the FY full set of figures is due to be published in late April 2023.
- Matching app (MyHotelMatch.com) will be up for first testing in the coming weeks.

Analysis

Successful restart of MyAgency achieved

The €7m of revenue recorded in FY 21 was up 78% in FY 22 (€12.8m) thanks to the grand re-opening, pushing high-end consumers to increase their luxury travel expenses and other spendings. Even if one could attribute a portion of the top-line growth to: i/ the favourable basis of comparison of a poor 2021, and ii/ global inflation raising the price of each transaction, it is a fact that the MyAgency business stands above its earlier records.

Both the operational indicators of the number of clients (up 10%) and average ticket per client (up 20%) are sufficient to demonstrate a positive trend. Consequently, consolidated revenue booked in H2 22 (€7.8m vs. €5m in H2 21) stood well above our initial expectations.

The identified trend should be confirmed in 2023 due to the conclusion of contracts with luxury companies intending to accompany their own clients with enriched experiences. We will have to revise upward the contribution of MyAgency in 2023 and beyond. We believe that a €12-14m top line allows it to reach significantly above breakeven. If validated, we would be able to attribute a value to MyAgency alone (SOTP) by revising our consolidated valuation.

MyHotelMatch

The demo of MHM's matching app was made in Cannes in early February 2023 (World Artificial Intelligence Cannes Festival). MHM will start the first tests with a selection of users / clients. MyAgency's clients will be offered the opportunity of testing the app first.

The date of the full public launch of the group's app is unavailable to date. Due to the tests, we believe it could be the end of 2023 with an acceleration in marketing and a grand opening in early 2024.



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This research has been commissioned and paid for by the company and is deemed to constitute an acceptable minor non-monetary benefit as defined in MiFID II

| Buy | Upside: 145% |
|-------------------------|---------------|
| Target Price (6 months) | € 0.05 |
| Share Price | € 0.02 |
| Market Cap. €M | 4.28 |
| Price Momentum | GOOD |
| Extremes 12Months | 0.01 ▶ 0.03 |
| Sustainability score | 2.2 / 10 |
| Credit Risk | DD ↗ |
| Bloomberg | MHM FP Equity |
| Reuters | MHM.PA |

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| PERF | 1w | 1m | 3m | 12m |
|---------------------------|-------|-------|-------|--------|
| MyHotelMatch | 11.4% | 18.1% | 5.38% | -24.0% |
| Hotel, Catering & Leisure | 2.62% | 0.82% | 10.9% | 6.08% |
| STOXX 600 | 0.56% | 2.77% | 7.23% | 0.83% |

| Last updated: 02/09/2022 | 12/21A | 12/22E | 12/23E | 12/24E |
|-------------------------------|--------|--------|--------|--------|
| Adjusted P/E (x) | ns | -46.4 | -1.37 | -1.63 |
| Dividend yield (%) | 0.00 | 0.00 | 0.00 | 0.00 |
| EV/EBITDA(R) (x) | -41.6 | -26.0 | -1.63 | -2.94 |
| Adjusted EPS (€) | 0.00 | 0.00 | -0.01 | -0.01 |
| Growth in EPS (%) | n/a | n/a | n/a | n/a |
| Dividend (€) | 0.00 | 0.00 | 0.00 | 0.00 |
| Sales (€th) | 0.00 | 5,000 | 10,219 | 11,828 |
| EBIT margin (%) | ns | -6.02 | -88.9 | -65.7 |
| Attributable net profit (€th) | -15.0 | -301 | -8,282 | -6,973 |
| ROE (after tax) (%) | 0.29 | 10.8 | 337 | 101 |
| Gearing (%) | | | | |

[Company Valuation](#) - [Company Financials](#)

Finance

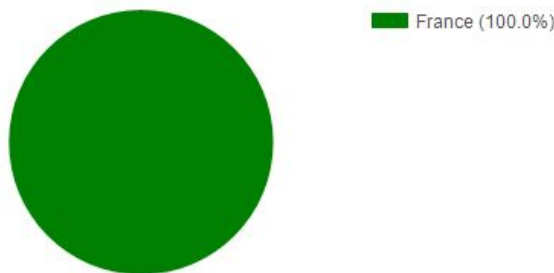
The existing warrants will expire in December 2023. If exercised, they should provide MHM with €8.5m cash-in. At pixel time, the share price of €0.021 trades below the warrants' strike price of €0.025 per unit.

■ Impact

MyAgency's full turnaround is very good news. We will have to revise our operational estimates upward for this business line without modifying our target price. Should MyAgency turn out to be consistently growing and profitable, it could account for a significant portion of MHM's current market cap of €6m and play as a tangible valuation benchmark.

Beyond MyAgency, general MHM's investment case leans mainly on the successful launch of the matching app. The latter's first exploitable feed-backs (registrations, footfall, dynamic) will be made available in 2024 (AV estimate). FY 23 will allow for the detailing of development costs on top of the financial aspects of the app's start, beyond the warrants remaining to be exercised.

Sales by Geography



Consolidated P&L Accounts

| | | 12/21A | 12/22E | 12/23E |
|---|------------|-------------|--------------|---------------|
| Sales | €th | 0.00 | 5,000 | 10,219 |
| Change in sales | % | -100.0 | ns | 104 |
| Change in staff costs | % | -67.7 | 7,400 | 91.7 |
| EBITDA | €th | -236 | -300 | -9,081 |
| EBITDA(R) margin | % | ns | -6.00 | -88.9 |
| Depreciation | €th | 0.00 | 0.00 | 0.00 |
| Underlying operating profit | €th | -236 | -300 | -9,081 |
| Operating profit (EBIT) | €th | 11.0 | -301 | -9,082 |
| Net financial expense | €th | -26.0 | -0.01 | -0.01 |
| of which related to pensions | €th | 0.00 | 0.00 | 0.00 |
| Exceptional items & other | €th | 0.00 | 0.00 | 800 |
| Corporate tax | €th | 0.00 | 0.00 | 0.00 |
| Equity associates | €th | 0.00 | 0.00 | 0.00 |
| Minority interests | €th | 0.00 | 0.00 | 0.00 |
| Adjusted attributable net profit | €th | -262 | -300 | -8,282 |
| NOPAT | €th | 7.70 | -211 | -6,358 |

Cashflow Statement

| | | | | |
|---|------------|--------------|-------------|---------------|
| EBITDA | €th | -236 | -300 | -9,081 |
| Change in WCR | €th | 208 | -418 | 0.00 |
| Actual div. received from equity holdi... | €th | 0.00 | 0.00 | 0.00 |
| Paid taxes | €th | 0.00 | 0.00 | 0.00 |
| Exceptional items | €th | 0.00 | 0.00 | 0.00 |
| Other operating cash flows | €th | 0.00 | 0.00 | 0.00 |
| Total operating cash flows | €th | -27.6 | -718 | -9,081 |
| Capital expenditure | €th | 0.00 | 0.00 | -300 |
| Total investment flows | €th | 0.00 | 0.00 | -300 |
| Net interest expense | €th | -26.0 | -0.01 | -0.01 |
| Dividends (parent company) | €th | 0.00 | 0.00 | 0.00 |
| Dividends to minorities interests | €th | 0.00 | 0.00 | 0.00 |
| New shareholders' equity | €th | 3,209 | 1,805 | 8,513 |
| Total financial flows | €th | 782 | 758 | 7,928 |
| Change in cash position | €th | 755 | 39.9 | -1,454 |
| Free cash flow (pre div.) | €th | -53.6 | -718 | -9,381 |

Per Share Data

| | | | | |
|--|----------|-------------|-------------|--------------|
| No. of shares net of treas. stock (year... | Th | 182,305 | 218,395 | 578,876 |
| Number of diluted shares (average) | Th | 578,876 | 578,876 | 578,876 |
| Benchmark EPS | € | 0.00 | 0.00 | -0.01 |
| Restated NAV per share | € | 0.04 | 0.04 | 0.04 |
| Net dividend per share | € | 0.00 | 0.00 | 0.00 |

Valuation Summary

| Benchmarks | Value | Weight | Largest comparables |
|--------------------|--------|--------|---|
| NAV/SOTP per share | € 0.04 | 75% | <ul style="list-style-type: none"> ● HomeToGo SE ● Amadeus IT Group ● AccorHotels ● TUI Group ● Intercontinental Hot... ● Melia Hotels Intern... ● Seera Group Holding |
| DCF | € 0.06 | 25% | |
| TARGET PRICE | € 0.05 | 100% | |

NAV/SOTP Calculation

Balance Sheet

| | | 12/21A | 12/22E | 12/23E |
|--|------------|---------------|---------------|---------------|
| Goodwill | €th | 0.00 | 0.00 | 0.00 |
| Total intangible | €th | 0.00 | 0.00 | 0.00 |
| Tangible fixed assets | €th | 54.0 | 53.0 | 52.0 |
| Financial fixed assets | €th | 2.00 | 2.00 | 2.00 |
| WCR | €th | 48.2 | 466 | 466 |
| Other assets | €th | 0.00 | 0.00 | 0.00 |
| Total assets (net of short term liab.) | €th | 104 | 521 | 520 |
| Ordinary shareholders' equity | €th | -3,528 | -2,025 | -2,893 |
| Quasi Equity & Preferred | €th | 0.00 | 0.00 | 0.00 |
| Minority interests | €th | 0.00 | 0.00 | 0.00 |
| Provisions for pensions | €th | 0.00 | 0.00 | 0.00 |
| Other provisions for risks and liabilities | €th | 0.00 | 0.00 | 0.00 |
| Total provisions for risks and liabilities | €th | 0.00 | 0.00 | 0.00 |
| Tax liabilities | €th | 0.00 | 0.00 | 0.00 |
| Other liabilities | €th | 0.00 | 0.00 | 0.00 |
| Net debt (cash) | €th | 3,632 | 2,546 | 3,413 |
| Total liab. and shareholders' equity | €th | 104 | 521 | 520 |

Capital Employed

| | | | | |
|-------------------------------------|-----|-----|-----|-----|
| Capital employed after depreciation | €th | 104 | 521 | 520 |
|-------------------------------------|-----|-----|-----|-----|

Profits & Risks Ratios

| | | | | |
|--------------------------------|---|-------------|-------------|------------|
| ROE (after tax) | % | 0.29 | 10.8 | 337 |
| ROCE | % | 7.39 | -40.4 | -1,223 |
| Gearing (at book value) | % | | | |
| Adj. Net debt/EBITDA(R) | x | -15.4 | -8.49 | -0.38 |
| Interest cover (x) | x | -9.08 | 30,000 | 908,125 |

Valuation Ratios

| | | | | |
|----------------------------------|----------|-------------|--------------|--------------|
| Reference P/E (benchmark) | x | ns | -46.4 | -1.37 |
| Free cash flow yield | % | -0.87 | -13.7 | -82.7 |
| P/Book | x | -1.75 | -2.59 | -3.92 |
| Dividend yield | % | 0.00 | 0.00 | 0.00 |

EV Calculation

| | | | | |
|---|----------|--------------|--------------|--------------|
| Market cap | €th | 6,176 | 5,253 | 11,346 |
| + Provisions | €th | 0.00 | 0.00 | 0.00 |
| + Unrecognised actuarial losses/(gains) | €th | 0.00 | 0.00 | 0.00 |
| + Net debt at year end | €th | 3,632 | 2,546 | 3,413 |
| + Leases debt equivalent | €th | 0.00 | 0.00 | 0.00 |
| - Financial fixed assets (fair value) | €th | | | |
| + Minority interests (fair value) | €th | 0.00 | 0.00 | 0.00 |
| = EV | €th | 9,808 | 7,798 | 14,759 |
| EV/EBITDA(R) | x | -41.6 | -26.0 | -1.63 |
| EV/Sales | x | ns | 1.56 | 1.44 |

Analyst : Christian Auzanneau, Changes to Forecasts : 02/09/2022.