



MyHotelMatch

Travel Services / France

Structuring the Group ahead of a commercial launch

M&A /Corp. Action - 04/04/2023

Both the human resources and commercial initiatives implemented since February 2023 will contribute to structuring the Group ahead of a public launch of the Matching app.

Fact

- Mr Yves ABITDBOL (founder and CEO of MyAgency) was named as CEO of MHM. The latter will be granted with a global operating leadership. Mr OTT will stay as Executive President.
- Mr Yoann COUILLEC (20 years of experience, in Amadeus notably, Phd), was named as Group CTO. A key position vis-a-vis full commercial launch of Matching App.
- Mr Joël RUBINO (entrepreneur, marketing, innovation) joined the Board in February.
- MHM announced the signature of an agreement with one of the leaders in travel reservations worldwide. It will provide MHM with distribution potential by granting its own clients with large possibilities of reserving hotels worldwide.

Analysis

Human Resources

The structuring of Human Resources at the Group level has been accelerated via an organisation welcoming two main axes : technical and commercial. With the Board's expansion welcoming experts and entrepreneurs with experience of both big data and Artificial Intelligence, MHM gains a useful partner to accompany its development in differentiating practices. In our view, the latter are key to developing the company's disruptive business model.

As far as the technical side is concerned, Mr Couellec (hired in last December) new function of CTO will enable him to oversee the deployment in Project mode. This is particularly important at this stage of MHM's development. Under his management, the Group will hire c.15 people from both the digital and Artificial Intelligence communities to achieve the first test version of the Matching app which is awaited in H1 23.

Commercial aspects and governance

Mr Abitol, the founder of MyAgency, is now responsible for the full operational leadership of MHM and has been appointed CEO. The success of MyAgency's turnaround in 2022 (acquired in 2022 by MHM) validated the relevance of the company's positioning. Since Mr Ott remains the Executive President of MHM, he will remain closely involved in MHM's development after having overseen the entirety of the early stage phase.

This split between executive and chairman will give the Group the type of organisation required to concentrate the operational functions around a limited number of key people. In our view, and due to the company's profile, this is a key success factor.



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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: 76.8%
Target Price (6 months)	€ 0.05
Share Price	€ 0.03
Market Cap. €M	5.94
Price Momentum	STRONG
Extremes 12Months	0.01 ▶ 0.04
Sustainability score	2.4 / 10
Credit Risk	DD ↗
Bloomberg	MHM FP Equity
Reuters	MHM.PA

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PERF	1w	1m	3m	12m
MyHotelMatch	-7.48%	-6.21%	49.5%	-6.21%
Hotel, Catering & Leisure	2.26%	1.84%	9.19%	19.3%
STOXX 600	2.92%	-1.41%	5.42%	-0.14%

Last updated: 02/09/2022	12/21A	12/22E	12/23E	12/24E
Adjusted P/E (x)	ns	-46.4	-1.90	-2.26
Dividend yield (%)	0.00	0.00	0.00	0.00
EV/EBITDA(R) (x)	-41.6	-26.0	-2.11	-3.50
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 (%)				

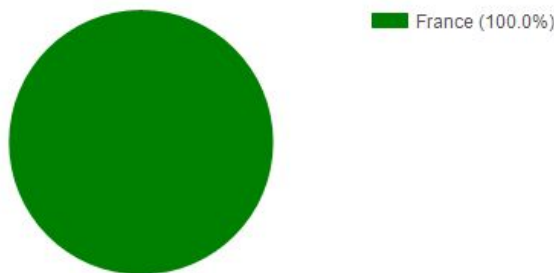
[Company Valuation](#) - [Company Financials](#)

■ Impact

No change to our forecasts. The structuring of the key functions is on track. Hiring 15 people will increase the fixed costs structure and will be only visible in FY 24, but it supports the company's logical development.

At pixel time and within this exploratory deployment phase of the company's offer, the operational expenses look much lower than our initial forecasts. This is favourable in terms of both cash costs and risk reward. Beyond these cash and risk aspects, the success of the commercial launch and ramp-up (recruitment of clients and its dynamic) will remain key in 2024 and 2025, to evaluate both the revenue potential and the final economic profitability.

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%	● HomeToGo SE
DCF	€ 0.06	25%	● Amadeus IT Group
TARGET PRICE	€ 0.05	100%	● AccorHotels

NAV/SOTP Calculation

- TUI Group
- Intercontinental Hot...
- Melia Hotels Intern...
- Seera Group Holding

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
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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	-1.90
Free cash flow yield	%	-0.87	-13.7	-59.6
P/Book	x	-1.75	-2.59	-5.44
Dividend yield	%	0.00	0.00	0.00

EV Calculation

Market cap	€th	6,176	5,253	15,745
+ 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	19,159
EV/EBITDA(R)	x	-41.6	-26.0	-2.11
EV/Sales	x	ns	1.56	1.87

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