



MyHotelMatch

Travel Services / France

Taking into account the share consolidation.

Significant news - 14/08/2022

The Shareholders' Meeting approved the 2021 annual financial statements and the development of the MyHotelMatch application. A 100:1 consolidation of the shares was also approved.

Fact

- The development and remuneration of the acquisition of the MyHotelMarch assets were approved.
- The acquisition of 100% of NYS (MyConcierge) was also ratified
- The audited 2021 financial statements were approved.
- A share consolidation will be implemented.
- MHM can now focus on its proprietary developments.

Analysis

Restart approved

With MHM having acquired from OTT Group the intellectual property rights linked to its initial development of the MHM application, the Shareholders' Meeting needed to ratify a regulated agreement. In the absence of any votes "Against", this acquisition was ratified by 100% of the votes cast (excluding OTT Group which didn't vote), thereby establishing there there is no opposition from any shareholders of any nature (including DUMENIL group, the second largest shareholder behind OTT Group). We see here the reflection of a convergence of interest.

The Shareholders' Meeting also 100% approved the acquisition of NYS (MyConcierge activity), without the resolution providing the full details on the acquisition of the latter (particularly on the NYS "balance sheet" and the financing of its liabilities).

Note that the Chairman & CEO of MHM will not be remunerated in respect of 2022. We see this information as proof of a personal commitment from Mr. Ott to the development of MHM.

Consolidation of MHM shares

The eleventh resolution covered the consolidation of the shares on the basis of a 100:1 ratio, via an increase in the nominal value from €0.01 to €1.00 per share. The number of outstanding shares at the time of the Shareholders' Meeting, i.e. 218m trading at a share price of around €0.03 on that day will thus become 2.18m shares trading at around €3.00 per share. Our perception is that this consolidation will enable the stock to leave the "penny stock" category, without of course changing MHM's classification as a microcap.

This move will probably provide the share price with more liquidity with lower volatility (reduction in the bid/offer spread). This consolidation will take place between now and the Shareholders' Meeting convened to approve the 2022 financial statements. We will update our model once this consolidation takes place. We see this as likely during the 2022 calendar year.

The consolidation will result in the correlated modification of the conversion terms for the outstanding Warrants, whose strike price will move from €0.025 per unit to



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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: 63.6%
Target Price (6 months)	€ 0.05
Share Price	€ 0.03
Market Cap. €M	6.51
Price Momentum	GOOD
Extremes 12Months	0.02 ▶ 0.04
Sustainability score	2.2 / 10
Credit Risk	DDD
Bloomberg	MHM FP Equity
Reuters	MHM.PA



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PERF	1w	1m	3m	12m
MyHotelMatch	-0.67%	12.9%	9.56%	-14.4%
Hotel, Catering & Leisure	5.69%	13.6%	9.00%	-4.53%
STOXX 600	1.18%	6.80%	3.88%	-7.15%

Last updated: 23/06/2022	12/20A	12/21E	12/22E	12/23E
Adjusted P/E (x)	-3.08	ns	ns	-2.08
Dividend yield (%)	0.00	0.00	0.00	0.00
EV/EBITDA(R) (x)	-38.6	-96.5	-35.2	-2.34
Adjusted EPS (€)	-0.01	0.00	0.00	-0.01
Growth in EPS (%)	n/a	n/a	n/a	n/a
Dividend (€)	0.00	0.00	0.00	0.00
Sales (€th)	134	0.00	5,000	10,219
EBIT margin (%)	ns	ns	-6.02	-88.9
Attributable net profit (€th)	-991	-101	-301	-8,282
ROE (after tax) (%)	9.01	2.16	-31.6	-2,183
Gearing (%)			-16.9	

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€2.50. Given the share price of €3.00 (post consolidation) these Warrants are currently in the money. Their exercise could absorb a portion of the Company's 2022 development costs.

Issue and development authorisations

MHM's balance sheet remains unbalanced, reflecting €12.4m of losses brought forward. The twelfth resolution favours the cancellation of the Preferential Subscription Right in the event of a limited number of operations and in the second limit of 20% of the share capital. From our perspective, this move respects the interests of the minority shareholders since it doesn't involve massive dilution. It seems to us possible that this resolution favours the finalization of the NYS acquisition.

Note however that some major delegations remain in place which are valid until September 2023 (authorisation obtained in July 2021), authorising the Board of Directors to raise €500m vs. a market cap of around €7m currently. The Company thus already has its own tools to cover its development. As of today, the eventual dilution (issue price per new share) cannot be evaluated. These issues will not be dilutive if they are realised at/above our current share price target.

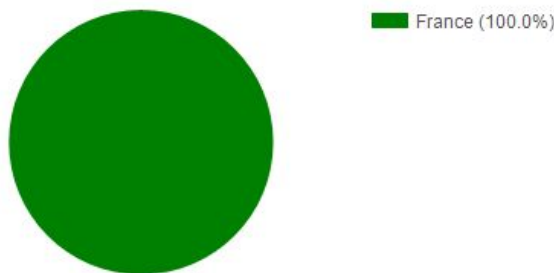
The Shareholders' Meeting authorised the Company to trade in its own shares up to a limit of €500k for an 18-month period. Our model does not see the Company trading massively in its own shares, even for a minor amount. It seems more logical that it will dedicate its resources to ensuring its successful development. We see this measure as a simple precaution.

■ Impact

From a legal perspective, MHM is now fully up and running. The financing of the balance sheet remains an issue in that the development will absorb substantial resources in 2022-23. These resources have yet to be secured and MHM does not have a firm commitment on financing from its reference shareholders. As of 31 December last, the Dumenil and Ott groups each held 18.83% of the capital and no concert was public. At 10 March 2022, the Ott group held 29% of the share capital. In the light of the abstention rate at the last Shareholders' Meeting, the Ott group would have a simple majority and the Dumenil group would not have a blocking minority, to our knowledge. One component that remains unknown is the consequence of the exercise in full of the Convertible Bonds and Warrants in circulation on the MHM control structure.

MHM can now focus on finalising the development of its application, its financing, its execution and its launch. Supported by its new team, MHM will have to get to grips with the "viralisation" of its product in the next three years. This stage will be absolutely key to the future valuation of the MHM share price. A first trial phase is foreseen in H1 23. In theory, we will thus not have any tangible and usable elements before 2024. In the interim, the Company will detail the development budget and its financing.

Sales by Geography



Consolidated P&L Accounts

		12/20A	12/21E	12/22E
Sales	€th	134	0.00	5,000
Change in sales	%	ns	-100.0	ns
Change in staff costs	%	-0.86	1.50	2,285
EBITDA	€th	-240	-100.0	-300
EBITDA(R) margin	%	-179	ns	-6.00
Depreciation	€th	-1.00	0.00	0.00
Underlying operating profit	€th	-241	-100	-300
Operating profit (EBIT)	€th	-261	-101	-301
Net financial expense	€th	-730	-0.01	-0.01
of which related to pensions	€th	0.00	0.00	0.00
Exceptional items & other	€th	0.00	0.00	0.00
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	-5,238	-100	-300
NOPAT	€th	-183	-70.7	-211

Cashflow Statement

EBITDA	€th	-240	-100.0	-300
Change in WCR	€th	-10,169	-885	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	-10,409	-985	-300
Capital expenditure	€th	0.00	0.00	0.00
Total investment flows	€th	0.00	0.00	0.00
Net interest expense	€th	-730	-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	1,314	4,181	7,500
Total financial flows	€th	-14,980	1,141	6,600
Change in cash position	€th	-26,923	156	6,300
Free cash flow (pre div.)	€th	-11,139	-985	-300

Per Share Data

No. of shares net of treas. stock (year...	Th	115,629	201,255	501,255
Number of diluted shares (average)	Th	578,876	578,876	578,876
Benchmark EPS	€	-0.01	0.00	0.00
Restated NAV per share	€	0.02	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 ● 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

		12/20A	12/21E	12/22E
Goodwill	€th	0.00	0.00	0.00
Total intangible	€th	0.00	0.00	0.00
Tangible fixed assets	€th	74.3	73.3	72.3
Financial fixed assets	€th	1.90	0.00	0.00
WCR	€th	-773	112	112
Other assets	€th	0.00	0.00	0.00
Total assets (net of short term liab.)	€th	-697	185	184
Ordinary shareholders' equity	€th	-6,726	-2,648	4,551
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	6,029	2,832	-4,368
Total liab. and shareholders' equity	€th	-697	185	184

Capital Employed

Capital employed after depreciation	€th	-697	185	184
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Profits & Risks Ratios

ROE (after tax)	%	9.01	2.16	-31.6
ROCE	%	26.2	-38.2	-115
Gearing (at book value)	%			-16.9
Adj. Net debt/EBITDA(R)	x	-25.1	-28.3	14.6
Interest cover (x)	x	-0.33	-10,000	-30,000

Valuation Ratios

Reference P/E (benchmark)	x	-3.08	ns	ns
Free cash flow yield	%	-345	-14.4	-2.01
P/Book	x	-0.48	-2.58	3.28
Dividend yield	%	0.00	0.00	0.00

EV Calculation

Market cap	€th	3,227	6,818	14,937
+ 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	6,029	2,832	-4,368
+ 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	9,256	9,650	10,570
EV/EBITDA(R)	x	-38.6	-96.5	-35.2
EV/Sales	x	69.3	ns	2.11

Analyst : Christian Auzanneau, Changes to Forecasts : 23/06/2022.