



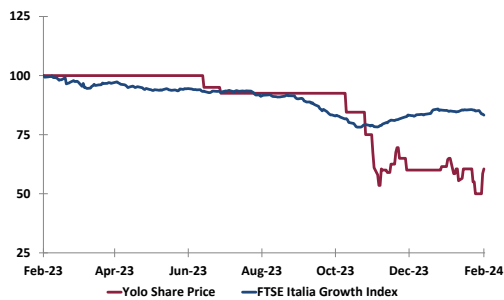
FLASH NOTE

OUTPERFORM

Current Share Price (€): 2.42

Target Price (€): 5.10

Yolo - 1Y Performance



Source: S&P Capital IQ - Note: 09/02/2023=100

Company data

ISIN number	IT0005495871
Bloomberg code	YOLO IM
Reuters code	YOLO.MI
Industry	Tech
Stock market	Euronext Growth Milan-Pro
Share Price (€)	2.42
Date of Price	09/02/2024
Shares Outstanding (m)	8.7
Market Cap (€m)	21.2
Market Float (%)	26.15%
Daily Volume	1,500
Avg Daily Volume YTD	1,293
Target Price (€)	5.10
Upside (%)	111%
Recommendation	OUTPERFORM

Share price performance

	1M	3M	6M	1Y
Yolo - Absolute (%)	-6%	-1%	-35%	-40%
FTSE Italia Growth Index (%)	-2%	6%	-9%	-17%
1Y Range H/L (€)			4.00	2.00
1Y Change (€) / %			0.02	1%

Source: S&P Capital IQ

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On track with targets, looking at the third acquisition in two years to expand Spain operations

FY23 preview:

Yolo has communicated pre-closing key figures: revenues at €9.5m, +107% YoY, consistent with our estimate of €10.1m; EBITDA €(1.2)m, better than our expectation of €(1.5)m, margin at -13% vs -17% in FY22. Net cash of €0.1m from €2.2m as of 30th June 2023.

Business update: on the path to break-even

The disclosed FY23 KPIs recall the growth of volumes seen in H1 2023 and according to management the ongoing performance supports Yolo target to reach break-even in 2024. Along the year, brokerage fees became the main revenue line, as 59% of total revenues from 28% in 2022.

Spain push on international operations

Yolo updated its strategic guidelines: consolidation of phygital distribution model; expansion of product offerings for retail and SME markets; internationalization through partnerships and acquisitions. Management, consistently with the goal of expanding operations abroad, is targeting the acquisition of a majority stake in a company in Spain with a synergic business model, with estimated 2023 revenues in the range €3.0-3.5m, EBITDA margin over 10%, and net cash financial position. Moreover, Cnp Santander Insurance has established a partnership opting for Yolo platform to distribute insurance products to Santander Consumer Finance customers in Spain and various European markets.

Target Price €5.10 per share, OUTPERFORM rating confirmed

The 2023 performance preview and the potential new acquisition align with our assessment of Yolo, thus, we feel confident in reaffirming our previous valuation. Our target price per share of €5.10 suggests over 100% potential upside from the current price, with OUTPERFORM rating on the stock.

CONSOLIDATED KEY FINANCIALS AND ESTIMATES

€m	2020A	2021A	2021PF	2022A	2023E	2024E	2025E	2026E
Revenues	0.9	1.8	2.4	4.6	10.1	17.8	35.2	58.7
YoY %	n.a.	100.4%	34.2%	91.9%	119.3%	76.5%	97.7%	66.5%
EBITDA	(1.1)	(0.8)	(0.8)	(0.8)	(1.5)	0.0	4.8	12.3
Margin	-127.8%	-44.2%	-32.0%	-16.7%	-14.8%	0.2%	13.6%	20.9%
EBIT	(1.8)	(1.8)	(1.8)	(2.2)	(3.4)	(2.5)	1.7	8.7
Margin	-203.1%	-98.2%	-73.9%	-47.4%	-33.2%	-13.8%	4.9%	14.8%
Net Income	(1.4)	(1.2)	(1.3)	(1.6)	(2.7)	(2.0)	1.2	6.3
Trade Working Capital	(0.2)	(0.8)	(0.8)	(0.5)	(0.6)	(1.6)	(0.4)	(1.9)
Net (Debt) Cash	2.1	2.3	2.2	6.7	0.8	(1.0)	(0.3)	10.5
Equity	6.1	7.4	7.4	15.8	13.1	11.1	12.2	18.5

KEY RATIOS AND MULTIPLES

TWC/Sales	-23%	-49%	-33%	-13%	-6%	-9%	-1%	-3%
Operating cash flow before capex/EBITDA	n.a.	41%	22%	159%	80%	nm	74%	110%
ROE	-22%	-17%	-17%	-10%	-21%	-18%	9%	34%
Earnings per Share (€), basic	0.00	0.00	0.00	(0.18)	(0.31)	(0.23)	0.13	0.72
EV/Revenues	n.a.	n.a.	n.a.	8.1x	4.2x	2.4x	1.2x	0.7x
EV/EBITDA	n.a.	n.a.	n.a.	neg	neg	nm	8.8x	3.4x
P/E	n.a.	n.a.	n.a.	neg	neg	neg	34.1x	6.3x

Source: Company data 2020-22A, EnVent Research 2023-26E

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The “OUTPERFORM”, “NEUTRAL”, AND “UNDERPERFORM” recommendations are based on the expectations within a 12-month period from the date of rating indicated in the front page of this publication.

Equity ratings and valuations are issued in absolute terms, not relative to market performance.

Rating system and rationale (12-month time horizon):

OUTPERFORM: stocks are expected to have a total return above 10%;

NEUTRAL: stocks are expected to have a performance between -10% and +10% consistent with market or industry trend and appear less attractive than Outperform rated stocks;

UNDERPERFORM: stocks are among the least attractive in a peer group, with the target price 10% below the current market price;

UNDER REVIEW: target price under review, waiting for updated financial data, or other key information such as material transactions involving share capital or financing;

SUSPENDED: no rating/target price assigned, due to material uncertainties or other issues that seriously impair our previous investment ratings, price targets and earnings estimates;

NOT RATED: no rating or target price assigned.

Some flexibility on the limits of the total return rating ranges is permitted, especially during high market volatility cycles.

The stock price indicated in the report is the last closing price on the day of Production.

Date and time of Production: 09/02/2024 h. 7.00pm

Date and time of Distribution: 12/02/2024 h. 6.20pm

DETAILS ON STOCK RECOMMENDATION AND TARGET PRICE

Date	Recommendation	Target Price (€)	Share Price (€)
17/10/2022	OUTPERFORM	4.79	4.00
16/01/2023	OUTPERFORM	4.79	4.00
26/04/2023	OUTPERFORM	5.08	4.00
16/10/2023	OUTPERFORM	5.10	3.70
12/02/2024	OUTPERFORM	5.10	2.42

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of which EnVent clients % *		76%	50%	na	na	na	na

* Note: Companies to which corporate and capital markets services were supplied in the last 12 months.

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