

YOC

Raised guidance underpinned by VIS.X strategy

YOC has raised its revenue and profit guidance for FY21, underpinned by the evaluation of its order backlog for Q421 and reflecting the success of its VIS.X strategy and high-impact ad formats. Management's latest collaborative [study](#) with Nielsen supports this, highlighting that YOC's ad formats can provide far higher campaign effectiveness versus standard formats. Revenue is now expected to be in the range of €18.5–19m (previously €17–18m), representing year-on-year and quarter-on-quarter growth of c 21% and c 72% respectively at the mid-point of guidance. Management forecasts EBITDA and net income to be in the ranges of €2.5–2.8m (previously €1.8–2.3m) and €1.5–1.8m (€0.8–1.3m), equating to margins of 14% and 9% respectively using the mid-point of guidance. On an EBITDA basis, this would be 2ppt higher than FY20 despite the substantial investments made through FY21, confirming the higher operating leverage of its VIS.X platform compared to traditional selling methods.

Year end	Revenue (€m)	EBITDA (€m)	PBT (€)	EPS (€)	DPS (€)	EV/EBITDA (x)	P/E (x)
12/18	14.9	0.4	(0.1)	(0.1)	0.0	103.2	N/A
12/19	14.9	0.8	0.1	(0.1)	0.0	51.6	N/A
12/20	15.5	1.8	0.9	0.1	0.0	22.9	117.0
12/21e	18.8	2.7	N/A	0.5	N/A	15.3	23.4

Source: YOC. Note: FY21e is based on the mid-point of management guidance.

Given the raised revenue guidance, management's target for VIS.X to comprise 80% of total revenues on a run-rate basis by the end of FY21 looks achievable. This should provide strong momentum going into FY22 as VIS.X continues to develop as YOC's primary revenue driver. However, we believe that quarter-on-quarter growth will be affected by the seasonality of its business model, where Q4 tends to be the strongest quarter of the year and Q1 one of the weakest.

On guided FY21e sales and EBITDA, YOC trades at EV multiples of 2x and 14x, a discount of 69% and 28% respectively to our peer group. These discounts have remained at broadly similar levels to the ones shown in our [October Initiation](#), but we maintain the view that this discount will shrink as VIS.X continues to demonstrate its effectiveness.

Management raises guidance

TMT

10 December 2021

Price €11.7
Market cap €41m

Net debt (€m) at 30 September 2021 (including lease liabilities and shareholder loans) 1.48

Shares in issue 3.48m

Free float 46%

Code YOC

Primary exchange FRA

Secondary exchange N/A

Share price performance



Business description

YOC is a Germany-based technology company that develops software for the global digital advertising market. By using the platform VIS.X and YOC's proprietary ad formats, advertisers can increase awareness for their brand or products in combination with high-quality advertising inventory. Its supply-side platform VIS.X, launched in 2018, provides a programmatic marketplace for the automatic trading of digital advertising units, allowing for the real-time bidding of advertising budgets. YOC's key markets include Germany, Austria and Poland.

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