MapsPeople

MapsPeople

Market: First North Premier DK | *Ticker: MAPS* | *Share price (DKK): 2.02* | *Market cap (DKKm): 163.7* | *Net debt (DKKm): 36.1 (Q2 2024)* | *Enterprise value (DKKm): 199.9*

Share information

MapsPeople	First North DK

| YTD: | 120.8% | 1 year: | -11.4% |
| 1 month: | -10.62% | Since IPO*: | -70.3% |

Note: *IPO date was 2 June 2021 (subscription price of DKK 6.80).
We apply the closing price from 19 August 2024 (Nasdaq).

Financials

(DKKm)	2022	2023	2024E*
Total ARR	31.8	52.0	72.0-80.0
ARR growth	*N/A*	*63%*	*38-54%*
Revenue	29.1	40.5	58.0-63.0
Revenue growth	*4%*	*39%*	*43-55%*
EBITDA bsi	-56.9	-59.7	-25.0 to -20.0
EBITDA bsi margin	*-196%*	*-147%*	*-43% to -32%*
Cash	9.5	6.0	N/A
Interest-bearing debt	29.1	28.7	N/A

Note: Interest-bearing debt includes leasing liabilities.
*MapsPeople's own guidance range for 2024.

Valuation multiples

	2022	2023	2024E*
P/ARR (x)	8.2	1.4	2.2
P/S (x)	9.0	1.8	2.7
EV/Sales (x)	9.7	2.3	3.3
EV/EBITDA (x)	-4.9	-1.6	-8.9
EV/EBIT (x)	-4.4	-1.4	N/A
P/E (x)	-4.3	-1.0	N/A
P/CF (x)	-5.9	-2.1	N/A

Note: Multiples for 2022 and 2023 are based on historical numbers.
*2024E multiples are based on the midpoint in MapsPeople's own guidance.

Company description

MapsPeople is a Software-as-a-Service (SaaS) company with HQ in Aalborg and offices in Copenhagen, Munich, Austin, and San Francisco. MapsPeople has two revenue streams: MapsIndoors and Other Licenses (including Google Maps). MapsIndoors is the main growth product, providing an indoor mapping platform that helps make buildings smart in multiple ways. MapsPeople also provides Google Maps licenses and services for companies wishing to integrate Google Maps into their products, apps, websites, etc.

Investment case

With the MapsIndoors platform, MapsPeople solves key problems for customers and users by optimizing corporate office utilization, making hospitals and universities more accessible, helping guests navigate to their seats at the stadium, displaying vacant parking lots, avoiding long queues, and helping travelers find their way to the gate in airports.

MapsPeople taps into a high growing market and also expects to grow significantly in 2024, shown by the midpoint in the guidance ranges of 46% YoY and 49% YoY on ARR and revenue, respectively. The markets are driven by the digital transformation trend and structural changes from e.g. hybrid work. These trends have promoted the optimization of corporate office utilization and increased people's demand for smart digital wayfinding solutions across industries.

Looking at valuation, MapsPeople's market capitalization has increased significantly YTD after a more positive 2024 outlook following a challenging and transformative 2023. MapsPeople now trades at 2.6x EV/ARR (2024E) compared to a selected median for the Danish sector of 2.4x EV/ARR (2024E). This is partly explained by MapsPeople's higher growth expectations for 2024. MapsPeople's burn multiple measured by FCF/net new ARR has also improved, however, it has been more negative than the Danish SaaS peer group in recent years.

Key investment reasons

MapsPeople has proven its global presence and scalability through its partner-based go-to-market strategy and well-known global customers in +50 countries across industries. MapsPeople still has much room to grow with its value proposition of delivering fast and cost-efficient indoor maps visualized in both 2D and 3D.

With the ongoing rights issue aiming for gross proceeds of approx. DKK 36m (approx. DKK 34.8m is already secured through irrevocable subscription undertakings from existing shareholders and guarantee commitments), MapsPeople is fueling its growth initiatives following a period with significant cost reductions.

MapsPeople has the potential to be a category leader in a fast-growing fragmented market. As MapsPeople has multiple smaller M&A opportunities, the company has allocated DKK 20-25m (gross proceeds) of the ongoing rights issue for acquisitive growth.

Key investment risks

With the ongoing rights issue where most of the offering is already secured, the risk of additional capital raises in the short term is limited. However, a large part of the proceeds from this capital raise is expected to be allocated to M&A activities, which also come with general M&A risks, including integration risks. If larger acquisitions are financed partly with new shares, this will also have a dilutive effect on existing shareholders.

As MapsPeople operates in a fragmented growing market, MapsPeople is also exposed to general market and competitive risks. This implies that MapsPeople continuously invests in its product platform to stay on top of the competition.

With the partner-based strategy, MapsPeople has a high sales scalability. However, this also comes with a business risk, as MapsPeople's growth depends on the partners.

Danish SaaS peer group

Company	Total return YTD (%)	EV/ARR (x)		ARR growth (%)		Growth adj. ARR multiple (x)		EV/Sales (x)		Revenue growth (%)		NRR (%)	EBITDA (DKKm)		Net debt (DKKm)	FCF / Net new ARR	
		2023	2024E	2023	2024E	2023	2024E	2023	2024E	2023	2024E	2023	2023	2024E	Latest reported	2022	2023
Selected Danish SaaS (median)*	-0.2%	3.0	2.4	30%	27%	0.10	0.09	3.3	N/A	30%	N/A	109%	-7.9	-3.3	-11.8	-2.7	-0.8
MapsPeople	**120.8%**	**1.8**	**2.6**	**63%**	**46%**	**0.03**	**0.06**	**2.3**	**3.3**	**39%**	**49%**	**111%**	**-59.7**	**-22.5***	**36.1**	**-4.0**	**-2.2**

Note: The table shows multiples, key SaaS metrics, and financials for MapsPeople and the median values of selected Danish SaaS companies (Agillic, Impero, Penneo, and RISMA). Note that SaaS metrics definitions may differ across companies (there are no standards or regulations yet), i.e., this overview is only for perspective. Most data is manually collected from company reports. We apply MapsPeople's own 2024 guidance (midpoint) as well as other SaaS companies' 2024 guidance (midpoint). *MapsPeople's 2024 EBITDA guidance (midrange) is based on EBITDA before special items (special items is approx. DKK 2m). MapsPeople's NRR is based on MapsIndoors' NRR. Find more information on the appendix page. Source: HC Andersen Capital and company reports.

Appendix: Danish SaaS peer group

Selected Danish-listed SaaS companies (reported ARR in the range of DKK 20-100m in 2023)

Company	Total return YTD (%)	EV/ARR (x) 2023	EV/ARR (x) 2024E	ARR growth (%) 2023	ARR growth (%) 2024E	Growth adj. ARR multiple (x) 2023	Growth adj. ARR multiple (x) 2024E	EV/Sales (x) 2023	EV/Sales (x) 2024E	Revenue growth (%) 2023	Revenue growth (%) 2024E	NRR (%) 2023	EBITDA (DKKm) 2023	EBITDA (DKKm) 2024E	Net debt (DKKm) Latest reported	FCF / Net new ARR 2022	FCF / Net new ARR 2023
Agillic	-48.4%	3.2	1.8	-9%	0%	N/A	N/A	3.5	2.0	-3%	-1%	98%	1.9	1.0	17.1	-0.5	N/A
Impero	14.2%	2.8	2.5	34%	32%	0.08	0.08	3.1	N/A	39%	N/A	111%	-10.6	-10.0	-18.9	-3.4	-1.6
Penneo	3.5%	2.6	2.3	26%	22%	0.10	0.10	2.6	N/A	23%	N/A	112%	-8.7	7.5	-10.5	-1.9	-0.8
RISMA	-3.9%	5.4	3.7	49%	39%	0.11	0.09	5.9	N/A	38%	N/A	107%	-7.0	-7.6	-13.1	-3.5	-0.1
Median	**-0.2%**	**3.0**	**2.4**	**30%**	**27%**	**0.10**	**0.09**	**3.3**	**N/A**	**30%**	**N/A**	**109%**	**-7.9**	**-3.3**	**-11.8**	**-2.7**	**-0.8**
MapsPeople	**120.8%**	**1.8**	**2.6**	**63%**	**46%**	**0.03**	**0.06**	**2.3**	**3.3**	**39%**	**49%**	**111%**	**-59.7**	**-22.5***	**36.1**	**-4.0**	**-2.2**

Note: The table shows multiples, financials, and key SaaS metrics for MapsPeople and the median values from selected Danish SaaS companies. Note that SaaS metrics definitions may differ across companies (there are no standards or regulations yet), i.e. this overview is only for perspective. Most data is manually collected from company reports. In the table above, we apply MapsPeople's own 2024 guidance (midpoint in guidance range) as well as other SaaS companies' 2024 guidance range (midpoint in guidance range). *MapsPeople's 2024 EBITDA guidance (midrange) is based on EBITDA before special items (special items is approx. DKK 2m). We apply end 2023 (31 December 2023) market capitalizations and reported cash and interest-bearing debt for 2023 multiples. For 2024E multiples, market capitalizations are from 19 August 2024 and the latest reported cash and interest-bearing debt are used for most companies. Lease liabilities are included in the net debt calculations. FCF in the FCF/Net new ARR ratio calculation includes cash flow from operating activities and cash flow from investing activities (investments in intangible assets). Adjusted for Penneo's costs related to the Main Market listing in 2022, FCF/Net new ARR (2022) will be -1.7x. MapsPeople's NRR is based on MapsIndoors' NRR. N/A is applied for data points where there is no data, or we have assessed it makes no sense to use the number for comparison (one or few cases). Source: HC Andersen Capital and company reports.

Disclaimer: From the table above (and from page 1), HC Andersen Capital receives payment from Agillic, Impero, MapsPeople, and Penneo for a Digital IR/Corporate Visibility subscription agreement.