

EQUITY RESEARCH REPORT - ORCODA (ASX:ODA)

Initiation of Coverage - Resolving Complexity

BRISBANE, QUEENSLAND, AUSTRALIA, May 16, 2023 /EINPresswire.com/ -- [MST Access](#) has initiated research coverage on [ORCODA](#) (ASX:ODA). The report is titled EQUITY RESEARCH REPORT: INITIATION OF COVERAGE. Read the full report at <https://bit.ly/3L9RH7>

MST Access is a research platform of MST Financial, which provides sponsored research by experienced sector analysts, with results being 'open access' to investors. They partner with micro-cap companies like ORCODA to build market awareness and enable growth. [Andrew Johnston](#) is the Senior Analyst at MST Access who completed the report on ORCODA, and he has more than 25 years of investment industry experience and market intelligence.

Andrew has been interviewed by The Market Herald, together with Geoff Jamieson (Managing Director of ORCODA). Watch the interview: <https://bit.ly/3nVBuFk>

ORCODA is an integrated technology company that provides smart software solutions for transport logistics and transport infrastructure services.

Our proprietary cloud-based, open ended, end-to-end software technology platforms have true optimisation capabilities, enabling clients to generate real time, fast, accurate and reliable information to make data-led decisions for the movement of people, parcels and goods, the assets they travel in and the infrastructure they travel on.

Our transport infrastructure services via The Beta Group deliver value-add solutions primarily in major road, rail and air infrastructure projects and is an integral part of achieving our smart city vision.

Orcoda Limited
ODA.AX



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Initiation of Coverage: Resolving complexity

NEED TO KNOW

- Value accretion to be driven by SaaS software that delivers real solutions for complex logistics systems
- Contracting generates good returns and cross-sell opportunities
- Orcoda positioning to be central player in Smart Cities of the future

Software provides compelling solutions to complex workforce and transport logistics problems while delivering to customers cost savings and substantial improvements in safety, compliance, and their own client service levels.

Partnership with global fleet management provider, Teletrac Navman, delivering local opportunities with potential for international expansion.

Betta Group generates good returns while providing cross-sell opportunities and reference sites. The electrical and communications contractor was acquired in December 2020, with new management and a restructure delivering better risk adjusted returns.

Investment thesis

SaaS software solving real world problems: Orcoda Logistics Management System (OLMS) for scheduling, routing and optimisation functionality for the management of people, parcels and transport assets, and Orcoda Workforce Logistics Software (OWLS) for workforce logistics management for remote resource sites. Both offer compelling value propositions and include a patent protected booking system.

Electrical and communications contracting: Orcoda's contracting business, Beta Group, is well positioned for on-going profitable growth with reduced risk. We expect it to continue to offer cross-sell opportunities for the software products.

Smart Cities of the future: Orcoda is pursuing involvement in the development and management of Smart Cities that it expects to emerge in the next decade. Capability in both physical installation and sophisticated transport management software provides Orcoda with a strong basis to participate in the both the Digital Twins simulation projects and Smart Cities.

Valuation

We value Orcoda at \$0.32 per share based on a DCF valuation. Forecasts are reliant on strong software growth, albeit lower than FY22, at strong gross margins. We forecast Contracting (Beta Group) growth of ~10% at gross margins in line with market. Upside to our valuation is most likely to come from higher software growth, and strong contracting growth and gross margins.

Risks

Key risks include an inability for its software to attract commitment from target market customers, partnerships failing to deliver growth, as well as increased marketing from competitors. Contracting risks include inflationary pressure affecting material costs, labour shortages, and continued ability to win new work.

Valuation	AS\$0.32
Current price	AS\$0.21
Market cap	AS\$34m
Cash on hand	AS\$2.4m

Additional Resources

OWLS: Workforce logistics system - [Data](#)

OLMS: Logistics management system - [Data](#)

Upcoming Catalysts and Newsflow

Period: Full year results

August 2023

Share Price (A\$)



Source: FactSet

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MST Research Report

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