



Íñigo Valenzuela <ivalenzuela@smartvel.com>

Newsletter Smartvel's Investors Q1 2022

7 mensajes

Íñigo Valenzuela <ivalenzuela@smartvel.com>

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Cc: Michel Sánchez de León García <msdl@sanchezdeleonabogados.com>, Alberto Goetsch Lara <agl@sanchezdeleonabogados.com>

Cco: Javier Mejía <javier.mejiamarti@gmail.com>, Manuel González Escudero <mgonzalez@telefonica.net>, Eduardo Meléndez Suárez de Lezo <emelendez@smartvel.com>, Paloma Cañete Romero <paloma.canete@perennius.eu>, Jorge Maortua Ruiz-Lopez <jmaortua@gmail.com>, Teodoro Seoane <teoseoane@gmail.com>, Jose Antonio Guillen <jag.ald.sot@gmail.com>, Alejandro Santana Garcia-Fuster <alejandro.santana@perennius.es>, Maria Rotondo <mrotondourcola@gmail.com>, Esperanza Zarauz <ezarauz@smartvel.com>, Diego Giménez-Arnau <dgarnau@gmail.com>, José Rivera <jjrive@gmail.com>, MARIA DEL ROCIO ESCONDRILLAS LABAD <rocio.escondrillas@alsa.es>, Macarena Davila <macarena.daco@gmail.com>, max burger <max.burger@golien.hk>, FRANCISCO JAVIER ESTRADA FERNANDEZ HONTORIA <Jastrada@caixabank.com>, Gonzalo Tradacete Gallart <gtradacete@faradayvp.com>, Roma Jelinskaite <rjelinskaite@caixacapitalrisc.es>, Marcel Rafart <marcel@galdanaventures.com>, Gonzalo Tradacete <gtradacete@faraday.es>, Íñigo Valenzuela <ivalenzuela@smartvel.com>, Marta Miranda <marta.miranda.lopez@gmail.com>, Ignacio Alonso <iac@pinama.es>, Pedro Melendo Derqui <pmelendoderqui@gmail.com>, Pierre Abolo <pabolo@faradayvp.com>

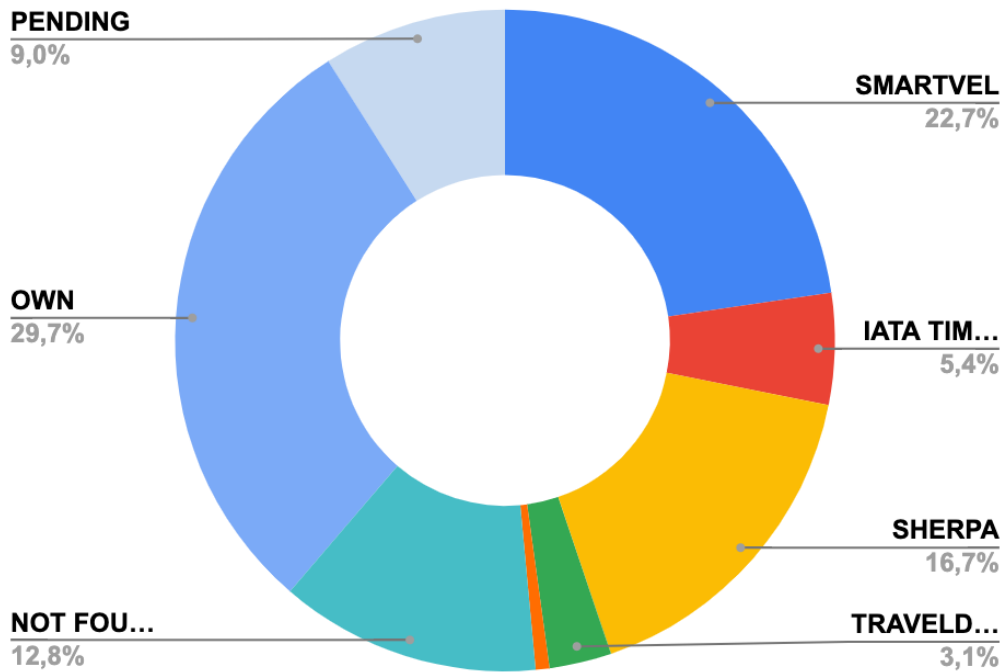
Good morning/afternoon to everybody,

I do have the pleasure to send you our newsletter for Q1 2022. From now I will send a quarterly newsletter so you will have a much closer vision of the company, it is something that we stopped with Covid and I think it is the right moment to get back to normal. I remember you that within the [Investor's webpage](#) you have access to Sales Dashboards and other important information.

Summary Q1

1. It has been a good quarter in terms of commercial goals, product development, and general status of the company, although we are starting to feel some difficulties regarding our pipeline with the TR product, and we are starting to lose income in companies where the travel requirement content is not critical anymore (insurance companies).
2. 2021 Audit has been loaded to the Investor's website, the executive summary is: 1) Net Sales 1,584 M € (x2,36 vs AA). 2) Final Net Income +77K (vs -87K AA). 3) As a consequence of the above, plus the increase of capital the Net Assets of the company increased up to 1,344M (vs 445 K AA). 4) Cash 1,576M and Receivables 411K. 5) Loans 1,8 M € (vs 1,7 M € AA / Long term 1,4 M €)
3. Main wins in this quarter have been Saudia and Singapore Airlines, two Tier1 relevant airlines globally that take our **global Mk Share up to 22.7% of global passengers**. Surpassing the threshold of 200 K MRR in March 2022.

GLOBAL



[GLOBAL MK SHARE MEASURED AS # OF PASSENGERS CARRIED BY VENDOR'S AIRLINES CUSTOMERS]

4. We've moved to a new office on March 1st. Antonio Maura 10, 4th floor. You are more than welcome to visit us.
5. We've burnt the expected cash because unexpected payment delays have been compensated with less cash out (including new office Capex and bonus payment). Hopefully, we will recover the receivables delays within the next quarter as sales have been as budgeted. Aging is increasing mainly because of BA's delays (80K due).

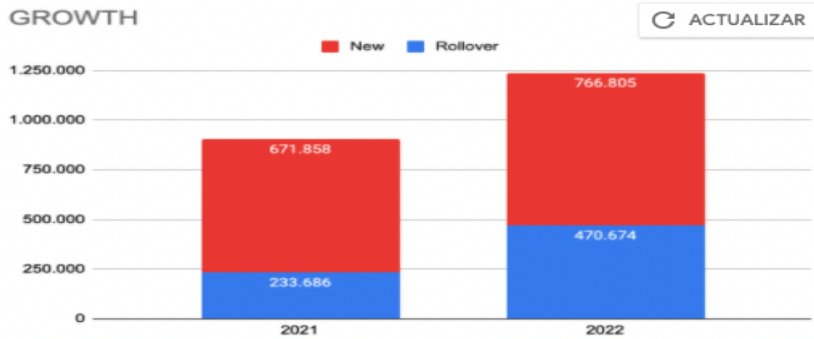
Q1 2022 (K €)	BUDGET	REAL	DIFFERENCE
CASH IN (Customers)	568,5	472,9	-95,6
CASH OUT (Operational)	-668,9	-565,7	+103,2
Operational Cash Flow	-100,4	-92,8	+7,6

[BUDGET & REAL INCLUDE OPEX & CAPEX & BONUS PAYMENT 2021 in March]

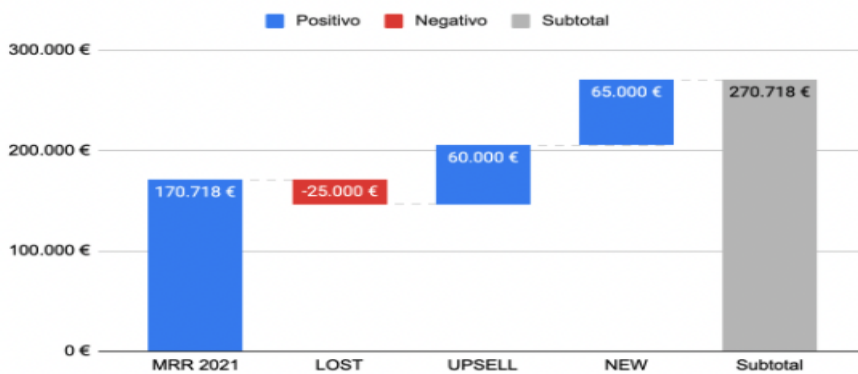
6. TR [Travel Requirements] set of products accounts for 85% of the sales vs DC [Destination Content]. International sales account for 80% of total MRR.
7. Finally, the M&A opportunity that we had could not be finished because of the last-minute refusal from the company to be acquired (Arrival Guides).
8. It is within our roadmap to prepare the company for a potential exit within the next 12 months. With that in mind, we decided to start a process of exit readiness, with the assistance of an M&A boutique. The main challenge is maintaining engagement with our customers in the long term, this is where we are focusing our efforts on our roadmap and action plans.
9. Q1 P&L is expected above expectations, although sales were signed in March.
10. Final Budget for 2022 approved. Net Sales 2.815 M € (x1,78 vs AA) Net Income +203 K (+126 K vs AA).

	2019	2020	2021	Incr.	Incr. %	P2022	Incr.	Incr. %
Net Sales	916.932	672.398	1.577.942	905.544	134,7%	2.815.421	1.237.479	78,4%
ARR		906.084	2.048.616	1.142.532	126,1%	3.248.616	1.200.000	58,6%
MRR beginning of the Year		78.480	75.507			170.718		
New MRR [a]		37.891	61.605	23.714	62,6%	65.000	3.395	5,5%
Recovered MRR [b]		24.324	6.800	-17.524	-72,0%	10.000	3.200	47,1%
Upselling [c]		0	44.263	44.263		50.000	5.737	13,0%
Total new MRR [a]+[b]+[c]		62.215	112.668	50.453	81,1%	125.000	12.332	10,9%
Suspended/ Reduced MRR [d]		-42.552	-8.784	33.768	-79,4%	-10.000	-1.216	13,8%
Lost MRR [e]		-22.636	-8.673	13.963	-61,7%	-15.000	-6.327	73,0%
Total LOST [d]+[e]		-65.188	-17.457	47.731	-73,2%	-25.000	-7.543	43,2%
CHURN [b]+[c]+[d]+[e]		-40.864	33.606	74.470		35.000	1.394	4,1%
MRR churn rate [=-CHURN/MRR]		-53%	27%	80%		21%	-7%	-24,9%
Net new MRR		-2.973	95.211	98.184		100.000	4.789	5,0%
MRR end of month		75.507	170.718	95.211	126,1%	270.718	100.000	58,6%

GROWTH



BUDGET MRR 2022



11. Strategic Guidelines approved in last Board for 2022

- a. Budget Growth still focusing the efforts on TR as we see still space in the market, specially in APAC and MEWA.
- b. Maximum priority to integrations with third partys and product evolution for a post TR world
- c. Increase the cross selling and Customer Success relevance
- d. Potential M&A
- e. New Businesses and
- f. Next Gen funds

12. We started to form an Executive Board with senior management in the industry. Our first member is [Eric Leopold](#). He has been a consultant for one year, with his company called [Threedot](#). Prior to that, Eric is a former IATA Director where he has been working for the last 15 years. He has been responsible and creator of many game-changers innovations in the industry like the NDC or the 2D barcode boarding pass global implementation. He will be part of our executive board of advisors to give us support about strategical thinking with airlines, as well as roadmap vision, company management, and commercial orientation

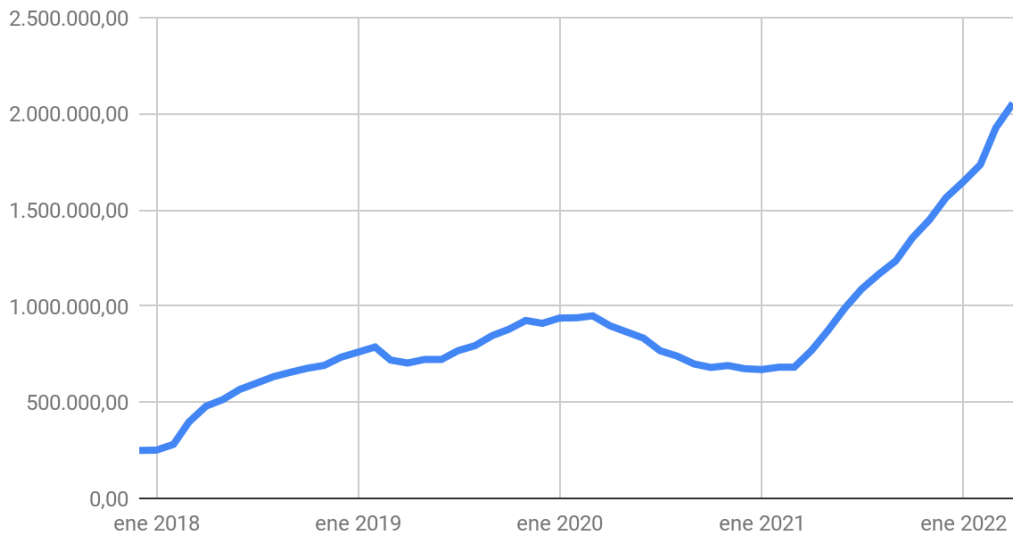
Key Metrics Q1:

We will share preliminary figures in every newsletter. In this case, we share the estimated P&L with real income and estimated costs in march. Please be aware that it is a budget adjusted with real income and real labor costs and our definitive figures will be adjusted every quarter. To elaborate on this projection we've taken February costs and projected them over March.

- Net Sales & MRR

Q1 2022	Real	Budget	AA	% vs Budget	% vs AA
Net Sales	599.825 €	602.223 €	237.795 €	99,6%	252,2%
MRR	205.783 €	203.312 €	72.499 €	101,2%	283,8%

LAST 12 MONTHS SALES



This graph shows last 12 months net sales. It is self explanatory. Before Covid Smartvel's speed was good in 2018, regular in 2019. In 2020 we started to lose income in March, that was partially offset with TR. The new line of products have meant a great opportunity for the company.

Our MRR has reached 206 K € in March 2022 : +36K +21% vs Dec 2021 [170 K]

- Even though the company, in order to achieve the sales and roadmap goals has increased the resources significantly, in March we have positive EBITDA. Even with Net Sales (without I+D activation - TREI in Spanish) because relevant Setups have been invoiced.

In thousands (€ k)

ESTIMATED MAR 22				MAR 21		
Month	Budget	€	%	Month	€	%

Total Revenue	290,2	248,0	42,2	17,0%	91,0	199,2	218,9%
Net Sales	260,7	218,5	42,2	19,3%	69,6	191,1	274,7%
Costs	216,7	224,8	-8,1	-3,6%	94,4	122,3	129,6%
EBITDA	73,5	23,2	50,4	217,4%	-3,4	76,9	2274,5%

	ESTIMATED MAR 22				MAR 21		
	Accrued	Budget	€	%	Accrued	€	%
Total Revenue	688,2	690,6	-2,4	-0,3%	300,2	388,0	129,2%
Net Sales	599,8	602,2	-2,4	-0,4%	237,8	362,0	152,2%
Costs	563,4	595,4	-32,1	-5,4%	270,1	293,3	108,6%
EBITDA	124,9	95,2	29,7	31,2%	30,1	94,8	314,7%

MAIN ACTION PLANS

Our top priority is to grow as budgeted, while securing the business for the next two years giving us time to migrate our value proposal to become a hub of content that push travel forward: Prices, Documentation and Visas, Inspiration and Requirements.

- **With this in mind we are prioritizing our roadmap with new features that are being released in Q1 and Q2.**
- **Action plans with customers. For example we have started a retention plan offering a free upgrade of some of some of our services in exchange for an extension of the contract till Dec 2024 to our top 12 customers that account for 70% of our MRR.**
- **Accelerating integrations with Third Parties: Zamna, Everymundo, XCheck, Servantrip.**

Team

Two exits in IT in this quarter. One frontender and one tester. In both cases it has been our decision to have a more healthy team. 23 K of dismissal costs.

Sales team have got back to normal status 4 new persons have joined in March: Head of Mktg, 2 SDRs and a Trainee.

Still looking for a senior sales manager, and also for a partner to represent us in China.

What We need help with

Nothing at the moment, any relevant sales lead or contact that you may think it will be of our interest, drop me a line.

Thanks, take care,

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[\[TO SCHEDULE A MEETING CLICK HERE, THANKS\]](#)Iñigo Valenzuela | CEO & Foudler | **Smartvel**

Phone: +34 677 93 10 18
Antonio Maura 10 · 4º | 28014 · Madrid · Spain
www.smartvel.com | ivalenzuela@smartvel.com

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[\[DISCLAIMER\]](#)

postmaster@lacaixa.es <postmaster@lacaixa.es>
Para: ivalenzuela@smartvel.com

1 de abril de 2022, 9:09

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