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Ohmyhome Ltd

(OMH-NASDAQ)

OMH: Takeaways From Simply Sakal Acquisition

OMH's strategy to expand services, boost market share & enter new markets includes the recent acquisition of Simply Sakal, which OMH believes strengthens its market position & accelerates growth, particularly as Simply expands OMH's access to Singapore's private residential segment where revenue / transaction is higher & adds a less seasonal, recurring revenue stream.

Current Price (1/5/24) \$1.49
Valuation \$3.70

OUTLOOK

OMH believes the Simply acquisition can broaden its overall target market within Singapore's private residential segment. Simply managed 5,839 residential units at 6/23, up from 4,648 at 12/22; the company expects Simply will continue to grow the units it manages – a goal that is expected to contribute to Simply revenue growth & which likely has a positive tailwind from actions by the Singapore government to increase the country's housing stock. Another recent growth initiative is OMH's cross-promotional agreement with Webuy Global to integrate its services into Webuy communities, including to support Webuy's expansion plans.

SUMMARY DATA

52-Week High \$57.00
52-Week Low \$1.40
One-Year Return (%) N/A
Beta N/A
Average Daily Volume (sh) 22,083

Shares Outstanding (mil) 20
Market Capitalization (\$mil) \$29
Short Interest Ratio (days) N/A
Institutional Ownership (%) 1
Insider Ownership* (%) 49

Annual Cash Dividend \$0.00
Dividend Yield (%) 0.00

5-Yr. Historical Growth Rates

Sales (%) N/A
Earnings Per Share (%) N/A
Dividend (%) N/A

P/E using TTM EPS N/A
P/E using 2023 Estimate N/A
P/E using 2024 Estimate N/A

Risk Level High
Type of Stock N/A
Industry Tech

ZACKS ESTIMATES

Revenue

(in millions of US\$ converted at S\$=.73 US\$)

	Q1 (Mar)	Q2 (Jun)	Q3 (Sep)	Q4 (Dec)	Year (Dec)
2021					3.2 A
2022		2.5 A			5.1 A
2023		1.6 A			4.0 E
2024					9.9 E

Per Share Data

(US\$ converted at S\$=.73 US\$)

	Q1 (Mar)	Q2 (Jun)	Q3 (Sep)	Q4 (Dec)	Year (Dec)
2021					-\$0.09 A
2022		-\$0.04 A			-\$0.14 A
2023		-\$0.09 A			-\$0.23 E
2024					-\$0.24 E

Quarters might not sum due to rounding & share counts
Disclosures on page 10

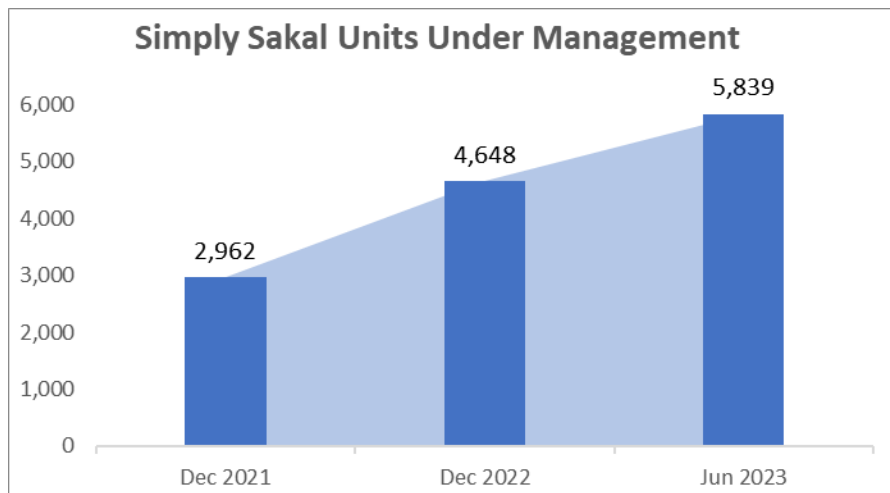
*Not including non-founders

KEY METRICS FROM RECENT SIMPLY SAKAL ACQUISITION

Ohmyhome Ltd (OMH-NASDAQ), a Singapore-based technology company that operates an online real estate platform in Singapore and Malaysia, is pursuing a strategy to expand its service offerings, boost market share, expand into additional markets and accelerate growth organically and through strategic M&A or investments. The company recently closed on the acquisition of Simply Sakal, which according to OMH is a leading tech-enabled property management company operating in Singapore. OMH acquired Simply Sakal for about S\$4.7 million (roughly US\$ 3.5 million), through a combination of S\$1.7 million in cash and also OMH shares. The company believes this transaction strengthens its position within the Singapore real estate market and expands its service offerings, advancing its goal to create a leading one-stop-shop property “Super App.” Ohmyhome recently provided pro forma metrics.

Growing Units Under Management Expected to Drive Revenue Growth

We view it positively that the Simply acquisition diversifies Ohmyhome’s revenue base, adding a less seasonal, recurring revenue stream, particularly as Simply expands OMH’s access to Singapore’s private residential segment where revenue per transaction is higher. According to OMH filings, Simply reported operating revenues of S\$2.6 million (US\$2.0 million) in 2022, up 58% from S\$1.7 million in 2021. Much of this growth reflects the increase in number of residential units Simply managed over this period. Simply managed some 4,648 units at the end of 2022, according to the company’s filings, up from 2,962 at the end of 2021. Simply managed 5,839 residential units as of June 30, 2023, up about 26% compared to year-end 2022. In the first six months of 2023, Simply registered operating revenue growth of about 23% year-over-year. The goal is to continue to increase the number of units under management, which Ohmyhome believes will contribute to growing Simply revenue.



Source: Zacks based on data from [company reports](#)

The goal to increase units under Simply management likely has a positive tailwind from actions by the Singapore government. According to Singapore’s [Urban Redevelopment Authority](#) (URA), the government has taken measures to increase the country’s housing stock. Specifically,

“The Government has ramped up housing supply via the Government Land Sales (GLS) programme. The Confirmed List supply of private housing in the GLS Programme has been increased significantly by around 50% to 9,250 units in 2023, from 6,290 units in 2022. In 1H2024, the GLS supply injection will be increased further, with the release of 5,450 units compared to 5,160 units in 2H2023 and 4,090 units in 1H2023...The increased private housing supply from the GLS programme will be ready for sales launch in the coming year or so, to cater to purchase demand and help keep prices in line with economic fundamentals.”

Currently, more than 400,000 families in Singapore live in condominiums and executive condominiums (ECs), according to the company, and approximately 40,000 additional units are expected to be completed over the next few years. The company notes that residents often engage with the condominium property management company for services and Ohmyhome believes this interaction is largely paper-based and would be substantially more efficient if digitalized and accessible in an app.

Moreover, OMH believes that the Simply Sakal acquisition can expand its overall target market within Singapore's private residential segment, adding a less seasonal, recurring revenue stream that is not dependent on housing transactions. The company notes that revenue per transaction in the private market is higher than in the HDB market and OMH expects the transaction to be accretive to Ohmyhome's revenue growth and earnings in 2024 and lead to positive EBITDA in 2025 pro forma for synergies. The company believes that Simply Sakal will help accelerate its growth.

Simply acquisition expands Ohmyhome platform the offerings

Ohmyhome seeks to offer solutions and services to help customers in most aspects of their property transactions. Simply Sakal residents and other Ohmyhome users can access the overall Ohmyhome technology, including Homer AI (see below). The Simply acquisition also is consistent with the company's goal to expand the range of services it offers. Ohmyhome intends to rebrand Simply as Ohmyhome Property Management, subject to required notice and approvals.



Source: [Company reports](#)

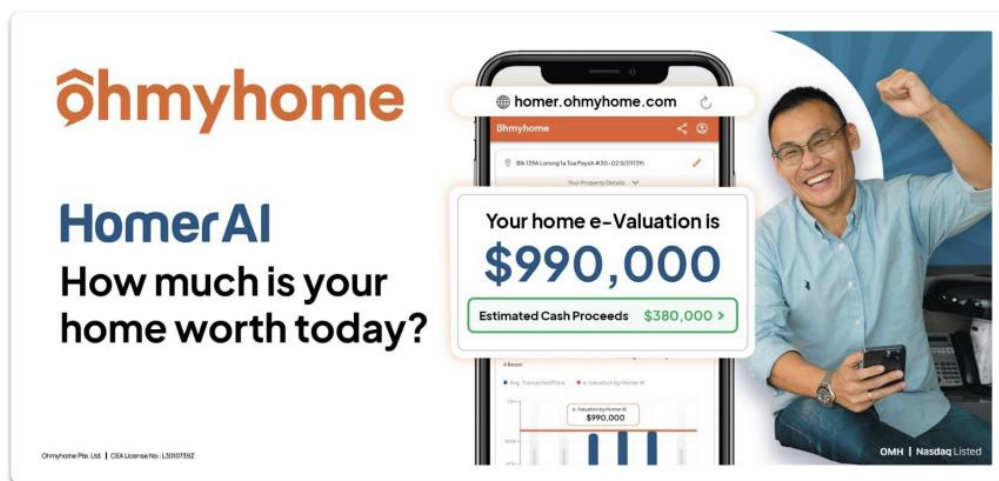
Ohmyhome believes its online real estate platform provides a one-stop solution for a broad range of services that now includes property management solutions, as illustrated above. The company's technology platform also enables buyers and sellers to connect through the company's AI-enabled technology, assess valuations on real estate assets, obtain mortgage and legal referrals, and home renovation and furnishing services, among other offerings. The platform leverages its matching algorithm, MATCH, to enable property buyers and sellers or renters to connect. About 50% of property transactions are completed within seven days on average and some even within one day, according to the company.

Company views property management space as ripe for digitalization

The company views its use of technology and data as key competitive advantages and believes the property management space is ripe for digitalization. The property management sector in Singapore and Southeast Asia is fragmented, according to Ohmyhome, which believes there exists a need for digitalization to provide a better access for both managing agents and condominium residents. The company views “its paperless workflow process in the paper-heavy industry” as an important strength of Simply’s digital platform.

Ohmyhome’s overall online platform enables customers to conduct research on real estate metrics. Once they are ready to move forward on property transactions, the company’s platform offers brokerage services for clients who want to access professional real estate agents, as well as assistance for those who want to engage in DIY transactions, listing and research services for home sellers, mortgage referral and legal and insurance referral services, as well as renovation offerings to help current and prospective homeowners.

The technology enables the company’s agents to facilitate a greater number of transactions than others within the industry. Specifically, the company’s “Super Agents” complete an average roughly 75 transactions a year (as of 2022), significantly higher than the approximately 6.3 transactions the industry’s average broker closes, according to consulting and market research firm Frost & Sullivan. OMH’s “Super Agents” enjoy better than industry average closing metrics, as noted, but customers can also use the company’s tools to improve their DIY property transactions by leveraging the company’s AI capabilities.



Source: [Company presentation](#)

OMH recently introduced [HomerAI](#), its AI-enabled digital agent. HomerAI enables Ohmyhome customers and, as noted, Simply residential users, to access Ohmyhome’s suite of services, including live e-valuations and data about relevant prior transactions. The company expects to continue to enhance the HomerAI capabilities.

The company has also introduced [HomerGPT](#), currently in beta testing format. HomerGPT is designed to provide consumers access to important information, including real-time data about their properties and relevant property market data. The company expects HomerGPT to facilitate property transactions, as customers gain access to, among other data, property valuations and market information and news, including updates on current interest rates. The company also plans to introduce a mortgage calculator later this year to enable homeowners to estimate price affordability and consult a digital agent in order to plan the timeline of marketing their properties and engaging in transactions.

In addition to agent assisted transactions, customers can also use the company's platform to facilitate self-transacted or DIY property transactions, as noted. For example, customers can get a list of recommended properties based on the preferences they have indicated through the platform. They can then view the property in-person or virtually.

As the company pursues growth initiatives in its home market, its strategy is to further penetrate and deepen its operations within the Singapore and the Malaysian markets and also expand into additional Southeast Asian markets. The company believes the property management industry in Singapore and Southeast Asia overall is fragmented and largely paper based, making it ready to be digitalized. The company's goal is to leverage its property technology and data insights into other Southeast Asian markets. Expected growth in the SEA housing market reflects a rising middle class that is forecast to roughly double by 2030, according to the World Bank. A high percentage of this group will enter the prime home buying category in the near-term, as more than 380 million people in the overall SEA region are under 35 years of age.

Company Outlook

The company attributes government measures designed to constrain property price inflation in Singapore as having a negative impact on OMH's revenue in recent periods. However, management is optimistic that these measures will be phased out in the near- to medium-term.

In fact, the company believes the challenges that constrained revenue in 1H23 are temporary and expects transaction volume to rebound. Ohmyhome expects to record a three-fold growth in revenue in 2024 with the recent Simply transaction. We have reclassified our revenue projections in order to breakout the expected Simply component and we updated our estimates for the actual and pro forma metrics Ohmyhome recently provided. Our 2024 revenue forecast is below the three-fold growth metric to reflect potential delays or slippage, and so could prove conservative.

The company has identified preliminary potential synergies estimated at about S\$9 million in the first year. The Simply deal is also expected to lead to positive EBITDA in 2025 pro forma for synergies, as noted. Moreover, the company views Simply as potentially its initial entry into the broader property management space. As noted, the number of condominium units is expected to grow significantly over the next few years, facilitated by government initiatives.

Another recent company growth initiative is the recent cross-promotional agreement with Webuy Global Ltd., an emerging e-commerce retailer focused on grocery and travel in Southeast Asia. Earlier this month, the two companies unveiled a strategic collaboration to cross-sell the products and services each company offers across Singapore to enhance customer experience and boost community engagement and presumably help drive revenue. Aspects of their joint initiative include the integration of Ohmyhome's Services into Webuy communities, expected to facilitate off-market listings and offer exclusive benefits to Webuy customers. In addition, Webuy will offer its "group buy" service to thousands of homeowners Ohmyhome services, offering them a range of products, including groceries and travel services. Webuy aims to open 100 stores in major communities in Singapore, according to the company, and Ohmyhome brokerage services are expected to facilitate this targeted expansion. To advance its growth measures, the company had cash and equivalents of S\$6.3 million as of June 30, 2023, up from S\$0.3 million at December 31, 2022.

VALUATION

OMH is optimistic about its growth plans and strategy as it expands its presence in Singapore and Malaysia and into new ASEAN markets. Despite the company's outlook, the shares dropped sharply following the March 2023 IPO reflecting, we believe, concerns about the impact of inflation and interest rates and perhaps government initiatives, as well. They have remained under pressure and it would not surprise us to see investors wait in the near-term for upcoming milestones. Nevertheless, if the company can deliver on its growth initiatives, in success we would anticipate share price appreciation over time.

Given this stage of the company's ongoing strategy and external factors, including government measures, we assign a 90% confidence multiple to our 2024 revenue forecast at this point. If Simply revenue ramps faster than we anticipate and the impact of government measures lessens, our confidence factor might prove conservative and we might increase / lower our confidence multiple in the future.

We believe it is difficult to compare OMH shares to those of other publicly traded companies. While there are companies that provide services similar to one or more the company offers – including companies such as Zillow, Compass and Redfin, among others – there does not seem to be a direct competitor. On a price-to-sales (P/S) basis, these players trade at a wide range of multiples of forward revenue that range from <1x to >7x. Some have established footprints, revenue bases and brands and also operate primarily in more mature, albeit lower growth, markets. Conversely, we would expect Ohmyhome to record faster growth at this early stage in its development and off a significantly lower base. If we use the P/S multiple at the higher end of the range and apply a discount for the higher risk OMH faces, we derive a valuation of about \$3.70 per OMH share on our revised 2024 revenue estimate.

If the company delivers milestones earlier than anticipated, it could impact these multiples and adjustments. Conversely, any delay or failure in successful execution of the strategy could represent a potential risk to our valuation and cause the share price to decline. We believe the risk / reward ratio could be attractive for investors who have a higher than average risk tolerance and longer time horizon.

RISKS

We believe risks to Ohmyhome achieving its goals, and to our valuation, include the following, among others.

- OMH might not gain market share in Singapore or Malaysia and / or in new ASEAN markets as quickly as the company expects, which could lead to slower than anticipated revenue ramp.
- The company could incur unanticipated costs associated with its initiatives.
- Competition could increase.
- The company might need to raise capital to support its strategy that might be dilutive to current shareholders.
- The company faces FX risk as it expands into other international markets.
- Government initiatives aimed at constraining property price inflation could last longer than management anticipates.
- The inflation and interest rate environments might have a greater impact on overall transaction volumes and on Ohmyhome revenue than the company expects.
- Simply revenue might not grow as quickly as management anticipates.

RECENT NEWS

- OMH and Webuy announced a cross-promotional collaboration on January 8, 2024.
- On October 11, 2023, Ohmyhome announced the acquisition of Simply Sakal.
- Ohmyhome reported 1H23 results on October 4, 2023.
- Ohmyhome announced a partnership with eMediaLinks on September 22,, 2023.
- Ohmyhome hosted an Hawaii State Housing Delegation in Singapore on September 18, 2023.
- The company retained Skyline Corporate Communications to provide IR services on June 12, 2023.
- On May 15, 2023, Ohmyhome signed an MOU for the potential acquisition of Simply.
- Ohmyhome announced that it had signed an MOU (Memorandum of Understanding) with Ohmyhome Property Inc. to officially expand into the Philippines market on April 27, 2023.

FINANCIAL MODEL

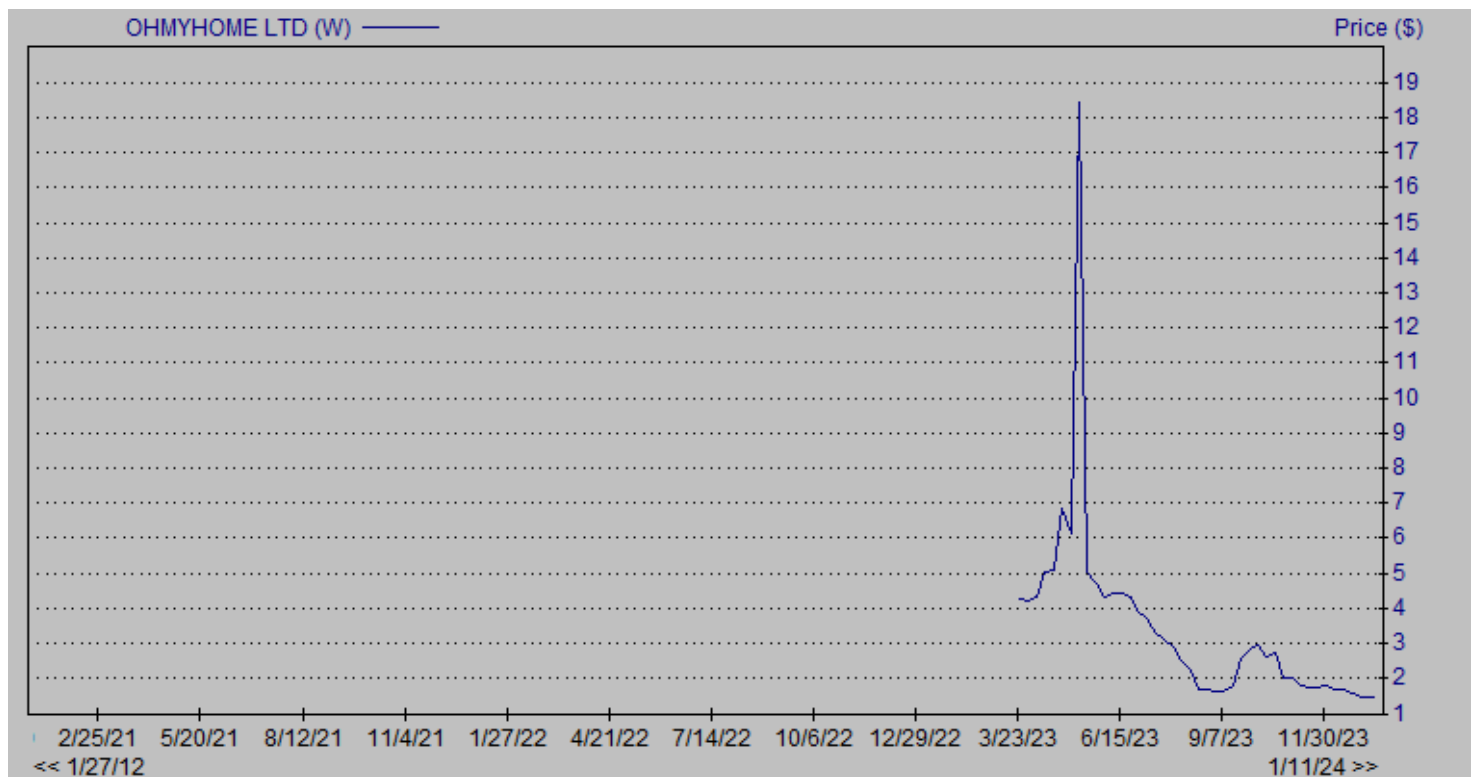
Ohmyhome Ltd.

Ohmyhome Income Statement & Projections (\$ Singapore dollars)

	2020	2021	1H22	2H22	2022	1H23A	Simply 1H23A	PF Combined	2H23E	2023E	2024E
Brokerage services	2,901,479	3,731,586	1,695,673	1,376,387	3,072,060	1,345,726			1,473,570	2,819,296	4,087,979
Emerging & other services	437,195	650,097	1,686,841	2,266,691	3,953,532	821,295	-	-	886,999	1,708,294	2,989,514
Simply	-	-	-	-	-	-	-	-	968,254	968,254	6,511,964
Total operating revenues	3,338,674	4,381,683	3,382,514	3,643,078	7,025,592	2,167,021	1,489,622	3,656,643	3,328,823	5,495,844	13,589,457
Brokerage services	(1,718,012)	(1,605,602)	(815,061)	(568,427)	(1,383,488)	(732,930)			(952,809)	(1,685,739)	(1,854,313)
Emerging & other services	(249,109)	(390,020)	(1,041,081)	(2,284,109)	(3,325,190)	(630,446)	-	-	(819,580)	(1,450,026)	(1,595,028)
Simply	-	-	-	-	-	-	-	-	(706,826)	(706,826)	(4,753,734)
Total cost of revenues	(1,967,121)	(1,995,622)	(1,856,142)	(2,852,536)	(4,708,678)	(1,363,376)	(1,087,995)	(2,451,371)	(2,479,214)	(3,842,590)	(8,203,075)
Gross profit	1,371,553	2,386,061	1,526,372	790,542	2,316,914	803,645	401,627	1,205,272	849,608	1,653,253	5,386,382
Technology and development expense:	(1,539,651)	(1,449,065)	(857,584)	(910,146)	(1,767,730)	(1,096,651)		(1,096,651)	(1,315,981)	(2,412,632)	(3,377,685)
Selling and marketing expenses	(1,183,380)	(1,717,470)	(1,003,189)	(922,814)	(1,926,003)	(848,504)		(848,504)	(1,018,205)	(1,866,709)	(2,240,051)
G&A	(1,291,238)	(1,563,599)	(806,158)	(1,048,363)	(1,854,521)	(1,485,521)	(877,260)	(2,275,509)	(2,503,060)	(3,988,581)	(5,584,013)
Total operating expenses	(4,014,269)	(4,730,134)	(2,666,931)	(2,881,323)	(5,548,254)	(3,430,676)	(902,315)	(4,220,664)	(4,837,246)	(8,267,922)	(11,201,749)
Operating loss	(2,642,716)	(2,344,073)	(1,140,559)	(2,090,781)	(3,231,340)	(2,627,031)	(500,688)	(3,015,392)	(3,987,637)	(6,614,668)	(5,815,367)
Interest income	7,620	10,262	3,983	2	3,985	24,454		24,454	31,790	56,244	60,744
Interest expense	(30,364)	(49,926)	(18,740)	(20,412)	(39,152)	(16,721)	(1,864)	(18,585)	(21,737)	(38,458)	(41,535)
Gov grants	565,979	492,404	205,113	42,954	248,067	8,399		8,399	10,919	19,318	20,863
FX	(5,313)	(3,065)	14,791	(70,417)	(55,626)	114,013		114,013	148,217	262,230	283,208
Other income	7,035	1,123	-	25	25	-	55,943	55,943	50,349	50,349	54,377
Total other income, net	544,957	450,798	205,147	(47,848)	157,299	130,145	54,079	184,224	219,537	349,682	377,657
Pretax loss	(2,097,759)	(1,893,275)	(935,412)	(2,138,629)	(3,074,041)	(2,496,886)	(446,609)	(2,831,168)	(3,768,100)	(6,264,986)	(5,437,710)
Taxes	-	-	-	-	-	-	-	-	-	-	-
Net loss	(2,097,759)	(1,893,275)	(935,412)	(2,138,629)	(3,074,041)	(2,496,886)	(446,609)	(2,831,168)	(3,768,100)	(6,264,986)	(5,437,710)
Minority interest	(160,682)	(68,467)	(15,998)	(5,043)	(21,041)	(22,030)		(22,030)	(28,639)	(50,669)	(50,669)
Net loss to Ohmyhome Ltd	(1,937,077)	(1,824,808)	(919,414)	(2,133,586)	(3,053,000)	(2,474,856)	(446,609)	(2,809,138)	(3,739,461)	(6,214,317)	(5,488,379)
Avg shares out	16,250,000	16,250,000	16,250,000	16,250,000	16,250,002	19,050,000		19,735,536	20,550,000	19,800,000	20,590,000
Loss per share	(\$0.13)	(\$0.12)	(\$0.06)	(\$0.06)	(\$0.19)	(\$0.13)		(\$0.14)	(\$0.18)	(\$0.31)	(\$0.32)

Source: Company reports, Zacks estimates

HISTORICAL STOCK PRICE



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