

## YesVideo, Inc.



CC

1 year PD

14.87% to 20.71%

- Continued, yet declining Losses and operational inefficiencies (negative EBITDA Margin) are significant issues possibly requiring restructuring or a new growth strategy.
- Liquidity pressures are increasing, with a current ratio of 1.03 (T8 FY-24), quality issues, and limited service diversification, near-term solvency risks is elevated.

### Strengths

- Longstanding Market Presence:** Established in 1999, YesVideo has built significant brand longevity, which enhances consumer trust and positions the them as a leader in the media digitization space.
- Liquidity:** Despite a constatnt decline of their current ratio of from 1.98, to 1.29, and 1.02 (8-24) they are still above the peer median of 0.90.
- Brand Longevity:** Established in 1999, YesVideo has built strong brand recognition in the media preservation space, enhancing trust among consumers.

### Challenges

- Profitability & Size:** The company has consistently negative EBITDA margins, -40.8% in FY-23, which severely affects its capacity to self-finance operations and reduces overall creditworthiness. Relatively small entity size, increases the emprirical near-term default risk.
- Leverage:** YesVideo’s debt-to-assets ratio of 55.9% (FY-23) / 89.2% (8/2024) is substantially higher than the peer median of 46%. In combination with a negative EBITDA / ongoing Net Losses, the entity is financially quite inflexible.
- Customer Retention & niche focus:** Recent customer complaints (as seen on BBB, Yelp) suggest service quality issues, which may harm retention and long-term business viability. Within their niche of converting older to digital media, they are setup fairly broad, yet beyond that they don't offer add-on services.

## Scorecard Summary

Financial vs Business Risk Weighting Factors					
Ownership	Private (Non-PE)				
	Growth				
	Complete (Unaudited)				
Company Stage					
Financials					
	Weight	Score	Dimension	Weight	Score
Financial	65%	5.4	Liquidity	50%	6.6
			Leverage	25%	4.9
			Profitability	25%	0.7
Business	35%	5.0	Industry Risk	20%	5.5
			Competitive Position	50%	5.6
			Mgmt / Governance	30%	3.7
			Sponsor / Parent		
Modifiers		-1.9	Revenue Segment		▶ (1.1)
			Financial Flexibility		(0.50)
			Other Modifier		(0.25)

## Company Overview

Headquarters	Campbell, CA
Type	Private (Non-PE)
Employees	200-500
Year Founded	1999
Website	https://www.yesvideo.com/
Business	Converts old media to digital and cloud formats.
Revenues	\$3.8M

- Company Overview:** YesVideo, Inc. specializes in converting analog media formats into digital formats, helping consumers preserve personal memories.
- Product:** Services include video and photo digitization, cloud storage, and physical media options like DVDs and USBs.
- Customers:** Primarily serves individual consumers looking to preserve family memories stored on outdated formats.
- Ownership:** Privately owned, with Lisa McCabe as CEO since 2021, succeeding founder Michael Chang, now Chairman.
- Debt Structure:** N/A no details related to the debt structure or maturity profile has been provided as part of this assessment.
- Other:** The entity is currently operating at an unsustainable level. Management has taken steps to improve operational efficiency, yet seems to be racing against time. Revenue may be stable, at a level substantially below FY-22 (-18%), and expenses declined substantially in FY-24 (COGS -9%, OPEX -17%), but they still are anticipated to run at a Loss in FY-24 (-\$811k). Based on losses sustained since FY-22 (jointly almost -\$5mn with FY-24 being annualized), Equity declined substantially from \$2.6mn in FY-22 to \$667k (-74%). Over the same timeframe Cash and Equivalents declined by 51% to \$1.2mn per 8/2024. Unless they are able to open up new revenue streams, dramatically lower their expenses, or find another investor, the next 1-2 years may lead to more drastic measures (e.g. reorganisation / bk-filing / sale). Competition seems to be increasing within their niche, making investments/improvements necessary for being able to compete.

## Financial Benchmarking & Debt Maturity Profile

# of Benchmarks:	14	Industry Median	Company Metric	Percentile Rank
Liquidity	Current Ratio	0.90	1.29	59%
	Quick Ratio	0.58	1.29	65%
Leverage	Net Debt / EBITDA	2.66	(0.00)	87%
	Debt to Assets	46.0%	55.9%	32%
Profitability	EBITDA Margin	10.1%	-40.8%	0%
	ROCE %	8.0%	-132.7%	0%
	Revenue	\$9M	\$4M	

Industry Benchmarks - Primary: Broadcasting

Debt Maturities					
	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
2024	2025	2026	2027	2028	Beyond 8 yrs

## Financial Statement Highlights

\$ '000s	(C)	(B)	(A)	Change	
	Dec-22	Dec-23	Aug-24 (A)	(C) to (B)	(B) to (A)
T12					
Income Statement					
Total Revenue	4,651	3,814	3,835		0.5%
Gross Profit	1,101	1,138	1,395		22.6%
Adjusted EBITDA	(2,549)	(1,556)	(846)		45.6%
Gross Profit Margin	23.7%	29.8%	36.4%		+655 bps
Net Income	(2,573)	(1,475)	(811)		45.0%
Balance Sheet					
Cash And Cash Equivalents	2,459	1,644	1,210		-26.4%
Total Current Assets	3,684	2,284	1,827		-20.0%
Total Assets	4,444	2,942	1,904		-35.3%
Total Current Liabilities	1,857	1,770	1,782		0.7%
Total Debt	1,701	1,645	1,698		3.2%
Total Equity	2,573	1,169	667		-42.9%
Key Ratios					
Current Ratio	1.98	1.29	1.03		-20.5%
Quick Ratio	1.98	1.29	1.03		-20.5%
Net Debt / EBITDA		(0.00)	(0.58)		53375.8%
Debt to Assets	38.3%	55.9%	89.2%		+3326 bps
EBITDA Margin	-54.8%	-40.8%	-22.1%		+1871 bps
ROCE %	-98.5%	-132.7%	-697.7%		(56496) bps

- Total revenue fell from \$4.65mn in FY-22 to \$3.81mn in FY-23 (-18%).
- Although EBITDA Margin is still negative, operational improvements led to a improvement from -54.8% in FY-22 to -22.1% in FY-24 (A).
- Reduced, yet continued Net Losses, -\$2.6mn (FY-22) to -\$0.67mn (FY-24), due do cost control efforts with OPEX (-17%) and COGS (-9%) in FY-24 (annualized).

## Business Risk Highlights

- Industry:** Operating in the niche media digitization industry, YesVideo faces moderate risk due to technological changes and increasing competition.
- Competitive Position:** Competitors like Legacybox and iMemories pose significant challenges as they are positioning themselves in the same niche, requiring YesVideo to innovate in technology and improve their customer service.
- Management:** Lisa McCabe’s leadership since 2021 has focused on maintaining operations but profitability challenges remain significant under her tenure. She has been with the company in different roles (including COO, and President) since 2000.
- PE Sponsor:** n/a
- Other:** XYZ