

## Twitter Thread by [Richard Chu](#)



**[Richard Chu](#)**

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1/ The SPAC I've been tracking is \$SAIL, merging with Otonomo.

It's a marketplace that enables auto manufacturers to monetize their connected car data that it aggregates and standardizes using its data platform. It projects revenue to grow from \$3M in 2021 to \$574M by 2025.



2/ Platform:

Otonomo is standardizing data using its patent-pending technology from its 16 OEM partners including Ford, GM, and BMW who provide data on 40M connected cars (4.3B data points daily), to make it easily usable by consumers and developers who can access it via API.

# Uniquely Positioned at the Heart of the Automotive Data Ecosystem



3/ Similar to other aggregators like \$ROKU or \$TTD, one of their biggest advantages is their neutrality. Many mobility services can't operate well without data from multiple OEMs but individual OEMs lack the incentive to share their data with competitors.

4/ Otonomo is collecting over 150 data parameters per vehicle such as engine status, temperature, speed, location, fuel or battery levels, or seatbelt status. This is then normalized across OEMs and car models, anonymized, cleansed, and enriched through AI/ML.

## otonomo Collects Over 150 Real-time and Historical Data Parameters



### Mobility

- Vehicle ID
- Trip distance
- Odometer
- Ignition
- Engine status
- GPS
- Speed
- Vehicle category



### Behavioural

- Media infotainment
- Blinker status
- Brake pedal pressure
- Wheel position
- Accelerometer
- Horn status
- Outdoor/indoor temperature
- Windshield wiper status



### Diagnostic

- Engine temperature
- RPM
- Time pressure
- Oil level
- Gear position
- Fuel level
- EV battery level
- Coolant temperature
- DTC



### Safety

- Airbag status
- Door status
- Seatbelt status
- ADAS
- Hard brake
- Harsh acceleration
- Sharp turn

5/ There are hundreds of use cases that range from helping drivers to find parking to helping rental companies monitor their fleets in real-time or insurance companies offer usage-based insurance and better claims processing. Otonomo charges usage-based fees based on use-case.

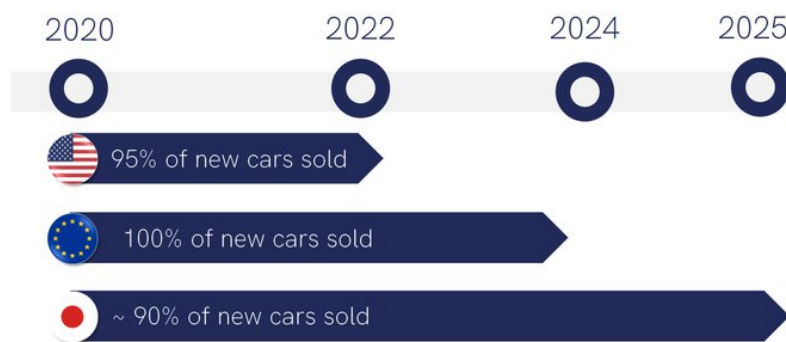
## Strategy Tailored for Impact Across Many Verticals

	Fleet	Insurance	Dealership	Transportation	Financials	Smart Cities
Customer Type	Indirect / Direct	Indirect	Indirect	Direct	Direct	Direct
Onboarding Time	Medium	Long	Medium	Short	Medium	Short
Per Vehicle Value	●	●	●	◐	◐	◐
Data Volume	◐	◐	◐	●	●	●
Select Customers / Partners						
Pricing	~\$25 / auto / yr.	~\$15 / auto / yr.	~\$15 / auto / yr.	Up to \$100 per MM data points	~\$30 per MM data points	\$40 - \$80 per MM data points

6/ Otonomo is the clear leader in this space, their OEM partners represent 80% of the market. They project a TAM of over \$70B by 2030 and see a large opportunity to increase transaction volume/customer. 90% of new cars sold last year in the EU and US were connected.

## Data Monetization: A Significant Opportunity

### TOTAL CONNECTED CARS<sup>(1)</sup>



By 2030 the overall revenue pool from car data monetization at global scale is estimated to be **\$450-750B<sup>(3)</sup>**

Composed of



2030 Otonomo TAM<sup>(4)</sup>

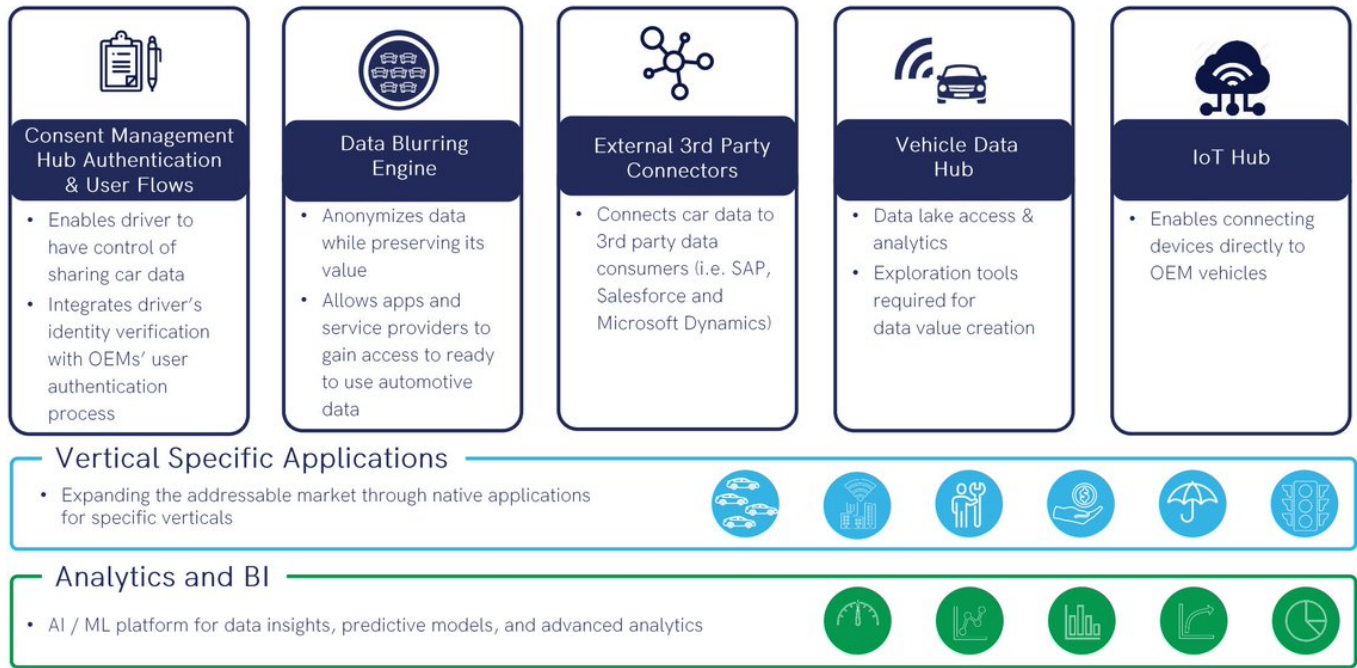
### PROJECTED CAR DATA STATS



7/ All current revenue is coming from their marketplace offering but they expect half to come from their SaaS offering by 2025

Here, they offer vertical-specific modules like an IoT Hub or Data Blurring Engine that enable both sides of the marketplace to better manage their data

## Robust and Growing SaaS Offering



8/ Revenue is projected to grow from \$3M in 2021 to \$574M by 2025, at which point they'll achieve 60% gross margins. They expect to be EBITDA-positive by '24

At \$11 they are trading at a \$1.24B EV or ~2.2x '25 rev. It should provide a great return if they come close to estimates

## Business Plan Overview

\$MM	2020E	2021E	2022E	2023E	2024E	2025E	2025E @ Target Cost Structure
<b>Total Revenue</b>	\$0.4	\$3	\$24	\$98	\$264	\$574	\$574
Marketplace Revenue	100%	80%	73%	65%	58%	50%	33%
SaaS Revenue	0%	20%	27%	35%	42%	50%	67%
(-) COGS	(1)	(5)	(20)	(61)	(129)	(227)	(172)
<b>Gross Profit</b>	(\$1)	(\$2)	\$4	\$37	\$134	\$347	\$402
Margin (%)	NM	(59%)	17%	38%	51%	60%	70%
(-) R&D	(5)	(12)	(29)	(39)	(42)	(55)	(57)
(-) Sales & Marketing	(2)	(3)	(11)	(32)	(65)	(125)	(100)
(-) G&A <sup>(1)</sup>	(2)	(4)	(5)	(10)	(21)	(43)	(43)
(-) Total Opex	(10)	(20)	(47)	(83)	(131)	(229)	(200)
<b>EBITDA</b>	(\$11)	(\$22)	(\$43)	(\$45)	\$4	\$118	\$201
Margin (%)	NM	NM	NM	NM	1%	21%	35%

9/ Customers don't want to work with dozens of OEMs and the more vehicle data Otonomo gets, the more bargaining power they have over OEMs and expect to raise prices.

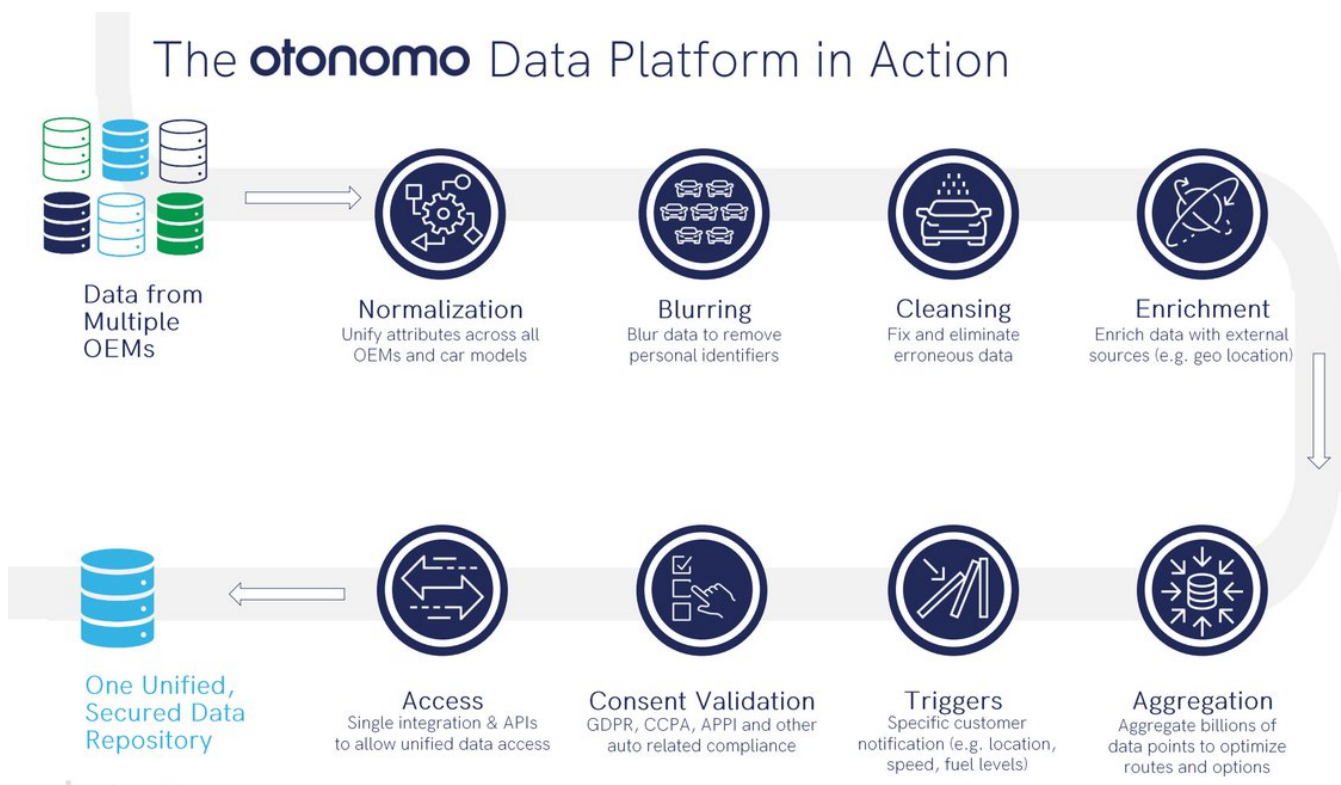
Because supply-side is so fragmented, any single OEM won't be able to offer as much data and as the marketplace.

10/ Again, the key is that Otonomo's patent-pending technology standardizes vehicle data across both car models and OEMs.

Customers don't want to do that themselves, yet they need aggregated data across all OEMs to make use-cases like traffic management work.

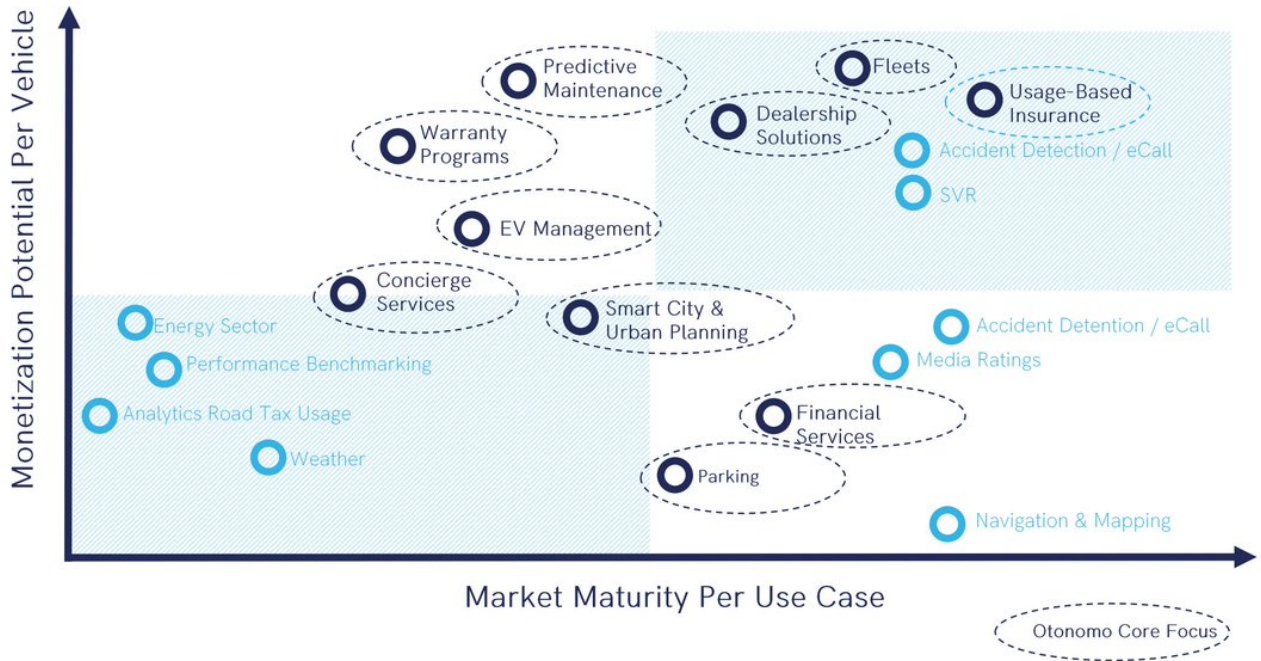
11/ It's important to note that OEMs still retain control of their data and get to determine which services can access it

However, Otonomo has a unique value proposition by aggregating and standardizing the data, such that any single OEM isn't able to match it by going it alone.



12/ The primary risk is that the use-cases here are so nascent and the market needs to be educated. Usage-based insurance is the biggest near-term one, but fleet management is another large opportunity such as their current contract with Avis Budget Group.

# Many Use Cases with Strong Data Monetization Potential



13/ Multi-tenanting (OEMs using multiple neutral marketplaces) is another risk, but if customers know they are getting the best data by using Otonomo, then why would they want to use competitors? They can price shop but if they only get an incomplete dataset, it won't make sense.

## otonomo Competitive Assessment

	otonomo	Competitor 1	Competitor 2	Technology Vendors 
Neutrality				
OEM Partnerships	16	2-3	3	-
# of cars	40MM	~10MM	~12.5MM	-
Globality	 Global	 US	 Europe	 Global
# of data parameters	150+	~8 FCD <sup>(1)</sup>	~20	0 <sup>(2)</sup>
Use cases	Aggregate / Personal / Fleet	Aggregate	Aggregate / Personal	Personal
Technology capabilities <sup>(2)</sup>				
Go-to-market partners				

14/ Otonomo also appears to be sticky as they have gained the trust of OEMs. In fact, they say they have become the outsourced data enablement department for many of them since it's not in their DNA. The fact they have partnered with all the major ones this early is telling.

15/ Although estimates are very aggressive with no direct comparables, the space is massive and growing fast, they are dominant, and their flywheel has just started spinning.

I like the R/R here with shares trading just 8% above NAV. I have a spec-size position and so does Luca.