Twitter Thread by Jeremy Raper



Jeremy Raper
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I've been asked if I'm back involved in $UMDK given the apparent improvement in financials in the 1H PnL.

The short answer is NO. Of course this is not investment advice, DYODD, and I have no position in the stock either way but...

THREAD

> Small follow-up: NOT involved anymore as degree of difficulty just too high now. But noticed that 1H update that was previously labeled as '11/20' for release on $UMDK website is now 'Q4 2020' - ie probably slipping to Dec.
>
> Why further delays? Are auditors pushing back? \U0001f9d0\U0001f9d0 https://t.co/jlaeNY6ypq
>
> — Jeremy Raper (@puppyeh1) October 19, 2020

I dumped this and moved on when the lack of disclosures + impossible to understand W/C moves made this simply a 'too hard' bucket for me. Post 1H, the qs remain...

I originally thought this biz was levered to rising adoption of Payback, through a licensing/low-touch take-rate type model. That apparently is not the case. Instead most of the growth is from the new 'consulting' segment - but there is no disclosure of what that entails...

...Nor is there disclosure of any clients; nor the revenue split b/w commerce/consulting and the legacy biz; nor any attempt at explanation for how the biz has suddenly exploded in growth...

...meanwhile of course receivables/payables improved HoH but keep in mind the AG (holdco/top level) entity still has essentially zero cash...and all the cash generated by the biz (apparently) sits in an (unaudited) sub...

I'm not casting aspersions but this is ■■

Picking through the German B/S it looks like most of the cash generated (2mm?) went into other assets (what is this??) as it certainly didn't end up in cash at the parent...

In the absence of any attempt at explanation I'm not sure I fully trust the numbers.

Simply put if this biz was truly growing at these rates and the cash was there why wouldn't Wahl (CEO) simply take out minorities...at 2-3x earnings or whatever...

Of course you never have full info and this could just be a screaming opportunity. But I really don't get why $UMDK would go out of its way to provide ZERO detail on its business - supposedly growing incredibly, w/ huge tailwinds, etc etc - especially as Wahl is a huge owner..

So, simply too hard for me now. GLTA ■■

$UMDK

END