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Bango PLC
17 January 2024

Bango PLC

("Bango")

FY 2023 Trading Update

Bango (AIM: BGO), provides an update on trading for the twelve months ended 31 December 2023.

Highlights (unaudited data)

- FY23 Revenue of $46.1m representing a 62% increase on FY22
    - Payments continued to trade well during 2H23, in-line with management expectations
    - 9 new long-term recurring Digital Vending Machine® (DVM) contracts signed in the period, driving growth in telco ARR to $8.8M in December 2023, an increase of 76% on December 2022 ($5.0M). Launch of the third Tier 1 US Telco (announced in 1H22) is expected to contribute an additional $2M ARR following its 1H24 launch
- Overall Adjusted EBITDA[2] grew from -$0.2M in 1H23 to between $5.2M and $6.2M in 2H23
- Profitability expected to further improve in FY24, following the full decommissioning of the legacy DOCOMO Digital platform
- Full year total Adjusted EBITDA[2] is expected to be in the range of $5M to $6M (FY22: $5.0M) which is below analyst expectations due to:
    - Revenue recognition lower than expected in the period due to customer launch timing
    - Approximately $2M of unplanned cost of sales on a legacy, non-core Direct Carrier Billing business migrated across from the Docomo Digital ("DDL") acquisition impacted Gross Margin. Approximately $1M is expected to continue into 2024
    - Approximately $1M FX impact (non-cash impacting) from intercompany loans inherited through the DDL acquisition. This FX impact will cease when the loans are closed
- Cash of $3.75M at 31 December 2023 ahead of analyst expectations due to working capital timing.
    - The Group has drawn US$8M on its loan facility from NHN
    - With its strong cash generation, the Group is well placed to return to a positive net cash position in FY25
- 33 new content providers added to the DVM in 2023, bringing the catalog to 93 subscriptions providers
- New Bango consumer UI (user interface) delivered, which will speed-up future telco launches

Paul Larbey, Chief Executive Officer of Bango, commented:

"In FY23, Bango delivered double digit revenue growth and increased profitability. We successfully completed the transformational DOCOMO Digital Acquisition, investing the synergy savings into the Digital Vending Machine® (DVM) business, leading to strong ARR growth. Looking ahead, we expect to continue delivering strong revenue growth in 2024. Operating margins are expected to trend upwards in FY24 driven by the full decommissioning of the DOCOMO Digital platform.

There is a significant opportunity for the Bango DVM to become adopted as the universal standard by merchants to distribute their subscription products through indirect channels, such as telcos. Paying for products and services as subscriptions now crosses-over into every aspect of our lives, representing a growing share of personal budgets. With 77% of US consumers saying they want to pay for all their subscriptions on one, consolidated bill, there is a clear call for much greater control over this spending and for easier management of multiple subscriptions. These needs are met by the Bango Digital Vending Machine.

The market opportunity is vast and we enter 2024 with a strong ARR base and 7 times more DVM prospects in the pipeline compared to a year ago. I am confident Bango is well positioned to take advantage of the market opportunity in 2024 and beyond."

Notes

1 ARR is calculated by annualizing the December revenue derived from ongoing, contracted, repeating revenues

2 Adjusted EBITDA is earnings before interest, tax, depreciation, amortization, share based payment charge, negative goodwill and exceptional items.

The information contained within this announcement is deemed by Bango to constitute inside information as stipulated under the Market Abuse Regulation (EU) No. 596/2014 as amended by The Market Abuse (Amendment) (EU Exit) Regulations 2019. Upon the publication of this announcement, this inside information is now considered to be in the public domain. The person responsible for making this announcement on behalf of Bango isPaul Larbey, Chief Executive Officer.

Contact Details:

Bango PLC	**Singer Capital Markets (Nominated Adviser and Joint Broker)**	**Stifel Nicolaus Europe Limited (Joint Broker)**
+44 1223 617 387 investors@bango.com	+44 20 7496 3000	+44 20 7710 7600
Paul Larbey, CEO Matt Garner, CFO Anil Malhotra, CMO Sukey Miller, IR	Harry Gooden Jen Boorer Asha Chotai	Nick Adams Richard Short Ben Burnett

About Bango

Bango enables content providers to reach more paying customers through global partnerships. Bango revolutionized the monetization of digital content and services, by opening-up online payments to mobile phone users worldwide. Today, the Digital Vending Machine® is driving the rapid growth of the subscriptions economy, powering choice and control for subscribers.

The world's largest content providers, including Amazon (NASDAQ: AMZN), Google (NASDAQ: GOOG) and Microsoft (NASDAQ: MSFT) trust Bango technology to reach subscribers everywhere.

Bango, where people subscribe. For more information, visit www.bangoinvestor.com

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