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Bango PLC
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Bango PLC

("Bango")

FY 2022 Trading Update and Notice of Results

Bango (AIM: BGO), the global platform for data-driven commerce, provides an update on trading for the twelve months ended 31 December 2022, ahead of announcing 2022 Full Year Results on 28 March 2023.

Financial Highlights (USD)

- Revenue up 59% to $32.9M (FY21 $20.7M).
- Annual recurring revenue (ARR) in December 2022 was $5.0M, 5x higher than December 2021.
- Gross Profit was 80% due to increase in Audience revenue and short-term higher cost of sales from some DOCOMO Digital business. Gross margin will return to normal levels (>90%) in 2024.
- End User Spend (EUS) $5.6B (FY21 $4.1B). Run rate EUS exiting 2022 was $8.6B.
- Adjusted EBITDA* of at least $4.1M (FY21 $6.1M), in line with expectations, including the initial negative contribution from the DOCOMO Digital acquisition as expected.
- $11M of the planned $21M cost synergies from the acquisition of DOCOMO Digital executed. The acquisition remains on track to deliver $10M of incremental Adjusted EBITDA in 2024.
- Cash at 31 December 2022 of $9.7M (30 June 2022: $5.7M).

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

Operational Highlights

- Acquisition of DOCOMO Digital, in August 2022, adds significant scale to Bango, including an additional $3.5B EUS, $16M annual revenue and over 100 new customers.
- Migration from the legacy DOCOMO Digital system to the Bango Platform is underway. Strong positive feedback from customers, creating new sales opportunities.
- 44 new organic merchant customers including McAfee, HBO, Paramount, NFL and Duolingo, as well as the major win in June of the 'Global Tech Leader'. These merchants can now offer their products to all the operators connected to the Bango Platform.
- New Platform deals with T-Mobile, Televisa Univision and Liberty Global alongside Verizon +Play launch in Dec 2022 drove ARR growth. Strong pipeline of new platform deals to close during 2023.
- Long-term strategic agreement with NTT DOCOMO (the world's largest provider of direct carrier billing) for integration of global merchants into Japan.
- Growing demand for Bango Audiences in typical sectors like gaming and more broadly with e-commerce retailers such as Adidas.

Paul Larbey, CEO of Bango, said:

"*2022 was a transformational year for Bango. We acquired a significant competitor, with a high-quality customer base, doubling the size of our business and accelerating our growth plans by more than two years. We added more merchants to the Platform than in any previous year, including the unnamed 'Global Tech Leader', underscoring our position as a vital technology provider to the world's largest online companies and app stores. Bango is now the number one telco integrations partner for both Amazon and Google.*

Strong ARR growth was delivered by our market-leading digital vending machine proposition adopted by leading telcos including T-Mobile US and Liberty Global, boosted by the launch and expansion of services with existing customers, such as Verizon +Play and BT.

In 2022, Bango Audiences broke new ground in the campaigns of global consumer brands like Adidas, alongside the growing number of games and other app developers. Headwinds in the advertising market mean marketers are under more pressure than before to achieve a return on their ad spend, increasing the demand for Bango purchase behavior targeting.

The Bango growth engine is strong. The breadth and quality of our customers and products create a business momentum that easily absorbs bumps in the road like adverse currency trends and the general economic climate. Our Platform investment strategy has simplified the move of the DOCOMO Digital business into Bango, enabling us to capitalize on new opportunities, while delivering financial and operational synergies ahead of our plan.

Opportunities across the Bango business continue to grow as telcos and merchants increase their focus on acquiring, retaining, and monetizing users. With more partners connected to the Platform than ever before, the unique value of the Bango Platform continues to grow. The acquisition of DOCOMO Digital has solidified our leading position with merchants such as Amazon and Google and significantly expanded the pool of end user spend data available to create Bango Audiences.

We enter the year with a rich pipeline of opportunities that make me very confident this strong growth will continue in 2023 and beyond."

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 is Paul Larbey, Chief Executive Officer.

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About Bango

The world's largest online merchants, including Amazon (NASDAQ: AMZN), Google (NASDAQ: GOOG) and Microsoft (NASDAQ: MSFT), use Bango technology to acquire more paying users.

Bango has developed unique purchase behavior technology that enables millions more users to buy the products and services they want, using innovative methods of payment including carrier billing, digital wallets and subscription bundling. Bango harnesses this purchase activity into valuable marketing segments, called Bango Audiences. Merchants use these audiences to target their marketing at paying customers based on their purchase behavior. Better targeting increases spend through the Bango payments business, in turn generating more data insights, creating a powerful virtuous circle that drives continuous growth. Everyone connected to the Bango Platform thrives as the virtuous circle grows.

Bango, the technology behind every payment choice. For more information, visit www.bangoinvestor.com

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