

# Boku

Divisional update

## Expanding the supply of Identity data

Boku has made material progress in signing contracts to access data for its Identity business. Building from the three countries covered when the business was acquired at the start of 2019, Identity now has connections to mobile operators in 51 countries. This is a major step forward in the process of attracting multi-national customers to sign up for mobile identity verification services from Boku.

Year end	Revenue (\$m)	EBITDA* (\$m)	Diluted EPS* (\$)	DPS (\$)	P/E (x)	EV/EBITDA (x)
12/18	35.3	6.3	0.02	0.0	68.6	38.1
12/19	50.1	7.4**	0.01	0.0	88.6	32.6
12/20e	52.0	10.5	0.02	0.0	52.4	22.9
12/21e	60.8	14.3	0.03	0.0	33.9	16.8
12/22e	69.4	17.0	0.04	0.0	26.7	14.1

Note: \*EBITDA and EPS are normalised, excluding amortisation of acquired intangibles, exceptional items and share-based payments. \*\*Excludes one-off revenue recognition.

Boku has provided an update on progress building out its mobile carrier network within the Identity business. To provide a comprehensive service to identity verification customers for its Authenticate, Match and Detect solutions, Boku's Identity business needs connections to mobile network operators (MNOs) in the countries in which its customers' end customers are located. Although Boku's Payments business already has connections to a wide network of MNOs, the Identity business has to separately contract with these or other operators to get access to identity data. When Boku acquired Danal, the business had MNO connections in the US, Canada and the UK. Since acquisition, Boku Identity has expanded this network to cover 200 MNOs in 51 countries (34 in EMEA, nine in the Americas and eight in Asia Pacific) and intends to continue to expand this network. It achieves this via direct connections (eg all UK MNOs) or third-party data providers. Having this wide geographic coverage paves the way for Boku to sign up multinational companies as well as local merchants for its mobile identity services. We maintain our estimates.

Software & comp services

3 June 2020

**Price** 84.5p

**Market cap** £217m

Net cash (\$m) at end FY19 32.6

Shares in issue 257.1m

Free float 89%

Code BOKU

Primary exchange AIM

Secondary exchange N/A

### Share price performance



### Business description

Boku operates a billing and identity verification platform that connects merchants with mobile network operators in more than 50 countries. It has c 215 employees, with its main offices in the US, UK, Germany and India.

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