

Boku

Trading update

Trading unaffected by the coronavirus

Boku has reported that volumes processed in the first two months of FY20 were 30% higher year-on-year, slightly ahead of management expectations. Volumes have not seen any negative impact from the emergence of coronavirus, and in fact could be boosted by the number of people being required to self-isolate and generally reduced social activity. Management remains confident of meeting market expectations for FY20 and will report FY19 results at the end of March.

Year end	Revenue (\$m)	EBITDA* (\$m)	Diluted EPS* (\$)	DPS (\$)	P/E (x)	EV/EBITDA (x)
12/17	24.4	(2.3)	(0.03)	0.0	N/A	N/A
12/18	35.3	6.3	0.02	0.0	48.3	25.7
12/19e	50.0	10.0	0.02	0.0	37.0	16.2
12/20e	54.0	10.5	0.02	0.0	36.9	15.4

Note: *EBITDA and EPS are normalised, excluding amortisation of acquired intangibles, exceptional items and share-based payments.

Boku provided an update on trading in the first two months of FY20. Total payment volume (TPV) reached \$966m and was 30% higher than the same period a year ago – this is slightly ahead of management expectations (we are forecasting 27% growth in TPV for FY20). Monthly active users grew 36% y-o-y to reach 18.2 million at the end of FY20, up from the 17.8 million reported at the end of FY19. Average daily TPV in February 2020 was 2.5% higher than in January 2020 and daily average users (DAU) were 4% higher over the same period. Despite, or perhaps because of, coronavirus, DAUs in the second half of February 2020 were higher than the second half of January 2020 in South Korea, Hong Kong, Taiwan, Thailand, Kuwait, Oman, Philippines and the UAE. In China, App Annie has reported that average weekly app downloads were 40% higher in the first two weeks of February 2020 compared to average downloads for the whole of 2019. Although Boku does not operate in China, this behaviour may be replicated in other countries if self-isolation is enforced, as people use online games and streaming services in lieu of socialising outside of the home.

Software & comp services

3 March 2020

Price **58.5p**
Market cap **£149m**

\$1.28/£

Net cash (\$m) at end H119 20.1

Shares in issue 255.2m

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 180 employees, with its main offices in the US, UK, Germany and India.

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