

Boku

Strong H125 drives upgrades

Boku expects to report year-on-year revenue growth of 34% for H125, up from the 20% growth reported in FY24, and is guiding to revenue growth of at least 27% for FY25. Both direct carrier billing (DCB including bundling) and other local payment methods (LPMs) showed double-digit revenue growth, with the launch of digital wallet and account-to-account (A2A) scheme connections for new and existing merchants the main driver of the company's medium-term growth ambitions. We have upgraded our forecasts to reflect the strong performance in H125.

Year end	Revenue (\$m)	EBITDA (\$m)	EPS (\$)	DPS (\$)	EV/EBITDA (x)	P/E (x)
12/23	82.7	25.8	0.06	0.00	25.0	50.7
12/24	99.3	31.4	0.07	0.00	20.5	39.9
12/25e	127.2	38.4	0.08	0.00	16.8	33.2
12/26e	152.4	48.0	0.11	0.00	13.4	26.5

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

H125 revenue growth 34% y-o-y, 27% underlying

With c 90% revenue growth from digital wallet and A2A schemes and c 16% revenue growth from DCB, Boku expects to report revenue of at least \$63m for H125 (growth of c 34% y-o-y or 37% in constant currency (cc)). Stripping out the positive effect of higher pricing for one customer during a launch phase, underlying revenue growth was c 27% y-o-y (c 29% cc). Adjusted EBITDA is expected to be at least \$21m with a margin of c 33%; on an underlying basis, it would be nearer \$18m/30%+ margin. This measure now includes foreign exchange-related costs, which in H125 were \$1.4m.

Medium-term guidance maintained; estimates upgraded

Management continues to expect medium-term growth of at least 20% per year and an adjusted EBITDA margin of at least 30%. For FY25, it expects revenue growth at least in line with the underlying growth of 27% in H125 (ahead of consensus at 20.5%), with adjusted EBITDA in line with consensus. As adjusted EBITDA now includes foreign exchange-related costs, this implies an upgrade on the prior basis. We have upgraded our revenue, adjusted EBITDA and diluted normalised EPS forecasts for FY25–27 to reflect the stronger underlying performance.

Valuation: Significant upside potential

On FY25 and FY26 forecasts, Boku trades at a premium to its peer group on EV/EBITDA multiples. However, a discounted cash flow analysis that takes into account longer-term growth highlights the potential for significant upside. Using our forecasts to FY27, revenue growth of 10% and EBITDA margins of 34.1% thereafter results in a value per share of 372p. Taking a very conservative view of 5% growth from FY28 (295p value per share) would still provide upside of 42% to the current share price. Wider adoption of LPMs by existing merchants and new major merchant sign-ups will be the key drivers of longer-term growth and profits.

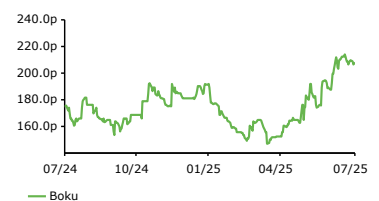
H125 trading update

Software and comp services

24 July 2025

Price	208.00p
Market cap	£617m
	\$1.35/£1
Net cash/(debt) at end H125	\$192.0m
Shares in issue	296.6m
Free float	79.1%
Code	BOKU
Primary exchange	AIM
Secondary exchange	N/A

Share price performance



%	1m	3m	12m
Abs	10.3	32.5	18.9
52-week high/low		217.0p	144.5p

Business description

Boku operates a billing platform that connects merchants with mobile network operators and alternative payment methods in more than 70 countries. It has c 450 employees, with its main offices in the US, UK, Estonia, Germany and India.

Next events

H125 results	September 2025
Capital markets day	16 October 2025

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H125 trading update

Boku expects to report the following for H125:

Exhibit 1: H125 highlights

	H125	H124	Growth y-o-y
TPV (\$bn)	>7.0	5.8	c 27%/26% cc
Revenue (\$m)	>63.0	47.4	c 34%/37% cc
Take rate	0.85%	0.81%	
Monthly active users (MAU)	>95m	79.6m	c 20%
Revenue from LPMs (\$m)	c 22	11.9	c 90%
Revenue from DCB incl. bundling (\$m)	c 40	35.4	c 16%
LPM revenue/group revenue	36%	25%	
Adjusted EBITDA (\$m)	≥21.0	14.2	c 50%
Adjusted EBITDA margin	c 33%	30.1%	
Group cash (\$m)	c 192	149	c 29%
Own cash (\$m)	c 87	75	16%

Source: Boku. Note: TPV, total payment volume.

Strong revenue growth from both DCB and other LPMs

Revenue is expected to be at least \$63m for H125, equating to growth of c 34%, or c 37% in cc. With total payment volume (TPV) growth of c 27% to at least \$7bn (we estimate c \$7.4bn), this generates a take rate of 0.85% compared to 0.81% in H124. The company noted that it benefited from launch phase pricing for one customer in H125, which boosted the take rate and provided incremental revenue of c \$3m. This pricing has now normalised and, excluding the \$3m uplift to revenue, H125 revenue would have been more like \$60m, equating to underlying growth of c 27% (c 29% cc).

Revenue from digital wallets and A2A schemes (described as LPMs in the table above) increased by c 90%, or c 60% excluding the launch phase pricing (H124: 64%, H224: 50%), helped by the increasing number of LPM connections for new and existing merchants.

Revenue from DCB grew c 16% in H125 (H124: 14%, H224: 8%) from a combination of payments and bundling; we would expect bundling to be the main driver of growth as it was in FY24.

Underlying EBITDA margin in line with guidance

Adjusted EBITDA is expected to be at least \$21m with a margin of c 33%. Stripping out the \$3m benefit from the launch phase pricing, adjusted EBITDA would have increased by c 28% to c \$18.2m and the margin would have been above 30%, in line with guidance.

Changing the treatment of foreign exchange gains/losses

Until now, adjusted EBITDA has always excluded foreign exchange gains and losses. From this year, management has decided to include within cost of sales foreign exchange costs that relate to delivery of the service. For H125, the company incurred foreign exchange costs of \$1.4m. Adjusted EBITDA for H125 of at least \$21m takes into account these costs. The company has been investing in a new treasury platform that supports cross-border currency transactions and expects to generate a growing revenue contribution from providing currency services. In our view, including foreign exchange costs incurred in providing these services presents a more accurate picture of the company's profitability.

Own cash up 16% y-o-y

Group cash increased c 29% y-o-y to c \$192m at the end of H125. Stripping out the effect of amounts owing to/from merchants and issuers, Boku's own cash increased 16% y-o-y to c \$87m, even after spending \$12.3m to buy back 5.8m shares in H125 and \$9.1m to buy back 4.0m shares in H224.

Outlook and changes to forecasts

For FY25, management expects that the revenue growth rate will be at least in line with the underlying growth rate in H125 (at least 27%) and revenue will be ahead of consensus (\$119.7m prior to this update). We were previously forecasting revenue of \$119.3m (growth of 20%) for FY25, partly as we were unaware of the launch phase pricing for one specific customer.

Management expects that FY25 adjusted EBITDA will be in line with consensus (\$38.4m prior to this update). We note that this now includes foreign exchange costs, so this implies an upgrade to adjusted EBITDA on the prior basis.

Management continues to guide to medium-term compound annual revenue growth of 20% and adjusted EBITDA margins in excess of 30%. We have raised our FY25 revenue growth forecast to 28% and have slightly increased our adjusted EBITDA forecast to the consensus level, which equates to an adjusted EBITDA margin of 30.2%. For FY26 and FY27, we have upgraded our revenue forecasts by 8.2% and 10.4%, respectively, and our adjusted EBITDA forecasts by 4.2% and 9.2%, respectively. Factoring in the share buybacks made in H125 (5.8m shares at a total cost of \$12.3m), our normalised diluted EPS forecasts increase by 2.3% in FY25, 5.0% in FY26 and 10.5% in FY27.

Exhibit 2: Changes to forecasts

\$'m	FY25e				FY26e				FY27e			
	Old	New	Change	y-o-y	Old	New	Change	y-o-y	Old	New	Change	y-o-y
Revenue	119.3	127.2	6.6%	28.2%	140.8	152.4	8.2%	19.8%	163.4	180.4	10.4%	18.4%
Gross profit	115.8	120.7	4.3%	24.7%	136.6	144.8	6.0%	19.9%	158.5	171.4	8.2%	18.4%
Gross margin	97.0%	94.9%	-2.1%	-2.7%	97.0%	95.0%	-2.0%	0.1%	97.0%	95.0%	-2.0%	0.0%
Adjusted EBITDA	37.69	38.42	1.9%	22.3%	46.05	47.98	4.2%	24.9%	56.40	61.59	9.2%	28.4%
Adjusted EBITDA margin	31.6%	30.2%	-4.4%	-1.4%	32.7%	31.5%	-3.7%	1.3%	34.5%	34.1%	-1.1%	2.7%
Normalised operating profit	29.7	30.5	2.5%	22.1%	37.1	39.1	5.2%	28.1%	47.4	52.6	11.0%	34.6%
Normalised operating margin	24.9%	24.0%	-1.0%	-1.2%	26.4%	25.6%	-0.7%	1.7%	29.0%	29.1%	0.1%	3.5%
Reported operating profit	19.4	20.1	3.8%	226.9%	27.3	29.3	7.1%	45.4%	37.6	42.8	13.8%	46.2%
Reported operating margin	16.2%	15.8%	-0.4%	9.6%	19.4%	19.2%	-0.2%	3.4%	23.0%	23.7%	0.7%	4.5%
Normalised PBT	33.0	33.8	2.2%	18.9%	40.4	42.3	4.8%	25.4%	50.7	55.9	10.2%	31.9%
Reported PBT	22.7	23.4	3.2%	278.4%	30.6	32.5	6.3%	39.0%	40.9	46.1	12.7%	41.5%
Normalised net income	26.1	26.7	2.2%	18.9%	31.9	33.5	4.8%	25.4%	40.0	44.1	10.2%	31.9%
Reported net income	17.9	18.5	3.2%	389.4%	24.2	25.7	6.3%	39.0%	32.3	36.4	12.7%	41.5%
Normalised basic EPS (\$)	0.09	0.09	2.3%	20.0%	0.11	0.11	5.0%	25.2%	0.13	0.15	10.5%	30.6%
Normalised diluted EPS (\$)	0.08	0.08	2.3%	20.0%	0.10	0.11	5.0%	25.2%	0.13	0.14	10.5%	30.7%
Reported basic EPS (\$)	0.06	0.06	3.3%	393.9%	0.08	0.09	6.5%	38.8%	0.11	0.12	12.9%	40.1%
Net debt/(cash) excl. restricted cash	(171.0)	(164.3)	-3.9%	15.5%	(225.6)	(258.4)	14.5%	57.3%	(291.2)	(378.9)	30.1%	46.6%
Net debt/(cash)	(206.0)	(199.3)	-3.2%	12.4%	(260.6)	(293.4)	12.6%	47.2%	(326.2)	(413.9)	26.9%	41.1%
TPV (\$bn)	14.8	15.4	4.2%	24.3%	17.2	18.8	9.4%	22.0%	19.8	22.9	15.4%	21.8%
Take rate	0.81%	0.83%	0.02%	0.02%	0.82%	0.81%	-0.01%	-0.02%	0.82%	0.79%	-0.04%	-0.02%

Source: Edison Investment Research

Exhibit 3: Financial summary

Year end 31 December	\$'m	2020	2021	2022	2023	2024	2025e	2026e	2027e
INCOME STATEMENT									
		IFRS	IFRS	IFRS	IFRS	IFRS	IFRS	IFRS	IFRS
Revenue		56.4	62.1	63.8	82.7	99.3	127.2	152.4	180.4
Cost of Sales		(4.9)	(1.6)	(1.8)	(2.1)	(2.4)	(6.5)	(7.6)	(9.0)
Gross Profit		51.5	60.5	62.0	80.7	96.9	120.7	144.8	171.4
EBITDA		15.3	22.9	20.2	25.8	31.4	38.4	48.0	61.6
Normalised operating profit		11.6	18.6	15.8	20.4	25.0	30.5	39.1	52.6
Amortisation of acquired intangibles		(2.2)	(1.9)	(1.0)	(2.2)	(1.4)	(1.4)	(0.8)	(0.8)
Exceptionals		(21.1)	0.4	(1.6)	(0.9)	(6.8)	0.0	0.0	0.0
Share-based payments		(4.9)	(6.4)	(5.2)	(7.6)	(10.5)	(9.0)	(9.0)	(9.0)
Reported operating profit		(16.7)	10.6	8.0	9.7	6.2	20.1	29.3	42.8
Net Interest		(0.6)	(0.7)	(0.5)	1.6	3.4	3.3	3.3	3.3
Exceptionals		0.0	0.0	(3.5)	0.1	(3.4)	0.0	0.0	0.0
Profit Before Tax (norm)		11.0	17.8	15.3	22.1	28.4	33.8	42.3	55.9
Profit Before Tax (reported)		(17.3)	9.9	4.1	11.4	6.2	23.4	32.5	46.1
Reported tax		(1.5)	1.9	0.2	(1.3)	(2.4)	(4.9)	(6.8)	(9.7)
Profit After Tax (norm)		8.8	14.3	12.2	17.4	22.4	26.7	33.5	44.1
Profit After Tax (reported)		(18.8)	11.8	4.3	10.1	3.8	18.5	25.7	36.4
Minority interests		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Discontinued operations		0.0	(5.5)	24.6	0.0	0.0	0.0	0.0	0.0
Net income (normalised)		8.8	14.3	12.2	17.4	22.4	26.7	33.5	44.1
Net income (reported)		(18.8)	6.3	28.9	10.1	3.8	18.5	25.7	36.4
Basic ave. number of shares outstanding (m)		273.8	294.0	298.3	297.9	300.4	297.6	298.1	301.1
EPS - basic normalised (\$)		0.03	0.05	0.04	0.06	0.07	0.09	0.11	0.15
EPS - diluted normalised (\$)		0.03	0.05	0.04	0.06	0.07	0.08	0.11	0.14
EPS - basic reported (\$)		(0.07)	0.02	0.10	0.03	0.01	0.06	0.09	0.12
Dividend (\$)		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Revenue growth (%)		12.5	10.1	2.7	29.7	20.0	28.2	19.8	18.4
Gross Margin (%)		91.3	97.5	97.2	97.5	97.6	94.9	95.0	95.0
EBITDA Margin (%)		27.1	36.9	31.7	31.2	31.6	30.2	31.5	34.1
Normalised Operating Margin		20.5	30.0	24.7	24.7	25.1	24.0	25.6	29.1
BALANCE SHEET									
Fixed Assets		69.8	84.4	77.2	77.3	77.6	77.3	76.8	76.4
Intangible Assets		65.6	63.1	56.2	56.6	56.5	56.4	56.1	55.8
Tangible Assets		3.8	5.3	3.9	3.5	3.2	3.0	2.9	2.7
Investments & other		0.5	16.0	17.0	17.1	17.9	17.9	17.9	17.9
Current Assets		155.2	145.3	212.8	297.9	328.7	450.1	666.3	941.2
Stocks		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Debtors		92.5	82.9	90.5	146.9	151.2	250.5	372.7	527.0
Cash & cash equivalents		61.3	56.7	99.6	117.4	142.3	164.3	258.4	378.9
Other		1.4	5.8	22.8	33.6	35.2	35.2	35.2	35.2
Current Liabilities		(139.7)	(122.1)	(157.8)	(233.3)	(255.9)	(361.8)	(542.9)	(771.9)
Creditors		(136.8)	(119.6)	(156.3)	(231.4)	(252.9)	(358.7)	(539.8)	(768.8)
Tax and social security		0.0	0.0	(0.2)	(0.5)	(2.0)	(2.0)	(2.0)	(2.0)
Short term borrowings		(1.4)	(1.1)	0.0	0.0	0.0	0.0	0.0	0.0
Other		(1.4)	(1.3)	(1.3)	(1.4)	(1.0)	(1.0)	(1.0)	(1.0)
Long-Term Liabilities		(13.6)	(12.3)	(8.7)	(8.4)	(12.7)	(12.7)	(12.7)	(12.7)
Long-term borrowings		(10.8)	(6.7)	0.0	0.0	0.0	0.0	0.0	0.0
Other long-term liabilities		(2.8)	(5.7)	(8.7)	(8.4)	(12.7)	(12.7)	(12.7)	(12.7)
Net Assets		71.8	95.3	123.6	133.5	137.7	152.9	187.6	233.0
Minority interests		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Shareholders' equity		71.8	95.3	123.6	133.5	137.7	152.9	187.6	233.0
CASH FLOW									
Op Cash Flow before WC and tax		15.3	22.9	20.2	25.8	31.4	38.4	48.0	61.6
Working capital		20.1	(7.1)	27.9	16.5	18.6	6.5	58.9	74.7
Exceptional & other		(3.8)	(3.5)	1.8	(1.4)	(6.8)	0.0	0.0	0.0
Tax		(0.3)	(0.4)	(0.3)	(0.3)	(0.6)	(4.9)	(6.8)	(9.7)
Net operating cash flow		31.3	11.9	49.7	40.6	42.6	40.0	100.1	126.6
Capex		(3.4)	(5.8)	(5.3)	(5.9)	(7.5)	(7.9)	(8.2)	(8.3)
Acquisitions/disposals		(36.6)	0.0	26.5	5.6	0.0	0.0	0.0	0.0
Net interest		(1.0)	(0.6)	(0.2)	1.6	3.6	3.3	3.3	3.3
Equity financing		26.2	1.1	(1.4)	(7.1)	(7.2)	(12.3)	0.0	0.0
Dividends		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other		(2.6)	(6.1)	(12.7)	(18.0)	(3.3)	(1.1)	(1.1)	(1.1)
Net Cash Flow		13.8	0.5	56.6	16.9	28.1	22.0	94.1	120.5
Opening net debt/(cash)		(32.6)	(49.0)	(48.8)	(99.6)	(117.4)	(142.9)	(164.9)	(258.9)
FX		1.3	(0.6)	(5.6)	0.9	(2.6)	0.0	0.0	0.0
Other non-cash movements		1.2	(0.1)	(0.3)	0.0	0.0	0.0	0.0	0.0
Closing net debt/(cash)		(49.0)	(48.8)	(99.6)	(117.4)	(142.9)	(164.9)	(258.9)	(379.5)

Source: Boku, Edison Investment Research

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