

migme

Quarterly update

MAU increase to over 39 million

migme (MIG) is a global social media company employing a freemium model to drive user engagement. It is focused on the emerging markets of Indonesia, the Philippines and India. At 31 March 2016 monthly active users (MAUs) totalled over 39 million (March 2015: over 14 million), an increase of 7m for the quarter. In the March 2016 quarter, cash receipts grew 32% to A\$7.1m. This rate of increase in monetisation gives us confidence in our FY16 revenue forecast of A\$46m. To achieve this forecast, quarterly increases in revenue (equivalent to cash receipts) would need to increase at about the same quarterly rate (32%).

Year end	Revenue (A\$m)	PBT* (A\$m)	EPS* (c)	DPS (c)	P/E (x)	Yield (%)
12/15	12.3	(21.0)	(7.9)	0.0	N/A	N/A
12/16e	46.0	(16.5)	(4.0)	0.0	N/A	N/A
12/17e	103.9	9.7	2.3	0.0	30.8	N/A
12/18e	171.7	37.5	8.8	0.0	8.1	N/A

Note: *PBT and EPS are normalised, excluding amortisation of acquired intangibles, share-based payments

Artist and entertainment partner growth of nearly 2,000 in the quarter was primarily driven by the acquisition of alivenotdead (acquired in 2014), various partnership agreements and the activation of artists signed in 2015. Through the agreement signed with Creative Artists Agency (CAA), migme expects growth to accelerate. CAA brings to the migme platform artists from Hollywood and Bollywood. CAA has particular expertise in India, where Bollywood provides a unique celebrity and entertainment ecosystem. These artists are attracted to the migme platform because it provides an alternative to the 'pay and play' model employed by Facebook. MIG helps artists to build a fan base, and engage with and generate revenue from the fans. The signing of more artists is expected to be a key factor in increasing MAU and cash receipts.

MIG intends to continue to focus on India, Indonesia and the Philippines markets and for the remainder of FY16 will focus on improving local operations and building out local ecosystem relationships. Once these markets have been established, MIG will make margin improvement the key focus. Cash on hand at 31 March 2016 of A\$8.9m should be sufficient to fund net operating cash outflows for around the next six months.

Software & comp services

27 April 2016

Price **A\$0.71**
Market cap **A\$203m**

Net cash (A\$m) at 31 March 2016	8.9
Shares in issue	285.7m
Free float	72%
Code	MIG/117A
Primary exchange	ASX
Secondary exchange	Frankfurt

Share price performance



Business description

migme is a social entertainment platform targeting the world's next wave of internet users, the 3.5 billion people in emerging markets. The service offers free chat, content, and blogging services to acquire users. Users buy virtual goods and engage in gaming. E-commerce is planned to start in H216.

Analysts

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