



3 May 2016  
**ASX RELEASE**

## **Mobile Embrace Forecasts Strong EBITDA and Revenue Growth for FY2016**

### **FY2016 Guidance**

- FY2016 revenue guidance of greater than **\$60 million** up on FY2015 revenue of \$33 million, an **82%** increase on prior corresponding period (pcp)
- FY2016 EBITDA guidance of greater than **\$9 million** up on FY2015 EBITDA of \$5.1 million, a **76%** increase on pcp

### **Year to Date Financial Performance**

- Year-to-date (YTD) revenue to end of Q3 FY2016 of **\$44 million** up **93%** on pcp
- Q3 FY2016 revenues of **\$16 million** up **93%** on pcp from \$8.3 million Q3 FY2015
- (YTD) EBITDA to end of Q3 FY2016 of **\$6.7 million** up **179%** on pcp
- Q3 EBITDA of **\$2.6 million** up **271%** from \$0.7 million pcp

### **Metrics Performance**

#### Carrier Billing

- Strong organic growth demonstrated from both domestic and International carrier billing businesses with more than 750,000 transactions occurring globally per month and growing
- International direct carrier billing (DCB) transactions are growing at over 10% month on month and accelerating
- Over 20% of total DCB revenue is international and growing – highly scalable business and positioned for significant growth
- DCB monthly gross retail revenue run-rate is driving significant ARPU uplift for the current 16 Telco partners and is now in excess of \$50 million AUD per annum with significant scope for growth before we add further Telco partners of which 14 are planned in the coming year
- Our global average customer acquisition cost has reduced by 23% to circa \$12.70 over the pcp primarily due to increased efficiencies and significant process improvements from years of learnings
- New product verticals such as health, fitness and education combined with improved overall product development are delivering big increases in customer lifetime values, many over 100%

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### M-Marketing

- Organic mobile App install revenue up over 300% in Q3 vs Q1
- Investing into our performance mobile publisher network has delivered a 200% increase in mobile App install campaigns
- Continuing to deliver 100% growth in quality customer lead transactions for major brand partners over pcp
- Client partner retention remains over 90%

Mobile commerce company **Mobile Embrace Limited (ASX:MBE)** is pleased to provide shareholders with revenue and earnings guidance for FY2016 following the company's record third quarter performance which historically is our quietest quarter.

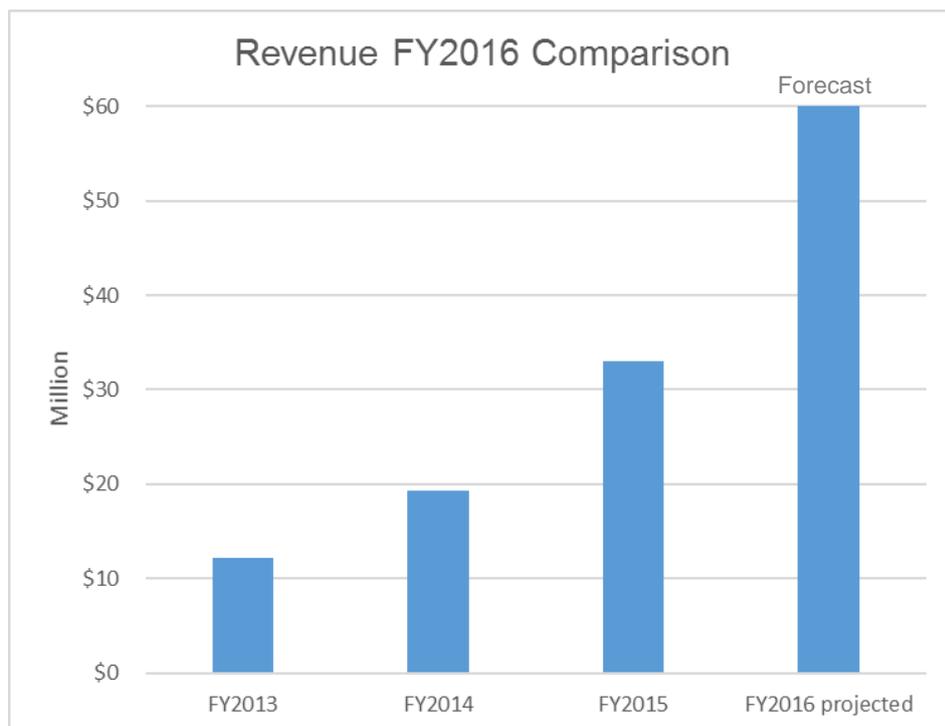
YTD revenue to 31 March 2016 has reached \$44 million which is up 93% on the prior corresponding period (pcp) in FY2015. Strong trading in both the carrier billing and M-Marketing businesses has the Company on track for full year revenue of greater than \$60 million.

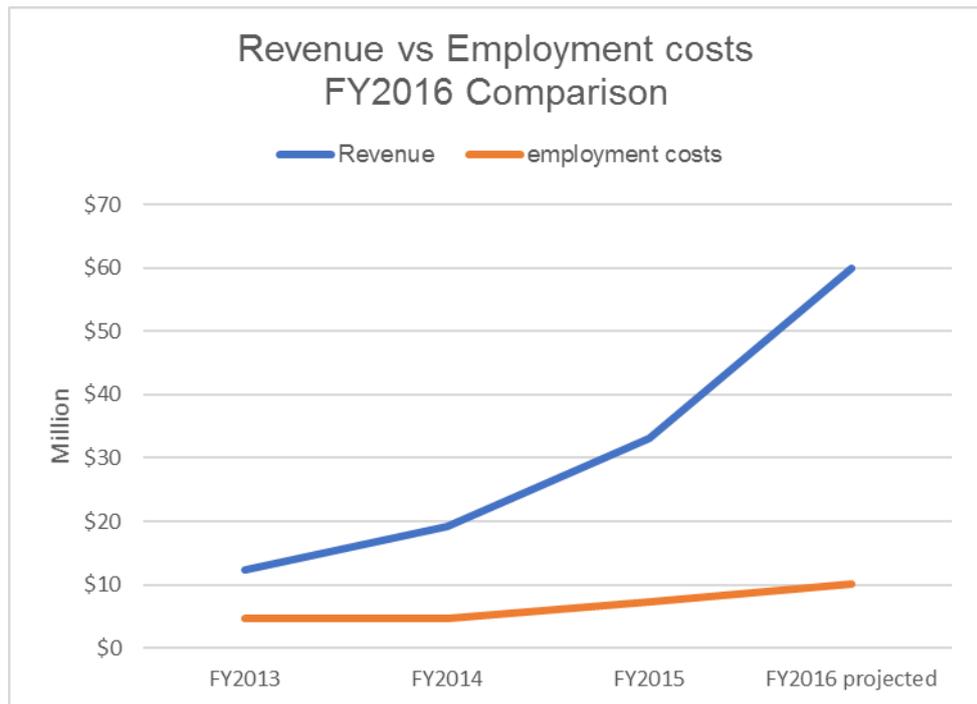
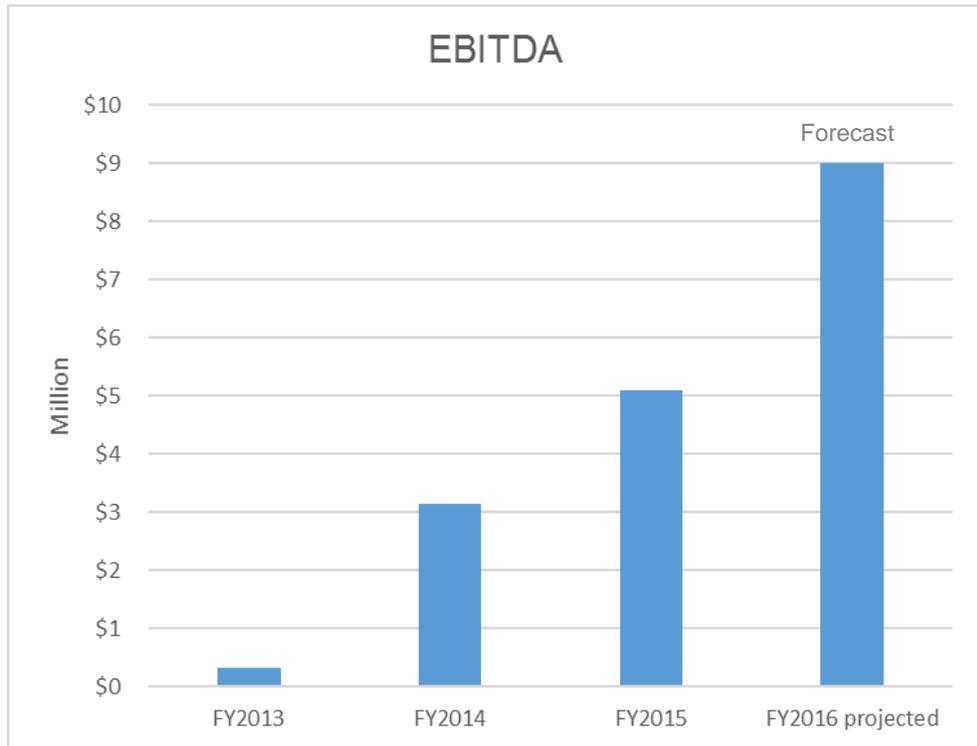
EBITDA for FY2016 is forecast to be greater than \$9 million, 76% up on the prior year (FY2015 EBITDA: \$5.1 million).

The carrier billing business continues to experience strong organic growth with both domestic and international operations performing well and now generating in excess of 750,000 transactions per month globally and growing.

With the planned expansion of our global Telco partners to 30 in the coming year international revenues will accelerate.

Global subscriber numbers have increased in excess of 100% during FY2016 with strong momentum building from our international territories of which some are already cash flow positive and profitable on a monthly run rate basis. International continues to grow with transactions increasing on average over 10% per month and accounting for over 20% of the total carrier billing revenue base and accelerating.





Mobile Embrace’s Chief Executive Officer Chris Thorpe commented:

*"Mobile Embrace financial and operational performance continues to strengthen as demonstrated from the FY16 guidance in revenue and earnings that we are reporting today.*

*"We are greatly encouraged by the performance of both the carrier billing and M-Marketing businesses. Strong organic growth in the carrier billing business is being witnessed in both our domestic and International businesses further diversifying the company's revenue streams. International carrier billing*

revenue is now being driven across 16 Telcos and 6 International territories. We anticipate this will grow to 30 Telcos across 11 International territories in FY2017.

*"The M-Marketing business is also growing from strength to strength with the number of client partners growing steadily and new international markets being assessed. As the use and development of mobile devices evolve, we see exponential scope for growth as major consumer brands increasingly deploy more budget to mobile marketing channels."*

*"It is worth noting that the third quarter is traditionally the quietest trading period which gives us further encouragement for the remainder of this financial year. Across both businesses we are witnessing excellent organic growth, reducing customer acquisition costs, increasing client partner retention rates together with growing customer lifetime values."*

*"The businesses we have acquired are all performing well ahead of their forecasts with strong organic growth, and their integration into MBE has further strengthened our existing businesses."*

*"Our focus in the near term is to continue to deliver scale from our existing operations, deploy our capital conservatively when pursuing domestic and international expansion opportunities, and manage our cost base with a view to strengthening margins. Our existing operations are highly scalable and are generating strong cash flows."*

*"Mobile Embrace is well placed for continued growth. Our increasing performance gives us the flexibility to pursue a number of opportunities. We look forward to updating shareholders on any developments prior to the company's release of its full year results in early August."*

~ ENDS ~

### **About Mobile Embrace Limited**

Mobile Embrace Limited (ASX:MBE) is a mobile commerce company. Through our integrated and award winning mobile marketing and carrier billing infrastructure we enable the reach, engagement, transactions with and embracement of consumers via mobiles and tablets.

To learn more please visit [www.mobileembrace.com](http://www.mobileembrace.com), follow us on Twitter [@ir\\_mbe](https://twitter.com/ir_mbe) or download independent research on MBE here: <http://mobileembrace.com/investors-2/>

### **DISCLAIMER**

Forecasts and estimates may be materially different and may be affected by many factors such as the timely release of products and services, dependencies on third parties, the overall global economy, competition in the industry and other events beyond the control of or unforeseen by Mobile Embrace Limited and its subsidiaries

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