

Press release

Montpellier, 26 July 2023



First half of 2023:

Decrease in revenue reflecting the voluntary shift of business model from sales-based to Technology as a Service-based one, generating significant recurring revenue

Solid order intake momentum

Improvement in business activity expected in the second half

VOGO (ISIN: FR0011532225 – ALVGO) published its first-half 2023 revenue today. Business activity declined 24% over the period to €4.5m.

After ten consecutive half-years of growth since the IPO, this decrease reflects a voluntary shift of the Sports business model from a sales-based to a Technology as a Service-based (TaaS) model. This transition is based on multi-year contracts incorporating hardware, software and services, and generating strong recurring revenue as well as increased customer loyalty.

This shift happens in the context of a still solid sales momentum, with orders up sharply since the beginning of the year and business set to improve from the second half onwards.

In €m non-audited data	H1 2023	H1 2022	Chg. %
Total revenue	4.5	5.9	-24%
Sports revenue	3.7	4.6	-19%
Industry revenue	0.8	1.3	-40%

In €m non-audited data	H1 2023	H1 2022	Chg. %
Order intake	8.9	6.1	+46%

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H1 2023 impacted by the spreading of invoices linked to the growing contribution of recurring revenue

VOGO reported revenue of €4.5m in H1 2023, down 24% from H1 2022. The first half of the year was marked by the transition of the Sports business model, with an increase in orders based on a recurring model.

In the Sports market (83% of H1 revenue), revenue dipped 19% to €3.7m from €4.6m in H1 2022.

The trend needs to be considered in the light of the increasing contribution of orders signed as part of recurring contracts, with commitment periods of three to five years.

While the implementation of this new TaaS model (encouraged by a substantial share of new customers) has an impact on sales in the short term, it offers three key advantages for VOGO:

- An increasing contribution from recurring revenue, without any impact on business profitability
- An increase in the contribution of orders placed directly with principals.
- Strengthened customer loyalty with significant potential to extend the sales of audio and video technology solutions to existing customers.

Business in the first half of the year was also influenced by the certification of professional audio and video refereeing solutions in football, granted at the end of June, for a period of four years. This achievement paves the way for new contracts with sports federations and reinforces VOGO's central role in the sports world as VAR provider. Waiting for this certification in the first half of the year generated delays in the execution of several orders. VOGO will catch up on this shortfall in the second half of the year, bolstering business activity in the coming months.

In the Industrial market (17% of revenue in H1), sales trends were mixed, reflecting the generally subdued economic climate, which led to a wait-and-see attitude on the part of customers with regards to investment decisions. Net income totalled €0.8m compared to €1.3m in H1 2022. However, an improvement is expected in the second half of the year, through a strengthened sales team and the growing awareness of the industrial world of the importance of audio solutions in ensuring safety, protection and comfort of employees. This last topic is becoming a key element in the CSR strategies of industrial companies.

Geographical breakdown of revenue reflects the business model transformation under way

Trend in revenue by geographical region

In €m non-audited data	H1 2023	H1 2022	Chg. %
Total revenue	4.5	5.9	-24%
Of which France	1.2	1.5	-22%
Of which Export revenue	3.3	4.3	-24%

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As far as sales areas are concerned, the trends at play also reflect the ongoing transformation of the business model and the delays in orders recorded in the first half of the year. International business continues to account for a significant share of overall business, representing over 73% of revenue.

The EMEA region (87% of total business) was down 18% compared to the same period in 2022, with revenue of €3.9m. The US region (10% of revenue in H1), which is particularly sensitive to the TaaS model, posted revenue of €0.5 million, compared to €0.9 million in H1 2022. But the outlook remains favourable in all regions, underpinned by the quality of the order book and ongoing discussions on numerous projects now in their latter stages.

Order intake of €8.9m in the first half of 2023, up 46% vs. the first half of 2022.

Business activity expected to improve in the second half of the year

VOGO is starting the second half of the financial year with confidence. Orders booked in the first half of 2023 totalled €8.9m, up 46% vs. the first half of 2022 (€6.1m) and up 68% vs. the average of 2022. This momentum will drive business from the second half of the year onwards. As far as international markets are concerned, new contracts on professional audio and video solutions are also in sight with around ten federations and leagues, with, once again, a contribution expected to start on the second half of the year. Alongside football, other sports such as rugby and handball will also benefit from the momentum.

In addition, VOGO recently announced the launch of a new range of audio communication solutions in the refereeing market. This expansion of the range will act as an additional growth driver in the coming months.

Given these favourable factors, the Group is already expecting a significant increase in revenue in the second half of the year compared to the first half of the year. VOGO also remains ideally positioned to take advantage of the opportunities offered by major upcoming international sports events.

About VOGO

In the Sports sector, **VOGO** is a leading international player, with its audio and video solutions for fans and professionals alike. For professionals, VOGO offers analysis and decision-making tools (referee assistance, medical diagnostics, coaching). VOGO's disruptive solution for fans transforms the stadium experience by providing multi-camera content on demand for tablets and smartphones, no matter how many people are connected. VOGO also operates in the Industry sector. All of the Group's technologies are patent-protected. VOGO is based in France (Montpellier, Grenoble and Paris) and has two subsidiaries, one in North America and the other in the United Kingdom.

VOGO operates indirectly in other countries through its network composed of around thirty distributors. VOGO has been listed on the Euronext Growth Paris stock market since November 2018 (ISIN code: FR0011532225 – ALVGO).

More information on www.vogo-group.com

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