



Press release

Montpellier, 07 February 2024

2023 revenue: €9.6m

Sales model transitioned to a TaaS (Technology as a Service) model for stronger recurring revenue and profitability

Improvement in business activity confirmed in the second half

Excellent visibility for 2024:

Solid order book

Towards a year of sustained growth and improved results

VOGO (ISIN: FR0011532225 - ALVGO) today published its revenue for 2023, a year marked by a voluntary adjustment of its sales model to a TaaS (Technology as a Service) model characterised by multi-year leases incorporating hardware, software and services. This shift, more adapted to the expectations of the sports market, is weighing temporarily on revenue, directly linked to the staggering of invoices over a period of 3 to 5 years.

VOGO is expected to return to solid revenue growth starting in 2024, while benefiting from the positive effects of its new model: increased loyalty, strong recurring revenue and leverage on profitability.

This confidence is underpinned by an acceleration in order intakes in 2023, up 28% to more than €13.5m, enabling VOGO to embark on the new year with solid visibility.

In €m	2023	2022	Chg. %
Total revenue	9.6	12.0	-20%
Sports revenue	7.8	9.6	-18%
Industry revenue	1.8	2.4	-26%

In €m	2023	2022	Chg. %
Order intake (12 months)	13.5	10.6	+28%



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A new business model in sport, Increasing sales and boosting margins

After a decline of 24% in H1 2023 compared with H1 2022, revenue for H2 2023 came to €5.1m, up 14% from the first half of the year. Full-year revenue totalled €9.6m, down 20% compared with FY 2022.

The improvement in business activity in the second half of the year reflects the gradual ramp-up of the TaaS (Technology as a Service) model, paving the way for a new development cycle for VOGO that will be positively reflected in revenue and earnings starting in 2024. In 2023, order intake rose by 28% to over €13.5m.

The FIFA certification obtained in the summer of 2023 through 2027 is a game-changing development and will serve to firmly establish the new business model.

The new model will continue to make steady progress, with several decisive advantages:

- Growth in recurring revenue (vs. pure sales) with the implementation of contracts for commitment periods of 3 to 5 years (or even 7 years).
- An increase in the contribution from orders generated directly with top-tier clients.
- Increased customer loyalty with stronger potential to extend the sales of audio and video technology solutions to existing customers.
- A means of implementing product developments and innovations to maintain our technological lead.
- Leverage on profitability through an increase in the gross margin linked to contracts signed under this new model:

"For example, on a €1m equipment sale contract with a sports federation, VOGO's gross margin with its historical sales model was 54%. The same contract under a TaaS model is now extended over an average period of four years with annual revenue of €400k and a high probability of renewal at the end of the period. Including the depreciation of equipment over the first four years, VOGO benefits from a mechanical leverage effect on its gross margin, which now stands at more than 70% of revenue for these first four years."



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Sport central to business activity in 2023, A year of transition in industry

Sport accounted for over 80% of FY 2023 revenue. In direct connection with the switch to TaaS model, revenue was down 18% over the year to €7.8m. Sport revenue grew by around 10% in the second half of the year compared with the first half of the year.

After declining 40% in the first half of the year, **Industry** revenue (19% of total revenue) fell by 26% for the full year, confirming the expected improvement in activity in the second half of the year. On a sequential basis, revenue for the second half increased 34% compared with the first half of the year.

In 2023, the Industry activity, which continues to operate with a pure sales business model, was adversely affected by the wait-and-see attitude of customers in a lacklustre economic environment. But looking beyond this cyclical effect, the outlook remains favourable as the industrial sector is fully aware of the importance of audio solutions in ensuring the safety, comfort and productivity of employees, which are now key issues in the CSR strategies of manufacturers. The recovery in sales momentum should also benefit from the reorganisation and reinforcement of the sales teams, with concrete results already recorded at the end of 2023.

Trend in revenue by geographical region

In €m	2023	2022	Chg. %
Total revenue	9.6	12.0	-20%
Of which France	2.4	3.1	-23%
Of which Export revenue	7.2	8.9	-19%

In geographical terms, international business accounted for 75% of the total, confirming the global reach acquired by the Group. The trend in revenue by geographic region logically reflects the change in business model.

In the EMEA region (79% of total activity), activity was down 21% to €7.6m. In the United States (13% of total activity), activity decreased 36% for revenue of €1.3m.

The take-off of the TaaS model combined with recent sales progress makes it possible to anticipate a sharp rebound in revenue in 2024 in these markets, which remain structurally buoyant.



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2024: ready for a year of sustained growth and improved earnings

VOGO enters the 2024 financial year with solid visibility, bolstered by the quality of the order book already on board at the start of the financial year. The ramp-up of the new TaaS model, combined with the pick-up in sales supported by FIFA certification (VAR, VAR Light and VOL) obtained last summer, already make it possible to anticipate sustained growth for the entire financial year. Ranking among the global leaders in SportTech, VOGO is also ideally positioned to enjoy an intense year for sport that kicked off in January with the roll-out of VOGO's audio and video solutions at the European Men's Handball Championship.

The expected growth in revenue should be accompanied by strong growth in earnings.

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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Contacts VOGO

VOGO

Barbara Desmarest

Tel : +33(4) 67 50 03 98

Email: b.desmarest@vogo-group.com

ACTIFIN – Press Relations

Jennifer Jullia

Tel : +33(1) 56 88 11 19

Email: jjullia@actifin.fr

ACTIFIN – Financial Communications

Foucauld Charavay

Tel : +33(1) 56 88 11 10

Email: fcharavay@actifin.fr