

## People like to talk- but what do they say?

Dubber Corp (ASX:DUB) provides a scalable call recording service, via a Software as a Service (SaaS) model, as core network infrastructure, to large and small telecommunications companies and other corporate clients. The technology allows a user to rewind, replay and save their conversation immediately after a call. DUB's SaaS product removes the need for hardware or significant capital expenditure when implementing value added calling services. The company entered the ASX via a backdoor listing in 2014 and has grown users (now 300,000) and revenues (annualised recurring revenue \$28.4m) each year since, with COVID impacts accelerating take-up in the past twelve months. \$45m was raised in a placement in October 2020 facilitating a significant step in December. DUB acquired Speik, a UK hardware based mobile recording service with the most core telco network integrations in the UK for recording and payments. Continuing product development including integrating Dubber with Zoom, capitalising on sole service status with Cisco WebEx, delivering Unified Call Recording for Microsoft Teams as a first of its kind capability and building on IBM's launch of Cloud for Telecommunications suggest a strong FY 21.

### Business model

Dubber's Unified Call Recording and Voice Intelligence systems are deployed as a feature upgrade to an Internet Protocol (IP) based telecommunications network. SaaS subscription revenues are dependent on the take-up by users of the network – which has accelerated in 2020. Product distribution achieves scale via indirect channels – there are now more than 200 service providers. This scale has allowed DUB to gain commercial agreements and installations with leading telcos around the world. DUB now has a ubiquitous presence in telecommunications solutions offers. Subscription yield has grown as user numbers per network and use rates grow.

### Recent results demonstrate COVID-driven acceleration

DUB's Q2 FY21 update highlighted the strong revenue growth (+78% on pcp to \$4.28m) and subscriber numbers (+145% on pcp) in Q2 and 2020 overall. The Speik acquisition is not yet fully integrated but is expected to be immediately accretive in both user numbers and profit. COVID has clearly accelerated the take-up of DUB's service offer which enables WFH solutions and supports compliance controls and business continuity in a distributed workplace. This take-up is assisted by a 22% rise (vs pcp) in third-party service providers using Dubber in their solutions offer. DUB reported a net loss of \$7.7m for HY 21.

### Strong revenue growth with a large addressable market

DUB's offer is unique globally and supports a large addressable market, with growth driven by increasing utilisation. Local software applications companies at similar development stage are priced on similarly high revenue multiples.

#### Historical earnings and ratios

Year end	Revenue (A\$m)	EBITDA (A\$m)	NPAT (A\$m)	EPS (c)	EV/Sales (x)
06/17a	2.0	(8.1)	(9.9)	(11.0)	190.0
06/18a	3.2	(9.6)	(11.3)	(9.0)	117.4
06/19a	7.4	(7.9)	(9.7)	(6.0)	50.7
06//20a	11.8	(15.7)	(18.0)	(9.0)	31.6

Source: Company data

## Information Technology

12<sup>th</sup> March 2021

### Share details

ASX Code	DUB
Share price	\$1.60
Market Capitalisation	\$332.4M
Shares on issue	207.7M
Net cash at 31/12/2020	\$42M
Free float	~96%

### Share performance (12 months)



### Upside Case

- Rising penetration of existing network user base
- Rising utilisation
- Increased market penetration post acquisition

### Downside Case

- Slow user take-up as work conditions change
- Broader slowing of economy
- Slower installation rate vs service provider sign-up

### Catalysts/upcoming events

Announcement of additional network contracts;  
Quarterly Results April 21, Final Results FY21 August 21

### Comparable companies (Aust/NZ)

Damstra Holdings (ASX:DAM), rhipe Ltd (ASX:RHP), ELMO Software (ASX:ELO), Nitro Software (ASX: NTO), Bravura Solutions (ASX:BVS)

### Top 5 shareholders

TIGA Trading/Thorney	6.20%
Regal Funds Management	5.07%
Steve McGovern	3.36%
One Managed Inv Funds	2.32%
Peter Pawlowitsch	1.66%

### Company contacts

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# FINANCIAL SERVICES GUIDE

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**of**

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**ABN 92 168 734 530**

**AFSL 456663**

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- our services
- how we transact with you
- how we are paid, and
- complaint processes

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Website: [www.afca.org.au](http://www.afca.org.au); Email: [info@afca.org.au](mailto:info@afca.org.au); Telephone: 1800931678 (free call)

In writing to: Australian Financial Complaints Authority, GPO Box 3, Melbourne, VIC, 3001.

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