



# Mdundo.com Quarterly Report: Continued user growth and commitment to a unique local music experience

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Mdundo.com, one of Africa's leading music services, continues to demonstrate its growth and commitment to providing a locally relevant music experience. In Q1 2024/25, the platform reached 37.8 million monthly active users. The company's strategic partnerships with major telecommunication firms, as well as its focus on regional languages, have been key focus areas within the quarter.

Company Announcement number 14-2024

## **Mass-market music service for Africa:**

Mdundo continued its growth in monthly active users, reaching a total of 37.8 million in September 2024. The company's focus is to offer the users a locally relevant music experience with emphasis on local music and easily accessible on locally popular devices at a low data consumption. [Mdundo.com](https://www.mdundo.com) acquires a big proportion of its users from Google Search, however, within the quarter a rightsholder organisation erroneously flagged 150 thousand [Mdundo.com](https://www.mdundo.com) URL as copyright infringing pages. As a result hereof, Google delisted the URLs from the search engine and Google AdSense, impacting the organic user numbers and the advertising revenues throughout July, August and September. Mdundo filed a complaint to the rights organisation in early July, as a result all the links had been reinstated within both Google Search and Google AdSense from the beginning of October. Throughout the quarter, the company executed advertising campaigns to maintain the forecasted user growth from google search. Management expects the implications of this incident to normalize during Q2 and don't expect that it will have any long term impact.

## **Driving value per user and revenue growth through paid music service:**

Within the quarter, the company has launched a new Partnership with Globacom Nigeria, one of the leading telecommunication companies in Nigeria with 61 million telecom customers and has signed an agreement with one additional telecommunication company yet to be launched. Mdundo's premium service is now available through partnerships with Vodacom, MTN, Airtel, and Safaricom, allowing users to subscribe via phone bills. These collaborations, covering a potential customer base of 324 million, have significantly boosted subscription revenue and in the last financial year Mdundo's paid service constituted 62% of total revenue. The company remains focused on growing its premium user base, with an expectation of two to three new partnerships to be launched within the financial year 2024/2025.

## **Focus on regional languages for 96.5 million people:**

Mdundo has over the last year launched sub-categories for African languages including Mdundo Hausa, Mdundo Kamba and Mdundo Kalenjin. The three tribes accumulate a total population of 96.5 million people across Nigeria and Kenya, respectively. The regional focus includes dedicated playlists, sections of the music service, social media accounts and content marketing. The intention is to drive a regional audience that can access paid content through the subscription service and an audience that Mdundo's advertising partners can effectively reach.

## **Direct sales, case studies and NGO Seminar:**

Leading global and African advertisers ran campaigns on Mdundo throughout the quarter including Diageo, Airtel, Upfield, Co-op Bank, NCBA Bank and Wrigleys. Furthermore, the company has launched an advertising proposition customized for NGO campaigns focusing on pan-african mass market reach and behavioral change. The company invited NGOs across Africa for a seminar in September with attendance from 22 organizations. In the beginning of September, the company appointed a business development manager to focus on Pan-African campaigns managed from South Africa to drive Pan-African advertising sales. Finally, the Brand Partnerships teams held workshops to update our key advertising agencies including Dentsu, Algorithm and DigitX Plus.

**Annual Report:** Within the quarter the company released the annual report for the financial year 2023/2024. The company reported an 18% improvement in EBITDA, reducing losses from DKK 7.7 million to DKK 6.4 million, and a 36% decrease in cash burn to DKK 4.4 million, leaving a balance of DKK 11.1 million by June 2024. Monthly active users exceeded expectations, reaching 36 million. However, revenue dropped by 6% to DKK 11.9 million due to weak African currencies and

a 45% decline in advertising revenue. In local currencies, revenue actually grew by 10% compared to the previous year and revenue from paid subscription increased 112% in local currencies.

#### **Guidance and outlook:**

- **User Growth Anticipated:** Projecting an increase in monthly active users to 40 million in June 2025.
- **Revenue Growth:** Aiming for DKK 15-17 million, reflecting a growth from DKK 11.9 million in 2023-24.
- **EBITDA Improvement:** Targeting DKK -4 to -5 million, showcasing an improvement of DKK 1.4-2.4 million year on year.

#### **Strategic Focus:**

- **Driving Value per User and Revenue Growth through Paid Music Service:** Mdundo has prioritized paid subscriptions, partnering with telecoms like Vodacom and MTN to boost user growth. These partnerships, covering 324 million potential users, grew subscription revenue by 68% in 2023/24. Paid services now account for 62% of revenue, driving the company's strategy toward profitability and positive EBITDA.
- **Exploring diaspora potential within 200 million people of African descent living abroad:** The company is experiencing an interest in the content available on the service from outside of Africa, as a result hereof the company launched a streaming-like service which allows customers outside Africa to discover African music. The company expects to launch a premium service focused on Africans living abroad before the end of 2024.

#### **Contacts**

- Jesper Vesten Drescher, Bestyrelsesformand/Chairman of the board, +4523229900, [ir@mdundo.com](mailto:ir@mdundo.com)

#### **About Mdundo.com A/S**

Mdundo is a leading music service for Africa with millions of people streaming and downloading music from our app and website every month. We aim to provide Africa's millions of internet users with easy access to music whilst contributing structure, legality, and income to the sector. More info: <https://mdundo.com/>

##### [Mdundo.com A/S](#)

Jagtvænget 2  
2920 Charlottenlund  
[www.mdundo.com](http://www.mdundo.com)

##### **Certified Adviser**

Kapital Partner ApS  
Ewaldsgade 9  
2200 København N  
+45 89 88 78 46  
[www.kaptalpartner.dk](http://www.kaptalpartner.dk)

#### **Attachments**

- [Download announcement as PDF.pdf](#)
- [Mdundo Report - Q1 23-24 \(1\).pdf](#)