

Corporate

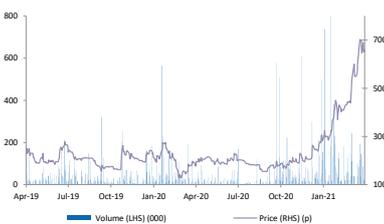
 Current price **660p**

 Sector **TMT**

 Code **BOOM.L**

 AIM **AIM**

Share Performance



	1m	3m	12m
BOOM.L	+39%	+116%	+274%

Source: Thomson Reuters, Allenby Capital

Share Data

 Market Cap (£m) **103.6**

 Shares in issue (m) **15.7**

52 weeks (p) High Low

702 **154**

 Financial year end **31 December**

Source: Company Data, Allenby Capital

Key Shareholders

Nick Candy/Candy Ventures 14.47%

AAQUA BV 11.16%

One Nine Two Pte Ltd 8.93%

Herald IM 5.88%

Kingsley Duffy/Slovar Ltd 3.09%

Source: Company Data, Allenby Capital

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Audioboom Group plc (BOOM.L)

Strong demand for Q3 inventory drives upgrades

Positive trading update from Audioboom, one of the largest independent global podcasting companies, results in a second forecast upgrade in short order. Management reports a high volume of bookings since the Q3 advertising inventory was recently made available. Average fill rates on Audioboom's Top 50 shows are also exceeding 85%. As a result, signed advertising bookings represented more than 95% of our existing revenue forecasts (\$37.5m) and management expects to significantly exceed these. We upgrade FY21 and FY22 revenue forecasts by 10% to \$41.4m and \$49.8m respectively but the FY21 forecast remains heavily underpinned (c. 85%). The increased revenue will enable BOOM to invest in its operations and the Audioboom Originals Network to capitalise on the growth opportunities. Hence the increase in adj. EBITDA forecasts is more modest. Applying our previous FY21 EV/revenue multiple to the revised forecasts suggests a new fair value of 935p/share (from 850p), equivalent to an FY22 EV/revenue of 4.0x.

- Forecast upgrades:** Management reports high levels of new bookings on the Q3 advertising inventory for its Top 25 shows that was released from the start of April. As noted in our recent note ([here](#)), management now holds back ad inventory for Q3 and Q4 for its Top 25 shows for release during the year (April and July, respectively) in order to maximise advertising revenue – as the audiences grow, advertising rates increase. These complement the October annual sales window. Strong advertising demand also resulted in average fill rates of >85% across Audioboom's Top 50 shows. Revised FY21 revenue forecasts remain already heavily underpinned with the prospect of Q4 inventory sales to follow. Audioboom will use the increased revenue to accelerate investment in its content focused expansion plan and hence the more modest adj. EBITDA upgrades.
- Content strength:** April saw the successful launch of *Dark Air with Terry Carnation* in the Audioboom Originals Network and >90% of its advertising inventory was sold before the podcast premiered. Audioboom also retained its position as the fourth largest podcast publisher by number of weekly users in Triton Digital's most recent US Podcast Report with 4m average weekly users and 11.9m average weekly downloads. True Crime remains Audioboom's key genre with *Morbid: A True Crime Podcast*, *Casefile True Crime* and *True Crime Obsessed* all featuring in Triton Digital's Top 50 shows.
- Positive wider outlook:** The outlook for the podcasting market remains buoyant with new advertisers drawn to this highly engaged medium and growth in both audience and content consumption numbers. We note the recent announcements from Facebook and Apple about increasing their commitments to the medium and ongoing market consolidation. Audioboom remains the only UK-listed pure play podcast company and is capitalising on the global opportunity.

Year End: 31 December

(\$'000)	2020A	2021E (new)	2021E (old)	2022E (new)	2022E (old)
REVENUE	26,782	41,445	37,521	49,816	45,139
ADJ. EBITDA	(1,720)	118	51	1,265	1,095
ADJ. PBT	(1,930)	18	(49)	1,165	995
ADJ. EPS (p)	(13.52)	0.11	(0.31)	7.43	6.34
NET CASH (£m)	3,257	1,708	1,675	2,040	1,889
EV/REVENUE (x)		3.4	4.0	2.8	3.3
EV/EBITDA (x)	NEG	>100	>100	80.5	>100

Allenby Capital acts as Nomad & Broker to Audioboom Group plc (BOOM.L).

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David Johnson is the author of this research recommendation and is employed by Allenby Capital Limited as an Equity Analyst. Unless otherwise stated, the share prices used in this publication are taken at the close of business for the day prior to the date of publication. Information on research methodologies, definitions of research recommendations, and disclosure in relation to interests or conflicts of interests can be found at www.allenbycapital.com. Allenby Capital acts as Nomad and broker to Audioboom Group plc.

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