

## Corporate

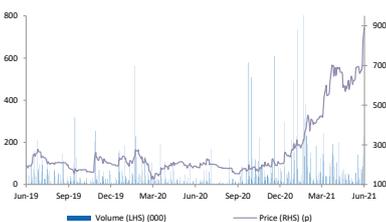
 Current price **890p**

 Sector **TMT**

 Code **BOOM.L**

 AIM **AIM**

### Share Performance



	1m	3m	12m
BOOM.L	+48%	+99%	+362%

Source: Thomson Reuters, Allenby Capital

### Share Data

 Market Cap (£m) **139.7**

 Shares in issue (m) **15.7**

52 weeks (p) High Low

**890** **154**

 Financial year end **31 December**

Source: Company Data, Allenby Capital

### Key Shareholders

Nick Candy/Candy Ventures 14.47%

AAQUA BV 12.43%

One Nine Two Pte Ltd 8.93%

Herald IM 5.88%

Kingsley Duffy/Slovar Ltd 3.09%

Source: Company Data, Allenby Capital

### David Johnson

0203 394 2977

d.johnson@allenbycapital.com

www.allenbycapital.com

# Audioboom Group plc (BOOM.L)

## Continues to outpace the global podcasting market

Another positive trading update from Audioboom, one of the largest independent global podcasting companies, as the company continues to outpace the wider market results in our third forecast upgrade in 2021. The outperformance is a function of several factors: expansion of Audioboom's ad tech capabilities and associated revenue streams, enabling the re-monetisation of its back catalogue; high demand for premium advertising inventory that has helped to increase average ad unit pricing by 20% over 2020 while achieving >97% fill rate on its top 15 shows; and recent successful Audioboom Originals Network (AON) launches. As a result, signed advertising bookings cover >99% of our FY21 previous revenue forecast (\$41.4m) and we upgrade FY21 and FY22 at the top and bottom lines. Podcasting remains in the spotlight with the recent Acast IPO and further M&A activity. Applying our FY22 EV/revenue multiple of 4.0x suggests a new fair value of 1020p/share (from 935p). Interims scheduled 20<sup>th</sup> July.

- Forecast upgrades:** We increase our FY21 revenue forecast by 11% to \$46.1m representing 72% y-o-y growth as BOOM and the podcasting industry have snapped back from the Q2 FY20 dip. The new forecast is still c. 90% covered and some Q4 inventory from BOOM's top shows has still to be released. We maintain our FY22 20% growth forecast and upgrade revenue accordingly (\$55.3m from \$49.8m). Upgrades to FY21 adj. EBITDA (\$319k from \$118k) and FY22 (\$1,425k from \$1,265k) reflect some additional growth in operating costs plus a strong performance from the lower GM SonicIM business.
- Success in content-focused expansion plan:** Successful recent AON launches include *Dark Air with Terry Carnation*, *The Southern Tea*, and *Dark History* – number 1 on the Apple Podcast Chart in the US, UK, Canada and Australia following its launch on 2 June 2021 and number one on Spotify's chart in the US, UK and Australia. The first episode of *Dark History*, hosted by YouTuber Bailey Sarian, has received >2m listens to date.
- Maintains position in key US market:** In the latest Triton Digital podcast ranker for the US market (May), Audioboom retained its position as the fourth largest network by average weekly users. Audioboom's numbers continue to grow on a monthly basis: downloads grew 2% in May over April (12.3m) and the number of users by 3.8% (4.3m). On a year on year basis, downloads were up 46% and users by 69%.
- Further focus on podcasting:** Last week's IPO of Acast provides the closest valuation comparator for BOOM as well as evidencing investors interest in the sector. Acast raised £153m (£109m new) with a market cap on listing of c. £560m, equivalent to a 11.2x FY20 revenue. By comparison, BOOM is trading on 7.3x FY20 revenue and 4.2x FY21. Continued M&A activity (Spotify, Sony etc) points to the strong industry interest in the medium.

Year End: 31 December

(\$'000)	2020A	2021E (new)	2021E (old)	2022E (new)	2022E (old)
REVENUE	26,782	46,088	41,445	55,345	49,816
ADJ. EBITDA	(1,720)	319	118	1,425	1,265
ADJ. PBT	(1,930)	224	18	1,325	1,165
ADJ. EPS (p)	(13.52)	1.43	0.11	8.45	7.43
NET CASH	3,257	1,566	1,708	1,856	2,040
EV/REVENUE (x)	7.1	4.2		3.5	
EV/EBITDA (x)	NEG	>100		96.8	

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

Please refer to the last page of this communication for all required disclosures and risk warnings.

## Disclaimer

Allenby Capital Limited (“Allenby”) is incorporated in England no. 6706681; is authorised and regulated by the Financial Conduct Authority (“FCA”) (FRN: 489795) and is a member of the London Stock Exchange. This communication is for information only it should not be regarded as an offer or solicitation to buy the securities or other instruments mentioned in it. It is a marketing communication and non-independent research and has not been prepared in accordance with the legal requirements designed to promote the independence of investment research, and is not subject to any prohibition on dealing ahead of the dissemination of investment research. The cost of Allenby research product on independent companies is paid for by research clients.

This communication is for the use of intended recipients only and only for distribution to investment professionals as that term is defined in article 19(5) of The Financial Services and Markets Act 2000 (Financial Promotion) Order 2005. Its contents are not directed at, may not be suitable for and should not be relied upon by anyone who is not an investment professional including retail clients. Any such persons should seek professional advice before investing. For the purposes of this communication Allenby is not acting for you, will not treat you as a client, will not be responsible for providing you with the protections afforded to clients, and is not advising you on the relevant transaction or stock. This communication or any part of it do not form the basis of and should not be relied upon in connection with any contract.

Allenby uses reasonable efforts to obtain information from sources which it believes to be reliable. The communication has been prepared without any substantive analysis undertaken into the companies concerned or their securities, and it has not been independently verified. No representation or warranty, express or implied is made, or responsibility of any kind accepted by Allenby its directors or employees as to the accuracy or completeness of any information in this communication. Opinions expressed are our current opinions as of the date appearing on this material only and are subject to change without notice. There is no regular update series for research issued by Allenby.

No recommendation is being made to you; the securities referred to may not be suitable for you and this communication should not be relied upon in substitution for the exercise of independent judgement. Neither past performance or forecasts are a reliable indication of future performance and investors may realise losses on any investment. Allenby shall not be liable for any direct or indirect damages including lost profits arising from the information contained in this communication.

Allenby and any company or persons connected with it, including its officers, directors and employees may have a position or holding in any investment mentioned in this document or a related investment and may from time to time dispose of any such security or instrument. Allenby may have been a manager in the underwriting or placement of securities in this communication within the last 12 months, have received compensation for investment services from such companies within the last 12 months, or expect to receive or may intend to seek compensation for investment services from such companies within the next 3 months. Accordingly, recipients should not rely on this communication as being impartial and information may be known to Allenby or persons connected with it which is not reflected in this communication. Allenby has a policy in relation to management of conflicts of interest which is available upon request.

This communication is supplied to you solely for your information and may not be reproduced or redistributed to any other person or published in whole or part for any purpose. It is not intended for distribution or use outside the European Economic Area except in circumstances mentioned below in relation to the United States. This communication is not directed to you if Allenby is prohibited or restricted by any legislation or registration in any jurisdiction from making it available to you and persons into whose possession this communication comes should inform themselves and observe any such restrictions.

Allenby may distribute research in reliance on Rule 15a-6(a)(2) of the Securities and Exchange Act 1934 to persons that are major US institutional investors, however, transactions in any securities must be effected through a US registered broker-dealer. Any failure to comply with this restriction may constitute a violation of the relevant country’s laws for which Allenby does not accept liability. By accepting this communication, you agree that you have read the above disclaimer and to be bound by the foregoing limitations and restrictions.

### Research Recommendation Disclosure

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](http://www.allenbycapital.com). Allenby Capital acts as Nomad and broker to Audioboom plc.

**Allenby Capital, 5 St Helen’s Place London EC3A 6AB, +44 (0)20 3328 5656, [www.allenbycapital.com](http://www.allenbycapital.com)**