

## Corporate

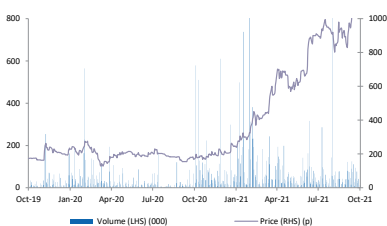
Current price **1060p**

Sector **TMT**

Code **BOOM.L**

Listing **AIM**

### Share Performance



	1m	3m	12m
BOOM.L	23.3%	18.4%	509.2%

Source: Thomson Reuters, Allenby Capital

### Share Data

Market Cap (£m) **166.4**

Shares in issue (m) **15.7**

52 weeks (p) High Low  
**1080 168**

Financial year end **December**

Source: Company Data, Allenby Capital

### Key Shareholders

Nick Candy/Candy Ventures	14.5%
AAQUA BV	13.1%
N Islam-Bonnier	8.0%
Herald Investment Man.	5.6%
Kingsley Duffy/Slovar Ltd	3.1%

Source: Company Data, Allenby Capital

### David Johnson

0203 394 2977

d.johnson@allenbycapital.com

www.allenbycapital.com

## Audioboom Group plc (BOOM.L)

### Q3 outperformance drives further upgrades

Another record quarterly performance from Audioboom (BOOM.L), the leading podcasting company, results in the fifth upgrade for FY21 and FY22 as it continues to outpace the global podcasting industry. Audioboom achieved records across its three KPIs (average monthly downloads, brand advertiser count and average eCPM) as it has continued its content-focused expansion plan with growth in premium advertising inventory, increased demand and strong unit pricing, and increased back catalogue inventory through its proprietary AdRip tool. Operational gearing means greater fall through of incremental revenue to the bottom line and Audioboom has generated a positive adj. EBITDA for every month in 2021. Strong trading has resulted in some working capital expansion but Audioboom remains comfortably funded and we expect cash generation in Q4. In spite of the upgrade, our Q4 assumptions remain conservative and heavily underpinned by bookings. Fair value moves to 1300p/share (from 1230p).

- Financial performance:** Record Q3 with revenue of \$16.9m (+161% on Q3 FY20 and +28% on Q2 FY21) and 9m revenue of \$39.7m, +117% compared to the 60% growth forecast for the overall US podcast advertising market. Q3 adj. EBITDA of \$1.0m, a \$1.3m positive swing on Q3 FY20 and 9m EBITDA of \$1.2m, a \$2.8m swing. Record KPIs: average global monthly downloads of 99.1m (+27%) with a record 107.7m in September; average brand count of 370 (+49%); and average eCPM \$54.77 (+81%). Unit rate pricing for the top 25 shows has also increased significantly. Some of the Q3/9m growth reflects the impact of COVID-19 on FY20 spend (see Exhibits 2 and 3) but the growth of Q3 FY21 over Q2 demonstrates the strength of current trading and the Q4 outlook remains positive.
- Comfortably funded:** The level of Q3 trading resulted in some working capital expansion plus payments of advances (\$0.3m) meant cash reduced \$0.3m to \$1.2m. Audioboom still has access to \$3.3m of the non-revolving SPV loan facility and we anticipate Q4 cash generation – \$3.0m of debtors have been collected since the start of October.
- Commercial progress:** Audioboom recently announced the launch of its UK production arm as part of the rebranded Audioboom Studios production division that covers all creative services. Initial UK shows include *The FBoy Podcast* and the upcoming *Methods of Murder*. A further six shows are in development. Recently secured premium advertising inventory includes *The Way I Heard It with Mike Rowe*, *RedHanded*, *Dark History*, *Unfiltered* and *The Fantasy Footballers*. Meanwhile Audioboom's proprietary AdRip tool has substantially increased the amount of back catalogue inventory. Later this quarter, Audioboom will launch its advertising marketplace that consolidates sales from global partners and programmatic exchanges.

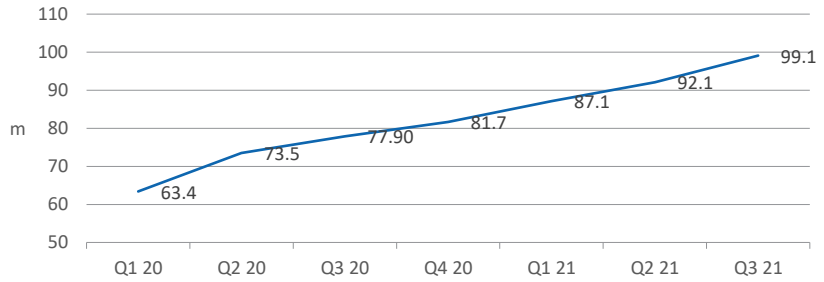
### Year End: December

(\$'000)	2020A	2021E New	2021E Old	2022E New	2022E Old
REVENUE	26,782	56,991	53,280	71,216	66,580
ADJ. EBITDA	(1,720)	1,745	1,031	3,043	2,377
ADJ. PBT	(1,930)	1,645	931	2,943	2,277
ADJ. EPS (p)	(13.52)	10.49	5.94	18.76	14.52
NET CASH	3,257	1,685	1,714	2,908	2,457
EV/REVENUE (x)	8.6	4.0	4.4	3.2	3.5
EV/EBITDA (x)	NEG	94.4	162.4	53.7	70.1

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

Audioboom continues to deliver against its KPIs of monthly downloads, brand advertiser count and eCPM. These demonstrate that the company is successfully acquiring third party content and launching its own shows and then marketing this content to drive consumption and ride the general growth of the global podcast industry.

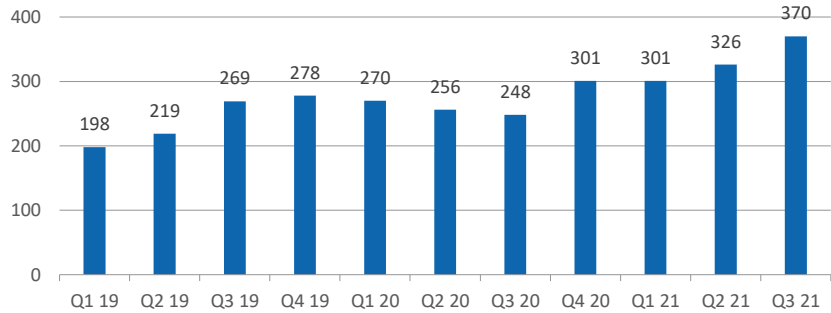
**Exhibit 1: Monthly downloads**



Source: Company; Allenby Capital

The attractions of podcasting, much more engaged than other digital media, is bringing new advertisers to the format and Audioboom continues to add new content genres to widen its brand appeal. The success of its advertising campaigns with major agencies is also resulting in new advertising clients being added.

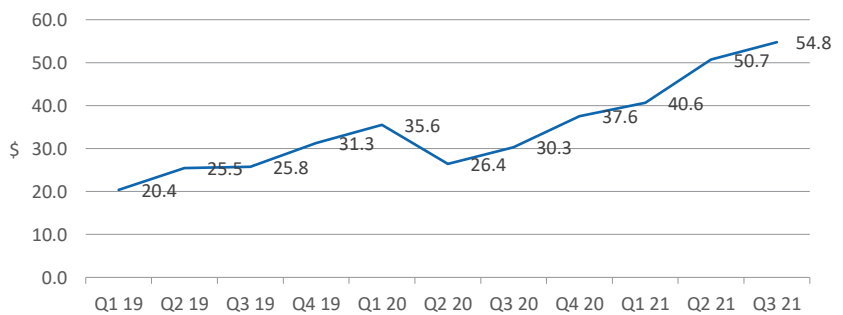
**Exhibit 2: Brand advertiser count**



Source: Company; Allenby Capital

Increased fill rates across the Premium Network plus higher average unit pricing and the selling of the second sales window – archive and back catalogue – is driving the advertising revenue Audioboom can derive from its content, optimising the supply of inventory.

**Exhibit 3: eCPM – revenue per 1,000 downloads**



Source: Company; Allenby Capital

<b>Exhibit 4: Summary income statement</b>						
<b>Year-end December (\$000s)</b>	<b>2017A</b>	<b>2018A*</b>	<b>2019A</b>	<b>2020A</b>	<b>2021E</b>	<b>2022E</b>
<b>Revenue</b>	<b>6,056</b>	<b>11,656</b>	<b>22,310</b>	<b>26,782</b>	<b>56,991</b>	<b>71,216</b>
<i>Growth</i>	232.1%	92.5%	91.4%	20.0%	112.8%	25.0%
Gross Profit	1,858	3,151	4,896	6,201	12,330	15,408
<i>Margin</i>	30.7%	27.0%	21.9%	23.2%	21.6%	21.6%
Total administrative & operating expenses	-8,266	-11,381	-12,339	-9,288	-11,796	-13,565
<i>Growth</i>	60.8%	37.7%	8.4%	-24.7%	27.0%	15.0%
<b>Adj. EBITDA</b>	<b>-6,203</b>	<b>-5,642</b>	<b>-2,970</b>	<b>-1,720</b>	<b>1,745</b>	<b>3,043</b>
<i>Margin</i>	NA	NA	NA	NA	3.1%	4.3%
Reported EBIT	-6,408	-8,230	-7,443	-3,087	534	1,843
<i>Margin</i>	NA	NA	NA	NA	0.9%	2.6%
<b>Adj. Profit before tax</b>	<b>-6,256</b>	<b>-5,772</b>	<b>-3,067</b>	<b>-1,930</b>	<b>1,645</b>	<b>2,943</b>
Shares in issue (diluted)	8,375	10,474	13,385	14,276	15,682	15,683
EPS (diluted) (c)	-71.5	-52.5	-21.3	-13.5	10.5	18.8

Source: Company; Allenby Capital. \* 13 month period

<b>Exhibit 5: Summary cashflow</b>						
<b>Year End December (\$000s)</b>	<b>2017A</b>	<b>2018A*</b>	<b>2019A</b>	<b>2020A</b>	<b>2021E</b>	<b>2022E</b>
<b>Profit before tax</b>	<b>-6,141</b>	<b>-8,088</b>	<b>-7,319</b>	<b>-3,297</b>	434	1,743
Op. profit before movements in working capital	-5,742	-7,827	-3,536	-2,208	1,442	2,643
Cash generated from operating activities	-8,060	-7,270	-3,702	-3,702	-1,403	1,473
Net cash flow from investing activities	-679	-82	-36	-10	-20	-50
Net cash flow from financing activities	8,456	7,659	5,539	4,499	51	0
Net increase/(decrease) in cash & cash equivalents	-283	307	1,801	787	-1,372	1,423
Cash and cash equivalents at beginning of period	858	968	1,581	1,992	3,257	1,685
Cash and cash equivalents at end of period	968	1,367	1,992	3,257	1,685	2,908

Source: Company; Allenby Capital. \* 13 month period

## 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 Group plc.

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