



Please find below our weekly update covering themes that we feel that are of interest to investors and participants in the small and mid cap TMT sector as well as commentary on recent newsflow. The cost of Allenby Capital's research on individual clients is paid for by our research clients.

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TMT Update 10.12.18 (ACC.L, BBSN.L, MIRA.L, BOOM.L)

Access Intelligence* (ACC.L, 65p/£35.3m)

Pre-close FY18 trading update: Positive performance (10.12.18)

- FY18 (November) has been in line with market expectations with revenue of £8.9m (FY17: £8.1m). This includes less than a month's contribution from ResponseSource, the UK's leading media enquiry service with a substantial media contacts database. Underlying revenue was £8.7m (ACLe: £8.7m). Cash is reported to be slightly ahead of our forecast of £2.3m and adj. EBITDA in line. We were forecasting a small adj. EBITDA profit (<£0.1m) on a reported basis. It should be noted that our forecasts of 10th October ([here](#)) were for the enlarged group on a pro forma basis.
- Annual Contract Value (ACV) increased £0.6m on an organic basis and a further £3.2m was added through the ResponseSource acquisition and ACC's total ACV was c. £12.4m at year end (FY17: £8.6m). This provides good visibility on our FY19 revenue forecast of £13.4m.
- The acquisition has broadened ACC's product offering and the new single, unified offering has been well received. Recent contract wins include Porsche, Fiat Chrysler Automobiles, Médecins Sans Frontières, Help for Heroes, Investec, Philips, Kings College London, Air France KLM, Emirates Group, DB Cargo and DFDS Seaways. Management reports a very promising sales pipeline. The integration of ResponseSource's operations is ongoing and progressing well.
- No change to FY19 forecasts with revenue of £13.4m, an adj. EBITDA of £1.5m, adj. PBT of £0.7m and adj. EPS of 1.83p.

Allenby Capital comment: Positive performance for the leading provider of corporate communications and reputation management SaaS solutions that combines PR, public affairs and social engagement. The acquisition of ResponseSource has significantly broadened ACC's service offering, increased the installed base and enriched its data sets, and created substantial cross-sell and upsell opportunities for the base of more than 3,000 clients. The customer base includes blue chip large enterprises, communications agencies, not-for-profit organisations and public sector bodies (including almost half of the UK's local councils and universities and >85% of police authorities). FY18 has seen good growth in ACV with the addition of a number of blue-chip organisations. Our fair value of 126p, is equivalent to an FY21 EV/EBITDA of 17.9x.

** Allenby Capital acts as Nomad and Joint Broker to Access Intelligence plc.
Allenby Capital's coverage on Access Intelligence is available [here](#)*

Brave Bison plc* (BBSN.L, 1.8p/£9.8m)

FY trading update: Performance ahead of management expectations (05.12.18)

- FY18 (December) performance ahead of management expectations with revenue growing $\geq 10\%$ (FY17: £17.8m) and adj. EBITDA expected to be positive for the first time since the company was admitted to AIM in 2013 (FY17: adj. LBITDA of £0.9m). To put the strength of H2 performance into context, H1 FY18 revenue declined 11.0% to £9.3m.
- Net cash at 30th November was £5.1m (H1 FY18: £4.2m; FY17: £4.8m) and the cash generation has come in spite of investment in strategic initiatives. Core areas of focus are: growing BBSN's Owned and Operated portfolio of multi-platform channel brands; the 'strategic partnerships' model; licensing its owned intellectual property to third parties (Distribution); and growing the APAC business.
- Owned and operated has seen considerable growth in FY18 - named by Tubular Labs as the world's second biggest digital media publisher for views in October and consistently in the top 10 during 2018; most viewed Facebook network and creator page globally in October; launch of two new channels (Mutha and Perk); distribution deals signed in APAC including Tencent in China and Oona in Indonesia; sponsorship deal for Rebel FC and Sky Q distribution deal for Slash Football. BBSN has a network of 20 owned and operated channels.
- In APAC, BBSN has grown its direct brand relationships and won repeat business from P&G and ANA. APAC represents a major growth opportunity with the region (ex-China) expected to more than double its share of the global video industry to 20% by 2023.
- The FY results are scheduled for 27th March 2019.

Allenby Capital comment: Positive pre-close trading update from Brave Bison, the social video company, with significant growth in H2 revenue, and positive adj. EBITDA and cash generation for the year. Much of this revenue growth has come from the success of BBSN's network of 20 owned and operated video channels via Facebook - BBSN has the biggest Facebook page in the world. In August 2018, Facebook outlined its new video monetisation and best practices as it looks to monetise more of the content on its network. BBSN has capitalised on this opportunity and its Viral Trnd channel was the most viewed creator globally in October. The two new channels (Mutha and Perk) have also been well received with Mutha entering a partnership with the UN and BBSN securing distribution deals with Snapchat and Dailymotion and we expect BBSN will gradually add to its network. Meanwhile BBSN has won repeat business from major brands including P&G and ANA. The shares responded initially well to the announcement but with £5.1m in cash and a market capitalisation of £10.1m, little value is being attached to the current business and the growth opportunity.

** Allenby Capital acts as Nomad and Broker to Brave Bison plc.*

Allenby Capital's coverage on Brave Bison plc is available [here](#)

Mirada* (MIRA.L, 0.75p/£6.9m)

Interim results: Acceleration in izzi deployment (07.12.18)

- Revenue increased 61% to \$5.6m with additional professional services (\$1.1m) for izzi Telecom during the World Cup and a significant increase in the rate of installation of new licences at izzi (\$1.4m). EBITDA losses reduced 90% to \$0.12m with the improvement a function of the increased revenue partly offset by a \$1.1m increase in sales, marketing and operational costs. izzi Telecom has now deployed more than 1.5m set top boxes with Mirada's Iris software into more than 750,000 households.
- Net debt decreased to \$6.5m (FY18: \$11.7m) following the agreement with Kaptungs, the company's major shareholder, for an aggregate injection of £7.7m that comprised the capitalisation of two loans of £1.7m and

£3.0m plus the additional subscription of £3.0m in cash. The cash was received in H1 and the agreement was approved by the GM in October. The timing meant that the capitalisation of the second loan was not reflected on the H1 balance sheet and the subscription was shown in other current liabilities.

- The company has also announced a contract with Sky Media Corporate, a subsidiary of Skytel LLC, a leading communications service provider (mobile phone and fixed service, including IPTV) in Mongolia initially for the deployment of a Cloud OTT platform based on Iris. Following the successful launch of phase one, expected towards the end of Q1, Skytel plans to expand its offering to IP set-top boxes and other connected devices.
- In November, Mirada announced a reseller agreement with Indra for the promotion and commercialisation of Mirada's products with an initial focus on APAC.
- The deployments with ATNi in the US and the Caribbean and with Digital in Bolivia are on track with commercial roll out of both customers expected to be announced in the next few weeks.

Allenby Capital comment: H1 results reflect an acceleration in the deployment at izzi with particular growth around the World Cup in the Summer and izzi's decision to extend the deployment to a wider segment of its customer base. The deployments at ATNi and Digital are on track and these provide revenue diversification as well as introducing SaaS revenue that will increase revenue visibility. The contract with Skytel opens up another market and the agreement with Indra increases Mirada's sales and marketing resource and Mirada will benefit from partnering with a much larger organisation. The funding from Kaptungs that now has an 87% holding has also gone a long way to addressing concerns about the company's balance sheet. The positive newsflow was unfortunately overshadowed by the need for a suspension in the shares following distribution of a draft of the statement in error.

** Allenby Capital acts as Nomad and Broker to Mirada plc.*

Audioboom* (BOOM.L, 1.15p/£13.5m)

Network update: Expanding its content (05.12.18)

- New partnerships signed with Jonathan Ross for his first independent podcast series '*I Like Films*'; George Ezra for season two of '*George Ezra & Friends*'; Heston Blumenthal for the first 'multi-sensory' podcast '*Heston's Pod & Chips*'; US TV reality stars Todd and Julie Chrisley '*Chrisley Confessions*'; and Nina Myskow '*Too Late to Die Young*'.
- Audioboom has also signed a number of deals for hosting, distributing and monetising new podcasts: Metro, the UK's highest circulation newspaper, is creating a weekly podcast on mental health '*Mentally Yours*'; Football Daily, a popular YouTube channel that is owned by Sky, will have a weekly podcast '*Sunday Vibes: Extra Time*'; and Audioboom has an ad sales agreement with Snarled, another YouTube channel, for the audio and video versions of its show '*Something Scary*'.
- The team behind '*An Acquired Taste*' has also renewed their contract for 2019 and Totally Football is creating a version for the American market - '*Totally Football Show: American Edition*'.

Allenby Capital comment: Audioboom is a proven end-to-end podcasting platform provider with a network of third party channels as well as a growing number of owned and operated content that offer higher margin returns compared to hosting established third party content. The network update demonstrates that proven podcasters as well as celebrities that are moving into podcasts are selecting Audioboom as their partner. Audioboom is also attracting a broader base of advertisers, traditional direct response and brand advertisers, that are looking to reach podcasting's growing audience.

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Allenby Capital's coverage on Audioboom is available [here](#)*

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