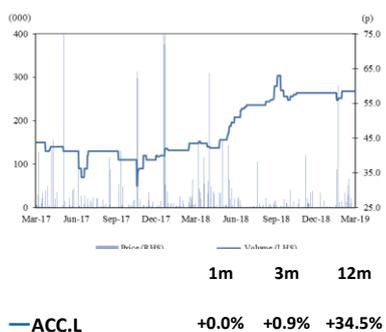


CORPORATE
Current price 58.5p

Sector TMT

Code ACC.L

Listing AIM

Share Performance


Source: Thomson Reuters, Allenby Capital

Share Data
Market cap (£) 36.5m

Shares in issue (m) 64.1

52 weeks High Low

63.0p 41.5p

Financial year end 30 November

Source: Company Data, Allenby Capital

Key Shareholders

Kestrel Partners 21.1%

Elderstreet Draper Esprit 11.7%

Unicorn Asset Management 10.8%

Cannacord Genuity 7.0%

Michael Jackson 5.8%

Herald IM 5.7%

Octopus 5.3%

Source: Argus Vickers

David Johnson

+44 (0)20 3394 2977

d.johnson@allenbycapital.com

www.allenbycapital.com

ACCESS INTELLIGENCE (ACC.L)*
Finals – ResponseSource provides upsell opportunity

Finals from Access Intelligence, the leading supplier of SaaS solutions for communications and reputation management to the UK public and private sectors, were in line with forecasts and December's trading update. Reported revenue increased 10.2% to £8.9m and a £1.4m positive swing in adj. EBITDA to a small profit. FY18 included one month's contribution from ResponseSource that has significantly broadened ACC's service offering, increased the installed base and enriched its data sets. This has created substantial cross-sell opportunities and accelerated ACC's own development plans. The outlook for the enlarged business is positive as organisations struggle with how best to interface with new forms of digital media, the challenge of building the relationships needed with media, social media and government influencers, and the rise of 'Earned' media. FY19 revenue and profit forecasts are reduced by £0.1m each to reflect the fair value adjustment to ResponseSource's deferred income as flagged in October's [note](#). FV of 120p/share, equivalent to 17.9x 2021 EV/Adj. EBITDA looks reasonable for a company offering the combination of SaaS revenue growth and margin appreciation.

- **FY18 performance** – Revenue increased 10.2% to £8.9m, and up 7.5% to £8.7m on an organic basis. The Annual Contract Value (ACV) base (new business won, plus upsells less any losses) increased 45% to £12.4m (+7.5% organic) and provides good revenue visibility. In 2018, c. 99% of revenue was generated by customers on SaaS contracts. New customers included Investec, Honda, RBS, Qatar Airlines, Carlsberg, the FA, E.On Energy, the CPS, and Hill & Knowlton. Gross margin was unchanged at 65%. There was a £1.4m positive swing in adj. EBITDA to £34k. Cash was £5.3m (FY17: £0.7m) but this included £2.1m of ResponseSource deferred consideration. This also boosted trade and other payables (£3.9m; FY17: £1.6m). £1.9m of this was paid out post period end. Reported net cash was £4.2m (FY17: net debt £2.7m).

- **Outlook** – The Q4 acquisition of ResponseSource has broadened ACC's service offering, including the addition of the UK's most widely used media enquiry service, as well as substantially increasing the customer base (from >1,500 to >3,000) as there is limited customer overlap (<7%). The average ResponseSource revenue per customer is currently relatively low (<£2k p.a.). ACC has demonstrated the ability to secure much larger contracts both with new customers and upselling into its existing base since the launch of its integrated Vuelio platform. During 2019, the ResponseSource functionality will be integrated into Vuelio that should deliver improved retention, greater cost synergies and margin improvements. These enhancements should impact revenue positively from the middle of 2019.

SUMMARY OF FINANCIALS

| Year End: November (£000) | 2018A | 2019E | 2020E | 2021E |
|---------------------------|--------|--------|--------|--------|
| REVENUE | 8,888 | 13,333 | 15,836 | 19,404 |
| ADJUSTED EBITDA* | 34 | 1,378 | 2,386 | 4,298 |
| ADJUSTED PBT* | (579) | 420 | 1,595 | 3,574 |
| ADJUSTED EPS (p)* | (0.48) | 1.42 | 2.61 | 5.85 |
| NET CASH/(DEBT) | 4,223 | 1,090 | 3,998 | 8,640 |
| EV/ADJ. EBITDA | >100 | 25.7 | 13.6 | 6.5 |

Source: Company; Allenby Capital.

*Adjusted EBITDA, PBT and EPS exclude one-off charges and share based charges

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RESEARCH RECOMMENDATION DISCLOSURE

David Johnson is the author of this research recommendation. David is employed by Allenby Capital Limited as an Equity Analyst.

Tel: 020-3394-2977

Email: d.johnson@allenbycapital.com

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.

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Allenby Capital
5 St Helen's Place London EC3A 6AB
+44 (0)20 3328 5656

www.allenbycapital.com