

Aspermont Limited^{*5a,11}

Rating: BUY
Target Price: 0.08 AUD

Current price: 0.007
 25.08.2023 08:15 Stuttgart
 Currency: EUR

Key Data:

ISIN: AU000000ASP3
 WKN: A0NGFS
 Stock exchange symbol: ASP
 Number of shares: 2.439b
 Marketcap³: 17.07
 Enterprise Value: 8.85
³ in m / in m EUR
 Free float: 76%

Primary listing: ASX
 Secondary listing: Frankfurt

Accounting Standard:
 IFRS

FY End: 30/09/

Analysts:

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* Catalogue of possible conflicts of interest on page 5

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 25/08/2023 (10.30 am)

Date (time) first publication:
 28/08/2022 (12.00 am)

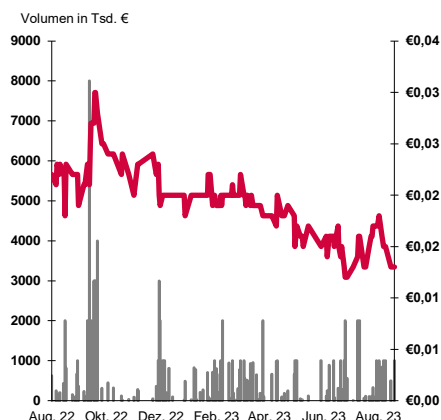
Validity of the price target: until
 max. 31/12/2024

Company Profile

Sector: B2B Media
 Focus: Mining, Energy, Agriculture, Technology

Headquarters: London, United Kingdom

Management: Alex Kent (Managing Director), Ajit Patel (COO), Nishil Khimasia (CFO), Matt Smith (CCO), Josh Robertson (CMO), Leah Thorne (Group People Director)



Aspermont Limited is the global leader of business-to-business (B2B) media for the resources industry. The company offers subscription-based content services in the mining, energy, agriculture, and technology sectors. Customers from all over the world use Aspermont's services. In addition, Aspermont Limited is a global leader in business-to-business marketing.

As a disruptive player in the B2B media market, Aspermont differentiates itself with its mediatech business model. The company boasts a debt-free status, generates free cash flow, and maintains a robust balance sheet. With 27 consecutive quarters of subscriptions growth and an exceptional senior leadership team, Aspermont is well-equipped to drive amplified growth across both established and new business units.

On August 8th, Aspermont released their Q3 Financial Results.

Highlights QonQ	Q3 2022	Q3 2023	delta
Total revenue	4.23	4.4	+4%
Adjusted EBITDA	0.02	0.3	+75%

Financial calendar

11/2023 FY2023 preliminary report

12/2023 FY2023 annual report

**** Last research by GBC:**

Date: publication/target price in AUD/rating

22/06/2023: RS / 0.08 / BUY

24/02/2023: RS / 0.10 / BUY

07/12/2022: RS / 0.11 / BUY

22/02/2022: RS / 0.11 / BUY

** The research studies indicated above may be viewed at www.gbc-ag.de, or requested at GBC AG, Halderstr. 27, D86150 Augsburg

Q3 2023 financials

The company has drastically improved their growth rate compared to historical results.

	Q3 2022	Q3 2023	Growth YoY
Revenue	4.23	4.4	4%
Subscriptions revenue	2.21	2.3	7%
Content work revenue	0.07	0.2	170%
EBITDA normalised	0.02	0.3	75%

Sources: Aspermont, GBC-AG

Aspermont recently reported robust Q3 2023 results, showing continuity in its growth trajectory and diversification efforts. This Q3 2023 is the 28th consecutive quarters of growth in subscriptions. This performance highlights the company's resilience, strategic acumen, and potential for sustained value creation.

Sustained revenue growth

Aspermont exhibited a 4% year-on-year (YoY) increase in total revenue, reaching \$4.4 million in Q3. This steady growth reflects the company's ability to navigate industry dynamics and capitalize on market opportunities.

Robust subscription revenue

The company's subscription revenue, a vital component of its business model, posted an impressive \$2.3 million, translating to a substantial 7% YoY growth. This highlights Aspermont's consistent ability to attract and retain subscribers, a critical revenue stream.

Content Works Revenue momentum

The Content Works division contributed to a revenue of \$0.2 million with an impressive YoY growth of 170%. This exemplifies Aspermont's agility in diversifying its portfolio and leveraging innovative content-driven offerings.

Enhanced profitability

Aspermont's EBITDA reached \$0.1 million, and more notably, the normalised EBITDA surged to \$0.3 million, reflecting a remarkable 75% YoY growth. This performance accentuates the company's commitment to operational efficiency and cost management.

Assessing the growth pillars

Product innovation: the launch of SCOUT, a ground-breaking our own announcement. SCOUT is a ground-breaking intent data product tailored for the global resource sector, underscores Aspermont's forward-looking approach to innovation. This product diversification augments the company's revenue streams and opens avenues for cross-selling.

Live event success: Aspermont's Future of Mining Perth event exemplifies the company's ability to curate impactful industry gatherings now that the COVID situation has been resolved. This translates into additional revenue streams and enhanced brand visibility as well as cross-selling opportunities.

Management expertise: the management team's proficiency, particularly in executing Project Skywave, signifies incremental growth potential. This expertise is poised to drive value in FY24.

Exploring inorganic growth opportunities

Aspermont's strategic engagement with potential corporate advisers in London for potential acquisition opportunities echoes its intent to expedite growth. While historically focused on organic expansion, the company's solid financial foundation and market leadership position enable it to pursue inorganic avenues for accelerated market share capture.

The Q3 performance of Aspermont underscores its ability to navigate market complexities and leverage its core strengths for growth. The consistent growth in subscription revenues, successful forays into content innovations, and adept management augur well for the company's trajectory.

Aspermont's strategic moves, such as the launch of SCOUT and the Future of Mining Perth event, align with increasing revenue diversification and fortifying its industry foothold. The exploration of acquisition opportunities adds another layer of growth potential, a prospect that allows for potential synergies and expansion prospects.

Conclusion

In conclusion, Aspermont's Q3 results, exhibit a resilient growth story backed by strategic moves and effective management. While the transition from double-digit growth to 5% growth may raise concerns, it is essential to view this shift within the context of Aspermont's industry and lifecycle stage.

The company's strategic moves, diversification efforts, and exploration of new markets demonstrate a proactive approach to growth. With the company's innovative approach, industry leadership, and new potential for inorganic growth underscore its position as an attractive proposition for investors seeking exposure in the B2B media landscape.

We will be updating our valuation when the company publishes their FY financials in January.

Until then, we are maintaining our BUY rating and our current target price of 0.08 AUD / 0.05 EUR.

ANNEX

I.

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BUY	The expected return, based on the derived target price, incl. dividend payments within the relevant time horizon is $\geq + 10\%$.
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