



Research report (Comment)

Aspermont Ltd.



H2 2024 - Return to profitability

-

New products Rollout

-

Delivering on Quality over quantity revenue

**Target Price: 0.03 AUD / 0.02 EUR
(Previously:0.07 AUD / 0.04 EUR)**

Rating: BUY

IMPORTANT NOTE:

Please take note of the disclaimer/risk warning, as well as the disclosure of potential conflicts of interest as required by section § 85 WpHG und Art. 20 MAR on page 5

Note on research as a “minor non-monetary benefit” according to the MiFID II regulation: This research meets the requirements for being classified as a “minor non-monetary benefit”. For more information, see the disclosure under “I. Research under MiFID II”

Date and time of completion of this research: 2X.10.2024

Date and time of first distribution: 2X.10.2024

Target price valid until max. 31.06.2025

Aspermont Ltd. 5a, 7, 11

Rating: Buy
Target price: 0.03 AUD / 0.02 EUR
(previously: 0.07 AUD / 0.04 EUR)

Current price: 0.007
17/09/2024 / ASX / 10:02
Currency: AUD

Master Data:

ISIN: AU000000ASP3
WKN: A0NGFS
Stock exchange symbol: ASP
Number of shares³: 2.431
Market cap³: 17.29
Enterprise value³:
³ in million / in AUD million
Free float: 25%

Primary listing: ASX
Secondary listing: Frankfurt

Accounting Standard:
IFRS

FY End: 30.09

Analysts:

Julien Desrosiers
desrosiers@gbc-ag.de

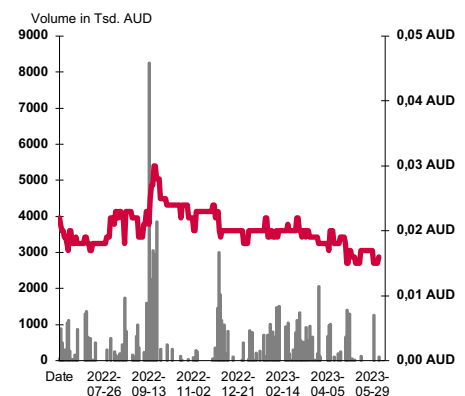
Matthias Greiffenberger
greiffenberger@gbc-ag.de

Company Profile

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

Corporate Headquarters in London, United Kingdom

Management: Alex Kent (Managing Director), Ajit Patel (COO), Nishil Khimasia (CFO), Matt Smith (CCO), Joshua Robertson (CMO)



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 33 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.

Aspermont Limited reported their Q3-2024 financial highlights

in Mio. AUD	FY2022	HY 2023	FY2023	HY 2024	FY 2024e
Revenues	18.73	9.36	19.20	8.00	20.21
Gross margin	64.2%	58.6%	57.0%	49.2%	58.7%
EBITDA	2.30	0.10	0.50	(1.00)	(0.02)
EBITDA margin	12.28%	1.06%	2.60%	(Neg.)	(Neg.)
Net result	(0.24)	0.06	(1.70)	(1.63)	(0.43)
Cash and cash equivalents	6.63	5.40	4.04	1.30	1.50

Key figures per share					
EPS	neg	0.00	neg	0.00	0.00
Dividend	0.00	0.00	0.00	0.00	0.00

Financial calendar

11/2024	FY2024 preliminary report
12/2024	FY2024 annual report

**last research by GBC:

Date: Publication / Target price in AUD / Rating
02/10/2024: RS / 0.03 / BUY
11/03/2024: RS / 0.07 / BUY
21/06/2023: RS / 0.07 / BUY
24/02/2023: RS / 0.10 / BUY

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Q4 2024 FINANCIALS

Q4 2024 preliminary report shows return to stability and growth

On October 14th, Aspermont published its Q4 and H2 2024 preliminary financial results. The main three highlights are as follows: the Company underlined that in H2 2024, their revenues returned to growth, their business returned to profitability and their cash reserves balanced with inward investment.

Despite global economic headwinds, Aspermont continues to show resilience. Its financial results for H2 FY24 highlight a return to revenue growth and profitability. Key metrics include:

Q4 2024 highlights

- **33rd consecutive quarter of growth in subscriptions**
- **Subscriptions Revenue:** \$2.4 million, up 4% YoY
- **Annual Revenue Per Unit (ARPU):** \$2200, up 17% YoY
- **EBITDA:** \$0k, flat growth YoY
- **Net Cash:** Stable compared to H1 2024 with \$1.4 million

H2 2024 highlights

- **Group Revenue:** \$9.5 million, up 18% YoY.
- **Annual Recurring revenue:** \$11.3 million, up 6% YoY.
- **Normalized EBITDA:** \$0.0 million, up from (\$0.6m) H2 2023
- **Net Cash:** Stable compared to H1 2024 with \$1.4 million

FY 2024 highlights

- **Group Revenue:** \$17.5 million, down 3% YoY.
- **Annual Recurring revenue:** \$11.3 million, up 7% YoY.
- **Normalized EBITDA:** \$(0.8 to 0.6m) down from \$1.7m FY 2023
- **Net Cash:** \$1.4 million down from FY 2023 \$4.0m

Aspermont has skillfully managed its cash reserves, balancing inward investment in its Data business with maintaining cash liquidity. As of the most recent quarter, the company holds \$1.4 million in cash and cash equivalents, positioning it well to continue investing in growth initiatives and push products rollout.

The company stands at a pivotal moment in its 189-year history as the leading media services provider to the global resource industries. With a solid business model transformation over the past decade and a continued focus on subscriptions, data monetization, and content-as-a-service (CaaS), the company is well-positioned for substantial growth.

Strategic Transformation and Business Model:

Aspermont has undergone a significant transformation over the past eight years, transitioning from a traditional media company to a highly scalable, digital-first B2B media provider. Central to its success has been the strategic shift toward a subscription-based revenue model, which now accounts for over 55% of its total revenue.

The company's Content-as-a-Service (CaaS) model not only addresses information gaps in the mining, energy, and agriculture sectors but also unlocks new avenues for revenue by monetizing specialized content. This model allows Aspermont to provide tailored, gated

content, including news, research, analysis, and data, to a growing global audience. The company's emphasis on building high-recurring revenue from subscriptions has resulted in 33 consecutive quarters of growth, with impressive 17% compound annual growth in Average Revenue Per Unit (ARPU).

Growth Strategies:

Aspermont's growth strategies revolve around three core pillars, each with the potential to significantly impact revenue and profitability.

1. Grow Corporate Subscriptions:

The primary focus remains on expanding the number of corporate subscribers. With only a 6% market penetration in the mining sector, there is ample room for growth. Aspermont aims to increase its geographic reach, produce more region-specific content, and improve customer acquisition through targeted outbound marketing campaigns.

2. Increase Account Penetration to Boost ARPU:

Through Account-Based Marketing (ABM) and upselling strategies, Aspermont is increasing the number of members per subscription while enhancing the quality of its offerings. This tactic has already proven effective, as demonstrated by nearly 100 clients now paying over \$8,000 in annual subscription fees.

3. Expand the Market Size:

Aspermont plans to tap into new geographic markets and roll out new high-value products. A major opportunity lies in the North American market, where the company is aggressively increasing its marketing efforts and launching data-driven products like the Mining Journal ESG Index. Furthermore, its foray into multilingual services and mobile marketing solutions is expected to drive significant user base growth globally.

Challenges and Risks:

While Aspermont's growth trajectory appears strong, several risks must be considered:

- Economic Uncertainty:** Fluctuations in global resource markets may impact customer budgets, particularly in sectors like mining and energy that are cyclical in nature. Though Aspermont has demonstrated resilience during downturns, economic shifts could delay customer expansion plans.

- Execution of New Products:** Aspermont's focus on data and intelligence products offers tremendous upside, but execution risks remain. Delays in product rollouts or slower-than-expected customer uptake could impact future revenue projections.

- Cash Flow Management:** Aspermont has made significant strides in balancing investments with cash reserves, but continued focus on managing free cash flow will be crucial.

Market Opportunities:

The Total Addressable Market (TAM) for Aspermont's mining corporate subscriptions alone is estimated at \$180 million in Annual Recurring Revenue, compared to its current ARR of \$11 million. This highlights the vast growth potential, particularly as the company continues to refine its product offerings and enhance its value proposition.

Furthermore, Aspermont's ability to monetize its unique industry data positions it to capitalize on the growing demand for reliable, high-value market intelligence. The

expansion of its Data and Intelligence product lines, particularly the new ESG Index, will likely attract institutional investors and large corporates looking for robust data sets.

Conclusion:

Aspermont is at an inflection point in its history. The strategic initiatives laid out over the past two years, including the shift toward data monetization and a stronger focus on high-value subscriptions, are beginning to bear fruit. With an established global presence, a highly scalable digital model, and a growing portfolio of data products, the company is well-positioned for sustainable growth in the coming years.

The next 3-5 years will be critical as Aspermont seeks to expand its market share, increase ARPU, and fully commercialize its Data division. We will closely monitor the execution of new product rollouts and the company's ability to penetrate key geographic markets. With careful management of resources and continued innovation, Aspermont could become a dominant player not just in B2B media for resource sectors but also in global data and intelligence services.

Based on our DCF model, we maintain our price target to AUD 0.03 / 0.02 EUR per share (down from 0.07 AUD / 0.04 EUR) and maintain a buy rating.

ANNEX

I.

Research under MiFID II

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The recommendations/ classifications/ ratings are linked to the following expectations:

BUY	The expected return, based on the derived target price, including dividend payments within th >= + 10%.
HOLD	The expected return, based on the derived target price, including dividend payments within th > - 10% and < + 10%.
SELL	The expected return, based on the calculated target price, including dividend payments within horizon, is <= - 10%.

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The analysts responsible for this analysis are:

Julien Desrosiers, Financial Analyst

Matthias Greiffenberger, M.Sc., M.A., Financial Analyst

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GBC AG
Halderstraße 27
D 86150 Augsburg
Tel.: 0821/24 11 33-0
Fax: 0821/24 11 33-30
Internet: <http://www.gbc-ag.de>

E-mail: compliance@gbc-ag.de



GBC AG®
- RESEARCH & INVESTMENT ANALYSEN -

GBC AG
Halderstraße 27
86150 Augsburg
Internet: <http://www.gbc-ag.de>
Fax: ++49 (0)821/241133-30
Tel.: ++49 (0)821/241133-0
Email: office@gbc-ag.de