



Audioboom

Investor Update
October 2023

[AUDIOBOOM.COM](https://audioboom.com)



STUART LAST
CHIEF EXECUTIVE
OFFICER



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1. PERFORMANCE UPDATE



YTD 2023 Financial Overview

\$45.8M

YTD 2023 REVENUE

- \$57.1m 2022 (Jan-Sept)
- \$39.7m 2021 (Jan-Sept)
- Ad Market weakness impacted revenue by approximately ~20%
- Drop reflects the loss of the Morbid Podcast from the Audioboom network in 2022

-\$1.7M

YTD 2023 ADJ. EBITDA

- \$2.7m 2022
- EBITDA impacted by;
 - a) ad market impact on revenue
 - b) partner Minimum Guarantee payments
- YTD Opex of \$7.9m, down 10% on 2022 despite inflationary pressures

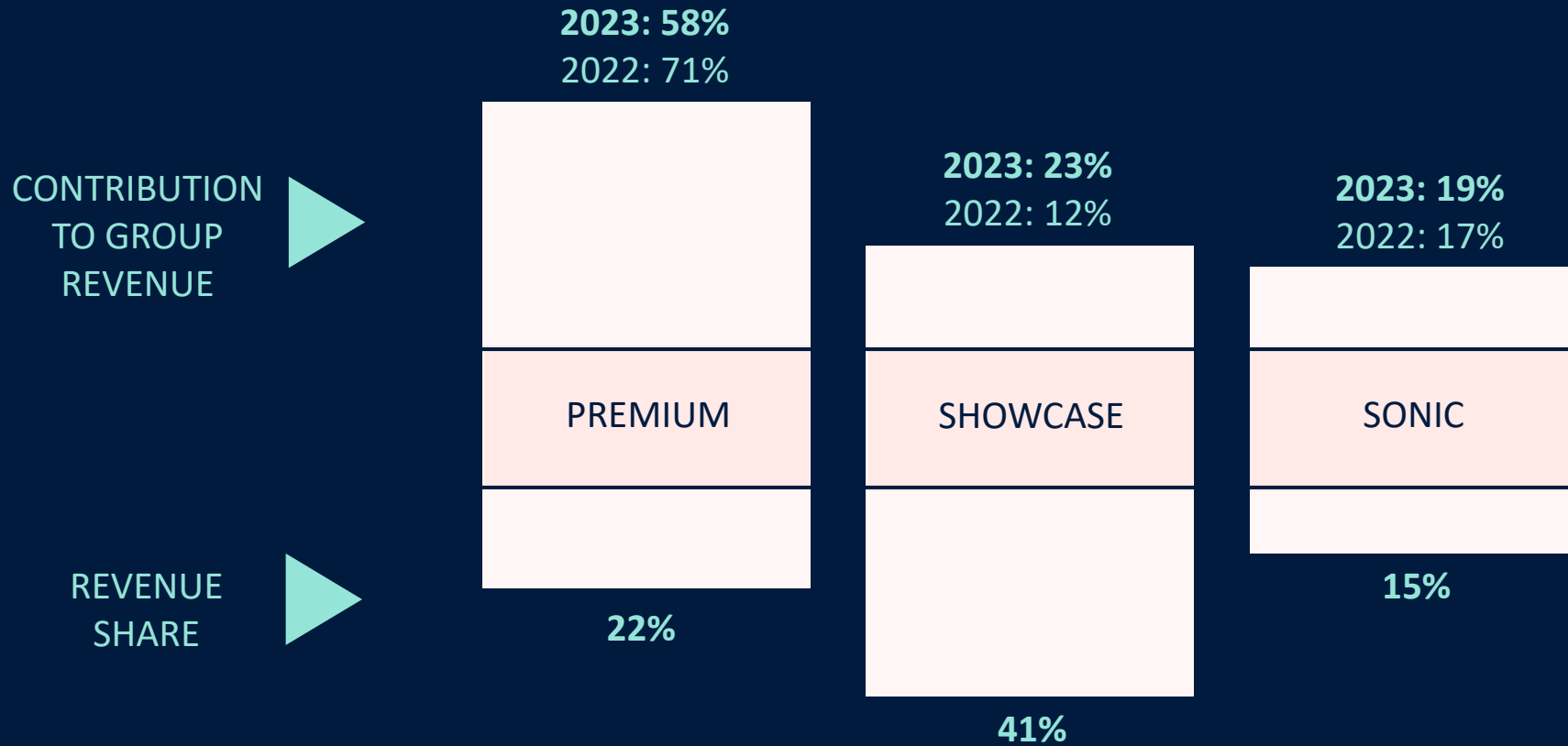
\$3M

CASH

- \$5.3m at 30th June 2023
- \$1m cash utilised in Q3 for advance payments to tier 1 podcasts - recoupable
- Additional \$1.8m overdraft facility
- Further \$2.0m collected post quarter end



H1 Revenue Contribution & Revenue Share



2023 YTD Group Rev Share: **24%** (2022: **20%**)

Gross Margin of 14% YTD 2023 – revenue shares impacted by Minimum Guarantee obligations



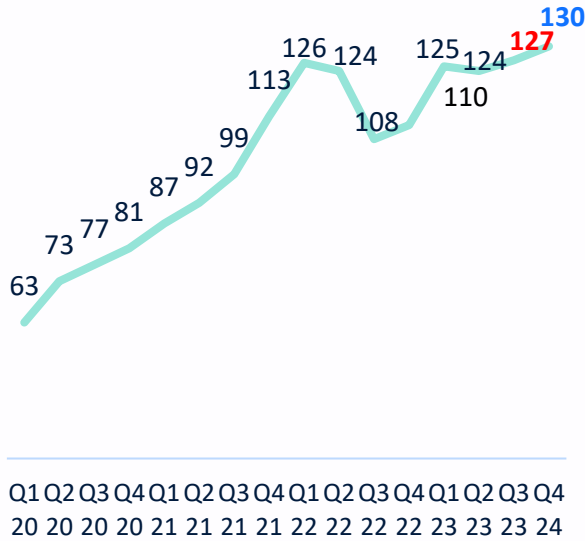
October 2023 State of Play

- Ad market challenging – weak demand in early summer with July low point for revenue
- Operational improvements across 2023 will result in strong performance Q4 onwards
- Month on month revenue growth since July, and expected to continue with October which is already ahead of September
- Q4 back to year-over-year revenue growth – currently \$18m of revenue booked for Q4 period. Strongest revenue quarter since ad market downturn
- Q4 and 2024 back to adjusted EBITDA profit position due to revenue increase, lower impact of minimum guarantees
- 2024 Upfronts process has begun with ad agencies – all providing confidence that brands will have budget growth in 2024
- 2024 guidance maintained at record revenue (\$78.8m) and adjusted EBITDA profit (\$1.3m)



Operational Improvements - Network Growth

GLOBAL DOWNLOADS - monthly (M)



- Record monthly downloads in Q3 2023 - up 18% on Q3 2022 (107m)
- 36 million unique monthly listeners
- Q4 downloads expected at 130m
- New Q3 podcast signings expected to deliver more than 8 million monthly downloads in 2024

Source: company management

US PODCAST PUBLISHER RANKINGS (REACH AND VOLUME)

Rank	Network
1	Spotify
2	SiriusXM Podcast Network
3	iHeartRadio
4	Wondery/Amazon Music/Audible
5	Audioboom
6	Audacy
7	NPR
8	Acast Creator Network
9	The New York Times
10	Cumulus Podcast Network

SOURCE: Edison Research August 2023

Rank ↑	Sales network
1	SiriusXM Podcast Network
2	Wondery
3	NPR
4	Audacy Podcast Network
5	Audioboom
6	NBCUniversal News Group
7	Cumulus Podcast Network*
8	Paramount
9	WarnerMedia
10	The Roost Podcast Network

SOURCE: Triton Digital September 2023

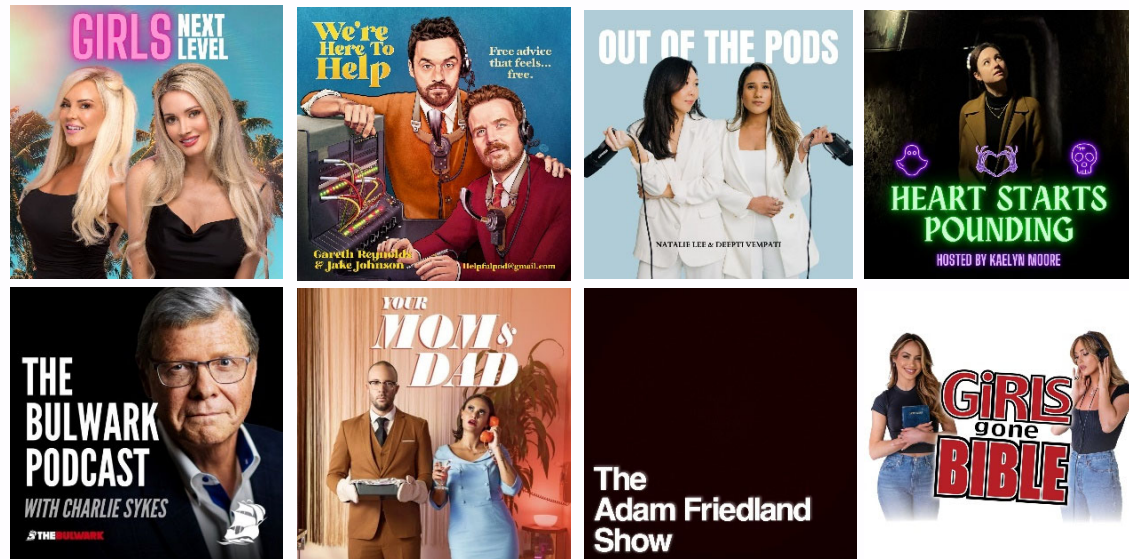
- Audioboom is 5th largest podcast publisher in the US in terms of both audience reach and consumption of content.
- Measured by Edison Research (all publishers and networks. No opt-in) and Triton Digital (opt-in)
- Audioboom also ranks 4th in Australia, 4th in Canada, 2nd in NZ.



Operational Improvements - Network Growth

1 BILLION
MONTHLY AD
IMPRESSIONS

- 1 billion impressions made available for sale in October 2023 (vs 675 million in Oct 2022)
- Audioboom generates more than 7 available impressions per download (av. 5 per download in 2022)

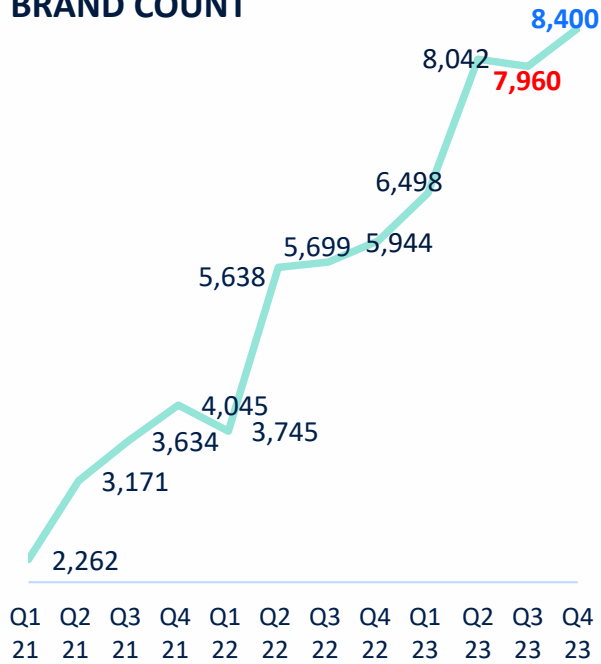


- Top tier podcast signings in Q3 expected to contribute more than 8 million monthly downloads to the network in 2024
- New creator deals on more favorable terms inc; improved revenue share, lower minimum guarantees, fewer advance payments
- Strong new business pipeline with more Tier 1 signings expected in Q4



Operational Improvements - Advertising

BRAND COUNT



- Total Brand count increased by 40% vs Q3 2022
- Brands continue commitment to podcasting, but with lower budgets than 2021/22
- Showcase provides easy-access route into podcasting for brands

SHOWCASE – ADVERTISING MARKETPLACE

PROGRAMMATIC ECOSYSTEM | INTERNATIONAL SALES PARTNERSHIPS | DIRECT SALES



SHOWCASE



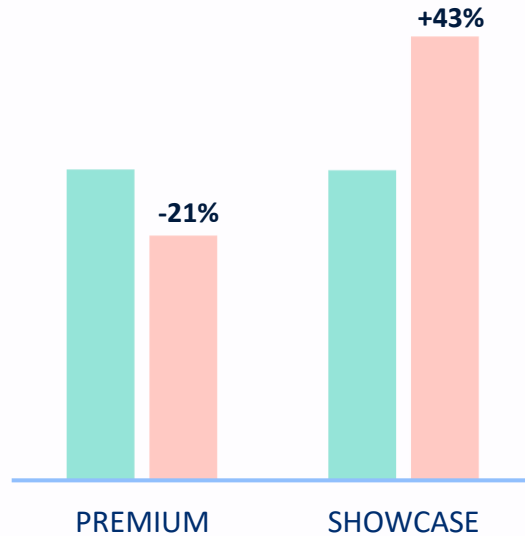
675M IMPRESSIONS | 130M DOWNLOADS | 8,000 PODCASTS

- Showcase delivers advertising efficiently at scale through our ad-tech
- 30% year-over-year revenue growth
- Record 675 million available advertising impressions supplied to Showcase in August 2023 - up 125% (Aug 2022: 301m)
- New demand side partnerships added in Q3 to increase monetization, including; DAX US, Adspot, Amazon Ads, Bold Collective, Antipodes and Atomik



Operational Improvements - Advertising

2022-2023 BRAND COUNT CHANGE



- 21% fewer premium brands advertising on Audioboom since ad market downturn in 2022
- Showcase brand count has grown by 43% in the same period
- Low premium demand impacts E-CPM

PREMIUM CUSTOMER BASE

PERFORMANCE BRANDS

SimpliSafe
Home Security

betterhelp

HELLO FRESH

ZipRecruiter

AWARENESS BRANDS

P&G
Procter&Gamble

Ford

pepsi
NIKE

- 90% of Premium product customers are 'Performance' or 'Direct Response' brands
- Small, disruptive, direct-to-consumer, ROI driven. Impacted by economic conditions
- Goal: bring 'Awareness Brands' into the premium product - global, blue-chip, robust, consumer sentiment/awareness driven

horizon media
CARAT

Wavemaker

MINDSHARE

& Hearts & Science

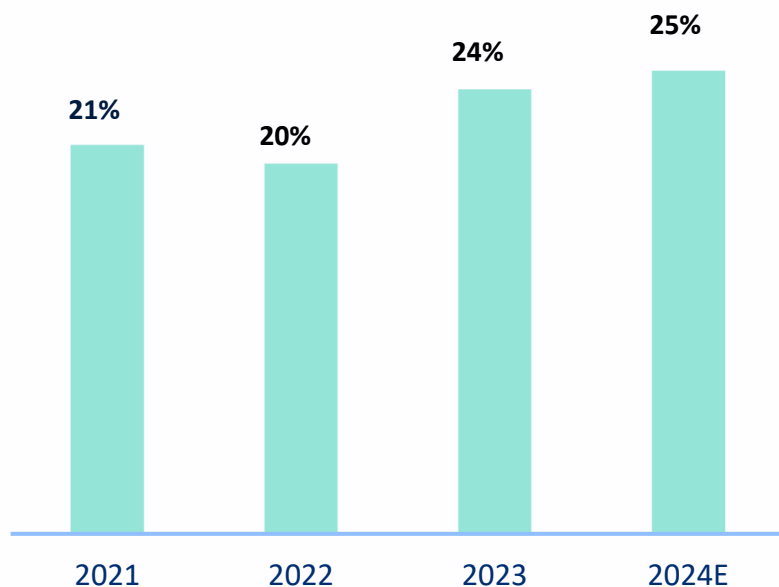
HAVAS

Q3 2023: Working with 6 of the top 15 agencies for US digital advertising spend



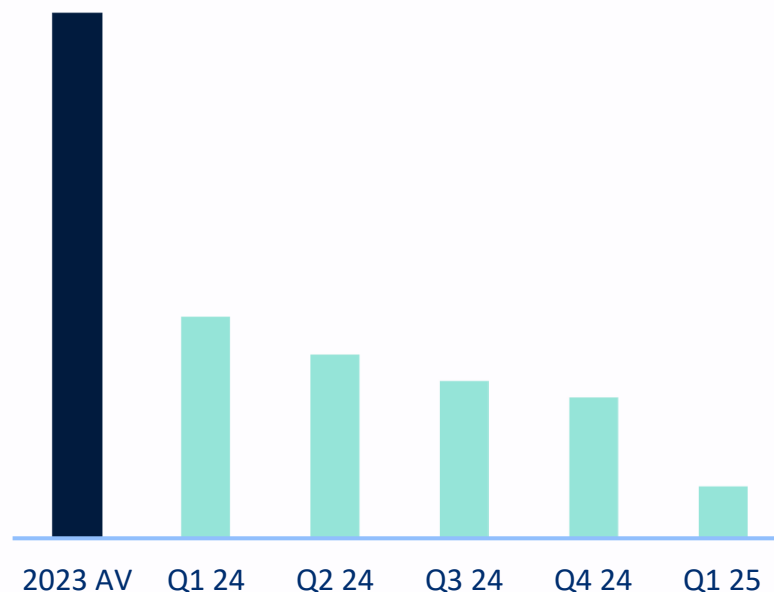
Operational Improvements – Creator Deals

CONTRACTED REVENUE SHARE



- Contracted revenue share is a proxy for gross margin in a healthy ad market
- Pressure on rev share during 2019-22
- Rev share improvements with new signings and renewals
- Key distribution, production and marketing services allow higher revenue shares

MINIMUM GUARANTEE TRUE-UP EXPOSURE

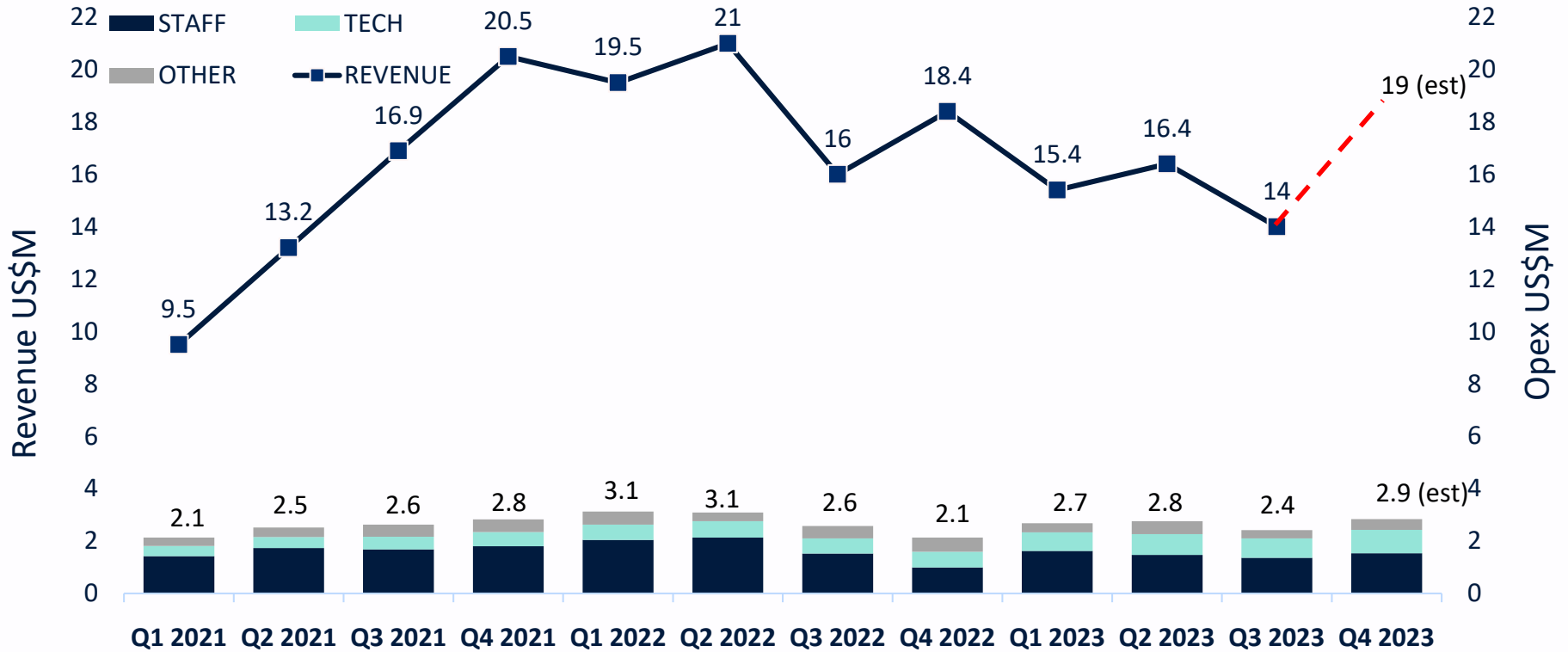


- Minimum Guarantee true-ups directly impact gross margin and EBITDA performance
- Pressure on MG's since ad market downturn for shows signed in 2021/22 peak
- MG exposure drops 75% by Q4 2024, and 90% by Jan 2025
- Contract renewals on more favorable terms



Revenue & Cost Analysis

AUDIOBOOM REVENUE vs OPEX

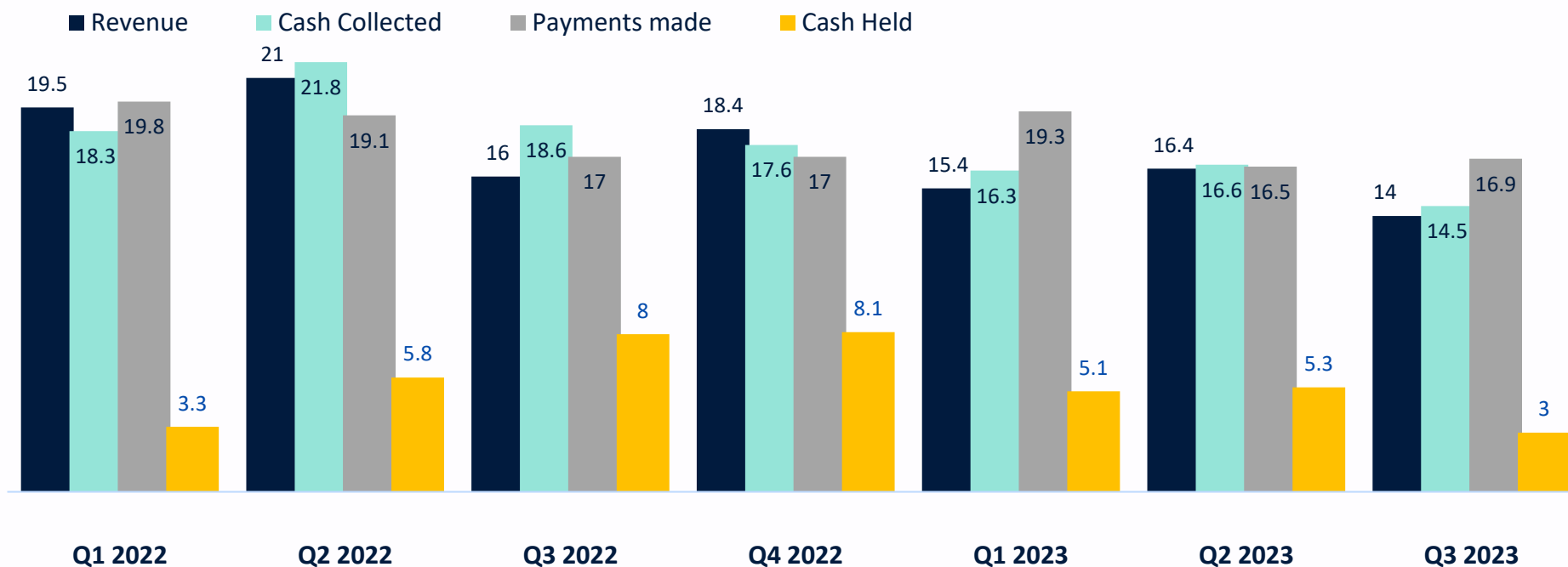


- Q3 2023 opex of US\$2.4m the lowest of the year. YTD Opex of US\$7.9m is US\$0.9m or 10% lower than the prior despite persistent inflationary pressures demonstrating strong management of opex costs
- The opex reduction has been achieved predominantly through reductions in staff and commission costs incurred. Total salary and commissions of US\$4.5m was US\$1.2m or 21% lower vs prior year following the staff restructure implemented in January 2023. This reduced headcount to 38 (30 September 2022: 46) yielding a US\$0.7m saving. Lower revenue recognised in 2023 vs 2022 resulted in \$0.5m lower commission
- 28% of opex (US\$2.2m) relates to Technology costs, 25% yoy increase, mainly due to increased bandwidth utilized in the period and record number of advertising impressions made available to buyers in 2023. Through successful negotiation of third-party technology costs and securing more favourable rates we were able to reduce the expected cost incurred by US\$0.2m / 9% in 2023
- Gross margins affected by minimum guarantee true ups in 2023 due to ad market conditions



Working Capital

AUDIOBOOM WORKING CAPITAL ANALYSIS



- Cash reduced by US\$2.3m vs H1 2023 to US\$3.0m as at 30 September 2023. Q3 cash utilisation included US\$1.0m for advance payments to podcasters (US\$2.2m YTD). Q3 cash impacted by lower Q3 revenue than expected combined with committed MG payments during Q3
- Quarter end cash was affected by customers withholding payments over quarter end with US\$1.9m being collected in the first two weeks of October
- 2023 collections: US\$47.4m (Q3 2022: US\$58.7m). Monthly average: US\$5.3m per month (2022: US\$6.4m). 2023 collections = 103% to 2023 revenue booked. Total collections / revenue 3-year average = 94%
- Q3 YTD 2023 Debtor Days of 67 in line with 2022 (68) due to the continued excellent collections. Target is to always be below 90 days
- Trade debtors decreased by US\$1.2m (30 September 2023: US\$11.3m, 30 June 2023: US\$12.5m). Trade creditors and accruals have decreased by US\$0.9m (30 September 2023: US\$8.2m, 30 June 2023: US\$9.0m)



2. BUSINESS MODEL RECAP



Podcast Industry – Total Addressable Market



AUDIOBOOM IS A LEADING INDEPENDENT PURE-PLAY PLATFORM GLOBALLY



Business Model

AUDIOBOOM POWERS PODCASTING

OUR PLATFORM CONNECTS ADVERTISERS WITH CONTENT, AND DISTRIBUTES TO AUDIENCES GLOBALLY



3 CORE BELIEFS

CREATOR MEDIUM

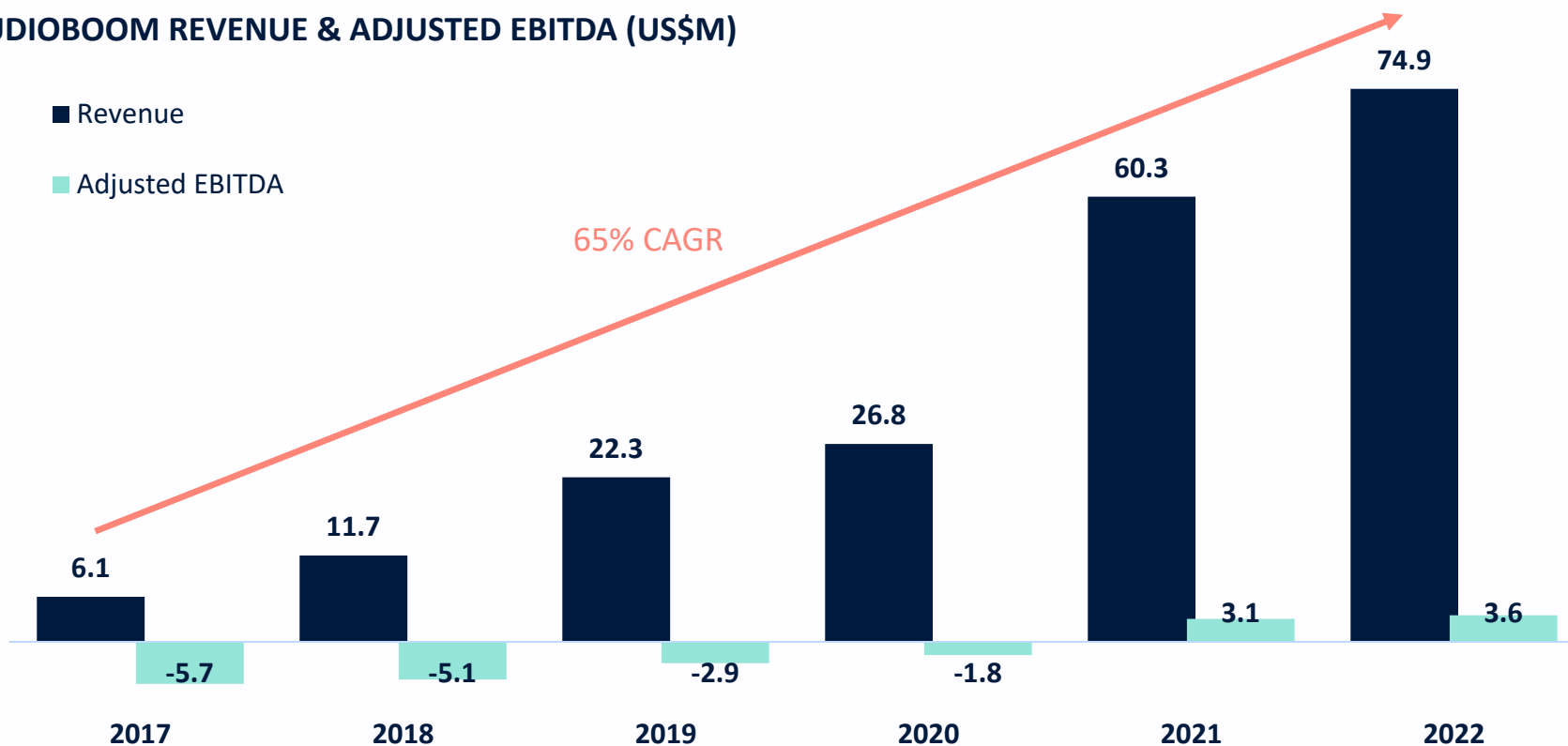
ADVERTISING FUNDED

DISTRIBUTED MEDIA



The Model Delivers Growth

AUDIOBOOM REVENUE & ADJUSTED EBITDA (US\$M)



The Audioboom model has consistently delivered revenue growth: 1,100% or 65% CAGR between 2017 and 2022

2022 revenue of \$74.9 million was limited by mid-year ad market downturn

Audioboom transitioned to adjusted EBITDA profitability in 2021

Each year from 2017 has seen forward progress in both revenue and EBITDA performance



3. FUTURE FOCUS



Future Focus



Growth of the Audioboom Creator Network;

- *Q3 signings to add 8 million monthly downloads in 2024*
- *Q4 signings – terms agreed with top tier podcasts to add a further 5 million monthly downloads in 2024*
- *Strongest ever new business pipeline*



Audience and Inventory Growth;

- *1 billion advertising impressions made available for sale in October 2023 with further growth in Q4 2023*
- *Expected record audience and download growth in Q4 2023*



Showcase Growth;

- *Demand-side partnerships launched in Q3 2023 will bolster future monetisation in Showcase*
- *20%+ revenue growth expected in 2024 through Showcase*



Future Focus



Customer Base Expansion;

- *Continued focus on brand awareness, blue-chip customers*
- *Danny Farman joins Audioboom in October as VP, Brand Sales to drive key ad agency business*
- *Further development of work with top 15 digital advertising agencies*



Revenue Share Improvements;

- *New creator partnerships come with improved revenue shares for Audioboom*
- *Audioboom's distribution, marketing, production services enable deeper more equitable partnerships with creators*



Reduced Minimum Guarantee Exposure;

- *Minimum guarantees still required to re-sign top tier podcasts, but at a lower level than 2021/23*
- *Contract renewals will reduce MG true-up exposure by 75% in 2024*



Outlook



=

\$19m + Q4 2023 Revenue

Forecast record \$78.8m 2024 Revenue

+



=

Return to adjusted EBITDA profit in Q4 2023

Forecast adjusted EBITDA profit in 2024



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