BOOM AIMX Audioboom Group PLC

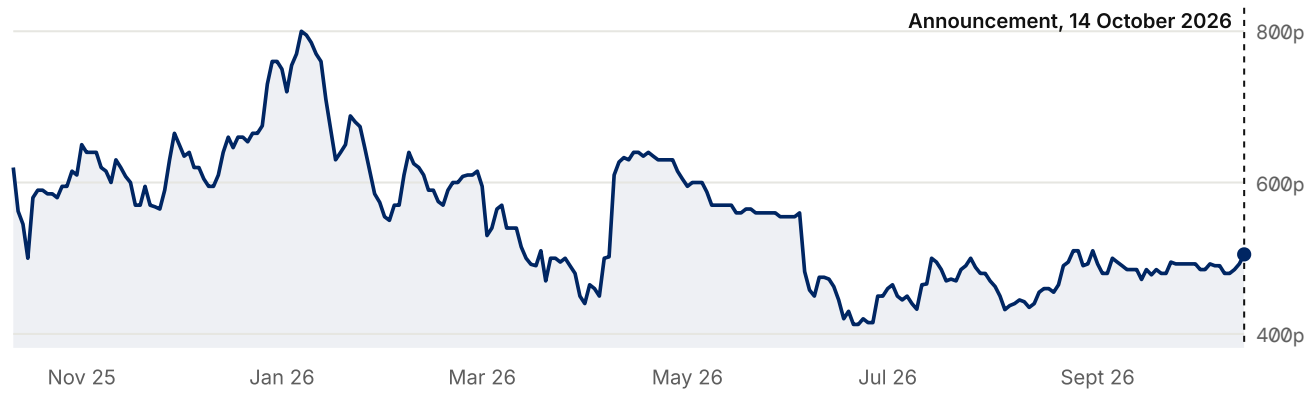
Q3 Trading Update · RNS 8144Y · 14 October 2026

Audioboom lifts 2026 profit floor to at least US$7.7m after record Q3

Share price	500p
Market cap	£91.0m
52-week range	400.5p - 810p
Shares in issue	18.2m
12-month change	-18.5%

Ticker Data API, as at 13 Oct 2026, 16:24

SHARE PRICE, 12 MONTHS



SUMMARY

Audioboom's third-quarter trading update today raised its 2026 adjusted EBITDA expectation to at least US$7.7 million, which it says is ahead of current market expectations. Q3 revenue rose 17% to US$23.8 million while adjusted EBITDA (earnings before interest, tax, depreciation, amortisation and several other excluded items) rose 89% to US$2.2 million, as gross margin improved to 23% and monthly operating costs held at about US$1.1 million. Part of September's strength came from US midterm political advertising. Revenue growth has slowed from 30% in the first half, and Showcase, the ad marketplace, grew 20% against 60% in the first half. The update gives no cash-flow or working-capital figures, so the profit case is clearer than the cash case.

KEY FIGURES

FIGURE	VALUE	PERIOD	CHANGE
Q3 revenue	US$23.8 million	Quarter to 30 September 2026	Up 17% on Q3 2025 (US$20.3 million)
Q3 adjusted EBITDA	US$2.2 million	Quarter to 30 September 2026	Up 89% on Q3 2025 (US$1.2 million)
2026 adjusted EBITDA expectation	at least US$7.7 million	Year ending 31 December 2026	Raised; ahead of current market expectations
Nine-month revenue	US$69.5 million	Nine months to 30 September 2026	Up 25% (US$55.5 million)
Q3 gross margin	23%	Quarter to 30 September 2026	Q3 2025: 21%
Showcase Q3 revenue	US$9.7 million	Quarter to 30 September 2026	Up 20% on Q3 2025 (US$8.0 million); H1 growth was 60%
Group cash	US$6.7 million	30 September 2026	30 June 2026: US$5.4 million; 30 September 2025: US$2.9 million
Average monthly downloads and video views	190 million	Q3 2026	Up 47% on Q3 2025 (130 million)
Staff equity incentive awards outstanding	approximately 9.3% of issued share capital	1 September 2026	

Sources: Q3 Trading Update RNS, 14 Oct 2026; Q3 Trading Update RNS, 14 Oct 2026; Half-Year Report, 15 Jul 2026; Award of RSUs and Grant of Options RNS, 2 Sep 2026

THE ANNOUNCEMENT

- The board now expects 2026 adjusted EBITDA of at least US$7.7 million, ahead of current market expectations. With US$5.5 million earned in the first nine months, that floor needs Q4 to match Q3's US$2.2 million.
- Q3 revenue rose 17% to US$23.8 million, gross profit rose 30% to US$5.6 million and adjusted EBITDA rose 89% to US$2.2 million. The US$3.5 million revenue increase added US$1.0 million of adjusted EBITDA, an incremental margin above 25%.
- Gross margin reached 23% (Q3 2025: 21%), attributed to better creator revenue shares and a larger contribution from higher-margin ad products. Operating costs held at about US$1.1 million a month as the Adelicious integration finished.
- Showcase revenue rose 20% to US$9.7 million, helped in September by the first meaningful wave of US midterm political advertising, which management expects to build through Q4. Average monthly downloads and video views rose 47% to 190 million.
- Cash was US$6.7 million at 30 September, up from US$5.4 million at 30 June, with a US$3.4 million overdraft and a US$10.0 million revolving credit facility available. Management repeated its aim of three to four meaningful acquisitions over the medium term.

AGAINST GUIDANCE

Adjusted EBITDA is ahead of current market expectations, and the 2026 expectation has been raised to at least US$7.7 million. Management has a recent record of beating its own minimums: in June it guided to first-half revenue of at least US$45.0 million and adjusted EBITDA of at least US$3.0 million, and reported US$45.7 million and US$3.2 million in July. Operating costs of about US$1.1 million a month were also flagged in the April update and have held since. Ticker's earnings surprise model, an estimate, leaned only narrowly towards an ahead-of-expectations outcome before the release.

BULL CASE

- Operating leverage is now visible: gross profit grew 30% on 17% revenue growth, and with costs flat at about US$1.1 million a month, the extra US$3.5 million of revenue produced US$1.0 million more adjusted EBITDA. The margin gains come from creator contract terms and product mix, which do not depend on election pricing.
- The new floor looks undemanding, needing only a repeat of Q3's US$2.2 million in Q4, a quarter when management expects political spending to keep building. Management has beaten its minimum guidance at the half-year.
- Cash has risen for two consecutive quarters to US$6.7 million, and the first half produced statutory net profit of US$3.12 million, so acquisitions can be pursued from a profitable base with US$13.4 million of facilities alongside.
- Three parties made non-binding cash offers at a premium to the 540p close of 2 October 2025 before the board ended the strategic review on 8 June 2026, and The Times reported on 19 July that an activist investor was urging the company to reopen a sale.

BEAR CASE

- Organic momentum is slowing underneath the election boost. Revenue growth fell from 30% in the first half to 17% in Q3, Showcase growth fell from 60% to 20%, and distribution is growing much faster than revenue, so new video inventory is not yet being monetised at the same rate.
- Political advertising ends with the midterms, and there is no evidence yet that campaign budgets turn into repeat spending. A business with high operational gearing loses profit just as quickly if revenue falls back in 2027.
- This is an earnings case, not yet a cash-flow case. The update gives no operating cash flow, working capital, capital expenditure or drawn debt, adjusted EBITDA excludes share-based payments, and staff awards equal about 9.3% of issued shares.
- The acquisition strategy may lean on borrowed money from the US$10.0 million facility, whose terms and covenants are undisclosed. The 2030 targets of more than US$200 million revenue and US$40 million adjusted EBITDA depend on deals that have no delivery record yet.

WHAT TO WATCH

- The full-year 2026 trading update: how far adjusted EBITDA clears US$7.7 million once October's political spending is counted, and whether management gives a 2027 booked-revenue figure comparable with July's statement of more than US$81.0 million booked for 2026.
- The 2025 annual accounts were published on 30 June 2026, so the 2026 accounts should show operating cash flow and working-capital movements for the first time, revealing whether adjusted EBITDA converts into cash.
- The first-quarter 2027 update (last year's came on 16 April): revenue growth and gross margin without election spending will show whether the move to 23% margin holds.
- The price, funding and dilution of any acquisition drawn on the revolving credit facility, set against the earnings it adds.

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