

appScatter

Priori acquisition accelerates mobile data strategy

The proposed £13.5m acquisition of Priori, a B2B SaaS platform provider of mobile app intelligence, would enhance appScatter's data intelligence capabilities, add scale and provide cross-sell opportunities. To fund the deal and provide additional working capital, appScatter plans a fund-raising of at least £15m.

Year end	Revenue (£m)	EBITA (£m)	PBT* (£m)	EPS* (p)	DPS (p)	EV/ Sales (x)	P/E (x)
12/16	0.0	(3.5)	(3.6)	N/A	N/A	N/A	N/A
12/17e	1.9	N/A	(6.5)	N/A	N/A	N/A	N/A

Note: *PBT excludes amortisation of acquired intangibles, share-based payments

appScatter has announced, subject to shareholder approval, the acquisition of Priori Data. Priori provides keywords, app and market intelligence tools to app publishers to promote better app store performance. In FY17 Priori generated revenues of €1.1m and an EBITDA loss of €0.4m. It consolidated approximately 299bn mobile downloads from 5m apps and 6bn mobile devices. The deal would provide appScatter with a larger data footprint and enable it to accelerate its timetable to launch additional data intelligence services, such as app download forecasting and mobile device market intelligence. By combining its app distribution platform with a more complete data intelligence offering, it positions itself more prominently in the mobile data marketing landscape and given the complementary publisher base, there should also be opportunities to cross promote. Of the £13.5m acquisition price, £9.45m will be cash and £4.05m via the issue of shares issued at 70p per share. To finance the acquisition, as well as to provide a working capital buffer, appScatter plans an equity fund raising of at least £15m at 70p per share. Existing investors have formally signalled interest for the majority of this, and the total raise may be extended via an institutional placing or open offer. The long stop date is the 15 May 2018.

In parallel, management announced expected FY17 revenues of c £1.9m and loss before tax of £6.5m; broadly in line with our forecasts. Financial year 2018 is reported to have started well; in March appScatter announced a distribution partnership with mobile ad-network Airpush, which brings reach to c250k apps and a number of other potential partnerships are being considered. We put forecasts under review pending completion of the deal.

Proposed acquisition and fund-raise

Technology

12 April 2018

Price 77.6p
Market cap £49m

Net cash (£m) at September 2017	6.5m
Shares in issue	63.2m
Free float	64%
Code	APPS
Primary exchange	AIM
Secondary exchange	N/A

Share price performance



Business description

appScatter is a B2B mobile app distribution, management and intelligence company, whose cloud-based platform helps its customers distribute to and monitor more than 50 app stores globally. It is also building one of the largest repositories of app store data and plans to launch a marketplace to support third-party app integrations in early 2018. The company was founded in 2013 and listed on AIM in September 2017.

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