

# 10 in 10 – Audience Analytics Limited (SGX Code: 1AZ)

10 Questions in 10 Minutes with SGX-listed companies



## 10 Questions for Audience Analytics Limited

### Company Overview

Audience Analytics Limited (AAL) is a well-established business enabler with presence in 15 countries including Singapore, Cambodia, China, Hong Kong, India, Indonesia, Macau, Malaysia etc. With products ranging from printed publications and online portals to exhibitions and business award programmes, AAL partners with business owners to grow their businesses. The Group’s portfolio includes SME Magazine, Mega Career Fair, SME Solutions Expo, SME 100 Award, Golden Bull Award, HR Asia Best Companies to Work for in Asia Award and CXP Asia Best Customer Experience Awards among others. [Link to Stock Screener company page.](#)

| SGX Code: 1AZ               | BBG: AAL SP | RIC: AUDI.SI |
|-----------------------------|-------------|--------------|
| Market cap on 9 Jan (\$\$m) |             | 47.1         |
| Price on 9 Jan (\$\$)       |             | 0.28         |
| 52 wk high/low (\$\$)       |             | 0.280-0.181  |
| 12m ADTV (\$\$)             |             | 11,757       |
| Shares Outstanding (m)      |             | 168.2        |
| Float                       |             | 14.3%        |
| P/E (LTM)                   |             | 11.2         |
| P/B (LTM)                   |             | 3.7          |
| Dividend Yield              |             | 4.6%         |

Source: Bloomberg (9 Jan 2023)

### 1. Could you elaborate on the products and services provided by Audience Analytics?

- Through our various subsidiaries, we are a significant market player in exhibitions, business impact assessment and recognition and business-to-business media.

**01 Business Impact Assessments**

Conducting business impact assessments for the business awards organised by us which includes the SME100®, HR Asia Best Companies to Work for in Asia, CXP Best Customer Experience Awards and the Golden Bull Award.

**02 Exhibitions**

Organisation of exhibitions such as MCTF, Mega Career Fair and Post Graduate Education Fair.

**03 Business Media & Analytics**

- Offering business media services, including business-to-business digital and print business media brands such as SME Magazine, HR Asia, Capital Asia 《資本》, CXP Asia, Energy Asia, Truth TV Asia 《真相》 and Logistics Asia.
- Organising business events and conferences such as SME CEO Forum, InspiredSME, Future HR and SME Solutions Expo.
- Business intelligence and analytics services offered via a Software-as-a-Service model which includes the proprietary analysis tool "Total Engagement Assessment Model" to provide accurate and timely data to HR professionals to better understand their workforce.

- We have built and grown over 25 successful and highly desirable B2B brands, which include business awards, exhibitions and media brands. For example, the *HR Asia Best Companies to Work for in Asia (HR Asia Awards)* programme is present in 15 markets across Asia, with over 20% of all Global Fortune 500 companies having participated in the programme since 2002.
- Our products support businesses at every stage of their lifecycle. For instance, early-stage businesses uses our media products for business intelligence while established businesses utilise our analytics products such as the *TEAM assessment* to gain a better understanding of employee’s engagement, participate in our career fairs to acquire talents and take part in our business awards.

## 2. What is the competitive edge for Audience Analytics vs its peers?

- While we have competitors in individual segments and product lines that we offer, we believe that there are very few competitors that compete with us across our entire portfolio. It is also a challenge to find a listed entity that can be directly comparable to us. Hence, we believe one of our strengths is our ability to offer complementary and comprehensive products targeting various audiences.
- Equally important is the scale that we operate at. While the barriers to entry to organize a new award programme may be low, it takes a long time to establish the track record for our flagship award programmes on a regional scale. Some of the Group's awards such as *SME 100 Awards* and *HR Asia Awards* have been in the market since 2009 and 2013 respectively and are in 5 and 15 markets respectively.
- We believe that brand recognition and established track record of our award programmes on a regional basis is an economic moat of the Group.

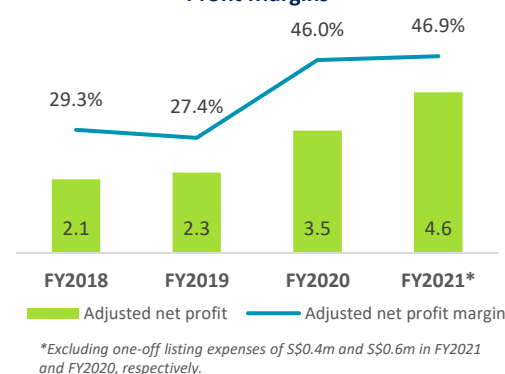


Example of brands under AAL

## 3. How did the company achieve its current scale & what are the benefits that come with it?

- We are an asset light business, allowing us to enjoy significant operating leverage as our business grows.
- As a result, the company has been achieving high gross and net margins of more than 40% and more than 25% respectively over the last few years.

Adjusted Net profit (S\$m) & Adjusted Net Profit Margins



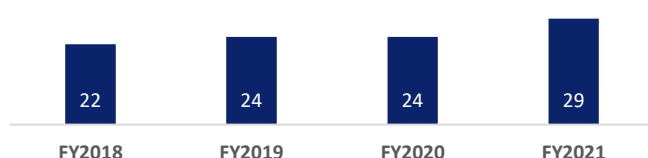
## 4. Describe Audience Analytics' recent financial performance.

- Despite the COVID-19 outbreak, adjusted FY2021 net profit has doubled from S\$2.3 million in FY2019 to S\$4.6 million (after adjusting for one-off IPO expenses).
- This is driven mainly by a 29% increase in revenue from Business Impact Assessment & Recognition (award programme) segment and an expansion in gross margins from 43.8% in FY2019 to 66.0% in FY2021, as the Group held more award programmes and saw an increase in number of participants for its award programmes.

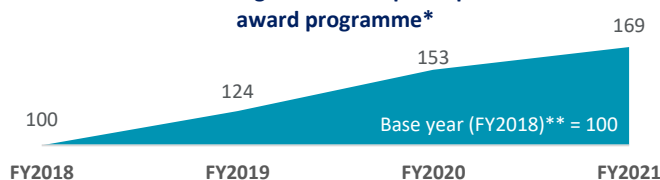
## 5. Audience Analytics' revenue and gross profit increased significantly in 1H2022, what is the management's guidance for 2023?

- While first half of the year tends to be seasonally weaker for the Group, our strong growth momentum continued in 1H2022 with revenue more than double that of 1H2021. This contributed to a turnaround 1H2022 net profit of S\$0.06m reversing the loss a year ago. Historically (for FY2020 to FY2021), more than 80% of the Group's full year revenue were contributed by the second half of the year. With the positive momentum we saw in 1H2022, we are cautiously optimistic of our 2H2022 results which will be released around end of Feb 2023.
- The Group's profitability is mainly dependent on the number of award programmes we hold, as well as the number of participants. The number of award programmes held over the years has been increasing as we expand into more markets. On average, we have seen 10-20% increase in number of participants for our award programmes over the last 3 years. This is in addition to the continued profitability of our exhibitions and business media segments.

Increase in Number of Award Programmes Held



Trend in the average number of participants for each award programme\*

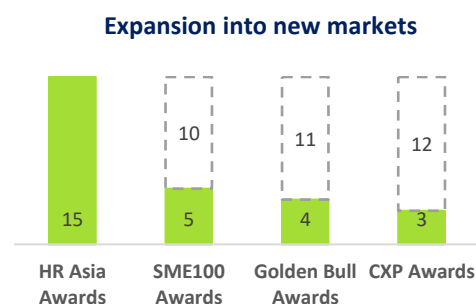


\*Average number of participants for each award programme = Total participants / Total number of award programmes held  
 \*\* Average number of participants for each award programme in FY2018 is taken to be the base index year of 100.  
 Subsequent years' data are presented using FY2018 data as a point of reference.

## 6. Could you elaborate on the future direction for the Group's various business segments?

- The Group has laid out 3 growth strategies for the years ahead including:

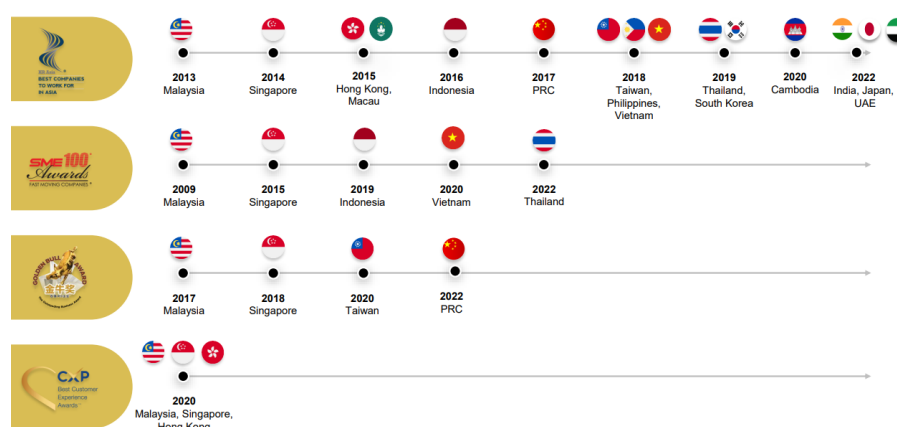
i. **Expansion into new markets for award programmes** – This includes expanding the number of markets for *HR Asia Awards* while replicating its success across *SME 100 Awards*, *Golden Bull Awards* and *CXP Asia Best Customer Experience Awards (CXP Awards)* into new markets where the HR Asia Award already has a strong presence in. We are also looking into expanding the number of markets for HR.



ii. **Cross-selling across award programmes** – AAL has been able to unlock significant cross-selling opportunities between its award programmes. In 2020, we introduced the *CXP Awards*, a programme that recognises excellence in customer experience. To date, *CXP Awards* has been launched in Malaysia, Singapore and Hong Kong, implying significant room for growth as we tap into our existing participant base under *HR Asia Awards* for further cross-selling synergies.

iii. **Deeper penetration into existing markets** – We continue to see strong demand in existing markets, where there has been an average of 10-20% growth in number of participants since FY2018.

### LAUNCH OF AWARDS IN VARIOUS MARKETS



*Milestones of Award launches*

## 7. Does the Group have an acquisition strategy to drive inorganic growth?

- We intend to grow and build our business through acquisitions, joint ventures and strategic alliances as part of our long-term growth strategy, and may also consider strategic partnerships or alliances with parties which are synergistic with our existing businesses. This will enable us to strengthen our market position, enhance our service offerings and/or expand into new areas and geographies that are complementary to our existing business.
- This may include acquiring intellectual property (IP) rights for existing award programme providers. For example, in June 2022, we acquired the IP rights for the *Golden Bull Award*, an award brand that has over 20 years of history and heritage.

## 8. As global economies slowdown in 2023, how does Audience Analytics ensure that the business remains resilient and continues to grow?

- We believe that our business assessment programmes and awards are reasonably priced for corporates. By participating in our programmes, corporates are also able to understand and compare their performance with industry peers as well as gain insights into best practices, e.g. via the *HR Asia Awards*. As such, we are confident in the value that we provide to our corporate clients.
- The Group's ability to grow its revenue and profits even during the COVID-19 pandemic is also a testament to the resiliency of the business model.

## 9. Sustainability and ESG have increasingly been a key focus, how is Audience Analytics working towards achieving your sustainability goals and ambitions?

- The Board of AAL is committed to delivering long-term value for our stakeholders and minimising our environmental footprint. As part of our sustainability policy, we are committed to implementing greener strategies to reduce our carbon footprint. For example, we reward our employees with monetary incentives if they opt for transportation options which save on carbon emissions for their daily commute to and from work (e.g. walking, biking, carpooling, or taking public transport).
- Where possible, we also select and work with venue partners that have a sustainability policy in place. We actively direct our clients towards sustainable event management practices by offering them eco-friendly, digital alternatives to standard hard-copy event collaterals.

## 10. Why should investors take a closer look at Audience Analytics?

- The Group believes that AAL has a highly scalable business model as evident from the strong growth of adjusted net profits in just 3 years (which doubled from S\$2.3 million in FY2019 to S\$4.6 million in FY2021). This is mainly contributed by the growth in the Business Impact Assessment & Recognition (award programme) segment which has high net margins of more than 25%.
- With plans to enter new markets as well as significant cross-selling synergies between awards, we believe that we have the potential to continue our strong earnings trajectory.
- At an ex-cash adjusted FY2021 PE of 6.6x and a dividend yield of 5.3%, underpinned by a robust free cashflow generation of more than 9% per annum, we believe the Group presents an attractive risk-reward proposition for both value and growth investors.

### 15 Markets Across Asia, and Growing



AAL's existing markets

## 10 in 10 – 10 Questions in 10 Minutes with SGX-listed companies

Designed to be a short read, 10 in 10 provides insights into SGX-listed companies through a series of 10 Q&As with management. Through these Q&As, management will discuss current business objectives, key revenue drivers as well as the industry landscape. Expect to find wide-ranging topics that go beyond usual company financials.

This report contains factual commentary from the company's management and is based on publicly announced information from the company.

For more, visit [sgx.com/research](https://sgx.com/research).

For more company information, visit <https://audience.asia/>  
Click [here](#) for Audience Analytics' 1H2022 Financial Results.



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