

AppScatter Group PLC

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AppScatter enters 2019 with 'good operating momentum' after year of expansion

App monitoring platform operator appScatter Group PLC (LON:APPS) said it is set to enter 2019 with good operating momentum and optimism that its share price will reflect the company's achievements.

"While this year our focus has very much been about developing our product, in the coming year the primary objective will be to increase revenues and margins," chief executive Philip Marcella said in the company's annual letter to shareholders.

"This will be achieved by enhancing our marketing and sales functions whilst continuing to build the appScatter marketplace through strategic partnerships, acquisition and further product expansion."

The company operates a scalable business-to-business (B2B) software-as-a-service (SaaS) platform that allows paying users to distribute their apps to, and manage their apps on, multiple app stores.

Part of the group's strategy is to augment organic growth with acquisitions, having recently completed the £13.5m purchase of German firm Priori Data GmbH and agreed to buy digital security firm Abilott Limited for up to £2.245m.

Berlin-based Priori runs an app data intelligence operation and combined with appScatter's existing service will enable the performance of millions of apps and billions of devices to be analysed.

By combining the data from both companies, it is hoped that brands, app publishers, advertising agencies and mobile networks will be able to conduct more targeted demographic campaigns.

The group has been winning new customers on the back of the acquisition of Priori, which led to higher revenue in July and August, according to its results statement for the first six months of the year.

READ: AppScatter sees pick-up in revenues after completing Priori Data acquisition Further revenue opportunities from Abilott

Its more recent deal to buy Abilott is expected to provide further revenue opportunities and broaden its range of security products.

Abilott, which counts Gamesys, Paddy Power, Betfair, Virgin Games and Bodog as its clients, provides digital security services to companies launching new products, looking to become a gaming operator or expanding into new markets.

For the past two years, the companies have been working closely together with Abilott providing security and regulatory compliance as well as support for threat analysis products for appScatter.

Price: 17.25

Market Cap: £16.74 m

Share Information

Code: APPS

Listing: AIM

52 week	High	Low
	79	16.5

Sector: Software & services

Website: appscatterplc.com

Company Synopsis:

appScatter is a scalable B2B SaaS platform that allows paying users to distribute their apps to, and manage their apps on, multiple app stores. Additionally, the centralised platform enables app developers and publishers to manage and track performance of their own and competing apps across all of the app stores on the platform.

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READ: AppScatter to buy digital security firm Abilott for up to £2.245mIn

"The acquisition of Abilott is a strategic milestone for appScatter, enabling us to bring our security services that we previously outsourced in-house, significantly improving our margin," said Marcella.

"Having worked with the Abilott for some time, we are already aware of the benefits the acquisition brings to our growing product base and the services we can provide to our customers."

First major collaboration with information services firm

In another highlight for the group this year, the company signed an agreement with global information firm IHS Markit Ltd (NASDAQ:INFO) to provide mobile app data.

The data will be used to support analysis of the mobile games market, mobile games companies, and title performance.

The deal marked appScatter's first major collaboration with an information services business, with the data shared to be cited in the IHS Markit Games Intelligence Service as well as in press activity.

Supported by strong demand and its acquisition of Priori, the group is confident that full-year revenue will exceed that of 2017.

AppScatter's growth since IPO

AppScatter raised £9mIn when it floated at 65p in September 2017 and its app distribution platform went live two months later.

By the end of May 2018, it had 16,835 registered users, of which 2,238 are licensed users of the appScatter platform. Included among their number are blue-chip names such as Allianz, Deloitte and Ran Group.

AppScatter tracks 1.3bn unique app web addresses (URLs) from 11mIn apps. Each day, it tracks 3.2mIn publishers.

The platform supports 75 mobile app stores for distribution and reporting while tracking and collecting data daily from 25 app stores in 150 countries.

The management of large quantities of data is core to the business model of appScatter and the plan is for the company to make money from the billions of app data points it has been collecting on a daily basis since 2014.

How the idea for appScatter came about

Marcella said the idea behind appScatter came from his own and his team's experience of developing almost 400 apps and having to monitor how they were performing.

Indeed, he says the decision to form appScatter resulted from an internal version that had already been a hit with his own clients.

The big misconception is that all apps are bought through Apple and Google, he added.

While the two tech giants do account for a meaty 49% of the market currently through their hugely successful app stores, there are upwards of 500 other places you can buy apps.

AppScatter's business is to put a developer's apps into as many of these online stores as possible and provide the data on how they are performing.

Mobile networks such as Vodafone all have their own stores including MTN, which in Africa alone services 22 countries.

Device makers such as HTC, Samsung and LG also have app stores built into the smart TVs they make. Even online giant Amazon has its own app store.

AppScatter well funded with new advisory board to carry out strategy

Since its London initial public offering, AppScatter has raised a further £4mln through two separate share placings in June and September, meaning it is well funded.

The company has established a new advisory board to help carry out its strategy.

It includes Dr Thomas Endres, who served as CIO of German airline Lufthansa from 2002-2012 and was responsible for information management including strategy, shared services and security.

Another member of the advisory board is Jörg Rieker, currently a global lead partner for Deloitte's Software Asset Management Services, who will join in early 2019.

Michael Buchen, chairman and founder of investment firm Polar Light Ventures, has also joined the board.

"We are delighted to be able to announce the appointment of three such high calibre individuals to our advisory board," said Marcella.

"With their expertise, knowledge and experience, we look forward to continuing to grow the appScatter product offering and customer base, with a particular focus on developing our enterprise sales efforts."

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