

IndigoVision Group (IND LN)

Company Update

CORPORATE

IT Hardware

Current price*: 113p Mkt cap (£m): 9

17 May 2018

Trading in line; encouraging signs of stability

N+1 Singer view

As we said in March, management is considering FY18 to be a period of stabilisation with a break even result targeted. Today's update reports that progress has been positive and that trading is in line with expectations. Significant Board, leadership and strategic changes were made in early 2018, and we hope to see the benefits of these as the year progresses. We await further updates from the new Chief Executive with interest as the year progresses.

AGM Trading Update

An AGM trading update reports that trading in the first four months is in line with expectations. Sales have shown double digit growth over the prior year with a corresponding reduction in losses.

It also states that, as in previous years, sales are expected to be weighted towards H2 and, as ever, the timing of orders is difficult to predict. However, 'the current indicators support the Board's target to at least break even in the current year.'

A number of new products were launched at the ISC West trade show in April and the award winning CyberVigilant product can now be deployed in most of the Group's camera range. The Integra all in one device, combining video storage and Control Center management software, was also launched, and is expected to drive new revenue from the SME market later in the year.

Impact on earnings & valuation

No change to forecasts.

Financials and valuations**

Year end Dec	2014 ^	2015	2016	2017	2018E
Revenue (\$m)	82.5	47.1	45.9	42.3	48.0
EBITDA (adj.) (\$m)	5.6	0.4	1.3	-1.6	0.9
PBT (adj.) (\$m)	4.3	-0.8	0.4	-2.4	0.0
EPS (Adj., FD) (¢)	60.5	0.0	9.0	-29.6	2.7
Consensus EPS (¢)	-	-	-	-	-
DPS (pence)	17.0	2.5	3.0	0.0	0.0
Net cash/(debt) (\$m)	2.6	2.8	6.2	2.6	1.1
EV/EBITDA (x)	-	-	5.4	-	12.5
P/E (x)	-	-	19.1	-	57.2
Dividend yield (%)	13.6	2.0	2.4	0.0	0.0

^ 17 month period

* Price as at COB 16/05/2018. ** Sources: N+1 Singer, Company accounts, FactSet

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Stock ratings

Recommendation / Shares outstanding (m) / Target price

IndigoVision Group (GBP)

Date	Rec	Shares	TP
As of 17-May-17	Corporate	8	

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