

IndigoVision Group (IND LN)

Company Update

CORPORATE

IT Hardware

Current price*: 131p

Mkt cap (£m): 10

08 July 2016

Solid update; no change to forecasts

N+1 Singer view

As we said in May, given the investment and restructuring in the US, we expect an H2 weighting and this remains the case. Sales are slightly behind last year but efficiencies and cost savings mean that operating performance is ahead. We look forward to further updates on progress at the interim results in September.

Interim Post Close Trading Update

IndigoVision's half year update reports that sales in the six month period to June 2016 amounted to c.\$21.8m, 3% below H1 2015, but with the benefit of overhead reductions flowing through it is expected that the loss from the comparative period last year of \$1.26m will have been largely eradicated.

Camera volumes increased markedly but with lower product margins due to increased competition. Gross margins remained broadly in line with FY15.

Working capital management was again strong and net cash amounted to \$4.6m at the period end.

The interim results are expected to be announced on 15th September.

Impact on earnings & valuation

No change to forecasts.

Financials and valuations**

Year end Dec	2013	2014 [^]	2015	2016E	2017E
Revenue (\$m)	50.1	82.5	47.1	50.0	53.0
EBITDA (adj.) (\$m)	3.8	5.6	0.4	3.2	4.2
PBT (adj.) (\$m)	3.3	4.3	-0.8	2.0	3.0
EPS (Adj., FD) (¢)	36.3	60.5	-6.5	26.5	40.2
Consensus EPS (¢)	-	-	-9.9	29.3	40.2
DPS (pence)	11.0	17.0	2.5	5.0	7.5
Net cash/(debt) (\$m)	1.3	2.6	2.8	4.0	5.6
EV/EBITDA (x)			33.7	3.7	2.4
P/E (x)			n/m	6.4	4.2
Dividend yield (%)			1.9	3.8	5.7

[^] 17 month period

* Price as at COB 07/07/2016. ** 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 08-Jul-15	Corporate	8	

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