

AMINO TECHNOLOGIES

SOFTWARE AND COMPUTER SERVICES

AMO.L

118p

Market Cap: £88.3m

SHARE PRICE (p)



12m high/low

212p/76p

Source: LSE Data

KEY INFORMATION

Enterprise value	£72.4m
Index/market	AIM
Next news	Final results, Feb 2020
Gearing	N/A
Interest cover	N/A

AMINO TECHNOLOGIES IS A RESEARCH CLIENT OF PROGRESSIVE

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Further moves into software

Amino has announced the signing of a collaboration agreement with mobitv, a US-based streaming TV and video platform, for Amino to deliver mobitv's MOBITV CONNECT IPTV service on upcycled legacy devices. We believe the agreement delivers a strong addition to the Amino ecosystem and mobitv is an attractive partner. We make no changes to estimates following the announcement. Following the recent 24i acquisition, the mobitv agreement demonstrates further momentum in Amino's move towards a more software-centric business model in our view. It should also enhance the group's competitive positioning in legacy-device upcycling.

- Amino is collaborating with mobitv:** Amino has signed a collaboration agreement with mobitv for Amino to deliver the MOBITV CONNECT IPTV product on upcycled legacy devices. Commercial launch of the solution is expected in Q4 2019 for the US marketplace.
- A strong addition to the Amino ecosystem:** AminoOS already integrates with a number of the leading video and middleware providers (*middleware is software that sits on top of, or instead of, the operating system in a set-top box*) in the US including Tivo, Espial and Minerva. We believe mobitv is an attractive partner for Amino (see below) and its addition to the Amino ecosystem means Amino serves the upcycling market with an additional pre-integrated solution. This reduces both customer cost and deployment cycles for linear TV channels and streaming content across multiple screens. Note, with the addition of 24i to the Amino group, upcycling can be delivered via both the AminoOS and the 24i user experiences, further improving competitive positioning.
- mobitv is an attractive partner:** Founded in 1999, and VC-backed, mobitv distributes app-based PayTV and streaming video across multiple devices. These include retail devices such as Roku and Fire TV players but also set-top boxes and mobile devices. The platform operates under the MOBITV CONNECT brand and has over 210 content partners, including blue-chip names such as AMC, C-Span, Disney, Fox and Viacom. By mid-2019, the company had signed up over 90 MSOs (Multiple System Operators) as distributors for MOBITV CONNECT, covering 2m end-customers. Similar to Amino, mobitv is focused on tier 2 / 3 / 4 MSOs, with clients including Citizens Fiber, C-Spire, EPB, Fidelity Communications and Windstream among others. We understand that Amino and mobitv have a degree of overlap amongst their respective MSO client bases, which may present additional upcycling opportunities for Amino.

FYE NOV (\$M)	2017	2018	2019E	2020E
Revenue	96.1	88.9	75.2	81.9
Adj EBITDA	20.5	16.8	16.7	19.2
Fully Adj PBT	15.2	11.2	10.0	11.3
Fully Adj EPS (c)	20.9	15.3	12.1	13.6
EV/EBITDA (x)	4.5x	5.5x	5.5x	4.8x
PER (x)	7.2x	9.8x	12.4x	11.0x
Dividend yield	5.6%	6.2%	6.2%	6.2%

Source: Company Information and Progressive Equity Research estimates

Financial Summary: Amino Technologies

Year end: November (\$m unless shown)

	2017	2018	2019E	2020E
PROFIT & LOSS				
Revenue	96.1	88.9	75.2	81.9
Adj EBITDA	20.5	16.8	16.7	19.2
Adj EBIT	15.1	11.2	10.3	11.5
Reported PBT	13.3	8.2	5.9	7.2
Fully Adj PBT	15.2	11.2	10.0	11.3
NOPAT	15.1	11.2	10.3	11.5
Reported EPS (c)	20.8	11.2	6.7	8.3
Fully Adj EPS (c)	20.9	15.3	12.1	13.6
Dividend per share (p)	6.7	7.3	7.3	7.3
CASH FLOW & BALANCE SHEET				
Operating cash flow	22.2	14.3	14.7	19.2
Free Cash flow	15.3	9.5	10.3	13.7
FCF per share (c)	20.9	13.0	13.4	17.9
Capex	(6.3)	(4.8)	(4.5)	(5.5)
Acquisitions	(0.5)	0.0	(17.6)	(1.0)
Dividends	(5.6)	(6.8)	(7.3)	(7.6)
Net cash flow	9.6	2.9	(14.7)	6.2
Shares issued	0.0	0.0	0.0	0.0
Other movements	0.0	0.0	(0.1)	(0.1)
Net (Debt)/Cash	17.4	20.3	5.5	11.6
NAV AND RETURNS				
Net asset value	73.1	73.5	78.6	85.0
NAV/share (c)	99.6	100.9	102.7	110.9
Net Tangible Asset Value	0.8	1.0	1.2	1.4
NTAV/share (c)	1.1	1.4	1.6	1.9
Average equity	59.5	73.3	76.1	81.8
Post-tax ROE (%)	25.7%	11.2%	6.8%	7.8%
METRICS				
Revenue growth		(7.5%)	(15.4%)	8.9%
Adj EBITDA growth		(18.3%)	(0.1%)	14.8%
Adj EBIT growth		(25.9%)	(7.3%)	11.4%
Adj PBT growth		(26.1%)	(10.3%)	12.8%
Adj EPS growth		(27.0%)	(21.0%)	12.8%
Dividend growth		9.9%	0.1%	0.0%
Adj EBIT margins		12.5%	13.7%	14.1%
VALUATION				
EV/Sales (x)	1.0	1.0	1.2	1.1
EV/EBITDA (x)	4.5	5.5	5.5	4.8
EV/NOPAT (x)	6.1	8.3	8.9	8.0
PER (x)	7.2	9.8	12.4	11.0
Dividend yield	5.6%	6.2%	6.2%	6.2%
FCF yield	13.9%	8.7%	8.9%	11.9%

Source: Company information and Progressive Equity Research estimates

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