

AMINO TECHNOLOGIES TECHNOLOGY HARDWARE AND EQUIPMENT

AMO.L

138p

Market Cap: £80.4m

SHARE PRICE (p)



12m high/low

142p/78p

Source: LSE Data

KEY INFORMATION

Enterprise value	£58.9m
Index/market	FTSE AIM
Next news	H1 Results, July 15
Gearing	N/A
Interest cover	N/A

**AMINO TECHNOLOGIES IS A RESEARCH
CLIENT OF PROGRESSIVE**

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Positive trading update

Amino's trading update for the first half of 2014/15 contains a number of positive messages. The period saw growth in both turnover and PBT, with strong momentum in both core geographies and new markets. Cash generation was solid, with a £2.3m improvement in the underlying cash position over H1 2013/14. Management anticipates that FY2014/15 results will be in line with market expectations, and has maintained the existing progressive dividend policy with the pre-announcement of a 10% increase in the interim dividend.

- Top-line growth continues, drivers broadly spread:** Following the return to revenue growth reported in the FY2013/14 results, Amino has flagged growth in both revenue and PBT for the first half of 2014/15. Performance in the core markets of Western Europe and North America has been strong, with solid progress being made in new markets, notably the Middle East and Africa region.
- Solid cash generation:** Amino disclosed a closing net cash position of £16.8m, post the initial £5.2m consideration for the Booxmedia acquisition which was paid during the half. Prior to this acquisition outflow, the cash position represents a £2.3m increase on the £19.7m reported in May 2014 and £1.2m improvement on the £20.8m disclosed at November 2014.
- Full-year results expected to be in line with market expectations.** Management expect revenues to remain second-half weighted. In most years, H1 revenues are 40-45% of the total, and we expect a similar trend for the current year.
- Progressive dividend policy maintained:** Amino is pre-announcing a 10% increase in the interim dividend, to 1.265p. This is in line with the existing commitment to increase DPS by no less than 10% annually for the period up to and including the year to November 2016.
- Booxmedia integration underway:** Although the acquisition was announced just three weeks ago, Amino is developing joint sales and marketing plans with Booxmedia to target both new and existing markets, including Mobile operators, media distributors and broadcasters.

Overall, this is a very positive trading update from Amino, and commentary on the expected revenue weighting gives confidence in the near-term outlook. We make no changes to estimates at this stage.

FYE NOVEMBER	2012A	2013A	2014A	2015E	2016E
Revenue (£m)	41.7	35.9	36.2	40.2	44.0
Adjusted EBITDA (£m)	6.2	6.0	6.7	7.4	8.5
Adjusted PBT (£m)	2.9	3.4	4.2	4.4	4.9
Adjusted EPS (p)	5.6	6.3	7.8	8.2	9.0
EV/ Adj. EBITDA	9.4x	9.7x	8.8x	7.9x	7.0x
P/E	24.7x	21.9x	17.7x	16.8x	15.3x
Dividend Yield (%)	2.2%	2.5%	3.6%	4.1%	4.6%

Source: Company Information and Progressive Equity Research estimates

FINANCIAL FORECASTS

Year ended November	FY-11	FY-12	FY-13	FY-14	FY-15	FY-16
	£m	£m	£m	£m	£m	£m
Profit & Loss	Act	Act	Act	Act	Est	Est
Revenue £m	51.8	41.7	35.9	36.2	40.2	44.0
Adj EBITDA £m	4.5	6.2	6.0	6.7	7.4	8.5
Adj EBIT £m	1.8	2.9	3.3	4.1	4.4	4.9
Reported PBT	(0.6)	2.9	4.2	4.0	4.4	4.9
PBT before exceptionals and AAG	1.7	2.9	3.4	4.0	4.4	4.9
Fully adj PBT	1.8	2.9	3.4	4.2	4.4	4.9
NOPAT	1.8	2.9	3.3	4.1	4.4	4.9
Reported EPS	(0.4)	5.4	7.8	7.6	8.2	9.0
EPS before exceptionals and AAG	3.1	5.5	6.4	7.5	8.2	9.0
Fully adj EPS	3.3	5.6	6.3	7.8	8.2	9.0
Dividend per share p	2.0	3.0	3.5	5.0	5.6	6.3
Cash flow & Balance sheet						
Operating cash flow	13.7	6.0	7.1	7.2	7.1	8.2
Free Cash flow £m	11.6	3.0	4.4	4.7	4.1	4.6
FCF per share p	21.4	5.7	8.3	8.7	7.7	8.5
Capex	(2.7)	(2.3)	(2.9)	(2.5)	(3.5)	(3.5)
Acquisitions	0.0	0.0	0.0	0.0	(5.1)	0.0
Net cash flow	11.6	3.0	2.1	1.5	(4.2)	1.6
Shares issued	(1.1)	0.0	0.3	0.0	0.0	0.0
Net cash/(debt)	14.1	17.1	19.5	21.5	17.3	18.9
Metrics	FY-11	FY-12	FY-13	FY-14	FY-15	FY-16
Revenue growth	17.8%	-19.5%	-14.0%	0.9%	11.0%	9.5%
Adj EBITDA growth	496.7%	40.0%	-3.2%	11.1%	10.3%	14.1%
Adj EBIT growth	69.2%	63.9%	14.8%	24.1%	7.4%	10.0%
Adj PBT growth	67.8%	66.3%	16.4%	22.6%	5.4%	10.0%
Adj EPS growth	75.6%	72.0%	12.8%	23.6%	5.4%	10.0%
Dividend growth		50.0%	15.0%	44.9%	12.5%	12.5%
Adj EBIT margins	3.4%	6.9%	9.2%	11.4%	11.0%	11.0%
Operating cash conversion	308.1%	95.5%	116.7%	106.5%	96.0%	96.5%
Capex/Depreciation	99%	67%	106%	95%	116%	97%
Valuation	FY-11	FY-12	FY-13	FY-14	FY-15	FY-16
EV/Sales	1.1	1.4	1.6	1.6	1.5	1.3
EV/EBITDA	13.2	9.4	9.7	8.8	7.9	7.0
EV/NOPAT	33.5	20.4	17.8	14.3	13.4	12.1
PER	42.4	24.7	21.9	17.7	16.8	15.3
Dividend yield	1.4%	2.2%	2.5%	3.6%	4.1%	4.6%
FCF yield	15.5%	4.1%	6.0%	6.3%	5.6%	6.1%

Source: Company information and Progressive Equity Research estimates

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