

AMINO TECHNOLOGIES

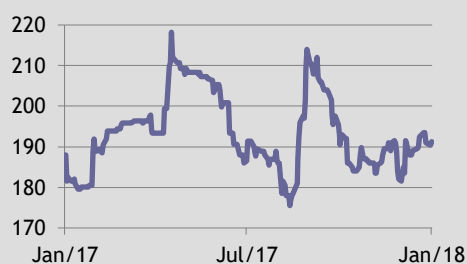
TECHNOLOGY HARDWARE AND EQUIPMENT

AMO.L

192p

Market Cap: £139.1m

SHARE PRICE (p)



12m high/low

218p/176p

Source: LSE Data

KEY INFORMATION

Enterprise value	£132.8m
Index/market	FTSE AIM
Next news	FY17 Results, 6 Feb 18
Gearing	N/A
Interest cover	N/A

AMINO TECHNOLOGIES IS A RESEARCH CLIENT OF PROGRESSIVE

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Reference contract signed in the Netherlands

Amino has announced the deployment of an end-to-end multiscreen entertainment service with Dutch multi-service (cable TV) operator Delta. The release is light on detail as to the contract size and potential value to Amino, although management confirm the deal will not have a material incremental impact on current-year revenues. We therefore make no revisions to forecasts following the announcement, but believe the contract represents another strong endorsement of the MOVE TV platform. It also demonstrates Amino's capability to leverage existing customer relationships and also its ability to assist customers migrate existing cableTV subscriber bases to IP-based multiscreen service delivery.

- Amino has deployed an integrated entertainment service for Delta:** Amino has announced the deployment of an integrated multi-screen entertainment solution to Dutch cable TV operator Delta. The deal encompasses both hardware and software, with Amino supplying 6-series 4K/UHD compatible IPTV devices alongside its MOVE TV "TV everywhere" platform.
- Leveraging an existing customer relationship:** Amino originally deployed its Cloud platform for the delivery of services to mobile devices with Delta in 2015. This was the predecessor to the MOVE TV platform, and originally developed by Booxmedia, whom Amino acquired in 2015. The new deployment extends that service to the home via an Amino 4k Set-Top Box (STB), providing Delta customers with a richer, more integrated viewing experience, including live television, Personal Video Recording (PVR), catchup TV, Video on demand and OTT (Over the Top) applications. Essentially, Amino is providing Delta with an integrated TV everywhere solution.
- Cable TV to IP TV migration underway:** Industry estimates suggest Delta has between 130-145k existing cable TV customers. Amino is working closely with Delta to transition the subscriber base to an all-IP service model. Previously, mobile TV services were provided on a standalone basis to Delta's cable TV customers. The new integrated offering has already soft-launched, with full marketing due to commence this month.

Following the DNA (Finland) contract announced September 2017, Amino now has a second reference customer for its integrated mobile and in-home TV offering. With Delta, Amino is providing a full end-to-end hardware and software solution, further validating the group's product strength in both segments, and also its ability to deliver cable TV to IP TV migrations.

YEAR TO NOVEMBER	2014	2015	2016	2017E	2018E
Revenue (£m)	36.2	41.7	75.2	75.2	83.7
Adjusted EBITDA (£m)	6.7	7.5	13.5	14.6	15.6
Adjusted PBT (£m)	4.2	5.2	10.2	11.0	12.0
Adjusted EPS (p)	7.8	8.5	13.5	13.8	15.1
EV/ Adj. EBITDA	19.8x	17.8x	9.8x	9.1x	8.5x
P/E	24.6x	22.5x	14.2x	13.9x	12.7x
Dividend Yield (%)	2.6%	2.9%	3.2%	3.5%	3.8%

Source: Company Information and Progressive Equity Research estimates

Delta interactive TV – Sample screenshots

The screenshot shows the Delta website interface. At the top left is the Delta logo with the tagline 'verbindt'. The navigation menu includes 'Home', 'For Business', and 'About DELTA'. Below this are two main menu items: 'To become a customer' and 'Service & arrange yourself'. On the right side, there is a Google search bar, a 'News' link, and a 'MyDELTA' button with a lock icon.

The main content area features three columns:

- Left Column:** A vertical list of service categories under the 'Service & arrange yourself' header: Electricity & Gas, Heating, All-in-1, TV & Internet, Interactive TV, and Smart living.
- Middle Column:** A promotional banner titled 'Combine & Profit'. It features a graphic with a Wi-Fi symbol, a plus sign, and a power plug icon, with the text '= gratis sneller internet!'. Below the graphic, it states: 'If you combine Internet and Energy at the same address, that means a nice advantage for you that gives you lasting enjoyment.' A 'More information' button is at the bottom.
- Right Column:** A promotional banner titled 'DELTA Interactive TV'. It shows a person watching a TV displaying a content menu. Below the image, it says 'Watch new TV on all your screens' and includes a 'More information' button.

At the bottom of the main content area, there is a text block: 'MijnDELTA: manage your business around internet, TV and telephony and energy easily online'.

Source: Company materials

SUMMARY FINANCIALS

Year ended November	FY-13	FY-14	FY-15	FY-16	FY-17	FY-18
	£m	£m	£m	£m	£m	£m
Profit & Loss	Act	Act	Act	Act	Act	Est
Revenue £m	35.9	36.2	41.7	75.2	75.2	83.7
Adj EBITDA £m	6.0	6.7	7.5	13.5	14.6	15.6
Adj EBIT £m	3.3	4.1	5.1	10.2	11.0	12.0
Reported PBT	4.2	4.0	0.3	2.9	6.4	9.0
PBT before exceptionals and AAG	3.4	4.0	5.3	10.5	11.7	12.7
Fully adj PBT	3.4	4.2	5.2	10.2	11.0	12.0
NOPAT	3.3	4.1	5.1	10.2	11.0	12.0
Reported EPS	7.8	7.6	0.6	3.8	7.5	11.1
EPS before exceptionals and AAG	6.4	7.5	9.0	14.5	14.8	16.1
Fully adj EPS	6.3	7.8	8.5	13.5	13.8	15.1
Dividend per share p	3.5	5.0	5.5	6.1	6.7	7.3
Cash flow & Balance sheet						
Operating cash flow	7.1	7.2	6.4	13.6	16.2	14.6
Free Cash flow £m	4.2	4.8	3.1	10.6	12.7	11.1
FCF per share p	7.9	8.9	5.3	14.9	17.3	15.1
Capex	(2.9)	(2.5)	(3.3)	(3.5)	(3.5)	(3.5)
Acquisitions	0.0	0.0	(38.8)	(2.6)	(1.5)	0.0
Net cash flow	2.1	1.5	(38.6)	4.2	6.8	6.1
Shares issued	0.3	0.0	19.9	0.0	0.0	0.0
Net cash/(debt)	19.5	20.8	2.0	6.2	13.0	19.0
Metrics	FY-13	FY-14	FY-15	FY-16	FY-17	FY-18
Revenue growth	-14.0%	0.9%	15.1%	80.6%	0.0%	11.3%
Adj EBITDA growth	-3.2%	11.1%	11.2%	81.0%	8.1%	6.7%
Adj EBIT growth	14.8%	24.1%	24.0%	100.7%	7.8%	8.9%
Adj PBT growth	16.4%	22.6%	22.9%	98.1%	7.8%	9.0%
Adj EPS growth	12.8%	23.6%	9.2%	58.5%	2.0%	9.5%
Dividend growth	15.0%	44.9%	10.0%	10.2%	10.0%	10.0%
Adj EBIT margins	9.2%	11.4%	12.2%	13.6%	14.7%	14.3%
Operating cash conversion	116.7%	106.5%	85.6%	100.3%	111.0%	93.5%
Capex/Depreciation	106%	95%	115%	334%	259%	258%
Valuation	FY-13	FY-14	FY-15	FY-16	FY-17	FY-18
EV/sales	3.7	3.7	3.2	1.8	1.8	1.6
EV/EBITDA	22.0	19.8	17.8	9.8	9.1	8.5
EV/NOPAT	40.1	32.3	26.1	13.0	12.0	11.1
PER	30.3	24.6	22.5	14.2	13.9	12.7
Dividend yield	1.8%	2.6%	2.9%	3.2%	3.5%	3.8%
FCF yield	4.2%	4.7%	2.8%	7.8%	9.1%	7.9%

Source: Company information, Progressive Equity Research estimates

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