

## Sanderson Group (SND)

AIM



### INVESTMENT SUMMARY

- A pre-close trading update has been released, confirming that trading results for the year ended 30 September 2015 will be in line with expectations. Group revenue grew to over £19.0m (2014: £16.4m) and adjusted operating profit was £3.3m (2014: £2.8m).
- Mobile commerce business one iota delivered revenue growth of over 75%. With further growth anticipated this is an exciting part of Sanderson.
- The new year has also started well and leaves the company with confidence that it will at least meet market expectations for the year ending 30 September 2016. Recurring revenues currently represent 52% of total revenue, which demonstrates the strength of the long term relationships which have been built with customers.
- The acquired Proteus business has made a positive contribution in its first year as part of the group. Further complementary acquisitions have the potential to drive increased shareholder value.
- Despite investment in product development and acquisitions the balance sheet remains notably strong, cash at the year end being over £4.4m. Overall there is scope for the value of the business to grow significantly from the current level in the medium to long term.

### Results and Consensus Forecasts

Year to 30th September	Revenue (£m)	Pre-Tax Profit* (£m)	Earnings per share** (p)	P/E Ratio	Net Dividend (p)	Net Yield (%)
2013A	13.8	2.2	4.2	15.5	1.5	2.3
2014A	16.4	2.7	4.4	14.8	1.8	2.8
2015E	19.2	3.0	4.7	13.5	1.9	2.9
2016E	20.1	3.3	5.0	13.0	2.0	3.1

\* - adjusted; \*\* - diluted adjusted

### KEY DATA

Share Price:	65p
Prospective p/e ratio:	13.5x
Prospective net yield:	2.9%
Market Capitalisation:	£35.5m
Next Results Due (Finals):	DEC
Net Cash (at 30 Sept):	£4.4m
NAV per share (at 31 March):	48.0p

### BULLET POINTS

- Trading update confirms that results for the year recently ended will be in line with expectations
- Solid growth in revenue and adjusted operating profit a key feature
- Balance sheet remains in good shape with net cash position
- Outlook for the new year already looking bright

Date of Report : 27 October 2015

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## GENERAL INFORMATION

### COMPANY DATA

**Stockbrokers:**

Panmure Gordon (UK) Limited

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Chairman**Contact Address:**Sanderson House  
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CV1 2GFAdrian Frost  
Finance Director  
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### FINANCIAL CALENDAR

Year End:	30 September 2015
Final Results Due:	1 December 2015
Ex-Dividend Date:	March 2016
Final Dividend Pay Date:	March 2016

The above dates should only be used for guidance

### Significant Shareholders

**Ordinary shares of 10p each**

	Number	%
C Winn	11,786,924	21.6
Hargreave Hale	7,929,054	14.5
Living Bridge	4,818,257	8.8
Miton Capital Partners	4,254,522	7.8
Helium Rising Stars Fund	2,394,753	4.4
AXA Framlington Asset Management	1,802,500	3.3
Unicorn Asset Management	1,767,572	3.2
Downing One VCT PLC	1,636,308	3.0

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