

Sanderson Group (SND)

AIM



FLASH NOTE - AGM STATEMENT

- Sanderson has made a good start to 2013/14 with like-for-like performance ahead of the comparative period, helped by a continued increase in business from new customers. The Board is confident that “further significant progress” will be made in the current year.
- Growth in the manufacturing division is being driven by the part of the business which addresses the food and drink processing market. Strong performance in this area is more than offsetting weakness in the general manufacturing business.
- A growing presence in the online sales, ecommerce and catalogue sectors leaves the group well positioned. These sectors continue to grow at double digit rates and the adoption of mobile solutions across all markets is key to the progress which is being made. The growth is more than offsetting a gradual decline in the segment of the business which addresses the traditional mail order market.
- In the short term the integration of One iota and Priam, which were acquired last year, is a key priority. The plan to supplement organic growth with suitable acquisitions remains intact but the company will continue to take a cautious attitude to risk.

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 (%)
2012A	13.4	1.5	2.8	22.0	1.2	2.0
2013A	13.8	1.9	3.7	16.6	1.5	2.4
2014E	15.9	2.5	4.2	14.6	1.6	2.6
2015E	17.0	3.0	4.7	13.1	1.7	2.8

KEY DATA

Share Price:	61.5p
Prospective p/e ratio:	14.6x
Prospective net yield:	2.6%
Market Capitalisation:	£31.8m
Next Results Due (Interims):	JUN
Net Cash (at 30 September):	£3.66m
NAV per share:	47.7p

BULLET POINTS

- Upbeat AGM statement confirms that the business continues to progress
- Pre-contracted recurring revenues cover over two-thirds of overheads
- Exposure to fast-growing online sales, ecommerce and catalogue sectors
- Recent and future acquisitions should enhance shareholder value
- Highly cash generative business model
- Commitment to a progressive dividend policy reiterated

Date of Report : 3 March 2014

www.brokerlink.co.uk

GENERAL INFORMATION

COMPANY DATA

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Chairman
Adrian Frost
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FINANCIAL CALENDAR

Ex-Dividend Date:	5 March 2014
Final Dividend Payment Date:	28 March 2014
Interim Results Period End:	31 March 2014
Interim Results Due:	June 2014
Next Year End:	30 September 2014

The above dates should only be used for guidance

Significant Shareholders

Ordinary shares of 10p each

	%
C Winn	24.6
Hargreave Hale & Co	13.1
ISIS EP LLP	9.3
Miton Group	8.6
AXA Framlington Investment Management	4.8
Unicorn Asset Management	3.4

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