

Sanderson Group (SND)

AIM



FLASH NOTE - Pre-close trading update

- Following on from the positive AGM statement last month, the group has issued a positive pre-close trading update covering the six month period to 31 March. The interim results due on 9 June should reveal an increase in group revenues of over 20% to £7.9m compared with the same period last year, with adjusted operating profits also rising by over 20% to £1.2m.
- The strong growth in revenue reflected a like-for-like increase of over 4% with the balance coming from acquisitions, with Catan Marketing being acquired in August 2013 and One iota Limited being purchased last October. Both acquisitions have done well and One iota has helped the group to expand into the areas of mobile enabled online sales, ecommerce and catalogue sales.
- The group's order intake rose by over 50% over the period compared to last year with orders for 'mobile and ecommerce' accounting for over 30% of the total as these continue to grow. At the end of the period, the order book was in excess of £2.46m compared with £1.58m a year earlier, with most of this due for delivery in the second half of the financial year
- The group's strong cash flow meant that at the end of the period it had net cash of just over £5m (31 March 2013: £4.5m).
- The group remains cautious overall, although it has detected some signs of improvement in business activity. Nevertheless, at this point we are leaving our forecasts unchanged for both this year and next, although if business continues to improve these may well be increased going forward.

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	25.4	1.2	1.7
2013A	13.8	1.9	3.7	19.3	1.5	2.1
2014E	15.9	2.5	4.2	17.0	1.6	2.2
2015E	17.0	3.0	4.7	15.2	1.7	2.4

KEY DATA

Share Price:	71.25p
Prospective p/e ratio:	17.0x
Prospective net yield:	2.2%
Market Capitalisation:	£36.8m
Next Results Due (Interims):	9 JUN
Net Cash (at 31 March):	>£5m
NAV per share (at 30/9/13):	47.7p

BULLET POINTS

- Another strong set of results is now indicated for the first half of the current financial year
- Both revenues and adjusted operating profits are set to post increases of over 20%
- Over 55% of revenues are pre-contracted recurring revenues
- The latest acquisitions have performed well and have expanded the group's offering
- Healthy balance sheet with net cash of over £5m at 31 March

Date of Report : 24 April 2014

www.brokerlink.co.uk

GENERAL INFORMATION

COMPANY DATA

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FINANCIAL CALENDAR

Interim Results Period End: 31 March 2014

Interim Results Due: 9 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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