

## Sanderson Group (SND)

AIM



### FLASH NOTE — AGM TRADING UPDATE

- Sanderson has released a statement to coincide with its Annual General Meeting. In the first quarter of the current financial year revenue and profit were up 20% on the same period a year earlier. This reflects both organic growth and an additional two months contribution from Anisa Group following its acquisition in November 2017.
- Overall, sales order intake levels were also up in the first quarter and more new customers were gained than in the same period a year earlier. This provides confidence moving into the second quarter of the financial year.
- The Digital Retail division continues to make impressive progress and both revenue and operating profit grew at double-digit rates. We see this as a very attractive part of Sanderson's overall proposition.
- The balance sheet remains in good shape and net cash was £3.38m as of 21 January 2019, up from £3.03 at the last year end of 30 September 2018. At the same dates the cash balance was £6.36m and £6.47m respectively.
- Although the company has noted the economic uncertainty created by Brexit it remains well positioned and has clearly made a good start to the current financial year, meaning it is on track to make further progress in the full year.

### 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 (%)
2017A	21.6	3.7	6.3	15.0	2.65	2.8
2018A	32.1	4.8	7.6	12.4	3.00	3.2
2019E	34.0	5.3	8.0	11.8	3.30	3.5
2020E	36.0	5.8	8.8	10.7	3.60	3.8

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

### KEY DATA

Share Price:	94.5p
Prospective p/e ratio:	11.8x
Prospective net yield:	3.5%
Market Capitalisation:	£56.7m
Next Results Due (Interims):	JUNE
Net Cash (30 September):	£3.03m
NAV per share (30 September):	57.3p



### BULLET POINTS

- A solid start has been made to the current financial year
- Group revenue and profit were up around 20% in the first quarter
- The improved order book provides confidence moving ahead
- The balance sheet remains strong and net cash as at 21 January was £3.38m, up from £3.03m as at 30 September 2018

Date of Report : 22 January 2019

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## About Sanderson

- Sanderson is a specialist provider of digital technology solutions, innovative software and managed services for the retail, wholesale, supply chain logistics, food and drink processing and manufacturing market sectors. The group develops long term relationships with its customers with the majority of product development being customer led and offering tangible benefits. The group delivers solutions to numerous organisations with turnovers typically between £5m and £250m.
- The group's solutions now primarily consist of Sanderson proprietary owned software, integrated with other market-leading products being delivered, supported and serviced by Sanderson staff. Sanderson's contracts for both software and support and maintenance provide it with a solid recurring revenue base which represents around 55% of total revenues.
- Sanderson has expanded steadily over recent years, growing through a mixture of organic growth and acquisition, including the acquisition of Anisa Group in November 2017, and this progress is expected to continue. The group continues to invest in product development and it is now recognised as an established provider of software and IT services in the UK and Ireland.

## GENERAL INFORMATION

### COMPANY DATA

**Stockbrokers:**  
N+1 Singer

**Contact Address:**  
Sanderson House  
Manor Road  
Coventry  
CV1 2GF

**Information:**  
Christopher Winn  
Chairman  
Ian Newcombe  
Chief Executive  
Richard Mogg  
Finance Director  
t- 0333 123 1400

### FINANCIAL CALENDAR

Final Dividend Ex-div Date:	14 February 2019
Final Dividend Payment Date:	1 March 2019
Interim Results Due:	June 2019
Year End:	30 September 2019
Final Results Announcement:	November 2019
Expected AGM Date:	January 2020

The above dates should only be used for guidance

### Significant Shareholders

#### Ordinary shares of 10p each

	%
C Winn	13.3
Cannaccord Genuity	11.2
Gresham House Asset Management	9.6
Miton Asset Management	5.2
Alto Invest	4.5
Brooks Macdonald Asset Management	4.2
Unicorn Asset Management	4.0
D Renshaw	3.5

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VAT. Reg. No. GB 607 1818 48

1 Skipton Road  
Ilkley  
West Yorkshire  
LS29 9EH

Tel : 01943 886602  
Fax : 01943 886601  
Email : [info@brokerlink.co.uk](mailto:info@brokerlink.co.uk)  
[www.brokerlink.co.uk](http://www.brokerlink.co.uk)

