

# THRUVISION TECHNOLOGY

2 April 2020

## THRU.L

14p

Market Cap: £21.1m

### SHARE PRICE (p)



12m high/low

31p/15p

Source: LSE Data

### KEY DATA

Net (Debt)/Cash	£9.4m
Enterprise value	£11.7m
Index/market	AIM
Next news	Finals, June '20 (TBC)
Shares in Issue (m)	145.5
Chairman	Tom Black
Chief Executive	Colin Evans
Finance Director	Adrian Crockett

### COMPANY DESCRIPTION

Thruvision develops, manufactures and sells people screening technology to the global security market

[www.thruvision.com](http://www.thruvision.com)

THRUVISION IS A RESEARCH CLIENT OF  
PROGRESSIVE

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## Per ardua, ad astra

Thruvision's trading update to March 2020 reflects a good year which experienced a 'material slowdown' in order-flow in March due to COVID-19. Revenue is expected to be £8.0 million - 6% shy of our forecast, but still a very-credible 33% up on the prior year. H2 saw continued strategic progress in key markets of aviation and "profit protection" (employers checking employees for items smuggled out of distribution centres). These sectors may exhibit some level of resilience despite COVID-19, if the Company can work via its existing in-country representatives. The impact of the pandemic on orders and product trials – and hence revenue visibility - is clearly significant and management has decided against giving guidance for the new financial year. We adjust our FY 2020E estimates to reflect the revenue and cash described in the update (Thruvision retains a healthy balance sheet) and leave numbers for FY 2021E and FY 2022E unchanged until such time that the position becomes clearer. Those latter two estimate years are obviously now subject to a very high degree of uncertainty.

- New business won** Thruvision's second half sales saw repeat orders from an Asian government and in the UK, Morrisons (distribution centres remain vital for retailers to fulfil their online commitments). Two new profit protection customers ordered their first units, one being the Company's first in North America. The group also received its first order for the new higher performance sensor from a global technology firm.
- Product rollout and delivery** The group continued to support rollouts of units purchased by international Customs agencies in H1. Thruvision also made 'steady progress' through ongoing US Transportation Security Administration laboratory testing and airport employee security trials.
- Cash, costs and COVID-19** Thruvision has implemented measures to tighten cash flow management and had an £8.6 million cash balance and zero debt at the end of March. Despite the impact of COVID-19 on the certainty of the trading outlook, management says that it is 'encouraged by the recent uptick in interest in Thruvision's unique ability' to provide effective security screening which is respectful of privacy, at a safe distance and with no physical contact – clearly a key differentiator.

With potential pent-up demand in domestic aviation markets and the continuing importance of retail distribution centres, we believe that Thruvision's cash balance and sales pipeline leave it well positioned to weather the current storm and emerge well-placed in due course.

FYE MAR (£M)	2018	2019	2020E	2021E	2022E
Revenue	3.1	6.0	8.0	10.8	12.5
Adj EBITDA	-1.8	-1.6	-0.8	-0.4	-0.2
Fully Adj PBT	-2.9	-1.7	-1.0	-0.6	-0.3
Fully Adj EPS (p)	-1.7	-1.1	-0.7	-0.4	-0.2
EV/Sales (x)	3.8x	2.0x	1.5x	1.1x	0.9x
EV/EBITDA (x)	-6.6x	-7.5x	-13.8x	-27.2x	-62.4x
PER (x)	N/A	N/A	N/A	N/A	N/A

Source: Company Information and Progressive Equity Research estimates

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Please refer to important disclosures at the end of the document.

**Financial Summary: Thruvision**

Year end: March (£m unless shown)

	2018	2019	2020E	2021E	2022E
<b>PROFIT &amp; LOSS</b>					
Revenue	3.1	6.0	8.0	10.8	12.5
Adj EBITDA	(1.8)	(1.6)	(0.8)	(0.4)	(0.2)
Adj EBIT	(2.2)	(1.7)	(1.0)	(0.6)	(0.3)
Reported PBT	(3.2)	(2.1)	(1.2)	(0.8)	(0.5)
Fully Adj PBT	(2.9)	(1.7)	(1.0)	(0.6)	(0.3)
NOPAT	(2.2)	(1.7)	(1.0)	(0.6)	(0.3)
Reported EPS (p)	(1.9)	(1.3)	(0.8)	(0.5)	(0.4)
Fully Adj EPS (p)	(1.7)	(1.1)	(0.7)	(0.4)	(0.2)
Dividend per share (p)	0.0	0.0	0.0	0.0	0.0
<b>CASH FLOW &amp; BALANCE SHEET</b>					
Operating cash flow	(3.6)	(4.2)	(0.8)	(3.4)	(1.1)
Free Cash flow	(3.6)	(4.2)	(0.8)	(3.4)	(1.1)
FCF per share (p)	(2.2)	(2.7)	(0.5)	(2.3)	(0.8)
Acquisitions	0.0	0.0	0.0	0.0	0.0
Disposals	0.0	0.0	0.0	0.0	0.0
Shares issued	0.0	0.0	0.0	0.0	0.0
Net cash flow	(3.6)	(4.2)	(0.8)	(3.4)	(1.1)
Overdrafts / borrowings	0.0	0.0	0.0	0.0	0.0
Cash & equivalents	17.6	9.4	8.6	5.2	4.1
Net (Debt)/Cash	17.6	9.4	8.6	5.2	4.1
<b>NAV AND RETURNS</b>					
Net asset value	19.5	14.1	12.9	12.1	11.5
NAV/share (p)	11.8	9.7	8.8	8.3	7.9
Net Tangible Asset Value	0.3	0.8	0.6	0.4	0.3
NTAV/share (p)	0.2	0.5	0.4	0.3	0.2
Average equity	9.7	16.8	13.5	12.5	11.8
Post-tax ROE (%)	(17.8%)	(6.0%)	(4.4%)	(2.8%)	0.0%
<b>METRICS</b>					
Revenue growth		92.7%	33.8%	34.8%	16.0%
Adj EBITDA growth		(12.8%)	(45.3%)	(49.2%)	(56.5%)
Adj EBIT growth		(20.6%)	(41.8%)	(41.4%)	(41.3%)
Adj PBT growth		(40.1%)	(41.9%)	(41.4%)	(41.3%)
Adj EPS growth		(34.1%)	(38.1%)	(41.4%)	(41.3%)
Dividend growth		N/A	N/A	N/A	N/A
Adj EBIT margins		(29.0%)	(12.6%)	(5.5%)	(2.8%)
<b>VALUATION</b>					
EV/Sales (x)	3.8	2.0	1.5	1.1	0.9
EV/EBITDA (x)	-6.6	-7.5	-13.8	-27.2	-62.4
EV/NOPAT (x)	-5.4	-6.8	-11.6	-19.8	-33.8
PER (x)	N/A	N/A	N/A	N/A	N/A
Dividend yield	N/A	N/A	N/A	N/A	N/A
FCF yield	(15.1%)	(18.9%)	(3.7%)	(16.2%)	(5.2%)

Source: Company information and Progressive Equity Research estimates

**Disclaimers and Disclosures**

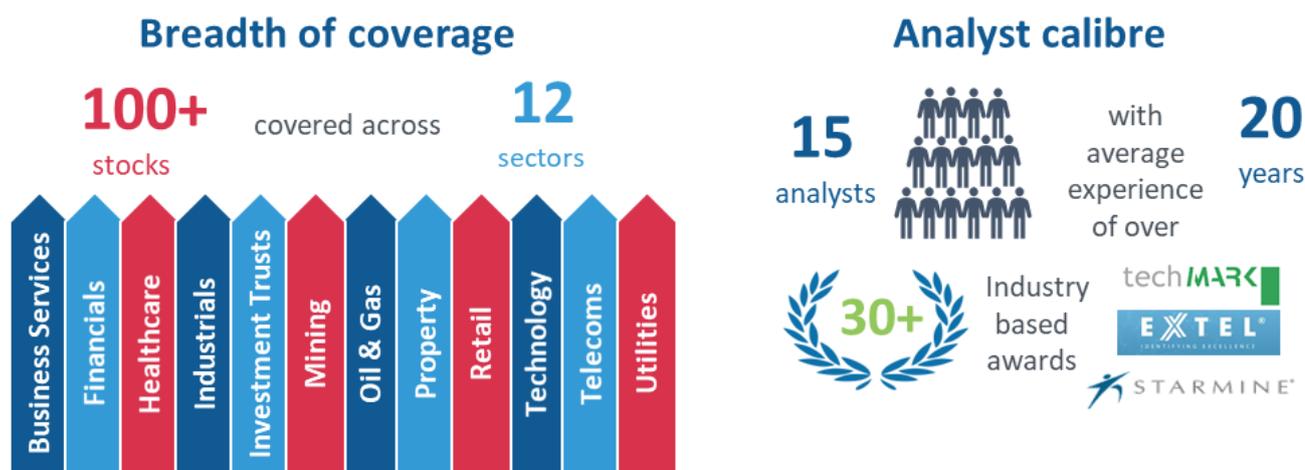
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