

THRUVISION TECHNOLOGY

7 October 2021

THRU.L

20.8p

Market Cap: £30.3m

SHARE PRICE (p)



12m high/low 28p/21p

Source: LSE Data

KEY DATA

Net (Debt)/Cash	£4.1m (at 30/09/21)
Enterprise value	£26.2m
Index/market	AIM
Next news	Interims, December '21
Shares in Issue (m)	145.8
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

THRUVISION IS A RESEARCH CLIENT OF
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First Half Trading update

Increased momentum in Profit Protection

Thruvision has provided a short update on trading for the six months ending September 2021. The Group has continued to be impacted by weakness in Aviation and Customs due to the pandemic. In contrast, the Profit Protection sector operates in a growth market and has been a major beneficiary from the increase in online retail due to the pandemic, with revenue up 67% in H122 to £1m. Overall revenue for H122 is expected to be £2m, which sequentially is flat (H221: £2m). However, the comparative period (H121) was £4.7m, reflecting the lumpy nature of Customs, with last year's first half including a single £3.0m order from US Customs and Border Protection (CPB). Management notes that it is in discussions with CPB for potential orders in the second half. Momentum remains strong in Profit Protection with October sales expected to exceed the first half as a whole, as customers prepare for Christmas trading.

- **Strong growth in Profit Protection.** Management has acted quickly to capitalise on this growth and we see the segment being a significant driver of profitability in the short to medium term. Management also notes high levels of interest from the US market and repeat orders from new customers who first purchased from Thruvision in the past 12 months.
- **Further order flow expected in Customs in H2,** driven by significant immigration pressure on the southern border with Mexico. Activity levels with CBP are high and management is in discussions about upgrading and expanding the Thruvision fleet.
- **Aviation** Thruvision has progressed its accreditation process with the US Transportation Security Administration which should open up opportunities in this highly regulated market once activity levels improve.
- **Strong balance sheet and tight cost control** Cash was £4.1m on 30 September 2021 (31 March 2021: £7.3 million). £0.9m of the reduction was due to an increase in stock levels to support the expected growth in Profit Protection due to Christmas trading.

We believe that Thruvision is well-positioned to grow as the market leader in 'safe distance' people-screening technology, particularly benefiting from the rapidly growing market Profit Protection Sector. The Group remains financially sound and poised to take advantage of the expected recovery in both Customs and Aviation over the medium term.

FYE MAR (£M)	2018	2019	2020	2021
Revenue	3.1	6.0	8.0	6.7
Adj EBITDA	-1.8	-1.6	-0.8	-1.8
Fully Adj PBT	-2.9	-1.7	-1.2	-2.3
Fully Adj EPS (p)	-1.7	-1.1	-0.7	-1.6
EV/Sales (x)	8.5x	4.4x	3.3x	3.9x
EV/EBITDA (x)	-14.7x	-16.9x	-34.8x	-14.3x
PER (x)	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	2020	2021
PROFIT & LOSS				
Revenue	3.1	6.0	8.0	6.7
Adj EBITDA	(1.8)	(1.6)	(0.8)	(1.8)
Adj EBIT	(2.2)	(1.7)	(1.2)	(2.3)
Reported PBT	(3.2)	(2.1)	(1.5)	(2.8)
Fully Adj PBT	(2.9)	(1.7)	(1.2)	(2.3)
NOPAT	(2.2)	(1.7)	(1.0)	(2.3)
Reported EPS (p)	(1.9)	(1.3)	(0.9)	(1.7)
Fully Adj EPS (p)	(1.7)	(1.1)	(0.7)	(1.6)
Dividend per share (p)	0.0	0.0	0.0	0.0
CASH FLOW & BALANCE SHEET				
Operating cash flow	(3.6)	(4.2)	(0.7)	(1.9)
Free Cash flow	(3.6)	(4.2)	(0.7)	(2.2)
FCF per share (p)	(2.2)	(2.7)	(0.5)	(1.5)
Acquisitions	0.0	0.0	0.0	0.0
Disposals	0.0	0.0	0.0	0.0
Shares issued	0.0	0.0	0.0	0.0
Net cash flow	(3.6)	(4.2)	(0.7)	(2.2)
Overdrafts / borrowings	0.0	0.0	0.0	0.0
Cash & equivalents	17.6	9.4	8.4	7.3
Net (Debt)/Cash	17.6	9.4	8.4	7.3
NAV AND RETURNS				
Net asset value	19.5	14.1	13.4	11.3
NAV/share (p)	11.8	9.7	9.2	7.8
Net Tangible Asset Value	0.3	0.8	1.2	1.1
NTAV/share (p)	0.2	0.5	0.9	0.8
Average equity	9.7	16.8	13.7	12.3
Post-tax ROE (%)	(17.8%)	(7.2%)	(17.0%)	(3.3%)
METRICS				
Revenue growth		92.7%	33.8%	(16.3%)
Adj EBITDA growth		(12.8%)	(51.4%)	142.6%
Adj EBIT growth		(20.6%)	(30.8%)	94.7%
Adj PBT growth		(40.1%)	(30.5%)	93.6%
Adj EPS growth		(34.1%)	(39.7%)	137.6%
Dividend growth		N/A	N/A	N/A
Adj EBIT margins		(29.0%)	(15.0%)	(34.8%)
VALUATION				
EV/Sales (x)	8.5	4.4	3.3	3.9
EV/EBITDA (x)	-14.7	-16.9	-34.8	-14.3
EV/NOPAT (x)	-12.0	-15.1	-26.9	-11.2
PER (x)	N/A	N/A	N/A	N/A
Dividend yield	N/A	N/A	N/A	N/A
FCF yield	(10.5%)	(13.1%)	(2.3%)	(7.1%)

Source: Company information and Progressive Equity Research estimates

Disclaimers and Disclosures

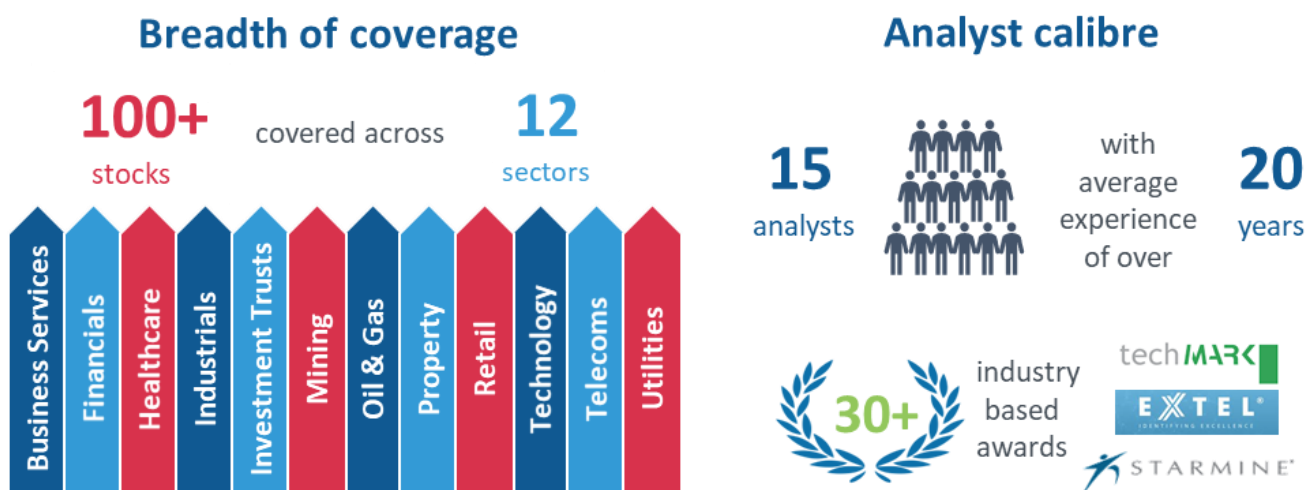
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