

# THRUVISION TECHNOLOGY

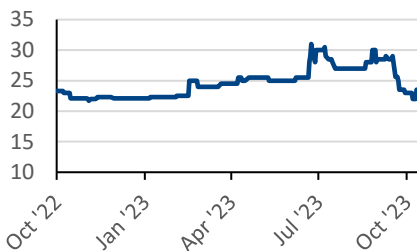
26 October 2023

## THRU.L

23.5p

Market Cap: £37.8m

### SHARE PRICE (p)



12m high/low 31p/22p

Source: LSE Data (priced as at prior close)

### KEY DATA

Net (debt)/cash	£2.3m (at 30/09/23)
Enterprise value	£35.5m
Index/market	AIM
Next news	Interims, December
Shares in issue (m)	161.0
Chairman	Tom Black
CEO	Colin Evans
CFO	Victoria Balchin

### COMPANY DESCRIPTION

Thruvision is the leading developer, manufacturer and supplier of walk-through security technology.

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

THRUVISION IS A RESEARCH CLIENT OF  
PROGRESSIVE

### ANALYSTS

#### Gareth Evans

+44 (0) 20 7781 5301

gevens@progressive-research.com



#### Tessa Starmer

+44 (0) 20 7781 5303

tstarmer@progressive-research.com



[www.progressive-research.com](http://www.progressive-research.com)

## Strategic investor endorsement via £3.2m raise

Thruvision has successfully concluded the placing of 13.6m new ordinary shares at a 6.8% premium, raising £3.2m gross. This includes a £2.5m strategic investment from Pentland Capital, part of the Pentland Group, which owns leading sports brands such as Speedo, Berghaus, Canterbury, Ellesse and Mitre, as well as being the majority shareholder in JD Sports, a long-term customer and early adopter of the Thruvision technology. Existing shareholder Canaccord Genuity Wealth Management also invested a further £0.5m. In our view, the strategic investment by Pentland Capital serves as a clear validation of Thruvision's business model, as well as bolstering its financial flexibility.

- £3.2m fundraise.** Thruvision has successfully placed 13.6m new ordinary shares at 23.5p/share – a c.6.8% premium to the closing price on 20 October – raising gross proceeds of £3.2m (£3m net). The new shares equate to c.9.2% of the issued share capital and increase total voting rights to 161m on admission (26 October). The proceeds are to be used for continued investment in its sales and marketing capability, and delivering key new software functionality. It will also provide additional working capital flexibility and strengthens the balance sheet.
- Strategic investor.** As part of the placing, Pentland Capital, the investment arm of Pentland Group, has secured a 7% equity stake in Thruvision. This follows discussions earlier in the year to form a strategic relationship, with an intention, over time, to acquire a minimum 10% stake in Thruvision. Having a strategic investor such as Pentland is, in our view, a big vote of confidence for the Thruvision product and reinforces its established position in the Retail market. Also, given Pentland's other investments, we believe that this could lead to new customers on the retail/logistics side. Pentland Capital is the majority shareholder of JD Sports, which is already one of Thruvision's longest-standing customers with equipment installed in five of its distribution centres in the UK and Europe.
- Forecasts updated.** Our estimates of group financial performance are unchanged, however per-share amounts and the financial position are adjusted to reflect the fundraise. We look forward to Thruvision's progress with a strong new partner, and a dramatically reinforced balance sheet and market standing.

FYE MAR (£M)	2021	2022	2023	2024E
Revenue	6.7	8.4	12.4	8.1
Adj EBITDA	-1.6	-1.7	-0.2	-2.5
Fully Adj PBT	-2.4	-2.3	-0.8	-3.2
Fully Adj EPS (p)	-1.7	-1.1	-0.5	-1.9
EV/Sales (x)	5.3x	4.3x	2.9x	4.4x
EV/EBITDA (x)	-22.9x	-20.9x	-162.3x	-13.2x
PER (x)	N/A	N/A	N/A	N/A

Source: Company Information and Progressive Equity Research estimates.

This publication should not be seen as an inducement under MiFID II regulations.

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

## Forecast revisions

We revise our forecasts to reflect the fundraise, as summarised in the following table.

### Thruvision – Forecast revisions following October 2023 fundraise

£m unless stated	FY24E		Change (%)
	Old	New	
Revenue	8.1	8.1	0%
Adj EBITDA	-2.5	-2.5	0%
Fully adj PBT	-3.2	-3.2	0%
Fully adj EPS (p)	-2.1	-1.9	5%
Net cash	2.7	5.8	115%

*Source: Progressive Equity Research estimates*

Our group revenue, EBITDA and PBT estimates are unchanged from those previously published. See our note '*CBP shortfall but strength elsewhere*', 2 October 2023.

Our revised per-share metrics reflect the issuance of 13.6m new ordinary shares via the fundraise. Note, our EPS forecast is calculated on a fully-diluted weighted average share count.

The group's financial position is significantly improved via the inflow of new funds. We previously forecast net cash to remain broadly flat year on year at £2.7m, while our new FY24E forecast net cash position is £5.8m.

**Financial Summary: Thruvision**

Year end: March (£m unless shown)

	2021	2022	2023	2024E
<b>PROFIT &amp; LOSS</b>				
Revenue	6.7	8.4	12.4	8.1
Adj EBITDA	(1.6)	(1.7)	(0.2)	(2.5)
Adj EBIT	(2.1)	(2.3)	(0.9)	(3.2)
Reported PBT	(2.5)	(1.7)	(0.8)	(3.0)
Fully Adj PBT	(2.4)	(2.3)	(0.8)	(3.2)
NOPAT	(1.8)	(2.0)	(0.7)	(3.0)
Reported EPS (p)	(1.7)	(1.1)	(0.5)	(1.9)
Fully Adj EPS (p)	(1.7)	(1.1)	(0.5)	(1.9)
Dividend per share (p)	0.0	0.0	0.0	0.0
<b>CASH FLOW &amp; BALANCE SHEET</b>				
Operating cash flow	(0.6)	(1.6)	(2.5)	0.5
Free Cash flow	(1.0)	(2.3)	(2.6)	(0.1)
FCF per share (p)	(0.7)	(1.6)	(1.7)	0.0
Acquisitions	0.0	0.0	0.0	0.0
Disposals	0.0	0.0	0.0	0.0
Shares issued	0.1	0.2	0.1	3.0
Net cash flow	(1.1)	(1.8)	(2.7)	2.9
Overdrafts / borrowings	0.0	0.0	0.0	0.0
Cash & equivalents	7.3	5.4	2.8	5.8
Net (Debt)/Cash	7.3	5.4	2.8	5.8
<b>NAV AND RETURNS</b>				
Net asset value	11.3	9.4	8.8	8.8
NAV/share (p)	7.8	6.5	5.8	5.5
Net Tangible Asset Value	1.1	1.2	1.2	1.2
NTAV/share (p)	0.8	0.8	0.8	0.7
Average equity	12.3	10.4	9.1	8.8
Post-tax ROE (%)	(18.9%)	(16.8%)	(8.8%)	(33.8%)
<b>METRICS</b>				
Revenue growth	(16.3%)	24.8%	48.5%	(34.6%)
Adj EBITDA growth	45.0%	9.5%	(87.1%)	1063.4%
Adj EBIT growth	36.1%	9.2%	(60.4%)	254.6%
Adj PBT growth	98.8%	(5.9%)	(62.4%)	272.2%
Adj EPS growth	128.0%	(33.3%)	(53.8%)	252.6%
Dividend growth	N/A	N/A	N/A	N/A
Adj EBIT margins	(30.9%)	(27.0%)	(7.2%)	(39.1%)
<b>VALUATION</b>				
EV/Sales (x)	5.3	4.3	2.9	4.4
EV/EBITDA (x)	-22.9	-20.9	-162.3	-13.2
EV/NOPAT (x)	-19.7	-17.5	-49.4	-11.2
PER (x)	N/A	N/A	N/A	N/A
Dividend yield	N/A	N/A	N/A	N/A
FCF yield	(3.0%)	(6.7%)	(7.3%)	(0.2%)

Source: Company information and Progressive Equity Research estimates

**Disclaimers and Disclosures**

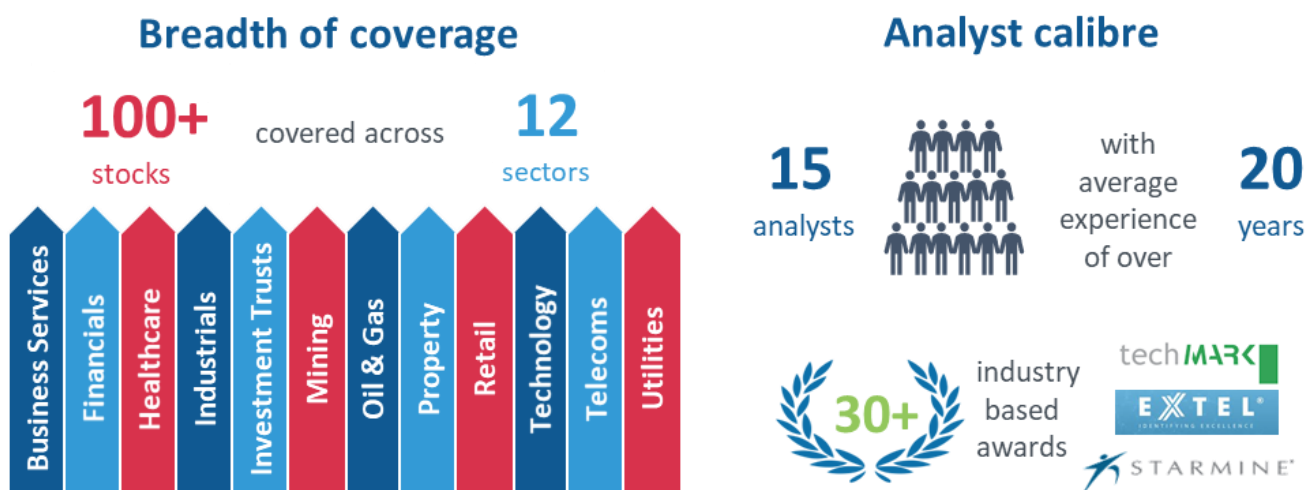
Copyright 2023 Progressive Equity Research Limited (“PERL”). All rights reserved. Progressive’s research is commissioned by the subject company under contract and is freely available to the public and all institutional investors. Progressive does not offer investors the ability to trade securities. Our publications should not, therefore, be considered an inducement under MiFID II regulations. PERL provides professional equity research services, and the companies researched pay a fee in order for this research to be made available. This report has been commissioned by the subject company and prepared and issued by PERL for publication in the United Kingdom only. All information used in the publication of this report has been compiled from publicly available sources that are believed to be reliable; however, PERL does not guarantee the accuracy or completeness of this report. Opinions contained in this report represent those of the research department of PERL at the time of publication, and any estimates are those of PERL and not of the companies concerned unless specifically sourced otherwise. PERL is authorised and regulated by the Financial Conduct Authority (FCA) of the United Kingdom (registration number 697355).

This document is provided for information purposes only, and is not a solicitation or inducement to buy, sell, subscribe, or underwrite securities or units. Investors should seek advice from an Independent Financial Adviser or regulated stockbroker before making any investment decisions. PERL does not make investment recommendations. Any valuation given in a research note is the theoretical result of a study of a range of possible outcomes, and not a forecast of a likely share price. PERL does not undertake to provide updates to any opinions or views expressed in this document.

This document has not been approved for the purposes of Section 21(2) of the Financial Services & Markets Act 2000 of the United Kingdom. It has not been prepared in accordance with the legal requirements designed to promote the independence of investment research. It is not subject to any prohibition on dealing ahead of the dissemination of investment research.

PERL does not hold any positions in the securities mentioned in this report. However, PERL’s directors, officers, employees and contractors may have a position in any or related securities mentioned in this report. PERL or its affiliates may perform services or solicit business from any of the companies mentioned in this report.

The value of securities mentioned in this report can fall as well as rise and may be subject to large and sudden swings. In addition, the level of marketability of the shares mentioned in this report may result in significant trading spreads and sometimes may lead to difficulties in opening and/or closing positions. It may be difficult to obtain accurate information about the value of securities mentioned in this report. Past performance is not necessarily a guide to future performance.



To arrange a meeting with the management team, or for further information about Progressive, please contact us at:  
+44 (0) 20 7781 5300  
info@progressive-research.com