

# THRUVISION TECHNOLOGY

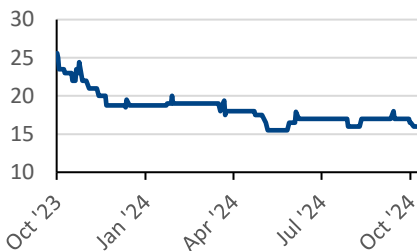
14 October 2024

## THRU.L

16p

Market Cap: £25.8m

### SHARE PRICE (p)



12m high/low

24p/16p

Source: LSE Data (priced as at prior close)

### KEY DATA

Net (debt)/cash	£1.8m (at 30/09/24)
Enterprise value	£24m
Index/market	AIM
Next news	Interims, 24 October
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  
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## H1 trading update and board changes

Thruvision has issued an update on current trading for the first half of the year to 30 September and announced a number of changes to the board, including CEO Colin Evans leaving the company (with chairman Tom Black taking the reins until a successor is appointed). There is good momentum in demand from new and existing clients, and strong progress in expanding its reach through a broader set of sales partnerships, such as Sensormatic. Retail Distribution has performed well, accounting for 85% of revenue in H1, double the prior-year period. However, the lumpy nature of customs meant that there were no material orders in H1, compared to a single order for £1.9m in the prior year from an Asian customs agency. Given the timing of some of the larger orders, we have trimmed estimates for the current year. However, our revised estimates still factor in over 15% growth in revenue compared to FY24. Thruvision is reaping the benefits of a broad customer base in international markets, with a healthy order pipeline and potential larger orders that would significantly extend the order backlog. We look forward to further detail at the interims on 24 October.

- **Trimming estimates for FY25E**, with revenue dependent on the timing of some larger contracts. Given industry lead times, modest slippage into FY26 is expected. In line with management guidance, we reduce revenue to £9.0m from £10.9m, which gives an EBITDA loss of £1.7m. Net cash at 30 September was £1.8m (FY24: £2.6m) following tight working capital management, with an undrawn overdraft facility of £0.95m available.
- **Thruvision has established itself as the industry-leading solution** to stop employee theft and has a steadily growing portfolio of UK and US leading retailers and global logistics providers. Thruvision continues to benefit from high levels of repeat purchasing, with customers upgrading to the latest WalkTHRU technology, which still has little to no direct competition. Orders from new customers in the period included John Lewis and DP World. In FY24, a strategic sales partnership was announced with Sensormatic Solutions, which is already helping to grow the sales pipeline, with an additional major channel partner planned in the near future.
- **International government demand is high.** The technology is fully proven, with a growing customer base and repeat business from well-known government agencies. Testing for US aviation worker security screening at San Diego International Airport, completed at the end of March 2024, has resulted in the first sale under the Transportation Security Administration (TSA) National Mandate. Management also notes significant near-term opportunities in Entrance Security.

FYE MAR (£M)	2022	2023	2024	2025E
Revenue	8.4	12.4	7.8	9.0
Adj EBITDA	-1.7	-0.2	-2.5	-1.7
Fully Adj PBT	-2.3	-0.8	-3.0	-2.2
Fully Adj EPS (p)	-1.1	-0.5	-1.9	-1.3
EV/Sales (x)	2.9x	1.9x	3.1x	2.7x
EV/EBITDA (x)	-14.1x	-109.4x	-9.5x	-13.7x
PER (x)	N/A	N/A	N/A	N/A

Source: Company Information and Progressive Equity Research estimates.

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## Estimate changes

First-half revenue is expected to be £1.9m (H1 24: £3.5m). Although the current order backlog to be delivered in the second half currently stands at £0.3m (H1 24: £1.0m), management notes that the pipeline contains significant tenders that are expected to contribute to second-half revenue.

Given industry lead times, modest slippage of full-year revenue into FY26 is expected, and management has guided that full-year revenue is likely to be around £9.0m.

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

### Thruvision – Forecast revisions following October trading update

£m unless stated	FY25E		Change (%)
	Old	New	
Revenue	10.9	9.0	-17%
Adj EBITDA	-0.8	-1.7	-119%
Fully adj PBT	-1.3	-2.2	-72%
Fully adj EPS (p)	-0.7	-1.3	-89%
Net cash	3.0	2.5	-17%

Source: Progressive Equity Research

**Financial Summary: Thruvision**

Year end: March (£m unless shown)

	2022	2023	2024	2025E
<b>PROFIT &amp; LOSS</b>				
Revenue	8.4	12.4	7.8	9.0
Adj EBITDA	(1.7)	(0.2)	(2.5)	(1.7)
Adj EBIT	(2.3)	(0.9)	(3.0)	(2.3)
Reported PBT	(1.7)	(0.8)	(2.8)	(2.1)
Fully Adj PBT	(2.3)	(0.8)	(3.0)	(2.2)
NOPAT	(2.0)	(0.7)	(2.9)	(2.2)
Reported EPS (p)	(1.1)	(0.5)	(1.9)	(1.3)
Fully Adj EPS (p)	(1.1)	(0.5)	(1.9)	(1.3)
Dividend per share (p)	0.0	0.0	0.0	0.0
<b>CASH FLOW &amp; BALANCE SHEET</b>				
Operating cash flow	(1.6)	(2.5)	(0.8)	(1.1)
Free Cash flow	(1.8)	(2.6)	(1.4)	(1.6)
FCF per share (p)	(1.2)	(1.8)	(0.9)	(1.0)
Acquisitions	0.0	0.0	0.0	0.0
Disposals	0.0	0.0	0.0	0.0
Shares issued	0.2	0.1	3.1	0.0
Net cash flow	(1.8)	(2.7)	1.3	(1.6)
Overdrafts / borrowings	0.0	0.0	0.0	0.0
Cash & equivalents	5.4	2.8	4.1	2.5
Net (Debt)/Cash	5.4	2.8	4.1	2.5
<b>NAV AND RETURNS</b>				
Net asset value	9.4	9.4	8.8	8.8
NAV/share (p)	6.5	6.5	6.0	5.7
Net Tangible Asset Value	1.2	1.2	1.2	1.4
NTAV/share (p)	0.8	0.8	0.8	0.9
Average equity	10.4	10.4	9.1	8.8
Post-tax ROE (%)	(16.0%)	(7.8%)	(31.2%)	(24.2%)
<b>METRICS</b>				
Revenue growth	24.8%	48.5%	(37.1%)	15.2%
Adj EBITDA growth	9.5%	(87.1%)	1050.7%	(30.6%)
Adj EBIT growth	9.2%	(60.4%)	240.7%	(24.5%)
Adj PBT growth	(5.9%)	(62.4%)	254.1%	(25.7%)
Adj EPS growth	(33.3%)	(52.0%)	238.6%	(28.6%)
Dividend growth				
Adj EBIT margins	(27.0%)	(7.2%)	(39.0%)	(25.6%)
<b>VALUATION</b>				
EV/Sales (x)	2.9	1.9	3.1	2.7
EV/EBITDA (x)	-14.1	-109.4	-9.5	-13.7
EV/NOPAT (x)	-11.8	-33.3	-8.1	-10.9
PER (x)	N/A	N/A	N/A	N/A
Dividend yield	N/A	N/A	N/A	N/A
FCF yield	(7.7%)	(11.1%)	(5.5%)	(6.4%)

Source: Company information and Progressive Equity Research estimates

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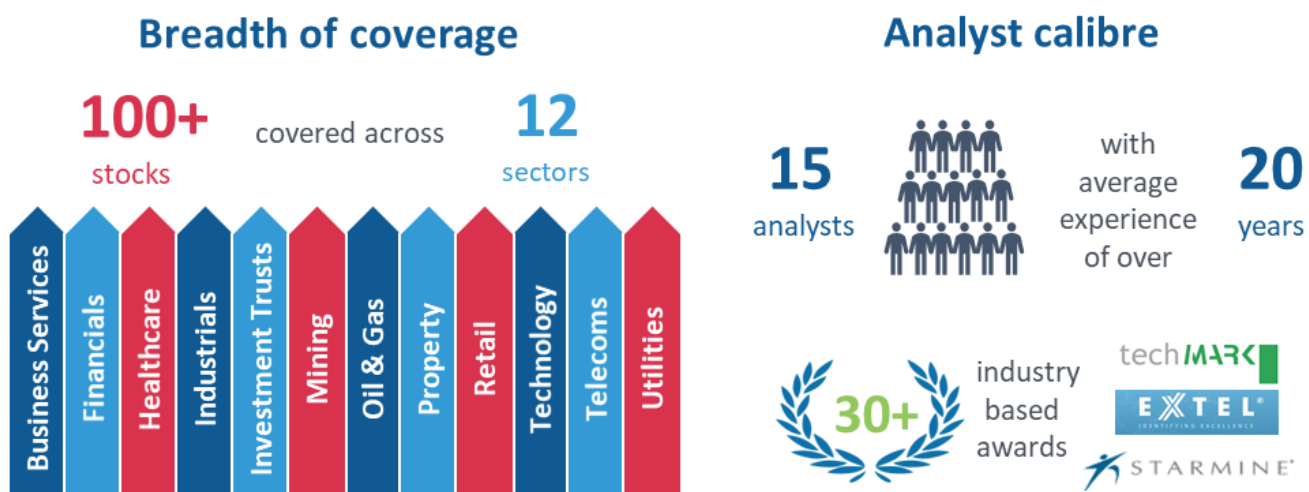
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