

# Parity PEG Price Report



Briefed Up

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Market Data	
Date	27-May-19
Price	140.0p
Market Cap (m)	£60
Net Debt / (Cash -) (m)	-£10
% of Market Cap	-17%
% of PBT	No Debt
EV (m)	£50
Forecast Yield %	3.1%
Broker note	N+1 Singer
(from Research Tree)	10-May-19



## Momentum

Relative Strength (%)	
1m	+10.9%
3m	+28.5%
6m	+61.8%
1y	+71.3%
Volume Change (%)	
10d / 3m	-9.93%
Price vs... (%)	
52w High	0.000%
50d MA	+13.1%
200d MA	+42.6%

Stock chart from Stockopedia

Quality Metrics	
ROCE	19%
vs Industry Median	Well Above
Op Margin	3%
vs Industry Median	Below
F/C Mgn 2019E	3%

Financial Summary					
FY	2016A	2017A	2018A	2019E	2020E
Revenue	£278.6	£311.2	£326.8	£340.1	£360.1
+/- %		12%	5%	4%	6%
PBT	£6.2	£6.5	£8.0	£9.3	£9.9
+/- %		5%	23%	16%	6%
EPS	11.2p	12.2p	15.0p	17.5p	18.6p
+/- %		9%	23%	17%	6%
Dividend	3.2p	3.5p	4.0p	4.4p	4.8p
+/- %		9%	14%	10%	9%

FY Forecasts Analysis		2019E	2020E
Current Price	140.0p	2019E Parity PEG Price	291.7p
Forecast EPS	17.5p	Forecast EPS	18.6p
PER *	8.0	PER *	15.7
EPS Growth Rate	17%	EPS Growth Rate	6%
PEG *	0.48	PEG *	2.49
2019E Parity PEG Price	291.7p	Parity PEG Price	116.9p
Upside / Downside % **	108%	Upside / Downside **	-16%

\* The PER and the PEG are based on the Price and Forecast EPS figures above it

\*\* Upside / Downside % in both cases is based on the Current Price

## Notes & Summary

Management seems to own about 1%.

Pension Deficit is circa £15m, about 25% of current Market Cap.

Low margin, often large complex contracts, things can easily go wrong - But target is 3% margin from 2019 onwards.

Recent update - Strong Order book and European expansion potential, target 3% margin confirmation.

Looks way undervalued on a 1 Year view and about fairly valued on a 2 Year view - The 3% Yield, Net Cash, strong Order book and European expansion potential keep it attractive for now.