

Oxford Instruments PLC

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Oxford Instruments shares rise after trading update anticipates strong debt reduction

Oxford Instruments PLC (LON:OXIG) shares rose in early trading Wednesday after it released a trading update anticipating a strong reduction in net debt as well as cash generation for the year.

The high-tech components maker said it expected performance for the full-year to be in line with expectations, with net debt seeing a "strong reduction" against its interim results in November 2017.

Growing order book and expected cash generation

Trading in the second half was supported by a growing order book, with the company also expecting cash generation in the year.

Additionally, the phasing of shipments towards the end of the year for some of its higher value systems would lead to a short-term increase in trade receivables and moderate cash conversion.

Looking to the next financial year, the group said: "We remain confident in our ability to deliver good underlying growth from the continued implementation of our Horizon strategy.

They added: "In the next financial year we expect to see an improvement in performance on a reported basis after allowing for the impact of an anticipated currency headwind, based on current foreign exchange rates."

In a note to clients, analysts at Liberum commented: "The heavy Q4 has been delivered. FY18 is in line with prior expectations. The shares are trading on a c.40% discount to instrumentation peers. Self-help by relatively new management is ongoing. We note the Chairman, CEO and FD recently bought £124k of stock."

Oxford Instruments shares were up 4.6% at 832p.

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Price: 1552

Market Cap: £890.5 m

1 Year Share Price Graph



Share Information

Code: OXIG

Listing: AIM

52 week High Low
1609.06 813

Sector: Renewable Energy

Website: www.oxford-instruments.com

Company Synopsis:

From its small beginnings as almost the first Oxford University 'spin-out' company, Oxford Instruments is now supplies high technology tools and systems into diverse markets, which include industrial analysis, research, education, space, energy and the life sciences.

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