

# Sanne Group PLC

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## Sanne shares tumble as news chief executive to retire counters upbeat trading statement

Sanne Group PLC (LON:SNN) saw its shares tumble on Wednesday as news that its chief executive Dean Godwin has decided to retire countered an upbeat trading statement from the provider of alternative asset and corporate services.

In a statement, the FTSE 250-listed firm announced that Martin Schnaier, previously its chief commercial officer, will succeed Godwin as CEO in May.

**READ:** Sanne Group sees half-year profits fall as margins decline, but still confident of meeting full-year expectations  
Godwin, who has 20 years' experience in the fund administration sector, joined Sanne in 2012 and led the company's successful IPO in 2015, with the firm growing its revenue and underlying operating profit by over 600% during the period of his tenure.

In a note to clients, analysts at Liberum Capital commented: "Although we believe that Martin has the required experience to lead the company into its next phase of growth, the surprise nature of this announcement, especially given the departure of CFO less than 12 months ago, is likely to raise questions."

### Record new business wins

In a separate announcement on trading following the end of the group's financial year ended on 31 December 2018, Sanne said it enjoyed a strong performance in the year with the second half of the year driving record new business and sales wins.

The company said it achieved "record new business with sales wins representing £13.0m of additional annualised revenue" in the second half of 2018.

Sanne pointed out that it saw organic growth across its European and Asia-Pacific regions that exceeded expectations, while North America maintained its high levels of historic growth.

The company said it expects to report underlying profit before tax for the year to 2018 broadly in line with its expectations.

It added that it was pleased with the initial performance so far in 2019 and it remains confident in the group's prospects.

### But Liberum expects profit downgrades

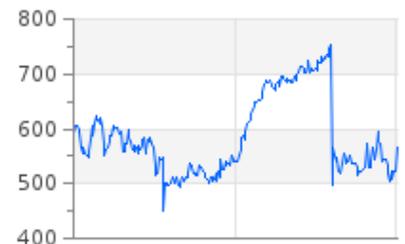
Liberum's analysts noted, however, that while the group appears well positioned to deliver revenue slightly ahead of consensus expectations of around £141m, they expect to see downgrades to full-year 2018 consensus pre-tax profit estimates of around 3%.

They said this "restructuring in the group's Private Client business and continued investment in Alternatives, is likely to

**Price:** 566

**Market Cap:** £825.78 m

### 1 Year Share Price Graph



October 2018 April 2019 October 2019

### Share Information

**Code:** SNN

**Listing:** LSE

**52 week High Low**  
762 446.5

**Sector:** Business & education services

### Website:

### Company Synopsis:

*SANNE is a leading global provider of alternative asset and corporate administration services. We service clients from 15 locations spread across the Americas, EMEA and Asia-Pacific & Mauritius. Our dedicated asset class and market experts are supported by the latest industry technology, systems and accredited processes. These are the things that make the difference.*

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result in a smaller improvement in 2H margins than previously guided to by management."

The analysts concluded: "Whilst we expect this to be received negatively by investors, we do point to a strong outlook for 2019, underpinned by new business wins which at £24.5m were up 17% from FY17."

In late afternoon trading, Sanne topped the FTSE 250 fallers list, down 18% at 449p.

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