

Cello Health PLC

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Cello is confident of a strong performance in 2019

Cello Health PLC (LON:CLL) has begun 2019 with good levels of forward bookings and has already landed a number of new business wins.

The board of the global healthcare-focused advisory group is confident of a strong performance in 2019, in line with the current market expectations.

WATCH: Cello Health Plc makes strong start to 2019 with good order book and new wins

In its results statement covering 2018, the company reported headline profit before tax of £12.2m, up 6.4% from the £11.4m reported for 2017.

Statutory profit before tax rose 44.7% to £8.4m from £5.8m the year before, on the back of a 2.3% increase in net revenue to £104.8m from 2017's £102.5m.

Overall, headline operating profit growth was underpinned by a strong divisional performance from Cello Health, with net revenue up 4.3% on a constant currency (CC) like-for-like (LFL) basis while headline operating profit margins improved to 18.5% from 17.7%.

The company had already flagged that Signal, which provides digital, social media and branding expertise to companies, suffered a dip in the top-line, partially reflecting tougher trading conditions in the UK in the markets Signal serves; Cello Signal's constant currency like-for-like net revenue declined by 2.9% and headline operating margins eased to 9.4% from 9.5% in 2017.

The group enjoyed strong cash flows in the second half of the year and ended 2018 with net funds of £6.3m, up from £1.6m a year earlier.

The full-year dividend has been bumped up by 10% to 3.85p from 3.50p the previous year, marking the 13th year in a row that the payout has been increased.

Our results are out <https://t.co/y8lci6RzJM> strong performance and continued delivery of consistent results.

— CelloHealthplc (@CelloHealthplc) March 21, 2019

"2018 marked an important moment in Cello's development as we changed our name to Cello Health PLC to reflect our ongoing strategic focus and developed our board to support that strategy," said Mark Scott, the chief executive of Cello.

"We now intend to build on this momentum to support Cello Health's position as a leading healthcare-focused advisory group globally," he added.

In a note to clients, analysts at 'house' broker finnCap said: "We do not anticipate making any major changes to our forecasts (apart from improved net cash and higher dividend), and reiterate our view that the market backdrop for Cello's technically based, strategic marketing services is strong and defensive, supporting good growth prospects."

Price: 127.5p

Market Cap: £134.02M

1 Year Share Price Graph



Share Information

Code: CLL

Listing: AIM

52 week High Low
140.07p 95.00p

Sector: Media & Publishing

Website: cellohealth.com

Company Synopsis:

We are a global healthcare-focused advisory group comprised of a set of leading clinical, commercial advisory and digital delivery capabilities. We currently service 24 of the top 25 pharmaceutical clients globally as well as a wide range of biotech, diagnostics, devices and other key non-healthcare clients.

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finnCap has a 145p price target on Cello Health shares, which in afternoon trading were changing hands at 122p each, down 1.2% on Wednesday's close, with the stock up 10% in the year-to-date.

-- Adds analyst comment, updates share price --

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