

Learning Technologies Group plc

10:53 16 Sep 2019

Learning Technologies hikes interim dividend as earnings surge 134%

Learning Technologies Group PLC (LON:LTG) has hiked its interim dividend after earnings for the first half of its financial year jumped 134%.

For the six months ended 30 June, the AIM 100 digital learning specialist reported adjusted earnings (EBIT) were ahead of expectations at £19.4m, up from £8.3m in the prior year, while revenues surged 85% to £62.6m.

WATCH: Learning Technologies CEO hails 'outstanding margins and cash generation' in first half

The amount of recurring revenue also rose to 74% of the total from 51% in 2018, with the adjusted EBIT margin increasing to 31.1% from 24.5%.

Revenues had been boosted by 7% organic growth from LTG's software & platforms division, which makes up 68% of the total, offsetting a 3% contraction from the content & services arm.

The company also boasted of "strong cash generation", with net debt falling to £13.9m from £15.7m in the period; since then, it has fallen further to £7.8m.

As a result of the improved results, the firm hiked its interim dividend 67% to 0.25p per share.

Looking ahead, LTG said trading for the full year was currently in line with expectations, with content & services expected to report 8% organic growth in the year despite its first-half dip.

Jonathan Satchell, the company's chief executive, added that the firm's PeopleFluent business was expected to "return to growth in 2020", while BreezyHR, a US firm its bought for US\$30m in April, was achieving "significant growth".

Satchell also said current trading provided "great confidence" for the rest of the year, and that LTG was investing in its second half to "drive sales further" and support organic growth initiatives.

In a note, analysts at Peel Hunt said the results had shown LTG was "on track for all divisions" and that moving into its 2020 financial year the focus would be on whether growth could be delivered from the PeopleFluent business.

They also estimated that the company would "move back into net cash" at the end of the current year, which would support acquisitions in 2020.

Peel Hunt rates LTG with a 'buy' rating and 150p target price.

In mid-morning trading on Monday, LTG shares were 3.3% lower at 118p.

Price: 110

Market Cap: £735.17 m

1 Year Share Price Graph



November 2018 May 2019 November 20

Share Information

Code: LTG

Listing: AIM

52 week High Low
131.4 58.8

Sector: Hardware & electrical equipment

Website: www.ltgplc.com

Company Synopsis:

Learning Technologies Group plc (LTG) is a market-leader in the fast-growing workplace digital learning and talent management market. LTG offers large organisations a new approach to learning and talent in a business world driven by digital transformation.

action@proactiveinvestors.com

--Adds broker comment and share price--

Proactive Investors facilitate the largest global investor network across 4 continents in 4 languages. With a team of analysts, journalists & professional investors Proactive produce independent coverage on 1000's of companies across every sector for private investors, private client brokers, fund managers and international investor communities.

Contact us +44 (0)207 989 0813 action@proactiveinvestors.com

No investment advice

The Company is a publisher. You understand and agree that no content published on the Site constitutes a recommendation that any particular security, portfolio of securities, transaction, or investment strategy is suitable or advisable for any specific person. You understand that the Content on the Site is provided for information purposes only, and none of the information contained on the Site constitutes an offer, solicitation or recommendation to buy or sell a security. You understand that the Company receives either monetary or securities compensation for our services. We stand to benefit from any volume which any Content on the Site may generate.

You further understand that none of the information providers or their affiliates will advise you personally concerning the nature, potential, advisability, value, suitability or profitability of any particular security, portfolio of securities, transaction, investment, investment strategy, or other matter.

You understand that the Site may contain opinions from time to time with regard to securities mentioned in other products, including Company-related products, and that those opinions may be different from those obtained by using another product related to the Company. You understand and agree that contributors may write about securities in which they or their firms have a position, and that they may trade such securities for their own account. In cases where the position is held at the time of publication and such position is known to the Company, appropriate disclosure is made. However, you understand and agree that at the time of any transaction that you make, one or more contributors may have a position in the securities written about. You understand that price and other data is supplied by sources believed to be reliable, that the calculations herein are made using such data, and that neither such data nor such calculations are guaranteed by these sources, the Company, the information providers or any other person or entity, and may not be complete or accurate.

From time to time, reference may be made in our marketing materials to prior articles and opinions we have published. These references may be selective, may reference only a portion of an article or recommendation, and are likely not to be current. As markets change continuously, previously published information and data may not be current and should not be relied upon.

The Site does not, and is not intended to, provide investment, tax, accounting, legal or insurance advice, and is not and should not be construed as providing any of the foregoing. You should consult an attorney or other relevant professional regarding your specific legal, tax, investment or other needs as tailored to your specific situation.

In exchange for publishing services rendered by the Company on behalf of Learning Technologies Group plc named herein, including the promotion by the Company of Learning Technologies Group plc in any Content on the Site, the Company receives from said issuer annual aggregate cash compensation in the amount up to Twenty Five Thousand dollars (\$25,000).