

LoopUp Group PLC

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LoopUp's attractive growth metrics remain in tact, say analysts

LoopUp Group PLC's (LON:LOOP) attractive growth metrics remain in tact, according to analysts at Numis.

In a note to investors after the remote meetings technology firm posted its first half results, Numis said it remains "strongly positive" on the stock and repeated a 'buy' recommendation.

The company posted a 65% rise in its adjusted underlying earnings (EBITDA) to £2.7m for the first six months of 2018 on revenue 39% higher, boosted by the June acquisition of MeetingZone.

LoopUp forked out £61.4m for the UK-based firm, which sells its own stand-alone audio conferencing services, resells Cisco's WebEx and Spark collaboration services, and also offers a value-added audio services product for Microsoft Skype for Business.

READ: LoopUp dials up strong first half as MeetingZone acquisition delivers It's settling in better than expected as well. LoopUp's management had initially expected the new purchase to generate cost savings of approximately £0.5m this year and at least £2.8m in 2019.

"The board is now pleased to report that it expects to deliver cost savings greater than previously stated and on a quicker timescale," the company said.

It is now forecasting savings of £1.3m and £3.2m in 2018 and 2019, respectively. The one-off cost associated with implementing these cost savings remains at around £1m.

During the first half, LoopUp also entered the Australian market with two new business 'Pods', which it said had already won more than 30 new customers.

LoopUp said it continues to see strong demand for its products from its target market of mid-to-large enterprises and professional services firms. The seven pods in LoopUp's existing UK and US markets continue to operate well in terms of recurring gross margin and return on investment, it said.

'Transformational six months'

LoopUp's co-chief executives Steve Flavell and Michael Hughes said it had been a "transformational period" for the group.

They added: "The reorganisation of the combined group has progressed ahead of schedule. This has freed up additional cash to reinvest in the business to drive organic growth through the expansion of LoopUp pods and our marketing activity, in both existing and new geographic markets."

Looking ahead, the company said it remains "confident in our ability to deliver strong future growth and meet market

Price: 325p

Market Cap: £179.55M

1 Year Share Price Graph



Share Information

Code: LOOP

Listing: AIM

52 week High Low
505.99p 268.33p

Sector: Tech

Website: loopup.com

Company Synopsis:

LoopUp (LSE AIM: LOOP) is a premium remote meetings solution that makes it easier to collaborate in real time. Streamlined and intuitive, LoopUp anticipates the needs of business users, while delivering the quality, security and reliability required in the enterprise. LoopUp easily integrates with the common tools you use every day, like Outlook, and doesn't offer features you don't need or require training.

Author:

Proactive Investors Ltd

+44 (0)207 989 0813

action@proactiveinvestors.com

expectations".

At the end of June, the group held £5.8mln in cash and had net debt of £11.2mln.

Numis said: "LoopUp has successfully navigated a busy H1, showing continued strong growth metrics in the core UK & US businesses, confidence that the MeetingZone acquisition will be transitioned successfully to the LoopUp product, and an encouraging start to a new growth territory in Australia. We leave our forecasts unchanged."

The only way is LoopUp

In a nutshell, the company's core product aims to make audio conferencing a whole lot simpler, and more productive.

It is estimated that 13 minutes - or around a third of these sessions - are wasted trying to patch people or repeating information for the late-comers.

It is an irritant, but if you look at the impact on an international scale and frame it in terms of lost man-hours, then it adds up to a £14bn-a-year brake on productivity in the UK and US alone, so the company is addressing a potentially massive market.

Sure, there are alternative communications platforms out there developed by software firms and telecommunication companies, but they either fail to address the familiar chaos or are just too complicated to encourage widespread adoption. LoopUp, on the other hand, thinks its system has cracked the problem.

Using Microsoft Outlook it takes just two clicks to organise a meeting and LoopUp sends out alerts to the host when their first guest joins the meeting.

It uses traditional telephony supplied by tier-one operators across four centres globally, but dial-in numbers aren't the preferred method for joining LoopUp meetings.

Rather, you simply click a link displayed on your computer, smartphone and tablet, and LoopUp then calls you on the phone of your choice.

Onscreen is displayed the participants - so you know who is there and who exactly is talking.

Users can even share biographical details via LinkedIn and there is a "big, orange, Fisher Price-type button" on the desktop that allows them to share documents and presentations.

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

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