

# Micro Focus International plc

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## Micro Focus boosted by Goldman Sachs upgrade to 'buy' from 'neutral' following recent trading update

Goldman Sachs gave a lift to blue-chip software firm Micro Focus International PLC (LON:MCRO) on Wednesday, upgrading its rating to 'buy' from 'neutral' following the group's recent trading update.

The US investment bank also raised its 12-month target price to 1,700p, up from 1,300p previously, with Micro Focus shares trading at 1,427.50p in mid-afternoon trading, up 9.2% on Tuesday's closing price.

### READ: Micro Focus raises revenue guidance for year just ended

In a note to clients, Goldman's analysts said: "Following a period of significant M&A execution issues which led to turbulent sales growth in FY18, we believe that the dust is starting to settle at Micro Focus."

They added: "An in-line FY18 trading update suggests that revenue declines are moderating and sell-side estimates have likely bottomed."

The analysts concluded: "In our view, cost synergies from the integration of HPE Software, and ongoing and future capital returns, should come to the fore with the stock trading at a near term trough multiple of 7.5x 2019E PF EPS and revenue declines not deteriorating further."

**Price:** 438.7

**Market Cap:** £1.47 billion

### 1 Year Share Price Graph



### Share Information

**Code:** MCRO

**Listing:** LSE

<b>52 week</b>	<b>High</b>	<b>Low</b>
	2141	291

**Sector:** Software & services

**Website:** [www.microfocus.com](http://www.microfocus.com)

### Company Synopsis:

*Micro Focus provides innovative software that allows companies to dramatically improve the business value of their enterprise applications. Micro Focus Enterprise Application Modernization and Management software enables customers' business applications to respond rapidly to market changes and embrace modern architectures with reduced cost and risk.*

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