

Thursday 10th December 2020

SDI's pretax profit jumps 56%

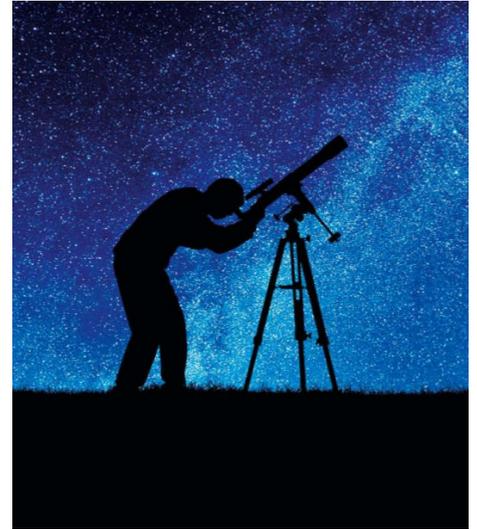
SDI Group (SDI) released an impressive set of interim results this week...

The diversified tech firm saw revenue jump by 23% to £14.1m in the six months to October 31 and profit before tax surged 56% to £2.5m.

The interims also showed a strong contribution from products designed into equipment used in testing for and treating COVID-19 and cash generated from operations increased 130% to £4.7m.

Chairman Ken Ford said:

"We are pleased to report another strong set of financial results. Our business model has shown resilience in the period and despite the ongoing uncertainties the board remains confident that SDI will deliver a full year financial performance in line with market expectations."



The shares have been forming a series of steepening trendlines - indicating that momentum is accelerating. Having broken decisively above their January highs, we would like to see this breakout hold firm.

SDI Daily Candle Chart



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Keystone Law forecasts annual profit ahead of expectations

Legal firm **Keystone Law (KEYS)** released an upbeat trading update last week - indicating that profit for its financial year ending January 31 will be "comfortably ahead of current market expectations".

Adjusted pretax profit is set to come in at £4.6m versus £5.8m the year prior.

CEO James Knight said:

"We are delighted with the second half performance to date. Whilst the much feared second wave of Covid-19 has arisen, unlike the first wave in the spring, it has had a limited impact on the performance of the group".

Whilst Keystone gapped higher on the trading update, the shares have started to tread water underneath resistance. We'll be watching closely to see if the bullish gap holds over the coming weeks.



KEYS Daily Candle Chart



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‘Macro growth drivers accelerating’ for OMG

Oxford Metrics (OMG) punched in a solid set of prelims last week which showed strong cash generation despite significant production and distribution delays caused by the pandemic.

Headline revenue fell 14.3% to £30.3m (FY19: £35.3m), but the quality of revenue increased with annual recurring revenues of £6.8m versus £6.2m the year prior.

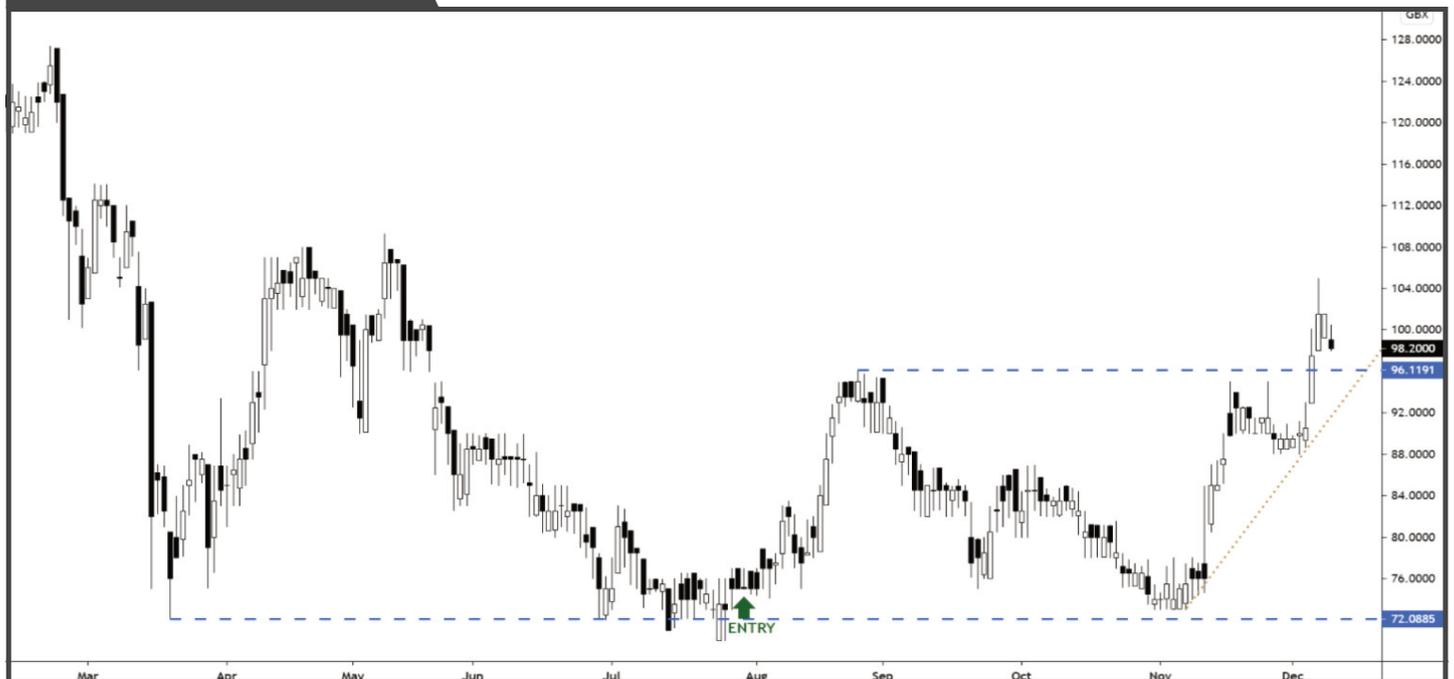
The statement said that despite short-term sales delay, macro growth drivers are accelerating...

Infrastructure software subsidiary Yotta is benefiting from acceleration of Digital Transformation in public asset management and motion capture arm Vicon is seeing a broader range of applications for their technology.

Having snapped up OMG on long-term support, we’re very happy to see the shares break above resistance and confirm the change in trend.



OMG Daily Candle Chart



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GB Group resume dividend as interim profit grows

GB Group (GBG) has been a star player in our portfolio for some time and this week's interim numbers only serve to reinforce this.

In the six months to September 30, the identity management, location intelligence and fraud prevention company's pretax profit jumped to £14.9m from £8.5m the year before. Revenue improved 9.8% year on year to £103.5m from £94.3m.

CEO Chris Clark commented:

"We have delivered good results driven by accelerated growth from some of our existing customers as they extend their use of digital services and encouragingly, customer contract renewal rates continue to be in line with prior years. Although we saw the rate of new contracts slowdown in some geographies and sectors, we successfully won new business against our competitors throughout the first half."

He continued: *"Clearly the broader implications of Covid-19 mean that uncertainty continues to be a dominant trend for all businesses around the world. However, GB is well positioned as digital acceleration is now even more a necessity for all companies. For the consumer facing businesses we serve, key to their success will be making sure they know who and where their customers are. We will continue to invest organically and through acquisition for additional capabilities to meet these needs and drive long-term growth for GBG."*

The shares have used the broken resistance level at 805p as support and this is a very bullish sign - we're happy to hold.



GBG Daily Candle Chart



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Bohoo hires Leveson to monitor its supply chain

Bohoo (BOO) are going above and beyond to send a message that they are taking the labour issues in their supply chain seriously.

Earlier this month, Bohoo announced that they have hired Brian Leveson, the judge who oversaw the inquiry into Britain's phone hacking scandal, to monitor its efforts to improve work conditions in its UK supply chain.

After gapping lower again in October, the shares have started to carve out a small but steady series of higher swing lows. This has been matched with a stream of institutional buying so we remain confident that Bohoo will bounce back.



BOO Daily Candle Chart



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Learning Tech snap up eThink Education

Learning Technologies Group (LTG) announced the acquisition of eThink Education for an initial cash consideration of US\$20mln.

eThink is a North American company operating in the high-growth open-source learning management systems market.

Talking on an interview with journalist's CEO Jonathan Satchell said "we now have a \$30mln plus revenue business in this \$200mln market" which is growing fast and predicts they will continue to grow into the 'mid teens' organically.



The market has given the acquisition its seal of approval as the shares have surged higher since the start of the month. A re-test of the key February spike highs looks to be on the cards and we'll be looking for buyers to push the shares through this resistance level.

LTG Daily Candle Chart



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Renew post record full year results

Renew Holdings (RNWH) posted their Final Results this week with no surprises from their September trading update.

Full Year operating profit jumped by 19.3% to 32.9m and pretax profit increased 18.9% £32.1m.

The group's order book strengthened by 20% to £692m versus £581m the year prior and their balance sheet swung from net debt of £10.2m to net cash of £0.3m.

CEO Paul Scott commented:

"Thanks to our differentiated and cash generative earnings model, we delivered a record trading performance, with a solid margin, strong cash flow and continued EPS growth. We continue to focus on bolstering our performance with highly selective, value enhancing acquisitions to strengthen our presence in key markets. Following the acquisition of Carnell earlier in the year, which facilitated our entry into the strategic highways network, I am very pleased with its positive contribution to the Group's results."



Our decision to snap up a second tranche in September is working well and the shares have started to trend higher within a neat ascending channel.

RNWH Daily Candle Chart



▶ Portfolio Summary

Thursday 10th December 2020

Open Positions

Name	Ticker	Featured Date	Price	Current Price	Profit/Loss (%)
Gamma Communications PLC	GAMA	28/02/2019	876	1505	71.80%
D4t4 Solutions	D4T4	14/03/2019	223.7	245.21	9.61%
Clinigen	CLINC	28/03/2019	918	650.5	-29.13%
Keystone Law	KEYS	18/04/2019	426	483	13.38%
Ramsdens Holdings	RFXR	11/07/2019	189.94	139.94	-26.32%
IG Design	IGRI	25/07/2019	584	590	1.02%
SDI Group	SDIS	22/08/2019	53	100	88.67%
Bioventix	BVXP	19/09/2019	3825	4090	6.92%
GB Group	GBGP	31/10/2019	610	908	48.85%
boohoo	BOOH	14/11/2019	266	312.96	17.65%
Midwich Group PLC	MIDWM	28/11/2019	599	430	-28.21%
Learning Tech	LTGL	02/01/2020	141	162.9	15.53%
Eckoh	ECK	16/01/2020	59	66.25	12.28%
Renew Holdings	RNWH	27/02/2020	525	520	-0.95%
Kape Tech	KAPE	23/04/2020	174	182.33	4.78%
Cohort	CHRT	07/05/2020	561	601.72	7.25%
Anglo Asian Mining	AAZ	21/05/2020	142	131	-7.74%
MTI Wireless	MWEE	04/06/2020	38.5	68.75	78.57%
Bango	BGO	18/06/2020	177	179	1.12%
Craneware	CRW	02/07/2020	1705	2310	35.48%
Robinson	RBSN	16/07/2020	121	156.2	29.09%
OMG	OMG1	30/07/2020	75.2	98.2	30.58%
Ideagen	IDEA	13/08/2020	197	224.75	14.08%
Begbies Traynor	BEG	27/08/2020	84.9	89	4.82%
Next Fifteen	NFC	10/09/2020	485	481	0.20%
Renew Holdings	RNWH	24/09/2020	432	520	20.37%
Sureserve	SURS	08/10/2020	53	53	0.00%
Spectra Systems	SPSY	22/10/2020	190	170.25	-10.39%
Pan African Resources	PAFR	05/11/2020	22	21.9	-0.45%
Arcotech	ARC	19/11/2020	198	199.2	0.60%
Tracsis	TRCS	03/12/2020	622	640	2.89%

Closed Positions

Name	Symbol	Open Date	Open Price	Closed Price	Close Date	Profit/Loss (%)**
Trans-Siberian Gold	TSG	31/01/2019	44.3	50.0	28/01/2020	+ 12.87%
Dart Group	DTG	27/06/2019	831	1712	28/01/2020	+ 106.82%
Johnson Service	JSG	08/08/2019	165	126	30/04/2020	- 23.64%
Churchill China	CHH	24/10/2019	1580	1460	30/04/2020	- 7.59%
Best Of The Best	BOTB	12/12/2019	320	603	13/05/2020	+ 88.44%
Goldplat	GLDP	12/03/2020	4.300	7.690	30/07/2020	+ 78.84%
Highland Gold	HGM	13/02/2020	205	294.40	05/08/2020	+ 45.07%
Codemasters	CDM	14/02/2019	178.7	370.0	06/08/2020	+ 107.05%
Sylvania	SLP	03/10/2019	36.93	67.50	03/09/2020	+ 82.78%
Quartix	QTX	05/09/2019	335	370	08/12/2020	+ 10.40%
Ergomed	ERGO	09/04/2020	453	925	08/12/2020	+ 104.19%

*Prices correct as of 9th December 2020. **Please be aware that all entry and current price levels are mid-prices. No allowance for dealing costs, fee's or taxes has been made. Past performance is not a guarantee of future performance.

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