

# Windar Photonics

Interim results

## Positive developments during H117

Windar's H117 results show €1.3m revenues for the six-month period ahead of those achieved in the whole of FY16, while the cost base realignment during H216 resulted in a 71% reduction in EBITDA losses to €0.4m. Our estimates and valuation remain suspended until there is more clarity on test programmes with independent power providers (IPPs) and wind turbine OEMs converting to volume sales.

Year end	Revenue (€m)	EBITDA (€m)	PBT* (€m)	EPS* (€)	DPS (€)	P/E (x)
12/15	0.9	(2.8)	(3.3)	(0.08)	0.0	N/A
12/16	1.2	(2.4)	(3.0)	(0.07)	0.0	N/A
12/17e	N/A	N/A	N/A	N/A	N/A	N/A

Note: \*PBT and EPS are normalised, excluding amortisation of acquired intangibles, share-based payments.

The strong revenue growth (62% y-o-y) during H117 was driven by demand from IPPs, including operators in Canada, China, France, India and Mexico. Growth was particularly strong in Asia. Engagement with IPPs has intensified following management's decision a year ago to develop its global network of distributors rather than invest in the direct salesforce. Windar now has 14 distributors addressing the IPP retrofit market. The OEM segment accounted for only a small proportion of total revenue, but presents a significant opportunity for growth as Windar currently has ongoing projects with 13 wind turbine OEMs, including the majority of the top 10 players globally.

With regard to cash burn, the cost savings made during H216 that were discussed in our June [note](#) have helped the company approach EBITDA break-even. Cash consumption during H117 totalled €0.3m, €0.2m of which related to capitalised R&D costs. Cash flow benefited from a €0.4m reduction in inventory as finished goods ready at the end of FY16 were shipped out. This left €0.4m net cash at end H117. In July, Windar completed a subscription raising £1.25m (gross) at 82p/share. The funds from the placing will be used to support potential growth during H217 arising from some of these retrofit test projects with IPPs converting to volume roll-outs across wind farms and some of the ongoing test programmes with wind turbine OEMs completing successfully. Founder Jørgen Korsgaard Jensen, who has been interim CEO since September 2016, has moved to a permanent position as CEO.

## Alternative energy

22 September 2017

**Price** **92.5p**
**Market cap** **£39m**

Net cash (€m) at end June 2017 excluding Growth Fund loan and subscription in July raising £1.25m 0.4

Shares in issue (after subscription) 41.8m

Free float (after subscription) 47.9%

Code WPHO

Primary exchange AIM

Secondary exchange N/A

## Share price performance



## Business description

Windar Photonics is a Copenhagen-based developer and manufacturer of an innovative, low-cost light detection and ranging (LiDAR) system. Approaching wind direction and speed is measured ahead of a wind turbine, allowing appropriate yaw alignment.

## Analysts

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