

# Cohort

## Further order successes for MASS and EID

The positive order intake news continues for Cohort. It has announced a further £3.2m contract for MASS to provide business analysis support to the UK's MOD. In addition, the Portuguese subsidiary EID has won export contracts worth €11m for vehicle intercom systems for two existing customers. The EID contracts include successful acquisition of one of the five potential order opportunities previously indicated in the AGM update. Cohort continues to see improving overall group order inflow, which underpins the outlook for the businesses through FY19 as well as in the medium term. The shares have been performing well in a challenging stock market, and the current FY20e P/E of just 12.3x remains undemanding in our view.

Year end	Revenue (£m)	PBT* (£m)	EPS* (p)	DPS (p)	P/E (x)	Yield (%)
04/17	112.7	14.5	26.6	7.1	15.4	1.7
04/18	111.8	15.5	29.4	8.2	14.0	2.0
04/19e	118.4	16.0	31.2	9.2	13.1	2.2
04/20e	124.8	17.0	33.2	10.1	12.3	2.4

Note: \*PBT and EPS are normalised, excluding amortisation of acquired intangibles, exceptional items, share-based payments and one-off tax credits.

The order intake through the current financial year to date has remained very encouraging and continues to validate Cohort's products and offering, as well as underpinning expectations. The contracts announced today will be delivered over 18 months (for MASS) and two years for the export contracts. These add to the near-term order cover and complement the longer-term contracts such as the recently announcement of preferred bidder status for a £50m MOD contract renewal that MASS has performed since 2000.

If Cohort successfully lands the other significant contract potentials previously indicated at the AGM, what is already looking like a good year for order inflow could become an excellent one. In turn, this should instil greater confidence in Cohort's ability to negotiate the ongoing constraints of the UK defence budget environment.

New contract awards

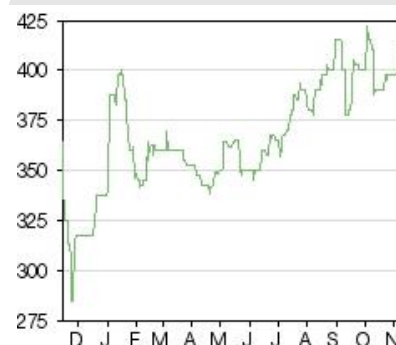
Aerospace & defence

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**Price** 410p  
**Market cap** £168m

Net cash (£m) at 31 August 2018	5.3
Shares in issue	41.0
Free float	100%
Code	CHRT
Primary exchange	AIM
Secondary exchange	N/A

### Share price performance



### Business description

Cohort is an AIM-listed defence and security company operating across four divisions: MASS (34% of FY18 sales); SEA (34%); MCL (16%); and the 80%-owned Portuguese business EID (17%).

### Analysts

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