

Kromek Group PLC

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Kromek detects "significant" full-year growth as contract pipeline flows

Kromek Group PLC (LON:KMK) generated revenue growth of 43% in the first half and entered the second with "increasing commercial momentum".

The AIM-listed developer and supplier of radiation detection products said it "expects to deliver significant revenue growth and EBITDA profit for full year in line with market expectations".

Revenues reached a record £5.3m in the six months to 31 October, with EBITDA losses flat at £0.6m and a loss before tax of £2.7m compared to £2.1m a year earlier.

The rapid growth of the top line came as the County Durham-based firm got moving on the £100m of multi-year orders won over the past three years, with that amount doubling in the past 12 months.

One contract that kicked off in the period was the US\$58.1m agreement to provide an OEM customer with CZT medical scanners and associated advanced electronics for its medical imaging systems.

"We have seen an increase in adoption of our next-generation products in the medical imaging market and an expansion of applications for our D3S platform," chief executive Arnab Basu said in a statement.

The D3S family of nuclear detection products has now sold into 22 countries thanks to an expanded sales team, with further contracts won from the US government and European Commission during the first half, and a European national civil defence agency in the second.

"Kromek entered the second half well-positioned to report its highest ever full year revenues as delivery of high value, multi-year contracts continues to ramp up," the Kromek boss added.

As well as delivering on contracts in the target markets of medical imaging, nuclear detection and security screening via commercial deployment of CZT products, Basu said Kromek has seen "growing demand for our flagship products, which is expected to convert to further orders".

His confidence was bolstered as the group now has visibility of 90% of expected revenue for the full year, based on delivery of the contracts already won and supported by a strong and increasing pipeline.

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Price: 23.27

Market Cap: £80.2 m

1 Year Share Price Graph



February 2019 August 2019 February 2020

Share Information

Code: KMK

Listing: AIM

52 week High Low
28.4998 15

Sector: Hardware & electrical equipment

Website: www.kromek.com

Company Synopsis:

Kromek Group plc is a leading developer of radiation detection solutions based on high performance sensor materials, primarily cadmium zinc telluride (CZT), for applications within the medical, nuclear and security screening markets.

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