

Sandal plc

Interim Results for the six months ended 30 November 2016

The Board of Sandal plc, the designer, developer and manufacturer of electronic products, is pleased to announce its Interim results for the six months to 30 November 2016.

Highlights for the Period

- Total Turnover up 13.2% against same period in 2015;
- Increased net profit for the period of £110,895 (2015:£7,349);
- Energenie MiHome successfully integrated with Nest's Learning Thermostat and Amazon's Echo;
- Energenie MiHome Home Automation range sales up 74% year on year; and
- Power Connections division remains on budget and performing to expectations.

Post-period highlights

- Energenie MiHome products in over 100 Sainsbury stores in the run up to Christmas 2016
- Energenie MiHome range launched in Argos catalogue
- Placing raising c.£50,000 from new investors

Commenting on the above Alan Tadd the CEO said "We are pleased with these results as they show the profitable expansion of the business through the growth of Energenie MiHome. These continue to be exciting times for the Energenie MiHome business as the idea and benefits of Home Automation start to be understood by more and more consumers and commercial users. This can be shown by the fact that 2016's Amazon Black Friday and Cyber Monday sales were 10 times those of 2015. The promotion we had in Sainsbury's in the pre-Xmas period was scheduled for 6 weeks but stocks sold out in a week. This demonstrates the sector moving towards the mass market which with our distribution and retail partners we are very well positioned to take full advantage of. We believe that 2017 could see Home Automation start to become a mass market sector and we anticipate making further distribution announcements in the coming weeks."

STATEMENT of THE BOARD

The Directors are pleased with the performance of the business particularly bearing in mind the currency issues posed since the EU Referendum. These have been successfully managed with the necessary price rises pushed through on both PowerConnections and Energenie. PowerConnections continues to generate cash to enable further investment in Energenie MiHome and as 70% of the divisions revenues are in US Dollars this has a positive translation effect on the figures.

Turnover for the six months to 30 November 2016 rose by 13.2% to £1,875,999 (2015 :£1,656,630) which after administrative expenses resulted in a net profit of £110,895 (2015 : £7,349). Energenie MiHome revenues rose by 74% compared to the prior year which was in line with management expectations. During the period under review, the Company made significant progress with the integration of Energenie MiHome with established Home Automation systems. It also entered the first phase of its entry into the electrical wholesale and installation market through its distribution agreement with Denmans Electrical Wholesale.

Our strategy has always been to use our open system Application Program Interface (API) to integrate with major players in the Home Automation market and our successful approved integrations with Google Nest and Amazon Echo demonstrate our ability to deliver integration with major market international blue chip partners. Our open APIs have also been successfully used by Cisco and EDF to configure our products onto their platforms. We intend to continue this strategy and will be making further announcements in the coming months. These integrations were the first undertaken with our new offshore development partners and we believe that this relationship will enable the business to obtain improved development value going forward.

In January we launched Energenie MiHome range into the Argos catalogue with sales in the first three weeks well ahead of target and the product listings have been continued and extended for the important Autumn/Winter catalogue. Further retail listings are expected to be announced in the coming weeks.

We are continuing to attend exhibitions but these are now more focused on commercial and trade shows rather than consumer shows. During the period we exhibited and spoke at Smart Home World and Smart Home Summit. We also attended Smart Home Summit in Singapore and IOT Conference in Amsterdam as we seek to get Energenie MiHome recognised globally as a Smart Home solutions provider. This year we will be exhibiting Eco Build, Wearable Technology Show and the ED&I show and will continue with the regional Elex Shows aimed at the Installer and Commercial markets

Our technical strategy is to focus on integration with major industry systems and the continued extension of our product range both for the UK and overseas. We are also developing relationships in other market channels away from consumer where we feel our technology can be a driver for change.

The Board remains confident that the business and in particular the Energenie MiHome division, will continue to achieve its growth potential in the second half of the financial year.

The directors of Sandal Plc accept responsibility for the contents of this announcement.

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Consolidated Profit and Loss Account

Six Months Ended 30 November 2016

	Unaudited 6 months ended 30-Nov-16	Unaudited 6 months ended 30-Nov-15	Audited Year Ended 31-May-16
Turnover	1,875,999	1,656,630	3,295,765
Cost of Sales	(1,136,782)	(997,124)	(2,155,047)
Gross Profit	739,217	659,506	1,140,718
Administrative Expenses	(693,549)	(643,986)	(1,367,881)
Other Operating Income	-	-	2,184
Operating Profit/(loss)	45,668	15,520	(224,979)
Other Interest receivable and similar income	110	76	164
Interest payable and similar charges	(10,746)	(8,247)	(42,724)
Profit/(loss) on ordinary activities before taxation	35,032	7,349	(267,539)
Tax on profit/(loss) on ordinary activities	75,863	-	185,645
Profit/(loss) for the period	110,895	7,349	(81,894)
Other Comprehensive Income			
Currency Translation	(16,314)	-	12,072
Total Comprehensive Income for the Period	94,581	7,349	(69,822)

Consolidated Balance Sheet

As at 30 November 2016

	Unaudited 30-Nov-16	Unaudited 30-Nov-15	Audited 31-May-16
Fixed Assets			
Intangible Assets	144,083	23,257	99,932
Tangible Assets	196,873	228,011	215,189
Investments	101	101	101
	<hr/> 341,057	<hr/> 251,369	<hr/> 315,222
Current Assets			
Stocks	786,994	808,909	736,031
Debtors	923,995	780,415	874,318
Cash at Bank and in Hand	218,146	397,903	342,203
	<hr/> 1,929,135	<hr/> 1,987,227	<hr/> 1,953,552
Creditors: amounts falling due within one year	(1,056,614)	(925,756)	(1,067,764)
	<hr/> 872,521	<hr/> 1,061,471	<hr/> 885,788
Net current assets/liabilities			
Total assets less current liabilities	1,213,578	1,312,840	1,201,010
Creditors: amounts falling due after more than one year	(173,001)	(257,357)	(230,445)
Provisions for liabilities	(30,257)	(38,058)	(30,257)
	<hr/> 1,010,320	<hr/> 1,017,425	<hr/> 940,308
Capital and Reserves			
Called up Share capital	324,660	323,470	324,660
Share premium	121,938	123,077	121,938
Other Reserves	-	(1,404)	-
Profit and Loss Account	563,722	572,282	493,710
	<hr/> 1,010,320	<hr/> 1,017,425	<hr/> 940,308
Total equity			

Notes to editors:

Sandal plc commenced business in 1996 and joined NEX in March 2015. The Company designs, develops and manufactures consumer electronics products. Its business is divided into two distinct product groups, PowerConnections, a long established wholesaler and reseller of a successful and patented range of converter plugs and power cables, and Energenie, which sells a newer product range that includes energy saving products, portable charging devices and the new Energenie MiHome range of products aimed at the "Home Automation" and "Internet of Things" marketplace.

The range of Energenie MiHome home automation products makes the remote operation of everyday household appliances and energy monitoring more accessible through integration with smartphone and tablet connectivity. The Energenie MiHome range is also integrated with the major players in the home automation market including Google Nest and Amazon Echo. Energenie MiHome products are available through a number of mainstream retailers including Amazon, Argos and Sainsbury's. In addition Energenie also offers Eco and electrical, travel and energy saving products for homes and offices, reducing energy usage and the Home Automation sector. It has store listings for its current products with several large retailers including Homebase, Maplin, Amazon, Screwfix, Toolstation and ASDA.

PowerConnections is a supplier to customers, in the UK and abroad, of single-phase electrical connection products. The products are manufactured in three partner factories in the Far East and have distributors worldwide for its range of patented converter plugs. The Company's product portfolio consists of International Power Leads, Rewireable Plugs, Converters and Connectors. These products are stocked in the Far East, Australia and UK.