

09:48 12 May 2014

blur Group keen to exploit its first mover advantage

blur Group (LON:BLUR) has asked its broker to explore financing options to exploit the company's first mover advantage and support its fast-growing business.

The move follows a wave of enterprise-class projects kicked off in 2013.

The group's business exchange, now offering nine live professional categories, is evolving and maturing and, as such, is increasingly attracting larger and more complex projects. While the increasing proportion of heavyweight projects being handled by the exchange is a welcome development, the nature of these projects, with their extended delivery times, means there is a longer gap between the time when a project is submitted and the point at which blur can recognise those revenues in its accounts.

As an example of this, the revenue from a live project with a booked value of US\$3.6m that was submitted to the exchange and kicked-off in June 2013 will now be recognised in 2014, rather than 2013. As a result, the group has lowered 2013 revenue guidance to US\$4.8m, versus previous guidance of US\$5.3m to US\$5.6m. The revenue figure is still a 71% year-on-year increase on 2012.

George O'Connor, analyst at Panmure Gordon, commented in a morning note, "The root cause is success rather than fail."

The clearest indication of the growing use of the exchange is the total value of projects that were submitted under contract to its business exchange in 2013. This shot up to US\$22.2m from US\$2.4m in 2013; this means the group has US\$17.4m worth of bookings that it expects to recognise as revenue in 2014 and beyond, when delivery of the services has been completed or key contracted milestones have been achieved.

blur Group said its underlying loss (LBITDA) for 2013 is expected to be around US\$6.3m, versus a loss of US\$1.8m in 2012, with the widening loss reflecting an increased level of investment in technology and an operating model that can deliver operational leverage at scale earlier.

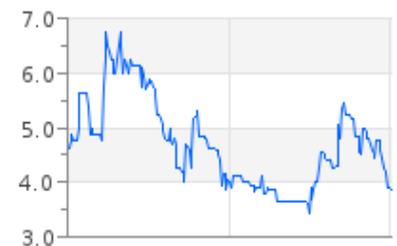
At the end of April, the company had net cash of US\$5.6m, but with the business growing rapidly the group is looking at ways of funding future growth and strengthening its balance sheet.

Shares were off by around one-third in mid-morning trade at 190p but are still up by more than a quarter from a year ago.

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Price: 3.85p

1 Year Share Price Graph



October 2013 March 2014 October 2014

Share Information

Code: MAIS

Listing: AIM

52 week	High	Low
	7.19p	3.25p

Sector: Software & Computer Services

Website: www.maistro.com

Company Synopsis:

*Maistro uses AI-driven technology and a dynamic Marketplace to streamline the procurement of business services, recognising that both people and process create procurement excellence. Maistro plc is listed on LSE:AIM under. MAIS *

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