Edison Insight

Strategic perspective | Company profiles

November 2017

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Contents

Prices at 24 November 2017

Published 30 November 2017

US$/£ exchange rate: 0.7574
€/£ exchange rate: 0.8880
C$/£ exchange rate: 0.5937
A$/£ exchange rate: 0.5778
NZ$/£ exchange rate: 0.5212
TRY/£ exchange rate: 0.1951
MYR/£ exchange rate: 0.1811
RUB/£ exchange rate: 0.0128
NIS/£ exchange rate: 0.2150
NOK/£ exchange rate: 0.0926
HKD/£ exchange rate: 0.0970
CHF/£ exchange rate: 0.7631
SGD/£ exchange rate: 0.5580
EGP/£ exchange rate: 0.0428

Welcome to the November edition of Edison Insight. We now have over 400 companies under coverage, of which 143 are profiled in this edition. Healthcare companies are now covered separately in Edison Healthcare Insight. Click here to view the latest edition.

The book opens with a strategy piece from Alastair George, who believes that, in hindsight, we have been over-cautious in our strategic views during 2017 as equity market performance has been strong, despite the starting point of extended valuation multiples and progressively tighter monetary policy in the US at least. However, even a cautious strategy would have generated returns significantly above cash during the year. While we take no view on the outlook for the bitcoin price due to its speculative nature, we do see the coalescing of a significant amount of capital and infrastructure around blockchain technologies as a very important development. There are potentially disruptive implications for the conventional finance sector over the medium term as there is now an established network effect within the digital finance community. For the traditional finance industry, the risk is that the genie is already out of the bottle. There is no change to our strategic view as we continue to believe a cautious outlook is warranted for developed markets on the basis of valuations. However, recent economic surprise is increasingly positive and credit conditions are loose. Therefore a major fracture in markets in the near term remains unlikely in our view. We continue to believe that, as we may be late in the cycle, investors should combine a relatively modest level of market exposure with only carefully selected equities.

This month we have added Leclanché to the company profiles.

Readers wishing for more detail should visit our website, where reports are freely available for download (www.edisongroup.com). All profit and earnings figures shown are normalised, excluding amortisation of acquired intangibles, exceptional items and share-based payments.

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We welcome any comments/suggestions our readers may have.

Neil Shah
Director of research

Global perspectives: All that glitters is not gold

Analyst

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- **2017 to date has been the year of broadening sector performance.** The standout was the global technology sector which is up 40% in US dollar terms. We have also been surprised by the weakness of the US dollar on a trade-weighted basis, given that the US Fed is further along the track in normalising monetary policy and that Trump's proposed fiscal policy initiatives, theoretically at least, should be dollar positive.
- **The changing nature of the digital economy means that relatively high valuations for certain leading franchises may be increasingly sustainable**. From being a free-for-all in the 1990s the digital economy has matured and consolidated around a number of global leaders in each major market segment. But it is only where dominant market shares have been achieved – for example in search or premium devices – that the 'defensive moat' is wide and a premium rating justified.
- **Crypto networks have become too large to ignore.** The value of major cryptocurrencies in circulation is already 20% that of US dollar notes and coins, indicating just how much this once niche ecosystem has grown. But we make no specific call on the bitcoin price which is clearly highly speculative in nature. What is more important in our view is the enormous disruptive potential of distributed digital investor networks for conventional finance over the medium-term.
- **We continue to believe a cautious outlook is warranted** on the basis of valuations that indicate very low expected returns in both equities and credit in developed markets. However, recent economic surprise is increasingly positive and therefore a major fracture in markets in the near term still remains unlikely. To deliver, investors still need to combine a relatively modest level of market exposure with carefully selected exposure to specific company- or event-driven situations, in our view.

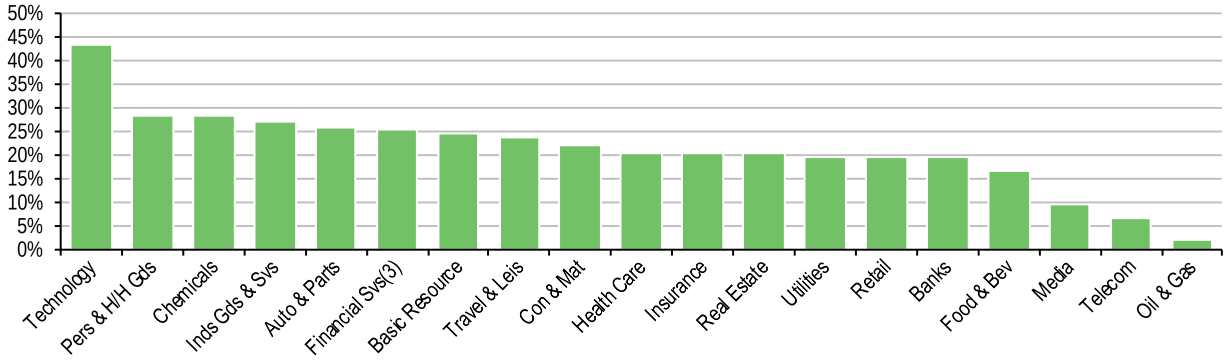
2017: All that glitters is not gold – but digital

Broadening recovery in world economy drove strong returns in 2017

2017 was the year in which an initial recovery in commodity-related equities broadened into a strong performance for nearly all sectors. The standout performer was the global technology sector which is up over 40% year to date.

The US$ denominated figures in Exhibit 1 are also flattered by an 8% decline in the trade-weighted value of the dollar over the period. It has been a remarkable outturn for the US dollar given that the US Fed is so much further ahead in tightening policy compared to the ECB or Bank of Japan. Furthermore, Trump's policy agenda which comprises fiscal stimulus, corporate tax reform and elements of protectionism is in theory a dollar positive. That it is still a theoretical positive speaks volumes in terms of the difficulties of getting it through the US political system.

Exhibit 1: World sector index performance in 2017 to date



Source: Thomson Reuters Datastream. Note: Total return in US$ to 27 November 2017.

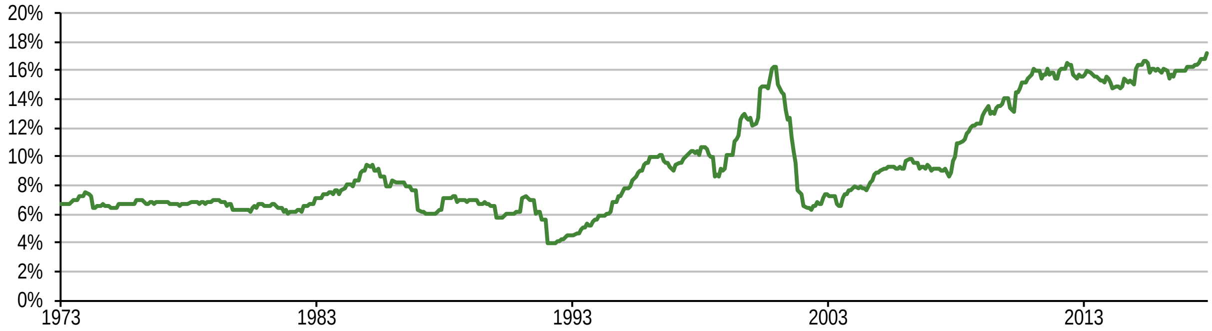
For technology, the stand-out premium to historic valuations requires further thought. It is true the extent of the overvaluation today does not match that of the original technology bubble of the 1990s. It is also true however that current multiples for the US technology sector – a trailing P/E of 27x compared to the long-term average of 21x – suggests more modest returns may lie ahead.

Investors should also consider the changing nature of the digital landscape. It is no longer a competitive free-for-all as a large share of digital activity has become embedded around only a few large players in each market segment. For example, Alphabet (Google) enjoys a >70% share of search in many developed markets. This exceptionally strong market position is not only highly cash generative in the short term, it also offers critical leverage in terms of obtaining the data sets required for the development of the most competitive artificial intelligence networks in future. Consumers appear to have little idea of the aggregate value of their digital breadcrumbs in terms of search history, websites visited, email contacts, click-through behaviour and location tracking employed by Google and its smaller competitors.

It is therefore becoming increasingly difficult to see the investment case for a new scale competitor in conventional online search or retail which would challenge the position of the incumbent. Similarly strong market positions are visible in the social media, smartphone, desktop/enterprise and semiconductor segments. While cognisant of 'Blackberry' or 'Nokia' risk it is becoming increasingly clear that 'Big Tech' has now established a pervasive permanence not dissimilar to 'Big Oil' in the 20th century – and it is still only early in the 21st.

Based on current valuations, the ongoing growth in digitalisation of the world economy, and the strategic position and financial flexibility of Big Tech, even after the gains of this year it is difficult to recommend a long-term underweight position for companies in such a commanding position. We do think however that gains are likely to be closer to normal than supercharged from current valuation levels. US P/E ratios for the sector of 27x would appear to discount the long-term sector EPS growth rate of 15% for example. In addition, as these companies have grown cyclical risks such as advertising spend or overall retail sales will become more important. That US tech sector earnings are well above the long-term trend of 8-10% of S&P 500 earnings is also clearly a risk factor, Exhibit 2.

Exhibit 2: US tech sector earnings as % of S&P 500 earnings



Source: Thomson Reuters Datastream

However, our point is that where dominance has been achieved there may be a structural reason for a permanently higher valuation. The strong performance of the global technology sector has been much broader than a few global leaders, however; in our view, it is not the time in the cycle to throw darts at the dartboard in the hope of exceptional gains. We would, for example, be wary of richly valued companies which have not established dominance in their sectors and therefore do not benefit from a virtuous circle of strong cashflows being reinvested into product development to maintain that dominance or growth through M&A.

Crypto networks gaining acceptance – industry disruption ahead?

In hindsight, the trade of 2017 was to buy bitcoin. Following a tenfold increase in the price this year, the value of all bitcoins in existence now exceeds $180bn. A further $120bn of current market value from other blockchain tokens such as Ethereum means that the digital token market now exceeds US$300bn. This is no longer a small niche phenomenon. While data is hard to find, the possibility of a significant number of new accounts being funded by credit cards cannot be ruled out and a crash may have meaningful economic implications if consumers have borrowed to buy tokens.

However, for all but the most esoteric institutional investors, gaining direct exposure to digital tokens would have been all but impossible due to real-world constraints on investment mandates. Indirect exposure through chip or graphics card manufacturers or venture capital investments in blockchain technologies appear to be the extent of institutional involvement. Even the Chicago Mercantile Exchange (CME) future on bitcoin will not be launched until the end of the year. There is clearly some anticipation that this derivative will open up a new source of demand as the price of one bitcoin moves over $10,000.

It is important, in our view to bypass the earlier and rather polarised arguments as to the merits of cryptocurrencies versus traditional non-bank money such as physical cash or gold. We take no view on the merit of owning digital currency per se, except to observe the high level of historical volatility which suggests buying on credit or margin would be a very risky strategy. Our second observation would be that the value of bitcoin in circulation now is already well over 10% of all US dollars in circulation ($1.5trn) and exceeds that of sterling notes and coins ($100bn). Expectations for further tenfold increase therefore appear challenging, unless real progress is made in transaction usage.

In addition, the rapid bitcoin account growth over the last year (100% since Q416) points to the possibility of a bubble. Internet searches are populated with offers to buy bitcoin with credit cards. The potential for fraudulent internet sales to unsophisticated individuals seems clear. Finally, those who believe there is any limit to digital token issuance should consider the Ethereum coding tutorial at https://www.ethereum.org/greeter. This tutorial moves immediately from a 'Hello World' distributed app to complete code for 'Design and issue your own cryptocurrency'.

What we would not however dismiss is the very powerful network effect demonstrated by the growth of digital tokens and its possible impact on the traditional finance sector. The basis of the traditional financial network is the concentration of capital flows between savers, corporates and the government sector through the lens of a (heavily regulated) banking system.

If however the starting point was the absence of trusted third parties such as banks or clearing houses, blockchain (or distributed ledger) technology solves the resulting problem of authenticating money transfer, proving authenticity of ownership of digital tokens and proof of settlement. Blockchain technology alone however would be of interest only as an academic exercise if merely a white paper; it is the adoption of the technology by active developer groups and significant financial backers which gives it real world relevance.

That digital tokens are now able to (and have) raised meaningful amounts of capital for new digital projects from a distributed range of online and potentially anonymous investors is a very exciting proposition for the 21st century. This is also a development in which regulators and incumbent financial intermediaries are likely to play an aggressive round of catch-up – a reason we deliberately avoided using the word 'equity' in the previous sentence. For example, the US SEC has recently warned potential ICO (initial coin offering) issuers that they may be undertaking security offerings subject to registration. Regulators have therefore taken notice.

Although contingent on continued access to a sufficiently broad network of global investors, the potential for this digital competitor to disrupt traditional stock exchanges as well as traditional payment transfers should be obvious. Due to the growth of these digital financial networks, financial institutions without a strategy to embrace these technologies are at risk of being disintermediated in the long term. For the corporate sector, the technical ability and willingness to raise capital by issuing tokens could also rapidly become a necessary strategy to remain competitive. It is too late to act after a disruptive start-up has already raised ample digital capital to finance its attack on the industry business model.

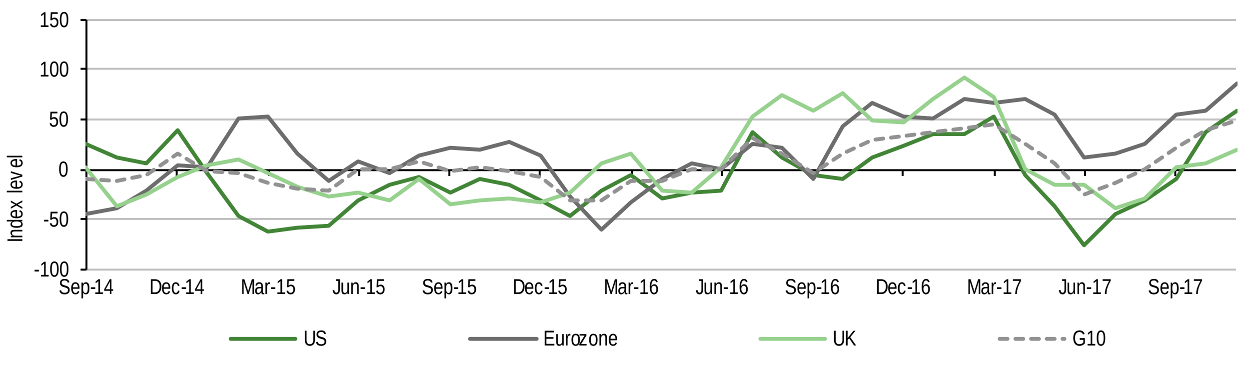
Economic surprise accelerating

In recent weeks, the positive economic surprises seen over the last quarter continue to strengthen. The data appears to be moving faster than any monetary tightening, leading to a benign environment for risk assets such as equities, Exhibit 3. What is more of a conundrum is the lack of response in global bond yields. This is even as the Bank of Japan is now hinting that it is past peak monetary accommodation, following the Fed, BoE and ECB. Earnings forecasts for 2017 remain robust with median growth close to 10% for developed markets and a similar level of growth forecast for 2018.

Furthermore, based on our estimates the surge in economic surprise is not seasonal and therefore suggests a real improvement in economic conditions. The data series may in fact be supported over the next two months by the strong tendency of December and January to deliver positive economic surprises compared to the rest of the year.

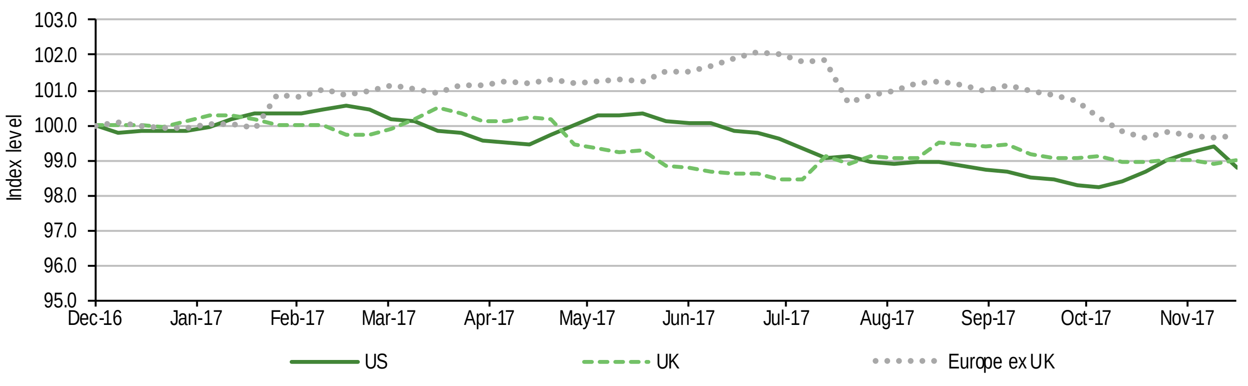
Developed market earnings forecasts for 2017 have remained relatively stable in the second half of 2017, given that the modest declines in Europe ex-UK are largely a result of the appreciating euro, which has risen by 8% on a trade-weighted basis since Q2. The resilience of earnings estimates has in our view been key to the short-term support for markets, Exhibit 4.

Exhibit 3: Global economic surprise indices accelerating in Q417



Source: Thomson Reuters Datastream

Exhibit 4: Earnings estimates for 2017 remain stable in Q4 for US, Europe ex UK and UK



Source: Thomson Reuters Datastream, Edison calculations, unweighted average

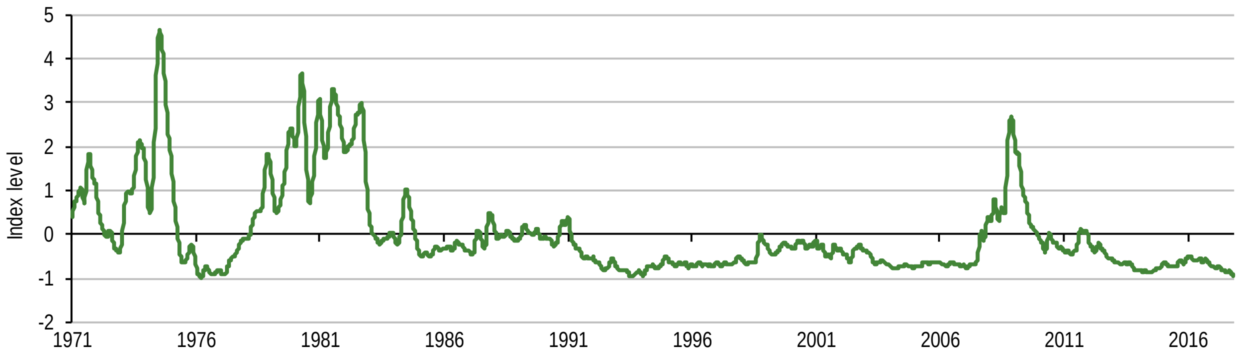
Financial conditions loosen as Fed tightens policy

US two-year yields and three-month LIBOR rates are now rising to discount the Fed's policy of three rate increases in 2018. However, as shown in Exhibit 5, overall US financial conditions as measured by the Chicago Fed Financial Conditions Index are in fact still loosening, Exhibit 5. This is clearly at odds with the intended direction of US monetary policy, as it would appear from this data that the monetary taps remain wide open. Given the Fed's concerns earlier in the year in terms of the risks to financial stability, a further market-driven loosening of financial conditions is becoming worrisome as it may encourage the US Fed to quicken the pace of monetary tightening.

We view the prospect of three rate increases in 2018 as a meaningful amount of monetary tightening given the current level of debt/GDP within the US and other developed markets. US rate increases were so easily absorbed by the market in 2017 that a degree of complacency may have set in and we are mindful of the typical 12- to 18-month lags between monetary policy changes and real economic activity. Monetary policy has been likened to pushing on a string in the depths of a recession – and it seems to be taking time for the US Fed to pick up the slack as policy tightens.

In addition, and contrary to our earlier expectations, longer-term bond yields have remained very low in recent months, thus flattening the US yield curve. The shape of the US yield curve is now also clearly at odds with buoyant equity and credit markets. This is also something of a conundrum and we continue to believe that the pressure on bond yields is to the upside, recently reinforced by positive economic data.

Exhibit 5: Chicago Fed financial conditions index now close to record low



Source: Thomson Reuters Datastream. Lower = easier US financial conditions, based on measures of risk, credit costs and leverage

Conclusion

In hindsight we have been over-cautious in our strategic views during 2017 as the performance of both Europe ex-UK and US markets has been relatively strong, despite the starting point of extended valuation multiples and progressively tighter monetary policy in the US at least. However even a cautious strategy would have generated returns significantly above cash during the year.

It is has also become increasingly evident that the digital economy is consolidating around a handful of global leaders which has led to an exceptional and not wholly unwarranted performance of the US technology sector during 2017.

While we take no view on the outlook for the bitcoin price due to its speculative nature we do see the coalescing of a significant amount of capital and infrastructure around blockchain technologies as a very important development with potentially disruptive implications for the conventional finance sector. Such digital disruption is not driven by any relative academic merit of distributed ledger technologies but more simply by the now established network effect within the digital finance community. In particular, it would in our view be a mistake to overlay the outlook for bitcoin with the outlook for digital investing. For the traditional finance industry, the risk is the genie is already out of the bottle.

There is no change to our strategic view as we continue to believe a cautious outlook is warranted for developed markets over the medium term on the basis of valuations that indicate very low expected returns in both equities and credit. However, recent economic surprise is increasingly positive and credit conditions loose. Therefore, a major fracture in markets in the near term remains unlikely in our view. We continue to believe that as we may be late in the cycle investors should combine a relatively modest level of market exposure with carefully selected exposure to specific company- or event-driven situations.

Sector: Technology

Price: 3.6p
Market cap: £28m
Market AIM

Share price graph (p)

Company description

1Spatial's core technology validates, rectifies and enhances customers' geospatial data. The combination of its software and advisory services reduces the need for costly manual checking and correcting of data.

Price performance

%	1m	3m	12m
Actual	(3.3)	7.4	38.1
Relative*	(2.0)	7.1	26.0

* % Relative to local index

Analyst

Dan Ridsdale

1Spatial (SPA)

INVESTMENT SUMMARY

1Spatial made good progress on a number of fronts in H1 and looks on track with its migration to a client-centric solutions model. In Europe, Geospatial secured several new customers, particularly in the utilities market. Recent wins in the US, particularly with the US Federal Highways, are promising, given the size of opportunity in the US and the potential for this relationship to be a platform for sales to other US government agencies. The turnaround is still in its early stages, but we believe it could yield good results in a relatively short time frame.

INDUSTRY OUTLOOK

The GIS industry is large and growing – P&S Market Research estimates the global GIS software, services and hardware market at $9.0bn, forecasting a 10.1% CAGR to reach $17.5bn by 2023. Software is estimated to account for around half of this market at present, with growth forecast at c 9% through 2023, whereas the revenue opportunity for services is expected to grow more rapidly – at c 12% from around $3.5bn at present.

Y/E Jan	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (fd) (p)	P/E (x)	P/CF (x)
2016	18.3	2.9	1.1	0.16	22.5	N/A
2017	22.1	(0.4)	(2.4)	(0.33)	N/A	N/A
2018e	23.8	0.7	(0.6)	(0.08)	N/A	67.8
2019e	25.6	1.2	(0.2)	(0.03)	N/A	20.0

Sector: Media & entertainment

Price: 1849.0p
Market cap: £519m
Market LSE

Share price graph (p)

Company description

4imprint is the leading direct marketer of promotional products in the US, Canada, the UK and Ireland. 97% of 2016 revenues were generated in the US and Canada.

Price performance

%	1m	3m	12m
Actual	(2.9)	7.2	8.8
Relative*	(1.5)	6.9	(0.8)

* % Relative to local index

Analyst

Fiona Orford-Williams

4imprint Group (FOUR)

INVESTMENT SUMMARY

4imprint's interim results in August showed it continuing to make steady progress building market share in the large and fragmented US market for promotional goods. H117 revenue growth of 11% compared to a market estimated to be growing in line with GDP at 2-3%, with the increase coming from both existing and newly recruited customers. Marketing spend, the key growth lever, is more heavily weighted to H2 this year and our revenue forecast was edged up, with a slightly higher tax charge leaving EPS unchanged. The group has good cash generation, a net cash position on the balance sheet and a growing dividend, underpinning the rating.

INDUSTRY OUTLOOK

The US promotional products market is very large, estimated at a value of c $25bn, with a handful of larger distributors and a vast number of smaller, localised operators. The main longer-term trend is faster growth among the mid-sized and larger operators, benefiting from their larger marketing muscle and the increasing prevalence of online browsing and ordering. Market growth for the distributor segment was an estimated 2-3% for 2016. The IMF has projected US GDP to grow at 2.4% in 2017, 2.1% in 2018 and 2.0% in 2019.

Y/E Dec	Revenue (US$m)	EBITDA (US$m)	PBT (US$m)	EPS (c)	P/E (x)	P/CF (x)
2015	497.2	35.5	33.5	87.5	27.9	22.2
2016	558.2	40.8	38.4	98.7	24.7	14.8
2017e	620.2	45.1	41.9	104.4	23.4	16.6
2018e	672.5	49.3	46.1	114.8	21.3	14.7

Sector: Media & entertainment

Price:	5.1p
Market cap:	£9m
Market	LSE

Share price graph (p)

Company description

7digital provides an end-to-end, white-label digital music platform and access to global music rights enabling its clients (incl. musical.ly, Onkyo, Panasonic, MediaMarktSaturn, Electric Jukebox, eMusic, TDC, DTS, Fender, SoundHound and i.am+) to offer music streaming and download services to their own customers.

Price performance

%	1m	3m	12m
Actual	(4.7)	(21.2)	(20.4)
Relative*	(3.3)	(21.4)	(27.4)

* % Relative to local index

Analyst

Bridie Barrett

7Digital Group (7DIG)

INVESTMENT SUMMARY

7digital has made considerable progress over the last year and now counts all three major music groups as partners, and has a number of strategically significant clients in the retail, hardware, social media, telco and automotive segments. H117 results point to momentum in monthly recurring revenues and new contract wins; the transaction with MediaMarktSaturn being particularly important. These moves put the group on track for an even stronger H2 and add to our confidence in its ability to deliver targeted EBITDA profitability in 2018. Given the progress being made, the 4.0x FY18 EBITDA rating looks extremely attractive. We believe the shares are worth upwards of 14p.

INDUSTRY OUTLOOK

Streaming has revived the music industry and with only 2% of the world's adult population paying for such services the opportunity remains significant. The market is dominated by a few global platforms; 7digital's success is predicated on its view that there remains a vast untapped market for music services that will be served by a range of business models. By providing the back-end technology and catalogue to companies that may want to act as alternatives to these major platforms, 7digital is aiming to become the world's leading end-to-end music services group.

Y/E Dec	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (p)	P/E (x)	P/CF (x)
2015	10.4	(2.1)	(7.6)	(7.1)	N/A	N/A
2016	11.9	(3.5)	(4.7)	(4.1)	N/A	N/A
2017e	19.1	(1.7)	(2.9)	(1.8)	N/A	N/A
2018e	24.9	3.0	2.1	1.2	4.3	N/A

Sector: Mining

Price:	194.0p
Market cap:	£796m
Market	LSE

Share price graph (p)

Company description

Acacia Mining (previously African Barrick Gold) was historically the Tanzanian gold mining business of Barrick and is one of Africa's five largest gold producers with output from three mines: Bulyanhulu, Buzwagi and North Mara.

Price performance

%	1m	3m	12m
Actual	(1.9)	(9.6)	(54.2)
Relative*	(0.4)	(9.6)	(58.0)

* % Relative to local index

Analyst

Charles Gibson

Acacia Mining (ACA)

INVESTMENT SUMMARY

Two presidential committees in Tanzania have now concluded that Acacia has under-reported historical gold sales (an allegation that ACA strongly denies). As a result, the Tanzania Revenue Authority is claiming that the company owes a total of US$190bn in back taxes and penalties. In response, Barrick has proposed that ACA should make a payment of US$300m as a 'gesture of good faith', in addition to forming a local operating company that will share the economic benefits of ACA's three mines 50:50 with Tanzania in the form of royalties, taxes and a 16% government free-carried interest.

INDUSTRY OUTLOOK

Q317 adjusted net earnings were 14.7% above our expectations, although unadjusted earnings were lower as 92% of Bulyanhulu's restructuring charges fell in Q317 and not Q4. FY17 forecasts are based on production of 756koz and sales of 576koz at cash costs of US$635/oz. Forecasts for FY18 assume no change to the status quo for the full period. Investors' attention is also drawn to recent management changes.

Y/E Dec	Revenue (US$m)	EBITDA (US$m)	PBT (US$m)	EPS (fd) (c)	P/E (x)	P/CF (x)
2015	868.1	166.6	22.0	(12.4)	N/A	6.4
2016	1053.5	407.9	242.1	39.2	6.5	3.2
2017e	747.7	295.9	166.1	26.6	9.6	18.9
2018e	576.9	127.4	4.4	0.8	320.2	8.2

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Alabama Graphite (CSPG)

Sector: Mining

Price:	C$0.14
Market cap:	C$21m
Market	TSX-V

Share price graph (C$)

Company description

Alabama Graphite is positioning itself as a major sourced-and-made-in-US natural flake battery graphite producer for the LiB supply chain. The company will not sell any traditional graphite concentrate, which is the core business model for all other graphite development companies presently.

Price performance

%	1m	3m	12m
Actual	(9.4)	16.0	31.8
Relative*	(10.5)	8.6	23.4

* % Relative to local index

Analyst

Tom Hayes

INVESTMENT SUMMARY

Without doubt, Alabama Graphite's Coosa 'made and sourced in the USA' battery-ready graphite is getting the attention it deserves. CSPG's current focus is on securing commercial off-take agreements using its large stockpile of battery-ready graphite for end-user verification studies. As such, and in our view, it is one of the lowest risk (technical and in terms of location and management), battery-focused graphite projects currently being developed. Sentiment is key to a successful development of Coosa, and recent positive test results have resulted in an LOI with a lead-acid battery developer as well as 31 NDAs being distributed to end-users, including US department of defence bodies.

INDUSTRY OUTLOOK

It is worth noting that Alabama Graphite's understanding of graphite processing, including the upgrading of graphite concentrates to battery-ready, CSPG-type graphite is far beyond the vast majority of its peers. Furthermore, Coosa is the only graphite project in the contiguous US that is capable of generating this battery-applicable graphite type, which will be key to the supply chain of any electric vehicle company, especially as environmental concerns over Chinese producers is now starting to weigh in on supply and prices.

Y/E Aug	Revenue (C$m)	EBITDA (C$m)	PBT (C$m)	EPS (c)	P/E (x)	P/CF (x)
2015	0.0	N/A	(2.2)	(2.3)	N/A	N/A
2016	0.0	N/A	(1.7)	(1.5)	N/A	N/A
2017e	0.0	N/A	(3.3)	(2.2)	N/A	N/A
2018e	0.0	N/A	(1.9)	(0.6)	N/A	N/A

Alkane Resources (ALK)

Sector: Mining

Price:	A$0.37
Market cap:	A$187m
Market	ASX

Share price graph (A$)

Company description

Alkane Resources is a multi-commodity explorer and developer, with projects in the central west region of New South Wales in Australia. Alkane owns the Tomingley Gold Operation and DZP rare metal and rare earths projects (both 100%).

Price performance

%	1m	3m	12m
Actual	17.5	4.2	1.4
Relative*	15.5	(0.3)	(7.2)

* % Relative to local index

Analyst

Tom Hayes

INVESTMENT SUMMARY

The fourth quarter of CY17 going into Q1 CY18 should prove pivotal to the development of the Dubbo Project (DP), aided in no small part by a strong broad rebound in DP-relevant metal prices that account for c 80% of future annual revenue generation. We see the DP taking centre stage for Alkane, as it looks to develop its flagship project and secure commercial binding agreements over projected Phase 1 annual revenues (of c A$407m). The TGO has maintained course on cost and production guidance for the financial year, and a revised underground mine plan is due by end CY17.

INDUSTRY OUTLOOK

We adjust our forecasts to reflect FY17 results, reducing by 17% our forecast FY18 loss per share. With a solid first quarter of production at the TGO, costs and guidance in line with our forecasts, and a revision to our DP product price forecasts, we increase our A$0.71/share valuation by 11% to A$0.79. To fully realise this valuation, Alkane would need to secure commercial and binding offtake agreements across all its DP products (ferro-niobium is already subject to such an agreement with Austrian company Treibacher Industrie). Such agreements need to be secured over the next few months to allow financing of the DP during FY18 under our assumptions.

Y/E Jun	Revenue (A$m)	EBITDA (A$m)	PBT (A$m)	EPS (c)	P/E (x)	P/CF (x)
2016	109.6	40.9	11.0	2.2	16.8	4.2
2017	117.8	61.3	18.0	4.5	8.2	3.6
2018e	108.5	31.8	(42.3)	(3.8)	N/A	16.7
2019e	N/A	N/A	N/A	N/A	N/A	N/A

EDISON

Amur Minerals (AMC)

Sector: Mining

Price:	7.3p
Market cap:	£46m
Market	AIM

Share price graph (p)

Company description

Amur Minerals is an exploration and development company focused on base metal projects in Russia's far east. The company's principal asset is the Kun-Manie nickel sulphide deposit in the Amur Oblast, comprising almost 1Mt of contained nickel equivalent in at least five deposits.

Price performance

%	1m	3m	12m
Actual	(2.3)	(25.7)	(16.9)
Relative*	(1.0)	(25.9)	(24.1)

* % Relative to local index

Analyst

Charles Gibson

INVESTMENT SUMMARY

AMC's FY17 field season was designed to: 1) upgrade Inferred resources to Indicated, and 2) prove continuity between Ikenskoe and Kubuk. In February, Amur announced a 214kt (or 41.7%) underlying increase in contained nickel tonnes at Kun-Manie, to 790kt Ni (or 1.1Mt NiE). The upgrade followed positive bulk sample metallurgical tests by Gipronickel and a re-evaluation of (lower) concentrate transport costs by RPM. All three will form inputs to an updated pre-feasibility study that is in the process of being finalised.

INDUSTRY OUTLOOK

Based on the existing operational blueprint, we calculate fully diluted (at 9p/share) values for concentrate sales (toll smelting), low-grade matte, high-grade matte and refined metal project options of 39 US cents, 51c, 41c and 50c, respectively. However, this is likely to increase if the mine plan is reconfigured to advance and increase high-grade underground production (as expected). Updated estimates also imply a potential c US$150m capex saving re Amur's access road.

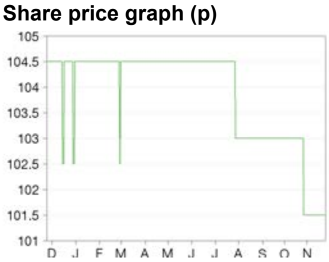
Y/E Dec	Revenue (US$m)	EBITDA (US$m)	PBT (US$m)	EPS (c)	P/E (x)	P/CF (x)
2015	0.0	(4.1)	(1.9)	(0.4)	N/A	N/A
2016	0.0	(3.8)	(3.8)	(0.7)	N/A	N/A
2017e	0.0	(3.8)	(3.6)	(0.3)	N/A	N/A
2018e	N/A	N/A	N/A	N/A	N/A	N/A

APQ Global (APQ)

Sector: Financials

Price:	101.5p
Market cap:	£79m
Market	AIM

Share price graph (p)



Company description

APQ is a global emerging markets company targeting a sustainable and growing dividend as well as capital growth, by focusing on investment opportunities with the potential to generate significant income and long-term growth.

Price performance

%	1m	3m	12m
Actual	(1.5)	(1.5)	(2.9)
Relative*	(0.1)	(1.7)	(11.4)

* % Relative to local index

Analyst

Martyn King

INVESTMENT SUMMARY

APQ is a global emerging markets company targeting a sustainable and growing dividend as well as capital growth, by focusing on investment opportunities with the potential to generate significant income and long-term growth. It raised £78m when it listed in August 2016, and in September issued c £20m in convertible unsecured loan stock at a coupon of 3.5% to provide additional long-term financing. Interim results to 30 June 2017 were recently published but the Q3 portfolio report provides a more recent update on activity. Available funds are fully deployed, other than working capital requirements, but APQ says its remains cautiously positioned. A third quarterly dividend has been declared for payment on 27 November, taking the total for FY17 to 4.5p, and APQ says it is comfortably on track to meet its 6p target for the year. The unaudited end-October NAV/share was 96.3p (ex-dividend).

INDUSTRY OUTLOOK

APQ seeks to benefit from secular long-term growth in emerging markets and a focus on income returns.

Y/E Dec	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (p)	P/E (x)	P/CF (x)
2015	N/A	N/A	N/A	N/A	N/A	N/A
2016	N/A	N/A	0.6	0.71	143.0	N/A
2017e	N/A	N/A	N/A	N/A	N/A	N/A
2018e	N/A	N/A	N/A	N/A	N/A	N/A

Sector: Industrial support services

Price:	29.2p
Market cap:	£30m
Market	AIM

Share price graph (p)

Company description

Augean manages hazardous waste through five divisions: Radioactive Waste Services (3% of group revenues), Energy & Construction (33%), Industry & Infrastructure (30%), Augean Integrated Services (13%) and Augean North Sea Services (21%).

Price performance

%	1m	3m	12m
Actual	4.5	(47.3)	(54.3)
Relative*	6.0	(47.5)	(58.3)

* % Relative to local index

Analyst

Graeme Moyse

Augean (AUG)

INVESTMENT SUMMARY

In its recent trading update, AUG revealed that Stewart Davies has resigned as CEO, by mutual consent, and is to be replaced by Jim Meredith, who will become executive chairman. We expect Mr Meredith to focus on finding a resolution to the dispute with HMRC and maximising the cash return from the business. AUG also warned that FY17 and FY18 profits will be below previous expectations, mainly the result of continuing weakness in the soil market. To counter the tough trading, AUG announced additional cost reductions of £1.7m. The cost savings are expected to yield a full-year benefit in FY18. We have updated our forecasts and for now our DPS forecasts remain unchanged, but AUG's ability to pay will need to be assessed in light of any settlement with HMRC. Our DCF valuation, which does not include the cost of settling with HMRC, remains at 67p/share.

INDUSTRY OUTLOOK

A growing trend towards treatment, recovery and recycling in the waste hierarchy supports Augean's specialist industry knowledge model.

Y/E Dec	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (p)	P/E (x)	P/CF (x)
2015	61.0	12.5	6.2	5.58	5.2	2.4
2016	76.0	14.3	7.2	6.47	4.5	2.3
2017e	83.2	11.9	6.0	5.56	5.3	3.7
2018e	84.3	14.4	8.1	6.88	4.2	2.1

Sector: Aerospace & defence

Price:	7.2p
Market cap:	£12m
Market	AIM

Share price graph (p)

Company description

Avanti Communications is a London-based fixed satellite services provider. It sells satellite data communications services to service providers in its key markets of enterprise, broadband, carrier services and government. It has Ka-band capacity on four satellites, with two launches due in 2017.

Price performance

%	1m	3m	12m
Actual	7.4	(9.5)	(68.1)
Relative*	8.9	(9.8)	(70.9)

* % Relative to local index

Analyst

Andy Chambers

Avanti Communications Group (AVN)

INVESTMENT SUMMARY

Avanti's refinancing is complete with the bondholders and the $100m Super Senior Debt issue providing additional liquidity. It can now pursue its strategy and more than double capacity when HYLAS 4 is launched next spring. The most recent trading updates were less positive, lowering our near-term estimates, but order flow had been improving. We await an update from the new CEO, which we expect with FY17 results. Until then our long-term assumptions are unaltered.

INDUSTRY OUTLOOK

Avanti is building a Ka-band satellite network to service broadband connectivity for underserviced markets and remote locations in EMEA. In these markets it has been a first mover and it currently owns and operates three satellites in geostationary orbit. The company's increasing focus on Africa is a reflection of the expected rapid growth of demand for data transmission in the region. The potential in the market appears to be validated by competitor announcements of future deployment of Ka-band capacity servicing Africa.

Y/E Jun	Revenue (US$m)	EBITDA (US$m)	PBT (US$m)	EPS (fd) (c)	P/E (x)	P/CF (x)
2015	85.2	12.5	(73.3)	(61.4)	N/A	N/A
2016	82.8	4.6	(67.0)	(49.3)	N/A	N/A
2017e	62.0	(11.1)	(108.3)	(70.2)	N/A	N/A
2018e	92.0	12.8	(130.1)	(79.9)	N/A	0.6

EDISON

Sector: Aerospace & defence

Price:	1152.0p
Market cap:	£357m
Market	LSE

Share price graph (p)

Company description

Avon Rubber designs, develops and manufactures products in the respiratory protection, defence (70% of 2017 sales) and dairy (30%) sectors. Its major contracts are with national security and safety organisations such as the DoD. 75% of sales are from the US and 25% are from Europe.

Price performance

%	1m	3m	12m
Actual	19.6	18.2	10.5
Relative*	21.3	17.8	0.8

* % Relative to local index

Analyst

Annabel Hewson

Avon Rubber (AVON)

INVESTMENT SUMMARY

Avon Rubber delivered a confident FY17 performance. The core business is buoyed by strong order activity in Avon Protection while dairy market trends look set to stay positive into 2018 for milkrite | InterPuls. Cash performance has also been solid, which underpins selective future acquisitions. The significantly changed management team has developed a new, threefold growth strategy. The approach is to grow the core, add selective product development and make value-enhancing acquisitions to accelerate growth.

INDUSTRY OUTLOOK

The US defence budget environment looks promising for Avon as it increases army troop numbers, while order activity has picked up closer to home. Avon is increasingly focused on higher price sophisticated mask systems. Meanwhile, the supportive dairy market environment has allowed the positive growth trends in the division to continue globally. With the group's recent years' investments also set to drive further growth over the coming years, we maintain our view that Avon has the market position, product portfolio and strategic ambition to further accelerate its growth through organic and inorganic means.

Y/E Sep	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (p)	P/E (x)	P/CF (x)
2016	142.9	29.9	20.7	70.5	16.3	11.4
2017	163.2	36.0	25.6	82.3	14.0	11.8
2018e	163.2	36.1	26.5	69.4	16.6	10.2
2019e	169.2	38.0	28.2	74.1	15.5	9.9

Sector: Financials

Price:	€2.25
Market cap:	€181m
Market	Borsa Italiana

Share price graph (€)

Company description

Banca Sistema is a speciality finance provider with a primary focus on factoring receivables from the Italian public sector (public administrations). The bank is also opportunistic, looking to diversify and has developed salary- and pension-based lending.

Price performance

%	1m	3m	12m
Actual	(11.8)	4.2	20.3
Relative*	(10.9)	0.8	(12.1)

* % Relative to local index

Analyst

Andrew Mitchell

Banca Sistema (BST)

INVESTMENT SUMMARY

BST's Q3 results showed continued growth in its main trade receivables financing and salary and pension-backed loan activities. Reported profits were augmented by a higher accrual rate for late payment interest but, excluding the element relating to prior years, BST still targets an ROAE of 20% for FY17. Given this and the potential for continued growth, the valuation in terms of price to book and multiples of our reduced earnings estimates appears very cautious. Since the results, BST has announced the appointment of a new CFO, Ms Ilaria Bennati, who had been a member of the board of directors since June 2016 (a position she resigned from simultaneously).

INDUSTRY OUTLOOK

BST is successfully generating more factoring turnover through its banking partners and hopes to extend this network further. Structurally, there remains good potential to increase factoring penetration in Italy and for BST to gain share. Scope for increased acquisition of salary- and pension-backed loans also appears favourable and the risk weighting applied to these loans seems likely to be reduced from around 75% to 35%.

Y/E Dec	Revenue (€m)	EBITDA (€m)	PBT (€m)	EPS (c)	P/E (x)	P/CF (x)
2015	71.8	N/A	25.5	29.50	7.6	N/A
2016	81.5	N/A	35.7	32.85	6.8	N/A
2017e	85.4	N/A	39.6	34.39	6.5	N/A
2018e	93.0	N/A	42.8	36.72	6.1	N/A

Bezant Resources (BZT)

Sector: Mining

Price:	1.0p
Market cap:	£5m
Market	AIM

Share price graph (p)

Company description

BZT is developing a low-cost development rationale for platinum in Colombia, as well as working on its gold-copper Mankayan project in the Philippines.

Price performance

%	1m	3m	12m
Actual	(12.8)	(26.8)	(36.9)
Relative*	(11.5)	(27.0)	(42.5)

* % Relative to local index

Analyst

Tom Hayes

INVESTMENT SUMMARY

BZT raised c US$920k (£700k) before expenses through a conditional placement of 64m new shares at 1.1p each (share price on 20 Oct 2017 was 1.18p). These funds are to be used for working capital purposes at the company's Choco project in Colombia. BZT is currently focused on processing virgin gold- and platinum-bearing gravels at the Choco project, and specifically looking to verify the 0.17g/t break-even grade for combined Pt and Au, used in the scoping study announced in March 2017. Once this break-even grade has been verified, the company states it will look to "commence with the next phase of production ramp-up".

INDUSTRY OUTLOOK

If a favourable reconciliation results from comparing its current production to the finding of its scoping study outcome, we expect the market to become more confident, over the longer term, in the Choco project and its ability to generate profitable returns.

Y/E Jun	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (p)	P/E (x)	P/CF (x)
2015	0.0	(0.6)	(0.6)	(0.7)	N/A	N/A
2016	0.0	(0.7)	(0.7)	(0.7)	N/A	N/A
2017e	N/A	N/A	N/A	N/A	N/A	N/A
2018e	N/A	N/A	N/A	N/A	N/A	N/A

Blancco Technology Group (BLTG)

Sector: Technology

Price:	81.0p
Market cap:	£52m
Market	AIM

Share price graph (p)

Company description

Blancco Technology Group develops and sells data erasure and mobile diagnostics software. It is headquartered in the US and has sales offices in 15 countries around the world.

Price performance

%	1m	3m	12m
Actual	52.8	(20.6)	(61.6)
Relative*	55.0	(20.8)	(65.0)

* % Relative to local index

Analyst

Katherine Thompson

INVESTMENT SUMMARY

After a difficult six months for Blancco, we believe that management has stabilised the business and put it on a course for sustainable growth. A focus on recurring-type contracts should provide better visibility. We have taken a conservative approach to forecasts using the lower end of revenue guidance; if management is able to drive growth at a faster rate than this then we see scope for substantial upside to forecasts.

INDUSTRY OUTLOOK

Blancco has developed patented technology to erase data on devices such as PCs, laptops, servers, mobiles and tablets. Drivers of demand for data erasure include the risk of data loss (and the associated costs and reputational issues) and regulation. We estimate that Blancco has only penetrated a small percentage of the addressable markets for end-of-life and active erasure. Through a combination of direct sales, channel partners and ongoing market education, management is aiming to accelerate the adoption of its software.

Y/E Jun	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (p)	P/E (x)	P/CF (x)
2016	21.2	5.4	4.1	4.16	19.5	N/A
2017	27.7	5.2	3.1	3.02	26.8	N/A
2018e	29.4	4.2	2.0	1.35	60.0	N/A
2019e	32.2	5.8	2.8	2.35	34.5	N/A

Sector: Travel & leisure

Price:	€6.07
Market cap:	€558m
Market	FRA

Share price graph (€)

Company description

The group operates Borussia Dortmund, a leading German football club, DFB Cup winners in 2016/17 and competing in this season's UEFA Champions League (quarter-finalists in 2016/17).

Price performance

%	1m	3m	12m
Actual	(17.4)	(18.0)	15.1
Relative*	(17.7)	(23.5)	(5.8)

* % Relative to local index

Analyst

Richard Finch

Borussia Dortmund (BVB)

INVESTMENT SUMMARY

Q1 results show the success of Dortmund's transfer policy, which is generating substantial hidden reserves in player values. Quarterly EBITDA of €81.4m, driven by the remarkable sale of Dembélé to Barcelona, provides ample scope for reinvestment, while alone all but guaranteeing a record outturn this year. This is reassuring, given the current sporting dip, which is striking after the record season start. Newly confirmed premature exit from the Champions League is a major disappointment, but the financial impact may be made up by a deep run in the Europa League, assuming imminent qualification. For FY19, Dortmund's successful development record and initial benefits from Champions League reform should allow another strong outcome. Finances remain typically disciplined.

INDUSTRY OUTLOOK

Unsustainable spend on wages and transfers is increasingly being penalised by UEFA Financial Fair Play requirements. A 'break-even requirement' obliges clubs to spend no more than they generate over a rolling three-year period. Sanctions vary from a warning to a ban from UEFA competition, fines and a cap on wages and squad size.

Y/E Jun	Revenue (€m)	EBITDA (€m)	PBT (€m)	EPS (c)	P/E (x)	P/CF (x)
2016	376.3	86.7	73.8	68.2	8.9	12.6
2017	405.7	74.1	61.1	56.4	10.8	45.8
2018e	505.0	102.0	88.5	81.7	7.4	46.5
2019e	462.0	97.0	83.5	77.2	7.9	15.1

Sector: Technology

Price:	63.5p
Market cap:	£53m
Market	AIM

Share price graph (p)

Company description

Brady provides a range of transaction and risk management software applications, which help producers, consumers, financial institutions and trading companies manage their commodity transactions in a single, integrated solution.

Price performance

%	1m	3m	12m
Actual	(6.8)	(8.0)	(10.6)
Relative*	(5.5)	(8.2)	(18.4)

* % Relative to local index

Analyst

Richard Jeans

Brady (BRY)

INVESTMENT SUMMARY

Brady's H1 results revealed the initial impact of the group's transformation. While revenues slipped, reflecting the planned shift to software rental, recurring revenue rose to 68% of total revenues, up from 60% a year earlier. The shift to microservices is gaining traction, with three proof-of-concept trials taking place in H2. Four new licences were sold in H1, all on a rental format, of which three are hosted. In November, it was announced that RWE Supply and Trading (RWEST) has renewed its licence to use Brady Credit Risk software on an annual recurring fee arrangement for a further five years. As RWEST previously had a term licence, the new arrangement adds to Brady's recurring revenue. Given the attractive long-term growth opportunities in the E/CTRM space, we believe the shares look attractive on 13x our cash-adjusted FY19 EPS.

INDUSTRY OUTLOOK

Brady provides trading, risk and connectivity software solutions to the global commodity, recycling and energy markets – mining and oil companies, fabricators, traders, banks, etc. Key operational drivers are that the target market is underinvested in IT, auditors and regulators are seeking increased reporting and accountability, and there are fundamental changes such as electronic trading and the EEGI.

Y/E Dec	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (p)	P/E (x)	P/CF (x)
2015	27.4	1.5	1.0	1.0	63.5	22.2
2016	30.3	3.0	2.3	2.4	26.5	19.3
2017e	29.0	0.0	(0.7)	(0.6)	N/A	41.8
2018e	30.8	3.6	3.0	2.8	22.7	9.9

Sector: Industrial support services

Price:	300.0p
Market cap:	£92m
Market	LSE

Share price graph (p)

Company description

Braemar Shipping Services is a leading global shipping services group with interests ranging from shipbroking to the supply of specialist technical and logistics support to various parties involved in the transport of goods by sea and in the energy sector.

Price performance

%	1m	3m	12m
Actual	1.7	(0.8)	(4.6)
Relative*	3.1	(1.1)	(13.0)

* % Relative to local index

Analyst

Andy Chambers

Braemar Shipping Services (BMS)

INVESTMENT SUMMARY

Acquisitions established a more balanced group of shipbroking and other services, where demand relates to the volume of seaborne trade and the oil & gas market. FY17 was challenging, although both Shipbroking and Logistics proved resilient. The issues in Technical have been decisively addressed and it should return to profit in FY18. The Q1 trading statement supported this view, with improving shipbroking returns. With mid-term potential for markets to recover, Braemar appears reset and rebased, with the acquisition of NAVES in line with strategy.

INDUSTRY OUTLOOK

The growth of the shipping industry in the last decade reflected the shift in global manufacturing capacity and its supply chain. Global recession in 2008/09 upset the supply/demand balance, leading to sharply reduced charter rates. Volume growth of seaborne trade recovered, but only to around half of previous levels. The accelerated scrapping of ageing vessels has yet to materialise, so overcapacity remains an issue in many segments.

Y/E Feb	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (p)	P/E (x)	P/CF (x)
2016	159.1	15.9	13.4	34.7	8.6	6.5
2017	139.8	5.1	3.2	8.7	34.5	13.4
2018e	137.9	9.4	7.8	21.2	14.2	16.0
2019e	142.5	9.9	8.5	23.2	12.9	9.9

Sector: Mining

Price:	8.4p
Market cap:	£68m
Market	AIM

Share price graph (p)

Company description

Bushveld Minerals is an AIM-listed diversified commodity explorer in South Africa. Other than the Vametco deal, projects include an iron-titanium-vanadium deposit on the Bushveld complex's northern limb as well as tin and coal assets.

Price performance

%	1m	3m	12m
Actual	(9.7)	(7.3)	556.0
Relative*	(8.4)	(7.6)	498.5

* % Relative to local index

Analyst

Tom Hayes

Bushveld Minerals (BMN)

INVESTMENT SUMMARY

Bushveld's US$16.4m acquisition of Vametco has transformed it from a junior explorer into a profitable producer. Vametco EBITDA (in which Bushveld has a c 27% interest) was ZAR189.5m (US$14.2m or £11.1m) in the first nine months of 2017. Initial output of c 3,000tpa vanadium is being expanded to 5,000tpa over the next three years and it has confirmed the deployment of its first vanadium redox flow battery with Eskom. In the meantime, Bushveld's coal division (Lemur) is working towards the development of the 60MW Imaloto independent coal power plant in Madagascar, while its tin interests have been spun out as AfriTin.

INDUSTRY OUTLOOK

Bushveld's Vametco acquisition will provide a fundamental underpinning to its share price, while we estimate that its other assets could be worth up to c US$0.28/share. Hitherto, vanadium has been predominantly used as a steel-hardening micro-alloy. However, Bushveld intends to reconfigure the plant towards the production of vanadium electrolyte for batteries.

Y/E Feb	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (p)	P/E (x)	P/CF (x)
2016	0.0	(1.5)	(1.8)	(0.4)	N/A	N/A
2017	0.0	(1.5)	(1.7)	(0.3)	N/A	205.5
2018e	N/A	N/A	N/A	N/A	N/A	N/A
2019e	N/A	N/A	N/A	N/A	N/A	N/A

Byotrol (BYOT)

Sector: Basic industries

Price:	3.4p
Market cap:	£14m
Market	AIM

Share price graph (p)

Company description

Byotrol has developed and controls patents for a unique technology to facilitate the safe eradication of harmful microbes. These include several high-profile infections, such as MRSA and swine flu.

Price performance

%	1m	3m	12m
Actual	(12.9)	(20.6)	(21.9)
Relative*	(11.7)	(20.8)	(28.7)

* % Relative to local index

Analyst

Andy Chambers

INVESTMENT SUMMARY

Following FY17 results, which delivered the group's first ever EBITDA surplus, consolidating a £1.1m payment from Solvay as part of its licensing agreement, management is looking positively to the future. It has established a clear three-pronged strategy to build the business over the next few years, involving major sales and marketing initiatives to exploit recently gained product approvals. Management has indicated that the group will almost certainly slip into losses in FY18 because of increased marketing spend. However, the forthcoming interim results should provide useful guidance on the potential forward move in revenues. Meanwhile, the recent £4.3m fund-raising gives confidence on financial stability.

INDUSTRY OUTLOOK

The global market for specialist antimicrobial technology is vast and growing, as awareness of the impact of infection and diseases increases. While many products can kill bacteria instantly, the potential of a product that can be demonstrated to be "long-lasting and gentle" (chairman's statement, 18 August 2016) is significant. The challenge is to convince the major industry players of the efficacy of technology and seeing new products to market.

Y/E Mar	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (fd) (p)	P/E (x)	P/CF (x)
2016	2.6	(0.4)	(0.6)	(0.2)	N/A	N/A
2017	3.1	0.0	(0.1)	0.0	N/A	41.8
2018e	N/A	N/A	N/A	N/A	N/A	N/A
2019e	N/A	N/A	N/A	N/A	N/A	N/A

Caledonia Mining (CMCL)

Sector: Mining

Price:	482.5p
Market cap:	£51m
Market	AIM, TSE

Share price graph (p)

Company description

Caledonia Mining mines gold at its main operating asset, the 49%-owned Blanket gold mine in southern Zimbabwe. It is also progressing its understanding of a number of promising satellite projects close to Blanket.

Price performance

%	1m	3m	12m
Actual	11.6	(5.4)	(1.0)
Relative*	13.1	(5.7)	(9.7)

* % Relative to local index

Analyst

Tom Hayes

INVESTMENT SUMMARY

Q317 results announced on 13 November showed record gold production for the quarter from the Blanket gold mine in Zimbabwe, with 14,396oz produced at AISC of $773/oz, a 10% q-o-q reduction. As a result of this record production, third-quarter gross profit came in 7% higher q-o-q at US$7.2m, with net attributable profit to shareholders 179% higher at US$3.1m. Strong Q3 production should make the company's narrowed 54koz-56koz production guidance eminently achievable.

INDUSTRY OUTLOOK

With Zimbabwe transitioning to a post-Mugabe era, it is reassuring to note that management continues uninterrupted to produce gold in line with its own guidance, and in continuing to invest in Blanket, to protect the mine's future viability and to raise production towards 80koz pa. This target is supported by the company's vastly improved resource base, which has further lent support and allowed CMCL to extend its Central Shaft development depth by 240m to 1,330m, at a cost of US$10m, funded (as with the entire IP) purely via cash flows. We are currently updating our forecasts.

Y/E Dec	Revenue (US$m)	EBITDA (US$m)	PBT (US$m)	EPS (c)	P/E (x)	P/CF (x)
2015	49.0	9.0	5.1	40.0	15.9	8.1
2016	62.0	23.3	19.6	106.9	6.0	2.6
2017e	67.6	23.8	20.4	135.6	4.7	3.0
2018e	78.7	29.8	24.9	147.1	4.3	2.6

EDISON

Sector: Oil & gas

Price:	C$0.02
Market cap:	C$23m
Market	LSE, Toronto

Share price graph (C$)

Company description

Canadian Overseas Petroleum (COPL) is an Africa-focused E&P with exploration assets in Liberia and plans to expand into Nigeria through its ShoreCan JV. COPL is carried through a US$120m gross exploration programme in Liberia by ExxonMobil.

Price performance

%	1m	3m	12m
Actual	(25.0)	50.0	(90.9)
Relative*	(25.9)	40.4	(91.5)

* % Relative to local index

Analyst

Sanjeev Bahl

Canadian Overseas Petroleum (XOP)

INVESTMENT SUMMARY

Canadian Overseas Petroleum's (COPL) Mesurado-1 prospect in Liberia targeted multiple Santonian deepwater channel sands with pre-drill gross P50 unrisked resource estimated at c 400mmbbl. The well located reservoir-quality sands but no hydrocarbons. Further activity in Liberia is uncertain at this stage. COPL's 50%-owned subsidiary, ShoreCan, acquired an 80% interest in OPL 226 offshore Nigeria – containing the Noa West oil discovery. The transaction is subject to ministerial approval and funding is required in order to progress with appraisal and EPS development.

INDUSTRY OUTLOOK

COPL's Liberian acreage has attracted significant industry interest after ExxonMobil's Liza exploration success in Guyana. However, after an unsuccessful result at Mesurado-1 and difficulty in differentiating fluid phase on seismic, it is uncertain whether or not the operator will elect to drill a second exploration well.

Y/E Dec	Revenue (US$m)	EBITDA (US$m)	PBT (US$m)	EPS (fd) (c)	P/E (x)	P/CF (x)
2015	0.0	(6.5)	(7.8)	(1.7)	N/A	N/A
2016	0.0	(8.6)	(8.9)	(1.5)	N/A	N/A
2017e	0.0	(3.0)	(3.0)	(0.3)	N/A	N/A
2018e	0.0	(3.2)	(3.1)	(0.2)	N/A	N/A

Sector: Alternative energy

Price:	€9.00
Market cap:	€41m
Market	Euronext Paris

Share price graph (€)

Company description

Carbios develops enzyme-based processes for biodegradation and bioproduction of plastics, with a long-term aim of displacing current recycling and production practices.

Price performance

%	1m	3m	12m
Actual	11.8	16.1	12.6
Relative*	12.1	10.7	(5.7)

* % Relative to local index

Analyst

Adrian Phillips

Carbios (ALCRB)

INVESTMENT SUMMARY

Carbios addresses the issue of plastics disposal, as well as environmental and sustainable solutions via breakthrough technologies for a circular plastics economy. Carbios's goal is to industrialise its biodegradation process and set up new PET recycling partnerships to follow on from its recent breakthrough agreement with L'Oréal, which marks a key validation of the technology. Earlier this year, Carbios completed the fifth key stage of its research project and expects a milestone payment in 2017 for this final stage. In July, an equity issue raised €4.2m in new equity, increasing the equity base by over 10%; the funds will be used in the pilot of its enzymatic biorecycling process for PET plastics. The current free issue of equity warrants may bring in further equity. The results for H117 saw the first income from the Carbiolice JV and operating losses were 28% lower at €1.75m.

INDUSTRY OUTLOOK

Growing volumes, environmental concerns and an increasing focus on sustainability are becoming ever more important challenges to conventional plastic market participants. Biological plastic production and recycling is the single most important aim of the industry as a response. The target is a circular economy where plastic is constantly reused and recycled.

Y/E Dec	Revenue (€m)	EBITDA (€m)	PBT (€m)	EPS (fd) (c)	P/E (x)	P/CF (x)
2015	0.8	(3.9)	(4.0)	(81.3)	N/A	N/A
2016	8.9	3.8	3.6	131.9	6.8	7.6
2017e	1.2	(3.8)	(4.0)	(64.9)	N/A	N/A
2018e	1.5	(3.0)	(3.2)	(53.5)	N/A	N/A

Sector: Technology

Carclo (CAR)

Price:	132.5p
Market cap:	£97m
Market	LSE

Share price graph (p)

Company description

Carclo is a specialist in high-precision plastic moulding principally in healthcare, optical and automotive applications. Its two main end-markets are high-volume medical consumables and low-volume, very high-value automotive lighting.

Price performance

%	1m	3m	12m
Actual	(3.1)	(19.5)	12.3
Relative*	(1.7)	(19.7)	2.5

* % Relative to local index

Analyst

Anne Margaret Crow

INVESTMENT SUMMARY

As flagged at the AGM in September, performance at Carclo's Technical Plastics division (CTP) was held back by key new programmes slipping from H118 to H218 as well as some operational issues, which have been largely resolved. This was balanced by outperformance in the LED Technologies division (LED), where the level of design, development and tooling activity was ahead of expectations. Management anticipates that full-year trading will be in line with expectations, so we leave our estimates broadly unchanged.

INDUSTRY OUTLOOK

The contract delays and one-off operational issues that adversely affected CTP's performance during H118 have largely been resolved. The small Aerospace division is expected to have stronger sales in H218 as some new programmes move to serial production. Although we do not expect the recovery in these two divisions to be sufficient to compensate for the underperformance during H118, the outperformance at LED makes up the balance, so we leave our group pre-exceptional PBT and EPS estimates unchanged for both FY18 and FY19.

Y/E Mar	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (fd) (p)	P/E (x)	P/CF (x)
2016	119.0	13.8	8.8	10.1	13.1	6.3
2017	138.3	17.0	11.0	12.1	11.0	10.3
2018e	152.2	19.3	12.5	12.9	10.3	7.0
2019e	165.5	22.3	15.0	15.2	8.7	4.7

Sector: General industrials

Carr's Group (CARR)

Price:	131.2p
Market cap:	£120m
Market	LSE

Share price graph (p)

Company description

Carr's Agriculture division serves farmers in the North of England, South Wales, the Borders and Scotland, the US, Germany and New Zealand. The Engineering division offers remote handling equipment and fabrications to the global nuclear and oil and gas industries.

Price performance

%	1m	3m	12m
Actual	(8.5)	(9.6)	(12.2)
Relative*	(7.2)	(9.9)	(19.9)

* % Relative to local index

Analyst

Anne Margaret Crow

INVESTMENT SUMMARY

As flagged at the interim stage, group profits dipped during FY17. Growth in the UK Agriculture and Remote Handling activities was offset by weak demand for feed blocks in the US, resulting from a surplus of beef cattle following extensive restocking, and a significant contract delay in the UK Manufacturing part of the Engineering division. Demand for feed blocks in the US began to pick up in the second half and the major contract was finally signed in July, underpinning a recovery in FY18. We raise our estimates slightly to reflect a continuation of the favourable environment in UK agriculture and upgrade our indicative DCF valuation from 163p/share to 167p/share.

INDUSTRY OUTLOOK

Despite the short-term setbacks experienced during FY17, management continued to invest for the medium term, opening up the US nuclear market through the acquisition of NuVision and constructing a new feed-block plant to serve the eastern and southern US.

Y/E Aug	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (p)	P/E (x)	P/CF (x)
2016	314.9	16.5	14.2	10.8	12.1	10.1
2017	346.2	13.9	11.9	9.4	14.0	7.9
2018e	364.2	18.7	15.9	12.5	10.5	6.1
2019e	368.4	19.8	16.9	12.9	10.2	6.4

Sector: Financials

Price:	105.5p
Market cap:	£60m
Market	AIM

Share price graph (p)

Company description

Cenkos is a specialist, UK institutional stockbroker, focused on growth companies and investment funds. Its principal activities are primary and secondary fund-raising, corporate advisory, research, trade execution and market-making activities.

Price performance

%	1m	3m	12m
Actual	(0.9)	7.7	31.9
Relative*	0.5	7.3	20.3

* % Relative to local index

Analyst

Andrew Mitchell

Cenkos Securities (CNKS)

INVESTMENT SUMMARY

Cenkos Securities' H117 result announced in September was strong with a pre-tax profit increase of over 150% bolstered by the Eddie Stobart IPO that provided further evidence of the company's ability to complete larger transactions as well as a flow of smaller deals. The second half had started well and, subject to market conditions, the pipeline was reported to be healthy. We increased our FY17 earnings estimate by nearly 11%. Revenue and profit are subject to market fluctuations but the business model of contained fixed costs and high variable compensation mitigates the impact of this. The valuation both in terms of P/E and yield appears cautious.

INDUSTRY OUTLOOK

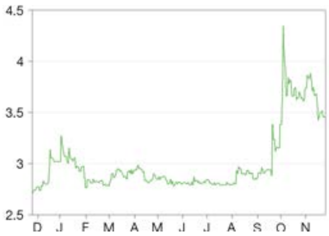
Equity market levels have risen substantially since June last year and sustained higher levels despite a range of uncertainties surrounding Brexit and global geopolitical developments. This is helpful for transactions; although in recent months a number of planned IPOs have been cancelled, reflecting qualified appetite. Implementation of MiFID II in 2018 may put further pressure on institutional commissions, but these are a relatively small part of revenues. Longer-term, the breadth of client base and transaction record are encouraging features.

Y/E Dec	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (fd) (p)	P/E (x)	P/CF (x)
2015	76.5	20.0	19.9	27.2	3.9	3.8
2016	43.7	4.5	4.4	4.7	22.4	N/A
2017e	58.0	8.6	8.4	12.4	8.5	6.3
2018e	N/A	N/A	N/A	N/A	N/A	N/A

Sector: Food & drink

Price:	€3.46
Market cap:	€48m
Market	STAR, Borsa Italiana STAR

Share price graph (€)



Company description

Centrale del Latte d'Italia produces and distributes fresh and long-life milk (UHT and ESL), and dairy products such as cream, yoghurt and cheese. It has a leading position in milk in the Piedmont region of northern Italy, and it has expanded to the Veneto, Liguria and Tuscany regions.

Price performance

%	1m	3m	12m
Actual	(5.7)	19.0	27.7
Relative*	(4.7)	15.2	(6.6)

* % Relative to local index

Analyst

Sara Welford

Centrale del Latte d'Italia (CLI)

INVESTMENT SUMMARY

Price increases implemented during Q217 were successful and organic sales growth of 14% in Q317 was very impressive. We expect the recovery to continue into early FY18 as the full effect of the price increases comes through. Recent news that CLI signed an agreement with Alibaba for the sale of Italian UHT milk to Chinese online consumers demonstrates that the company is keen to grow its top line and expand its geographic reach.

INDUSTRY OUTLOOK

The Italian fresh milk and extended shelf-life market was worth €574m in 2015 (source: IRI Infoscan Hypermarkets + Supermarkets), but is very localised, with different players in different regions. The market has contracted over the last few years, mainly as a result of volume declines caused by the economic crisis and a fashion for dairy-free diets, although there are now initial signs of stabilisation. CLI has been gaining share in the regions in which it operates, and the Mukki brand acquired through CLF presents interesting opportunities for expansion.

Y/E Dec	Revenue (€m)	EBITDA (€m)	PBT (€m)	EPS (c)	P/E (x)	P/CF (x)
2015	98.3	4.9	0.5	0.30	1153.3	N/A
2016	119.8	2.9	(2.1)	(19.57)	N/A	N/A
2017e	181.0	8.3	0.1	1.04	332.7	N/A
2018e	181.9	8.9	0.8	5.92	58.4	N/A

Sector: Industrial support services

Price:	S$1.54
Market cap:	S$1334m
Market	Singapore Exchange

Share price graph (S$)

Company description

China Aviation Oil (Singapore) Corporation (CAO) is the largest physical jet fuel supplier and trader in Asia. It holds the sole import licence for bonded jet fuel into China, and has nascent businesses in the US and Europe. Of its five associates, the most important is SPIA, which supplies all jet fuel to Shanghai Pudong Airport.

Price performance

%	1m	3m	12m
Actual	(10.2)	(0.6)	12.4
Relative*	(13.0)	(5.6)	(7.1)

* % Relative to local index

Analyst

Andy Chambers

China Aviation Oil (Singapore) (G92)

INVESTMENT SUMMARY

CAO operates as a physical jet fuel supplier as well as trader, while a healthy dividend income from the fuel supply JV at Shanghai's rapidly expanding Pudong Airport provides the bulk of earnings. Q3 gross margin of the core trading operation was affected by backwardation in product markets and supply disruptions. More positively, there was a stronger contribution from SPIA and other associates. With adverse trading conditions expected to persist for a period of time, management's strategy to reduce volatility is being tested. The key growth drivers of increasing air traffic and an expanding geographic footprint continue to increase trading volumes and augur well for the future.

INDUSTRY OUTLOOK

As the sole licensed importer and supplier of jet fuel to China's civil aviation industry, CAO is a direct play on the rapidly rising demand for air travel in China, with growth augmented by both international and product expansion. Air transport is widely acknowledged to be an industry in a period of structural growth. International travel from China is increasing four times faster than the global average, so CAO is exposed to a sweet spot in the market.

Y/E Dec	Revenue (US$m)	EBITDA (US$m)	PBT (US$m)	EPS (fd) (c)	P/E (x)	P/CF (x)
2015	8987.0	25.9	62.4	7.2	15.8	10.5
2016	11703.0	30.2	89.9	10.4	10.9	25.8
2017e	15834.0	27.1	89.1	10.2	11.1	10.0
2018e	17792.0	41.4	97.5	11.2	10.1	13.3

Sector: General industrials

Price:	HK$6.03
Market cap:	HK$9653m
Market	HKSE

Share price graph (HK$)

Company description

China Water Affairs Group owns and operates regulated water supply assets across 50 cities in mainland China, serving 10 million customers in the residential, commercial and industrial sectors.

Price performance

%	1m	3m	12m
Actual	1.3	38.9	8.1
Relative*	(4.5)	28.0	(18.2)

* % Relative to local index

Analyst

Emily Liu

China Water Affairs Group (855)

INVESTMENT SUMMARY

We forecast revenue to increase 25% in FY18 and 20% in FY19 (vs consensus of 19% and 14%, respectively), on the back of a 50% increase in capex in FY17 under service concession contracts. Its net debt of HK$6.2bn and net debt to equity ratio of 70% are at a historical high. We reduce our fair value by 6% from HK$7.12/share to HK$6.71/share based on a sum-of-the-parts EV/EBITDA valuation as we lower our revenue forecasts for FY18 and FY19 by 6% and 7%, respectively (given CWA's reported FY17 sales were 9% below our previous estimates). Interim results are to be announced at the end of November 2017.

INDUSTRY OUTLOOK

The water supply industry in China remains highly fragmented and, according to CWA, only 20% of water assets in China are owned by private companies. The central government encourages local governments to deleverage their own balance sheets with private-public partnerships. The overall trend remains positive for CWA.

Y/E Mar	Revenue (HK$m)	EBITDA (HK$m)	PBT (HK$m)	EPS (c)	P/E (x)	P/CF (x)
2016	4740.0	1951.0	1505.0	40.1	15.0	N/A
2017	5708.0	2647.0	1963.0	55.4	10.9	N/A
2018e	7103.0	2831.0	2159.0	59.9	10.1	N/A
2019e	8526.0	3283.0	2536.0	70.4	8.6	N/A

Sector: Financials

Price:	154.0p
Market cap:	£44m
Market	AIM

Share price graph (p)

Company description

Circle Property is an AIM-quoted property investment company focused on UK office buildings outside London. It seeks to increase capital value by refurbishing and re-leasing assets in areas with high demand, and has a progressive dividend policy.

Price performance

%	1m	3m	12m
Actual	(1.0)	(1.9)	4.1
Relative*	0.4	(2.2)	(5.1)

* % Relative to local index

Analyst

Martyn King

Circle Property (CRC)

INVESTMENT SUMMARY

Ahead of H118 results that will be published on 7 December, Circle has already disclosed an 11% gain in the value of the investment property portfolio as at 30 September, reflecting asset management rather than yield tightening, and taking NAV per share to more than 200p. Following a 20% increase in valuation in FY17, this brings the total gain since listing in February 2016 to 40%. Occupancy remains at a high level in the let investment portfolio and the development portfolio has secured a number of new tenants, while talks are at an advanced stage with a number of potential occupiers for vacant space throughout the portfolio. Circle also says it is actively considering opportunities to grow its portfolio through acquisitions. In addition to lifting NAV, we have also reviewed our estimates for property and administrative costs, reducing both, and lifting forecast adjusted earnings significantly.

INDUSTRY OUTLOOK

Regional occupier demand is generally firm, driven by continuing economic growth and business relocation away from London, while new supply remains limited. Meanwhile, the yield spread between the regions and London remains historically wide at c 2%, compared with a 2008 market peak of c 0.5%, representing a clear potential for narrowing.

Y/E Mar	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (p)	P/E (x)	P/CF (x)
2016	1.1	N/A	1.1	2.30	67.0	72.6
2017	4.4	N/A	10.0	3.14	49.0	N/A
2018e	4.9	N/A	9.1	5.36	28.7	16.8
2019e	5.8	N/A	4.3	8.18	18.8	11.0

Sector: General industrials

Price:	83.8p
Market cap:	£1184m
Market	LSE

Share price graph (p)

Company description

Coats Group is a leading producer of industrial thread and consumer craft textiles with over 70 manufacturing sites internationally. Its divisions are Industrial: Apparel & Footwear (c 67%) and Performance Materials (c 17%); and Crafts (16%), based on FY16 revenue.

Price performance

%	1m	3m	12m
Actual	(2.6)	9.0	114.7
Relative*	(1.2)	8.7	95.9

* % Relative to local index

Analyst

Toby Thorrington

Coats Group (COA)

INVESTMENT SUMMARY

Coats' key Industrial segment continues to show revenue growth clearly ahead of GDP in its leading North American and western European end-markets in market conditions which are described as competitive. At +5% l-f-l progress for both, the 10 months to October are in line with the reported H1 period; mix has shifted slightly, in favour of Apparel & Footwear (+6%), with Performance Materials growth trimmed (now +4%). We have modestly rebalanced our revenue and EBIT estimates in favour of Industrials, Apparel & Footwear with group profit projections unchanged overall. An update on strategic progress with FY17 results in February has been flagged and before then Coats is hosting a US capital markets event (28-29 Nov).

INDUSTRY OUTLOOK

Population growth is the ultimate trend driver for clothing and footwear demand. Increasing urbanisation, mobility and wealth are all features of this overall growth. Consumer consumption will generally track GDP growth over time. Economic and demographic differences at a country level mean that the local characteristics of demand vary. Coats is the world's leading industrial thread and consumer textile crafts business.

Y/E Dec	Revenue (US$m)	EBITDA (US$m)	PBT (US$m)	EPS (fd) (c)	P/E (x)	P/CF (x)
2015	1489.5	183.0	109.7	4.0	27.7	17.7
2016	1457.3	198.6	127.1	4.8	23.1	20.3
2017e	1501.9	212.1	145.6	5.8	19.1	N/A
2018e	1557.8	214.9	147.7	5.9	18.8	8.4

Sector: Aerospace & defence

Price:	285.0p
Market cap:	£117m
Market	AIM

Share price graph (p)

Company description

Cohort is an AIM-listed defence and security company operating across four divisions: MASS (30% of FY18e sales); SEA (40%); MCL (15%); and the 57%-owned Portuguese business EID (15%) acquired in FY17.

Price performance

%	1m	3m	12m
Actual	(31.3)	(24.2)	(31.3)
Relative*	(30.4)	(24.4)	(37.3)

* % Relative to local index

Analyst

Andy Chambers

Cohort (CHRT)

INVESTMENT SUMMARY

Cohort's earnings performance in FY17 once again exceeded our expectations. Higher profits from EID and MCL outweighed a decline at SCS, which has already returned to profit thanks to the swift action from management, integrating it into MASS and SEA. Both cash and the dividend also beat our estimates. The AGM statement indicated the growth strategy is supported by the balance sheet and continued order book development so far in FY18, with a backlog of £149m at 31 August. Management expectations remain unchanged, with H1 results to be announced on 13 December.

INDUSTRY OUTLOOK

Cohort is heavily influenced by activities in defence and security (90% of FY17 sales). These markets require highly differentiated technologies and services with high barriers to entry based on customer relationships, regulation and high-level security clearances. The UK government's commitment to spend at least 2% of GDP on defence provides greater confidence, as does the parliamentary approval for the replacement of Trident.

Y/E Apr	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (p)	P/E (x)	P/CF (x)
2016	112.6	13.0	12.0	26.7	10.7	13.6
2017	112.7	15.7	14.5	27.6	10.3	30.3
2018e	123.8	16.7	15.4	28.7	9.9	11.7
2019e	128.2	17.4	16.1	30.9	9.2	9.1

Sector: Technology

Price:	CHF137.40
Market cap:	CHF155m
Market	Swiss Stock Exchange

Share price graph (CHF)

Company description

CREALOGIX Group provides digital banking technology solutions to banks, wealth managers and other financial services companies. The company's suite of solutions includes online and mobile banking, digital payments, digital learning and security.

Price performance

%	1m	3m	12m
Actual	1.0	16.5	29.6
Relative*	(0.4)	11.8	8.4

* % Relative to local index

Analyst

Richard Jeans

CREALOGIX Group (CLXN)

INVESTMENT SUMMARY

The strong FY17 momentum reflects buoyant digital transformation trends across the European banking sector, notably in Germany, and the benefits of heavy investment to extend the product offerings into wider international markets. FY17 results easily outstripped market expectations – revenues rose 18% to CHF74.9m, while EBITDA almost doubled to CHF7.3m, at a margin of 9.8% (FY16: 5.8%). Free cash flow was CHF7.0m and net cash rose to CHF9.8m. We upgraded our revenue forecasts by 6-7%, while EBITDA rises by 23% in FY18 and 11% in FY19. Given the attractive industry dynamics, and with CLXN ideally positioned to capitalise, the shares look attractive on c 18x our FY20 EPS.

INDUSTRY OUTLOOK

CLXN develops and implements software that enables digital banking for "the digital bank of tomorrow". The solutions are most often used by traditional banks to enable their journey to digitalisation, through the provision of a sophisticated, modern omni-channel offering to their clients. The group's products are front-end solutions that integrate with customers' back-end systems. The technology has won awards, including Best Online Development (Systems in the City Awards 2017) and Best of Show Award (FinovateEurope 2017) with its virtual banking app 'The ARCs'.

Y/E Jun	Revenue (CHFm)	EBITDA (CHFm)	PBT (CHFm)	EPS (CHFc)	P/E (x)	P/CF (x)
2016	63.3	3.7	2.2	164.68	83.4	113.7
2017	74.9	7.3	5.0	266.74	51.5	15.1
2018e	82.3	9.9	8.1	523.93	26.2	14.6
2019e	89.7	12.2	10.5	689.47	19.9	11.9

Sector: Property

Price:	115.5p
Market cap:	£426m
Market	LSE

Share price graph (p)

Company description

CREI is a London Main Market listed REIT focused on commercial property in the UK outside London. It is income focused, with a commitment to pay a high but sustainable and covered dividend.

Price performance

%	1m	3m	12m
Actual	0.0	0.9	9.0
Relative*	1.4	0.6	(0.6)

* % Relative to local index

Analyst

Martyn King

Custodian REIT (CREI)

INVESTMENT SUMMARY

CREI has reported interim results for the six months to 30 September. Many of the key numbers have already been disclosed in the monthly factsheets, but the report includes a positive outlook comment. CREI says that occupational demand remains healthy, supporting rental growth and high occupancy, giving comfort that selective investment opportunities remain. It continues to believe that long lease income assets are in general relatively expensive. Acquisitions have continued since end-H1, taking the portfolio to 145 assets with a value approaching £500m and with c £47m of remaining available funds to deploy. Demand for the shares has remained strong and since 30 September the company has issued 8.0m shares at an average 9.2% premium to the end-H1 NAV per share of 104.9p. CREI continues to target a fully covered dividend of 6.45p/share for the current year, representing an attractive yield of well above 5%. Our forecasts are under review.

INDUSTRY OUTLOOK

Regional occupier demand is generally firm, driven by continuing economic growth and business relocation away from London, while new supply remains limited. Meanwhile, the yield spread between the regions and London remains historically wide at c 2% compared with a 2008 market peak of c 0.5%, representing a clear potential for narrowing.

Y/E Mar	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (p)	P/E (x)	P/CF (x)
2016	18.0	0.0	13.9	5.49	21.0	34.0
2017	25.7	0.0	19.7	8.10	14.3	42.2
2018e	30.6	0.0	23.8	8.90	13.0	17.2
2019e	31.2	0.0	23.9	9.52	12.1	16.5

Sector: Financials

Price:	€1.30
Market cap:	€333m
Market	Borsa Italiana

Share price graph (€)

Company description

DeA Capital, a De Agostini group company, is one of Italy's leading players in alternative investments and asset management. At 30 September 2017, it had an investment portfolio of c €435m and alternative assets under management of c €11.6bn.

Price performance

%	1m	3m	12m
Actual	(2.5)	1.9	21.4
Relative*	(1.5)	(1.4)	(11.3)

* % Relative to local index

Analyst

Martyn King

DeA Capital (DEA)

INVESTMENT SUMMARY

Q317 NAV per share was €1.96 (Q217: €2.00), but AUM grew further (now c €11.6bn) and positive cash flow strongly accelerated. Negatively affecting NAV, Migros gave back some of the gains achieved earlier in the year but ytd returns remain positive. Fund reimbursements exceeded cash calls by c €10m, lifting the holding company net financial position to €67.7m or €0.26 per share. DeA's share of fund distributions already approved for Q4 is €26.5m and we expect €23.8m to be received from the recently completed further sale of a 7.3% stake in Migros (c €12.0m) and completion of the agreed Sigla sale (€11.8m). Our updated sum-of-the-parts (SOP) value is €1.87 (previously €1.91) and captures further Migros weakness since end-Q3. The share price discount to both IFRS NAV and our SOP remains attractively wide while strong cash flow underpins the yield of more than 9%.

INDUSTRY OUTLOOK

Low interest rates support demand for alternative assets, while fund maturities and other divestments are supporting cash flow for reinvestment in new fund launches, new investments or distributions to shareholders, even after meeting outstanding investment commitments.

Y/E Dec	Revenue (€m)	EBITDA (€m)	PBT (€m)	EPS (fd) (c)	P/E (x)	P/CF (x)
2015	156.0	N/A	32.5	15.4	8.4	N/A
2016	80.5	N/A	12.4	4.6	28.3	N/A
2017e	69.7	N/A	7.1	1.9	68.4	N/A
2018e	63.6	N/A	13.2	2.2	59.1	N/A

Sector: Alternative energy

Deinove (ALDEI)

Price:	€1.69
Market cap:	€18m
Market	Euronext Growth

Share price graph (€)

Company description

Deinove is a biotech company that discovers, develops and manufactures compounds of industrial interest stemming from rare bacteria and intended for the health, nutrition and beauty markets.

Price performance

%	1m	3m	12m
Actual	(7.1)	(13.8)	(17.6)
Relative*	(6.9)	(17.8)	(31.0)

* % Relative to local index

Analyst

Graeme Moyse

INVESTMENT SUMMARY

Deinove's H117 results were broadly in line with our FY17 forecasts at the net profit level (net loss of €3.3m for H117 versus €3.4m loss H116). Net cash was €6.6m at H117 (FY16: €9.3m). In H117, Deinove also strengthened its management team, acquired the minorities of Deinobiotics and issued two patent applications for an antibiotic molecule. A partnership was signed with Greentech and Deinove recently announced that Greentech plans to launch the first active ingredient from this collaboration in the spring of 2018 (carotenoids programme also in the industrialisation phase). Deinove's project, Antibiotics against Resistant Infectious Germs (AGIR), carried out jointly with the Charles Viollette Institute, has also been selected to receive funding of €14.6m in the period 2017-22.

INDUSTRY OUTLOOK

Environmentalism will underpin growth in green chemistry, and the growing antimicrobial resistance to current antibiotics will demand the discovery of new antibiotic structures.

Y/E Dec	Revenue (€m)	EBITDA (€m)	PBT (€m)	EPS (c)	P/E (x)	P/CF (x)
2015	0.5	(7.3)	(7.3)	(66.8)	N/A	N/A
2016	0.8	(7.0)	(6.9)	(64.6)	N/A	N/A
2017e	0.8	(7.9)	(8.6)	(65.7)	N/A	N/A
2018e	2.9	(5.8)	(6.8)	(44.1)	N/A	N/A

Sector: Electronics & elec eqpt

discoverIE Group (DSCV)

Price:	301.0p
Market cap:	£213m
Market	LSE

Share price graph (p)

Company description

discoverIE Group is a leading international supplier of customised electronics to industry. It designs, manufactures and distributes customer-specific electronic products and solutions to 25,000 industrial manufacturers.

Price performance

%	1m	3m	12m
Actual	(0.8)	12.4	54.7
Relative*	0.5	11.1	40.3

* % Relative to local index

Analyst

Katherine Thompson

INVESTMENT SUMMARY

discoverIE (previously called Acal) reported a strong set of interims, proving that its strategy to grow the design and manufacturing side of the business is bearing fruit. Strong organic revenue growth of 9% in H118 resulted in underlying operating profit growth of 34% y-o-y (+23% CER) and margin expansion of 0.6 percentage points to 6.2%. Underlying EPS increased 24% y-o-y and the interim dividend was 8% higher than a year ago. Growth in orders and design wins position the company for sustained growth. We are reviewing our forecasts.

INDUSTRY OUTLOOK

discoverIE Group is a supplier of customised electronics to industry with operations throughout Europe and increasingly outside Europe. The company is focused on growing the percentage of higher-margin specialist product through organic growth and acquisition. Its key markets (c 50% of sales) are medical, renewables, transportation and industrial connectivity, all of which are good growth markets.

Y/E Mar	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (p)	P/E (x)	P/CF (x)
2016	287.7	19.8	15.2	17.8	16.9	13.1
2017	338.2	24.3	17.8	19.9	15.1	9.7
2018e	392.0	28.2	21.5	21.4	14.1	10.7
2019e	406.7	29.7	22.9	22.5	13.4	8.6

Sector: Media & entertainment

Price:	101.5p
Market cap:	£75m
Market	AIM

Share price graph (p)

Company description

Ebiquity is an independent marketing performance specialist and a leading provider of a range of business-critical data, analysis and consultancy services to advertisers and media owners on an international basis.

Price performance

%	1m	3m	12m
Actual	(10.2)	(13.6)	8.0
Relative*	(8.9)	(13.9)	(1.5)

* % Relative to local index

Analyst

Bridie Barrett

Ebiquity (EBQ)

INVESTMENT SUMMARY

H117 results mirror the current media environment with the demand for greater transparency benefiting the contract compliance business but creating some headwinds in the US. H117 revenues increased 5.6% with like-for-like revenues flat. The contract compliance business performed well (MVM +9%) and the MI division returned to growth (4%). While the Marketing Effectiveness practice continued to grow, the US Multi Channel Analytics practice was affected by client churn and overall MPO revenues decreased 5.2%. While H1 results were mixed, the pipeline is strong and progress has been made on a number of fronts in delivering the Growth Acceleration Plan; the potential uplift this could bring to growth in the next few years is yet to be factored into the share price, which has drifted down 20% since the results and which we believe offers value at these levels.

INDUSTRY OUTLOOK

With a strong brand, a global footprint and relationships with 80% of the world's largest 100 advertisers, Ebiquity, one of the few independent agencies in the sector, stands to benefit from the increasing demand for accountability and transparency in a complex media landscape. The group's growth acceleration plan aims to capitalise on its position to increase top-line growth on a more sustainable margin.

Y/E Dec	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (p)	P/E (x)	P/CF (x)
2015	76.6	14.2	11.2	10.8	9.4	7.5
2016	83.6	14.6	11.8	11.3	9.0	7.4
2017e	89.6	15.1	11.7	10.1	10.0	9.0
2018e	96.7	14.2	11.0	9.3	10.9	8.5

Sector: Industrial support services

Price:	158.0p
Market cap:	£566m
Market	AIM

Share price graph (p)

Company description

Eddie Stobart Logistics is a market leader in end-to-end, multi-modal transport and logistics. Operations are primarily focused in the UK with some activities in mainland Europe. Key customer segments include retail, consumer, industrials and, increasingly, e-commerce.

Price performance

%	1m	3m	12m
Actual	1.3	(0.3)	N/A
Relative*	2.7	(0.6)	N/A

* % Relative to local index

Analyst

Will Forbes

Eddie Stobart Logistics (ESL)

INVESTMENT SUMMARY

Eddie Stobart Logistics' (ESL) H1 numbers, well trailed at the trading update in July, showed high levels of growth (13% revenues and 14% EBIT) consistent with management guidance and market expectations. New contract wins, which totalled £25m in the first half, were bolstered by organic growth in key business units. Acquisitions (iForce and SpeedyFreight) continue to be integrated. Together, these drivers helped ESL achieve a slight increase in EBIT margin from 5.8% to 5.9%, well above other listed logistics firms. Also, H117 witnessed the announcement of the company's maiden dividend of 1.4p. In November, new contact wins/renewals were announced, with players including Homebase, Britvic and Coca-Cola.

INDUSTRY OUTLOOK

Eddie Stobart Logistics is a market leader in end-to-end, multi-modal transport and logistics. Operations are primarily focused in the UK, with some activities in mainland Europe. Key customer segments include retail, consumer, industrials and, increasingly, e-commerce.

Y/E Nov	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (p)	P/E (x)	P/CF (x)
2015	496.5	44.5	21.0	5.4	29.3	17.3
2016	570.2	48.2	26.1	6.9	22.9	19.0
2017e	648.2	55.7	41.4	10.8	14.6	20.2
2018e	750.2	65.3	51.7	12.5	12.6	10.6

Egdon Resources (EDR)

Sector: Oil & gas

Price:	7.4p
Market cap:	£19m
Market	AIM

Share price graph (p)

Company description

Egdon Resources is an AIM-listed onshore oil and gas exploration company. The group has conventional and unconventional assets in the UK and France.

Price performance

%	1m	3m	12m
Actual	(10.6)	(18.1)	(47.8)
Relative*	(9.3)	(18.3)	(52.4)

* % Relative to local index

Analyst

Sanjeev Bahl

INVESTMENT SUMMARY

Egdon Resources retains several value catalysts over the course of 2017/2018; these encompass the company's conventional as well as unconventional asset portfolio. Key catalysts include exploration and appraisal at Springs Road, Holmwood, Resolution, Biscathorpe, and North Kelsey as well as Wressle development. Capital commitments are being kept to a minimum through existing cost-carry arrangements and planned farm-outs. Our Egdon valuation stands at 21.5p/share risked conventional value and 26.0p/share for indicative unconventional upside potential.

INDUSTRY OUTLOOK

The UK government stance towards shale varies by party; however, current central government appears to be supportive of unconventional gas development, attracting sector investment from the likes of Centrica and Ineos.

Y/E Jul	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (p)	P/E (x)	P/CF (x)
2015	2.1	(4.0)	(4.5)	(2.1)	N/A	N/A
2016	1.6	(0.7)	(2.7)	(1.2)	N/A	N/A
2017e	1.2	(0.9)	(1.9)	(0.8)	N/A	N/A
2018e	2.5	0.2	(1.3)	(0.5)	N/A	118.3

Elk Petroleum (ELK)

Sector: Oil & gas

Price:	A$0.06
Market cap:	A$83m
Market	ASX

Share price graph (A$)

Company description

Elk Petroleum is an EOR company focused on low-cost tertiary recovery of residual oil. Elk now has production from its Madden/Lost Cabin gas and CO2 project interest. Elk's Grieve CO2 EOR oil project in the US is targeted for first production in late CY17/early CY18.

Price performance

%	1m	3m	12m
Actual	0.0	(10.1)	0.0
Relative*	(1.7)	(14.0)	(8.5)

* % Relative to local index

Analyst

Sanjeev Bahl

INVESTMENT SUMMARY

Elk Petroleum's (ELK) acquisition of a 63.7% operated interest in the Aneth Rocky Mountain CO2 EOR project from Resolute Energy transforms the company into one of the largest producers on the ASX. Management forecasts 2018 net production of 11mboe/d. At US$160m, the deal is priced at a discount to our 1P estimate of proven developed reserve value of US$178m (excluding US$23m, which ELK retains in escrow to cover abandonment costs). The Aneth transaction was funded through new equity and debt, with rapid debt paydown expected from Grieve, Madden and Aneth cash flows. We update our valuation to reflect forecast Aneth cash flows, with our NAV rising to $A0.12/share from $A0.09/share.

INDUSTRY OUTLOOK

Alongside field operators Denbury and ConocoPhillips, ELK management has identified numerous field optimisation opportunities at Grieve and Madden with high risk-adjusted returns (many in the 50-100% IRR range). ELK continues to consolidate Rocky Mountain CO2 EOR projects.

Y/E Jun	Revenue (US$m)	EBITDA (US$m)	PBT (US$m)	EPS (fd) (c)	P/E (x)	P/CF (x)
2016	0.0	(4.7)	(5.2)	(2.0)	N/A	N/A
2017	5.0	(5.2)	(8.1)	(0.9)	N/A	N/A
2018e	56.9	26.1	2.3	0.0	N/A	10.2
2019e	131.8	65.9	30.4	2.0	2.3	1.1

Sector: Alternative energy

Price:	US$8.30
Market cap:	US$89m
Market	TASE

Share price graph (US$)

Company description

Ellomay Capital is a utility project owner, operator and developer focusing on alternative energy in Israel and developed Europe (Italy, Spain and the Netherlands).

Price performance

%	1m	3m	12m
Actual	2.9	(2.4)	15.4
Relative*	1.6	(8.5)	(2.2)

* % Relative to local index

Analyst

Emily Liu

Ellomay Capital (ELLO)

INVESTMENT SUMMARY

Ellomay's current market capitalisation of $85m is only $5m higher than the adjusted combined book value (acquisition value of its project assets at $135m less net debt of $55m). Our SOTP valuation suggests the market does not seem to fully factor in the upside from the completed acquisition of a 9MW photovoltaic plant in Talmei Yosef, Israel, nor the scheduled completion of the two waste-to-energy plants in the Netherlands.

INDUSTRY OUTLOOK

The credit rating downgrade by Standard & Poor's Maalot on 13 November 2017 triggers an increase of 0.25% in the annual interest rate payable on the principal of $5.5m debentures. We model an increase in interest expenses by 23% in FY18 and 27% in FY19. To fund project development and asset acquisitions, the company's net debt increased to $55m in H117, from $34m in FY16.

Y/E Dec	Revenue (US$m)	EBITDA (US$m)	PBT (US$m)	EPS (c)	P/E (x)	P/CF (x)
2015	13.8	9.7	5.3	67.91	12.2	8.9
2016	12.9	7.5	(0.5)	(10.98)	N/A	8.3
2017e	14.5	9.6	(0.4)	(13.00)	N/A	15.2
2018e	23.5	16.0	4.4	31.24	26.6	6.9

Sector: Technology

Price:	913.5p
Market cap:	£578m
Market	AIM

Share price graph (p)

Company description

EMIS is a clinical software supplier to the primary care market in the UK (supplying over 50% of UK GP practices), a software supplier to UK pharmacies, and through several acquisitions also supplies specialist and acute care software.

Price performance

%	1m	3m	12m
Actual	(4.5)	(7.5)	2.4
Relative*	(3.1)	(7.7)	(6.6)

* % Relative to local index

Analyst

Katherine Thompson

EMIS Group (EMIS)

INVESTMENT SUMMARY

EMIS reported a solid H117 despite pressure on revenues and profitability in several business areas. With management expectations maintained for the year, our adjusted operating profit forecasts are substantially unchanged. Over the medium term, we expect the new CEO to make investment/divestment decisions to ensure the group is able to maintain growth and profitability despite the challenging NHS funding backdrop.

INDUSTRY OUTLOOK

EMIS is the dominant software supplier to the UK GP market, with a greater than 50% market share. It has a strong position in mental and community health, A&E, acute care, specialist care (including diabetic retinopathy screening services) and pharmacies. The roll-out of EMIS Web is in line with the trend to move data to the cloud and will enable EMIS to sell its products to a wider NHS audience. This fits well with the government's strategy to promote greater interoperability between NHS departments.

Y/E Dec	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (p)	P/E (x)	P/CF (x)
2015	155.9	52.0	36.6	46.0	19.9	13.4
2016	158.7	52.3	39.2	49.4	18.5	13.1
2017e	165.0	50.3	37.0	45.7	20.0	13.2
2018e	173.7	54.0	40.4	49.7	18.4	10.6

Sector: Media & entertainment

Price: 315.1p
Market cap: £1357m
Market AIM, LSE

Share price graph (p)

Company description

Entertainment One (eOne) is a leading international entertainment company that sources, selects and sells films and television content. Its library contains over 40,000 film and TV titles, 4,500 half-hours of TV programming and 45,000 music tracks.

Price performance

%	1m	3m	12m
Actual	11.7	30.6	41.6
Relative*	13.2	30.2	29.2

* % Relative to local index

Analyst

Bridie Barrett

Entertainment One (ETO)

INVESTMENT SUMMARY

eOne's strategy to build a more balanced content and brand business paid dividends in H118 with an outstanding performance in Family (+64%), with Peppa Pig making its mark in China and the rapid global roll-out of PJ Masks establishing it as a global brand. Together with a robust performance in Television (+17%), this compensated for a weak first-half slate in Film (-29%). While overall revenues were flat, these mix effects, together with the benefits of management's £10m cost-saving programme in Film, enabled a 36% increase in adjusted EBITDA. The outlook for the second half appears robust, and a further £8m of synergies have been identified, supporting our forecasts in Film. We believe the shares have the scope to move up towards our 362p sum-of-the-parts valuation.

INDUSTRY OUTLOOK

OTT platforms are having a disruptive effect, helping to drive strong demand for content. Premium content companies like eOne, with a diversified portfolio of content across Television, Film and Family brands, are well placed to satisfy the strong global demand for entertainment content.

Y/E Mar	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (p)	P/E (x)	P/CF (x)
2016	802.7	129.1	104.1	19.4	16.2	3.7
2017	1082.7	160.2	129.9	20.0	15.8	3.1
2018e	1076.1	175.1	146.1	22.1	14.3	2.8
2019e	1172.1	196.6	164.1	24.1	13.1	2.2

Sector: Construction & blding mat

Price: 74.0p
Market cap: £106m
Market AIM

Share price graph (p)

Company description

Epwin supplies functional low-maintenance exterior building products (including windows, doors, roofline and rainwater goods) into a number of UK market segments and is a modest exporter.

Price performance

%	1m	3m	12m
Actual	(7.5)	10.5	(23.7)
Relative*	(6.2)	10.1	(30.4)

* % Relative to local index

Analyst

Toby Thorrington

Epwin Group (EPWN)

INVESTMENT SUMMARY

Reported H117 results were consistent with the company's period-end update issued in August. Headline group revenue progress was boosted by an additional contribution from prior year acquisition National Plastics, while higher input costs were the primary influence on the y-o-y margin reduction in the first six months' trading. Adverse developments for two of Epwin's larger customers caused us to make material downward adjustments to earnings estimates on an annualised basis. However, we believe that our revised estimates, along with the company's financial position and cash credentials, are sufficient to sustain the current level of dividend payout.

INDUSTRY OUTLOOK

Epwin is exposed to both RMI (c 70% revenue) and newbuild (c 30%) in the UK housing market. Newbuild activity is clearly ahead y-o-y, while RMI demand has been more patchy. Referencing potential post-Brexit consumer confidence, industry commentators have expressed near-term caution.

Y/E Dec	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (fd) (p)	P/E (x)	P/CF (x)
2015	256.0	25.6	19.2	11.7	6.3	4.2
2016	293.2	33.3	24.3	14.7	5.0	3.4
2017e	300.3	30.6	20.8	11.9	6.2	5.0
2018e	276.9	28.5	18.8	10.5	7.0	3.8

EDISON

EQS Group (EQS)

Sector: Technology

Price: €60.53
Market cap: €79m
Market Scale

Share price graph (€)

Company description

EQS Group is a leading technology provider for digital IR, corporate communications and compliance, with more than 8,000 clients worldwide using its products and services to securely, efficiently and simultaneously fulfil complex national and international information obligations to the global investment community.

Price performance

%	1m	3m	12m
Actual	3.0	10.6	31.6
Relative*	2.7	3.1	7.7

* % Relative to local index

Analyst

Fiona Orford-Williams

INVESTMENT SUMMARY

EQS flagged in September that it was accelerating investment to grasp the market opportunity prompted by further regulation. Q3 figures showed the impact of the additional cost, with year-to-date EBITDA of €1.9m (prior year: €2.5m). Our forecasts are unchanged on confirmed guidance. The newer cloud-based products are scalable and should build recurring revenues, with market interest to date very encouraging. The service range continues to broaden out, particularly in corporate governance and compliance, while the geographic reach is also extending. The valuation remains in line with global peers, reflecting EQS's strong growth potential.

INDUSTRY OUTLOOK

Gartner estimates that the governance, risk and compliance segment is worth over $5bn, growing at a CAGR of over 13%, making it an attractive proposition. 2018 will see a number of tightened requirements for corporate compliance and disclosure, including the EU PRIIP regulations for Key Information Documents, the updated German corporate compliance code and the SAPIN II anti-corruption regulation in France, as well as MiFID II. All of these increase corporate administrative loads and carry heavy penalties for non-compliance, providing a positive backdrop for sales of EQS's cloud-based digital workflow solutions.

Y/E Dec	Revenue (€m)	EBITDA (€m)	PBT (€m)	EPS (c)	P/E (x)	P/CF (x)
2015	18.4	3.5	3.1	120.1	50.4	15.1
2016	26.1	4.2	2.4	96.1	63.0	15.0
2017e	32.3	3.6	1.2	42.6	142.1	24.8
2018e	36.3	4.5	1.9	71.0	85.3	19.6

eServGlobal (ESG)

Sector: Technology

Price: 10.4p
Market cap: £94m
Market AIM, ASX

Share price graph (p)

Company description

eServGlobal develops mobile software solutions to support mobile financial services, with a focus on emerging markets. The company also has a share in the HomeSend international remittances hub, alongside Mastercard and BICS.

Price performance

%	1m	3m	12m
Actual	(10.8)	51.0	56.5
Relative*	(9.5)	50.6	42.8

* % Relative to local index

Analyst

Katherine Thompson

INVESTMENT SUMMARY

eServGlobal has been on a long journey to restructure its core business; we believe it is now nearing the end of this process. Its HomeSend joint venture (JV) has expanded its addressable market to serve the cross-border banking payments market, with JV partner Mastercard signing up 10 banks to use the service so far. This has the potential to add material revenues and grow the value of the JV. We have revised our forecasts to reflect revenue and cost guidance as well as the recent fund-raising. FY17 forecasts below are for the 14 months ending 31 December 2017.

INDUSTRY OUTLOOK

eServGlobal's core business is focused on developing markets, where there is a higher prevalence of pre-paid contracts and unbanked citizens. Growth drivers include the shift to using the mobile phone for financial services and the increasing popularity of mobile peer-to-peer payments. The international remittances market was worth $575bn in 2016 and is forecast to grow to $616bn by 2018 (source: World Bank). The HomeSend JV has the potential to reduce the cost of sending money cross-border.

Y/E Oct	Revenue (A$m)	EBITDA (A$m)	PBT (A$m)	EPS (c)	P/E (x)	P/CF (x)
2015	25.9	(10.4)	(17.7)	(5.41)	N/A	N/A
2016	21.6	(7.0)	(17.5)	(3.88)	N/A	N/A
2017e	15.2	(7.6)	(17.8)	(2.15)	N/A	N/A
2018e	N/A	N/A	N/A	N/A	N/A	N/A

Esker (ALESK)

Sector: Technology

Price:	€50.20
Market cap:	€273m
Market	Euronext Growth

Share price graph (€)

Company description

Esker provides end-to-end document automation solutions, offering on-premise and on-demand delivery models. The business generates 50% of revenues from Europe, 40% from the US and the remainder from Asia and Australia.

Price performance

%	1m	3m	12m
Actual	(7.9)	4.7	13.6
Relative*	(7.7)	(0.2)	(4.9)

* % Relative to local index

Analyst

Katherine Thompson

INVESTMENT SUMMARY

Q317 revenues of €18.0m (+17% y-o-y/+14% organic constant currency) were slightly ahead of our €17.7m forecast, despite a €0.4m negative effect from the stronger euro versus the dollar. Revenues for the nine months to 30 September grew 10% y-o-y on an organic, constant currency basis. The recently acquired e-integration grew revenues 8% y-o-y, in line with management expectations. Management reconfirmed its previous guidance for double-digit organic growth in FY17 – we therefore leave our estimates unchanged.

INDUSTRY OUTLOOK

Esker's DPA software operates across five areas: document delivery, accounts payable, accounts receivable, procurement and sales order processing. Competitors are different for each business process and consist of business process outsourcers and specialist DPA software companies. Customers move to using DPA software to reduce paper-related costs and errors in processing, to speed up the cash conversion cycle, to improve process visibility within the enterprise and to improve customer service.

Y/E Dec	Revenue (€m)	EBITDA (€m)	PBT (€m)	EPS (fd) (c)	P/E (x)	P/CF (x)
2015	58.5	13.4	9.3	131.0	38.3	17.5
2016	66.0	14.9	9.9	122.0	41.1	16.3
2017e	75.4	17.1	12.2	145.0	34.6	15.9
2018e	82.2	18.4	13.3	154.0	32.6	15.0

Euromoney Institutional Investor (ERM)

Sector: Media & entertainment

Price:	1155.0p
Market cap:	£1260m
Market	LSE

Share price graph (p)

Company description

Euromoney Institutional Investor is an international B2B information and events group. Its portfolio of over 50 specialist businesses spans macroeconomic data, investment research, news and market analysis, industry forums and institutes, financial training and excellence awards.

Price performance

%	1m	3m	12m
Actual	3.1	7.4	14.9
Relative*	4.6	7.1	4.9

* % Relative to local index

Analyst

Fiona Orford-Williams

INVESTMENT SUMMARY

Euromoney's FY17 results were as indicated at the year-end update, "perhaps a little better", with FY18 having started on track. Our forecasts are broadly unchanged on these figures, adjusted for the disposal of Adhesion/WBWE. The strategic transition put in place over the last two years is driving stronger underlying growth, with ongoing recycling of capital into better businesses. The overhanging cloud remains MiFID II, which is deterring new business from asset managers. This should work its way through and meanwhile the pricing-based businesses are making good progress. Strong cash flow makes further acquisitions likely. The rating does not reflect the improving underlying earnings quality.

INDUSTRY OUTLOOK

The asset management sector still carries a cautionary note with regard to the impacts of the impending MiFID II regulation and the ongoing shift towards passive rather than active management. Our numbers are based on the assumption that there is no immediate recovery in underlying customers' markets. Banking, finance and commodity markets are continuing to build in confidence.

Y/E Sep	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (p)	P/E (x)	P/CF (x)
2016	403.1	104.3	102.5	66.6	17.3	14.1
2017	428.4	110.3	106.5	76.4	15.1	11.0
2018e	440.0	117.6	109.0	80.2	14.4	11.6
2019e	460.0	126.5	117.5	87.0	13.3	10.1

EDISON

Sector: Food & drink

Price:	CHF0.32
Market cap:	CHF247m
Market	Swiss Stock Exchange

Share price graph (CHF)

Company description

Evolva is a Swiss high-tech fermentation company. It has a proprietary yeast technology platform, which it uses to create and manufacture high-value speciality molecules for nutritional and consumer products.

Price performance

%	1m	3m	12m
Actual	(4.5)	(9.1)	(4.5)
Relative*	(5.9)	(12.8)	(20.2)

* % Relative to local index

Analyst

Sara Welford

Evolva (EVE)

INVESTMENT SUMMARY

Evolva has an innovative fermentation platform focused on developing new production methods for nutritional and consumer health products, which removes supply chain issues for existing natural ingredients. Evolva's key programme for stevia sweeteners is partnered with Cargill and we expect launch during 2018. Evolva also has projects for resveratrol, nootkatone, valencene (all on the market). Simon Waddington (previously COO) recently took over as CEO and has undertaken an operational review. As a result, Evolva will consolidate its sites, centralising R&D at its Swiss HQ, and overall headcount will shrink from c 180 to c 100, significantly reducing its operating expenses. A CHF21m private placement occurred in October and a CHF65m rights issue was completed in November, giving Evolva a net cash balance of over CHF100m.

INDUSTRY OUTLOOK

Food and health ingredients continue to be in the sweet spot as consumers demand healthier products with cleaner labels without compromising on taste or convenience. Evolva's fermentation platform aims to deliver these benefits while reducing production costs.

Y/E Dec	Revenue (CHFm)	EBITDA (CHFm)	PBT (CHFm)	EPS (CHFc)	P/E (x)	P/CF (x)
2015	13.4	(30.3)	(32.1)	(8.0)	N/A	N/A
2016	9.5	(34.0)	(36.0)	(7.8)	N/A	N/A
2017e	N/A	N/A	N/A	N/A	N/A	N/A
2018e	N/A	N/A	N/A	N/A	N/A	N/A

Sector: Technology

Price:	€1.37
Market cap:	€43m
Market	Borsa Italiana

Share price graph (€)

Company description

Expert System combines the best artificial intelligence algorithms for simulating the human ability to read and understand language and deep learning techniques to help companies integrate, discover and leverage their data and unstructured information.

Price performance

%	1m	3m	12m
Actual	(1.6)	(18.1)	(27.2)
Relative*	(0.6)	(20.7)	(46.8)

* % Relative to local index

Analyst

Katherine Thompson

Expert System (EXSY)

INVESTMENT SUMMARY

Expert saw a slower than expected trading environment in H117 combined with a shift in the mix of revenues towards subscription licensing. Post period end, it signed a deal with Lloyd's of London, reinforcing its position in the insurance vertical. Management now expects flat revenues in FY17, effectively pushing out its three-year industrial plan by a year. We have revised down our revenue and EBITDA forecasts for FY17 and FY18, shifting EBITDA profitability into FY18. The company has announced a rights issue to raise up to €4.8m.

INDUSTRY OUTLOOK

Ever-increasing amounts of data are being produced, 80% of which are estimated to be unstructured. The need to derive useful insights from this growing body of data is driving the demand for cognitive computing and smarter artificial intelligence solutions, such as those offered by Expert System. Allied Market Research estimates that the global text analytics market could be worth as much as $6.5bn by 2020, growing at a CAGR of 25.2% from 2014, with North America expected to be the largest regional market.

Y/E Dec	Revenue (€m)	EBITDA (€m)	PBT (€m)	EPS (c)	P/E (x)	P/CF (x)
2015	19.4	1.5	(1.0)	(4.1)	N/A	11.4
2016	25.1	(2.2)	(6.1)	(22.0)	N/A	16.9
2017e	25.1	(1.5)	(6.1)	(14.2)	N/A	11.5
2018e	28.6	3.0	(1.9)	(4.4)	N/A	12.1

Findel (FDL)

Sector: General retailers

Price:	153.0p
Market cap:	£132m
Market	LSE

Share price graph (p)

Company description

Findel comprises market-leading businesses in the UK online value retailing and education supplies markets. Findel's objective is to develop sustainable growth in a marketplace for value-conscious customers who are rapidly moving their purchases online.

Price performance

%	1m	3m	12m
Actual	(12.6)	(4.5)	(22.1)
Relative*	(11.3)	(4.8)	(29.0)

* % Relative to local index

Analyst

Paul Hickman

INVESTMENT SUMMARY

H118 pre-tax profit was sharply higher at £11.9m against £1.9m in H117. The increase was largely driven by Express Gifts, trading as Studio, now 66% online. It included timing issues, particularly management's decision to begin its pre-Christmas campaign in September rather than October. However, a 103% operating profit increase from the Education division also contributed, marking an important early result of its change strategy.

INDUSTRY OUTLOOK

For the three months to October and excluding fuel, UK retail sales grew at only 0.1% y-o-y and volumes rose by 0.9% q-o-q. However, October online sales increased 10.7% y-o-y, representing a tailwind for Express. With wage growth lagging price inflation, the consumer is under pressure and value offers should benefit on a relative basis. The squeeze on schools' budgets continues to restrain the education supply sector.

Y/E Mar	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (p)	P/E (x)	P/CF (x)
2016	410.6	41.8	24.8	23.0	6.7	14.8
2017	457.0	40.8	22.2	20.4	7.5	10.8
2018e	478.1	46.7	26.0	25.0	6.1	16.1
2019e	506.4	51.9	28.5	27.3	5.6	4.8

Focusrite (TUNE)

Sector: Pcare & household prd

Price:	322.5p
Market cap:	£187m
Market	AIM

Share price graph (p)

Company description

Focusrite is a global music and audio products group supplying hardware and software products used by professional and amateur musicians, which enable the high-quality production of music.

Price performance

%	1m	3m	12m
Actual	25.2	0.8	79.7
Relative*	27.0	0.5	63.9

* % Relative to local index

Analyst

Paul Hickman

INVESTMENT SUMMARY

FY17 EPS grew by 30%, beating our forecast by 6%. Revenue grew 21.6% (13.5% at constant currency), with growth across both brands and in all regions, but led by the US. The strategy is evolving to emphasise actions to grow the customer base, increase lifetime value of customers, and expand into new markets. Two new brands are being launched: Focusrite Pro, to target the professional interface market, and Ampify, to develop the app market. We upgraded our forecast FY18 EPS by 5.1%, the third time this year.

INDUSTRY OUTLOOK

Focusrite's products connect with a home-based leisure movement that is outpacing overall consumer expenditure. The global music instrument and pro audio wholesale market was £2.7bn in 2013 (source MTM) but is highly fragmented. At IPO in 2014, management estimated its addressable market at c £450m. Currently, it estimates a 50% share of the mass interface market, c 10% of the semi-professional Thunderbolt market and 2% of the commercial market, with Novation, maker of the Launchpad, also ranking highly in its markets.

Y/E Aug	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (p)	P/E (x)	P/CF (x)
2016	54.3	10.2	7.7	11.8	27.3	N/A
2017	66.1	13.1	9.5	14.8	21.8	N/A
2018e	72.7	13.8	10.0	15.3	21.1	N/A
2019e	78.6	14.8	10.6	15.9	20.3	N/A

Sector: Technology

Price:	NIS3.67
Market cap:	NIS402m
Market	AIM Italia, TASE

Share price graph (NIS)

Company description

Foresight Autonomous (FRSX) is a development-stage technology company in Israel, developing ADAS systems based on technology developed by its parent company and the Israeli military. FRSX also has a stake in rail ADAS specialist, Rail Vision.

Price performance

%	1m	3m	12m
Actual	(9.0)	0.9	88.1
Relative*	(9.4)	(3.5)	80.4

* % Relative to local index

Analyst

Anna Bossong

Foresight Autonomous Holdings (FRSX)

INVESTMENT SUMMARY

FRSX develops software solutions for advanced driver-assistance systems (ADAS) and fully autonomous (FA) driving applications using stereo camera vision algorithms developed over a decade with the Israeli military. The company aims to reach effective 100% daytime object detection probability in all-weather/light conditions. FRSX has signed a number of pilot project agreements in China and is looking to achieve similar success in India. 29.5%-owned Rail Vision, a rail collision warning specialist, is also achieving positive results in product tests with major rail operators. FRSX's recent Nasdaq listing, publication of US GAAP accounts, $18.3m cash position at mid-2017 and release of its proof of concept for both night and day ADAS provide a strong basis for future growth.

INDUSTRY OUTLOOK

ADAS is one of the fastest-growing markets in the auto industry. ABI Research forecasts total spending in the ADAS market to grow at a 29% CAGR over the next decade, with sales of vulnerable-user (cyclists/pedestrians) detection systems, which are principally reliant on forward-camera systems, forecast to achieve a 49% CAGR during this period. From 2020, the growth of FA-vehicle production should further boost forward-camera demand.

Y/E Dec	Revenue (US$m)	EBITDA (US$m)	PBT (US$m)	EPS (c)	P/E (x)	P/CF (x)
2015	N/A	N/A	N/A	N/A	N/A	N/A
2016	0.0	(3.3)	(3.4)	(7.73)	N/A	N/A
2017e	0.0	(5.8)	(5.7)	(6.13)	N/A	N/A
2018e	1.1	(11.5)	(11.5)	(10.69)	N/A	N/A

Sector: Media & entertainment

Price:	382.0p
Market cap:	£173m
Market	LSE

Share price graph (p)

Company description

Future is an international media group and leading digital publisher. It operates two separately managed brand-led divisions: Media and Magazine.

Price performance

%	1m	3m	12m
Actual	9.8	19.8	182.2
Relative*	11.3	19.4	157.5

* % Relative to local index

Analyst

Fiona Orford-Williams

Future (FUTR)

INVESTMENT SUMMARY

Future has assembled a strong platform on which to develop its specialist media. With a growing portfolio of brands, it is successfully diversifying its revenue streams and building recurring and repeatable income, giving a more robust business model. Acquisitions have brought scale and added range and reach, building on organic growth from leveraging of the brands with their highly engaged audiences. Cash flow is strong, with tight working capital management, and the balance sheet is modestly geared. This progress has resulted in impressive share price performance, but we still consider that the rating does not yet fully reflect the opportunity.

INDUSTRY OUTLOOK

As Future migrates its content to digital it becomes inherently more profitable, unlike many other media companies. By buying print assets at modest valuations, it can leverage the brands and the content by adding them to its existing proprietary platform. With its data-centric approach, it is in a strong position to drive digital revenues and also to add e-commerce opportunities. Content can generate further revenues at high margin by being reused across the group's range of channels. A growing events portfolio further increases brand engagement and brings attractive working capital characteristics.

Y/E Sep	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (fd) (p)	P/E (x)	P/CF (x)
2016	59.0	5.2	2.3	9.2	41.5	38.2
2017	84.4	11.0	8.3	21.0	18.2	13.3
2018e	91.4	16.7	13.6	22.1	17.3	18.5
2019e	92.1	17.9	14.6	23.1	16.5	12.0

Sector: Technology

Price:	41.0p
Market cap:	£70m
Market	LSE

Share price graph (p)

Company description

Game Digital is the leading omni-channel specialist retailer of video games in the UK and Spain, with 304 stores in the UK, 268 stores in Spain and over 30% market share.

Price performance

%	1m	3m	12m
Actual	11.6	10.1	(15.9)
Relative*	13.2	9.8	(23.3)

* % Relative to local index

Analyst

Paul Hickman

Game Digital (GMD)

INVESTMENT SUMMARY

Game Digital is market leader in video gaming in the UK and Spain with c 30% market share. It is executing a major strategy change to retain its position as the top destination for gamers, while expanding live and online gaming services, developing new markets and reducing dependence on the cyclical product market. H2 saw strong trading recovery, led by the easing of the Nintendo Switch supply bottleneck. EBITDA met our £8.0m forecast. Led by strong unit sales of Switch and, recently, the XBOX One X, total retail sales are up 5.4% for the first 15 weeks of FY18.

INDUSTRY OUTLOOK

The UK and Spanish console markets are worth c £0.8bn and €0.3bn respectively, and the content markets c £1.6m and €0.5m respectively. Console releases from Microsoft and Sony drive demand that has peaked every six years since 2000 and drives content over subsequent years. However, an apparent move to shorter release intervals could signal structural changes to the traditional cycle, emulating the mobile and PC markets.

Y/E Jul	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (p)	P/E (x)	P/CF (x)
2016	821.9	26.4	14.8	10.7	3.8	23.1
2017	782.9	8.0	(4.3)	(3.7)	N/A	7.7
2018e	793.2	12.3	0.2	0.1	410.0	5.8
2019e	796.3	15.0	1.9	0.9	45.6	4.1

Sector: Travel & leisure

Price:	6.9p
Market cap:	£20m
Market	AIM

Share price graph (p)

Company description

Gaming Realms creates and publishes innovative real money and social games for mobile, with operations in the UK and the US.

Price performance

%	1m	3m	12m
Actual	(17.4)	(34.1)	(59.3)
Relative*	(16.2)	(34.2)	(62.8)

* % Relative to local index

Analyst

Victoria Pease

Gaming Realms (GMR)

INVESTMENT SUMMARY

GMR is leveraging its 'Slingo' brand in real money gaming (RMG) as well as social, and via blue-chip licensing deals (Express Newspapers, 'Britain's Got Talent' website, Love Island TV show). H117 like-for-like revenue grew 5% to £15.7m with an EBITDA loss of £0.9m. GMR anticipates significant positive EBITDA in H217. The August $4m earn-out payment to RealNetworks has been delayed until December (for $4.5m) and the company has raised £1.1m from existing shareholders at 11p/share. Our forecasts are under review.

INDUSTRY OUTLOOK

H2 Gambling Capital (March 2017) estimates that the global online casino market generated c €10.5bn in GGR in 2016 and forecasts a 6% CAGR to 2021, with mobile as a key driver. The extension of POC gaming tax to 'free play' is being enforced retrospectively from 1 August 2017.

Y/E Sep / Dec	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (fd) (p)	P/E (x)	P/CF (x)
2015	21.2	(4.1)	(5.0)	(2.1)	N/A	N/A
2016	34.0	(1.0)	(4.4)	(1.6)	N/A	8.2
2017e	N/A	N/A	N/A	N/A	N/A	N/A
2018e	N/A	N/A	N/A	N/A	N/A	N/A

Sector: Technology

Price:	420.0p
Market cap:	£641m
Market	AIM

Share price graph (p)

Company description

GBG is a specialist in identity data intelligence. Its products/services allow customers to better understand and verify their clients and employees, and are used across a range of fraud, risk management, compliance and client onboarding services. Based in the UK, it operates in 17 countries, generating 30% of revenues internationally.

Price performance

%	1m	3m	12m
Actual	(1.9)	9.4	79.9
Relative*	(0.5)	9.1	64.1

* % Relative to local index

Analyst

Bridie Barrett

GB Group (GBG)

INVESTMENT SUMMARY

H1 results were as preannounced in October's trading update. Revenues increased 40% y-o-y and EBITA of £10.4m doubled. Backing out a perpetual licence, underlying organic growth was steady at 12% and margins similar to last year. Growth was particularly strong in fraud and risk management, as well as in the enlarged location intelligence segment. H2 has started well and with 70% of revenues recurring in nature and a 53% increase in the deferred revenue balance, our forecasts appear comfortably underpinned. CEO Chris Clark is continuing to focus on driving the globalised nature of both the data sets and customer base. EBITA margins will be held at the 20% level as management steps up investment to integrate the product offerings and expand capabilities in the faster-growing segments. A strong recurring revenue profile, robust organic growth prospects and an accretive acquisition strategy all justify the premium rating.

INDUSTRY OUTLOOK

Globalisation and the growth in internet trading have also resulted in the need for higher compliance standards in light of the rising scope and financial impact of cybercrime. This, in turn, is driving the demand for more complex and comprehensive solutions for the verification of personal data.

Y/E Mar	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (fd) (p)	P/E (x)	P/CF (x)
2016	73.4	14.8	13.2	8.2	51.2	38.5
2017	87.5	18.7	16.5	9.9	42.4	33.9
2018e	117.1	25.3	22.7	11.8	35.6	30.8
2019e	133.4	29.3	26.5	13.5	31.1	23.8

Sector: General retailers

Price:	697.5p
Market cap:	£146m
Market	LSE

Share price graph (p)

Company description

Gear4music is the largest dedicated, UK-based online retailer of musical instruments and music equipment. It sells branded instruments and equipment, alongside its own brand products, to customers ranging from beginners to professionals, in the UK and into Europe and the rest of the world.

Price performance

%	1m	3m	12m
Actual	(12.7)	(1.1)	55.4
Relative*	(11.5)	(1.4)	41.7

* % Relative to local index

Analyst

Paul Hickman

Gear4music Holdings (G4M)

INVESTMENT SUMMARY

Gear4music (G4M) is a disruptive online retailer in a traditionally fragmented market. H1 reflected the start of the planned investment associated with the May placing, the new head office structure, and the move to positive contribution in the two European hubs. G4M reported strong revenue growth of 44% to £31.2m with pre-tax profit at break-even levels. The company has launched its US$ website, opening a new front in a larger market, and the company is strongly positioned for the key pre-Christmas season.

INDUSTRY OUTLOOK

The UK musical instrument and equipment market is worth c £750m at retail value, according to management estimates. The European market (including the UK) is estimated at £4.3bn, the US at $7.7bn, and the world market at US$17bn. In the UK, the market is highly fragmented and G4M is the biggest player. The musical instrument (only) market is forecast to grow by a compound 1.7% over the next five years, according to ibisworld.co.uk.

Y/E Feb	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (p)	P/E (x)	P/CF (x)
2016	35.5	1.7	0.6	3.1	225.0	N/A
2017	56.1	3.7	2.7	11.6	60.1	N/A
2018e	81.4	4.1	2.4	10.0	69.8	N/A
2019e	102.1	5.1	3.3	13.3	52.4	N/A

Sector: Property

Price: €8.20
Market cap: €743m
Market AIM

Share price graph (€)

Company description

Globalworth Real Estate Investments is incorporated in Guernsey. It is a real estate investment company focused on opportunities in south-east Europe and the CEE, but primarily Romania, which accounts for the entire current portfolio.

Price performance

%	1m	3m	12m
Actual	3.5	11.6	62.4
Relative*	4.9	11.2	48.2

* % Relative to local index

Analyst

Martyn King

Globalworth Real Estate Investments (GWI)

INVESTMENT SUMMARY

GWI expects its cash-funded strategic investment in Poland to complete on or around 6 December. It has also launched an equity placing to raise c €300m aimed at funding a strong pipeline of further investment opportunities in both Romania and Poland, while broadening its shareholder base and improving liquidity. In a short trading update, GWI states that the unaudited EPRA NAV at 30 September was €8.36 (30 June: €8.30) and estimates that this should increase to c €8.60 upon completion of the Polish acquisition at a discount to NAV and excluding any H2 revaluation movements. The company says that operating conditions remain healthy against a strong economic backdrop in both Romania and Poland, and reports a number of leasing successes in Q3.

INDUSTRY OUTLOOK

Central and eastern European economies continue to perform well compared to other emerging and developed markets, with Romania and Poland leading in terms of GDP growth, which should support occupier demand for office and industrial property.

Y/E Dec	Revenue (€m)	EBITDA (€m)	PBT (€m)	EPS (c)	P/E (x)	P/CF (x)
2015	28.4	16.8	(4.0)	(7.6)	N/A	24.6
2016	43.6	36.7	5.5	7.4	110.8	12.0
2017e	N/A	N/A	N/A	N/A	N/A	N/A
2018e	N/A	N/A	N/A	N/A	N/A	N/A

Sector: Technology

Price: €1.60
Market cap: €17m
Market Borsa Italiana

Share price graph (€)

Company description

GO internet provides internet and telephone services using 4G wireless technology. The service is currently offered in the Emilia-Romagna and Marche regions of Italy, where GO has an exclusive right of use for 42MHz in the 3.5GHz frequency band (4G).

Price performance

%	1m	3m	12m
Actual	(0.7)	(7.3)	32.9
Relative*	0.3	(10.3)	(2.9)

* % Relative to local index

Analyst

Bridie Barrett

GO internet (GO)

INVESTMENT SUMMARY

With funding in place, in H117 management has been able to reaccelerate the roll-out of its 4G LTE high-speed wireless broadband network. After a slower rate of deployment during 2016 (necessitated by capital constraints), the first-half results are a reflection of the catch-up of the deployment of GO's network of base stations. H117 revenues increased by 14% y-o-y to €3.50m, driven by the 16% increase in subscribers over the past 12 months to 40,494. EBITDA increased by 5% to €1.55m, a slightly slower pace than revenues, owing to the step-up in marketing spend associated with the promotion of GO's new fibre service in Perugia in partnership with Enel Open Fibre (EOF).

INDUSTRY OUTLOOK

The Italian broadband market is relatively under-penetrated and with no cable alternative to incumbent TI, opportunities exist for niche providers. GO internet, with its low-cost wireless service, is targeting the one million 'mobile-only' homes in the Emilia-Romagna and Marche regions of Italy that are increasingly opting to relinquish their expensive fixed-line services.

Y/E Dec	Revenue (€m)	EBITDA (€m)	PBT (€m)	EPS (fd) (c)	P/E (x)	P/CF (x)
2015	5.3	2.0	0.3	3.82	41.9	6.2
2016	6.4	2.5	0.5	3.66	43.7	3.0
2017e	7.7	3.2	0.5	3.21	49.8	3.9
2018e	9.6	4.5	1.3	8.23	19.4	3.3

Sector: Oil & gas

Price:	59.5p
Market cap:	£93m
Market	LSE

Share price graph (p)

Company description

Green Dragon Gas is one of the largest independent companies involved in the production and sale of coal bed methane (CBM) gas in China.

Price performance

%	1m	3m	12m
Actual	3.7	(4.8)	(69.9)
Relative*	5.2	(5.1)	(72.5)

* % Relative to local index

Analyst

Sanjeev Bahl

Green Dragon Gas (GDG)

INVESTMENT SUMMARY

Green Dragon Gas (GDG) recently announced that it has finalised a Memorandum of Understanding (MoU) on five production sharing contracts and two supplementary agreements with China United Coalbed Methane Corporation, a subsidiary of China National Offshore Oil Corporation (CNOOC) for the GSS and GSN blocks. Management believes the MoU is a material milestone for the company, and that joint co-operation with CNOOC on the exploitation of the GSS and GSN blocks should lead to enhanced gas sales and greater certainty of cash flows for equity and debt holders. In the short term the focus is on refinancing the company's GIC debt and Nordic bond.

INDUSTRY OUTLOOK

GDG's gas price is largely driven by domestic policy; however, we expect that in the medium term, domestic regulated pricing will trend towards LNG import price parity. We assume that current realisations ($7.5/mcf as a blended average of CNG and PNG prices) will remain until 2018, beyond which it will track towards Chinese LNG import price parity.

Y/E Dec	Revenue (US$m)	EBITDA (US$m)	PBT (US$m)	EPS (c)	P/E (x)	P/CF (x)
2015	37.7	20.1	(0.1)	0.0	N/A	0.1
2016	29.1	10.5	(12.3)	0.0	N/A	0.2
2017e	31.9	16.1	(4.6)	0.0	N/A	0.7
2018e	51.3	35.1	7.3	0.0	N/A	0.4

Sector: Food & drink

Price:	1360.0p
Market cap:	£1376m
Market	LSE

Share price graph (p)

Company description

With over 1,800 shops, nine regional bakeries and 19,500 employees, Greggs is the UK's leading 'bakery food-on-the-go' retailer. It utilises vertical integration to offer differentiated products at competitive prices.

Price performance

%	1m	3m	12m
Actual	7.3	15.9	47.9
Relative*	8.8	15.6	35.0

* % Relative to local index

Analyst

Paul Hickman

Greggs (GRG)

INVESTMENT SUMMARY

Greggs' appeal lies in the combination of its relatively low-risk business model, strong cash generation and return to strong earnings growth in the past two years. Its strategic plan is delivering sustained results and it has the financial strength to complete the programme. Q3 sales growth of 8.6% and like-for-like sales of 5.0% outstripped H1. The new forecasting and replenishment system has resulted in additional wastage, which is slower to resolve than expected, although the net benefits of the change are positive.

INDUSTRY OUTLOOK

Greggs enjoys an expanding market. The Project Café2017UK report (Allegra World Coffee portal) valued the UK coffee shop market in 2016 at £8.9bn, +12% y-o-y. Branded outlets (including Greggs) accounted for £3.7bn. Allegra estimates it could reach £16bn by 2025. Growth of inflation against wages is a potential concern, although arguably Greggs is well placed for the value switch after widespread refurbishments extended customer options and moves to widen its market.

Y/E Dec	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (p)	P/E (x)	P/CF (x)
2015	835.7	113.3	73.0	57.3	23.7	11.4
2016	894.2	125.9	80.3	62.0	21.9	10.2
2017e	959.4	133.3	80.8	63.6	21.4	10.2
2018e	1028.4	136.8	83.9	66.6	20.4	10.2

EDISON

Sector: Oil & gas

Price:	26.2p
Market cap:	£514m
Market	AIM

Share price graph (p)

Company description

Hurricane Energy is an E&P focused on UKCS fractured basement exploration and development. It owns 100% of its licences, including the 523mmbbl (RPS 2P reserves plus 2C resources) Lancaster oil discovery, West of Shetland.

Price performance

%	1m	3m	12m
Actual	(13.2)	(7.1)	(37.5)
Relative*	(12.0)	(7.4)	(43.0)

* % Relative to local index

Analyst

Sanjeev Bahl

Hurricane Energy (HUR)

INVESTMENT SUMMARY

Investor focus is understandably on the execution of Hurricane's Lancaster EPS development. First oil from Lancaster will complete the transition from explorer to producer and unlock a stream of cash flow that management can direct towards appraisal, full field development or shareholder returns. In this note, we look at progress made to date and the potential for farm-down of the Greater Lancaster Area (GLA) and Greater Warwick Area (GWA) to fund further appraisal ahead of full field development. Our updated RENAV stands at 79p/share, down from 103p/share, reflecting a recent reduction in our long-term (2022) oil price assumption from $80/bbl to $70/bbl.

INDUSTRY OUTLOOK

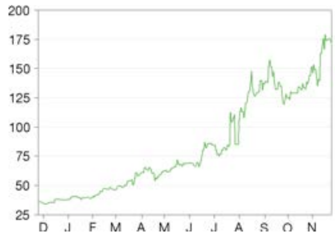
Hurricane has successfully de-risked Lancaster through a multi-well appraisal programme and is progressing towards first oil at Lancaster, scheduled for H119. EPS production data should provide further validation of the company's field-wide resource estimates.

Y/E Dec	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (p)	P/E (x)	P/CF (x)
2015	0.0	(5.4)	(5.5)	(0.9)	N/A	N/A
2016	0.0	(6.5)	(4.7)	0.1	262.0	N/A
2017e	0.0	(7.2)	(5.7)	(0.4)	N/A	N/A
2018e	0.0	(7.2)	(18.1)	(0.9)	N/A	N/A

Sector: Technology

Price:	171.5p
Market cap:	£1294m
Market	AIM

Share price graph (p)



Company description

IQE is the leading supplier of epitaxial compound semiconductor wafers globally. The principal applications include radio frequency semiconductors, devices for optical networks, vertical cavity lasers, infrared semiconductors, power electronics and CPV solar cells.

Price performance

%	1m	3m	12m
Actual	23.8	28.0	373.1
Relative*	25.6	27.6	331.7

* % Relative to local index

Analyst

Anne Margaret Crow

IQE (IQE)

INVESTMENT SUMMARY

IQE has recently raised c £95m (gross) through a placing of 67.9m new shares at 140p/share. The funds will enable IQE to expand capacity to support multiple VCSEL volume ramp-ups from FY19 onwards. We expect the share issue to be earnings-neutral in the near term, and are encouraged by this signal of confidence from management as it prepares for the next step change in output.

INDUSTRY OUTLOOK

The funds raised will be used to purchase an additional 40-60 new MOCVD reactors over the next three to five years (IQE currently has around one hundred, but these are used for a different mix of epitaxies). The reactors will be used to make epitaxy for multiple VCSEL programmes as they move into volume production. Towards the end of H117, IQE began to deliver volume VCSEL epitaxy, which we infer was for the new iPhone X. It is currently working on a range of programmes that have potential to become volume contracts in future. These include hand and body tracking, automotive applications, data comms and industrial applications such as heating, InP wafers for high-speed data networks and GaN wafers for radio frequency and power applications.

Y/E Dec	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (p)	P/E (x)	P/CF (x)
2015	114.0	29.0	17.6	2.60	66.0	54.2
2016	132.7	31.7	20.6	3.00	57.2	51.3
2017e	145.3	35.5	23.7	3.26	52.6	40.9
2018e	160.3	40.3	28.3	3.57	48.0	39.7

Jackpotjoy plc (JPJ)

Sector: Travel & leisure

Price:	833.5p
Market cap:	£617m
Market	LSE

Share price graph (p)

Company description

Jackpotjoy plc (JPJ) (formerly The Intertain Group) is a leading online gaming operator mainly focused on bingo-led gaming targeted towards female audiences. About 77% of revenues are generated in regulated markets. It moved its listing from the TSX (IT:TSX) to the LSE in January 2017.

Price performance

%	1m	3m	12m
Actual	2.4	12.1	N/A
Relative*	3.9	11.8	N/A

* % Relative to local index

Analyst

Victoria Pease

INVESTMENT SUMMARY

JPJ has a 22-23% market share in the c £800m UK bingo-led market, with additional growth in other markets, including Spain and Sweden. We forecast 9% revenue CAGR for 2016-19, which is broadly in line with industry growth estimates, and offsets an estimated 600bp drop in EBITDA margin, from the impact of rising gaming taxes. During 2017, JPJ paid a £94.2m earnout to Gamesys and has made significant progress in simplifying its balance sheet. Although the group remains relatively indebted (3.3x FY17e adjusted net debt/EBITDA), it currently generates c £100m operating cash flow per year and is comfortably positioned to cover the £44m earnout payment in June 2018. Leverage should then reduce rapidly.

INDUSTRY OUTLOOK

JPJ operates in growing markets with positive structural drivers. H2 Gambling Capital 2017 estimates that the worldwide gaming market will grow 7% CAGR until 2021. The extension of the UK 15% gaming tax from net to gross revenues is being enforced retrospectively from 1 August 2017, affecting UK EBITDA margins by 3-4%. M&A is a feature of the sector, driven by economies of scale and tax/compliance costs in regulating markets.

Y/E Dec	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (p)	P/E (x)	P/CF (x)
2015	194.6	70.4	46.1	73.0	11.4	21.9
2016	269.0	102.2	65.6	88.4	9.4	7.2
2017e	298.2	107.4	65.2	86.4	9.6	6.0
2018e	326.0	113.8	83.9	108.3	7.7	5.7

Jersey Electricity (JEL)

Sector: General industrials

Price:	452.5p
Market cap:	£139m
Market	LSE

Share price graph (p)

Company description

Jersey Electricity is the monopoly supplier of electricity to the island of Jersey. It also operates businesses in retail, property and business services on the island.

Price performance

%	1m	3m	12m
Actual	0.0	(0.6)	11.0
Relative*	1.4	(0.8)	1.3

* % Relative to local index

Analyst

Graeme Moyse

INVESTMENT SUMMARY

JEL delivers attractive and stable returns to its shareholders and secure, affordable, low-carbon energy to its customers. In H117, JEL kept prices to customers flat while increasing the interim DPS by 5.5%, to 5.8p. Due to investment in interconnectors, JEL was also able to import 93% of its electricity from low-carbon sources in France. At a divisional level the core energy business performed strongly, with operating profits +11.1% to £7.7m, helped by increased unit sales and reduced electricity purchase costs, which more than offset higher depreciation and pension charges. Net debt remained broadly stable at £29.4m and the balance sheet remains prudently managed. We believe that JEL is on track to meet our FY17 forecasts and, at current levels, continues to trade at a discount to our sum-of-the-parts valuation of 520p/share.

INDUSTRY OUTLOOK

We expect the current regulatory regime to continue, enabling JEL to earn a return of 6-7% on the asset base of the electricity business.

Y/E Sep	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (p)	P/E (x)	P/CF (x)
2015	100.5	23.8	12.4	32.5	13.9	5.6
2016	103.4	24.6	13.2	32.4	14.0	5.2
2017e	104.5	25.7	13.4	34.3	13.2	5.4
2018e	106.8	26.4	13.8	35.2	12.9	5.1

Sector: Investment companies

Price:	278.1p
Market cap:	£1021m
Market	LSE

Share price graph (p)

Company description

John Laing is an originator, active investor in, and manager of greenfield infrastructure projects. John Laing operates internationally and its business is focused on the transport, energy, social and environmental sectors.

Price performance

%	1m	3m	12m
Actual	(3.5)	(8.2)	1.5
Relative*	(2.1)	(8.5)	(7.4)

* % Relative to local index

Analyst

Graeme Moyse

John Laing Group (JLG)

INVESTMENT SUMMARY

H117 results from JLG showed a 2.3% increase (to 284p) in the NAV per share, despite a £25.5m (c 7p/share) reduction in the carrying value of its investment in the Manchester Waste project and the payment of last year's final and special dividends (£23.1m, c 6p/share). The outlook for infrastructure investment remains positive and, following the recent announcement of an investment in a managed lanes project in the US, investments year-to-date amount to £340m (original guidance £200m). JLG continues to dispose of assets successfully (c £255m so far in FY17) and remains confident of the company's prospects (pipeline of £1.9bn at 30 June 2017). We expect that during the period 2016-21 JLG will continue to reduce the geographical focus of the business on the UK, grow the NAV and DPS, and simultaneously close the valuation gap with its peers.

INDUSTRY OUTLOOK

Predicted population growth and a drive for increased renewable energy generation create a favourable outlook for investment in infrastructure projects.

Y/E Dec	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (p)	P/E (x)	P/CF (x)
2015	167.6	113.4	100.9	27.6	10.1	N/A
2016	260.8	203.2	192.1	51.9	5.4	8.2
2017e	197.6	141.9	129.8	35.4	7.9	N/A
2018e	231.2	174.3	161.1	43.9	6.3	N/A

Sector: Mining

Price:	4.1p
Market cap:	£14m
Market	LSE

Share price graph (p)

Company description

KEFI Minerals is an exploration & development company focused on gold and copper deposits in the highly prospective Arabian-Nubian Shield, principally the 95%-owned Tulu Kapi project, Ethiopia and also the 40%-owned Jibal Qutman project, Saudi Arabia.

Price performance

%	1m	3m	12m
Actual	(4.1)	(22.5)	(20.4)
Relative*	(2.7)	(22.8)	(27.4)

* % Relative to local index

Analyst

Charles Gibson

KEFI Minerals (KEFI)

INVESTMENT SUMMARY

With the US$5m expansion of its build, own, operate and transfer (BOOT) lease financing agreement with Oryx and the addition of a US$17m working capital facility, KEFI's financing of Tulu Kapi at a higher throughput rate of 1.9-2.1Mtpa is now over 90% complete. Within this context, project construction is still expected to take place in FY18-19 and commissioning in late FY19.

INDUSTRY OUTLOOK

We continue to assume a future equity raise by KEFI in the order of US$13m (c £10m). Fully diluted at a share price of 4.375p, this leads us to estimate a value for its shares of 8.79p (vs 8.55p previously), rising to 15.44p in 2024, based on the net present value of (maximum potential) future dividends, discounted at 10% pa. However, this increases to 19p in the event that KEFI is able to successfully leverage its cash flow from Tulu Kapi into other development assets. In the meantime, it is trading on a resource multiple of just US$8.31/oz cf an estimated global average cost of discovery of US$10.16/oz.

Y/E Dec	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (p)	P/E (x)	P/CF (x)
2015	0.0	(1.6)	(2.0)	(3.0)	N/A	N/A
2016	0.0	(2.3)	(2.5)	(1.6)	N/A	N/A
2017e	0.0	(2.7)	(2.9)	(0.8)	N/A	N/A
2018e	0.0	(2.5)	(10.8)	(1.5)	N/A	N/A

Sector: Technology

Price: 1541.0p
Market cap: £949m
Market AIM

Share price graph (p)

Company description

Keywords Studios provides localisation, testing, artwork, community support and now engineering services exclusively to the video games industry. It provides services to 20 of the top 25 games developers and is leading consolidation of this fragmented industry.

Price performance

%	1m	3m	12m
Actual	3.1	16.5	200.4
Relative*	4.5	16.1	174.1

* % Relative to local index

Analyst

Dan Ridsdale

Keywords Studios (KWS)

INVESTMENT SUMMARY

Keywords Studios' march towards becoming the go-to provider of outsourced services across the games industry has taken strong steps forward in 2017. Recent acquisitions have significantly strengthened the company's position across audio, art and testing while the move into engineering enlarges the company's addressable market and rounds out a comprehensive solution offering. We see potential for market share gains to accelerate, driven by a strengthened platform for cross-selling and for entering into strategic, retained relationships with more developers. Scope for further accretive acquisitions remains as strong as ever.

INDUSTRY OUTLOOK

Growth is supported by a generally buoyant environment in the global games development industry; market analyst Newzoo estimates the industry grew 8.5% in 2016 and will expand at an annual rate of 6.6% through to 2019. Industry consolidation is ongoing and there is a continued trend to technical outsourcing as publishers seek to improve flexibility and efficiency. Both trends should benefit Keywords.

Y/E Dec	Revenue (€m)	EBITDA (€m)	PBT (€m)	EPS (fd) (c)	P/E (x)	P/CF (x)
2015	58.0	9.5	8.0	12.6	137.7	175.4
2016	96.6	16.9	14.9	20.3	85.5	56.5
2017e	N/A	N/A	N/A	N/A	N/A	N/A
2018e	N/A	N/A	N/A	N/A	N/A	N/A

Sector: Food & drink

Price: €16.02
Market cap: €497m
Market Borsa Italiana

Share price graph (€)

Company description

La Doria is the leading manufacturer of private-label preserved vegetables and fruit for the Italian (20% revenues) and international (80% revenues) market. It enjoys leading market share positions across its product ranges in the UK and Italy.

Price performance

%	1m	3m	12m
Actual	(0.2)	49.3	122.7
Relative*	0.8	44.5	62.7

* % Relative to local index

Analyst

Sara Welford

La Doria (LD)

INVESTMENT SUMMARY

La Doria's overarching objective is to reduce the volatility of the business and improve visibility. The UK is La Doria's biggest market by some margin (c 50% of sales) and sterling weakness has affected results. The 2017 tomato processing campaign was positive, thanks to ongoing sector destocking and lower tomato production, and vegetable harvests were positive. A recovery is therefore starting to come through, which we expect will continue into FY18.

INDUSTRY OUTLOOK

La Doria's strategic objectives, published as part of its three-year plan, are broadly unchanged: the main priority is to expand the higher margin and less volatile parts of the business to reduce the dependence on the more unpredictable 'red line'. The economic backdrop is easing somewhat, sterling weakness is not helpful, but the 2017 tomato campaign and vegetable harvests were benign, as expected.

Y/E Dec	Revenue (€m)	EBITDA (€m)	PBT (€m)	EPS (fd) (c)	P/E (x)	P/CF (x)
2015	748.3	77.6	57.4	144.6	11.1	8.5
2016	653.1	56.3	37.3	108.8	14.7	7.6
2017e	666.2	52.8	37.8	90.1	17.8	14.8
2018e	696.2	60.7	44.7	105.3	15.2	11.4

Leaf Resources (LER)

Sector: Alternative energy

Price: A$0.09
Market cap: A$17m
Market ASX

Share price graph (A$)

Company description

The Glycell process, developed and owned by Leaf Resources, is an intermediate-stage process in the conversion of biomass to bio-based chemicals, plastics and fuel.

Price performance

%	1m	3m	12m
Actual	(9.6)	(5.6)	(46.9)
Relative*	(11.1)	(9.6)	(51.4)

* % Relative to local index

Analyst

Emily Liu

INVESTMENT SUMMARY

Leaf Resources seeks to commercialise its proprietary Glycell pre-treatment process. For its planned 2G cellulosic sugar plant in Malaysia, Leaf Malaysia and Leaf Development signed a two-year option for the purchase of 5.7 hectares of land in Johor. Leaf Resources will work with Verdezyne to evaluate the feasibility of using the Glycell process for large-scale production of biomass sugar with empty fruit bunch at Verdezyne's biochemical site in Johor Bahru (which is expected to be completed in Q418).

INDUSTRY OUTLOOK

Leaf Resources is planning to enter the biodegradable packaging market by licensing coating technology from QUT bluebox, the commercial arm of the Queensland University of Technology. According to Stratistics MRC, the global biodegradable packaging market was $4.7bn in 2015 and is forecast to reach $14.3bn in 2022, at a CAGR of 17.2%.

Y/E Jun	Revenue (A$m)	EBITDA (A$m)	PBT (A$m)	EPS (c)	P/E (x)	P/CF (x)
2016	0.1	(2.6)	(2.6)	(2.0)	N/A	N/A
2017	0.0	(6.6)	(7.2)	(4.3)	N/A	N/A
2018e	N/A	N/A	N/A	N/A	N/A	N/A
2019e	N/A	N/A	N/A	N/A	N/A	N/A

Learning Technologies Group (LTG)

Sector: Technology

Price: 59.0p
Market cap: £337m
Market AIM

Share price graph (p)

Company description

Learning Technologies Group is a broad-based e-learning technology business, providing a range of software and services to both private enterprises and the public sector.

Price performance

%	1m	3m	12m
Actual	(4.5)	22.9	81.5
Relative*	(3.1)	22.6	65.6

* % Relative to local index

Analyst

Richard Jeans

INVESTMENT SUMMARY

H1 organic growth was 33%, including 3-4% FX tailwind and a c 11% one-off effect from the CSL contract. Hence the underlying growth was c 18-19%. H1 margins dipped as planned, due to the initial inclusion of low-margin NetDimensions, but cost savings from the acquisition are on target and will begin coming through in H2. We edged up our forecasts, while a contract change that was announced subsequent to the results boosts our FY17 revenue forecasts by £1.7m and profits by £1.0m, while FY18 numbers decline by these amounts. At its capital markets day, LTG outlined its plan to double run-rate revenues to £100m and for run-rate EBIT of >£25m by the end of 2020. Given the attractive growth drivers and acquisition synergies, we do not view the c 25x FY19e rating as demanding.

INDUSTRY OUTLOOK

The corporate training market is well established and globally is estimated to be worth c $359bn and growing at a modest pace. As companies and entities turn increasingly to digital solutions, corporate e-learning, where LTG is positioned, is the fastest-growing segment within this market (LTG estimates this at 15-20%). In particular, there is a structural shift to blended learning, which enables organisations to reduce their training and assessments costs (primarily in relation to trainers and travel and hospitality).

Y/E Dec	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (p)	P/E (x)	P/CF (x)
2015	19.9	4.3	3.9	0.81	72.8	46.5
2016	28.3	7.7	6.4	1.29	45.7	81.8
2017e	52.2	14.4	12.1	1.90	31.1	37.2
2018e	56.3	17.0	14.5	2.13	27.7	24.2

EDISON

Sector: Alternative energy

Price:	CHF2.61
Market cap:	CHF171m
Market	Swiss Stock Exchange

Share price graph (CHF)

Company description

Leclanché is a fully vertically integrated energy storage solution provider. It delivers a wide range of energy storage solutions for homes, small offices, large industries and electricity grids as well as hybridisation for mass transport systems such as bus fleets and ferries.

Price performance

%	1m	3m	12m
Actual	12.5	11.1	(6.5)
Relative*	10.9	6.5	(21.8)

* % Relative to local index

Analyst

Anne Margaret Crow

Leclanché (LECN)

INVESTMENT SUMMARY

Over the last three years, Leclanché has been transformed into a vertically integrated group. It has begun work on a multi-million contract for one of the world's largest stationary battery energy storage systems to date, supplying not only the battery modules but also the system integration and engineering, procurement and construction (EPC) work. It has also established a presence in the e-transport sector, for example partnering with Skoda Electric on battery solutions for e-buses. Completion of the ongoing financing round is required to enable the group to deliver against its pipeline totalling over 450MWh of energy storage.

INDUSTRY OUTLOOK

Revenues, including CHF2.2m funding for a European ferry project, rose by 40% year-on-year during H117 to CHF8.0m. Revenue growth would have been substantially stronger if Leclanché had had sufficient funding to make faster progress on two large ongoing stationary energy storage projects in North America. The financing situation did not prevent the company from adding to its pipeline of projects in both the stationary storage and e-mobility sectors. EBIT losses narrowed, from CHF15.6m to CHF11.5m, reflecting the restructuring and cost-reduction exercises taken in late FY16 and early FY17.

Y/E Dec	Revenue (CHFm)	EBITDA (CHFm)	PBT (CHFm)	EPS (fd) (CHFc)	P/E (x)	P/CF (x)
2015	17.9	(26.0)	(32.9)	(115.2)	N/A	N/A
2016	28.1	(26.6)	(36.8)	(85.0)	N/A	N/A
2017e	28.1	(18.4)	(22.6)	(44.0)	N/A	N/A
2018e	114.7	1.4	(2.6)	(3.8)	N/A	N/A

Sector: Oil & gas

Price:	A$0.10
Market cap:	A$42m
Market	ASX

Share price graph (A$)

Company description

Leigh Creek Energy has a certified PRMS gas resource of 2,964PJ (2C) at the Leigh Creek Energy Project in South Australia. Monetisation of this gas through ISG is expected to be de-risked by a demonstration programme in late 2017.

Price performance

%	1m	3m	12m
Actual	(20.0)	(20.0)	(28.6)
Relative*	(21.3)	(23.5)	(34.6)

* % Relative to local index

Analyst

Sanjeev Bahl

Leigh Creek Energy (LCK)

INVESTMENT SUMMARY

Leigh Creek Energy (LCK) offers an option over the in-situ gasification (ISG) of an underground coal resource in South Australia (SA). Recent power blackouts in SA have highlighted the need for more baseload power generation capacity, while high electricity prices incentivise the monetisation of 2,964PJ of 2C ISG gas resource. On 31 March 2017, LCK announced that it had raised A$21.85m of new equity; net proceeds are to be used to fund the company's pre-commercial ISG demonstration project. A new cornerstone investor has also been added to LCK's shareholder register, China New Energy. Our RENAV of $0.26/share reflects this new source of funding.

INDUSTRY OUTLOOK

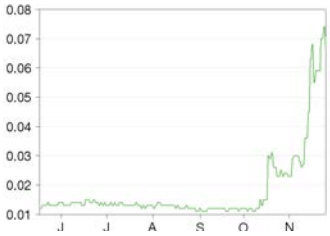
SA power prices have been volatile due to concentrated generator ownership, coal plant closures, limited import capability and higher than national average dominance of renewables. SA was the hardest hit state when energy retailers increased pricing by up to 20% in June 2017.

Y/E Jun	Revenue (A$m)	EBITDA (A$m)	PBT (A$m)	EPS (c)	P/E (x)	P/CF (x)
2015	0.0	N/A	(17.7)	N/A	N/A	N/A
2016	0.0	(5.4)	(5.4)	(2.0)	N/A	N/A
2017e	0.0	(3.0)	(2.9)	(0.7)	N/A	N/A
2018e	0.0	(3.0)	(2.9)	(0.7)	N/A	N/A

Sector: Mining

Price:	A$0.07
Market cap:	A$191m
Market	ASX

Share price graph (A$)



Company description

Lepidico provides exposure to a portfolio of lithium assets via its wholly owned properties, JVs and IP in Australia, Canada and Europe. Uniquely, it has successfully produced lithium carbonate from non-traditional hard rock lithium bearing minerals using its registered L-Max® process technology.

Price performance

%	1m	3m	12m
Actual	191.3	482.1	378.4
Relative*	186.5	457.0	337.9

* % Relative to local index

Analyst

Tom Hayes

Lepidico (LPD)

INVESTMENT SUMMARY

Lepidico's disruptive (patent-pending) L-Max® metallurgical technology recovers lithium from overlooked and undervalued minerals such as lepidolite (a form of mica). The process uses readily available chemicals and large-scale tests have demonstrated stable and continuous operation. A recent PFS estimated C1 cash costs of lithium carbonate production at near zero net of by-products for a 3,000tpa operation (Phase 1).

INDUSTRY OUTLOOK

Having completed the PFS, Lepidico's strategic imperative is now the development of the Phase 1 plant as well as the completion of a feasibility study on an industrial-scale operation. Conceptual estimates for a Phase 2 plant envisage producing c 7x as much lithium carbonate, for 3.4x as much capex to generate 8x as much NPV. In the meantime, exploration continues apace at the same time as the company is raising A$7.0m in equity including through a strategic partnership with Galaxy. Note that our valuation of Lepidico is under review in light of the increase in its share price.

Y/E Jun	Revenue (A$m)	EBITDA (A$m)	PBT (A$m)	EPS (fd) (c)	P/E (x)	P/CF (x)
2016	0.1	(0.5)	(2.3)	0.0	N/A	N/A
2017	0.1	(0.8)	(5.4)	0.0	N/A	N/A
2018e	0.0	(0.9)	(3.4)	0.0	N/A	N/A
2019e	0.0	(0.9)	(5.4)	0.0	N/A	N/A

Sector: Oil & gas

Price:	A$0.50
Market cap:	A$256m
Market	ASX, OTC Pink

Share price graph (A$)

Company description

Liquefied Natural Gas Ltd is an ASX-listed company devoted to the development of LNG export terminals in the US, Canada and other potential locations. It has traded ADRs.

Price performance

%	1m	3m	12m
Actual	22.0	(6.5)	(28.1)
Relative*	19.9	(10.6)	(34.2)

* % Relative to local index

Analyst

Will Forbes

Liquefied Natural Gas Limited (LNGL)

INVESTMENT SUMMARY

The Magnolia development remains one of the most competitive LNG development projects (greenfield or brownfield) globally. Industry is starting to recognise that the current LNG oversupply will move towards undersupply within five years and there are few projects on track to fill the resulting gap. This should put Magnolia increasingly in the spotlight for buyers looking to fulfil demand in 2023 onwards. LNGL management has indicated it is in discussions with many companies across a diverse set of geographies and interests. We have adjusted our valuation to account for a delayed expectation of project FID, reducing it slightly to $A1.25/share (US$3.8/ADR).

INDUSTRY OUTLOOK

LNGL has few listed peers. Cheniere is much larger and already producing, while Tellurian (owner of the Driftwood LNG project) and Next Decade (IPO ongoing) is planning much larger projects but is some way behind the Magnolia project on regulatory approvals.

Y/E Jun	Revenue (A$m)	EBITDA (A$m)	PBT (A$m)	EPS (fd) (c)	P/E (x)	P/CF (x)
2016	7.3	(101.0)	(115.1)	(0.23)	N/A	N/A
2017	0.6	(27.0)	(29.2)	(0.06)	N/A	N/A
2018e	0.0	(23.0)	(28.8)	(0.06)	N/A	N/A
2019e	57.7	32.0	22.4	0.04	1250.0	8.0

Sector: Financials

Price: 3776.0p
Market cap: £13092m
Market LSE

Share price graph (p)

Company description

LSE is Europe's leading exchange group in cash equities. MTS is Europe's largest electronic government bond market, LCH and CC&G offer post-trade services and FTSE Russell provides benchmark indices and related data services.

Price performance

%	1m	3m	12m
Actual	(1.3)	(4.9)	33.0
Relative*	0.1	(5.2)	21.3

* % Relative to local index

Analyst

Andrew Mitchell

London Stock Exchange Group (LSE)

INVESTMENT SUMMARY

LSE has announced that CEO Xavier Rolet is stepping down immediately, following the publicity surrounding the call for his retention by investor TCI. FD David Warren steps in as interim CEO and the chairman will not seek re-election in 2019. In the meantime, the group strategy for organic and inorganic growth is unchanged and the experienced management team also remains committed to the three-year financial plan outlined in June. The Q3 update showed growth across almost all areas, with overall income up 17% or 12% on an organic constant-currency basis; gross profit increased by 16% and 11%, respectively.

INDUSTRY OUTLOOK

LSE sees good potential for further strong growth and set out specific targets in its June investor update. These include continued double-digit revenue growth for 2017-19 with sustainable margins at FTSE Russell, similar growth in OTC clearing revenue at LCH with margins for this business set to approach 50% by 2019 (35.6% 2016), while, for the group, expense growth should be held at 4% pa 2017-19, with cost savings of £50m by the end of the period contributing to an EBITDA margin of circa 55% by 2019 (46.5% 2016).

Y/E Dec	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (p)	P/E (x)	P/CF (x)
2015	1419.0	644.0	516.0	103.4	36.5	N/A
2016	1657.0	771.0	623.0	124.7	30.3	N/A
2017e	N/A	N/A	N/A	N/A	N/A	N/A
2018e	N/A	N/A	N/A	N/A	N/A	N/A

Sector: General retailers

Price: 96.8p
Market cap: £384m
Market LSE

Share price graph (p)

Company description

Lookers is a leading UK motor vehicle and specialist parts distributor. It operates 155 franchises, representing 32 marques spread across the UK.

Price performance

%	1m	3m	12m
Actual	(3.7)	(12.1)	(6.3)
Relative*	(2.4)	(12.3)	(14.5)

* % Relative to local index

Analyst

Andy Chambers

Lookers (LOOK)

INVESTMENT SUMMARY

Lookers has a growth strategy based on organic growth supplemented by M&A, consistently delivering record profits for many years. Management's more focused brand strategy and related investment increases continue to be supported by a strong balance sheet. The Q3 trading statement reaffirmed management expectations for 2017 plus indicated the initiation of a share buyback programme in the absence of any immediate M&A opportunities. New car sales in the UK are persistently lower year-on-year; however, the strength of higher-margin used car demand and aftermarket sales continue to deliver a positive mix.

INDUSTRY OUTLOOK

Market dynamics favour larger motor dealership groups against smaller independent groups, which still command c 60% of the franchise market. Global manufacturing overcapacity still points to OEM support, although stockmarket confidence is undermined by the inflationary impact of weak sterling on new car prices and interest rates. A 35% rating discount relative to the FTSE All-Share General Retailers Index fails to recognise the defensive qualities across a sector where used vehicle and aftersales activities account for the majority of profits.

Y/E Dec	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (fd) (p)	P/E (x)	P/CF (x)
2015	3430.3	84.4	59.6	12.4	7.8	11.6
2016	4088.2	97.6	64.9	13.1	7.4	2.9
2017e	4575.1	105.2	73.0	14.7	6.6	3.6
2018e	4653.8	105.5	73.6	14.8	6.5	3.7

Sector: Basic industries

Price:	65.0p
Market cap:	£214m
Market	LSE

Share price graph (p)

Company description

Low & Bonar produces specialist performance materials for a variety of end-markets by combining polymers with specialty additives and pigments. It now reports as four global business units.

Price performance

%	1m	3m	12m
Actual	(6.8)	(17.6)	(4.0)
Relative*	(5.3)	(17.6)	(12.0)

* % Relative to local index

Analyst

Toby Thorrington

Low & Bonar (LWB)

INVESTMENT SUMMARY

Civil Engineering demand has not picked up as anticipated in H2, reflecting low project activity rather than any loss of market share. A shortfall in specification projects, in particular, impacts business unit profitability and will reduce working capital inflow. Low & Bonar's other business units have fared better; we expect all three to report higher H2 EBIT y-o-y, with Building & Industrial and Interiors & Transportation achieving solid mid-teens margins, despite upward pressure on polymer-based input costs. Regionally, North America and China appear to be the stronger territories served with some variability in Europe.

INDUSTRY OUTLOOK

Key strategic medium-term financial targets are currently for 10% operating margins and 12%+ return on capital employed. Organic group revenue growth may be supplemented by M&A. The onus is clearly on territories outside Europe to provide the growth engine.

Y/E Nov	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (p)	P/E (x)	P/CF (x)
2015	362.1	46.0	27.4	5.8	11.2	N/A
2016	402.2	52.8	29.2	6.0	10.8	N/A
2017e	445.0	55.8	31.8	6.4	10.2	N/A
2018e	445.4	61.3	36.3	7.4	8.8	N/A

Sector: General retailers

Price:	156.5p
Market cap:	£121m
Market	AIM

Share price graph (p)

Company description

Marshall Motor is the seventh largest UK motor retailer, operating 104 franchises spread across 24 brands at 90 locations. It is one of six UK dealership groups that represent each of the top five volume and premium brands. The group has a strong presence in eastern and southern England.

Price performance

%	1m	3m	12m
Actual	3.0	(0.3)	11.0
Relative*	4.4	(0.6)	1.3

* % Relative to local index

Analyst

Andy Chambers

Marshall Motor Holding (MMH)

INVESTMENT SUMMARY

Since its listing on AIM in 2014, MMH can reflect positively on its continued transformation and strong growth record, which has driven it to rank seventh among UK automotive retailing groups. The strong brand coverage and excellent relationships with major manufacturers should continue to deliver growth. Despite the tougher H217 new car market, H1 trading was strong. The disposal of Leasing and recent portfolio tidying provides further financial flexibility and reduces risk.

INDUSTRY OUTLOOK

Market dynamics favour larger motor dealership groups against smaller independent groups, which still command c 60% of the franchise market. Global manufacturing overcapacity still points to OEM support, although stockmarket confidence is undermined by the inflationary impact of weak sterling on new car prices and interest rates. Large rating discounts relative to the FTSE All-Share General Retailers Index fail to recognise the defensive qualities across a sector where used vehicle and aftersales activities account for the majority of profits.

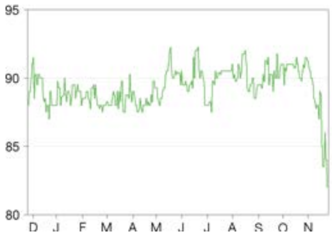
Y/E Dec	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (p)	P/E (x)	P/CF (x)
2015	1232.8	22.8	15.8	15.8	9.9	3.1
2016	1899.4	38.7	25.4	26.2	6.0	1.2
2017e	2271.1	44.8	28.3	28.6	5.5	1.8
2018e	2296.5	44.9	28.9	29.2	5.4	1.6

EDISON

Sector: Property

Price:	82.0p
Market cap:	£351m
Market	LSE

Share price graph (p)



Company description

MedicX Fund is a specialist investor in primary care infrastructure. Properties are let mainly to government-funded (NHS or HSE) tenants (c 89%) and pharmacies (c 8%) on GP surgery sites. It has one completed property in the Republic of Ireland and three under development.

Price performance

%	1m	3m	12m
Actual	(9.4)	(8.4)	(6.8)
Relative*	(8.1)	(8.6)	(15.0)

* % Relative to local index

Analyst

Martyn King

MedicX Fund (MXF)

INVESTMENT SUMMARY

Ahead of FY17 results on 12 December, a final quarterly dividend of 1.5p per share has been declared for payment on 29 December, taking the total to 6.0p for the year (FY16: 5.95p). We expect the progressive dividend policy to continue into the current year and look for dividend cover to increase from an estimated 59.0% as further acquisitions, completions of development properties funded by MedicX, and rent increases support income with a tightly controlled cost base. MedicX recently agreed the funding of a £4.6m primary care facility in South Wales while disposing of five smaller properties at a small premium to their c £5.3m aggregate value. Despite dividend payments, EPRA NAV continued to advance through the first nine months of the year (75.5p per share at 30 June), driven by revaluation gains that reflect continuing strong investor interest in the secure long-term cash flows available from modern, purpose-built, primary-care properties. The investment manager's discounted cash flow valuation, as at 30 June, was 99.7p per share.

INDUSTRY OUTLOOK

Healthcare planning, with broad political support, suggests strong underlying demand for modern healthcare properties in both the UK and the Republic of Ireland. In addition to providing investment opportunities, this seems likely to support rental growth.

Y/E Sep	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (p)	P/E (x)	P/CF (x)
2015	33.7	27.3	13.5	3.7	22.2	12.7
2016	35.5	28.6	14.2	3.8	21.6	11.8
2017e	38.4	31.0	14.9	3.6	22.8	10.8
2018e	43.7	36.0	16.9	3.9	21.0	9.3

Sector: Industrial support services

Price:	€1.20
Market cap:	€65m
Market	Maltese Stock Exchange

Share price graph (€)

Company description

Medserv is a Malta-based provider of integrated offshore logistics and services in support of drilling operations in the Mediterranean. The acquisition of the METS companies in February 2016 diversified the company into OCTG pipe services and supply.

Price performance

%	1m	3m	12m
Actual	(4.4)	(9.7)	(28.2)
Relative*	1.6	(4.8)	(27.4)

* % Relative to local index

Analyst

Annabel Hewson

Medserv (MDS)

INVESTMENT SUMMARY

Medserv's trading update has highlighted project delays that will see H217 miss expectations. A lower Q4 drilling contribution from Cyprus and activity in Iraq falling off Q3 levels prompted us to reduce our FY17 forecasts. However, contracted projects underpin our FY18 estimates. In ILSS, drilling is set to start in December for Cyprus, supported from its new Limassol base. In OCTG, workover demand should grow following a resumption of production at the main fields. Medserv continues to deliver in existing markets, while pursuing opportunities in new geographies to expand its global presence and support longer-term growth.

INDUSTRY OUTLOOK

Medserv operates in the upstream oil & gas segment, providing onshore bases in the Mediterranean and Middle East for onshore and offshore exploration and production customers. The acquisition of METS in February 2016 added onshore OCTG services to the historical integrated offshore services offered in Malta and Cyprus. As new territories are brought on stream, the potential for substantial revenue growth for the 2018-2020 period should become more tangible.

Y/E Dec	Revenue (€m)	EBITDA (€m)	PBT (€m)	EPS (c)	P/E (x)	P/CF (x)
2015	42.7	10.3	6.1	9.7	12.4	5.3
2016	32.8	5.0	(1.3)	(2.1)	N/A	10.6
2017e	28.2	3.4	(2.8)	(6.4)	N/A	11.3
2018e	42.3	12.5	5.8	9.5	12.6	15.7

Sector: Consumer support services

Price: €5.99
Market cap: €181m
Market Milan Stock Exchange

Share price graph (€)

Company description

Mondo TV is a global media group with a focus on the production, acquisition and exploitation of animated children's television series. It owns the rights to over 1,500 TV episodes and films, which it distributes across 75 markets. 80% of revenues are generated in Asia, 10% in Italy, 7% in Europe and 3% in America.

Price performance

%	1m	3m	12m
Actual	0.8	53.0	60.0
Relative*	1.9	48.1	17.0

* % Relative to local index

Analyst

Bridie Barrett

Mondo TV (MTV)

INVESTMENT SUMMARY

Progress made in H1 continued into the third quarter; revenues for the nine months increased by 43%, with a significant expansion in licensing driving the performance, accounting for €15.5m of the €24.1m revenues, a more than ten-fold increase y-o-y. EBITDA of €17.4m increased by 51%, due to mix effects, as well as the ongoing benefit from the group's reorganisation. Having already increased full-year net profit guidance at the half year, it has increased it once again to €12.5m (from €12.0m). In light of the recent announcement that Netflix has acquired the rights (part of the Netflix Originals) series to distribute Mondo's flagship new asset, YooHoo!, globally, along with new relationships in China, it will update investors on its five-year plan on 30 November.

INDUSTRY OUTLOOK

The market for children's entertainment has been reinvigorated with the growth of VOD platforms looking for multi-territory content. Animations travel well and, as seen from the success of eOne's Peppa Pig, brands that travel have the potential to yield significant returns. Smaller brands can also be very profitable; Mondo, with its flexible cost base and high share of revenues from licensing and merchandising sales, enjoys 46% EBIT margins.

Y/E Dec	Revenue (€m)	EBITDA (€m)	PBT (€m)	EPS (c)	P/E (x)	P/CF (x)
2015	16.8	8.9	5.4	11.69	51.2	N/A
2016	27.4	18.1	12.7	32.37	18.5	N/A
2017e	37.6	27.8	18.5	43.85	13.7	N/A
2018e	49.7	35.0	17.4	37.76	15.9	N/A

Sector: Technology

Price: NIS2.77
Market cap: NIS172m
Market NASDAQ, TASE

Share price graph (NIS)

Company description

Nano Dimension develops advanced 3D printed electronics systems and advanced additive manufacturing. Its initial products include a 3D printer for rapid prototyping of multi-layer PCBs and associated nanotechnology conductive and dielectric inks.

Price performance

%	1m	3m	12m
Actual	(19.6)	(12.0)	(41.1)
Relative*	(20.0)	(15.8)	(43.5)

* % Relative to local index

Analyst

Anne Margaret Crow

Nano Dimension (NNDM)

INVESTMENT SUMMARY

Nano Dimension generated US$143k revenues during Q317 (US$150k in Q217, US$0 in Q316) from leasing DragonFly printers to customers participating in the beta testing programme. Operating losses were lower than in Q217 (US$4.2m vs US4.8m), as both R&D and sales and administrative expenses reduced slightly. Cash fell by US$4.5m during the quarter to US$12.0m (there is no debt). We note that while Nano Dimension is in active discussions with around 100 potential customers, the sales cycle is proving much longer than management originally anticipated, so we have revised our estimates downwards to reflect a more cautious commercial roll-out and cut our indicative valuation from US$7.04/ADS to US$6.39/ADS.

INDUSTRY OUTLOOK

Global manufacturing services giant Jabil and the University of Technology, Sydney, will be the first commercial customers. Nano Dimension has prepared the infrastructure for supporting commercial roll-out later this quarter by opening its nanoparticle ink production facility in October and expanding its distribution network in Australia, Canada, France and Italy.

Y/E Dec	Revenue (US$m)	EBITDA (US$m)	PBT (US$m)	EPS (c)	P/E (x)	P/CF (x)
2015	0.0	(2.4)	(2.1)	(39.49)	N/A	N/A
2016	0.0	(6.5)	(6.8)	(83.30)	N/A	N/A
2017e	1.2	(14.6)	(15.7)	(140.69)	N/A	N/A
2018e	9.5	(9.6)	(11.0)	(75.03)	N/A	N/A

EDISON

Sector: Technology

Price:	27.0p
Market cap:	£77m
Market	LSE

Share price graph (p)

Company description

Nanoco Group is the leading commercial supplier of cadmium-free quantum dots (CFQD) and IP. The near-term focus is on the display market, where CFQDs are used to enhance picture quality.

Price performance

%	1m	3m	12m
Actual	0.9	(7.7)	(44.3)
Relative*	2.4	(8.0)	(49.2)

* % Relative to local index

Analyst

Dan Ridsdale

Nanoco (NANO1)

INVESTMENT SUMMARY

The longer than expected commercialisation cycle has been frustrating but we believe that Nanoco continues to make progress on a number of fronts. The first commercial shipments of its CFQDs in computer monitors are expected in calendar Q118, royalties from Dow are now increasing and the pipeline of OEMs working with Nanoco remains robust. The company's ability to execute and customer confidence should also be enhanced by the recent fund raise and strengthened balance sheet.

INDUSTRY OUTLOOK

Market analyst IHS forecasts that the market for QD displays will reach c 26m units in 2021, up from an estimated 8.5m in 2017, with cadmium-free dominating (growing from 7m in 2017e to 23.7m in 2021e). These estimates have been slightly pared back (or pushed to the right) from its previous forecasts of c 32.8m, likely reflecting the more protracted commercialisation cycle to date, but also lower than forecast shipments in 2017 – in part due to significant price increases at Samsung.

Y/E Jul	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (p)	P/E (x)	P/CF (x)
2016	0.5	(11.2)	(12.3)	(5.20)	N/A	N/A
2017	1.3	(9.4)	(10.6)	(4.46)	N/A	N/A
2018e	4.7	(5.5)	(6.4)	(2.43)	N/A	N/A
2019e	N/A	N/A	N/A	N/A	N/A	N/A

Sector: General industrials

Price:	177.5p
Market cap:	£142m
Market	LSE

Share price graph (p)

Company description

Norcros is a leading supplier of showers, tiles, taps and related fittings and accessories for bathrooms, washrooms and other commercial environments. It has operations in the UK and South Africa, with some export activity from both countries.

Price performance

%	1m	3m	12m
Actual	0.3	5.7	9.3
Relative*	1.7	5.4	(0.3)

* % Relative to local index

Analyst

Toby Thorrington

Norcros (NXR)

INVESTMENT SUMMARY

Norcros announced the £60m acquisition of shower-screen specialist Merlyn on 2 November, and the transaction and associated £30m equity fund-raising both completed on 22 November. Merlyn brings strong market positions in complementary product lines that clearly enhance the UK/Ireland offer immediately, with developing export potential also. H118 results confirmed an earlier update, flagging good revenue progress in both the UK and South Africa without much help from their respective markets. Operating profit was ahead of the prior year, with a material step forward in South Africa partly offset by P&L investment in the UK, which held back its reported EBIT. The Merlyn acquisition and H1 trading performance are yet to be reflected in our estimates, which are under review.

INDUSTRY OUTLOOK

In the UK, the residential new-build sector has rebounded well and there is impetus for this to continue. RMI spending has not recovered at the same rate. The South African economy is currently facing a number of challenges; wider distribution of wealth and an emerging middle class should benefit consumer spending over time.

Y/E Mar	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (p)	P/E (x)	P/CF (x)
2016	235.9	28.0	18.5	24.7	7.2	N/A
2017	271.2	31.7	20.8	24.4	7.3	N/A
2018e	289.1	32.9	22.1	25.8	6.9	N/A
2019e	298.1	34.5	23.8	27.5	6.5	N/A

Sector: Financials

Price: 300.5p
Market cap: £320m
Market LSE

Share price graph (p)

Company description

Numis has grown to become one of the UK's leading institutional stockbrokers and corporate advisers. It employs over 200 staff in offices in London and New York, and has 199 corporate clients.

Price performance

%	1m	3m	12m
Actual	(0.5)	8.7	31.7
Relative*	0.9	8.4	20.1

* % Relative to local index

Analyst

Andrew Mitchell

Numis Corporation (NUM)

INVESTMENT SUMMARY

Following a positive update in July, Numis's year-end update at the beginning of October confirmed that trading remained strong through to the financial year end (September). Both corporate and institutional sides of the business contributed to the outcome and prospectively the company indicates a strong deal pipeline. We increased our estimate for FY17 to match company guidance but left FY18e revenue and pre-tax profit unchanged at this stage. FY17 preliminary results are due to be announced on 6 December.

INDUSTRY OUTLOOK

The market background and implementation of MiFID II are potential sources of uncertainty, but continuation of benign market conditions could mean our FY18 estimate proves conservative, while on a longer view the strength of the franchise Numis has established is a key attraction for investors.

Y/E Sep	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (p)	P/E (x)	P/CF (x)
2015	98.0	28.9	26.1	18.3	16.4	N/A
2016	112.3	30.0	32.5	22.4	13.4	N/A
2017e	129.0	34.7	36.5	25.0	12.0	N/A
2018e	119.5	31.3	30.8	22.1	13.6	N/A

Sector: Mining

Price: 13.0p
Market cap: £15m
Market AIM, Toronto

Share price graph (p)

Company description

Orosur Mining owns (100%) and operates its San Gregorio gold mine in Uruguay. It explores for gold close to San Gregorio and in Chile at the Anillo gold property. It owns 100% of the highly prospective, high-grade Anzá gold property in Colombia.

Price performance

%	1m	3m	12m
Actual	(13.3)	(14.8)	(3.7)
Relative*	(12.1)	(15.0)	(12.1)

* % Relative to local index

Analyst

Tom Hayes

Orosur Mining (OMI)

INVESTMENT SUMMARY

Orosur has released a 'preliminary' set of drill results from its fully funded Colombian exploration campaign, specifically targeting the high-grade Anza gold project. Highlighted drill results include 5.47g/t Au over 4.63m from 97.1m to 101.73m, and 17.76g/t Au over 5.32m from 144.5m to 149.82m, both with associated minor copper and moderate zinc mineralisation. Of the 19 intercepts released to market, 68% (13 in total) were above 2g/t Au, and 42% (8) were above 4g/t Au – potentially mineable via an underground operation. Of particular note is that only 6% of the total planned drilling has been completed, and the highlighted drill results in the company's press release reflect only 30% partial sampling from two drill holes. Considering the mineralisation encountered already from limited sampling, the future potential for further high-grade intercepts over potentially mineable widths is evident and we expect further positive drilling results in due course.

INDUSTRY OUTLOOK

Our valuation of OMI's shares is £0.29 (C$0.43). We also see a potential first-pass 4.4p/share value for Anzá dependent on a 0.5Moz resource delineated and valued on an EV/oz basis at 31.17/oz Au, which in itself could add c 28% to Orosur's market capitalisation.

Y/E May	Revenue (US$m)	EBITDA (US$m)	PBT (US$m)	EPS (fd) (c)	P/E (x)	P/CF (x)
2016	42.9	9.1	3.2	(1.2)	N/A	2.6
2017	44.2	9.4	2.1	2.6	6.6	1.4
2018e	42.9	17.5	10.1	8.3	2.1	1.5
2019e	51.3	18.7	14.9	12.1	1.4	1.4

Sector: Technology

Price:	165.0p
Market cap:	£17m
Market	AIM

Share price graph (p)

Company description

UK-based Osirium Technologies designs and supplies subscription-based cyber security software. It has four products: privileged access management (PAM), privileged task management (PTM), privileged session management (PSM) and privileged behaviour management (PBM).

Price performance

%	1m	3m	12m
Actual	3.8	16.6	(1.5)
Relative*	5.3	16.3	(10.1)

* % Relative to local index

Analyst

Katherine Thompson

Osirium Technologies (OSI)

INVESTMENT SUMMARY

Osirium is making good progress in renewing contracts and signing new customers. We are initiating forecasts based on the assumption that the company will grow bookings at a rate of 63% in FY17, 50% in FY18 and 40% in FY19. We forecast that this will result in an EBITDA loss of £1.9m in FY17 reducing to £1.6m by FY19. We estimate that the current share price is factoring in longer-term bookings growth of 29% (average FY20-26) which, based on the company's 'land and expand' strategy and focus on selling to the mid-market via distributors, appears achievable in our view.

INDUSTRY OUTLOOK

The market for PAM software was worth $690m in 2015 and is forecast to grow to $2.27bn by 2020 (source: Gartner), with demand driven by regulation, the shift to the cloud and adoption spreading to smaller organisations. The complexity of established solutions means fewer mid-market businesses use PAM software than enterprises, so this is a market ripe for development.

Y/E Oct / Dec	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (fd) (p)	P/E (x)	P/CF (x)
2015	0.3	(0.4)	(0.8)	(6.61)	N/A	N/A
2016	0.5	(1.1)	(1.7)	(12.38)	N/A	N/A
2017e	0.6	(1.9)	(2.6)	(21.15)	N/A	N/A
2018e	1.0	(1.8)	(2.7)	(21.69)	N/A	N/A

Sector: Financials

Price:	US$25.50
Market cap:	US$291m
Market	OTC QX

Share price graph (US$)

Company description

OTC Markets Group operates the OTCQX, OTCQB and Pink financial markets for c 10,000 US and global securities. Its trading system, OTC Link ATS, is operated by OTC Link LLC, a member of FINRA and is an SEC-regulated Alternative Trading System.

Price performance

%	1m	3m	12m
Actual	0.4	6.3	32.5
Relative*	(0.9)	(0.4)	12.2

* % Relative to local index

Analyst

Andrew Mitchell

OTC Markets Group (OTCM)

INVESTMENT SUMMARY

OTC Markets Group's (OTCM) third quarter results announced in November showed further progress with pre-tax profits up by 4% versus Q316 despite a 10% increase in operating expenses to support IT systems and new services. OTCQX and OTCQB received Blue Sky recognition from a further two states, taking the total to 27 for OTCQX. Strategic alliances have been established that should help extend OTCM's geographical reach and broaden the services offered to corporate clients.

INDUSTRY OUTLOOK

OTCM maintains its focus on providing "less painful" market access to corporates, an attractive offering to broker dealers and transparency to investors. To this end, it announced a strategic alliance with the Canadian Stock Exchange that will facilitate access to North American markets by international companies, while another with Issuer Direct will allow corporates convenient access to communication and compliance services. In a move to provide an additional trading option for broker-dealer subscribers, OTCM is to launch an Electronic Communications Network before the end of the year.

Y/E Dec	Revenue (US$m)	EBITDA (US$m)	PBT (US$m)	EPS (c)	P/E (x)	P/CF (x)
2015	49.9	18.6	16.9	88.3	28.9	N/A
2016	50.9	18.5	16.9	105.8	24.1	N/A
2017e	54.4	19.7	18.3	106.2	24.0	N/A
2018e	57.6	21.2	19.8	107.2	23.8	N/A

Sector: Property

Price:	335.0p
Market cap:	£154m
Market	AIM

Share price graph (p)

Company description

Palace Capital is an AIM-quoted property investment company focused on commercial real estate in the UK outside London. The portfolio is diverse, with the largest weighting in offices. Management aims to increase capital value and provide a sustainable and growing income stream.

Price performance

%	1m	3m	12m
Actual	(1.5)	(13.6)	(5.8)
Relative*	(0.1)	(13.9)	(14.0)

* % Relative to local index

Analyst

Martyn King

Palace Capital (PCA)

INVESTMENT SUMMARY

Palace will report interim results on 4 December. It recently completed the acquisition of a £71.8m mixed-use investment portfolio and the issue of shares to fund it. Building on a strong track record of value creation from previous acquisitions, management expects to grow the income on the commercial assets acquired, while the residential assets are likely to be disposed of, subject to price, freeing up capital for recycling into higher yielding commercial property assets, which remain the focus. The asset management potential is not reflected in our revised estimates and represents potential future upside. Palace provides a highly attractive dividend, fully covered by forecast earnings, and trades at a discount to NAV. The planned Main Market listing is likely to broaden Palace's appeal to a wider investor base.

INDUSTRY OUTLOOK

The regional occupier market is reported to be healthy and we continue to expect Palace's geographical and sector focus, as well as the relatively high yields on the portfolio, to provide some protection from potential macroeconomic headwinds, including those related to Brexit, especially compared to property in London.

Y/E Mar	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (p)	P/E (x)	P/CF (x)
2016	14.6	10.9	5.6	18.9	17.7	N/A
2017	14.3	9.3	6.7	22.2	15.1	N/A
2018e	16.1	11.3	8.3	19.9	16.8	N/A
2019e	19.4	15.0	11.5	21.5	15.6	N/A

Sector: Mining

Price:	15.0p
Market cap:	£335m
Market	AIM

Share price graph (p)

Company description

Pan African Resources has five major precious metals assets in South Africa: Barberton (target output 95koz Au pa), the Barberton Tailings Retreatment Project (20koz), Evander (95koz), the Evander Tailings Retreatment Project (10koz) and Elikhulu (53koz).

Price performance

%	1m	3m	12m
Actual	13.2	15.4	(17.8)
Relative*	14.8	15.1	(25.0)

* % Relative to local index

Analyst

Charles Gibson

Pan African Resources (PAF)

INVESTMENT SUMMARY

So far in CY17, PAF has announced the disposal of Uitkomst and Phoenix for an aggregate ZAR364m (£22m, or US$28m) and a placing to raise ZAR705m (£41m, or US$51m). Together, these initiatives effectively finance the ZAR1.7bn Elikhulu project to add c 52koz (or 25%) to PAF's production profile by FY20. Final regulatory approval for the project, which we value at US$69.9m at a 10% discount rate, has already been granted.

INDUSTRY OUTLOOK

Profit after tax of £17.9m in FY17 was closely in line with our expectations after a materially lower tax charge. Wage negotiations at Barberton have been concluded and production of gold is now expected to increase to >190koz in FY18 and c 250koz in FY20 (cf 173koz in FY17), which will drive a significant increase in future EPS to c 3p/share (Edison estimate). Applying a 10% discount rate to future dividends, we value PAF at 21.69p/share. In the meantime, it is cheap relative to history and its peers as well as having one of the highest forecast dividend yields globally.

Y/E Jun	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (p)	P/E (x)	P/CF (x)
2016	168.4	57.4	45.9	2.08	7.2	5.8
2017	167.8	32.4	19.4	1.22	12.3	7.8
2018e	196.7	62.0	51.4	1.91	7.9	4.4
2019e	207.9	68.2	46.8	1.72	8.7	4.0

Sector: General industrials

Price:	€67.46
Market cap:	€305m
Market	Xetra

Share price graph (€)

Company description

paragon designs and manufactures advanced automotive electronics solutions as a direct supplier to the automotive industry. Products include: sensors, acoustics, cockpit, electromobility and body kinematics.

Price performance

%	1m	3m	12m
Actual	(16.9)	7.1	55.4
Relative*	(17.2)	(0.1)	27.2

* % Relative to local index

Analyst

Emily Liu

paragon (PGN)

INVESTMENT SUMMARY

We forecast a three-year CAGR (FY17e-FY19e) in revenues of c 26%, driven by €1.2bn lifetime order backlog, and a three-year CAGR (FY17e-FY19e) in EPS of 63% by factoring into the benefits of production automation in Delbrück. We maintain our fair value of €82.1/share based on our DCF approach. Our revenues and earnings forecasts are broadly in line with consensus. Based on Q317 results, both paragon and its 60%-owned subsidiary, Voltabox, are on track to achieve FY17 guidance.

INDUSTRY OUTLOOK

We believe the growth story of paragon is understood by the capital market, following the successful issue of €50m bonds in June 2017 and the spin-off of its subsidiary, Voltabox, in October 2017 to raise gross proceeds of €152m. In order to generate further appreciation of its share price, paragon needs not only to deliver on its €1.2bn lifetime order backlog, but also to create further growth engines.

Y/E Dec	Revenue (€m)	EBITDA (€m)	PBT (€m)	EPS (fd) (c)	P/E (x)	P/CF (x)
2015	95.0	14.1	5.0	82.7	81.6	16.9
2016	102.8	16.1	5.8	84.4	79.9	14.1
2017e	123.8	19.4	7.8	116.0	58.2	21.1
2018e	155.7	25.6	13.1	194.5	34.7	14.7

Sector: Financials

Price:	90.0p
Market cap:	£167m
Market	AIM

Share price graph (p)

Company description

Park Group is a financial services business. It is one of the UK's leading multi-retailer gift voucher and prepaid gift card businesses, focused on the corporate gift and consumer markets. Sales are generated via e-commerce, a direct salesforce and agents.

Price performance

%	1m	3m	12m
Actual	5.9	17.7	41.5
Relative*	7.4	17.3	29.1

* % Relative to local index

Analyst

Martyn King

Park Group (PKG)

INVESTMENT SUMMARY

Both the Corporate and Consumer divisions continued to make progress in H118, reflected in expanded order books and a further increase in peak cash balances through the year to a record £229m (FY17: £217m). Park's business is highly seasonal, with more than 75% of trading activity taking place in the second half of the year, which includes Christmas. Key initiatives such as the Christmas savings mobile app and the Evolve digital rewards platform are progressing well. Although the normal interim loss was a little wider this year than last, it reflects the larger scale of the business combined with a number of timing differences that have deferred revenue recognition into H2. Park recently announced that Ian O'Doherty, with significant banking and payment and card services experience, will replace retiring CEO Chris Houghton in early 2018. We will review our forecast in detail but do not expect to make significant changes.

INDUSTRY OUTLOOK

Constant innovation supports steady growth in Christmas savings and strong trend growth into a large target market for corporate incentivisation and rewards.

Y/E Mar	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (fd) (p)	P/E (x)	P/CF (x)
2016	385.0	12.4	11.9	5.2	17.3	13.8
2017	404.5	13.0	12.4	5.3	17.0	17.0
2018e	432.8	13.5	13.2	5.6	16.1	15.2
2019e	462.9	14.4	14.3	6.1	14.8	12.5

Paysafe Group (PAYS)

Sector: Technology

Price:	587.5p
Market cap:	£2870m
Market	LSE

Share price graph (p)

Company description

Paysafe Group is a global payment solutions specialist operating in three areas: payment processing, digital wallets and prepaid services.

Price performance

%	1m	3m	12m
Actual	0.3	1.0	46.5
Relative*	1.7	0.7	33.6

* % Relative to local index

Analyst

Katherine Thompson

INVESTMENT SUMMARY

Paysafe's H117 results show that organic constant currency growth is moderating to low double-digit rates, after exceptional growth in 2016. Profitability was strong during the period, helped by the strong growth and margins of the Asia Gateway business. The acquisition of MCPS (now complete) and the sale of Asia Gateway will both help reduce the group's exposure to online gambling, and MCPS will strengthen the group's position in bricks and mortar payment processing.

For the purposes of the Takeover code, Edison Investment Research is deemed to be connected with Paysafe. Paysafe Group is a research client of Edison Investment Research Limited.

INDUSTRY OUTLOOK

The payment processing business should continue to benefit from the growth in customer transactions. Online retail sales are forecast to continue to show strong growth; for example, Forrester predicts US e-commerce revenue CAGR of 10% from 2014-19, as more retail sales shift from on-premise, mail order or telephone to online. The Digital Wallet business continues to benefit from growth in online gambling.

Y/E Dec	Revenue (US$m)	EBITDA (US$m)	PBT (US$m)	EPS (c)	P/E (x)	P/CF (x)
2015	613.4	152.6	118.8	25.6	30.3	33.8
2016	1000.3	300.8	241.9	42.1	18.4	13.5
2017e	N/A	N/A	N/A	N/A	N/A	N/A
2018e	N/A	N/A	N/A	N/A	N/A	N/A

Picton Property Income (PCTN)

Sector: Financials

Price:	85.0p
Market cap:	£459m
Market	LSE

Share price graph (p)

Company description

Picton Property Income is an internally managed investment company that invests in commercial property across the UK. The investment objective is to provide investors with an attractive level of income and the potential for capital growth.

Price performance

%	1m	3m	12m
Actual	2.4	0.9	10.4
Relative*	3.9	0.6	0.7

* % Relative to local index

Analyst

Martyn King

INVESTMENT SUMMARY

Picton continued to meet its objective of consistent performance during H118. A property return of 6.3% and income return of 2.9% both outperformed the MSCI IPD Quarterly Benchmark (5.0% and 2.2%, respectively). IFRS net profit was £30.7m including a net £19.9m of gains on investments with NAV per share increased by 5% on end-FY17 to 86p. Including dividends paid of 1.7p, the NAV total return was 7.1% over the six-month period. The company intends to pay an increased annual dividend of 3.5p (+3%), commencing with a quarterly DPS of 0.875p to be paid in February 2018. Mainly tracking higher rent growth than previously forecast, our EPRA EPS estimates are increased by c 4% for FY18 and 3% for FY19.

INDUSTRY OUTLOOK

Despite economic uncertainties, Brexit-related and otherwise, regional occupier demand is generally firm, driven by continuing economic growth and business relocation away from London, while new supply remains limited. Meanwhile, the yield spread between the regions and London remains historically wide at c 2%, compared with a 2008 market peak of c 0.5%, representing a clear potential for narrowing.

Y/E Mar	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (p)	P/E (x)	P/CF (x)
2016	40.8	N/A	65.1	368.07	0.2	13.8
2017	47.9	N/A	43.2	380.81	0.2	12.7
2018e	43.2	N/A	47.3	410.91	0.2	14.3
2019e	44.5	N/A	33.6	428.71	0.2	13.5

Sector: Technology

Price: €4.99
Market cap: €90m
Market AIM Italia

Share price graph (€)

Company description

Piteco is Italy's leading company in the design, development and implementation of software for treasury, finance and financial planning management.

Price performance

%	1m	3m	12m
Actual	(2.3)	(2.9)	15.9
Relative*	(1.3)	(6.0)	(15.3)

* % Relative to local index

Analyst

Richard Jeans

Piteco (PITE)

INVESTMENT SUMMARY

Underlying momentum remains healthy, with 24 new contract wins in the eight months to 31 August, up from 21 in the previous corresponding period. LendingTools (LT), which was acquired in April, has been performing well and management is increasingly buoyant on its prospects. While we have eased our Corporate Treasury revenue forecasts, due to the lack of an abnormally large contract this year, we are maintaining our forecasts for LT despite the 10% decline in the dollar/euro, and our FY18 and FY19 EPS move higher on lower tax assumptions. Given the attractive growth opportunities, strong cash generation and healthy balance sheet, we continue to believe the shares are attractive on c 13x our FY18e EPS.

INDUSTRY OUTLOOK

Piteco is the leading player in the Italian treasury management systems (TMS) market. TMS are software solutions used by corporate treasuries and finance departments to manage transactions and support their decision-making. The application software market in Italy is valued at €3.8bn (Assinform/NetConsulting 2014). A small slice of this (Piteco suggests 5-10%) represents the market for treasury and financial planning software. IDC estimates the worldwide revenue for the risk and treasury applications market was $2.1bn in 2013, up 4.3% y-o-y.

Y/E Dec	Revenue (€m)	EBITDA (€m)	PBT (€m)	EPS (c)	P/E (x)	P/CF (x)
2015	12.8	5.7	4.9	20.7	24.1	17.9
2016	13.5	5.6	4.9	24.3	20.5	16.3
2017e	17.1	7.1	6.3	30.6	16.3	13.6
2018e	20.4	9.0	8.2	38.9	12.8	9.8

Sector: Technology

Price: US$17.75
Market cap: US$143m
Market NASDAQ, TASE

Share price graph (US$)

Company description

Pointer Telocation is a leading provider of MRM services and products to the automotive and insurance industries. Key services are asset tracking, fleet management and monitoring goods in transit/IoT. Its main markets are Israel, Brazil, Argentina, Mexico and Europe.

Price performance

%	1m	3m	12m
Actual	3.8	22.9	138.3
Relative*	2.5	15.1	101.9

* % Relative to local index

Analyst

Anna Bossong

Pointer Telocation (PNTR)

INVESTMENT SUMMARY

Pointer Telocation generates high recurring revenues from mobile resource management services, with a focus on less developed markets. The group reported strong third-quarter results supported by 26% y-o-y subscriber growth and a boost to product margins, putting it on track to exceed management guidance of 20% FY EBITDA growth. Recent contract wins include driver monitoring tech for US ride-hail firms, telematics for Latam firm Coca-Cola FEMSA, connected car products for Israeli vehicle importers and a $2-3m pa order for the CelloTrack Nano IoT product. We derive share valuations on multiple and DCF valuations of $20.1 (NIS70.8) and $18.1 (NIS63.7), respectively.

INDUSTRY OUTLOOK

The global telematics market (services and products) is forecast to grow at an 18.9% CAGR between 2015 and 2020 according to Driscoll & Associates, reflecting the growing sophistication and integration of telematics devices into business frameworks and increasing legislation requiring the use of telematics. Less developed markets such as Latin America and Africa are forecast to achieve higher CAGRs of 15.6% and 17.3%, respectively, during this period.

Y/E Dec	Revenue (US$m)	EBITDA (US$m)	PBT (US$m)	EPS (fd) (c)	P/E (x)	P/CF (x)
2015	60.6	8.8	6.4	67.0	26.5	11.9
2016	64.4	9.8	6.6	62.0	28.6	15.2
2017e	78.8	13.3	9.6	91.0	19.5	12.1
2018e	86.5	15.0	11.1	103.0	17.2	10.5

Polypipe (PLP)

Sector: General industrials

Price:	382.3p
Market cap:	£758m
Market	LSE

Share price graph (p)

Company description

Polypipe is a leading European supplier of plastic building products and ventilation systems. UK operations address a broad range of sectors including residential, commercial and civil building demand and a number of subsectors within them.

Price performance

%	1m	3m	12m
Actual	(8.4)	(0.7)	29.2
Relative*	(7.1)	(1.0)	17.9

* % Relative to local index

Analyst

Toby Thorrington

INVESTMENT SUMMARY

Overall, group like-for-like (LFL) 10-month revenue growth was +7.1% (including +7.3% in H2 to date), enhanced to 8.2% with FX effects. Against H1, divisional LFL revenue growth in the latest four months (to October) is tracking slightly higher in UK Residential and Commercial & Infrastructure (C&I) Europe and lower in C&I UK. Market comments are similar to before with residential newbuild still the standout sector; as Polypipe addresses the full build cycle from below ground to internal fixes, it offers a good read on activity here. A sluggish UK road-building programme is continuing to limit volume progress in UK C&I, although price increases have contributed to some revenue growth.

INDUSTRY OUTLOOK

The Construction Products Association's October update pointed to an expectation of 0.7% industry growth in 2017 and flat outturn for FY18. Behind these headline figures, infrastructure (major projects, water, road and rail) and private housebuilding are expected to be the positive drivers, against slower commercial and industrial.

Y/E Dec	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (p)	P/E (x)	P/CF (x)
2015	352.9	69.3	48.0	19.4	19.7	10.5
2016	436.9	86.4	61.8	25.0	15.3	8.8
2017e	465.9	90.8	66.2	26.4	14.5	8.7
2018e	481.5	96.6	71.6	29.0	13.2	8.2

PPHE Hotel Group (PPH)

Sector: Travel & leisure

Price:	1088.5p
Market cap:	£461m
Market	LSE

Share price graph (p)

Company description

PPHE Hotel Group (formerly Park Plaza Hotels) is an integrated owner and operator of four-star, boutique and deluxe hotels in gateway cities, regional centres and select resort destinations, predominantly in Europe.

Price performance

%	1m	3m	12m
Actual	4.7	19.3	57.2
Relative*	6.2	18.9	43.4

* % Relative to local index

Analyst

Richard Finch

INVESTMENT SUMMARY

PPHE has again hit the spot with a "strong" Q3 (like-for-like RevPAR +9%, albeit currency-boosted), driven by Croatia and London. This is all the more encouraging as it is entirely rate-led, the peak trading period of Arena and proof of resilience in the capital despite a market slowdown. There is further reassurance in management's confidence about Q4, given its significance and a demanding comparative. Development continues apace with openings and renovations on track and the company's reassertion of its enhanced financial flexibility after the recent Waterloo sale. A meagre rating belies PPHE's proven profit delivery and asset backing (fair value c £18/share).

INDUSTRY OUTLOOK

Geopolitical events, eg security and Brexit uncertainty, are a concern but the London hotel market has shown admirable resilience and benefits from increased tourism owing to sterling weakness. Greater measurable worries are room supply, which is set to rise above its long-term trend, and rising operating costs from the National Living Wage and imported inflation. GL, London's largest hotel owner/operator, "maintains a cautious outlook", while market RevPAR in the quarter to October was flat, per STR.

Y/E Dec	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (fd) (p)	P/E (x)	P/CF (x)
2015	218.7	80.1	31.8	76.1	14.3	5.5
2016	272.5	94.1	34.2	73.9	14.7	5.8
2017e	326.0	106.0	33.5	65.9	16.5	4.3
2018e	350.0	113.0	40.0	78.5	13.9	4.1

Primary Health Properties (PHP)

Sector: Property

Price:	113.5p
Market cap:	£681m
Market	LSE

Share price graph (p)

Company description

Primary Health Properties is a long-term investor in primary healthcare property in the UK and, recently, Ireland. Assets are mainly long-let to GPs and the NHS or the HSE, organisations backed by the UK and Irish governments, respectively.

Price performance

%	1m	3m	12m
Actual	(4.0)	(6.2)	2.0
Relative*	(2.7)	(6.5)	(6.9)

* % Relative to local index

Analyst

Martyn King

INVESTMENT SUMMARY

Investor interest in the secure long-term cash flows available from modern, purpose-built primary care properties remains strong. In H117, this drove a further £29.9m revaluation gain, with the portfolio valuation yield tightening from 5.17% to 5.04%. As a result, despite payment of quarterly dividends of an aggregate 2.62p per share, the EPRA NAV/share increased to 96.1p from 91.1p at end-FY16, representing an 8.4% total return in the six-month period. We forecast earnings and dividends to continue to grow as a result of continuing acquisitions and rental growth (which seems likely to accelerate) with a well-controlled cost base. Three recent acquisitions, all standing let investment properties with an aggregate investment of c £17.7m, have increased PHP's portfolio to 306 assets with a gross value of c £1.325bn and an annual contracted rent roll of just over £72m. Management indicates that the pipeline remains strong in both the UK and the Republic of Ireland.

INDUSTRY OUTLOOK

Healthcare planning, with broad political support, suggests strong underlying demand for modern healthcare properties in both the UK and the Republic of Ireland. In addition to providing investment opportunities, this seems likely to support rental growth.

Y/E Dec	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (p)	P/E (x)	P/CF (x)
2015	63.1	55.5	21.7	4.9	23.2	8.8
2016	67.4	59.2	26.7	4.8	23.6	11.2
2017e	71.9	63.1	31.7	5.3	21.4	10.7
2018e	77.9	68.8	34.0	5.7	19.9	9.8

QinetiQ Group (QQ)

Sector: Aerospace & defence

Price:	213.2p
Market cap:	£1209m
Market	LSE

Share price graph (p)

Company description

QinetiQ provides technical support services to customers in the global aerospace, defence and security markets. The group operates through two divisions: EMEA Services (78% of FY17 sales) and Global Products (22%).

Price performance

%	1m	3m	12m
Actual	(12.9)	(8.1)	(10.0)
Relative*	(11.6)	(8.4)	(17.9)

* % Relative to local index

Analyst

Annabel Hewson

INVESTMENT SUMMARY

The transformation at QinetiQ continues. The H118 report has demonstrated the contribution from recent acquisitions, the longer-term nature of contracts and the broadening international reach of the company. While the UK defence market is not without challenges, QinetiQ's strategy is focused on delivering efficiencies for the UK MOD and investing for medium-term growth. Importantly, FY18 guidance has been maintained. We have made small adjustments to our FY18 and FY19 estimates.

INDUSTRY OUTLOOK

QinetiQ is actively embracing the UK defence environment to help the MOD achieve the cost savings that it needs. The Air Strategic Enterprise and the first part of the LTPA amendment demonstrate a win-win for both parties and training is another area where further efficiencies can be delivered. In addition, QinetiQ is seeking to bolster its presence in international markets. H118 has seen record order success in Australia, which QinetiQ actually considers a home market, facilitated in part by the RubiKon acquisition.

Y/E Mar	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (p)	P/E (x)	P/CF (x)
2016	755.7	134.7	108.6	16.3	13.1	6.9
2017	783.1	145.3	116.1	18.1	11.8	10.8
2018e	823.9	143.6	111.9	17.1	12.5	11.3
2019e	838.4	140.7	110.2	16.9	12.6	9.5

Rank Group (RNK)

Sector: Travel & leisure

Price:	239.5p
Market cap:	£936m
Market	LSE

Share price graph (p)

Company description

Rank is a gaming-based leisure and entertainment company. Its Grosvenor and Mecca brands are market leaders in UK multi-channel gaming and it also has operations in Spain and Belgium. In FY17, 85% of revenues came from its venues and 15% from its digital operations.

Price performance

%	1m	3m	12m
Actual	8.3	4.1	17.9
Relative*	9.9	3.8	7.5

* % Relative to local index

Analyst

Victoria Pease

INVESTMENT SUMMARY

Rank Group aims to be the UK's leading omni-channel gaming operator, with its Mecca Bingo and Grosvenor Casino brands. FY17 results highlighted the potential for Digital, which grew 15.3%, with a 20.4% operating margin. A recent trading update (16 weeks to 15 October) also demonstrated a pick-up in Mecca digital. The launch of the single wallet (piloting in autumn 2017) could be a game-changer for Grosvenor digital. Meanwhile, the Venues businesses are being reorganised with numerous cost-savings initiatives and remain highly cash-generative.

INDUSTRY OUTLOOK

The DCMS has launched a 12-week consultation process (ending 23 January) after the findings of the triennial review. A stake reduction in FOBTs will not affect Rank, although other proposals (responsible gambling obligations, advertising guidelines) will have an impact on all online operators. Cost pressures include the National Living Wage and the extension of the UK 15% POC tax to gaming 'free play' (retrospective enforcement from 1 August 2017).

Y/E Jun	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (p)	P/E (x)	P/CF (x)
2016	753.0	128.2	77.4	15.4	15.6	8.5
2017	755.1	128.8	79.3	16.3	14.7	8.0
2018e	785.4	131.1	79.6	16.1	14.9	7.5
2019e	816.4	137.7	86.7	17.5	13.7	7.1

Raven Russia Ltd (RUS)

Sector: Property

Price:	47.8p
Market cap:	£315m
Market	LSE

Share price graph (p)

Company description

Guernsey-based Raven Russia is listed on the main market of the LSE and invests, for the long term, in modern, high-quality warehouse properties in Russia, with the aim of delivering progressive distributions to shareholders.

Price performance

%	1m	3m	12m
Actual	0.0	1.1	25.7
Relative*	1.4	0.8	14.7

* % Relative to local index

Analyst

Martyn King

INVESTMENT SUMMARY

Raven has announced a second significant acquisition for the current year, a 73%-let, large and modern Grade A warehouse complex north of Moscow for a maximum consideration of c $120m. It is initially funded from Raven's existing strong cash position and immediately enhances earnings with the potential for further upside from lettings and higher rents. With the Russian economy continuing to improve, and with occupier demand running well in excess of falling new warehouse supply, management comments that it feels increasingly like the bottom of the market. Utilising the remaining cash resources and gearing unencumbered assets, we estimate that Raven has the resources to undertake further acquisitions, which have the potential to significantly lift our near-term forecasts and mitigate the negative effect on current portfolio rental income should the market fail to recover over the medium term.

INDUSTRY OUTLOOK

The economic recovery is supporting occupier demand for warehouse space as new supply is diminishing. Agents are indicating a stabilisation of rents and expect vacancies to decline.

Y/E Dec	Revenue (US$m)	EBITDA (US$m)	PBT (US$m)	EPS (fd) (c)	P/E (x)	P/CF (x)
2015	219.7	N/A	64.9	7.94	7.9	3.1
2016	195.3	N/A	62.3	6.81	9.3	3.5
2017e	195.2	N/A	46.3	4.69	13.5	3.2
2018e	210.0	N/A	52.7	5.50	11.5	4.0

Record (REC)

Sector: Financials

Price:	48.0p
Market cap:	£96m
Market	LSE

Share price graph (p)

Company description

Record is a specialist currency manager, providing currency hedging and return-seeking mandates to institutional clients. Services include passive and dynamic hedging and return-seeking currency strategies via funds or segregated accounts.

Price performance

%	1m	3m	12m
Actual	6.1	7.3	54.2
Relative*	7.6	7.0	40.7

* % Relative to local index

Analyst

Andrew Mitchell

INVESTMENT SUMMARY

Record is differentiated from conventional asset managers by its focus on currency markets where it benefits from its independent status and over 30 years of experience. Passive hedging services account for more than half of revenues but its offering is increasingly bespoke. This has pushed costs up but should help secure additional and retain existing mandates. Despite increased costs, H118 PBT still rose 6% y-o-y and, helped by the £10m tender offer, earnings per share were up 14%. The valuation remains below average in comparison with UK asset managers and the distribution policy is attractive for those seeking income.

INDUSTRY OUTLOOK

Currency volatility has remained relatively subdued recently but macroeconomic and geopolitical uncertainties continue to generate concerns over possible adverse tail events, so conditions remain favourable for Record to market its services to potential clients. Work to broaden the product range and increase customisation should be helpful. Meanwhile, the longer-term track record for the currency for return strategies may allow this and the multi-product areas to increase AUME and revenue.

Y/E Mar	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (fd) (p)	P/E (x)	P/CF (x)
2016	21.1	7.2	7.0	2.54	18.9	19.0
2017	23.0	7.9	7.9	2.90	16.6	14.7
2018e	24.6	8.4	8.1	3.13	15.3	13.7
2019e	25.2	8.6	8.4	3.34	14.4	14.1

Regional REIT (RGL)

Sector: Property

Price:	104.0p
Market cap:	£313m
Market	LSE

Share price graph (p)

Company description

Regional REIT owns a commercial property portfolio, predominantly offices and industrial units located in the regional centres of the UK. It is actively managed and targets a total shareholder return of 10-15% pa with a strong focus on income.

Price performance

%	1m	3m	12m
Actual	0.0	2.5	(1.9)
Relative*	1.4	2.2	(10.5)

* % Relative to local index

Analyst

Martyn King

INVESTMENT SUMMARY

In a Q3 update, RGL said that it is trading in line with management's expectations and that it remains confident of its growth prospects, with active asset management underpinning income. The investment portfolio grew strongly in H117, including the £129m portfolio acquisition from Conygar, which made only a partial contribution to income in the period. The managers have indicated a noticeable uplift in income momentum for H2, as recently acquired assets make a full-period contribution and significant refurbishment projects complete. Although occupancy (by value) was actually slightly lower at 30 September than at mid-year (82.8% versus 83.3%), subsequent lettings already agreed represent, we estimate, c 1.4% in occupancy improvement towards the 85% we target by year-end. Debt refinancing, which will extend average debt maturity to 6.3 years from 2.0 years with no expected increase in costs, is close to completion.

INDUSTRY OUTLOOK

Regional occupier demand is generally firm, driven by continuing economic growth and business relocation away from London, while new supply remains limited. Meanwhile, the yield spread between the regions and London remains historically wide at c 2%, compared with a 2008 market peak of c 0.5%, representing a clear potential for narrowing.

Y/E Dec	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (p)	P/E (x)	P/CF (x)
2015	4.6	3.3	2.4	0.9	115.6	N/A
2016	38.1	30.2	20.8	7.8	13.3	N/A
2017e	44.7	36.1	23.3	7.9	13.2	N/A
2018e	49.8	40.3	26.8	8.9	11.7	N/A

Renewi (RWI)

Sector: General industrials

Price:	103.2p
Market cap:	£825m
Market	LSE

Share price graph (p)

Company description

Renewi is a waste-to-product company with operations primarily in the UK, the Netherlands and Belgium, and activities spanning the collection, processing and resale of industrial, hazardous and municipal waste.

Price performance

%	1m	3m	12m
Actual	(0.7)	5.6	16.9
Relative*	0.7	5.3	6.7

* % Relative to local index

Analyst

Toby Thorrington

INVESTMENT SUMMARY

Renewi reported a strong H118 trading performance, its first meaningful results period since the merger between the former Shanks and Van Gansewinkel groups in February this year. Hence, the 21% pro forma EBIT growth (in constant exchange rate terms) for the enlarged business was achieved at the same time as undertaking a significant integration programme. Merger synergies contributed to this result but good underlying market conditions in Commercial Waste was the key driver of underlying progress. This is now reflected in our increased estimates for the current year, while subsequent years are effectively unchanged, as is merger integration synergy guidance.

INDUSTRY OUTLOOK

After an extended period of contraction the Dutch waste market, accounting for the largest single business within Renewi, has returned to growth as the economy has recovered, boosted in particular by stronger construction activity.

Y/E Mar	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (p)	P/E (x)	P/CF (x)
2016	614.8	69.2	21.6	4.3	24.0	6.4
2017	779.2	81.6	26.0	3.7	27.9	19.8
2018e	1531.4	161.2	51.0	4.8	21.5	8.4
2019e	1554.3	184.8	70.6	6.6	15.6	5.5

Reworld Media (ALREW)

Sector: Media & entertainment

Price:	€1.90
Market cap:	€69m
Market	Euronext Growth

Share price graph (€)

Company description

Reworld Media is a digital media group that combines well-recognised media brands (with on- and offline presence) and ad tech digital performance marketing.

Price performance

%	1m	3m	12m
Actual	(6.4)	(9.1)	66.7
Relative*	(6.2)	(13.4)	39.6

* % Relative to local index

Analyst

Fiona Orford-Williams

INVESTMENT SUMMARY

The key elements of the H117 figures were the strong growth and margin improvement in the core media branding business and the return to profit at Tradedoubler. The latter's consolidation has lifted Reworld's half-year revenues by 23% over H116. With the consolidation of Sporever, our current year figures are underpinned and our FY18 forecasts were slightly raised. Tradedoubler's interim figures to September showed lower revenues but imported gross and EBITDA margins as the group dropped unprofitable business. Reworld's strong media brand portfolio, combined with the data and monetisation capabilities of Tradedoubler (30% owned) make the group an attractive partner to advertisers. On a lower cost base, this is translating into impressive earnings growth, not yet reflected in the rating.

INDUSTRY OUTLOOK

While the magazine market continues to suffer from lower physical sales and falling advertising revenues, the underlying demand for entertaining and informative content is undiminished. The outlook for online/mobile ad spend remains robust, with Statista forecasting CAGR of 11.3% for France through to 2021, benefiting both Reworld's media brands and the Tradedoubler business model.

Y/E Dec	Revenue (€m)	EBITDA (€m)	PBT (€m)	EPS (fd) (c)	P/E (x)	P/CF (x)
2015	60.2	1.1	0.0	0.0	N/A	N/A
2016	174.0	4.4	0.9	0.4	475.0	52.3
2017e	186.5	8.5	3.2	5.7	33.3	N/A
2018e	196.5	14.5	8.9	14.3	13.3	5.3

Sector: Oil & gas

Price:	22.6p
Market cap:	£103m
Market	AIM

Share price graph (p)

Company description

Rockhopper is a London-listed E&P with fully funded development of Sea Lion, a 500+mmbbl field in the Falklands as well as the potential of a similar size discovery to the south. It also holds assets in the Mediterranean.

Price performance

%	1m	3m	12m
Actual	(5.7)	11.7	(0.6)
Relative*	(4.4)	11.4	(9.3)

* % Relative to local index

Analyst

Sanjeev Bahl

Rockhopper Exploration (RKH)

INVESTMENT SUMMARY

Rockhopper holds c 50% of the Sea Lion field in the Falklands, one of the largest undeveloped fields globally. With gross contingent 2C reserves of 517mmbbl (and 900mmbbl 3C), the phased development of the fields has been delayed by a number of factors. However, with costs falling to produce an NPV10 break-even of less than $45/bbl and a more solid funding solution becoming apparent over the last six months, a final investment decision is being targeted in 2018. Together with its Mediterranean production assets and $63m in cash at end H117, Rockhopper is well placed to realise long-term value. We have reviewed our modelling and applied lower long-term oil price assumptions, which results in a core NAV of 44p/share.

INDUSTRY OUTLOOK

Small and mid-cap E&Ps have struggled in recent years to secure funding to develop major oil and gas projects. In response, the Sea Lion JV is considering export credit finance and vendor/contractor finance as an alternative funding route for field development.

Y/E Dec	Revenue (US$m)	EBITDA (US$m)	PBT (US$m)	EPS (c)	P/E (x)	P/CF (x)
2015	4.0	(32.8)	(44.7)	N/A	N/A	N/A
2016	7.4	(15.2)	(18.5)	N/A	N/A	N/A
2017e	9.8	(2.5)	(14.1)	N/A	N/A	N/A
2018e	8.1	0.0	(16.0)	N/A	N/A	366.6

Sector: Financials

Price:	2362.5p
Market cap:	£283m
Market	LSE

Share price graph (p)

Company description

S&U's Advantage motor finance business lends on a simple hire purchase basis to lower- and middle-income groups that may have impaired credit records which restrict their access to mainstream products. It has over 50,000 customers currently.

Price performance

%	1m	3m	12m
Actual	15.7	19.8	5.2
Relative*	17.3	19.5	(4.0)

* % Relative to local index

Analyst

Andrew Mitchell

S&U (SUS)

INVESTMENT SUMMARY

Loan growth for H118 (to end July) at S&U's motor finance business remained strong at 30%, even though lending criteria have been tightened following a previous mix change towards higher-risk customers. This move contributed to a rise in impairments but pre-tax profits and earnings per share still increased by more than 20%. Impairments are set to stabilise as the portfolio rebalances, while the company's focus on providing hire purchase loans to non-prime borrowers for used vehicles using a well-established underwriting system should provide reassurance to investors concerned about the wider motor finance market.

INDUSTRY OUTLOOK

While there is regulatory concern over the growth in consumer lending in general, including the overall motor finance market, S&U does not offer PCP contracts, which have been the main source of growth and concern in this area. With most of its lending being used to fund used cars (average loan c £6,200), which provide customers with transport to work, S&U's main concern would be a rise in unemployment. Meanwhile demand for loans remains strong and there is good scope for S&U to continue to gain market share from its current level of c 1%.

Y/E Jan	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (fd) (p)	P/E (x)	P/CF (x)
2016	45.2	21.5	19.5	132.4	17.8	N/A
2017	60.5	27.1	25.2	169.1	14.0	N/A
2018e	80.0	33.8	30.3	201.9	11.7	N/A
2019e	95.6	41.6	35.5	235.8	10.0	N/A

SCISYS (SSY)

Sector: Technology

Price:	122.5p
Market cap:	£36m
Market	AIM

Share price graph (p)

Company description

SCISYS provides a range of professional services in support of the planning, development and use of computer systems in the space, media/broadcast and defence sectors, as well as to other public and private sector enterprises.

Price performance

%	1m	3m	12m
Actual	1.7	22.5	10.4
Relative*	3.1	22.2	0.7

* % Relative to local index

Analyst

Richard Jeans

INVESTMENT SUMMARY

H1 revenue rose by 23% to £27.2m including 6% organic growth. Adjusted operating profit lifted 15% to £1.2m. Management expects FY17 results to be "at the upper end of current guidance", given the record 30 June order book of £64m and recent contract wins. Space revenues jumped 20% to £11.6m, although it faces a potential headwind from Brexit. In October, Space was awarded an €18m contract to deliver the ground station control and communications infrastructure for the German national satellite-communications mission, Heinrich Hertz, as prime contractor. In August, ANNOVA achieved a key milestone in its BBC contract and consequently the roll-out of OpenMedia software across the BBC has begun. Despite the recent rally, the shares still look attractive on 11x our FY18 earnings.

INDUSTRY OUTLOOK

SCISYS is a specialist provider of high-value IT solutions, focusing on specialist markets of space, media and broadcast, and defence sectors, along with other public and private sector enterprises. In recent years, weakness across the group's significant public sector customer base has been offset by strong performances from space and defence. The recent acquisition of ANNOVA Systems adds critical mass to the Media & Broadcast activities while extending the previous radio-focused offering into television and online.

Y/E Dec	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (p)	P/E (x)	P/CF (x)
2015	36.1	1.5	0.6	1.3	94.2	22.6
2016	45.7	4.0	3.0	9.2	13.3	10.3
2017e	53.4	5.6	4.0	11.2	10.9	5.0
2018e	55.1	6.0	4.4	11.8	10.4	6.4

SDX Energy (SDX)

Sector: Oil & gas

Price:	51.8p
Market cap:	£106m
Market	AIM, TSX-V

Share price graph (p)

Company description

SDX Energy is a North African onshore player listed in Toronto and London. It has oil and gas production in Egypt, and Moroccan gas production. A large gas discovery was recently made at South Disouq.

Price performance

%	1m	3m	12m
Actual	4.0	17.0	88.2
Relative*	5.5	16.6	71.7

* % Relative to local index

Analyst

Sanjeev Bahl

INVESTMENT SUMMARY

SDX Energy has announced two successful well results in recent weeks, with additional oil discovered in Egypt and more net pay found in its first Moroccan gas well than expected. The next six months are busy ones for SDX, with eight more wells to be drilled in Morocco to supply a high-value gas market. Two wells will be drilled in Egypt to delineate its existing South Disouq discovery and two exploration wells will target prospects that could materially increase the gas resources. In addition, programmes at NW Gemsa and Meseda should materially increase production. Our NAV increases from 64p to 65p/share (increases in absolute terms are partially offset by foreign exchange movements).

INDUSTRY OUTLOOK

SDX remains open to adding to its portfolio and sees Egypt as a natural market for consolidation given the large number of small players. Its acquisition of Circle Oil's Egyptian and Moroccan assets in early 2017 shows that it is able to negotiate and complete transactions efficiently.

Y/E Dec	Revenue (US$m)	EBITDA (US$m)	PBT (US$m)	EPS (c)	P/E (x)	P/CF (x)
2015	11.4	2.7	11.1	30.6	2.2	N/A
2016	12.9	5.7	(26.7)	8.9	7.7	N/A
2017e	35.8	20.7	4.8	2.7	25.3	5.9
2018e	54.9	35.9	20.2	9.5	7.2	4.0

Sector: Financials

Price: 1763.0p
Market cap: £326m
Market AIM

Share price graph (p)

Company description

Secure Trust Bank is a well-established specialist bank, addressing niche markets within consumer and commercial banking. It has recently launched a non-standard mortgage business.

Price performance

%	1m	3m	12m
Actual	(6.3)	7.1	(20.4)
Relative*	(4.9)	6.8	(27.4)

* % Relative to local index

Analyst

Andrew Mitchell

Secure Trust Bank (STB)

INVESTMENT SUMMARY

STB's Q3 trading update confirmed that the business is trading in line with expectations. The group is maintaining its move away from higher-risk consumer unsecured and subprime motor products and is also continuing to reduce its exposure to large prime central London housebuilding. The bank has launched a new partnership arrangement for V12 Retail Finance whereby borrowing applications that do not meet STB's criteria are referred to another lender, prospectively generating incremental fee income and strengthening the retailer relationship. STB also reported that its new deposit platform is in place, enhancing efficiency, flexibility of product offering and risk controls.

INDUSTRY OUTLOOK

While lower asset yields from new, less risky, business and maintained impairments from the back book are pinching near-term returns, the potential growth of over 30% in FY18 and FY19 earnings is an indicator of gains to come from a higher-quality loan book. Shareholders are likely to be reassured by the discipline the group is showing in deploying its significant excess capital. Following the private equity purchase of Shawbrook and agreed offer for Aldermore from FirstRand, further consolidation is possible. STB's share price remains modestly rated on a price to book of c 1.4x.

Y/E Dec	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (p)	P/E (x)	P/CF (x)
2015	92.1	N/A	26.7	114.3	15.4	N/A
2016	118.2	N/A	32.9	137.7	12.8	N/A
2017e	136.5	N/A	30.7	132.8	13.3	N/A
2018e	161.7	N/A	40.5	174.2	10.1	N/A

Sector: Engineering

Price: 74.0p
Market cap: £222m
Market LSE

Share price graph (p)

Company description

Severfield is a leading UK structural steelwork fabricator operating across a broad range of market sectors. An Indian facility currently undertakes structural steelwork projects for the local market and is fully operational.

Price performance

%	1m	3m	12m
Actual	12.1	9.6	(2.2)
Relative*	13.7	9.3	(10.7)

* % Relative to local index

Analyst

Toby Thorrington

Severfield (SFR)

INVESTMENT SUMMARY

Management had previously flagged a stronger H1 weighting in the current year and H118 results (21 November) showed a good increase in revenue (+16%), around three quarters of which was volume-driven. Underlying margin performance was very strong with good progress on ongoing and completed projects. The UK order book has increased versus last reported and there appear to be some reasonable pipeline opportunities also. JV and associate companies (JSW Severfield Structures, India and CMF, respectively) both made positive profit contributions in the period. The H1 dividend was increased by 29%. Management pointed to a FY18 outturn "comfortably ahead" of pre-results market expectations and our estimates are under review.

INDUSTRY OUTLOOK

The primary strategic aim is to maintain Severfield's position as the leading UK structural steelwork supplier. An Indian JV (established in 2010) is fully operational and targeting similar sectors to those served in the UK. Management has valued the Indian construction market at c £100bn pa, with a very low penetration of steel structures currently.

Y/E Dec / Mar	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (p)	P/E (x)	P/CF (x)
2016	239.4	18.9	13.7	3.8	19.5	8.9
2017	262.2	25.7	20.3	5.7	13.0	8.1
2018e	263.2	27.3	22.2	6.3	11.7	10.0
2019e	267.8	29.6	24.4	6.9	10.7	7.9

EDISON

Sector: Financials

Price:	23.0p
Market cap:	£33m
Market	AIM

Share price graph (p)

Company description

Share plc owns The Share Centre and Sharefunds. The Share Centre is a self-select retail stockbroker that also offers share services for corporates and employees. A high proportion of income is from stable fee and interest income.

Price performance

%	1m	3m	12m
Actual	(11.5)	(14.8)	(16.4)
Relative*	(10.3)	(15.1)	(23.7)

* % Relative to local index

Analyst

Andrew Mitchell

Share plc (SHRE)

INVESTMENT SUMMARY

Share's third quarter update confirmed the positive trends reported in August, with further market share gains and continuing work on its digital transformation providing evidence of the fruits of the investment already made and signalling continued measures to improve the customer experience to underpin further, profit-enhancing growth. Revenues, excluding interest, were up 29% compared with Q316 led by commission revenue. Assets under administration at the end of the period stood at £4.5bn, up 24% y-o-y or 6% q-o-q.

INDUSTRY OUTLOOK

The UK equity market has experienced a period of significant strength since early 2016 and recent volatility has been subdued, so there is a risk of correction against an uncertain macro background. Indeed, Share noted that peer trading volumes in Q3 were down 6% y-o-y (its own volumes were up 4%) and investor sentiment appears to have softened somewhat. On a longer view, Share's focus on customer experience, investment in IT and flat fee structure should mean it is well placed to retain and extend its market share gains through market cycles.

Y/E Dec	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (fd) (p)	P/E (x)	P/CF (x)
2015	14.1	(0.8)	0.6	0.40	57.5	N/A
2016	14.6	(1.1)	0.0	0.0	N/A	65.1
2017e	18.0	0.0	0.5	0.29	79.3	29.4
2018e	19.0	0.2	0.8	0.43	53.5	128.5

Sector: Financials

Price:	230.0p
Market cap:	£50m
Market	AIM

Share price graph (p)

Company description

Shore Capital Group is an independent investment group with three main areas of business: Capital Markets, Asset Management and Principal Finance (on-balance sheet investments). It has offices in Guernsey, London, Liverpool, Edinburgh and Berlin.

Price performance

%	1m	3m	12m
Actual	0.0	2.2	1.1
Relative*	1.4	1.9	(7.8)

* % Relative to local index

Analyst

Andrew Mitchell

Shore Capital Group (SGR)

INVESTMENT SUMMARY

SGR reported H117 results at the end of September, showing revenue 13% ahead of H116 driven by Capital Markets and a small positive contribution from Principal Finance. Pre-tax profit increased by 2.2% with lower profits in Asset Management (partly reflecting the absence of a new VCT fund in tax year 2016/17) and higher central costs containing overall growth in the period. EPS increased by 3.5% to 6.7p and a dividend of 5.0p was proposed (nil). SGR advised on 10 secondary fund-raisings and three IPOs, and added eight new corporate clients. Further investment has been made in research capability and distribution to the US. Within Asset Management, a new VCT fund has been launched after the period end. SGR reports a seamless change of management as Howard Shore stepped back from operational responsibilities while remaining as executive chairman. Long-standing managers Simon Fine and David Kaye are in place as joint CEOs.

INDUSTRY OUTLOOK

The likely continuation of changing sentiment around Brexit negotiations will heighten uncertainty, but the resilience of the economy, together with SGR's own successful development of its franchise, are positive factors prospectively.

Y/E Dec	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (fd) (p)	P/E (x)	P/CF (x)
2015	42.0	12.9	11.7	26.1	8.8	70.7
2016	39.4	3.6	2.4	5.8	39.7	6.0
2017e	41.8	6.6	5.5	13.1	17.6	11.2
2018e	N/A	N/A	N/A	N/A	N/A	N/A

Sector: Technology

Price:	NZ$0.25
Market cap:	NZ$16m
Market	NZSX

Share price graph (NZ$)

Company description

SLI Systems' core products are e-commerce site search and navigation tools that learn from customer behaviours to improve the relevance of search results and therefore increase sales conversion.

Price performance

%	1m	3m	12m
Actual	(3.9)	(7.4)	(44.4)
Relative*	(3.7)	(8.9)	(51.1)

* % Relative to local index

Analyst

Dan Ridsdale

SLI Systems (SLIZ)

INVESTMENT SUMMARY

A recovery in growth remains stubbornly elusive, with falling revenues and rising losses in line with our forecasts. SLI Systems is treading water from a momentum perspective. However, operational metrics provide signs of encouragement, with ARR increasing slightly, and a substantial uptick in client retention rates. As of H218, SLI will employ a more indirect sales strategy, which could improve uptake of the solutions available. Double-digit revenue growth and 10% margins would imply 20% upside.

INDUSTRY OUTLOOK

The global retail e-commerce market is estimated to be $3.6tn by 2019, growing at c 16% CAGR from $1.7tn in 2017, indicating increasing demand for SLI's product suite. SLI estimates its global market opportunity at $1.7bn. The competitive landscape is crowded, however, with direct competition, e-commerce platforms and in-house solutions in the competitive mix.

Y/E Jun	Revenue (NZ$m)	EBITDA (NZ$m)	PBT (NZ$m)	EPS (c)	P/E (x)	P/CF (x)
2016	35.7	1.1	0.7	1.1	22.7	20.6
2017	32.0	(0.5)	(0.8)	(1.8)	N/A	N/A
2018e	31.6	(0.9)	(1.3)	(2.2)	N/A	N/A
2019e	33.4	0.0	(0.4)	(0.8)	N/A	N/A

Sector: Technology

Price:	€30.01
Market cap:	€164m
Market	FRA

Share price graph (€)

Company description

SNP Schneider-Neureither & Partner is a software and consulting business focused on supporting customers in implementing change, and rapidly and economically tailoring IT landscapes to new situations.

Price performance

%	1m	3m	12m
Actual	1.7	(12.9)	(22.9)
Relative*	1.3	(18.7)	(36.9)

* % Relative to local index

Analyst

Richard Jeans

SNP AG (SHF)

INVESTMENT SUMMARY

Q3 revenue growth of 68% was driven by acquisitions and included c 2% organic growth. The Q3 loss was partly due to delayed software sales and investment in growth. However, order backlog was a record, the book-to-bill remained healthy at 1.13x and utilisation rates have returned to normal after a slow start to the year. We adjusted our FY17 forecasts in line with guidance (including break-even at the EBIT level), while also increasing revenues and cutting margins in subsequent years. SNP's goal is to be the global leader in software-based transformation projects and, following the recent correction, we believe the shares look increasingly attractive on c 19x our FY19e EPS.

INDUSTRY OUTLOOK

SNP helps businesses tailor and improve their ERP landscapes. Its proprietary software includes the only off-the-shelf transformation product in SNP Transformation Backbone with SAP Landscape Transformation Software (T-B), which automates the process of combining, upgrading or carving out data from ERP systems. Activity remains brisk at SNP, with utilisation rates very high, as the company continues to benefit from favourable structural growth drivers, a partnership with SAP, along with its elevated profile in the wake of the landmark Hewlett-Packard deal of 2015.

Y/E Dec	Revenue (€m)	EBITDA (€m)	PBT (€m)	EPS (c)	P/E (x)	P/CF (x)
2015	56.2	5.5	3.4	58.8	51.0	59.1
2016	80.7	8.5	5.7	94.4	31.8	128.4
2017e	120.0	3.0	(1.2)	(20.5)	N/A	N/A
2018e	149.2	11.0	6.4	77.1	38.9	16.2

Sector: Technology

Price:	150.0p
Market cap:	£98m
Market	AIM

Share price graph (p)

Company description

StatPro Group provides cloud-based portfolio analytics solutions to the global investment community.

Price performance

%	1m	3m	12m
Actual	(1.0)	2.4	37.6
Relative*	0.4	2.1	25.6

* % Relative to local index

Analyst

Richard Jeans

StatPro Group (SOG)

INVESTMENT SUMMARY

In its Q3 trading update, StatPro reported that annualised recurring revenue (ARR) increased by 40% to £52.9m over 12 months. This includes the ARR for Delta, the front office, fixed-income-focused analytics service, which was acquired in May. The percentage of group ARR that is SaaS rose to 83%. Management said the integration of Delta is also going well and its roadmap to add the highly respected and complementary Delta functionality into the Revolution platform has been well received by clients. We are maintaining our forecasts. During its capital markets day held in late September, StatPro outlined its plans to consolidate its position in the middle office while enlarging its presence in the front office. We continue to see strong upside potential, given the significant valuation disparity between StatPro and its US-listed financial software peers.

INDUSTRY OUTLOOK

StatPro's products are targeted at the global wealth management industry. The outlook for fund managers has been showing modest improvements with assets under management rising by 7% to $69.1trn in 2016, according to Boston Consulting Group. In addition, competitive, cost and regulatory pressures all require asset managers to maintain and upgrade their reporting and risk management systems.

Y/E Dec	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (p)	P/E (x)	P/CF (x)
2015	30.2	4.0	2.6	2.6	57.7	15.5
2016	37.5	5.1	2.7	3.5	42.9	13.1
2017e	48.9	7.0	4.2	5.0	30.0	8.4
2018e	57.3	8.9	6.1	7.2	20.8	6.8

Sector: Support services

Price:	279.1p
Market cap:	£983m
Market	LSE

Share price graph (p)

Company description

Stobart consists of two divisions: Infrastructure and Support Services operating across Aviation, Energy, Rail and Investments.

Price performance

%	1m	3m	12m
Actual	3.8	(2.8)	78.9
Relative*	5.2	(3.0)	63.2

* % Relative to local index

Analyst

Andy Chambers

Stobart Group (STOB)

INVESTMENT SUMMARY

Interim results highlighted the integrated aviation strategy, leveraging the arrival of CEO Warwick Brady. Strong passenger growth and the launch of the executive jet centre at London Southend Airport in November should support FY growth expectations. The Energy division continues to balance short-term volume uncertainty against longer-term volume certainty, good cash generation and potential for margin improvement. Rail continues to develop its pipeline of work and growth delivery. The Infrastructure division traded behind H1 expectations but looks set to make this up in H2.

INDUSTRY OUTLOOK

The key message from Stobart is about working towards clear growth targets via three key divisions, with the dividend supported by non-operating disposals through to 2022 as operating cash grows. Aviation relies on the interplay between capacity and GDP, while Energy depends on government incentives and ensuring plants deliver to target ratios. The Rail business is driven by allowed capex spend. In addition, Property valuation drives a high percentage of book value.

Y/E Feb	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (p)	P/E (x)	P/CF (x)
2016	126.7	30.0	20.6	5.9	47.3	4578.6
2017	129.4	35.0	26.0	7.2	38.8	N/A
2018e	279.5	143.2	133.1	37.3	7.5	208.2
2019e	362.5	43.0	31.2	7.9	35.3	31.9

Stride Gaming (STR)

Sector: Travel & leisure

Price:	245.5p
Market cap:	£177m
Market	AIM

Share price graph (p)

Company description

Stride Gaming is an online gaming operator. It uses its proprietary and purchased software to provide online bingo and slot gaming and a social gaming mobile app.

Price performance

%	1m	3m	12m
Actual	3.4	10.8	(0.6)
Relative*	4.8	10.5	(9.3)

* % Relative to local index

Analyst

Victoria Pease

INVESTMENT SUMMARY

Stride Gaming is a leading online gaming operator. The company is achieving strong organic growth in real-money gaming and now has a market share of 12%. Net gaming revenues increased by 18% to £89.9m in FY17, driven by an impressive 39% organic growth in the core real money gaming (RMG). Adjusted EBITDA of £20.2m was slightly above our recently raised estimates. The company has invested heavily in technology and operational leverage should kick in as acquired customers migrate to the higher-margin proprietary platform. A small investment into the Indian rummy market could also lead to diversified revenue growth.

INDUSTRY OUTLOOK

H2 Gambling Capital estimates that the UK bingo-led market generates approximately £800m in gross gaming revenue (or £600-650m net gaming revenues). Market growth of c 7% pa is being driven by slots and mobile usage. The extension of the UK 15% POC tax from net to gross RMG revenue is in our forecasts, with Stride's first payments starting in October 2017.

Y/E Aug	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (fd) (p)	P/E (x)	P/CF (x)
2016	47.8	12.3	11.3	20.3	12.1	8.8
2017	89.9	20.2	18.9	25.8	9.5	11.6
2018e	101.0	19.2	17.0	20.2	12.2	10.6
2019e	112.8	23.0	20.3	23.9	10.3	9.0

Target Healthcare REIT (THRL)

Sector: Property

Price:	110.5p
Market cap:	£279m
Market	LSE

Share price graph (p)

Company description

Target Healthcare REIT invests in modern, purpose-built residential care homes in the UK let on long leases to high-quality care providers. It selects assets according to local demographics and intends to pay increasing dividends underpinned by structural growth in demand for care.

Price performance

%	1m	3m	12m
Actual	(5.0)	(6.4)	(0.8)
Relative*	(3.6)	(6.6)	(9.5)

* % Relative to local index

Analyst

Martyn King

INVESTMENT SUMMARY

In the full year ended 30 June 2017, assets and rental income grew strongly. Dividend cover increased to 77% and with a full-year contribution from recent acquisitions and continuing investment, the manager expects approximately full cover in the current year. As at 30 September (Q118), the property portfolio reached £296.6m (FY17: £282.0m), including revaluation gains (we estimate c £4.5m gross), reflected in further tightening of the net initial yield to 6.69% from 6.75% in June. Q118 EPRA NAV per share increased by 1.4p to 103.3p per share after the payment of 1.570p per share in dividends during the period. An increased 1.6125p Q118 DPS will be paid on 30 November. Passing rent increased by 3.7% in the quarter: 0.6% from rent reviews and 3.1% from acquisitions, of which more are likely as the manager continues to perform due diligence on a strong pipeline of opportunities. The scale of the opportunities is such that additional equity and debt capital support, not in our forecasts, may be required.

INDUSTRY OUTLOOK

The UK population over the age of 85 is expected to increase by 140% from 2014 to 2039. There is a lack of high-quality care homes of the sort Target invests in, providing ample opportunity to grow the portfolio.

Y/E Jun	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (p)	P/E (x)	P/CF (x)
2016	16.9	N/A	8.1	5.25	21.0	N/A
2017	23.6	N/A	12.2	5.23	21.1	N/A
2018e	28.0	N/A	15.8	6.63	16.7	N/A
2019e	30.5	N/A	17.5	7.32	15.1	N/A

Sector: Technology

Price: SEK16.00
Market cap: SEK160m
Market NASDAQ OMX First North

Share price graph (SEK)

Company description

TerraNet is an early commercialisation-stage software company with expertise in peer-to-peer communications. Its products encompass chip integration software, IoT, including connected cars and headsets, multimedia streaming, and GriDD, an innovative data capacity trading product.

Price performance

%	1m	3m	12m
Actual	(3.6)	(33.3)	N/A
Relative*	(1.7)	(36.1)	N/A

* % Relative to local index

Analyst

Anna Bossong

TerraNet (TERRNT)

INVESTMENT SUMMARY

TerraNet is a proximity networking software company with initiatives across a number of key applications including software for contextual awareness in mobile phones, connected car technology, audio headsets, internet of things (IoT), offline V2V communication, multimedia video streaming, mHealth and trading surplus mobile data capacity (GriDD). The company has attracted a number of leading global firms to its propositions including Qualcomm, Autoliv, 3M Peltor, Saab, IBM and Orange. Successful execution across any one of these applications should drive strong growth, but as the company's products are still very early stage, investment is high risk. Net cash was SEK74.4m at the end of September.

INDUSTRY OUTLOOK

TerraNet's management has created a number of imaginative and unique use cases for its technologies. The company is likely to benefit from expected strong growth in demand for proximal connectivity services in China. TerraNet's Wi-Fi Aware and other wireless solutions also tap into fast-growing demand for IoT and V2V communication solutions, as well as the rapidly developing area of mHealth. Other unique propositions such as GriDD are backed by market research and present mobile operators with product differentiation potential for budget-oriented customers.

Y/E Dec	Revenue (SEKm)	EBITDA (SEKm)	PBT (SEKm)	EPS (öre)	P/E (x)	P/CF (x)
2015	0.4	(17.2)	(18.0)	(239.82)	N/A	N/A
2016	2.7	(25.0)	(37.6)	(321.66)	N/A	N/A
2017e	6.5	(58.3)	(65.4)	(346.38)	N/A	N/A
2018e	39.7	(70.7)	(75.7)	(315.77)	N/A	N/A

Sector: Technology

Price: €0.40
Market cap: €14m
Market NASDAQ OMX First North

Share price graph (€)

Company description

The Marketing Group is building a global full-service marketing network. Each company within the group provides specialist marketing services brought together, within communities of practice, to form an international network that can address a global market.

Price performance

%	1m	3m	12m
Actual	(4.0)	(28.3)	(87.7)
Relative*	(2.1)	(31.3)	(88.9)

* % Relative to local index

Analyst

Fiona Orford-Williams

The Marketing Group (TMG)

INVESTMENT SUMMARY

The Marketing Group has made its first acquisition under the new management team. Although relatively small (FY16 revenues of €1.5m), wildcard communications fits well with Ranieri Communications, adding to its PR, social and influencer network. It brings in a good range of blue-chip clients and opportunities for cross-selling. Our FY18e and FY19e estimates are nudged ahead, having been increased by 10% following the Q3 results. Industry interest in TMG's start-up blockchain-enabled global media agency, Truth, has been very strong. Having spent time sorting out the inherited group, management is now clearly looking for profitable growth, which should lead to an improving rating.

INDUSTRY OUTLOOK

Many smaller and mid-sized businesses have no ambition to be absorbed into the larger groups and risk losing their individual culture and autonomy, even if take-out multiples can be attractive. PE is also involved either directly or through taking stakes – an attractive option for those with ambition but lacking the funding. Even for the large groups, the dominance of Google and Facebook within the (digital) market raises concerns. These are exacerbated by some of the largest consumer clients (the natural historical pool for the industry majors) taking marketing communications in-house or setting zero-based budgets.

Y/E Dec	Revenue (€m)	EBITDA (€m)	PBT (€m)	EPS (c)	P/E (x)	P/CF (x)
2015	N/A	N/A	N/A	N/A	N/A	13.0
2016	15.8	2.3	2.2	11.27	3.5	6.7
2017e	26.9	1.9	1.7	4.17	9.6	5.7
2018e	31.2	2.4	2.2	4.97	8.0	N/A

EDISON

Sector: Industrial support services

Price:	RUB4360.00
Market cap:	RUB61bn
Market	LSE, MCIX

Share price graph (RUB)

Company description

TransContainer owns and operates rail freight assets across Russia. Its assets comprise rail flatcars, handling terminals and trucks, through which it provides integrated end-to-end freight forwarding services to its customers.

Price performance

%	1m	3m	12m
Actual	(7.1)	32.1	17.7
Relative*	(11.4)	20.7	14.5

* % Relative to local index

Analyst

Will Forbes

TransContainer (TRCN)

INVESTMENT SUMMARY

TransContainer announced its third quarter IFRS results on 28 November, revealing continued growth in net income and EBITDA, driven by increased container traffic (y-o-y and q-o-q) and falling empty run ratios. Net income grew by 33% from second-quarter levels and was over double that seen in the same period last year. EBITDA margins increased to records levels of 50.3%. We expect margins to return to more normal levels, but remain strong (c 40%) in the long term aided by continued market growth. We expect to update our valuation (RUB4,900) shortly.

INDUSTRY OUTLOOK

The Russian rail-freight market has good long-term fundamentals, as an increasing portion of goods are transported by rail containers at the expense of box cars. Current 'containerisation' levels of 5% are well below Europe and the US at 14% and 18%, respectively. In recent years, however, transport and logistics in Russia have suffered due to the decline in the oil price and economic sanctions.

Y/E Dec	Revenue (RUBm)	EBITDA (RUBm)	PBT (RUBm)	EPS (fd) (RUB)	P/E (x)	P/CF (x)
2015	20311.0	5744.0	3530.0	138.7	31.4	11.0
2016	21988.0	6377.0	4302.0	202.4	21.5	8.1
2017e	26708.0	9660.0	7702.0	443.2	9.8	6.5
2018e	28322.0	10210.0	7287.0	419.3	10.4	5.9

Sector: Food & drink

Price:	427.0p
Market cap:	£223m
Market	LSE

Share price graph (p)

Company description

Treatt provides innovative ingredient solutions from its manufacturing bases in Europe, North America and Africa, principally for the flavours and fragrance industries and multinational consumer goods companies, particularly in the beverage sector.

Price performance

%	1m	3m	12m
Actual	5.4	(11.0)	70.1
Relative*	6.9	(11.3)	55.2

* % Relative to local index

Analyst

Sara Welford

Treatt (TET)

INVESTMENT SUMMARY

Treatt's strategy to improve the quality of earnings is coming through and the move from commoditised sales to more value-added products is playing out. The company has delivered a year of record growth and has achieved its FY20 financial objectives three years early. There will be a full site relocation for the UK business over the next three years or so, and expansion of the US site. Management has chosen to fund these via a successful share placing, which raised c £22m. We continue to view Treatt as a good-value opportunity in the highly rated and high-growth ingredients space.

INDUSTRY OUTLOOK

Annual growth rates for the global flavours, fragrance and ingredients sector are expected to be low single digits in 2013-18 (source: IAL Consultants). Treatt is migrating its business from that of a pure supplier to the food and beverage industries to being a valued partner in the development of new ingredients. Citrus flavours and sugar reduction are core areas of focus, with the latter undergoing a structural growth trend.

Y/E Sep	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (p)	P/E (x)	P/CF (x)
2016	88.0	11.6	9.6	14.3	29.9	20.5
2017	109.6	16.3	14.0	20.4	20.9	47.6
2018e	117.3	17.3	14.4	19.2	22.2	12.7
2019e	123.2	20.5	15.5	20.7	20.6	13.1

Sector: Industrial support services

Price:	244.8p
Market cap:	£296m
Market	LSE

Share price graph (p)

Company description

Trifast is a leading global designer, manufacturer and distributor of industrial fasteners. Principal operations are in the UK, South-East Asia and continental Europe, while there is a modest, but growing, presence in North America.

Price performance

%	1m	3m	12m
Actual	11.5	13.3	31.6
Relative*	13.1	13.0	20.1

* % Relative to local index

Analyst

Andy Chambers

Trifast (TRI)

INVESTMENT SUMMARY

The impressive record since management restructuring nine years ago restored confidence both internally and across the supplier and customer base. Organic progress is being delivered, while M&A extends the product, geographical and customer spread, providing cross-selling opportunities. A strong set of interim results led us to upgrade our EPS forecasts for FY18 by 5.0% and FY19 by 2.5%. Investment for growth continues across all regions and the strong balance sheet should facilitate M&A, with management taking a more proactive approach in target identification.

INDUSTRY OUTLOOK

The global specialist industrial fasteners market is valued at around £25bn. Successful manufacturers and distributors responded to the shift in manufacturing to lower-cost regions by developing their own local facilities and/or supply routes. They have also created effective logistical services and shifted the emphasis towards more complex products to increase value added. A recent increase in M&A activity in the sector looks set to continue in the immediate future.

Y/E Mar	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (p)	P/E (x)	P/CF (x)
2016	161.4	18.2	16.0	9.99	24.5	18.0
2017	186.5	22.9	20.5	12.82	19.1	12.7
2018e	199.1	23.5	21.3	13.19	18.6	16.4
2019e	205.1	24.1	21.9	13.51	18.1	15.6

Sector: Mining

Price:	A$0.08
Market cap:	A$59m
Market	ASX

Share price graph (A$)

Company description

Triton Minerals is an exploration and development company with assets in Australia and Africa. Its main focus is the development of its graphite exploration licences in Mozambique, initially the Ancuabe graphite project, which is being investigated specifically to feed into the nascent, but high-growth lithium-ion battery sector.

Price performance

%	1m	3m	12m
Actual	(4.5)	19.0	27.2
Relative*	(6.1)	13.9	16.4

* % Relative to local index

Analyst

Tom Hayes

Triton Minerals (TON)

INVESTMENT SUMMARY

TON has announced a number of project developments that support the company's goal of fast-tracking Ancuabe to production. Announced on 9 November 2017, TON launched a A$6m underwritten entitlement offer, with funds used to run a pilot plant, undertake project test work, continue offtake negotiations, and undertake early works, EPC, approvals, offer costs and working capital. Alongside this offer, TON has submitted its mining application to the authorities and, on 27 November 2017, announced that its potential EPC contractor engagement has moved into the final stages of due diligence. TON states it is undertaking negotiations with two major construction companies and expects debt financing to be a component of any agreement. TON expects to release a maiden reserve and feasibility study in December 2017, and hold site visits in January 2018.

INDUSTRY OUTLOOK

We revise our valuation only to reflect the current 9.4c TON share price (previously 5.0c), which results in a reduction in dilution and an uplift of 17% in the Ancuabe value to 15.6c. To this can be added a further 9c for its resources at Balama and Nicanda Hill/West, for a total value of 24.6c. It is worth noting that our total valuation increases to 26.0c/share at a share price of 12c, and 26.6c/share at 14c.

Y/E Dec	Revenue (A$m)	EBITDA (A$m)	PBT (A$m)	EPS (c)	P/E (x)	P/CF (x)
2015	0.0	(5.2)	(5.2)	(3.6)	N/A	N/A
2016	1.8	(2.1)	(2.1)	(0.5)	N/A	N/A
2017e	0.0	(2.5)	(2.5)	(0.4)	N/A	N/A
2018e	0.0	(4.6)	(4.6)	(0.5)	N/A	N/A

Sector: Financials

Price: 61.9p
Market cap: £78m
Market LSE

Share price graph (p)

Company description

Tungsten Corporation operates a global e-invoicing network. It also provides value-added services such as spend analytics to help buyers on its network save money and invoice financing to enable suppliers to receive early payment on their invoices.

Price performance

%	1m	3m	12m
Actual	(3.3)	4.9	16.8
Relative*	(2.0)	4.6	6.5

* % Relative to local index

Analyst

Andrew Mitchell

Tungsten Corporation (TUNG)

INVESTMENT SUMMARY

Tungsten issued an update at the time of its AGM (15 Sept), reporting that Q118 revenue was up 12% on Q117 on a constant currency basis (year-end April). Encouragingly, it has added three new buyers, including Carlsburg, for which it will carry out a multi-year roll-out of e-invoicing services. Other contracts are being renewed at higher prices. During the quarter it entered into a partnership with Tech Mahindra to address newer markets and won three receivables financing mandates totalling $75m following the relaunch of the Tungsten Network Finance business last year.

INDUSTRY OUTLOOK

The substantial potential savings available to companies adopting e-invoicing in place of paper- or email-based processes remain a key underlying driver of growth for Tungsten. The level of price increases agreed in contract renewals during FY17 (49%) were a tangible measure of the value the Tungsten Network delivers. Tungsten has reiterated that it targets run-rate EBITDA profit in calendar 2017 and also looks for constant currency revenue growth of over 15%, gross margin of at least 90% and adjusted operating expenses of less than £40m. H118 results are due to be announced on 14 December.

Y/E Apr	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (p)	P/E (x)	P/CF (x)
2016	25.9	(16.2)	(18.5)	(22.0)	N/A	N/A
2017	31.3	(11.8)	(12.7)	(9.9)	N/A	N/A
2018e	36.7	(6.0)	(11.7)	(9.3)	N/A	N/A
2019e	N/A	N/A	N/A	N/A	N/A	N/A

Sector: Technology

Price: €9.66
Market cap: €126m
Market Borsa Italiana STAR

Share price graph (€)

Company description

TXT e-solutions operates through TXT Next, which provides IT, consulting and R&D services to aerospace, aviation, banking and finance customers.

Price performance

%	1m	3m	12m
Actual	(16.0)	(13.8)	33.9
Relative*	(15.1)	(16.6)	(2.1)

* % Relative to local index

Analyst

Katherine Thompson

TXT e-solutions (TXT)

INVESTMENT SUMMARY

TXT has reported its first set of results showing TXT Next as a standalone business. We have revised our forecasts to reflect the new structure of the group. The group is now focused on growing the TXT Next business organically and through targeted acquisitions of niche software solution and specialised engineering service providers in the aerospace and aviation market. Of the €85m proceeds from selling TXT Retail, we expect the company to retain funds for acquisition as well as paying a special dividend next year.

INDUSTRY OUTLOOK

TXT Next is a beneficiary of the trend to outsource IT, which gives the customer greater flexibility on cost and better access to specialist skills. Its main focus is on the aerospace and aviation market, where the rapid pace of innovation, combined with increasing regulation, drives growth in R&D. It also serves the Italian banking market, where the emergence of fintech companies is driving innovation and regulation is increasing the need for software quality assurance.

Y/E Dec	Revenue (€m)	EBITDA (€m)	PBT (€m)	EPS (c)	P/E (x)	P/CF (x)
2015	61.5	6.7	5.7	41.0	23.6	46.9
2016	33.1	4.3	4.0	27.0	35.8	10.6
2017e	35.5	3.5	3.1	19.0	50.8	20.3
2018e	38.5	3.7	3.5	22.0	43.9	35.9

Sector: Construction & blding mat

Price: 321.2p
Market cap: £572m
Market LSE

Share price graph (p)

Company description

Tyman's product portfolio substantially addresses the residential RMI and building markets with increasing commercial sector exposure following acquisitions. It manufactures and sources window and door hardware and seals, reporting in three divisions.

Price performance

%	1m	3m	12m
Actual	(3.2)	(7.0)	27.9
Relative*	(1.9)	(7.2)	16.7

* % Relative to local index

Analyst

Toby Thorrington

Tyman (TYMN)

INVESTMENT SUMMARY

FY18 guidance has been trimmed due to the combined effect of higher input costs and challenges at AmesburyTruth's (AT) Juarez site. In our view, AT sacrificed some margin in the light of direct cost overruns at Juarez as this expanded facility ramped up volumes. Demand conditions generally have been in line with previous commentary and ERA and Schlegel International appear to have performed at least in line with their respective markets. These regions also experienced higher input costs but may have been in a better position to absorb them. We reduced underlying FY17 PBT estimates and updated £/US$ assumptions with an adverse translation effect on US earnings. Growing pains at Juarez do not undermine the remainder of AT's North American footprint project, which is in full swing.

INDUSTRY OUTLOOK

Leading markets are expected to grow modestly and the new-build sector has generally continued to be firmer than RMI spend, which has been more patchy.

Y/E Dec	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (p)	P/E (x)	P/CF (x)
2015	353.4	60.4	44.9	19.2	16.7	11.0
2016	457.6	82.5	62.1	25.3	12.7	7.0
2017e	524.5	90.9	68.1	26.0	12.4	8.1
2018e	528.2	96.9	73.6	28.1	11.4	6.3

Sector: Aerospace & defence

Price: 1231.0p
Market cap: £957m
Market LSE

Share price graph (p)

Company description

Ultra Electronics is a global aerospace and defence electronics company, with operations across three divisions: Aerospace & Infrastructure (26% of 2016 sales); Communications & Security (33%); and Maritime & Land (41%).

Price performance

%	1m	3m	12m
Actual	(32.1)	(33.2)	(39.4)
Relative*	(31.1)	(33.4)	(44.7)

* % Relative to local index

Analyst

Andy Chambers

Ultra Electronics (ULE)

INVESTMENT SUMMARY

The return of the chairman to the CEO role as an interim measure provides an element of reassurance and continuity, as does the commitment to an increased final dividend despite a cut of 9% to FY17 EPS. The UK declines are concerning; however, it is not the largest regional contributor. We believe the larger US and export market contributions and recent order intake should provide a solid foundation for future growth, with the invest-and-grow strategy to remain in focus. The acquisition of Sparton seems logical and focused, and CFIUS approval indicates to us progress is being made. Completion should be in early 2018.

INDUSTRY OUTLOOK

With defence drivers moving towards greater demand for electronic equipment and information management, Ultra is well positioned to benefit from more frequent upgrade cycles. In addition, it appears that defence spending may have turned a corner in the western world. Also, with civil airport infrastructure booming in emerging economies and an increasing civil aircraft build rate, Ultra stands to benefit from its diversified end-markets.

Y/E Dec	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (p)	P/E (x)	P/CF (x)
2015	726.3	134.8	112.4	123.9	9.9	10.1
2016	785.8	148.0	120.1	134.6	9.1	7.3
2017e	769.5	135.0	109.5	116.1	10.6	9.1
2018e	786.3	139.1	116.0	116.4	10.6	7.7

Sector: Technology

Price:	€1.86
Market cap:	€35m
Market	FRA, Xetra

Share price graph (€)

Company description

UMT is the operator of a proprietary mobile payments and loyalty platform. It has created an mPay platform in Germany for the loyalty scheme Payback and has preferred partner status for roll-out to other countries. UMT is also expanding into big data.

Price performance

%	1m	3m	12m
Actual	23.0	46.1	43.5
Relative*	22.6	36.2	17.4

* % Relative to local index

Analyst

Anna Bossong

UMT United Mobility Technology (UMD)

INVESTMENT SUMMARY

UMT is a mobile payments specialist and provides these services to outlets in the Payback scheme, Germany's largest retail loyalty programme. With the recent addition of REWE, TeeGschwendner and Thalia, eight of its retail chains now offer mobile payment services using its technology. UMT recently acquired a controlling stake in prelado, a German internet portal for digital pre-paid mobile and gift vouchers. With annualised 2016 revenues of €2.7m per annum, 230k customers and a complementary product range, UMT is looking to achieve cross-selling and cost-saving synergies. The group reported a German GAAP EBITDA of €721k in H117 after €638k in FY16, with cash reserves at 30 June of €208k.

INDUSTRY OUTLOOK

UMT is a white-label operator of mobile payments and loyalty platform services with plans to grow a big data business. The mobile payments market is set to grow strongly in coming years as more consumers shop with smartphones and tablets, and retailers expand their payments options. Business Insider forecasts a 116% CAGR in the US mPay market to 2019 and we expect similar trends in European markets. This growth should lead to rising demand for UMT's white-label solutions, from retailers, loyalty schemes and companies in the B2B sphere.

Y/E Dec	Revenue (€m)	EBITDA (€m)	PBT (€m)	EPS (c)	P/E (x)	P/CF (x)
2015	2.3	(0.8)	(0.9)	(5.8)	N/A	N/A
2016	1.6	(1.1)	(1.5)	(9.1)	N/A	80.3
2017e	5.2	0.6	(0.4)	(2.2)	N/A	19.6
2018e	5.8	0.7	0.0	0.2	930.0	38.3

Sector: Industrial support services

Price:	51.2p
Market cap:	£40m
Market	AIM

Share price graph (p)

Company description

Utilitywise is an independent cost management consultancy offering energy procurement and management products to the business market.

Price performance

%	1m	3m	12m
Actual	11.4	(26.8)	(70.7)
Relative*	13.0	(27.0)	(73.3)

* % Relative to local index

Analyst

Graeme Moyse

Utilitywise (UTW)

INVESTMENT SUMMARY

Following the trading statement (31 July), we updated our forecasts for UTW. For FY17, (using IAS 18), we assumed an additional exceptional charge related to nominated contract volumes, a reduction in revenues to reflect the same issue, as well as a slippage in signing renewals contracts. We also assumed no final dividend payment for FY17 and no dividend for FY18. We also updated our FY18 forecasts (using IFRS 15), reducing revenue projections by c £11m. However, a second trading update (issued on 24 August) indicated that FY17 group revenue would be c 3% higher than FY16 (FY17 c £87m vs our £83.3m) and FY17 adjusted PBT 40% down on FY16 (£10.6m vs our £5.8m). In light of the second statement, our forecasts remain under review. Interim results, originally scheduled for 21 November, have been postponed, due to an additional review of estimates for consumption levels on live contracts.

INDUSTRY OUTLOOK

We believe a fragmented UK TPI market provides an opportunity for Utilitywise to continue to grow.

Y/E Jul	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (fd) (p)	P/E (x)	P/CF (x)
2015	N/A	N/A	N/A	N/A	N/A	2.9
2016	84.4	18.3	17.7	19.3	2.7	N/A
2017e	83.3	7.0	5.8	6.9	7.4	4.4
2018e	92.5	9.9	8.4	9.1	5.6	N/A

Volt Resources (VRC)

Sector: Mining

Price:	A$0.03
Market cap:	A$31m
Market	ASX

Share price graph (A$)

Company description

Volt Resources is a graphite development company. Its main asset is the currently 100%-owned Namangale graphite project located in Tanzania.

Price performance

%	1m	3m	12m
Actual	17.4	17.4	(59.1)
Relative*	15.4	12.3	(62.6)

* % Relative to local index

Analyst

Tom Hayes

INVESTMENT SUMMARY

Volt has secured A$3.2m via two share issues to existing and new shareholders. The two raises (A$2.3m on 1 November and A$0.9m on 3 November 2017) will allow Volt to complete the critical path revised feasibility study (FS) on its Bunyu graphite project and for working capital purposes. These fund-raises will go towards completing management's revised FS to better tailor its Bunyu graphite project to more closely match the opportunity in the battery-anode and fire-retardant end-markets, both of which provide the highest growth end-markets for future Bunyu graphite products. We also consider the success of these fund-raises, with the first heavily oversubscribed (56% above the original A$1.5m value), as a vote of confidence in Tanzania and its ability to treat graphite as an industrial mineral and separate from the ongoing negotiations regarding producers of precious metals and diamonds in country.

INDUSTRY OUTLOOK

We note the current investment environment in Tanzania surrounding recent media reports concerning gold and diamond producers in country, and also that these issues surround precious metals and diamonds and are not concerned with the industrial minerals sector, and by extension graphite production.

Y/E Jun	Revenue (A$m)	EBITDA (A$m)	PBT (A$m)	EPS (c)	P/E (x)	P/CF (x)
2016	0.0	(3.4)	(3.3)	(0.7)	N/A	N/A
2017	0.0	(3.3)	(2.4)	(0.3)	N/A	N/A
2018e	N/A	N/A	N/A	N/A	N/A	N/A
2019e	N/A	N/A	N/A	N/A	N/A	N/A

Walker Greenbank (WGB)

Sector: Pcare & household prd

Price:	130.0p
Market cap:	£92m
Market	AIM

Share price graph (p)

Company description

Walker Greenbank is a luxury interior furnishings group combining specialist design skills with high-quality upstream manufacturing facilities. Leading brands include Harlequin, Sanderson, Morris & Co, Scion, Anthology, Zoffany and Clarke & Clarke.

Price performance

%	1m	3m	12m
Actual	(41.7)	(44.3)	(36.1)
Relative*	(40.9)	(44.5)	(41.7)

* % Relative to local index

Analyst

Toby Thorrington

INVESTMENT SUMMARY

An encouraging order intake period just before the H118 results announcement has proved to be a false read for the remainder of the year. A previously variable UK intake profile has weakened in the last few weeks across Walker Greenbank's premium brand portfolio, although Clarke & Clarke is understood to be showing good y-o-y progress. Elsewhere in Brands, International and Licensing revenues are trading well and ahead of the prior year. Close to half of the Manufacturing division's gross revenue supports Brand activities so the weaker sales trend also affects performance here.

INDUSTRY OUTLOOK

The UK interior furnishings industry has experienced uncertainty for many years under the influence of economic shifts and fashion changes. Many brands have failed to grow, while significant production capacity has been closed down, with manufacture for the volume segment largely moved overseas. Success continues to be delivered by those businesses that are able to differentiate themselves from competition by consistently offering innovative and high-quality design and products.

Y/E Jan	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (p)	P/E (x)	P/CF (x)
2016	87.8	11.8	8.9	11.6	11.2	11.0
2017	92.4	13.4	10.4	12.9	10.1	6.6
2018e	110.7	16.6	12.9	14.5	9.0	9.2
2019e	115.2	17.3	13.4	15.1	8.6	6.9

Sector: Technology

Price:	630.0p
Market cap:	£239m
Market	AIM

Share price graph (p)

Company description

WANdisco is a distributed computing company. It has developed a suite of solutions based around proprietary replication technology, which solves critical data management challenges prevalent across the big data infrastructure and ALM software markets.

Price performance

%	1m	3m	12m
Actual	(23.6)	(21.0)	276.1
Relative*	(22.6)	(21.2)	243.2

* % Relative to local index

Analyst

Dan Ridsdale

WANdisco (WAND)

INVESTMENT SUMMARY

The performance enhancements in the new release of Fusion (2.11) are significant because they are key to fully exploiting the very significant opportunity in cloud storage, where very large amounts of data need to be replicated in real time. Management estimates that the opportunity in cloud storage will be worth just under $7bn by 2020, of a total addressable market of just under $10bn. The enhancement, therefore, could be a catalyst for bringing some good-sized cloud deals over the line over the next few months, as well as solidifying the company's competitive position. The release is not charged for upgrades – and therefore existing customers will be entitled to receive the new version free of charge. A more significant, paid upgrade, V3.0, is due for release during FY18.

INDUSTRY OUTLOOK

Market developments now appear to be strongly in WANdisco's favour, with the rapid shift of data to the cloud growth and with distributed data becoming the basis for new, high-value applications. A Wikibon survey found that over 50% of businesses have significant concerns over cloud data lock-in – a problem that WANdisco is able to help mitigate.

Y/E Dec	Revenue (US$m)	EBITDA (US$m)	PBT (US$m)	EPS (fd) (c)	P/E (x)	P/CF (x)
2015	11.0	(16.0)	(26.4)	(87.7)	N/A	N/A
2016	11.4	(7.5)	(16.4)	(46.9)	N/A	N/A
2017e	17.0	(3.3)	(10.6)	(26.7)	N/A	51.6
2018e	21.7	(0.7)	(8.3)	(20.6)	N/A	30.0

Sector: Mining

Price:	C$27.25
Market cap:	C$12055m
Market	NYSE, TSX

Share price graph (C$)

Company description

Wheaton Precious Metals is the pre-eminent pure precious metals streaming company, with c 30 high quality, precious metals streaming and early deposit agreements relating to assets in Mexico, Peru, Canada, Brazil, Chile, Argentina, Sweden, Greece, Portugal, the US and Guyana.

Price performance

%	1m	3m	12m
Actual	4.3	13.2	12.3
Relative*	2.9	6.0	5.1

* % Relative to local index

Analyst

Charles Gibson

Wheaton Precious Metals (WPM)

INVESTMENT SUMMARY

Q317 results were characterised by improvements in production relative to Q2, but a 24.2% under-sale of silver relative to production and a 13.9% under-sale of gold. As a result, gold sales exceeded silver sales in the ratio 52:48 (cf 46:54 in Q217) and financial results were little changed vs Q2. Note that at least one quarter of inventory build is normal in a typical WPM year and allows for a bounce when it is then 'flushed through' in Q4.

INDUSTRY OUTLOOK

Assuming no material purchases of additional streams (which is unlikely), we forecast a value per share for WPM of US$38.24, or C$48.54, in FY20 (at precious metal prices of US$23.98/oz Ag and US$1,362/oz Au). In the meantime, WPM's shares are trading on near-term financial measures that are consistently cheaper than those of its royalty/streaming 'peers' and are cheaper than the miners themselves in 41% of cases, despite being associated with materially less risk. Among others, Pascua-Lama, Rosemont and Salobo expansion then offer additional upside.

Y/E Dec	Revenue (US$m)	EBITDA (US$m)	PBT (US$m)	EPS (fd) (c)	P/E (x)	P/CF (x)
2015	648.7	426.2	223.6	53.0	40.3	19.4
2016	891.6	602.7	269.8	62.0	34.5	15.1
2017e	828.2	555.0	275.7	62.0	34.5	16.9
2018e	951.8	668.2	394.5	89.0	24.0	14.1

Windar Photonics (WPHO)

Sector: Alternative energy

Price:	86.5p
Market cap:	£36m
Market	AIM

Share price graph (p)

Company description

Windar Photonics is a UK-registered, Copenhagen-based developer and manufacturer of an innovative low-cost light detection and ranging (LIDAR) system.

Price performance

%	1m	3m	12m
Actual	1.2	(3.9)	(23.1)
Relative*	2.6	(4.2)	(29.9)

* % Relative to local index

Analyst

Anne Margaret Crow

INVESTMENT SUMMARY

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. The growth was driven by demand from independent power providers (IPPs) and 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.

INDUSTRY OUTLOOK

Our estimates and valuation remain suspended until there is more clarity on test programmes with IPPs and wind turbine OEMs converting to volume sales.

Y/E Dec	Revenue (€m)	EBITDA (€m)	PBT (€m)	EPS (fd) (c)	P/E (x)	P/CF (x)
2015	0.9	(2.8)	(3.3)	(8.4)	N/A	N/A
2016	1.2	(2.4)	(3.0)	(7.3)	N/A	N/A
2017e	N/A	N/A	N/A	N/A	N/A	N/A
2018e	N/A	N/A	N/A	N/A	N/A	N/A

WYG (WYG)

Sector: Industrial support services

Price:	45.0p
Market cap:	£33m
Market	AIM

Share price graph (p)

Company description

WYG is a multidiscipline, project management and management service consultancy. Over half of revenues are generated in the UK, with the remainder in a spread of international markets.

Price performance

%	1m	3m	12m
Actual	(35.3)	(51.4)	(56.5)
Relative*	(34.3)	(51.5)	(60.3)

* % Relative to local index

Analyst

Toby Thorrington

INVESTMENT SUMMARY

UK workflow in some Consultancy Services lines is not coming through as quickly as anticipated in the August trading update, though international performance has shown more stability. A combination of slower order placement under framework agreements, staff change and competitive markets have together restricted the rate of pick up in UK revenues compared to expected levels so far in H2. This applies to both existing business on hand and new business development and appears to be more private sector oriented, although not exclusively so. FY18 guidance is now for £3.5m to £4m group EBIT and, pending an update with H118 results (5 December), we have elected to reflect the lower revenue run rate in future periods also.

INDUSTRY OUTLOOK

Management is clearly focused on margin improvement predicated on the efficient delivery of high-quality consultancy services and rigorous operational and financial control. Extending the multi-discipline service offering in identified sector lines and in international markets is an established strategy. Market diversity offers both challenges and opportunities, requiring proactive and reactive approaches to business development.

Y/E Mar	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (fd) (p)	P/E (x)	P/CF (x)
2016	133.5	9.0	7.0	10.6	4.2	N/A
2017	151.8	10.6	8.2	11.9	3.8	9.4
2018e	154.0	5.7	2.8	3.2	14.1	24.9
2019e	164.0	7.5	4.5	5.2	8.7	5.9

Sector: Technology

Price: 3550.0p
Market cap: £683m
Market LSE

Share price graph (p)

Company description

XP Power is a developer and designer of power control solutions with production facilities in China, Vietnam and the US, and design, service and sales teams across Europe, the US and Asia.

Price performance

%	1m	3m	12m
Actual	2.4	33.0	104.4
Relative*	3.8	32.6	86.5

* % Relative to local index

Analyst

Katherine Thompson

XP Power (XPP)

INVESTMENT SUMMARY

XPP has acquired Comdel, a US-based RF power supply company, for $23m/£17m. This marks the entry into a new market for XPP and adds c 10% to XPP's revenues on a pro-forma basis. Following this acquisition, XP Power's trading update confirmed that strong trading continued into Q3. Q3 revenues were 35% higher than a year ago, with nine-month revenues up 34% y-o-y and 21% in constant currency. We revise up our revenue forecasts to reflect much stronger-than-expected trading in Q3, which results in normalised EPS upgrades of 5.7% in FY17e and 7.1% in FY18e.

INDUSTRY OUTLOOK

XPP supplies three end-markets: Healthcare, Industrial and Technology, across Europe, North America and Asia. The Industrial segment is relatively fragmented, but the company sees demand across various applications. The Healthcare business continues to gain market share, with corporate approvals from the major suppliers in place. The Technology segment is the most cyclical, with semi fab suppliers showing strong growth.

Y/E Dec	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (p)	P/E (x)	P/CF (x)
2015	109.7	29.7	25.7	104.32	34.0	N/A
2016	129.8	33.0	28.6	115.33	30.8	N/A
2017e	166.7	41.0	35.5	142.88	24.8	N/A
2018e	179.1	44.7	38.4	147.86	24.0	N/A

Sector: Media & entertainment

Price: 321.0p
Market cap: £338m
Market AIM

Share price graph (p)

Company description

YouGov is an international market research and data and analytics group offering a data-led suite of products and services including YouGov BrandIndex, YouGov Profiles and YouGov Omnibus and custom research.

Price performance

%	1m	3m	12m
Actual	4.9	18.2	35.2
Relative*	6.4	17.9	23.3

* % Relative to local index

Analyst

Fiona Orford-Williams

YouGov (YOU)

INVESTMENT SUMMARY

YouGov is continuing to deliver on its growth strategy, with FY17 revenues up 21% y-o-y (9% in constant currency). Data products and services now represent 44% of group revenues. This concentration on its core strengths, using its own proprietary panel, is increasing group margins and giving better visibility to earnings through subscription income. Cash conversion remains strong, allowing continued investment in data analytics, geographic expansion and panel recruitment. The dividend was stepped up 43%, reflecting the greater maturity of the business model and the cash-rich balance sheet. These strengths are reflected in the continuing valuation premium to peers.

INDUSTRY OUTLOOK

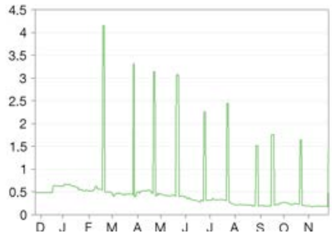
The global MR industry continues to go through an extended period of change, prompted by technological advances that facilitate the production of vast quantities of data. This has led to a proliferation of tools to manipulate it and generate usable value for the client markets and the rise of influential new players. Some of these have come from the technology angle, but also from the global consultancy and technology sector majors, and from in-house teams at client companies.

Y/E Jul	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (p)	P/E (x)	P/CF (x)
2016	88.2	11.7	13.3	8.5	37.8	23.6
2017	107.0	15.2	16.4	10.5	30.6	17.9
2018e	115.1	17.7	18.3	12.4	25.9	17.8
2019e	125.1	20.2	20.9	13.2	24.3	15.3

Sector: Food & drink

Price:	US$1.40
Market cap:	US$30m
Market	ASX, NYSE

Share price graph (US$)



Company description

Yowie Group is engaged in brand development of the Yowie chocolate confectionery product, digital platform, and licensed consumer products. Its brand vision includes distribution in North America, Australia and Canada, with further expansion planned.

Price performance

%	1m	3m	12m
Actual	(12.5)	(12.5)	(68.5)
Relative*	(14.0)	(16.3)	(71.1)

* % Relative to local index

Analyst

Beth Senko

Yowie Group (YOW)

INVESTMENT SUMMARY

In FY17, Yowie grew total revenue by 52% after significantly increased marketing activities. The company added to its distribution channels, grew US market share, increased gross margin, raised brand awareness through social media and launched in Australia. In FY18, management expects to grow confectionery net sales by 55%-70% and reach positive EBITDA (before share-based compensation). We have reduced our FY18 forecast from pre-tax profit US$5.8m to a loss of US$0.9m, but expect this to develop to a profit of US$1.2m in FY19.

INDUSTRY OUTLOOK

Chocolate is a benchmark consumer product, with over half of US consumers eating it at least once a week. US consumer confidence is at a historically strong level of 120.3 at October 2017 (Reuters). The major manufacturers benefit from brand loyalty, strong shelf positioning and large marketing budgets provide a competitive edge. However, there is potential for smaller brands to take share if they can establish individual appeal and prominent store placement.

Y/E Jun	Revenue (US$m)	EBITDA (US$m)	PBT (US$m)	EPS (c)	P/E (x)	P/CF (x)
2016	13.1	(6.6)	(6.7)	(40.5)	N/A	N/A
2017	19.9	(7.5)	(7.9)	(33.9)	N/A	N/A
2018e	31.8	(0.5)	(0.9)	(4.0)	N/A	N/A
2019e	42.1	1.6	1.2	4.8	29.2	N/A

Edison dividend list

Company name	FY0 period end	Currency	DPSFY0	DPSFY1	DPSFY2
4imprint Group	2016/12	USD	52.5	57.5	62.5
Acacia Mining	2016/12	USD	10.4	1.3	1.3
APQ Global	2016/12	GBP	0.5	6.0	N/A
Augean	2016/12	GBP	1.0	1.2	1.4
Avon Rubber	2017/09	GBP	12.3	16.0	20.8
Bezant Resources	2016/06	GBP	1.0		
Borussia Dortmund	2017/06	EUR	6.0	7.0	7.0
Brady	2016/12	GBP	0.0	0.0	0.5
Braemar Shipping Services	2017/02	GBP	14.0	15.0	15.8
Caledonia Mining	2016/12	USD	28.4	27.5	27.5
Carclo	2017/03	GBP	0.0	0.0	3.9
Carr's Group	2017/08	GBP	4.0	4.2	4.4
Cenkos Securities	2016/12	GBP	6.0	11.0	
Centrale del Latte d'Italia	2016/12	EUR	6.0	6.0	6.0
China Aviation Oil (Singapore)	2016/12	USD	3.3	3.3	3.8
China Water Affairs Group	2017/03	HKD	20.0	12.5	15.0
Circle Property	2017/03	GBP	5.0	5.2	5.2
Coats Group	2016/12	USD	0.8	1.5	1.7
Cohort	2017/04	GBP	7.1	8.2	9.0
CREALOGIX Group	2017/06	CHF	50.0	100.0	150.0
Custodian REIT	2017/03	GBP	6.4	6.5	6.5
DeA Capital	2016/12	EUR	0.1	0.1	0.1
Ebiquity	2016/12	GBP	0.7	0.7	0.8
Eddie Stobart Logistics	2016/11	GBP	0.0	5.4	6.3
EMIS Group	2016/12	GBP	23.4	25.8	26.8
Entertainment One	2017/03	GBP	1.3	1.4	1.5
Epwin Group	2016/12	GBP	6.6	6.7	6.7
EQS Group	2016/12	EUR	75.0	0.0	15.0
Esker	2016/12	EUR	30.0	33.0	36.0
Euromoney Institutional Investor	2017/09	GBP	30.6	31.0	34.0
Focusrite	2017/08	GBP	2.7	3.0	3.3
Game Digital	2017/07	GBP	1.0	0.0	0.0
GB Group	2017/03	GBP	2.4	2.5	2.8
Greggs	2016/12	GBP	31.0	32.8	34.8
Jersey Electricity	2016/09	GBP	13.5	14.2	14.9
John Laing Group	2016/12	GBP	8.2	9.8	10.0
La Doria	2016/12	EUR	18.0	17.0	20.0
Learning Technologies Group	2016/12	GBP	0.2	0.3	0.4
London Stock Exchange Group	2016/12	GBP	43.2		
Lookers	2016/12	GBP	3.6	4.0	4.2
Marshall Motor Holding	2016/12	GBP	5.5	6.5	6.9
MedicX Fund	2016/09	GBP	6.0	6.0	6.1
Medserv	2016/12	EUR	0.0	0.0	3.8
Mondo TV	2016/12	EUR	2.0	0.0	0.0
Numis Corporation	2016/09	GBP	12.0	12.0	12.5
OTC Markets Group	2016/12	USD	116.0	116.0	119.0
Pan African Resources	2017/06	GBP	0.5	0.9	0.9
paragon	2016/12	EUR	25.0	25.0	25.0

Picton Property Income	2017/03	GBP	3.3	3.4	3.5
Piteco	2016/12	EUR	15.0	17.5	20.0
Polypipe	2016/12	GBP	10.1	11.7	12.9
PPHE Hotel Group	2016/12	GBP	21.0	22.0	23.0
Primary Health Properties	2016/12	GBP	5.1	5.3	5.4
QinetiQ Group	2017/03	GBP	6.0	6.4	6.7
Rank Group	2017/06	GBP	7.3	8.1	8.8
Raven Russia Ltd	2016/12	USD	2.5	2.0	2.0
Record	2017/03	GBP	2.0	2.3	2.4
Regional REIT	2016/12	GBP	7.7	7.9	8.4
Renewi	2017/03	GBP	3.1	3.1	3.1
SCISYS	2016/12	GBP	2.0	2.2	2.4
Secure Trust Bank	2016/12	GBP	75.0	79.0	83.0
Severfield	2017/03	GBP	2.3	2.5	2.8
Share plc	2016/12	GBP	0.3	0.3	0.5
Shore Capital Group	2016/12	GBP	5.0	10.0	
SNP Schneider-Neureither & Partner	2016/12	EUR	39.0	45.0	52.0
StatPro Group	2016/12	GBP	2.9	2.9	2.9
Stobart Group	2017/02	GBP	13.5	18.0	18.0
Stride Gaming	2017/08	GBP	2.7	3.0	4.0
Target Healthcare REIT	2017/06	GBP	6.3	6.5	6.6
Treatt	2016/09	GBP	4.4	6.2	6.4
Trifast	2017/03	GBP	3.5	3.7	3.8
TXT e-solutions	2016/12	EUR	30.0	15.0	16.0
Tyman	2016/12	GBP	10.5	12.3	13.8
Ultra Electronics Holdings	2016/12	GBP	47.8	49.6	52.0
Utilitywise	2016/07	GBP	6.5	2.3	0.0
Walker Greenbank	2017/01	GBP	3.6	4.5	5.6
Wheaton Precious Metals	2016/12	USD	21.0	33.0	42.0
WYG	2017/03	GBP	1.8	1.8	1.9
XP Power	2016/12	GBP	71.0	76.0	79.0
YouGov	2017/07	GBP	2.0	2.3	2.5

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1Spatial	Software & comp services	Update	11/10/17
32Red	Travel & leisure	Update	13/03/17
7digital Group	Media	Update	29/09/17
4imprint Group	Media	Update	01/08/17
Aberdeen New Dawn Investment Trust	Investment trusts	Investment company review	23/07/15
Aberdeen New Thai Investment Trust	Investment companies	Investment company review	13/11/17
Aberdeen Private Equity Fund	Investment companies	Investment company review	16/11/15
Aberdeen UK Tracker Trust	Investment companies	Investment company review	31/07/15
Acal	Technology	Update	18/10/17
Acorn Income Fund	Investment companies	Investment company review	03/10/17
AFH Financial Group	Financials	Update	26/01/16
African Petroleum Corporation	Oil & gas	Update	18/03/16
Alabama Graphite	Metals & mining	Update	01/11/17
Alkane Resources	Metals & mining	Update	23/11/17
Amur Minerals	Metals & mining	Update	07/03/16
appScatter	Software & comp services	Initiation	28/11/17
APQ Global	Financial services	Initiation	07/08/17
Arbuthnot Banking Group	Financials	Update	16/08/16
Ariana Resources	Metals & mining	Update	02/03/16
Atlantis Japan Growth Fund	Investment companies	Initiation	21/07/15
Augean	Industrial support services	Update	30/10/17
Avanti Communications Group	Fixed satellite services	Update	18/07/17
Avesco Group	Media	Update	03/10/16
Avon Rubber	Aerospace & defence	Update	15/11/17
Banca Sistema	Financials	Update	13/11/17
BB Biotech	Investment companies	Investment company review	23/11/17
Biotech Growth Trust (The)	Investment companies	Investment company review	25/07/17
BlackRock Greater Europe Inv. Trust	Investment companies	Investment company review	11/08/17
BlackRock Latin American Inv. Trust	Investment companies	Investment company review	31/07/17
Blancco Technology Group	Software & comp services	Update	17/11/17
Borussia Dortmund	Travel & leisure	Update	04/10/17
Braemar Shipping Services	Industrial support services	Outlook	10/05/17
Brady	Technology	Update	25/09/17
Brunner Investment Trust	Investment companies	Investment company review	27/09/17
Bushveld Minerals	Metals & mining	Update	18/05/16
Caledonia Mining	Metals & mining	Update	14/09/17
Canadian General Investments	Investment companies	Investment company review	26/10/17
Canadian Overseas Petroleum Limited	Oil & gas	Flash	19/12/16
Carbios	Alternative energy	Update	31/10/17
Carclo	Technology	Update	23/11/17
Carr's Group	Food & drink	Update	13/11/17
Cenkos Securities	Financials	Update	06/10/17
Centrale del Latte d'Italia	Food & drink	Update	15/11/17
China Aviation Oil (Singapore)	Industrial support services	Update	13/11/17
China Water Affairs Group	Utilities	Outlook	13/09/17
Circle Property	Real estate	updaten	27/10/17
City Natural Resources	Investment companies	Investment company review	22/01/15
Coats Group	General industrials	Update	20/11/17
Cohort	Aerospace & Defence	Flash	28/11/17
Cooks Global Foods	Food & drink	Update	02/08/17
CREALOGIX Group	Software & comp services	Outlook	01/11/17
Custodian REIT	Property	Update	11/07/17
CVC Credit Partners European Opps	Investment companies	Initiation	14/07/17
DeA Capital	Investment companies	Update	23/11/17
Deinove	Alternative energy	Update	23/10/17
Deutsche Beteiligungs	Investment companies	Investment company review	19/10/17

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Diverse Income Trust (The)	Investment companies	Investment company review	16/10/17
Dunedin Enterprise Investment Trust	Investment companies	Investment company review	05/10/15
Ebiquity	Media	Outlook	26/09/17
Eckoh	Technology	Flash	21/01/16
Eddie Stobart Logistics	Industrial support services	Update	01/09/17
Edinburgh Worldwide Investment Trust	Investment companies	Initiation	13/10/14
Egdon Resources	Oil & gas	Flash	01/11/17
Elk Petroleum	Oil & gas	Update	13/11/17
Ellomay Capital	Alternative energy	Outlook	30/10/17
EMIS Group	Software & comp services	Update	05/09/17
Entertainment One	Media	Update	21/11/17
Epwin Group	Industrials	Update	21/09/17
EQS Group	Media	Update	16/11/17
eServGlobal	Technology	Update	30/10/17
Esker	Technology	Flash	18/10/17
Euromoney Institutional Investor	Media	Outlook	12/10/17
European Assets Trust	Investment companies	Investment company review	10/07/17
European Investment Trust (The)	Investment companies	Investment company review	06/06/17
Evolva	Food & beverages	Update	17/08/17
Expert System	Technology	Update	27/10/17
F&C Managed Portfolio Trust	Investment companies	Investment company review	27/10/17
Fair Value REIT	Property	Update	16/05/16
Fidelity China Special Situations	Investment companies	Investment company review	15/09/17
Fidelity European Values	Investment companies	Investment company review	18/08/17
Findel	Retail	Update	29/11/17
Finsbury Growth & Income Trust	Investment companies	Investment company review	16/11/17
Focusrite	Consumer support services	Outlook	21/11/17
Foreign & Colonial Investment Trust	Investment companies	Investment company review	04/09/17
Foresight Autonomous Holdings	Technology	Flash	13/11/17
Fusionex International	Technology	Update	04/04/17
Future	Media	Outlook	24/11/17
G3 Group	Industrial support services	Update	08/05/17
Game Digital	Retail	Flash	28/11/17
Gaming Realms	Gaming	Update	03/11/16
GB Group	Technology	Update	28/11/17
Gear4music Holdings	Consumer support services	Update	23/10/17
Globalworth Real Estate Investments	Property	Update	06/12/16
Green Dragon Gas	Oil & gas	Flash	20/09/17
GO internet	Technology	Update	04/04/17
Green Dragon Gas	Oil & gas	Flash	31/10/17
Greggs	Food & drink	Update	04/10/17
GVC Holdings	Travel & leisure	Flash	14/09/17
Hansa Trust	Investment companies	Investment company review	25/07/17
HarbourVest Global Private Equity	Investment companies	Investment company review	29/11/17
HBM Healthcare Investments	Investment companies	Investment company review	18/07/17
Heliad Equity Partners	Investment companies	Initiation	12/06/17
Henderson Alternative Strategies Trust	Investment trusts	Investment company review	18/08/17
Henderson Far East Income	Investment companies	Investment company review	15/05/17
Henderson Global Trust	Investment companies	Investment company review	31/03/16
Henderson International Income Trust	Investment trusts	Investment company review	30/11/17
HSBC	Financials	Update	13/08/15
Hurricane Energy	Oil & gas	Update	02/11/17
Imperial Innovations	Financials	Update	27/09/16
International Biotechnology Trust	Investment companies	Investment company review	10/05/16
Invesco Asia Trust	Investment companies	Investment company review	03/10/17
IQE	Tech hardware & equipment	Update	14/11/17

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Is Private Equity	Investment companies	Outlook	17/03/17
IS Solutions	Technology	Outlook	09/03/16
Jackpotjoy plc	Travel & leisure	Update	27/11/17
Jersey Electricity	Industrials	Outlook	03/03/17
John Laing Group	Investment companies	Outlook	31/08/17
JPMorgan European Smaller Comps Trust	Investment trusts	Investment company review	22/06/17
JPMorgan Global Convertibles Inc Fund	Investment companies	Investment company review	28/07/17
JPMorgan Global Growth & Income	Investment companies	Investment company review	21/06/17
JPMorgan Private Equity	Investment companies	Investment company review	28/04/15
Jupiter Green Investment Trust	Investment trusts	Investment company review	29/08/17
Jupiter Primadona Growth Trust	Investment companies	Initiation	03/06/15
Jupiter UK Growth Investment Trust	Investment trusts	Investment company review	13/10/17
Jupiter US Smaller Companies	Investment trusts	Investment company review	02/11/17
KEFI Minerals	Mining	Update	28/11/17
Keywords Studios	Software & comp services	Update	09/08/17
La Doria	Food & drink	Update	20/11/17
Lazard World Trust Fund	Investment companies	Investment company review	14/09/17
Leaf Resources	Alternative energy	Update	20/07/16
Leclanché	Alternative energy	Initiation	15/11/17
Learning Technologies Group	Software & comp services	Update	19/09/17
Leigh Creek Energy	Oil & gas	Update	10/08/17
Lepidico	Metals & mining	Update	13/10/17
Liquefied Natural Gas Ltd	Oil & gas	Update	29/11/17
Lookers	General retailers	Update	13/11/17
London Stock Exchange Group	Financials	Update	19/10/15
Low & Bonar	Basic industries	Update	18/10/17
Lowland Investment Company	Investment companies	Investment company review	25/10/17
LSL Property Services	Property	Update	01/09/16
Marlborough Wine Estates Group	Food & drink	Update	06/09/17
Marshall Motor Holdings	Automotive retailers	Update	27/11/17
Martin Currie Asia Unconstrained Trust	Investment companies	Investment company review	23/11/17
Martin Currie Global Portfolio Trust	Investment companies	Investment company review	26/06/17
MedicX Fund	Property	Update	30/08/17
Medserv	Industrial support services	Update	22/11/17
Merchants Trust (The)	Investment companies	Investment company review	03/11/17
Middlefield Canadian Income	Investment companies	Initiation	04/10/16
migme	Software & comp services	Update	07/09/16
Mineral Commodities	Mining	Update	24/06/16
Miton Global Opportunities	Investment companies	Investment company review	14/07/16
Mitula Group	Media	Update	13/02/17
Mondo TV	Media	Update	06/10/17
Nanoco	Tech hardware & equipment	Update	20/11/17
Nano Dimension	Technology	Update	30/11/17
National Grid	Industrials	Outlook	28/04/17
NetDimensions	Technology	Update	11/11/16
Norcros	Construction & materials	Update	18/10/17
Numis Corporation	Financial services	Update	05/10/17
Ocean Wilsons Holdings	Investment companies	Update	11/10/17
Oceania Natural	Consumer support services	Update	02/06/17
Orosur Mining	Metals & mining	Outlook	10/10/17
Osirium Technologies	Software & comp services	Update	27/10/17
OTC Markets Group	Financial services	Update	16/11/17
Pacific Assets Trust	Investment companies	Investment company review	30/07/15
Palace Capital	Real estate	Update	11/10/17
Pan African Resources	Metals & mining	Update	28/09/17
paragon	General industrials	Update	24/11/17

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Park Group	Financial services	Update	21/09/17
Paysafe Group	Technology	Update	11/08/17
Picton Property Income	Property	Update	30/11/17
Piteco	Software & comp services	Update	10/10/17
Pointer Telocation	Tech hardware & equipment	Update	27/11/17
Polypipe	Construction & materials	Update	22/11/17
Powerflute	Basic industries	Update	08/04/16
PPHE Hotel Group	Travel & leisure	Flash	06/11/17
Primary Health Properties	Property	Update	07/08/17
Prodware	Technology	Update	26/05/16
PSI	Technology	Update	10/11/16
Qatar Investment Fund	Investment companies	Investment company review	23/02/17
QinetiQ Group	Aerospace & defence	Update	30/11/17
Rank Group	Travel & leisure	Update	19/10/17
Raven Russia	Property	Update	07/11/17
Record	Financials	Update	28/11/17
Regional REIT	Real estate	Update	21/11/17
Renewi	Industrial support services	Update	15/11/17
Reworld Media	Media	Update	29/09/17
Rex Bionics	Technology	Update	06/01/16
RNTS Media	Media	Update	02/06/17
Rockhopper Exploration	Oil & gas	Outlook	26/09/17
Rubicon	Construction & materials	Update	09/04/15
S&U	Financials	Update	06/10/17
Schroder AsiaPacific Fund	Investment companies	Investment company review	11/08/17
Schroder Global Real Estate Securities	Investment trusts	Initiation	22/06/15
SCISYS	Technology	Update	08/06/17
Scottish Oriental Smaller Cos Trust	Investment companies	Investment company review	02/06/17
SDX Energy	Oil & gas	Update	19/10/17
Secure Income REIT	Financials	Initiation	19/09/16
Secure Trust Bank	Financials	Update	25/08/17
Securities Trust of Scotland	Investment companies	Investment company review	29/08/17
Seneca Global Income & Growth Trust	Investment companies	Investment company review	25/10/17
Severfield	Construction & materials	Update	12/09/17
Share plc	Financials	Update	27/10/17
Shore Capital Group	Financials	Update	11/04/17
SLI Systems	Technology	Update	26/09/17
Snakk Media	Media	Update	01/11/17
SNP Schneider-Neureither & Partner	Technology	Update	03/11/17
Standard Life Equity Income Trust	Investment companies	Investment company review	07/08/17
Standard Life Private Equity Trust	Investment companies	Investment company review	02/05/17
Standard Life Inv. Property Income Trust	Investment companies	Review	23/05/17
Standard Life UK Smaller Cos Trust	Investment companies	Review	07/08/17
StatPro Group	Technology	Update	02/08/17
Stobart Group	Support services	Outlook	07/08/17
Stride Gaming	Technology	Update	22/11/17
STV Group	Media	Update	26/08/16
Target Healthcare REIT	Property	Update	09/11/17
Templeton Emerging Markets Investment	Investment companies	Investment company review	08/11/17
Tenon	Building materials	Outlook	03/12/15
TerraNet	Software & comp services	Update	17/11/17
Tetragon Financial Group	Investment companies	Investment company review	16/11/17
The Bankers Investment Trust	Investment trusts	Investment company review	02/10/17
The Law Debenture Corporation	Investment trusts	Investment company review	26/09/17
The Marketing Group	Media	Flash	29/11/17
The North American Income Trust	Investment trusts	Investment company review	11/10/16

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The Scottish Investment trust	Investment trusts	Investment company review	26/07/17
Thin Film Electronics	Technology	Flash	19/10/17
Touchstone Exploration	Oil & gas	Update	23/01/15
Tourism Holdings	Travel & leisure	Update	05/09/16
TR European Growth Trust	Investment trusts	Investment company review	28/11/17
TransContainer	General industrials	Outlook	20/09/17
Treatt	Basic industries	Update	30/11/17
Trifast	Engineering	Update	21/11/17
Triton Minerals	Metals & mining	Update	12/09/17
Tungsten Corporation	e-invoicer & invoice financier	Update	24/07/17
TXT e-solutions	Technology	Outlook	17/11/17
Tyman	Construction & materials	Update	23/11/17
UK Commercial Property Trust	Investment trusts	Initiation	24/03/17
Ultra Electronics	Aerospace & defence	Update	20/11/17
UMT United Mobile Technology	Software & comp services	Flash	30/11/17
Utilico Emerging Markets	Investment companies	Investment company review	06/07/17
Utilitywise	Industrial support services	Update	02/08/17
Victoria Gold	Metals & mining	Update	20/09/16
Vietnam Enterprise Investments	Investment companies	Initiation	25/07/17
VinaCapital Vietnam Opportunity Fund	Investment companies	Investment company review	08/08/16
Volt Resources	Metals & mining	Update	03/11/17
Walker Greenbank	General industrials	Update	16/11/17
WANdisco	Technology	Flash	29/11/17
Wheaton Precious Metals	Metals & mining	Update	10/11/17
Windar Photonics	Alternative Energy	Flash	22/09/17
Witan Investment Trust	Investment companies	Investment company review	13/11/17
Witan Pacific Investment Trust	Investment companies	Investment company review	20/11/17
Worldwide Healthcare Trust	Investment companies	Investment company review	25/05/17
WYG	Industrial support services	Update	28/11/17
XP Power	Electronic & electrical	Update	09/10/17
YouGov	Media	Update	16/10/17
Yowie Group	Food & beverages	Update	22/09/17
YPB Group	Industrial support services	Update	10/06/16

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