



EDISON



Edison Insight

Strategic perspective | Company profiles

June 2017

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Prices at 23 June 2017

US\$/£ exchange rate: 0.7819
€/£ exchange rate: 0.8762
C\$/£ exchange rate: 0.5852
A\$/£ exchange rate: 0.5888
NZ\$/£ exchange rate: 0.5630
TRY/£ exchange rate: 0.2219
MYR/£ exchange rate: 0.1828

Published 29 June 2017

RUB/£ exchange rate: 0.0136
NIS/£ exchange rate: 0.2209
NOK/£ exchange rate: 0.0924
HKD/£ exchange rate: 0.1003
CHF/£ exchange rate: 0.8061
SGD/£ exchange rate: 0.5647
EGP/£ exchange rate: 0.0431

Welcome to the June edition of the Edison Insight. We now have over 400 companies under coverage, of which 151 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, judging by the market reaction to ECB President Draghi's most recent comments, a tipping point may have been reached. Peak monetary accommodation is now in the rear-view mirror and investors are becoming increasingly worried about tightening policy. We believe this adds weight to our cautious view on global equities but investors should also consider that overly pessimistic forecasts for an aggressive quantitative tightening could ultimately prove wide of the mark. There is a distinction between headwinds and hurricanes and we do not believe policy error should be the base case at this stage.

This month we have added Eddie Stobart Logistics and TerraNet to the company profiles.

Readers wishing 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: A tipping point

- **Central banks take centre stage.** Judging by the market reaction to ECB President Draghi's most recent comments, a tipping point may have been reached. Peak monetary accommodation is now in the rear-view mirror and investors are becoming increasingly worried about tightening policy. We believe this adds weight to our cautious view on global equities but investors should also consider that overly pessimistic forecasts for an aggressive quantitative tightening could ultimately prove wide of the mark.
- **Equity market volatility is low but downside protection is in demand.** We struggle to understand why equity market volatility has fallen so much during 2017. However, this should not lull investors into a false sense of security as the price of put options indicates that downside protection is in demand. In our view, portfolios should not be built on the assumption that volatility will remain this low as the historical evidence for mean-reversion is strong.
- **Economic surprise indices have turned sharply lower on a global basis in recent months.** This move cannot be fully explained by seasonal or mean reversion factors. In turn, 2017 consensus earnings forecasts in the US and the UK are moving gradually lower and appear to have peaked in continental Europe. This is, in our view, another reason for equities to be on pause.
- **We believe we are entering a period of tighter monetary policy and ebbing economic momentum.** When combined with rich valuations for developed market equities, this can only warrant caution in terms of equity allocations.

Analyst

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A tipping point as monetary policy shifts

Central banks on both sides of the Atlantic appear to be becoming more hawkish

In recent weeks, policymakers at each of the US Federal Reserve, Bank of England and ECB have become notably more hawkish. This is a new development, as throughout the period 2010-2017 central bank balance sheets have been steadily expanding as the quantitative easing (QE) baton was passed around the globe. With asset prices rising strongly over this period, many commentators have been quick to infer that the end of QE signals market trouble ahead. While certainly a headwind, we believe investors should not rush to judgement. There remain many acts to play out in this story before it is finished.

In the US, a reduction in the size of the Fed's balance sheet is under active discussion. Fed Chair Yellen also recently commented that asset valuations are "somewhat rich" and that the US banking system is now sufficiently robust to withstand a decline in asset prices:

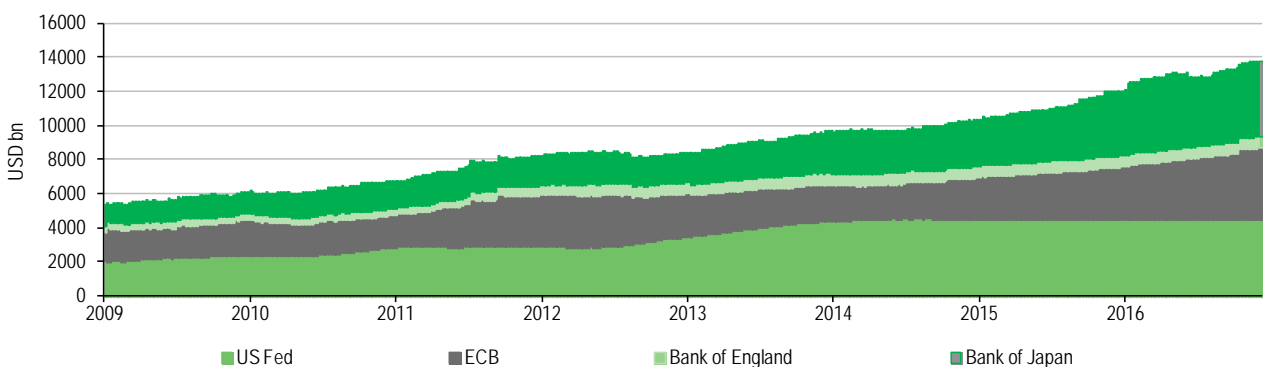
"...asset prices can move, they can cause losses to individuals who decided to invest in things that fall in price but we're worried about systemic risk and with a strong banking system...those kind of repercussions are not top of my list."

Taken together with Fed Vice Chairman Fischer's observations that markets have in part been driven higher by increased risk appetite and that close monitoring is warranted, investors have been warned twice in recent days that the Fed believes risk premia are too low at present.

At the Bank of England, a relatively tight vote on interest rates this month surprised markets. Governor Mark Carney initially indicated after the meeting that, in his view, now was not yet the time to tighten policy. However, this week he conditioned his view on the outlook for UK business investment, which, if firm, could mean "some removal of monetary stimulus is likely to become necessary", thus significantly clouding the picture.

ECB President Draghi has also suggested that to keep the stance of monetary policy constant as the eurozone economy improves, policy should be dynamically tightened. Draghi's comments in particular seem to have pushed markets over a tipping point; although his speech in Portugal was, in our view, anodyne, it triggered one of the sharpest daily increases in global bond yields for a number of years. In fact, the comments were shortly afterwards said by Reuters, quoting sources within the ECB, to be misinterpreted. However, with three of the world's most influential central banks taking, or being perceived to take, a more hawkish tack, the scope for an air pocket in global equities has clearly increased.

Exhibit 1: Central bank balance sheet expansion 2010-2017



Source: Thomson Reuters Datastream

The impact of central banks' purchase of government bonds in recent years on asset markets should also not be underestimated. With total assets of the world's major central banks close to

US\$14trn, central banks have absorbed over 25% of the value of developed market bond markets. This has pushed government bond yields lower and, combined with forward guidance on interest rates, lowered the discount rate and risk premium on a wide variety of riskier assets, including corporate bonds and equities. The policy has also significantly reduced sovereign funding costs and not just in the periphery of Europe.

Now there is increasing concern in the market about the transition to market-determined government bond yields over the course of 2018-2019. The most obvious implication is that a return to higher market-based yields implies higher discount rates for other assets. It is difficult to argue this point. For example, a wholly unanticipated increase in real rates of only 1% would, all other things being equal, imply a significant decline in the fair value of developed market equities.

However, such an increase is already partly discounted. US Fed Chair Yellen has been as clear as she can be on the slowly rising trajectory of the neutral interest rate. Furthermore, all other things are unlikely to be equal. In a scenario of higher real rates, growth would be stronger, offsetting the impact.

Therefore, we could rewrite the assumption that the end of QE and start of monetary tightening will necessarily lead to a major market crash as an assumption that the world's monetary policymakers will necessarily make an enormous policy error. While certainly a non-zero probability, it would require additional constraints on policy to make it a base case.

Most obviously, should the US economy slow through Q3 the US Fed is fully at liberty to change its view on both the appropriate level of its balance sheet and the trajectory of interest rates. The ECB is also able to change course even if it is running into constraints in terms of eligible securities for balance sheet expansion. It is easy to forget that, just as the ultimate extent of global QE was wholly underestimated by the market several years ago, forecasts for quantitative tightening are equally subject to a high degree of uncertainty.

However, a dangerous constraint would be rapidly rising or significantly above-target inflation. Fortunately there is little evidence of this at present, with the exception perhaps of the UK. What may be closer to policymakers' thoughts, however, is that even as the US Fed has raised rates, broader financial conditions (including measures of credit and equity risk premia) have eased over the last six months. Especially in the eurozone, where monetary policy has been targeted at reducing financial risk premia, in many respects this may be viewed as mission accomplished.

Policymakers seem at present to fear getting behind the curve. According to Draghi, rising asset prices and improving business confidence would justify a tightening trajectory of monetary policy just to maintain a steady level of policy accommodation.

We believe central banks' recent change of tack (or even just change of emphasis) adds weight to our prior views that investors should proceed cautiously at present. The comments from policymakers on asset prices do not mean that a policy error is inevitable, but they are a shot across the bows of the market as central banks try to lower the risk of financial instability and mal-investment.

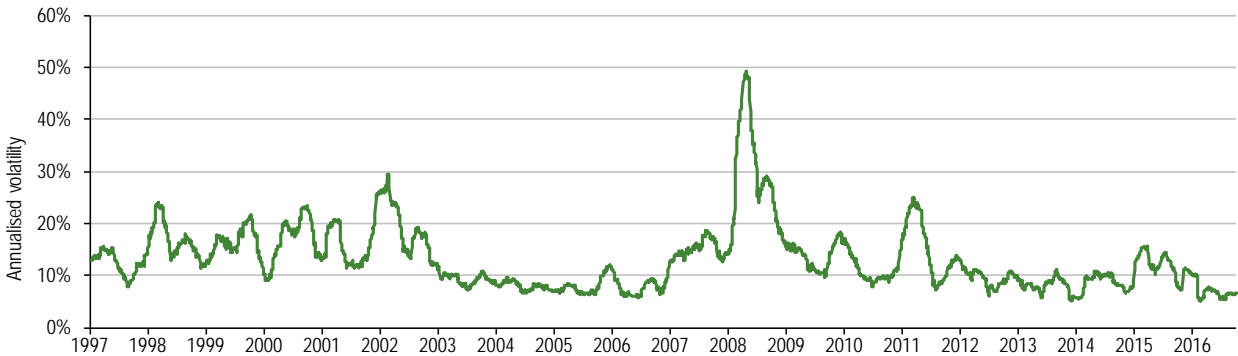
Volatility: Low, but skewed to the downside

We struggle to understand why market volatility has fallen so much in 2017

One of the notable aspects of equity markets during 2017 has been the rapid fall in market volatility. Trailing 90-day realised volatility for the S&P 500 reached 7% in recent weeks (Exhibit 2). Over the last 20 years, these levels are matched only during a brief period over 2005-2006. We do not see an especially strong parallel with 2005, as at that point US equities were still moderately valued and the US economy was expanding after a mild recession. We believe investors are once again

becoming complacent; but also note the skew towards higher priced put options suggesting that, within the options market at least, downside protection is at a premium.

Exhibit 2: S&P500: 90-day realised volatility



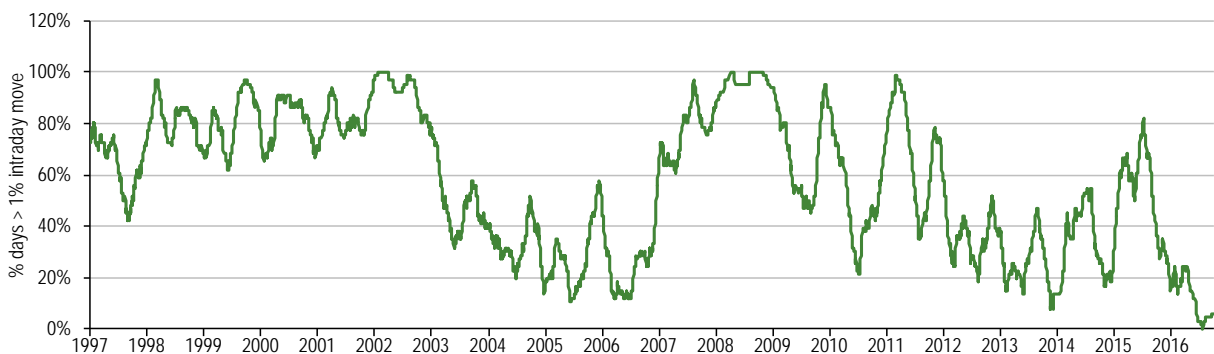
Source: Thomson Reuters Datastream, Edison calculations

The decline in volatility on an intra-day basis is even more marked, with only 6% of recent trading days experiencing an intra-day range of greater than 100bp (Exhibit 3). On this measure, markets are more placid than at any time since 1997, a remarkable shift from only one year ago when intra-day volatility was much higher.

It is not obvious to us what is driving the shift towards such a low-volatility trading regime at this juncture. Calm markets have also hurt US broker profitability in the first quarter. The popularity among investors of volatility ETFs (despite the dire price performance due to the steep contango in volatility futures) does not appear to be related to the decline in volatility. The market value of the top five US volatility ETFs has remained static at US\$1.5bn year-on-year, albeit with a brief peak at the time of the US election.

While implied and realised market volatility may be low, this should not lull investors into a false sense of security. The premium for deep out-of-the-money puts (implied volatility of 24%) compared to similarly out-of-the-money calls (implied volatility of 12%) highlights the relative demand for portfolio protection and ample supply of call sellers.

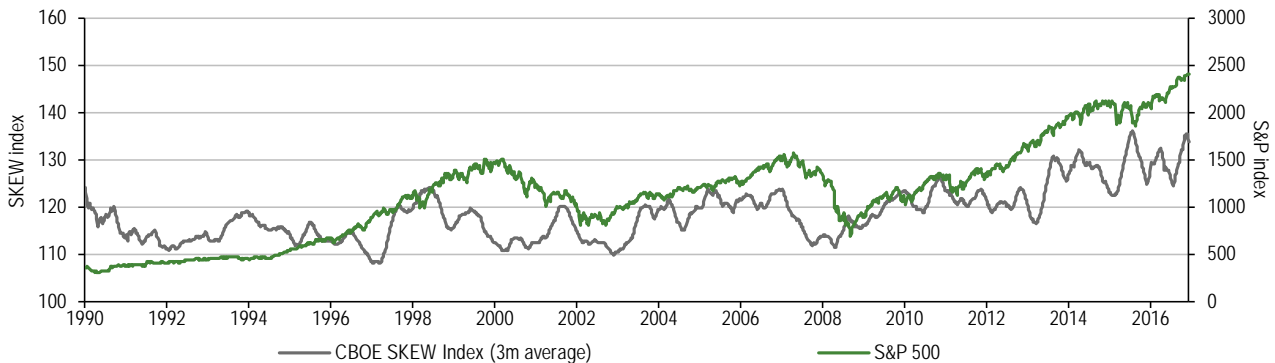
Exhibit 3: S&P500: Percentage of days with an intra-day range > 100bp



Source: Thomson Reuters Datastream, Edison calculations; based on trailing 90 days

In fact, the CBOE SKEW Index (Exhibit 4), which measures the degree of deviation implied in options prices from the Black-Scholes model and as such provides a measure of downside tail risk, is currently at a record level. While by no means a perfect indicator of medium-term trouble within the equity market, skew was elevated ahead of the original dot-com collapse and the global financial crisis. We believe investors should at least satisfy themselves that they understand why this index is currently at record levels and why downside protection is relatively expensive at present.

Exhibit 4: CBOE SKEW Index



Source: CBOE. SKEW Index reflects market-implied expectations of a tail risk event, based on put option implied volatilities.

It is possible the low level of current market volatility is in part due to an ample pool of natural sellers willing to give up equity upside in return for option premium, given current market valuations. In turn, hedging activity by dealers would act to depress short-term realised volatility. However, if true and should the market gap lower, this technical support for the market would be expected to diminish.

Outside of the technical aspects of the options market, it is understandable that investors as a whole perceive that some of the risks have grown smaller; the populist tide in Europe appears to be in reverse and the economic data from the region has also improved dramatically. Earnings growth forecasts for the US, the UK and continental Europe remain close to 10% for 2017 and have been on a rising trend in continental Europe in the earlier part of the year, even if estimates have now stalled. China did not slow as many anticipated in 2016, even if recent data is equivocal.

However, we would prefer to weight longer-term factors more heavily when constructing portfolios. Portfolios should not be built on the assumption that volatility will remain this low as the historical evidence for mean-reversion is strong. Although many investors may have become habituated, global monetary policy remains very loose and global debt levels remain extraordinarily high.

Equity investors should also recognise there has been a substantial retracement of bond yields during 2017, reflecting ebbing perceptions among bond investors for growth and inflation, and as a result global yield curves have flattened.

Just as the short-term improvements in the eurozone economies have put investors at ease and compressed risk premia in Europe this year, still high levels of debt/GDP mean the vulnerabilities remain in the event of a slowdown. Equity valuations, notably in the US, remain extended and this remains true even when the US technology sector is excluded from the calculations.

It would be tempting to view the decline in market volatility as an opportunity to invest in it, perhaps via volatility ETFs. However, investors concerned about the downside need not pay for the upside volatility exposure implicit in many volatility ETFs. In addition, as we have noted, downside protection is significantly more expensive than upside exposure. The implied volatility of 24% for out-of-the-money puts does not strike us as a bargain, for example. Our preference would be to keep the portfolio strategy simple.

In preference to adding to portfolio complexity with derivatives exposure to hedge risk, we believe investors should first reduce equity exposure and raise cash by taking profits in positions close to target prices and use out-of-the-money put options only judiciously, given current implied volatilities and the drag on portfolio performance due to time value decay.

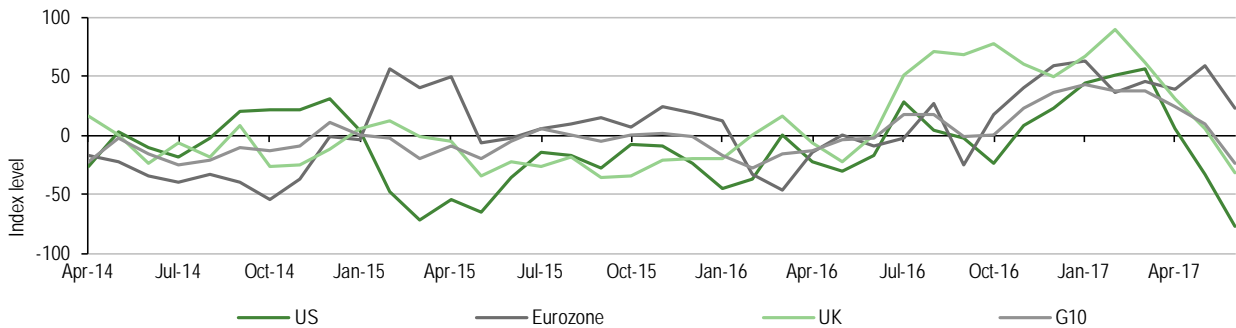
Equity risks are rising: Economic surprises turning lower

Economic surprise turns lower and positive earnings momentum eases

We are viewing with increasing concern the mounting evidence of disinflation in industrial commodity and energy markets. Economic surprise indices, Exhibit 5, have turned sharply lower on a global basis, a move which cannot be fully explained by seasonal factors. In this context, we were surprised by the relatively hawkish recent policy statements by the US Federal Reserve and Bank of England. For now, earnings growth forecasts near 10% for each of the US, the UK and continental Europe remain intact but we also detect ebbing momentum in this data compared to six months ago.

Economic surprise indices are moving sharply lower and while some of this may be seasonal, the rapid drop when combined with declining bond yields points to a genuine shortfall in activity versus earlier expectations.

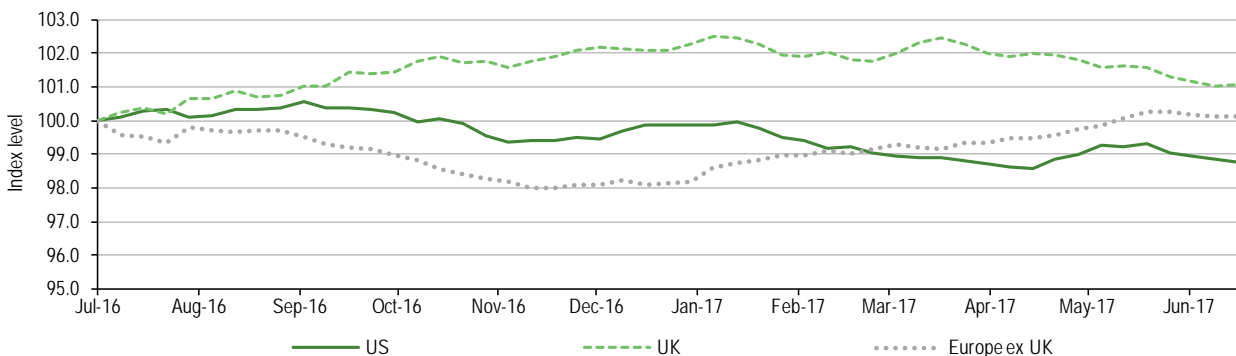
Exhibit 5: Economic surprise indices moving sharply lower in recent weeks



Source: Thomson Reuters Datastream/Citigroup

In terms of earnings momentum, our equal-weighted 2017 earnings revisions indices for the UK and US have been falling in recent weeks (Exhibit 6). Earnings momentum is highly correlated to market performance over the short term and, in view of this data, we believe price momentum for UK and US equities may slow over the summer months. In continental Europe, which has been the surprise outperformer for 2017 to date, over the last month our earnings revision index has fallen since the end of May. While it is clearly too early to tell if this is a new trend, it is consistent with the declining economic surprise index for the region.

Exhibit 6: Earnings revision indices falling in the US, the UK – and peak reached in continental Europe?



Source: Thomson Reuters Datastream/Citigroup

The declining momentum in economic activity has clearly been noted by global bond markets as yield curves have flattened significantly since Q1. Flat or inverted yield curves have clear slowdown or even recessionary implications.

In this context, it was something of a surprise to us to see both the US Federal Reserve and the Bank of England publish relatively hawkish policy statements in recent weeks. There is clearly a nervousness among investors with 2018 looming, which may represent the first year since 2010 when aggregate central bank balance sheets may be shrinking rather than growing.

We can understand the wish of the ECB to defer the discussion on what to do with its own QE programme until later in the year, to avoid an involuntary tightening of monetary conditions, but the cost for investors is added uncertainty.

Based on the data we have to hand, we believe global markets are now set to trade sideways – at best based on relatively high valuations and a tightening trajectory of US monetary policy and declining earnings momentum.

If the US Fed sticks to its current course, we may even see an uptick in volatility in Q3 until investors are able to form a view on profits expectations for 2018. There is, in our view, limited benefit in joining in the performance chasing at this point in the year. European equity ETF inflows may have reached record levels recently but in some respects the economic momentum appears to have already peaked.

Conclusion

Recent weeks have brought central banks' intentions for monetary policy into focus. The signals from the US Federal Reserve appear to be that US monetary policy will continue to be tightened even as near-term US economic momentum is somewhat weaker when compared to earlier in the year.

Furthermore, Fed Chair Yellen has been clear that repercussions from lower asset prices are not at the top of her agenda. This is, in our view, a significantly less market-friendly Fed, at least compared to previous years. In addition, Draghi's comments add to the perception that peak monetary accommodation is in the rear-view mirror. However, there is a distinction between headwinds and hurricanes; we do not believe policy error should be the base case at this stage.

In terms of the real economy, we note that economic surprise indices are falling faster than would be expected by seasonal factors and 2017 earnings forecasts are now declining modestly in the US and the UK.

Last month, we wrote that markets were likely to drift higher over the summer – unless the US Fed adopted a more hawkish tone or started to address asset prices more directly. While we suggested such a policy stance was a low-probability outcome, it has happened.

We would be careful to remember that nothing is certain and especially the pace of any prospective quantitative tightening. However, tighter monetary policy and ebbing economic momentum, when combined with rich valuations for developed market equities, can only warrant caution in terms of equity allocations.

Sector: Technology

Price: 3.2p
 Market cap: £25m
 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	4.0	(10.3)	(31.6)
Relative*	4.9	(11.8)	(41.4)

* % Relative to local index

Analyst

Dan Ridsdale

1Spatial (SPA)

INVESTMENT SUMMARY

1Spatial's restructured management team has made brisk progress in reducing overheads and realigning the business to deliver on the client-centric, solutions-based model. While the turnaround is still in its early stages, it can yield good results in a relatively short time frame. The market for GIS technology is large and growing at a double-digit rate, and we believe that 1Spatial has the customer base, technology and expertise to capitalise on this. An encouraging Q1 supports this view. We maintain our view that there is substantial intrinsic value within the business, which, with a modicum of execution, should be unlocked.

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 circa 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)
2015	19.6	3.1	1.8	0.27	11.9	59.0
2016	20.7	3.7	2.0	0.29	11.0	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: Media & entertainment

Price: 1695.0p
 Market cap: £476m
 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	(3.0)	(2.0)	29.4
Relative*	(2.2)	(3.6)	10.9

* % Relative to local index

Analyst

Fiona Orford-Williams

4imprint Group (FOUR)

INVESTMENT SUMMARY

4imprint's interims are scheduled for 1 August; the AGM statement indicated trading in the first four months of FY17 were in line with full-year expectations. Revenues and order intake were 9% ahead, with marketing spend more biased towards H217. FY16 revenue increased well ahead of the market growth of 2-3%, with a tick up in operating margin. H216 revenues were up 8% and would have been higher but for market uncertainty around the US presidential elections. December returned to normal trading patterns. The dividend was up 35%, reflecting the de-risking of the pension position and marketing spend at appropriate levels. With strong cash generation, a cash-positive balance sheet, and good earnings and dividend growth, the premium rating is clearly merited.

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 is currently projecting US GDP to grow 2.3% in 2017 and 2.5% in 2018.

Y/E Dec	Revenue (US\$m)	EBITDA (US\$m)	PBT (US\$m)	EPS (fd) (c)	P/E (x)	P/CF (x)
2015	497.2	35.5	33.5	87.5	24.8	19.8
2016	558.2	40.8	38.4	98.7	22.0	13.1
2017e	615.2	44.3	41.6	104.4	20.8	14.8
2018e	661.2	47.7	45.0	112.9	19.2	13.2

Sector: Mining

Price: 301.9p
 Market cap: £1238m
 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	(30.4)	(35.0)	(11.7)
Relative*	(29.8)	(36.0)	(24.4)

* % Relative to local index

Analyst

Charles Gibson

Acacia Mining (ACA)

INVESTMENT SUMMARY

Tanzania's directive to cease metal concentrate exports is costing Acacia c US\$1m in revenue per day. The findings of Tanzania's two presidential committees to date (which Acacia strongly rejects) suggest a significant breakdown of relations between the company (and parent Barrick) and the government. While FY17 guidance currently remains unchanged at 850-900koz gold at cash costs of US\$580-620/oz, a protracted dispute holds out the possibility of Bulyanhulu, in particular, being put on care and maintenance. Local regulations also impose twin obligations on miners to list operating assets locally and a 30% minimum local shareholding by 23 August.

INDUSTRY OUTLOOK

Acacia's output exceeded our expectations by 6,423oz or 3.0% in Q117, as a result of strong operational performances at North Mara and Buzwagi. Our updated financial forecasts assume production of 853koz at a cash cost of US\$658/oz and a gold price of US\$1,245/oz in Q217, dropping to US\$1,234/oz in Q3-Q417. FY18 forecasts remain under review.

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	9.7
2016	1053.5	407.9	242.1	39.2	9.8	4.9
2017e	1088.6	462.2	288.2	48.4	8.0	4.5
2018e	N/A	N/A	N/A	N/A	N/A	N/A

Sector: Technology

Price: 291.0p
 Market cap: £206m
 Market: LSE

Share price graph (p)

Company description

Acal 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	6.9	34.0	15.0
Relative*	7.8	31.8	(1.5)

* % Relative to local index

Analyst

Katherine Thompson

Acal (ACL)

INVESTMENT SUMMARY

Acal saw a recovery in demand in H217 (sales +6% CER y-o-y) after a weak first half and finished the year with a healthy order book (+13% CER y-o-y). Continued strong demand in Q118 supports organic growth in FY18 and in June we nudged our estimates up (FY18 EPS +1.5%) following a similar upgrade in April. The company's strategy to grow the design and manufacturing business is on track and we expect to see further acquisitions to broaden the product offering and geographical coverage. The stock continues to trade at a discount to its peer group despite its growth potential (organic and via acquisition) and a dividend yield of c 2.9%.

INDUSTRY OUTLOOK

Acal 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	16.3	12.6
2017	338.2	24.3	17.8	19.9	14.6	9.4
2018e	367.4	27.3	20.7	20.6	14.1	10.5
2019e	381.1	28.6	22.1	21.7	13.4	8.4

Sector: Mining

Price: A\$0.23
 Market cap: A\$114m
 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	(8.2)	(18.2)	15.4
Relative*	(7.4)	(18.2)	7.4

* % Relative to local index

Analyst

Tom Hayes

Alkane Resources (ALK)

INVESTMENT SUMMARY

Alkane has provided a pre-quarterly update for its Tomingley Gold Operation (TGO). Strong production performance of 17koz of gold produced across April and May has led the company to revise upwards its H217 production target from 31-36koz, to 43-45koz. H217 all-in sustaining costs (AISC) are also estimated to come down from A\$1,350-1,550/oz published by Alkane in January, to A\$1,000-1,100/oz. This is expected to have a positive effect on the company's cash flow, which will be confirmed via its FY17 financials due out mid-July.

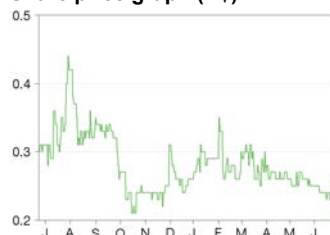
INDUSTRY OUTLOOK

This positive H217 production performance sees Alkane finishing FY17 with a flourish, after a difficult H117 dominated by intense periods of rainfall, which negatively affected gold mining at the TGO. Furthermore, Alkane expects to produce 65-70koz of gold in FY18 at an AISC of between A\$1,100/oz and A\$1,200/oz. We expect to revise our base case valuation for the TGO, and Alkane's shares, pending its release of formal revised underground mine plans for the TGO, sometime towards the end of H118 (H2 CY17). This will follow the completion of current drilling activities and a revised resource and reserve statement for the TGO.

Y/E Jun	Revenue (A\$m)	EBITDA (A\$m)	PBT (A\$m)	EPS (c)	P/E (x)	P/CF (x)
2015	101.8	26.5	0.1	1.0	23.0	3.3
2016	109.6	40.9	11.0	2.2	10.5	2.6
2017e	98.0	14.8	(17.7)	(1.5)	N/A	9.1
2018e	104.3	48.8	(16.2)	(1.2)	N/A	8.6

Sector: Mining

Price: C\$0.25
 Market cap: C\$28m
 Market: CV

Share price graph (C\$)

Company description

Almonty Industries is an independent tungsten producer, with operating mines in Spain, Australia and Portugal. It also has the large and low-cost development-stage flagship Sangdong (South Korea) and earlier stage Valtreixal (Spain) projects.

Price performance

%	1m	3m	12m
Actual	2.0	2.0	(15.0)
Relative*	3.1	2.8	(21.6)

* % Relative to local index

Analyst

Tom Hayes

Almonty Industries (AII)

INVESTMENT SUMMARY

Almonty's flagship development asset is the large high-grade Sang Dong tungsten project in South Korea. On 9 January, Almonty announced that it had received final construction permits, with the result that it is now fully permitted. In the meantime, it has also acquired the remaining 49% of the Valtreixal mine in Spain that it did not already own, via a series of payments to Siemcalca for €1.5m (a €0.75m reduction of the asking price).

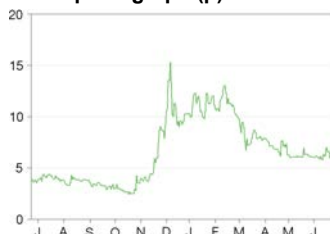
INDUSTRY OUTLOOK

FY16 results recorded revenues 3% higher than in FY15 at C\$37.3m on a like-for-like basis, with costs down 16%. The net loss for the period was C\$21.2m, or 22c per share, a narrowing of 42% of FY15. This compares with a C\$4.6m net loss in Q117, or 4c per share. Since then, Almonty has released an updated reserve and resource statement at Panasqueira and an additional one-year, fixed-price off-take agreement for its Los Santos mine, as well as renegotiating the terms of a number of its debt funding and convertible loan agreements. Our forecasts remain under review.

Y/E Sep	Revenue (C\$m)	EBITDA (C\$m)	PBT (C\$m)	EPS (c)	P/E (x)	P/CF (x)
2015	36.1	(7.9)	(19.2)	(36.8)	N/A	16.2
2016	37.3	(4.6)	(15.2)	(15.0)	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: Mining

Price: 6.2p
 Market cap: £38m
 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	(1.6)	(21.8)	59.0
Relative*	(0.7)	(23.1)	36.2

* % Relative to local index

Analyst

Charles Gibson

Amur Minerals (AMC)

INVESTMENT SUMMARY

The 2017 field season started early and is currently running ahead of schedule with a view to further upgrading resources, while RPM is updating the project's cost estimates. Earlier this year, Amur announced a 214kt (or 41.7%) underlying increase in contained nickel tonnes at Kun-Manie, to 790kt Ni, or 1.1Mt Ni equivalent, at a constant 0.4% Ni cut-off grade. The upgrade follows the announcement of positive bulk sample metallurgical test results by Gipronickel.

INDUSTRY OUTLOOK

Based on the existing operational blueprint, we calculate fully diluted 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 (at a 9p share price and assuming 80% financial leverage). However, this could increase if the mine plan is reconfigured to advance and increase high-grade underground production (as seems likely). Updated estimates also imply a potential c US\$150m capex saving in the cost of Amur's access road.

Y/E Dec	Revenue (US\$m)	EBITDA (US\$m)	PBT (US\$m)	EPS (c)	P/E (x)	P/CF (x)
2014	0.0	(2.4)	(2.5)	(0.6)	N/A	N/A
2015	0.0	(4.1)	(1.9)	(0.4)	N/A	N/A
2016e	0.0	(4.1)	(4.0)	(0.8)	N/A	N/A
2017e	0.0	(4.1)	(4.0)	(0.3)	N/A	N/A

Sector: Industrial support services

Price: 60.5p
 Market cap: £62m
 Market: AIM

Share price graph (p)

Company description

Augean manages hazardous waste through five divisions: Radioactive Waste Services (3% of group revenues), Energy & Construction (37%), Industry & Infrastructure (21%), Augean Integrated Services – AIS (11%) and ANSS (27%).

Price performance

%	1m	3m	12m
Actual	(4.0)	13.1	24.1
Relative*	(3.1)	11.2	6.3

* % Relative to local index

Analyst

Jamie Aitkenhead

Augean (AUG)

INVESTMENT SUMMARY

Augean's overall performance in FY16 was very strong. 16% growth in clean PBT for FY16 was driven by high levels of growth in three out of its five business units. Augean's largest single unit by a margin, Energy and Construction, reported a stellar FY16 with a 28% operating profit increase, underpinned by 48% volume growth in its Air Pollution Control Revenues business.

INDUSTRY OUTLOOK

There is a growing trend towards treatment, recovery and recycling in the waste hierarchy, highlighted in the government's Strategy for Hazardous Waste Management. This increasingly more stringent environmental regulation supports Augean's specialist industry knowledge model and provides a platform for growth, in our view.

Y/E Dec	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (p)	P/E (x)	P/CF (x)
2015	61.0	11.9	6.0	4.65	13.0	5.0
2016	76.0	13.8	7.0	4.42	13.7	4.8
2017e	87.1	15.7	8.2	5.84	10.4	4.2
2018e	91.5	17.5	9.5	6.98	8.7	3.6

Sector: Aerospace & defence

Price: 10.5p
 Market cap: £17m
 Market: AIM

Share price graph (p)

Company description

Avanti Communications is a London-based fixed satellite services (FSS) provider. It sells satellite data communications services to service providers to key markets in 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	1.2	(17.7)	(83.6)
Relative*	2.1	(19.0)	(85.9)

* % Relative to local index

Analyst

Andy Chambers

Avanti Communications Group (AVN)

INVESTMENT SUMMARY

Avanti has completed a refinancing of its operations with the bondholders providing up to \$242m of additional liquidity. It allows Avanti to pursue its strategy and more than double capacity by launching HYLAS 4 later in 2017. Q3 results remained depressed with only \$45m of revenues booked year to date, but order activity is picking up and the \$100m super senior debt issue adds \$50m of additional liquidity on more favourable terms.

INDUSTRY OUTLOOK

Avanti is building a Ka-band satellite network to service broadband connectivity for underserved 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 recent 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	13.9	(73.3)	(61.4)	N/A	N/A
2016	82.8	6.1	(67.0)	(49.3)	N/A	N/A
2017e	84.2	12.3	(85.9)	(55.6)	N/A	1.0
2018e	127.4	67.6	(92.5)	(56.7)	N/A	0.3

Sector: Aerospace & defence

Price: 1006.0p
 Market cap: £312m
 Market: LSE

Share price graph (p)

Company description

Avon Rubber designs, develops and manufactures products in the respiratory protection, defence (71% of 2016 sales) and dairy (29%) sectors. Its major contracts are with national security and safety organisations such as the DoD.

Price performance

%	1m	3m	12m
Actual	(10.0)	5.9	15.6
Relative*	(9.3)	4.2	(0.9)

* % Relative to local index

Analyst

Roger Johnston

Avon Rubber (AVON)

INVESTMENT SUMMARY

Avon Rubber's strong H117 results allayed any concerns that the change in management team might have distracted this growth company from the task in hand. In fact, H117 numbers proved quite the opposite. Revenue was up 7% organically, with flat margins despite slightly higher costs. EPS was flat year-on-year, but this is purely a function of an anomalously low tax charge in FY16 of 1%. The CEO has shown ruthless focus in ensuring that R&D is concentrated on financially viable projects to stimulate further growth.

INDUSTRY OUTLOOK

The FY18 US Defence Budget looks promising for Avon as it increases army troop numbers by 4%. Sales to EMEA and North America have increased, as have sales of fire products following the acquisition of Argus. Avon is increasingly focused on higher price sophisticated mask systems. Dairy has benefited from a rebound in the price of milk. The Farm Services model is progressing well and the roll-out of the tag exchange has been brought forward to H217.

Y/E Sep	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (p)	P/E (x)	P/CF (x)
2015	134.3	26.6	19.8	56.1	17.9	14.8
2016	142.9	30.8	21.6	74.2	13.6	9.6
2017e	168.9	35.7	25.0	66.6	15.1	9.3
2018e	178.7	36.9	26.9	71.4	14.1	8.9

Sector: Financials

Price: €2.26
 Market cap: €182m
 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	(0.1)	(10.3)	(11.6)
Relative*	2.4	(13.5)	(24.7)

* % Relative to local index

Analyst

Andrew Mitchell

Banca Sistema (BST)

INVESTMENT SUMMARY

Banca Sistema's (BST) main activity is financing trade receivables from the Italian public sector. It also purchases commercial receivables and has a growing salary- and pension-backed loan business. It aspires to be the leading independent speciality finance provider in Italy. A modest valuation, capital headroom, potential for increased penetration of public sector factoring in Italy, market share gains for BST and the development of diversifying businesses combine to make an appealing investment proposition. The shares trade below the average P/E's for a selected peer group and, assuming an ROE of 22% and 12.4% cost of equity, we come to a valuation of c €3.15, significantly above the current share price.

INDUSTRY OUTLOOK

The level of factoring outstanding in the Italian market (private and public sector) grew at a compound annual rate of 6% in the 10 years to 2016, and room for growth remains. Greater focus on and capital commitment to the pension-backed loans is likely to be the key growth driver of that business.

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	7.7	N/A
2016	81.5	N/A	35.7	32.85	6.9	N/A
2017e	87.2	N/A	41.0	35.34	6.4	N/A
2018e	97.2	N/A	47.6	40.85	5.5	N/A

Sector: Mining

Price: 1.0p
 Market cap: £3m
 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	(13.0)	(13.0)	(46.7)
Relative*	(12.3)	(14.5)	(54.3)

* % Relative to local index

Analyst

Tom Hayes

Bezant Resources (BZT)

INVESTMENT SUMMARY

BZT has completed, on an all-share basis, the acquisition of Kellstown Investments – a Panamanian SPV containing assets (including mobile plant and processing equipment, IP rights and other geological information) for use by Exumax in performing its services under the mining services agreement held with BZT. The 'fully-equipped, purpose-built, modern alluvial processing plant' acquired by BZT is already located in Colombia and ready for mobilisation to site. This should support Exumax's target for first production to occur at Choco sometime during Q217 or Q317. BZT's independent scoping study indicates that cash costs of US\$768/oz should be achievable, and therefore should support decent margin for its operations.

INDUSTRY OUTLOOK

BZT's interim financial results state that the company had cash of £0.2m at the end December 2016, after losses totalling £1.2m, comprising mainly a ramp-up in operating costs associated with development of the company's Choco alluvial Au-Pt project in Colombia. Post-period, the company raised £1.2m via the issue of 21.05m new ordinary shares at 2p each.

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

Sector: Technology

Price: 151.0p
 Market cap: £97m
 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	(18.8)	(36.8)	(25.3)
Relative*	(18.1)	(37.9)	(36.0)

* % Relative to local index

Analyst

Katherine Thompson

Blancco Technology Group (BLTG)

INVESTMENT SUMMARY

As the leading provider of data erasure software for the enterprise market, Blancco is well positioned to exploit the growing requirement for secure data erasure. With major investment in sales and support complete and regulatory changes in its favour, Blancco is in a good position to drive adoption of its software via its direct sales and partner channels. Post the fund raise, we are reviewing our 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 (fd) (p)	P/E (x)	P/CF (x)
2015	15.0	4.2	2.8	2.84	53.2	16.1
2016	22.4	6.9	5.6	5.63	26.8	N/A
2017e	31.4	9.6	7.2	8.42	17.9	47.0
2018e	37.9	11.7	9.3	11.10	13.6	7.6

Sector: Travel & leisure

Price: €6.34
 Market cap: €583m
 Market: FRA

Share price graph (€)



Company description

The group operates Borussia Dortmund, a leading German football club, runners-up in the 2015/16 Bundesliga and quarter-finalists in this season's UEFA Champions League (quarter-finalists in the 2015/16 UEFA Europa League).

Price performance

%	1m	3m	12m
Actual	3.0	10.6	58.4
Relative*	2.4	4.6	27.6

* % Relative to local index

Analyst

Richard Finch

Borussia Dortmund (BVB)

INVESTMENT SUMMARY

Despite coach Tuchel's end-of-season departure, Borussia Dortmund has ended FY17 on a strong note with German Cup success (first trophy for five years) and entry to next season's Champions League group stage. The arrival of a new coach (Peter Bosz from Ajax) brings inevitable uncertainty, but we maintain our forecast of continued profit growth in FY18. Apart from a new deal on Bundesliga media rights, we expect a significantly lower player cost base and bumper cash generation (forecast c €100m net cash at June 2018), which provides ample scope for profitable investment and returns to shareholders. Meanwhile, slightly lower pre-transfer EBITDA in current year Q3, its quietest quarter, is a reminder that costs remain an issue.

INDUSTRY OUTLOOK

Unsustainable spend on wages and transfers is increasingly being penalised by new UEFA Financial Fair Play requirements. Notwithstanding a phased implementation, a 'break-even requirement' applied initially to 2012 financial statements, 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)
2015	263.6	48.0	44.2	42.7	14.8	22.7
2016	281.6	15.3	73.8	68.2	9.3	13.1
2017e	324.0	30.0	51.0	47.2	13.4	19.4
2018e	336.0	50.0	74.0	68.4	9.3	11.7

Sector: Oil & gas

Price: 26.8p
 Market cap: £87m
 Market: AIM

Share price graph (p)

Company description

Bowleven is an AIM-listed, Africa-focused E&P with assets in Cameroon. Its main asset is its 20% net interest in the Etinde development, which holds 290mboe of 2C contingent resource.

Price performance

%	1m	3m	12m
Actual	(12.3)	(24.1)	25.9
Relative*	(11.5)	(25.4)	7.9

* % Relative to local index

Analyst

Will Forbes

Bowleven (BLVN)

INVESTMENT SUMMARY

Bowleven's board has seen a period of change with its chairman, CEO and CFO all leaving after the General Meeting. The strategic review process has been terminated and the company continues to focus on maximising value for shareholders, including rationalisation of its cost base and "the preservation and enhancement of its existing assets". The company expects monthly cash burn to fall from \$0.6m to \$0.35m.

On an operational level, the farm-down of Bomono is progressing and the company is meeting with the SNH to discuss outstanding approvals to allow the gas to flow through VOG pipelines. The Etinde joint venture partners continue to work on finding an agreeable development solution for all stakeholders. Once the development concept has been agreed and costed, the company will make a determination on a possible cash return to shareholders.

INDUSTRY OUTLOOK

Y/E Jun	Revenue (US\$m)	EBITDA (US\$m)	PBT (US\$m)	EPS (c)	P/E (x)	P/CF (x)
2015	0.0	(11.5)	(14.1)	(4.3)	N/A	N/A
2016	0.0	(20.2)	(7.0)	(2.1)	N/A	N/A
2017e	0.0	(8.8)	(9.0)	(2.7)	N/A	N/A
2018e	2.5	(5.1)	(5.4)	(1.8)	N/A	N/A

Sector: Technology

Price: 73.5p
 Market cap: £61m
 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	(5.8)	(2.7)	11.4
Relative*	(5.0)	(4.2)	(4.6)

* % Relative to local index

Analyst

Richard Jeans

Brady (BRY)

INVESTMENT SUMMARY

In an inline AGM trading update, Brady said it "has made sound progress in the first four months of the year". Management has completed the strategic review that executive chairman Ian Jenks initiated, following his appointment in June last year. The group has switched from operating on a divisional basis to global functions, and this change has involved significant management focus. Development work has shifted from platforms to 'microservices', so that new products can be leveraged across the group. Brady is transitioning to a recurring revenue model and two new licences have been signed on an annual recurring licence model. While commodity markets continue to be challenging, the E/CTRM market remains a highly attractive software vertical and Brady, as the largest Europe-based E/CTRM player, is well positioned to benefit. We are reviewing our forecasts.

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 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	73.5	25.7
2016	30.3	3.0	2.3	2.4	30.6	22.3
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: 286.5p
 Market cap: £86m
 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	(7.1)	11.4	(34.9)
Relative*	(6.3)	9.6	(44.2)

* % 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 very challenging, although both Shipbroking and Logistics proved quite resilient. The issues in Technical have been decisively addressed and 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, and the balance sheet enables M&A to augment growth.

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	8.3	6.2
2017	139.8	5.1	3.2	8.7	32.9	12.8
2018e	137.9	9.4	7.8	21.2	13.5	15.3
2019e	142.5	9.9	8.5	23.2	12.3	9.5

Sector: Mining

Price: 8.7p
 Market cap: £70m
 Market: AIM

Share price graph (p)



Company description

Bushveld Minerals is an AIM-listed junior 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	9.4	29.9	346.2
Relative*	10.4	27.7	282.3

* % Relative to local index

Analyst

Tom Hayes

Bushveld Minerals (BMN)

INVESTMENT SUMMARY

Bushveld's US\$16.4m acquisition of the Vametco vanadium mine and processing plant has now been completed and will transform it from a junior explorer to a profitable producer, with initial output of c 2,750tpa of its proprietary vanadium product, Nitrovan, over which it has signed an exclusive global sales and marketing agreement with Wogan. Apart from Vametco, Bushveld has also completed its acquisition of a 42.075% effective interest in the Uis tin project in Namibia. Furthermore, BMN's coal division is working towards the development of a 60MW independent coal power plant in Madagascar.

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 an aggregate 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 use in vanadium redox flow-batteries.

Y/E Feb	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (p)	P/E (x)	P/CF (x)
2015	0.0	(3.2)	(3.2)	(0.6)	N/A	N/A
2016	0.0	(1.5)	(1.8)	(0.4)	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: Basic industries

Price: 5.1p
 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	20.6	24.2	57.7
Relative*	21.6	22.2	35.1

* % Relative to local index

Analyst

Andy Chambers

Byotrol (BYOT)

INVESTMENT SUMMARY

The continued challenging global consumer climate and demanding regulatory regimes in the US and the EU continue to hold up the introduction of new products employing Byotrol technology. However, there is a growing momentum of opportunities, supported by upgraded formulations. Management has reiterated earlier indications that a £1.1m payment related to the Solvay agreement will enable Byotrol to deliver its first underlying profit in H217; the battle will be to sustain the performance in FY18. The appointment of a new and experienced non-executive chairman reinforces this optimism. The recent EPA approvals in the US lift the medium-term potential.

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 quite 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)
2015	3.3	(0.5)	(0.6)	(0.3)	N/A	N/A
2016	2.6	(0.4)	(0.5)	(0.2)	N/A	N/A
2017e	2.8	0.0	(0.1)	0.0	N/A	N/A
2018e	N/A	N/A	N/A	N/A	N/A	N/A

Sector: Mining

Price: 100.5p
 Market cap: £53m
 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	3.6	(12.2)	46.7
Relative*	4.5	(13.7)	25.7

* % Relative to local index

Analyst

Tom Hayes

Caledonia Mining (CMCL)

INVESTMENT SUMMARY

Caledonia reported a record year in FY16, in which it beat its own production target of 50kozpa by 0.4koz, at a cash cost of US\$636/oz. After initially providing guidance of 60koz of production in FY17, in the aftermath of a 1koz shortfall in Q1, management has now moderated its expectation to 52-57koz, in order to maintain a healthy balance between development tonnes and production tonnes. Short-term financial forecasts are under review.

INDUSTRY OUTLOOK

Investment continues at Blanket to raise production to 80kozpa by 2021. Another US\$18m is due to be spent in 2017 before dropping off sharply thereafter. The central shaft is on track and on budget for completion in mid-2018 and is more than two-thirds complete. In the meantime, CMCL carried a sound cash balance of US\$11.9m at the end of March 2017. On company guidance, CMCL is trading on a P/E of 4.5x FY17 and a dividend yield of 4.4%. Management has proposed listing CMCL on the NYSE after a 5:1 consolidation. The company's AGM is scheduled for 19 June.

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	8.1	15.9	8.0
2016	62.0	23.3	19.6	21.4	6.0	2.6
2017e	76.2	29.6	26.0	35.6	3.6	2.4
2018e	81.9	31.7	26.8	29.8	4.3	2.3

Sector: Oil & gas

Price: C\$0.02
 Market cap: C\$19m
 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	50.0	(25.0)	(76.9)
Relative*	51.5	(24.4)	(78.7)

* % 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 unrisks resource estimated at c 400mmbbl. The well located reservoir-quality sands but no hydrocarbons; however, the company retains a sizeable proportion of its US\$120m gross exploration carry from partner and operator, ExxonMobil. This remains available in the event of further planned exploration. In September 2016, COPL announced that its 50%-owned subsidiary, ShoreCan, had completed the acquisition of an 80% interest in OPL226 offshore Nigeria – containing the Noa West oil discovery. The transaction is subject to ministerial approval.

INDUSTRY OUTLOOK

COPL's Liberian acreage continues to attract significant industry interest after ExxonMobil's Liza exploration success in Guyana. Despite current oil prices, 'giant' high-quality oil fields such as Liza still offer attractive investment returns.

Y/E Dec	Revenue (US\$m)	EBITDA (US\$m)	PBT (US\$m)	EPS (fd) (c)	P/E (x)	P/CF (x)
2014	0.0	(7.7)	(6.6)	(2.2)	N/A	N/A
2015	0.0	(6.5)	(7.8)	(1.7)	N/A	N/A
2016e	0.0	(6.5)	(6.7)	(1.1)	N/A	N/A
2017e	0.0	(5.5)	(5.4)	(0.8)	N/A	N/A

Sector: Alternative energy

Price: €8.14
 Market cap: €31m
 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	10.9	18.0	(23.1)
Relative*	12.0	11.6	(35.6)

* % Relative to local index

Analyst

Catharina Hillenbrand-Saponar

Carbios (ALCRB)

INVESTMENT SUMMARY

Carbios addresses the issue of plastics disposal in the face of growth in demand for plastics driven by major global trends, as well as environmental and sustainable solutions via breakthrough technologies for a circular plastics economy. Our fair value range is €23-37 per share, based on probability-weighted cash flows. Carbios needs to reach the industrialisation and commercialisation stage in 2017. It recently completed the fourth key stage of its research project and expects a milestone payment for stage five in 2017. It also recently signed a contract with TechnipFMC to conduct the engineering work for the construction of a PET biorecycling pilot plant. The company reported a profit for the first time for FY16, driven by first commercial revenues from its new JV, CarbioIce. It also recently secured a new equity financing synthesis from plastic waste.

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 whereby 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	6.2	6.9
2017e	1.2	(3.8)	(4.0)	(71.9)	N/A	N/A
2018e	2.0	(3.0)	(3.2)	(64.1)	N/A	N/A

Sector: Technology

Price: 176.5p
 Market cap: £129m
 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	21.8	37.4	7.8
Relative*	22.9	35.1	(7.7)

* % Relative to local index

Analyst

Anne Margaret Crow

Carclo (CAR)

INVESTMENT SUMMARY

Carclo has refocused investment in its established businesses (Technical Plastics and LED Technologies), where a differentiated offer and long-term relationships with customers provide good earnings visibility and higher probability of a sustainable return. This strategy delivered strong revenue and pre-exceptional PBT growth during FY17 (16% and 26% y-o-y respectively). We have increased our estimates of revenues attributable to Technical Plastics while slightly reducing PBT and EPS to reflect higher IAS 19 finance charges. We have raised our indicative valuation to 181-191p (previously 153-162p).

INDUSTRY OUTLOOK

This growth appears set to continue, underpinned by contracts with blue-chip customers. We expect growth during the forecast period to be driven by investment in capacity at Technical Plastics, which is underpinned by customer contracts, and new programme wins at Wipac, which now has three mid-volume projects to work on.

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	17.5	8.4
2017	138.3	17.0	11.0	12.1	14.6	13.7
2018e	148.1	19.3	12.5	12.9	13.7	8.6
2019e	159.6	22.3	15.0	15.2	11.6	6.2

Sector: General industrials

Price: 138.1p
 Market cap: £126m
 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	(1.4)	(8.2)	(7.9)
Relative*	(0.6)	(9.7)	(21.1)

* % Relative to local index

Analyst

Anne Margaret Crow

Carr's Group (CARR)

INVESTMENT SUMMARY

The H117 results demonstrate once again how diversification gives resilience to cyclicality in any one market. This time outperformance in UK Agriculture offset weak demand in the US for feed blocks. This drove a 5% increase in pre-exceptional PBT to £8.9m. Our estimates include downward revisions for prolonged weakness in US feed block demand and contract delays in UK manufacturing activity, giving an indicative valuation, which is based on a medium- to long-term view, of 158p/share.

INDUSTRY OUTLOOK

It is likely to take several months' demand for feed blocks in the US to recover. Margins in the UK manufacturing businesses are expected to be low during H217, while capacity originally designated for the delayed nuclear contract is filled with lower margin business for the oil and gas sector. There is already sufficient visibility of the FY18 Engineering order book, which is based on long-term contracts in the nuclear industry, to give confidence in a recovery in this division, while the US feed block activity will benefit in FY18 from the new markets accessible from the plant in Tennessee, which is scheduled to open this autumn. We note recent commentary from other companies in the UK agricultural supply sector citing a continued recovery in farm incomes.

Y/E Aug	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (fd) (p)	P/E (x)	P/CF (x)
2015	331.3	16.0	14.2	10.2	13.5	8.7
2016	314.9	16.5	14.0	10.2	13.5	10.6
2017e	332.2	14.1	11.8	8.6	16.1	7.3
2018e	336.0	17.4	14.7	10.8	12.8	6.8

Sector: Financials

Price: 95.0p
 Market cap: £54m
 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	(3.6)	(0.5)	(32.1)
Relative*	(2.7)	(2.2)	(41.9)

* % Relative to local index

Analyst

Andrew Mitchell

Cenkos Securities (CNKS)

INVESTMENT SUMMARY

Despite a recovery in H2, CNKS FY16 revenues declined noticeably (43%) from the high levels of 2014/15, reflecting quieter markets and the absence of the very large (£1bn plus) transactions that characterised those years. Excluding the BCA transaction from 2015, the revenue decline of 12% broadly matched the weaker trend in AIM equity issuance (CNKS 13% market share). In response to sharply lower revenues, costs were well controlled with performance-related pay reducing and non-staff costs falling slightly. This flexibility in the business model mitigated the decline in profitability, resulting in a pre-tax profit of £4.4m (2015: £19.9m) and ROE of 10%. Profits were again fully distributed (6p dividend). It was recently announced that the CEO is to retire, at a date yet to be fixed, once a successor has been found and after an orderly handover.

INDUSTRY OUTLOOK

Markets have maintained a positive tone in recent months, although economic and political uncertainties remain a feature. CNKS describes its pipeline as encouraging and recently acted as Nomad and sole broker on the April flotation of Eddie Stobart, raising £380m with a market valuation of £573m. Other recent transactions include fund-raisings for Flow Group, 1pm, Plastics Capital and UK Oil & Gas.

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	3.5	3.5
2016	43.7	4.5	4.4	4.7	20.2	N/A
2017e	52.0	8.0	7.8	11.2	8.5	6.1
2018e	N/A	N/A	N/A	N/A	N/A	N/A

Sector: Food & drink

Price: €2.81
 Market cap: €39m
 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	(0.6)	(3.8)	3.1
Relative*	1.9	(7.3)	(12.2)

* % Relative to local index

Analyst

Sara Welford

Centrale del Latte d'Italia (CLI)

INVESTMENT SUMMARY

The domestic market remains challenging, raw material prices have increased and Q1 proved to be tough. The company increased its list prices as of 1 April, with full effect from 1 June, which should help it offset the cost inflation. We expect the integration of CLF to continue to make progress.

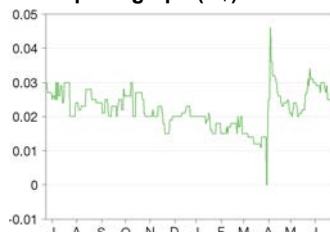
INDUSTRY OUTLOOK

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 steadily declined over the last few years, mainly as a result of volume declines caused by the economic crisis and also, more recently, a fashion for vegan and dairy-free diets. 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	936.7	N/A
2016	119.8	2.9	(2.1)	(19.57)	N/A	N/A
2017e	177.5	8.5	0.5	3.95	71.1	N/A
2018e	178.4	8.9	1.0	7.48	37.6	N/A

Sector: Oil & gas

Price: A\$0.02
 Market cap: A\$9m
 Market: ASX

Share price graph (A\$)

Company description

Challenger Energy is an ASX-listed E&P with a 95% interest in an application for an exploration permit in the Karoo basin, South Africa, which is prospective for shale gas. It is awaiting award of a permit to start drilling.

Price performance

%	1m	3m	12m
Actual	(17.2)	71.4	(20.0)
Relative*	(16.5)	71.4	(25.5)

* % Relative to local index

Analyst

Sanjeev Bahl

Challenger Energy (CEL)

INVESTMENT SUMMARY

Recommended changes to the Mineral and Petroleum Resources Development Act (MPRDA), relating mainly to fiscal terms, were presented to South Africa's Upper House by the Department of Mineral Resources (DMR) in November 2016. Challenger Energy expects all public consultations will be completed by the end of Q217. The DMR proposed that the state's 20% free carried interest should be changed to a 20% carried interest with a cost recovery during the production phase. The DMR also proposed reserving a lower 10% shareholding for Black Empowerment Participation. The MPRDA is widely anticipated as a precursor of long-term shale gas exploration rights in the Karoo.

INDUSTRY OUTLOOK

Challenger's application area is proximate to major existing power transmission infrastructure. South Africa's National Development Plan argues the case for natural gas having a significant role to play in South Africa's energy mix. Currently, c 90% of South Africa's energy is generated from coal.

Y/E Jun	Revenue (A\$m)	EBITDA (A\$m)	PBT (A\$m)	EPS (c)	P/E (x)	P/CF (x)
2015	0.1	(1.2)	(1.3)	(0.3)	N/A	N/A
2016	0.0	(1.1)	(1.1)	(0.5)	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: Industrial support services

Price: 1.7p
 Market cap: £1455m
 Market: Singapore Exchange

Share price graph (p)

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	0.3	14.7	33.3
Relative*	0.7	11.7	16.1

* % Relative to local index

Analyst

Andy Chambers

China Aviation Oil (Singapore) (G92)

INVESTMENT SUMMARY

China Aviation Oil (Singapore) Corporation (CAO) operates as a physical jet fuel supplier as well as trader, providing a degree of stability to earnings from its core activity. While a healthy dividend income from the fuel supply joint venture at Shanghai's rapidly expanding Pudong Airport provides the bulk of earnings, the growing trading and supply of oil is supportive of our 14% EPS CAGR over the next two years. Q117 results confirm progress. Our DCF and peer-based fair valuation of US\$1.45 (S\$2.04) suggests potential for investors.

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	63.0	7.3	0.3	0.2
2016	11703.0	30.2	90.3	10.4	0.2	0.5
2017e	13232.0	35.2	103.3	11.9	0.2	0.3
2018e	14918.0	41.4	116.9	13.5	0.2	0.2

Sector: General industrials

Price: HK\$4.62
 Market cap: HK\$7051m
 Market: HKSE

Share price graph (HK\$)

Company description

China Water Affairs Group owns and operates regulated water supply assets across 40 cities in mainland China, serving eight million customers in the residential, commercial and industrial sectors.

Price performance

%	1m	3m	12m
Actual	(11.7)	(8.7)	7.7
Relative*	(12.6)	(13.5)	(12.5)

* % Relative to local index

Analyst

Jamie Aitkenhead

China Water Affairs Group (855)

INVESTMENT SUMMARY

Edison visited three water sites belonging to China Water Affairs Group (CWA). The sites encompassed a raw water/reservoir facility, an industrial waste water treatment plant and a water supply business. The visit assured us of the robust, high-quality nature of CWA's assets and underscored how fundamental raw water provision and waste water treatment are to the Chinese industrial strategy. Ultimately, this gives us enhanced confidence in our high, long-term growth forecasts for CWA (five-year reported EBITDA +20.5%).

INDUSTRY OUTLOOK

We forecast significant growth in Chinese water supply. Water supply lags behind waste water treatment in terms of private operator penetration. CWA estimates that private enterprises account for only 20% of the water supply industry, whereas the same figure for waste water treatment is more like 60%. The fact that privatised water supply has so far to catch up with water treatment offers another growth engine for CWA's addressable market.

Y/E Mar	Revenue (HK\$m)	EBITDA (HK\$m)	PBT (HK\$m)	EPS (c)	P/E (x)	P/CF (x)
2015	2859.0	1299.8	885.6	16.6	27.8	11.6
2016	4033.0	1820.2	1337.4	38.5	12.0	4.7
2017e	6255.0	2649.5	2031.0	55.5	8.3	4.8
2018e	7535.0	2796.1	2167.6	58.8	7.9	3.0

Sector: General industrials

Price: 76.7p
 Market cap: £1083m
 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	6.5	37.0	195.0
Relative*	7.4	34.7	152.8

* % Relative to local index

Analyst

Toby Thorington

Coats Group (COA)

INVESTMENT SUMMARY

Reported FY16 normalised PBT came in c US\$5m above our estimate; this was attributable to higher divisional EBIT and lower than anticipated pension admin costs, and margins in both divisions were up slightly versus our model and Coats returned to the dividend list a year earlier than we had anticipated. Adjusting for US\$290m agreed pension recovery cash outstanding (giving pro forma group net debt of US\$212m, or US\$265m in the operating businesses) we estimate that net debt/EBITDA for the continuing businesses was 1.3x for FY16. The AGM update (17 May) noted better than anticipated revenue growth in the first four months leading to revised guidance above previous levels and we modestly increased our estimates. Coats entered the FTSE 250 Index on 19 June.

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 (c)	P/E (x)	P/CF (x)
2015	1489.5	183.0	126.8	5.0	19.6	15.7
2016	1457.3	198.6	140.7	5.8	16.9	18.0
2017e	1487.3	203.0	149.3	6.4	15.3	N/A
2018e	1547.4	207.6	155.4	6.6	14.9	7.8

Sector: Aerospace & defence

Price: 437.5p
 Market cap: £179m
 Market: AIM

Share price graph (p)

Company description

Cohort is an AIM-listed defence and security company operating across five divisions: MASS (26% of FY17e sales); SEA (38%); SCS (13%); MCL (13%); and the recently acquired Portuguese business EID (10%).

Price performance

%	1m	3m	12m
Actual	(1.1)	0.0	28.7
Relative*	(0.3)	(1.6)	10.3

* % Relative to local index

Analyst

Andy Chambers

Cohort (CHRT)

INVESTMENT SUMMARY

Cohort delivered solid profit growth in H117, which we expect to strengthen in H217. The mix of profitability and reducing minorities led us to increase our FY18 forecasts, and the earning-enhancing buy-in of the MCL minority on 1 February underpins profit expectations. The progressive dividend provides immediate benefit to investors, but the capital progress also remains attractive. Cohort reports FY17 results on 29 June, where updates on the restructuring and integration of SCS into MASS and SEA should provide cost saving benefit in FY18.

INDUSTRY OUTLOOK

Cohort is heavily influenced by activities in defence and security (91% of FY16 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)
2015	99.9	11.0	10.2	20.5	21.3	8.6
2016	112.6	13.0	12.0	27.2	16.1	20.9
2017e	125.8	15.5	14.3	24.1	18.2	27.5
2018e	138.9	17.8	16.6	33.4	13.1	10.8

Sector: Food & drink

Price: NZ\$5.41
 Market cap: NZ\$230m
 Market: NZSX

Share price graph (NZ\$)

Company description

Comvita manufactures and markets manuka honey-based products and fresh olive leaf extract products. It sells honey and olive leaf extract products for health, skin care and medical uses.

Price performance

%	1m	3m	12m
Actual	3.1	(34.1)	(56.0)
Relative*	1.2	(37.9)	(58.7)

* % Relative to local index

Analyst

Paul Hickman

Comvita (CVT)

INVESTMENT SUMMARY

Comvita reported NPAT of NZ\$18.5m for the 15 months to June 2016. Restriction of trade routes into China and abnormally adverse weather conditions have affected results in the financial year to June 2017. Reporting interim NPAT loss of NZ\$7.1m (H115 profit: NZ\$3.0m), management noted cost savings, new routes into China, product innovation and a strong balance sheet. In April 2017, Comvita announced an expected NPAT loss for the year of c NZ\$7m. Reported NPAT is now expected to be c NZ\$9m, including the sale of Medihoney IP and shares in Derma Sciences. Our forecasts remain under review.

INDUSTRY OUTLOOK

Manuka honey has gained an international reputation for its medicinal qualities, both for wound care and general health. Comvita is the largest manuka manufacturer and exporter, and has leading market positions in a number of countries including the US, the UK, Australia and China. Investment in manuka honey continues apace in New Zealand to meet increasing demand for raw manuka honey and manuka honey-derived products.

Y/E Mar / Jun	Revenue (NZ\$m)	EBITDA (NZ\$m)	PBT (NZ\$m)	EPS (c)	P/E (x)	P/CF (x)
2015	152.7	22.8	16.3	29.9	18.1	9.6
2016	230.7	39.4	29.6	52.9	10.2	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: Food & drink

Price: NZ\$0.06
 Market cap: NZ\$24m
 Market: NZSX

Share price graph (NZ\$)



Company description

Cooks Global Foods owns the global rights to the Esquires Coffee House brand, with 98 stores currently operating in the UK, Ireland, Canada, China, Indonesia and the Middle East via master franchise arrangements.

Price performance

%	1m	3m	12m
Actual	(15.9)	(42.0)	(44.8)
Relative*	(17.4)	(45.4)	(48.1)

* % Relative to local index

Analyst

Paul Hickman

Cooks Global Foods (CGF)

INVESTMENT SUMMARY

Cooks Global Foods (CGF) continues to grow the Esquires network and align store formats with its organic and fairtrade values. Net continuing losses for FY17 reduced 20.8% to NZ\$3.5m y-o-y, on positive contributions from Ireland and the Middle East and reduced losses in the UK. CGF has secured NZ\$10m in new capital, mainly from two Chinese investors, and has announced a strategic review, including a joint venture with Chinese partners to accelerate growth of the branded coffee business in Greater China. It has sold its primary produce subsidiary. Our forecasts remain under review.

INDUSTRY OUTLOOK

The global market for branded coffee chains is experiencing widespread growth, with a number of leading companies such as Starbucks, Costa Coffee and Tim Hortons all looking to developing markets for growth, while seeing continued strong growth in their respective home markets. The branded coffee chain sector is growing at c 10% pa in many countries, providing numerous opportunities for the company to expand.

Y/E Mar	Revenue (NZ\$m)	EBITDA (NZ\$m)	PBT (NZ\$m)	EPS (fd) (c)	P/E (x)	P/CF (x)
2016	6.2	(3.9)	(4.5)	(1.55)	N/A	N/A
2017	5.3	(2.8)	(3.5)	(2.88)	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

Sector: Technology

Price: CHF119.20
 Market cap: CHF129m
 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	3.7	2.3	24.2
Relative*	4.0	(2.3)	10.3

* % Relative to local index

Analyst

Richard Jeans

CREALOGIX Group (CLXN)

INVESTMENT SUMMARY

CREALOGIX saw strong H1 momentum on the back of its internationalisation strategy, supported by favourable digital banking industry dynamics. The numbers were boosted by several large deals that were booked earlier than anticipated and hence management anticipates slower licence sales in H2. While customers' decision-making in the UK remains frozen following the Brexit vote, management continues to see the UK as one of the most attractive markets. The recent expansion in Germany is working out well. We moved up our FY17 EBITDA forecasts from CHF4.0m to CHF6.0m. Given the attractive growth drivers and strong balance sheet, we believe the shares are attractive on 18x our FY19e EPS.

INDUSTRY OUTLOOK

CREALOGIX 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 been winning awards, including Best Web Development at the Systems in the City Awards 2016 and Best of Show Award at 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)
2015	49.3	(10.6)	(12.6)	(813.23)	N/A	N/A
2016	63.3	3.7	2.2	164.68	72.4	98.6
2017e	71.6	6.0	3.9	201.40	59.2	19.9
2018e	76.9	8.0	6.4	438.20	27.2	15.0

Sector: Property

Price: 117.0p
Market cap: £405m
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	4.0	6.4	10.4
Relative*	4.9	4.6	(5.4)

* % Relative to local index

Analyst

Mark Cartlich

Custodian REIT (CREI)

INVESTMENT SUMMARY

CREI is an income-orientated REIT focused on UK commercial property outside London. Its portfolio is diversified by geography and sector, is valued at over £420m, has 98% occupancy and an LTV of 18%. The focus is on long-term secure income to produce sustainable dividend growth. NAV growth also contributes to total return, despite a high payout ratio and share issues to fund acquisitions. We believe the premium to FY17e NAV is justified by conservative gearing and one of the sector's highest dividend yields. This month it has bought three properties for £12m and raised £2.3m.

INDUSTRY OUTLOOK

The yield spread between the regions and London remains historically wide at c 2%. At the 2008 market peak it was just 0.5%. This seems likely to narrow, but is not a driver of CREI's strategy. New supply has been limited and occupier demand has been strong, due to the relative attractions of the regions, the strength of the economic recovery and business relocation away from London.

Y/E Mar	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (p)	P/E (x)	P/CF (x)
2015	11.6	N/A	8.7	5.6	20.9	24.6
2016	19.0	N/A	11.2	6.8	17.2	29.2
2017e	27.2	N/A	20.3	6.6	17.7	20.0
2018e	30.8	N/A	31.6	6.9	17.0	15.8

Sector: Financials

Price: €1.23
Market cap: €346m
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 31 March 2017 it had an investment portfolio of c €473m and assets under management of c €11.4bn (including SPC).

Price performance

%	1m	3m	12m
Actual	(7.6)	(17.3)	9.0
Relative*	(5.3)	(20.3)	(7.2)

* % Relative to local index

Analyst

Andrew Mitchell

DeA Capital (DEA)

INVESTMENT SUMMARY

Q117 NAV per share increased to €2.08 (end FY16: €2.03), driven mainly by an improved valuation for the investment in Turkish retailer Migros and the fund holdings. Real estate AUM at IDeA FIMIT increased to €9.0bn, taking total AUM to €11.4bn, including €0.5bn at the recently acquired SPC debt recovery business. DeA has also resumed direct investment with a €7.8m investment (5.8% stake) in a newly created and recently listed special purpose acquisition company ('Crescita', meaning growth) that seeks a suitable private company target within 24 months. Despite these positive developments, DeA trades at a significant discount to both NAV and our last published sum-of-the-parts valuation of €1.88/sh (based on a Migros price of TRY26.2, lower than the current price). This seems conservative given the new momentum in asset management and the diversity of the investment portfolio.

INDUSTRY OUTLOOK

DeA's alternative asset exposure has attractions in the context of Italy's subdued economic outlook. The potential for significant realisations from maturing private equity funds over the next 3-4 years means that €130-150m could be available for reinvestment in new fund launches, co-investments or distributions to shareholders, even after meeting outstanding investment commitments.

Y/E Dec	Revenue (€m)	EBITDA (€m)	PBT (€m)	EPS (c)	P/E (x)	P/CF (x)
2015	156.0	N/A	32.5	15.4	8.0	1.7
2016	80.5	N/A	12.4	4.6	26.7	16.9
2017e	72.4	N/A	21.3	5.6	22.0	19.1
2018e	64.2	N/A	12.0	2.2	55.9	9.2

Sector: Alternative energy

Price: €2.07
 Market cap: €22m
 Market: Alternext Paris

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	(3.7)	10.1	(41.5)
Relative*	(2.7)	4.2	(51.0)

* % Relative to local index

Analyst

Graeme Moyses

Deinove (DEINO)

INVESTMENT SUMMARY

FY16 results were slightly ahead of our forecasts and Deinove believes that it has sufficient cash resources to last until Q118 without recourse to further tranches of the Kepler facility (€8m). Deinove continues to make progress implementing its new strategy and recently appointed Hervé Brailly to the Board, further strengthening its experience of the biopharmaceutical sector. Deinove has also concluded in vitro tests on a number of wild strains of bacteria, announced the formation of a partnership with Greentech in skin care, concluded the second phase of its COLOR2B (animal nutrition) project with Avril and filed its first patent in the field of animal nutrition. Deinove expects to generate its first commercial revenues in 2018.

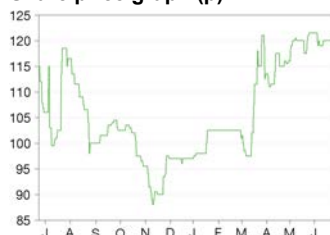
INDUSTRY OUTLOOK

Environmentalism will continue to 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	0.5	(7.3)	(7.9)	(56.6)	N/A	N/A
2018e	1.2	(6.4)	(7.2)	(44.2)	N/A	N/A

Sector: Media & entertainment

Price: 120.0p
 Market cap: £88m
 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	(0.8)	4.4	4.4
Relative*	0.0	2.6	(10.6)

* % Relative to local index

Analyst

Bridie Barrett

Ebiquity (EBQ)

INVESTMENT SUMMARY

Ebiquity's FY17 focus is on executing its Growth Acceleration Plan, which involves the launch of additional services and a more active marketing strategy – which should drive a pick-up in organic growth. Management is targeting an acceleration in revenue growth to a CAGR of 10% over the next five years, with margins moving to a more sustainable 12-13%. Although this transition means we are unlikely to see EPS growth over the next two years, it should improve the quality of the earnings base and the sustainability of a higher revenue growth over the longer term.

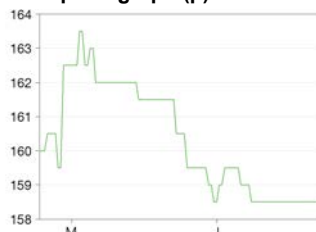
INDUSTRY OUTLOOK

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.

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	11.1	N/A
2016	83.6	14.6	11.8	11.3	10.6	N/A
2017e	92.0	15.6	12.3	10.3	11.7	N/A
2018e	99.3	14.7	11.5	9.5	12.6	N/A

Sector: Industrial support services

Price: 158.5p
Market cap: £567m
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)	N/A	N/A
Relative*	(0.4)	N/A	N/A

* % Relative to local index

Analyst

Jamie Aitkenhead

Eddie Stobart Logistics (ESL)

INVESTMENT SUMMARY

Through a mixture of winning new outsourced logistics contracts, exposure to the substantially higher-growth e-commerce subsector and solid underlying market growth, we forecast that ESL will grow EBIT at 15.3% CAGR over the next three years. Since being taken private in 2014, ESL has brought in new management and grown earnings significantly. Listing on AIM in April 2017 enabled the company to pay down debt, make a small acquisition and set the business up for the next phase of expansion. Despite its sector-leading operations and outlook, ESL trades at a discount to its global peers. We believe it should trade at least in line and our fundamentals-based valuation per share of 200p offers equity holders upside of 26%.

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 (fd) (p)	P/E (x)	P/CF (x)
2015	496.5	44.5	21.0	5.4	29.4	17.3
2016	570.2	48.2	26.1	6.9	23.0	19.1
2017e	648.2	55.7	41.4	10.9	14.5	23.0
2018e	741.9	64.4	50.8	12.3	12.9	10.7

Sector: Oil & gas

Price: 7.9p
Market cap: £20m
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	(10.0)	(19.2)	(23.8)
Relative*	(9.2)	(20.6)	(34.7)

* % Relative to local index

Analyst

Sanjeev Bahl

Egdon Resources (EDR)

INVESTMENT SUMMARY

At 31 January 2017, Egdon had net cash of £5.7m, making it one of the largest unlevered UK-listed shale plays. Licences span over 200,000 net acres with an ERCE estimated undiscovered gas initially in place (GIIP Pmean) of 48tcf. Our valuation is broken down into 3.7p/share for core 2P value (including cash and net of G&A) and 18.5p/share for contingent resource and risked exploration. We also include an indicative dollars-per-acre shale valuation of 25.7p/share.

INDUSTRY OUTLOOK

The UK government stance towards shale varies by party, with the Conservative party looking to fast-track its exploration and exploitation.

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	1.4	(1.0)	(2.3)	(0.9)	N/A	N/A
2018e	2.7	0.4	(1.1)	(0.4)	N/A	52.3

Sector: Oil & gas

Price: A\$0.06
 Market cap: A\$55m
 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	(12.3)	(16.9)
Relative*	0.8	(12.3)	(22.6)

* % Relative to local index

Analyst

Sanjeev Bahl

Elk Petroleum (ELK)

INVESTMENT SUMMARY

ELK recently acquired a c 14% interest in the ConocoPhillips-operated Madden Gas Field, as well as the 310mmscf/d capacity Lost Cabin Gas Plant in Wyoming. This elevates ELK to producer status, with cash flow being generated from Madden methane sales. The Madden field is also a significant CO2 producer, fulfilling ELK's strategy of CO2 integration, securing supply for future CO2 enhanced oil recovery (EOR) projects. Elk's Grieve CO2 oil development project is forecast to commence production by late CY17/early CY18 at initial production rates of 1,700 to 2,200bbl/d net to Elk. Our base case 2P NAV stands at A\$0.11 with significant upside in the event of oil/gas price recovery and/or incremental reserve/resource recovery above audited 2P estimates.

INDUSTRY OUTLOOK

At current low oil prices, many fields suitable for EOR are uneconomic for conventional oil. EOR is a tertiary recovery method to target the substantial residual oil remaining in mature or life expired fields. The low oil price environment may assist ELK cost-effectively, securing additional oil acreage.

Y/E Jun	Revenue (A\$m)	EBITDA (A\$m)	PBT (A\$m)	EPS (fd) (c)	P/E (x)	P/CF (x)
2015	0.0	(3.1)	(3.6)	(1.9)	N/A	N/A
2016	0.0	(5.0)	(5.7)	(2.2)	N/A	N/A
2017e	15.6	2.1	(3.7)	(0.5)	N/A	N/A
2018e	53.2	28.8	6.9	0.4	15.0	13.5

Sector: Alternative energy

Price: US\$9.02
 Market cap: US\$96m
 Market: TASE

Share price graph (US\$)

Company description

Ellomay Capital owns an international portfolio of power generation assets comprising solar plants in Italy and Spain and a gas-fired power plant in Israel. It operates principally in regulated markets.

Price performance

%	1m	3m	12m
Actual	1.8	12.6	20.1
Relative*	0.1	8.3	4.1

* % Relative to local index

Analyst

Jamie Aitkenhead

Ellomay Capital (ELLO)

INVESTMENT SUMMARY

Ellomay's first quarter saw an increase in revenues that was mainly due to higher levels of radiation and relatively higher electricity spot prices in Italy. These factors helped drive a c 40% increase in gross profits. While too early in the year to extrapolate, the first quarter was encouraging and management continues to assess new ventures in the Netherlands, Spain and Israel.

INDUSTRY OUTLOOK

Ellomay operates solar PV assets in Spain and Italy, and has an equity stake in a gas-fired power plant in Israel. All three markets have seen tariff reductions imposed by regulatory authorities and governments in recent years. Regulatory risk is the main potential negative driver of Ellomay's earnings, given that a high percentage of its earnings are derived from tariff subsidies. This aside, subsidised power generation provides attractive, steady cash flow for asset owners that will either be distributed or reinvested.

Y/E Dec	Revenue (US\$m)	EBITDA (US\$m)	PBT (US\$m)	EPS (c)	P/E (x)	P/CF (x)
2015	13.8	7.2	1.9	35.39	25.5	9.7
2016	12.9	5.9	(1.3)	(17.57)	N/A	9.0
2017e	13.5	8.4	3.7	26.31	34.3	10.5
2018e	15.1	9.7	5.8	40.68	22.2	10.8

Sector: Technology

Price: 943.0p
 Market cap: £597m
 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	0.3	8.2	3.6
Relative*	1.2	6.4	(11.3)

* % Relative to local index

Analyst

Katherine Thompson

EMIS Group (EMIS)

INVESTMENT SUMMARY

EMIS reported FY16 adjusted profit in line with expectations, despite NHS funding pressures. Cost-cutting programmes in 2016 and a planned reorganisation in 2017 are helping to counteract some of these pressures. There is cause for optimism in several areas of the business, where EMIS is growing market share, and a planned expansion of the Patient business could generate material incremental revenues on a five-year view. The new CEO, Andy Thorburn, joined the company on 1 May.

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	20.5	13.8
2016	158.7	52.3	39.2	49.4	19.1	13.6
2017e	166.2	50.5	37.3	46.0	20.5	13.1
2018e	175.4	54.0	40.2	49.4	19.1	10.9

Sector: Media & entertainment

Price: 222.0p
 Market cap: £954m
 Market: 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	(6.5)	(1.0)	26.4
Relative*	(5.7)	(2.6)	8.3

* % Relative to local index

Analyst

Bridie Barrett

Entertainment One (ETO)

INVESTMENT SUMMARY

The efforts to diversify beyond Film has greatly improved the financial and risk profile of the group, which now derives 69% of EBITDA from the higher-growth, lower-risk Television and Family divisions. While Film is more mature, last year's Box Office recovery puts this division on a more stable footing and the group's strategy to bring itself closer to the production process should also help it to better manage the profile and risk of films being distributed. The 8x FY18 EV/EBITDA continues to be at a significant discount to peers, representing upside opportunity.

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	11.4	2.6
2017	1082.7	160.2	129.9	20.0	11.1	2.2
2018e	1180.2	175.0	146.0	22.0	10.1	1.8
2019e	1280.1	199.9	167.4	24.7	9.0	1.5

Sector: Construction & blding mat

Price: 111.0p
 Market cap: £158m
 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	(5.5)	6.2	(12.9)
Relative*	(4.7)	4.5	(25.4)

* % Relative to local index

Analyst

Toby Thorrington

Epwin Group (EPWN)

INVESTMENT SUMMARY

Trading in the first four months of FY17 has been in line with management expectations and our estimates are unchanged. In flat RMI markets, Epwin is focusing on operational improvements (eg in fabrication) and marketing initiatives (eg branding and range development of window systems and canopy products, plus greater co-ordination across group companies). H117 will benefit from an extra five months of National Plastics trading and we expect Fabrication & Distribution to show a more robust y-o-y performance. Market commentary is cautious, but as outlined in our recent note, Epwin has a number of internal initiatives underway to further improve the business and mitigate near-term input cost pressures.

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	9.5	6.3
2016	293.2	33.3	24.3	14.7	7.6	5.1
2017e	306.3	34.1	24.4	14.0	7.9	4.8
2018e	311.6	35.2	25.4	14.3	7.8	4.6

Sector: Technology

Price: €60.25
 Market cap: €79m
 Market: Scale

Share price graph (€)

Company description

EQS Group is a leading international technology provider for digital investor relations. It has more than 8,000 clients worldwide who use 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	13.7	18.4	66.2
Relative*	13.0	11.9	33.9

* % Relative to local index

Analyst

Fiona Orford-Williams

EQS Group (EQS)

INVESTMENT SUMMARY

EQS produced strong Q117 figures, with revenues up 49% on the prior year, boosted by the consolidation of ARIVA, with organic growth at 13%. This performance is largely attributable to demand stimulated by regulatory changes, as built into our forecasts, which are unchanged on these results. The mid-2016 introduction of the European Market Abuse Regulation greatly added to the compliance burden, while the impending PRIIP regulations for packaged products provide a fertile backdrop for ARIVA. Good share price performance (and underperformance by peers) has narrowed the discount. Interims are scheduled for 14 August.

INDUSTRY OUTLOOK

The incoming PRIIP regulation is stimulating sales at ARIVA (67.5%-owned) through FY17 ahead of its introduction in January 2018, with the requirement for companies to provide pre-contractual key information documents on financial products. The introduction of MiFID II may also be positive, although not quite so directly. Its requirements on factors such as corporate access and standards in financial market communications play well with the EQS workflow management suite, COCKPIT.

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	50.2	15.0
2016	26.1	4.2	2.4	96.1	62.7	14.9
2017e	32.3	4.7	3.6	145.3	41.5	15.3
2018e	36.8	5.6	4.5	185.6	32.5	14.1

Sector: Technology

Price: 5.6p
 Market cap: £36m
 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	2.3	(11.8)	28.6
Relative*	3.2	(13.2)	10.2

* % Relative to local index

Analyst

Katherine Thompson

eServGlobal (ESG)

INVESTMENT SUMMARY

eServGlobal's March AGM update confirmed that management expects sufficient order flow in H117 to support the company's outlook for break-even in the core business in the 12 months to October 2017. For that period, it now expects to be able to bring costs down to €17m, compared to previous guidance of "below €18m". Progress in HomeSend is consistent with the JV reaching a break-even point in CY17. KEB Hana Bank in South Korea is now using HomeSend and the business expects a rapid ramp of volumes.

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 \$583bn in 2014 and is forecast to grow to \$636bn by 2017 (source: World Bank). The HomeSend JV has the potential to reduce the cost of sending smaller sums of 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	27.6	0.8	(7.3)	(0.94)	N/A	146.0
2018e	N/A	N/A	N/A	N/A	N/A	N/A

Sector: Technology

Price: €51.98
 Market cap: €280m
 Market: Alternext Paris

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	6.1	8.7	56.9
Relative*	7.2	2.9	31.5

* % Relative to local index

Analyst

Katherine Thompson

Esker (ALESK)

INVESTMENT SUMMARY

Esker reported another year of double-digit organic revenue growth and confirmed that it expects to achieve similar in FY17. The company's investment in headcount was higher than we expected and is likely to continue at a similar pace in FY17. While this weighs on our earnings forecasts, it should provide the foundations to support growth on a multi-year basis. Bolt-on acquisitions of businesses with a similar recurring revenue model and complementary technology are likely to accelerate the pace of growth.

INDUSTRY OUTLOOK

Esker's DPA software operates across four areas: document delivery, accounts payable, accounts receivable 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	39.7	18.2
2016	66.0	14.9	9.9	123.0	42.3	16.3
2017e	75.6	16.6	11.9	142.0	36.6	16.9
2018e	82.0	17.7	12.8	151.0	34.4	16.1

Sector: Mining

Price: C\$0.47
Market cap: C\$57m
Market: Toronto

Share price graph (C\$)

Company description

Euromax Resources is a Canadian resource company focused on the acquisition and development of mineral-bearing assets in south-east Europe. Its flagship asset, Ilovica-Shtuka, in Macedonia, is the subject of a recently completed DFS.

Price performance

%	1m	3m	12m
Actual	(5.1)	2.2	9.3
Relative*	(4.1)	2.9	0.8

* % Relative to local index

Analyst

Charles Gibson

Euromax Resources (EOX)

INVESTMENT SUMMARY

EOX's 2016 DFS on Ilovica envisaged a conventional 10Mtpa mining operation, followed by a consecutive flotation and cyanide leach process flow route. Since its publication, EOX has announced a contract mining tender process (versus the owner-operator model considered in the DFS), which holds out the prospect of a c US\$42.2m initial capex saving. In addition, Ausenco (EOX's preferred EPC contractor) is reported to have identified a further c US\$45m in potential capex savings as a result of building the plant on a tighter footprint.

INDUSTRY OUTLOOK

Final construction permits are expected in H217. Assuming commercial production from FY20, our valuation of EOX is C\$0.87-0.99/share (fully diluted at a C\$0.46 share price). NB this increases to C\$0.95-1.07/share at a C\$0.52 share price. In the meantime, we estimate that Ilovica's resource of 2.9Moz Au plus 1.2bn lbs Cu (c 5.5Moz AuE), mostly in the Measured category, should have a value in the range US\$135.0-178.3m cf EOX's market cap of c US\$45m, currently.

Y/E Dec	Revenue (C\$m)	EBITDA (C\$m)	PBT (C\$m)	EPS (c)	P/E (x)	P/CF (x)
2015	4.7	(7.7)	(8.4)	(7.2)	N/A	N/A
2016	5.5	(12.5)	(14.3)	(12.3)	N/A	N/A
2017e	0.0	(12.9)	(14.0)	(5.3)	N/A	N/A
2018e	0.0	(12.9)	(8.2)	(2.0)	N/A	N/A

Sector: Media & entertainment

Price: 1135.0p
Market cap: £1238m
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	(1.8)	10.5	7.6
Relative*	(1.0)	8.7	(7.8)

* % Relative to local index

Analyst

Fiona Orford-Williams

Euromoney Institutional Investor (ERM)

INVESTMENT SUMMARY

May's interim figures showed a mixed picture of head- and tailwinds, but with a definite improvement in Q217 over Q117, particularly in the events business. The loosening of the DMGT relationship is facilitating a faster implementation of the strategy to drive profit growth, with the benefit set to show more strongly in FY18. We have adjusted our forecasts to reflect the RISI acquisition in April, with underlying trading in line. The step-up in the dividend payout reflects the group's strong underlying cash generation.

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 starting to show signs of potential improving confidence, while new opportunities may be opening up in areas such as telecoms and in new markets such as China.

Y/E Sep	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (p)	P/E (x)	P/CF (x)
2015	403.4	109.4	107.8	70.1	16.2	13.1
2016	403.1	104.2	102.5	66.5	17.1	14.0
2017e	438.6	114.2	103.7	74.6	15.2	12.0
2018e	466.0	123.7	111.2	82.3	13.8	10.4

Sector: Food & drink

Price: CHF0.44
 Market cap: CHF187m
 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	(6.4)	(22.8)	(45.7)
Relative*	(6.1)	(26.3)	(51.8)

* % 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. News that a collaboration agreement was reached with Cargill was positive, and we continue to expect launch during 2018. Evolva also has projects for resveratrol, nootkatone, valencene (all on the market). Evolva expects to invest CHF60m in new fermentation and bioprocessing facilities. The recent CHF30m equity commitment from Yorkville is helpful and management expects to secure additional project financing of c CHF30m by the end of 2017.

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	9.6	(34.0)	(35.9)	(7.8)	N/A	N/A
2017e	15.3	(23.5)	(24.6)	(6.0)	N/A	N/A
2018e	23.3	(20.4)	(21.0)	(5.0)	N/A	N/A

Sector: Technology

Price: €1.77
 Market cap: €49m
 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	(1.1)	(3.1)	(6.8)
Relative*	1.4	(6.5)	(20.6)

* % Relative to local index

Analyst

Katherine Thompson

Expert System (EXSY)

INVESTMENT SUMMARY

Expert System spent FY16 investing in its corporate structure post the TEMIS acquisition. While this led to a small loss in FY16, it leaves the company better positioned with a unified technology offering and offices established in the key growth markets. New business in H216 confirmed that these changes are starting to have a positive effect. In June, Expert strengthened its relationship with Sopra Steria and also announced plans to raise €10m from the issue of equity and convertible bonds.

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	14.7
2016	25.1	(2.2)	(6.1)	(22.0)	N/A	21.9
2017e	29.7	3.2	(1.3)	(3.2)	N/A	7.9
2018e	35.4	6.6	1.6	3.9	45.4	7.6

Sector: General retailers

Price: 200.0p
 Market cap: £173m
 Market: LSE

Share price graph (p)

Company description

Findel has become a much more focused group in recent years and now comprises only two businesses: the online value retailer, Express Gifts, and education supplies business, Findel Education.

Price performance

%	1m	3m	12m
Actual	(2.4)	(1.2)	24.4
Relative*	(1.6)	(2.9)	6.6

* % Relative to local index

Analyst

Paul Hickman

Findel (FDL)

INVESTMENT SUMMARY

Express Gifts, the value retailer, now 63% online, contributed 98% of profit in FY17. Pre-tax profit was down 10% mainly on Education division headwinds and margins at Express Gifts. Express grew revenue by 16%, but initial new customer margins were lower and currency was adverse. Exceptionals were £82m, mainly on updating the debt provisioning formula, increased provision for financial product liabilities, and write-downs of goodwill in Education. Phil Maudsley, formerly MD of Express Gifts, has been appointed CEO and Ian Burke has stepped back to non-executive chairman. Our forecasts are under review.

INDUSTRY OUTLOOK

UK retail sales (excluding fuel) increased 0.5% y-o-y in March and Q1 volumes (excluding fuel) fell by 1.2% q-o-q. However, March online sales increased 19.5% y-o-y, representing a continuing tailwind for Express Gifts. Pressure on schools' budgets continues to restrain Education, which is why it is focusing on self-help measures.

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	8.7	19.4
2017	457.0	40.8	22.2	20.4	9.8	14.1
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

Sector: Pcare & household prd

Price: 317.5p
 Market cap: £184m
 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 enables the high-quality production of music.

Price performance

%	1m	3m	12m
Actual	8.0	39.9	100.3
Relative*	8.9	37.6	71.6

* % Relative to local index

Analyst

Paul Hickman

Focusrite (TUNE)

INVESTMENT SUMMARY

Interim results were strong. Revenue was up by 23.7%, with constant currency growth of 12% shared between both product groups. Adjusted pre-tax profit grew 55% and EPS by 52%. All regions are in revenue growth, led by the US, which grew 25% on a constant currency basis. EBITDA margin rose by 50bp to 19.1% year-on-year. Cash has been positively managed with net inflow of £3.8m against an outflow of £2.2m a year ago and closing net cash of £9.4m. We have upgraded our FY17 earnings forecast by 5%.

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 40% share of the mass interface market, 10% of the semi-professional Thunderbolt market and 2% of the commercial market, with Novation also ranking highly in its markets.

Y/E Aug	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (p)	P/E (x)	P/CF (x)
2015	48.0	9.3	7.2	10.5	30.2	N/A
2016	54.3	10.2	7.7	11.8	26.9	N/A
2017e	64.9	11.6	8.5	12.8	24.8	N/A
2018e	70.5	12.6	9.2	13.9	22.8	N/A

Sector: Technology

Price: NIS7.11
Market cap: NIS724m
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. FRST also has a stake in rail ADAS specialist, Rail Vision.

Price performance

%	1m	3m	12m
Actual	(1.0)	129.2	263.4
Relative*	(7.0)	167.3	264.1

* % Relative to local index

Analyst

Anna Bossong

Foresight Autonomous Holdings (FRSX)

INVESTMENT SUMMARY

FRST develops software solutions for advanced driver assistance (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. FRST has concluded a number of pilot project agreements in China and more are likely to follow in India. 26%-owned Rail Vision, a rail collision warning specialist, is also achieving positive results in product tests with Deutsche Bahn and other rail operators. A recent Nasdaq listing, publication of US GAAP accounts and a strong \$17m cash position, together with further likely positive newsflow should keep investor interest at a high level.

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)	(1.5)	(4.894)	N/A	N/A
2017e	0.0	(3.5)	(4.2)	(4.444)	N/A	N/A
2018e	0.2	(4.2)	(4.2)	(4.211)	N/A	N/A

Sector: Media & entertainment

Price: 234.0p
Market cap: £86m
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	0.9	30.0	78.3
Relative*	1.7	27.9	52.8

* % Relative to local index

Analyst

Fiona Orford-Williams

Future (FUTR)

INVESTMENT SUMMARY

Future produced strong H117 figures, as per April's trading update, boosted by growing e-commerce revenues and a strong showing from events. Momentum into H2 is good and we raised our FY17 and FY18 forecasts for revenue, profits and earnings on the results. Progress on reducing net debt was also ahead of our forecast. The strategy to build a global media platform business around Future's high-profile brands, backed with quality content and across multiple revenue streams, is starting to deliver meaningful returns and growth well above the sector average. The market valuation of the shares has yet to reflect this differential.

INDUSTRY OUTLOOK

Given the shift in Future's business model, magazine circulation figures are a poor guide to the health in its markets. Nevertheless, it is relevant that the latest ABC stats show digital circulation reaching 1m in H216 (compared to print totalling 39.5m). Magazine sector reach is being much further boosted by its online/mobile presence, particularly among the demographic most targeted by the titles in Future's stable. e-Commerce growth rates vary by category, but broadly fall into a range of 15-20% in both the UK and US. Future's quality content is a driver.

Y/E Sep	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (fd) (p)	P/E (x)	P/CF (x)
2015	59.8	3.6	0.2	2.7	86.7	N/A
2016	59.0	4.7	1.6	5.7	41.1	28.1
2017e	76.5	9.6	7.2	16.4	14.3	21.1
2018e	77.5	12.6	10.5	22.0	10.6	14.0

Sector: Media & entertainment

Price: €1.45
 Market cap: €166m
 Market: FRA

Share price graph (€)



Company description

Fyber connects app developers and media companies with advertisers through the power of technology. Fyber is an advertising technology company delivering to global audiences at scale through a powerful cross-platform monetization & advertising solution.

Price performance

%	1m	3m	12m
Actual	(19.1)	(21.9)	(23.1)
Relative*	(20.2)	(27.3)	(39.5)

* % Relative to local index

Analyst

Bridie Barrett

Fyber (FBE)

INVESTMENT SUMMARY

RNTS Media has taken the name of one of its divisions, Fyber: a sign that the group is leaving its legacy holding company structure behind to become a more fully integrated ad-tech group. Management expects Q117 revenue growth to accelerate as the year progresses and has reiterated its full-year targets of revenues over €280m and EBITDA over €3m. Board changes have been proposed which would see Ziv Elul will take over as CEO from Andreas Bodczek, who will continue in an advisory role (previously announced), and Yaron Zaltsman has been appointed CFO, replacing Heiner Luntz. Additional financing needs to be put in place in the near term in order to satisfy earn-out obligations and growth capital; if this can be done it would lift a major overhang on the shares.

INDUSTRY OUTLOOK

Programmatic buying is becoming the dominant way of buying advertising in the fast-growth segment of mobile advertising. e-Marketer forecasts a three-year CAGR of 122% to 2017 in programmatic buying of mobile advertising. By building out the client base for its mediation solution and expanding the range of products available on its ad exchange, management believes it will capture an increasing share of this growing market.

Y/E Dec	Revenue (€m)	EBITDA (€m)	PBT (€m)	EPS (fd) (c)	P/E (x)	P/CF (x)
2014	64.0	0.7	(2.0)	(1.2)	N/A	N/A
2015	81.1	(13.7)	(18.6)	(13.6)	N/A	N/A
2016e	170.0	(10.9)	(24.4)	(18.6)	N/A	N/A
2017e	285.0	3.9	(4.2)	(3.1)	N/A	N/A

Sector: Technology

Price: 33.6p
 Market cap: £57m
 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 311 stores in the UK, 270 stores in Spain and over 30% market share.

Price performance

%	1m	3m	12m
Actual	(22.5)	(20.2)	(58.2)
Relative*	(21.8)	(21.5)	(64.2)

* % Relative to local index

Analyst

Paul Hickman

Game Digital (GMD)

INVESTMENT SUMMARY

Game Digital (GMD) is a market leader in video gaming in the UK and Spain with 32% average share. It is executing a major change of strategy. The strategy is to maximise core retail potential, retaining GMD's position as the number one destination for gamers, while expanding live and online gaming services. GMD also seeks to develop new markets through digital enterprise services, and to optimise efficiency while investing for the future. The strategy should bring reduced dependence on the cyclical nature of the games market over the next few years.

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)
2015	866.6	46.9	38.0	18.5	1.8	1.3
2016	822.5	28.0	16.4	8.8	3.8	9.2
2017e	812.6	17.9	5.9	2.7	12.4	3.5
2018e	813.2	19.0	6.4	2.9	11.6	N/A

Sector: Travel & leisure

Price: 12.6p
 Market cap: £35m
 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 US.

Price performance

%	1m	3m	12m
Actual	(4.7)	(4.7)	(36.9)
Relative*	(3.9)	(6.3)	(45.9)

* % Relative to local index

Analyst

Victoria Pease

Gaming Realms (GMR)

INVESTMENT SUMMARY

GMR is leveraging its 'Slingo' brand in real money gaming as well as social, and via blue-chip licensing deals (Express Newspapers, 'Britain's Got Talent' website). FY16 revenues grew 60% to £34m, with a 100% increase in RMG (£21.5m). EBITDA break-even was achieved in H216 and we expect a step-up in profitability as operational leverage kicks in. Our forecasts are under review, but heavy investment is now complete and there is a defined path to profitability.

INDUSTRY OUTLOOK

The UK government review into stakes and prizes is expected to focus mainly on FOBT machines in betting shops. Possible tighter restrictions on gambling advertising could affect GMR but would be more relevant for bingo-led TV advertising before the 9pm watershed. The European casino market is expected to grow at 9.2% to \$27.2bn in 2018 with mobile a key driver. Although the timing is uncertain, the extension of POC gaming tax to 'free play' may commence this summer.

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	14.9
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: 370.0p
 Market cap: £562m
 Market: AIM

Share price graph (p)



Company description

GB Group has complementary identity data intelligence offerings of verification, capture, maintenance and analysis, enabling companies to identify and understand their customers.

Price performance

%	1m	3m	12m
Actual	(5.1)	28.5	21.3
Relative*	(4.3)	26.4	3.9

* % Relative to local index

Analyst

Bridie Barrett

GB Group (GBG)

INVESTMENT SUMMARY

FY17 revenues of £87.5m (+19% y-o-y) and EBITA of £17.0m (+27%) were in line with April's trading update. All service lines (bar ID Engage) grew strongly, particularly the fraud and risk management products. Incoming CEO, Chris Clark, outlined initial views on strategy, which is unlikely to see a major change in direction, with the focus remaining 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; we increased our FY18 and FY19 EPS forecasts by c 4% and c 2%, respectively. Organic opportunities support the rating at these levels and, with an active acquisition strategy, there is room for further growth-driven share price upside.

INDUSTRY OUTLOOK

Growth in internet trading, regulatory pressure and the need for money laundering, age and anti-fraud checks are behind growing interest in increasingly complex and comprehensive verification of personal data. The scope and financial impact of global fraud and cybercrime is growing. The requirement of organisations and governments to invest in technologies and compliance solutions to combat these issues should also increase to outpace this threat.

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	45.1	N/A
2017	87.5	18.7	16.5	9.9	37.4	N/A
2018e	117.1	26.2	22.6	12.0	30.8	N/A
2019e	133.4	30.3	26.4	13.6	27.2	N/A

Sector: General retailers

Price: 727.5p
 Market cap: £152m
 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	(5.6)	39.9	457.5
Relative*	(4.8)	37.6	377.7

* % Relative to local index

Analyst

Paul Hickman

Gear4music Holdings (G4M)

INVESTMENT SUMMARY

Gear4music (G4M) is a disruptive online retailer selling musical instruments and equipment. Traditional competition is fragmented. FY17 results were excellent, with 58% revenue growth resulting in 331% PBT growth and 272% EPS growth. G4M has opened two distribution centres in Europe, is acquiring a £5.3m freehold office in York and is preparing for the next phase of international expansion.

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 and the world market at US\$17bn. In the UK, the market is highly fragmented and G4M is the biggest player. There is more organised competition in Europe, with three larger players. 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	234.7	N/A
2017	56.1	3.7	2.7	11.6	62.7	N/A
2018e	79.7	4.1	2.4	10.0	72.8	N/A
2019e	102.1	5.1	3.3	13.3	54.7	N/A

Sector: Technology

Price: €19.15
 Market cap: €504m
 Market: Xetra

Share price graph (€)



Company description

GFT is a global technology services and recruitment business primarily focused on banks and insurance companies.

Price performance

%	1m	3m	12m
Actual	(7.0)	10.0	(10.0)
Relative*	(7.5)	4.0	(27.5)

* % Relative to local index

Analyst

Richard Jeans

GFT (GFT)

INVESTMENT SUMMARY

GFT remains on target and thematic trends are broadly the same. Underlying Q1 revenue growth was solid at 13.3%, helped by 3% more days in the period. EBITDA (GFT definition) slipped by 2% to €9.9m, but rose 10% after adding back €1m restructuring costs and a €250k earnout payment for Habber Tec. Management guidance was unchanged and we maintained our forecasts. GFT's retail banking activities remain buoyant, benefiting from digital banking projects in continental Europe and the group's first retail banking project in the US, while the investment banking backdrop remains challenging, not helped by Brexit and the political changes in the US. With the sustained healthy outlook in digitalisation across the retail banking sector and the prospect of a recovery for the investment banking market (since these businesses need to invest in IT to sustain growth), we believe the shares are looking increasingly appealing on c 13x our FY19e earnings.

INDUSTRY OUTLOOK

GFT provides consulting and IT services, primarily to commercial and investment banks. It benefits from high levels of IT spending and complex business requirements in the financial services industry. It also benefits from favourable outsourcing trends in banking and has integrated near/farshore hubs in Spain, Poland, Brazil and Costa Rica.

Y/E Dec	Revenue (€m)	EBITDA (€m)	PBT (€m)	EPS (fd) (c)	P/E (x)	P/CF (x)
2015	373.5	44.6	38.6	119.4	16.0	9.1
2016	422.6	46.8	39.2	115.4	16.6	17.5
2017e	455.0	48.5	41.6	116.9	16.4	10.7
2018e	500.5	54.5	46.2	129.9	14.7	9.7

Sector: Alternative energy

Price: €19.75
Market cap: €71m
Market: Alternext Paris

Share price graph (€)

Company description

Global Bioenergies is in the scale-up stage to convert renewable resources into isobutene, the first of a number of olefins. The process will be out-licensed to partners once it is proven in an industrial pilot.

Price performance

%	1m	3m	12m
Actual	(4.8)	(12.9)	(25.5)
Relative*	(3.8)	(17.6)	(37.6)

* % Relative to local index

Analyst

Catharina Hillenbrand-Saponar

Global Bioenergies (ALGBE)

INVESTMENT SUMMARY

Global Bioenergies (GBE) has delivered impressive progress on its alternative olefins production technology. It is now entering the final phase of industrialisation and is on the verge of commercialisation. Low oil prices make for a difficult business environment, but efforts to diversify away from the oil-related market could help to reduce GBE's oil price dependence. Nevertheless, there is immediate commercial market potential. We also see positive evidence of progress on industrialisation, notably the completion of the Leuna plant, which was officially inaugurated in May. 2016 results were in line with our expectations, with a net loss of €10.6m and good cash management. GBE has recently restructured its Bracknor convertible programme, which means a greater amount of available funds funding for GBE to the end of 2018. Our core valuation range is €34-51 per share.

INDUSTRY OUTLOOK

GBE is developing bioprocesses to convert renewable resources into some of the most widely used petrochemical building blocks. GBE's most advanced programme targets isobutene bioproduction. The company also targets the production of butadiene and propylene, which are presently at R&D stage.

Y/E Jun / Dec	Revenue (€m)	EBITDA (€m)	PBT (€m)	EPS (c)	P/E (x)	P/CF (x)
2015	2.2	(11.0)	(12.2)	(395.61)	N/A	N/A
2016	3.3	(10.9)	(12.4)	(335.71)	N/A	N/A
2017e	3.7	(12.3)	(15.7)	(395.82)	N/A	N/A
2018e	3.7	(13.2)	(16.7)	(423.28)	N/A	N/A

Sector: Property

Price: €7.65
Market cap: €693m
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	2.7	17.7	51.5
Relative*	3.6	15.8	29.8

* % Relative to local index

Analyst

Andrew Mitchell

Globalworth Real Estate Investments (GWI)

INVESTMENT SUMMARY

On 13 June, GWI priced an inaugural €550m 5-year eurobond rated BB+ by Standard & Poor's and Ba2 by Moody's with an annual coupon of 2.875% (first payment on 20 June 2018). This is the first such bond issue for a property investment company operating in central and eastern Europe and is a significant development for GWI: the proceeds will help to simplify the company's capital structure by refinancing nearly all existing senior lines, reduce the average cost of debt and provide financing for further portfolio growth, including possible acquisitions outside Romania (likely to be in Poland). On 20 June, GWI announced that it will pay its maiden interim dividend of €0.22 on 28 July 2017, and on 29 June it announced a NAV update showing an increase in EPRA NAV/share at 31 March to €8.58 (31 December: €8.57). NOI was up 65% to €10.7m in Q117 (Q116: €6.5m). These announcements mark further progress as GWI transforms into an institutional-quality, dividend-paying real estate investor. We are reviewing our forecasts.

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	23.0
2016	43.6	36.7	5.5	7.4	103.4	11.2
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: €1.75
 Market cap: €19m
 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	4.1	(2.4)	40.4
Relative*	6.7	(5.9)	19.5

* % Relative to local index

Analyst

Bridie Barrett

GO internet (GO)

INVESTMENT SUMMARY

Following last October's €4m funding round, GO is re-accelerating the rate at which it implements its network and, after a period of softer growth in subscribers, we expect subscriber momentum to pick up later this year. Customer numbers in May were 40.1k (+16% y-o-y), tracking our expectations with the FTTH segment in Perugia starting well (c 300 subscribers signed between December and March). The shares trade at a significant discount to our base case DCF (€2.8/share) and investors should also take into account potential valuation implications attached to GO's spectrum ownership in light of emerging 5G standards. With 3.5GHz now earmarked for 5G services, GO's spectrum could be used for a wider service offering in the longer term and may put it in focus for operators looking to secure 5G capacity.

INDUSTRY OUTLOOK

The Italian broadband market is relatively underpenetrated 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	45.8	6.8
2016	6.4	2.5	0.5	3.66	47.8	3.3
2017e	7.7	3.2	0.5	3.21	54.5	4.3
2018e	9.6	4.5	1.3	8.23	21.3	3.6

Sector: Oil & gas

Price: 65.0p
 Market cap: £101m
 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	(20.1)	(36.6)	(71.1)
Relative*	(19.4)	(37.6)	(75.3)

* % Relative to local index

Analyst

Sanjeev Bahl

Green Dragon Gas (GDG)

INVESTMENT SUMMARY

Green Dragon Gas (GDG) has laid the foundations for what could be a world-class CBM development; however, the company's ability to develop and monetise this resource before PSC expiry in 2035 is contingent on funding. 2P reserves (net 549bcf) continue to rise as GDG proves gas deliverability from incremental coal seams. As it stands, GDG is funding rather than resource constrained. Our base case valuation assumes that GDG uses RBL debt capacity (contingent on overall development plan approval) to drill additional LiFaBriC wells on the GSS block, driving a group core valuation of 227p/share.

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: 1123.0p
 Market cap: £1136m
 Market: LSE

Share price graph (p)



Company description

With over 1,790 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	5.0	10.9	3.2
Relative*	5.9	9.1	(11.6)

* % Relative to local index

Analyst

Paul Hickman

Greggs (GRG)

INVESTMENT SUMMARY

Greggs' appeal lies in the combination of its relatively low-risk business model, history of strong cash generation and its return to strong earnings growth in the past two years. It is pursuing a strategic plan that has delivered impressive financial results and has the financial strength to complete that programme. After 19 weeks to 13 May 2017, like-for-like managed store sales grew 3.6%. Although some cost pressures are signalled for the first half, including investment in a new store forecasting and replenishment system, guidance for the full year is unchanged.

INDUSTRY OUTLOOK

Greggs enjoys an expanding market. The Project Café2016 UK report (Allegra World Coffee Portal) valued the UK coffee shop market in 2015 at £7.9bn, +10% vs 2014. Branded outlets (including Greggs) accounted for £3.3bn. Allegra estimates it could reach £15bn by 2025. Growth of inflation against wages is a potential concern, although arguably Greggs is well placed for the value switch following widespread refurbishments.

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	19.6	9.4
2016	894.2	125.9	80.3	62.0	18.1	8.4
2017e	944.2	131.4	80.8	63.4	17.7	8.9
2018e	1000.9	138.3	83.9	66.6	16.9	8.3

Sector: Travel & leisure

Price: 774.0p
 Market cap: £2327m
 Market: AIM

Share price graph (p)



Company description

GVC Holdings is a leading e-gaming operator in both B2C and B2B markets. It has four main product verticals (sports, casino, poker and bingo) with a number of brands. It acquired bwin.party digital entertainment (bwin) on 1 February 2016 for €1.51bn.

Price performance

%	1m	3m	12m
Actual	0.2	3.8	34.3
Relative*	1.1	2.1	15.0

* % Relative to local index

Analyst

Victoria Pease

GVC Holdings (GVC)

INVESTMENT SUMMARY

GVC is consolidating its position as a leading online gaming operator, as showcased during its capital markets day on 25 May. The integration of bwin.party has surpassed management's initial expectations, with positive KPIs across all divisions. Growth has been achieved through leveraging the powerful proprietary platform and reinvigorating leading brands. Customer migrations should be complete by year end and €125m of cost synergies are on track. GVC has strong organic growth prospects, as well as an excellent track record with integration, which may continue to be augmented by M&A at some stage. The stock has performed well and trades towards the top end of its broader peer group, at 10.3x EV/EBITDA and 13.2x P/E for 2018e.

INDUSTRY OUTLOOK

The global online gambling market is forecast to grow at 8.7% CAGR to 2020, driven by growth on mobile. The UK government triennial review into gaming machines is unlikely to materially impact GVC (the focus is FOBT machines in betting shops and possible tighter restrictions on TV gambling advertising before 9pm). Elsewhere, more countries are introducing licensing, with new taxes but better medium-term marketing and growth opportunities.

Y/E Dec	Revenue (€m)	EBITDA (€m)	PBT (€m)	EPS (c)	P/E (x)	P/CF (x)
2015	247.7	54.1	50.0	76.4	11.6	8.7
2016	894.6	205.7	121.2	41.5	21.3	70.6
2017e	936.9	251.6	202.6	58.5	15.1	13.3
2018e	992.4	287.9	240.9	68.8	12.8	10.0

Sector: Support services

Price: 64.5p
 Market cap: £210m
 Market: LSE

Share price graph (p)



Company description

Hogg Robinson is an international corporate services company, specialising in travel, expenses and data management.

Price performance

%	1m	3m	12m
Actual	(9.2)	(4.3)	(0.8)
Relative*	(8.4)	(5.8)	(15.0)

* % Relative to local index

Analyst

Richard Finch

Hogg Robinson Group (HRG)

INVESTMENT SUMMARY

Hogg Robinson (HRG) has combined a strong set of financials with a declaration of medium-term growth initiatives in both travel management and FinTech. Importantly, their implementation should be facilitated by the success of management's largely completed restructuring and deleveraging programme. While there will be a short-term cost (we are reducing our current-year PBT forecast by 17%), this is wholly related to stated opex investment rather than any business deterioration (our revenue forecast is unchanged). Robust finances (FY17 net debt/EBITDA of just 0.3x) should allow continued dividend growth (FY17 cover of 3.0x). IMS is due on 27 July.

INDUSTRY OUTLOOK

While not correlating strictly with HRG's business, international trade is a useful market indicator in view of its influence on corporate travel and its reflection of business confidence. IATA expects limited growth owing to political and economic risks. Uncertainty, deriving from the UK's proposed exit from the EU, may affect business travel confidence. A structural move by clients to online channels and automated servicing tools to make their travel arrangements is viewed as positive over the long term by the major travel management companies, as it gives clients what they want and should be cost-effective.

Y/E Mar	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (p)	P/E (x)	P/CF (x)
2016	318.3	55.5	32.2	7.16	9.0	4.3
2017	335.1	60.7	37.0	7.82	8.2	4.9
2018e	336.0	57.5	31.0	6.64	9.7	5.2
2019e	N/A	N/A	N/A	N/A	N/A	N/A

Sector: Oil & gas

Price: 37.8p
 Market cap: £464m
 Market: AIM

Share price graph (p)



Company description

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

Price performance

%	1m	3m	12m
Actual	(27.1)	(30.7)	132.7
Relative*	(26.4)	(31.9)	99.4

* % Relative to local index

Analyst

Sanjeev Bahl

Hurricane Energy (HUR)

INVESTMENT SUMMARY

Hurricane Energy's 2016/17 drilling programme has significantly increased understanding of the Greater Lancaster Area (GLA) and Greater Warwick Area (GWA) hydrocarbon accumulations. Initial data analysis suggests that the GLA is one large accumulation including the Halifax and Lancaster basement oil discoveries contained between the Westray Fault Zone and Brynhild Fault Zone. RPS reserve and resource estimates for Lancaster stand at P50 523mmbbl, making it a giant oil field and one of the largest discoveries on the UKCS over the last decade. Management expects first oil from a Lancaster early production system in 2019, with the company looking at equity and debt funding options. We assume a 60/40 equity to debt split in our latest Lancaster NAV of 102p/share.

INDUSTRY OUTLOOK

Fractured basement is seen as an 'unconventional' play in the UK, although basement reservoirs have been producing for decades. Hurricane has successfully de-risked Lancaster through a multi-well appraisal programme.

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	378.0	N/A
2017e	0.0	(7.2)	(5.7)	(0.4)	N/A	N/A
2018e	0.0	(7.2)	(17.7)	(1.1)	N/A	N/A

Sector: Pcare & household prd

Price: 335.5p
 Market cap: £210m
 Market: AIM

Share price graph (p)



Company description

IG Design Group is one of the world's leading designers, innovators and manufacturers of gift packaging and greetings, social expression giftware, stationery and creative play products.

Price performance

%	1m	3m	12m
Actual	1.5	26.8	115.8
Relative*	2.4	24.8	84.9

* % Relative to local index

Analyst

Fiona Orford-Williams

IG Design Group (IGR)

INVESTMENT SUMMARY

Another strong set of results from IG Design Group show the positive impact of its strategy of investment and innovation in design and delivery. Last year's acquisition of Lang in the US has added product and customers, while the European operations are gaining additional benefit from the growth of their clients. A particularly strong cash performance has moved the balance sheet cash positive at the year-end, well ahead of schedule. The dividend has been raised from 2.5p in FY16 to a proposed 4.5p, with further rises on the cards underpinned by our raised FY18 and new FY19 estimates.

INDUSTRY OUTLOOK

IG Design Group's core products are in the global gift packaging market, which it estimates at £10bn at retail value, equivalent to a trade value of c £3.2bn, giving it a market share just below 10% and making it the third-largest participant after American Greetings and Hallmark. In some sectors, overall volumes show limited growth and the low unit cost, high-volume nature of the products makes maximising manufacturing efficiency key to building both margins and market share, along with outstanding design capabilities.

Y/E Mar	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (fd) (p)	P/E (x)	P/CF (x)
2016	237.0	16.5	11.1	13.5	24.9	9.6
2017	311.0	20.7	17.1	18.8	17.8	6.5
2018e	325.0	26.0	20.0	20.5	16.4	8.9
2019e	335.0	28.5	22.5	22.9	14.7	8.8

Sector: Alternative energy

Price: 7.5p
 Market cap: £15m
 Market: LSE

Share price graph (p)



Company description

Intelligent Energy delivers clean energy solutions for the distributed energy, diesel replacement, automotive and aerial drone markets. It works with international companies to embed its fuel cell stack technology into applications across target markets.

Price performance

%	1m	3m	12m
Actual	20.0	(30.2)	(25.0)
Relative*	21.0	(31.4)	(35.7)

* % Relative to local index

Analyst

Anne Margaret Crow

Intelligent Energy Holdings (IEH)

INVESTMENT SUMMARY

During H117, Intelligent Energy was reshaped to focus on driving sales of commercially ready B2B products. The group has won contracts in two of its three target segments: stationary power and drones. It has also been appointed as technology lead on a €3.5m EU programme involving Toyota Motor Europe, among others, to provide a blueprint for fully automated mass manufacture of fuel cell stacks for the automotive market.

INDUSTRY OUTLOOK

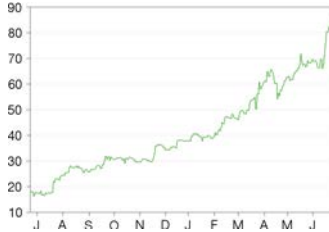
In line with its focus on commercially ready B2B products, the company has recently launched a new range of fuel cell module products designed specifically for portable and stationary power applications including telecommunications, disaster recovery, portable power generation, back-up power, micro-grids, auxiliary power units and material handling equipment. The new products deliver a range of power outputs from 1kW-4kW and are optimised for hybridisation with batteries, enabling further efficiency.

Y/E Sep	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (fd) (p)	P/E (x)	P/CF (x)
2015	78.2	(46.2)	(51.8)	(21.4)	N/A	N/A
2016	91.8	(33.4)	(42.8)	(13.5)	N/A	N/A
2017e	24.6	(13.2)	(21.7)	(2.5)	N/A	N/A
2018e	N/A	N/A	N/A	N/A	N/A	N/A

Sector: Technology

Price: 86.0p
 Market cap: £584m
 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, CPV solar cells and vertical cavity lasers.

Price performance

%	1m	3m	12m
Actual	27.9	53.6	371.2
Relative*	29.0	51.1	303.8

* % Relative to local index

Analyst

Anne Margaret Crow

IQE (IQE)

INVESTMENT SUMMARY

IQE's diversification strategy delivered a 17% jump in adjusted profit before tax during FY16. Strong growth in photonics revenues was a key element of this improvement. This was boosted by a return to growth in the wireless sector and weak sterling. We revised our FY17 estimates upwards to reflect some photonics development projects converting to commercial programmes, noting potential for further upgrades depending on how quickly customers ramp up production volumes.

INDUSTRY OUTLOOK

Trading was strong in multiple markets throughout FY16, with wireless revenues returning to growth (15%) and photonics recording a 43% increase. The two key applications – vertical cavity surface emitting lasers (which are used in data communications, consumer and industrial applications) and indium phosphide (which is used in fibre to the premises and other short-haul optical networks) – are experiencing strong demand.

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	33.1	27.2
2016	132.7	31.7	20.6	3.00	28.7	25.7
2017e	137.0	34.5	22.5	3.15	27.3	19.2
2018e	140.2	35.0	24.0	3.37	25.5	18.9

Sector: Financials

Price: TRY1.56
 Market cap: TRY554m
 Market: BIST

Share price graph (TRY)



Company description

Is Yatirim Menkul Degerler (also known as Is Investment) offers brokerage, corporate finance, investment advisory services and portfolio management services. It also has investments in four subsidiaries whose results it consolidates.

Price performance

%	1m	3m	12m
Actual	4.7	16.4	56.0
Relative*	2.7	4.9	22.1

* % Relative to local index

Analyst

Andrew Mitchell

Is Yatirim (ISMEN)

INVESTMENT SUMMARY

Is Yatirim's (ISY) Q117 results released on 3 May showed a strong performance by the investment banking business, driven by robust equity, debt and derivatives markets, slight increases to some commission margins as well as continued growth in AUM, particularly from higher-fee pension fund assets. Is Investment (the investment bank) posted net profits more than 50% up on Q116, which was the strongest quarter in that year. With the exception of the NPL business, all the consolidated segments beat our expectations. We have increased our FY17 net profit forecast 18% to TRY78.5m, or 22.1 kurus per share. The cessation of Russian sanctions on 22 May 2017 has improved the outlook for several of ISY's businesses and subsidiaries of IS Private Equity.

INDUSTRY OUTLOOK

The geopolitical background in Turkey appears to be more stable since the constitutional referendum. The president's meeting with the US President has helped to cement his authority and the final lifting of all Russian sanctions on 22 May 2017 has improved the outlook for the economy, lifting the BIST 100 Index.

Y/E Dec	Revenue (TRYm)	EBITDA (TRYm)	PBT (TRYm)	EPS (Kr)	P/E (x)	P/CF (x)
2015	377.5	N/A	33.7	11.4	13.7	N/A
2016	438.9	N/A	41.6	15.2	10.3	N/A
2017e	508.2	N/A	119.8	22.1	7.1	N/A
2018e	535.0	N/A	134.9	24.7	6.3	N/A

Sector: Travel & leisure

Price: 651.0p
 Market cap: £481m
 Market: LSE

Share price graph (p)

Company description

Jackpotjoy plc (JPJ) (formerly The Interntain 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	10.2	13.8	N/A
Relative*	11.1	12.0	N/A

* % Relative to local index

Analyst

Victoria Pease

Jackpotjoy plc (JPJ)

INVESTMENT SUMMARY

Jackpotjoy plc (JPJ) has market-leading brands in female-oriented gaming, including 'Jackpotjoy', which has a 22% share of the UK online bingo-led market. On 16 May, JPJ announced robust Q1 results with gaming revenues up 11% to £71.4m and an underlying cash conversion of c 100%. Q2 trading has started well across all divisions. Adjusted net debt/EBITDA of c 4.0x remains high, but JPJ is comfortably positioned to pay a major c £95m earn-out in June and we expect significant deleverage from 2018. The market is pricing in a high degree of execution risk, with 2017 trading multiples of 6.9x EV/EBITDA and 6.1x P/E. Despite regulatory headwinds, we forecast continued strong underlying growth and we would expect a re-rating as debt repayments begin to drive value to equity.

INDUSTRY OUTLOOK

JPJ operates in growing markets with positive structural drivers. Internationally, online gambling still only accounts for 13% of the market; it is 33% in the UK and new ways to gamble (mobile) have proved to be incremental rather than cannibalistic. Although the timing is uncertain, the extension of the UK 15% gaming tax from net to gross revenues is in our forecasts from August 2017. 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	8.9	N/A
2016	269.0	102.2	65.6	88.4	7.4	N/A
2017e	294.8	105.7	70.9	93.8	6.9	N/A
2018e	322.3	113.8	84.4	109.2	6.0	N/A

Sector: General industrials

Price: 446.5p
 Market cap: £137m
 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	2.1	2.6	1.3
Relative*	2.9	1.0	(13.3)

* % Relative to local index

Analyst

Graeme Moyse

Jersey Electricity (JEL)

INVESTMENT SUMMARY

JEL's H1 results demonstrated that it is delivering attractive and stable returns to its shareholders and secure, affordable, low-carbon energy to its customers. In H1, JEL kept prices to customers flat while increasing the interim DPS by 5.5% to 5.8p. Thanks to recent investment in interconnectors, JEL was also able to import 93% of its electricity from low-carbon sources in France. 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 vs FY16 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, is trading at a large discount to its sum-of-the-parts 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	13.7	5.5
2016	103.4	24.6	13.2	32.4	13.8	5.1
2017e	104.5	25.7	13.4	34.3	13.0	5.4
2018e	106.8	26.4	13.8	35.2	12.7	5.0

Sector: Investment companies

Price: 301.9p
Market cap: £1108m
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	1.9	9.3	33.1
Relative*	2.8	7.5	14.1

* % Relative to local index

Analyst

Graeme Moyses

John Laing Group (JLG)

INVESTMENT SUMMARY

The FY16 results extended JLG's track record of growth (DPS +18%, NAV +14% to 277p). The NAV growth was achieved despite reflecting lower values for its holdings in the New Royal Adelaide Hospital and Manchester Waste project. The Greater Manchester Waste Disposal Authority (GMWDA) subsequently published minutes of a meeting that referred to the intended termination of the PFI contract. JLG believes that there will be a satisfactory resolution to the dispute; however, in the event of termination, it has indicated that it would seek compensation. GMWDA aside, the outlook is favourable; the investment pipeline stands at £1.86bn, there appears to be a global appetite for infrastructure investment and JLG is on track to meet its FY17 target for realisations (£200m). JLG now trades at a small premium to its last declared NAV.

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	10.9	N/A
2016	260.8	203.2	192.1	51.9	5.8	8.9
2017e	210.2	161.4	142.8	38.9	7.8	N/A
2018e	232.8	183.0	164.2	44.8	6.7	N/A

Sector: Technology

Price: 147.5p
Market cap: £54m
Market: AIM

Share price graph (p)

Company description

K3 Business Technology provides Microsoft-, SYSPRO- and Sage-based ERP solutions and managed services to the retail, distribution and manufacturing sectors.

Price performance

%	1m	3m	12m
Actual	(5.3)	(42.1)	(58.6)
Relative*	(4.5)	(43.0)	(64.5)

* % Relative to local index

Analyst

Katherine Thompson

K3 Business Technology Group (KBT)

INVESTMENT SUMMARY

In May, K3 announced that trading in H217 has been weaker than expected and it expects to report results below market expectations. It has launched a review of the business to focus resources around cash-generating business units and the large installed customer base. We have withdrawn our forecasts pending clarity on the full-year outcome. In June, K3 raised £7.5m (gross) from the issue of 5.35m shares at 140p per share, and non-executive chairman David Bolton announced his retirement. Stuart Darling has taken on the role on an interim basis.

INDUSTRY OUTLOOK

K3 is Microsoft's biggest Dynamics partner in the UK, supplying the retail, distribution and manufacturing sectors. Microsoft is moving its products to the cloud – the gradual shift towards consumption-based licensing models extends the period over which profits are recognised and cash is received, although the precise impact is difficult to forecast owing to the wide variety of contract types. The SYSPRO business continues to see steady demand.

Y/E Jun	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (fd) (p)	P/E (x)	P/CF (x)
2015	83.4	11.0	7.2	19.1	7.7	4.9
2016	89.2	12.8	8.8	23.0	6.4	8.7
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: Mining

Price: 5.0p
Market cap: £17m
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	(4.4)	8.1	(38.1)
Relative*	(3.6)	6.3	(47.0)

* % Relative to local index

Analyst

Charles Gibson

KEFI Minerals (KEFI)

INVESTMENT SUMMARY

KEFI's May DFS update was closely in line with Edison's prior estimates of throughput, grade, recovery etc. Financially, it estimates an NPV (8%) at the start of construction of US\$97m (29p/sh) at a US\$1,250/oz gold price. Cash operating costs are forecast to be US\$684/oz (vs US\$661/oz), while all-in sustaining costs will be lower. On the basis of initial capex of US\$160m, we calculate that KEFI will have to raise c £15.85m in equity including the £5.6m raised earlier this year (vs £15.05m previously).

INDUSTRY OUTLOOK

Fully diluted at a share price of 5.6p, we estimate a value for KEFI of 9.64p/share, rising to 19.97p in 2025, based on the net present value of (maximum potential) future dividends, discounted at 10%. However, this increases to 11.14p in the event that KEFI is successfully able to run its plant at 10% above nameplate capacity from year 2 (FY21) and to 26p in the event that it is able to successfully leverage its cash flow from Tulu Kapi into other development assets in the region.

Y/E Dec	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (p)	P/E (x)	P/CF (x)
2014	0.0	(2.1)	(2.6)	(6.2)	N/A	N/A
2015	0.0	(1.6)	(2.0)	(3.0)	N/A	N/A
2016e	0.0	(2.0)	(2.0)	(7.1)	N/A	N/A
2017e	0.0	(3.8)	(5.1)	(1.6)	N/A	N/A

Sector: Technology

Price: 730.5p
Market cap: £408m
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	(15.0)	23.3	158.1
Relative*	(14.2)	21.3	121.2

* % Relative to local index

Analyst

Dan Ridsdale

Keywords Studios (kws)

INVESTMENT SUMMARY

Having initially focused on consolidating vital ancillary services to the games development industry, Keywords has moved into Art (six acquisitions over the last three years) and now Engineering, with the acquisition of GameSim taking the company into domains that are much closer to the core games creation process. These service lines require much closer working relationships with clients and should support the company's drive to develop comprehensive strategic outsourced relationships with developers. The rating factors in good progress this year, but continued strong execution on the consolidation strategy should deliver further returns in the longer term.

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	66.2	84.3
2016	96.6	16.9	14.9	20.3	41.1	27.1
2017e	123.1	21.2	18.6	26.0	32.1	21.3
2018e	136.5	23.7	21.0	29.1	28.6	20.2

Sector: Food & drink

Price: €10.71
 Market cap: €332m
 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, Italy, Germany and Australia.

Price performance

%	1m	3m	12m
Actual	(5.5)	15.2	(9.9)
Relative*	(3.1)	11.1	(23.3)

* % 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 2016 tomato processing campaign proved to be tough. In addition, the cost of dried pulses and fruit rose as a result of the 2016 summer harvest. Management expects the challenges to persist through H117 and then recovery to commence in H217, as fundamentals for the 2017 campaign seem positive, with ongoing sector destocking and lower forecast tomato production.

INDUSTRY OUTLOOK

La Doria's strategic objectives, published as part of the updated three-year plan, remain 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 remains challenging, sterling devaluation is not helpful and the 2016 tomato campaign was tough.

Y/E Dec	Revenue (€m)	EBITDA (€m)	PBT (€m)	EPS (c)	P/E (x)	P/CF (x)
2015	748.3	77.6	57.4	144.6	7.4	5.7
2016	653.1	56.3	37.3	108.8	9.8	5.1
2017e	643.3	47.7	32.7	78.1	13.7	9.2
2018e	681.9	58.1	42.1	99.1	10.8	8.5

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	(8.2)	(40.0)	(21.7)
Relative*	(7.4)	(40.0)	(27.1)

* % Relative to local index

Analyst

Jamie Aitkenhead

Leaf Resources (LER)

INVESTMENT SUMMARY

Leaf Resources (LER) announced on 26 April that it is one step closer to deploying its first commercial facility in Malaysia. Following the Malaysian government's decision to locate a biomass processing hub in the state of Sarawak, LER and its JV partner, Claeris, have identified a specific site and commenced the application process. Additionally, Leaf is in talks with potential EPC contractors about undertaking a full 'FEL3' engineering study on the feasibility of the plant, following a successful independent engineering review of the Glycell technology and a positive 'FEL2' report on the front-end loading system.

INDUSTRY OUTLOOK

Legislative changes and public and consumer goods manufacturer support are opening up renewable chemical markets. LER's Glycell breakthrough technology allows cellulosic sugars to be produced at <US\$50/t compared to competing alternatives of >US\$200/t. In the fermentation stages to renewable chemicals, production costs can be lower than from petroleum-based feedstocks, even at low oil prices.

Y/E Jun	Revenue (A\$m)	EBITDA (A\$m)	PBT (A\$m)	EPS (fd) (c)	P/E (x)	P/CF (x)
2015	0.0	(2.2)	(2.2)	(1.6)	N/A	N/A
2016	0.1	(3.1)	(3.1)	(2.0)	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: Oil & gas

Price: A\$0.12
 Market cap: A\$27m
 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 2017.

Price performance

%	1m	3m	12m
Actual	(7.7)	(40.0)	(27.3)
Relative*	(6.9)	(40.0)	(32.3)

* % 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

South Australian power prices have been volatile due to concentrated generator ownership, coal plant closures, limited import capability and higher than national average dominance of renewables. South Australia 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	N/A	N/A	N/A	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: Oil & gas

Price: A\$0.56
 Market cap: A\$287m
 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	(15.2)	(13.8)	(26.3)
Relative*	(14.4)	(13.9)	(31.4)

* % Relative to local index

Analyst

Will Forbes

Liquefied Natural Gas Limited (LNGL)

INVESTMENT SUMMARY

Liquefied Natural Gas Ltd has made progress towards Final Investment Decision (FID) and on 5 May received the FERC Notice to Proceed on initial site preparations. Signing binding tolling agreements is key and encouragingly, the company is in discussion with potential partners for over three times the 8mtpa capacity. Importantly, the project retains its (non-binding) offtake agreement with Meridian and a heads of agreement with Vessel Gasification Solutions. Technically, the project is in good shape, with certainty over costs (until December 2017) and non-FTA approval received, while discussions with Stonepeak over extension of equity funding are advancing and debt funding capacity should be available. Our DCF-based valuation is A\$1.26/share (or US\$3.84/ADR), although we note this has significant room to move if and when the project takes FID and moves towards first-LNG.

INDUSTRY OUTLOOK

Y/E Jun	Revenue (A\$m)	EBITDA (A\$m)	PBT (A\$m)	EPS (fd) (c)	P/E (x)	P/CF (x)
2015	8.0	(72.0)	(71.0)	(0.2)	N/A	N/A
2016	7.0	(101.0)	(101.0)	(0.2)	N/A	N/A
2017e	2.0	(22.0)	(22.0)	0.0	N/A	N/A
2018e	103.0	71.0	71.0	0.1	560.0	4.0

Sector: Mining

Price: C\$1.88
 Market cap: C\$149m
 Market: TSX-V

Share price graph (C\$)

Company description

Lithium X Energy (LIX) is an exploration and development stage lithium company. Its main asset is the flagship Sal de los Angeles Project (50% ownership, with an option to increase to 80%) in Argentina.

Price performance

%	1m	3m	12m
Actual	(16.1)	22.9	8.1
Relative*	(15.2)	23.8	(0.3)

* % Relative to local index

Analyst

Tom Hayes

Lithium X Energy (LIX)

INVESTMENT SUMMARY

LIX has now sold its interests in the Clayton Valley in Nevada to Pure Energy in return for a 19.99% shareholding in the latter (which we valued at C\$10.6m, or US\$7.9m, at the time), such that its remaining assets are its flagship Sal de los Angeles project (including the Diablillos mine) and the district-scale Arizaro exploration project, both in Argentina. On 14 March, Lithium X announced that it had closed a C\$15m (before expenses) bought-deal to fund a work programme to provide an updated mineral resource estimate at Sal de los Angeles, as well as the completion of a feasibility study and the construction of an initial ponding facility.

INDUSTRY OUTLOOK

Permits have been received for the construction of the initial ponding facility, which forms a part of the company's joint venture with SESA (a local consortium with extensive expertise in the construction of ponding facilities). The facility is designed for an output of c 2,500tpa of lithium carbonate equivalent in 5% lithium concentrate.

Y/E Jun	Revenue (C\$m)	EBITDA (C\$m)	PBT (C\$m)	EPS (c)	P/E (x)	P/CF (x)
2015	0.0	(0.1)	(0.1)	(1.2)	N/A	N/A
2016	0.0	(5.4)	(5.4)	(16.5)	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: Financials

Price: 3753.0p
 Market cap: £13051m
 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	10.1	23.7	37.2
Relative*	11.0	21.7	17.6

* % Relative to local index

Analyst

Andrew Mitchell

London Stock Exchange Group (LSE)

INVESTMENT SUMMARY

LSE held an investor update event on 12 June that set out the group's strategy following the ending of the merger project with Deutsche Börse. The group will continue to develop its diversified portfolio of businesses comprising: indices, data and technology; primary and secondary markets; and clearing, settlement and central securities depository. The group underlined its commitment to an open access model, which it believes positions it well for regulatory developments including MiFID II and is in tune with client preferences.

INDUSTRY OUTLOOK

Looking ahead, LSE sees good potential for further strong growth and has set out specific targets. 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 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	36.3	N/A
2016	1657.0	771.0	623.0	124.7	30.1	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: 120.5p
 Market cap: £479m
 Market: LSE

Share price graph (p)

Company description

Lookers is a leading UK motor vehicle and specialist parts distributor. It operates 160 franchises, representing 33 marques spread across the UK.

Price performance

%	1m	3m	12m
Actual	(2.0)	0.4	(17.5)
Relative*	(1.2)	(1.2)	(29.3)

* % Relative to local index

Analyst

Andy Chambers

Lookers (LOOK)

INVESTMENT SUMMARY

Lookers has a growth strategy based on organic growth supplemented by M&A. It has grown consistently, delivering record profits in each of the past eight years. The buoyant UK car market supports management's more focused brand strategy and related investment increases. The addition of Warwick Holdings and Knights North West is a positive recycling of the funds from the parts business sale, with more likely this year adding to organic progression.

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	3649.0	99.6	72.1	14.88	8.1	8.2
2016	4282.0	113.2	77.1	15.55	7.7	3.6
2017e	4700.0	112.0	76.0	15.42	7.8	4.8
2018e	4900.0	114.6	78.5	15.92	7.6	5.1

Sector: Basic industries

Price: 89.8p
 Market cap: £296m
 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	2.6	28.2	47.7
Relative*	3.5	26.1	26.6

* % Relative to local index

Analyst

Toby Thorrington

Low & Bonar (LWB)

INVESTMENT SUMMARY

In a brief AGM statement, management stated that FY17 was off to a good start with unchanged guidance for the year. Four months into the financial year, management sounded confident that FY17 will be a year of significant progress. No further detail on individual business unit progress was included in the update. We see the full benefit from the new China Colback plant (Phase one), restored operational performance at Coated Technical Textiles and margin mix development in Civil Engineering as the most notable, high-level growth drivers this year. At current levels, there will also be some favourable year-on-year FX translation benefit. H1 results are scheduled for 11 July.

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 (fd) (p)	P/E (x)	P/CF (x)
2015	362.1	46.0	27.4	5.8	15.5	8.3
2016	402.2	52.8	29.2	6.0	15.0	8.7
2017e	436.0	59.1	35.4	7.3	12.3	5.0
2018e	457.4	63.9	39.2	8.1	11.1	5.1

Sector: General industrials

Price: 143.0p
 Market cap: £1111m
 Market: AIM

Share price graph (p)



Company description

Marshall Motor is the seventh largest UK motor retailer, operating 103 franchises spread across 24 brands at 89 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	(5.6)	(19.0)	(22.9)
Relative*	(4.8)	(20.3)	(34.0)

* % 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 opportunities, despite potentially tougher market conditions. Our fair value for MMH currently stands at 214p per share.

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	9.1	2.9
2016	1899.4	38.6	25.4	26.2	5.5	1.1
2017e	2263.1	43.9	26.5	26.8	5.3	1.7
2018e	2289.5	44.2	27.2	27.5	5.2	1.5

Sector: Property

Price: 90.5p
 Market cap: £388m
 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	0.0	2.0	5.5
Relative*	0.9	0.3	(9.6)

* % Relative to local index

Analyst

Andrew Mitchell

MedicX Fund (MXF)

INVESTMENT SUMMARY

MedicX Fund's (MXF) H117 results released on 26 May show a higher level of investment than we had assumed, with Irish acquisitions funded from equity issuance at a substantial premium to NAV. This, together with continued yield compression, has increased EPRA NAV to 74.4p per share, above our forecasts, while slightly diluting EPRA EPS, and therefore reducing dividend cover to 59% from 63%. The dividend has been increased and MXF expects to pay 6p in respect of 2017, equating to a yield of 6.7% on the current share price, supported by highly secure, long-term income derived mainly from government sources. The recent uptick in inflation has been of benefit to RPI-linked rents and progress has been made towards the execution of NHS plans to upgrade primary care infrastructure. The latter should support rent increases through open market review by providing modern and therefore higher rent comparisons for existing stock.

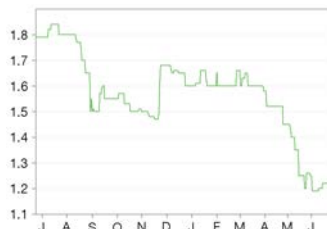
INDUSTRY OUTLOOK

All UK political parties have pledged continued support for the NHS, so the general election result should not affect existing plans for reforming primary care there. A construction programme of new primary care centres in the Republic of Ireland is ongoing and similarly unlikely to be affected by the appointment of a new Taoiseach.

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	24.5	14.0
2016	35.5	28.6	14.2	3.8	23.8	13.1
2017e	38.5	31.4	14.9	3.6	25.1	11.8
2018e	42.9	36.9	16.5	3.9	23.2	10.2

Sector: Industrial support services

Price: €1.22
 Market cap: €66m
 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 onshore steel.

Price performance

%	1m	3m	12m
Actual	1.7	(23.8)	(31.8)
Relative*	0.4	(22.9)	(34.7)

* % Relative to local index

Analyst

Andy Chambers

Medserv (MDS)

INVESTMENT SUMMARY

Medserv is an ambitious, Malta-listed, oilfield support services provider seeking to expand geographically and diversify its markets and product offering. 2016 was a challenging year for Medserv and project delays compounded the cost-saving actions of major customers in a depressed market. The delays are also likely to adversely affect H117, resulting in a sharp reduction in near-term estimates. Cash values hold up well, assuming current market conditions pertain, and our revised DCF value is now €1.83 compared to €2.03 previously.

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 adds onshore OCTG services to the historical integrated offshore services offered in Malta and Cyprus. Despite the weaker oil price, activity in its main geographies remains broadly strong as extraction costs are at the lower end of the curve.

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	12.6	5.4
2016	32.8	5.0	(1.3)	(2.1)	N/A	10.7
2017e	35.2	7.0	0.5	0.6	203.3	9.1
2018e	42.3	12.4	5.9	9.6	12.7	9.6

Sector: Technology

Price: NIS4.31
 Market cap: NIS265m
 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	(11.3)	(12.4)	(17.7)
Relative*	(11.1)	(14.4)	(21.3)

* % Relative to local index

Analyst

Anne Margaret Crow

Nano Dimension (NNDM)

INVESTMENT SUMMARY

Nano Dimension appears on track to complete the beta testing phase in mid-2017 and to deliver 50 printers during FY17. It has started to send its third batch of six DragonFly systems to potential customers for evaluation. These include one of the top 50 largest defence contractors in the world, which will be using the system in its innovation centre in the US, a solar energy company based in Israel and two PCB design bureaux located in Israel.

INDUSTRY OUTLOOK

In the last month, Nano Dimension has also announced the receipt of a \$0.2m grant to develop 3D ceramic materials for space applications and a patent application for oxidation-resistant copper nano-particles, paving the way for lower-cost conductive inks. It has also raised US\$9.5m through two private placings, bringing the total raised so far this quarter to US\$13.5m.

Y/E Dec	Revenue (US\$m)	EBITDA (US\$m)	PBT (US\$m)	EPS (fd) (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	5.2	(7.7)	(8.8)	(78.90)	N/A	N/A
2018e	35.7	12.2	11.0	58.76	0.0	0.0

Sector: Technology

Price: 33.5p
 Market cap: £80m
 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	(18.3)	(10.7)	(18.3)
Relative*	(17.6)	(12.1)	(30.0)

* % Relative to local index

Analyst

Dan Ridsdale

Nanoco (NANO1)

INVESTMENT SUMMARY

Clearly, the number one near-term priority for Nanoco and for investors is the company's progress in securing its first volume orders. We have no news in this regard but management still expects to secure the first orders in H2, with discussions continuing with nine OEMs regarding 14 projects. With a large addressable market and an operationally geared model, it does not take aggressive assumptions for earnings to scale and the rating to look very inexpensive. Visibility is low but we believe a substantial re-rating upwards would be justified as support for our estimates builds. The recently announced collaboration with Kyulux is important because it gives insight into the company's positioning for future generation of QLED/OLED televisions.

INDUSTRY OUTLOOK

Market analysts are forecasting strong uptake of QD TVs and cadmium-free is expected to dominate volumes. Market analysts' forecasts for QD adoption in display vary, but at the mid-point, QD TV shipments are forecast to grow from c 5m in 2017 to nearly 50m by 2020, which we estimate equates to a market opportunity for QD materials of \$550m by 2020.

Y/E Jul	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (p)	P/E (x)	P/CF (x)
2015	2.0	(8.1)	(9.3)	(4.2)	N/A	N/A
2016	0.5	(11.2)	(12.3)	(5.2)	N/A	N/A
2017e	1.6	(9.1)	(10.2)	(4.3)	N/A	N/A
2018e	16.3	1.7	0.8	0.3	111.7	N/A

Sector: General industrials

Price: 1000.0p
 Market cap: £34356m
 Market: LSE, NYSE

Share price graph (p)



Company description

National Grid owns and operates regulated electricity and gas network assets in both the UK and US. Its unregulated assets consist of the Grain LNG import terminal, interconnectors, a metering business and a property business.

Price performance

%	1m	3m	12m
Actual	(7.1)	(1.1)	1.7
Relative*	(6.3)	(2.7)	(12.8)

* % Relative to local index

Analyst

Jamie Aitkenhead

National Grid (NG)

INVESTMENT SUMMARY

National Grid's FY17 results on 18 May were in line with expectations. The sale of 61% of the UK Gas Distribution was completed with £4bn of proceeds due to be returned to shareholders. In the US, rate filings in New York gas and electric businesses have begun to translate into enhanced returns. The slight reduction in overall group RoE from 12.3% in FY16 to 11.7% was partly due to an exceptionally strong prior period in Grid's Other Businesses.

INDUSTRY OUTLOOK

With visibility on the allowed rate of returns by Ofgem in the UK until 2021 and potential capex upside from the UK government's Electricity Market Reform, National Grid is well positioned to play a key part to ensure security of supply and support the development of new renewable generation.

Y/E Mar	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (p)	P/E (x)	P/CF (x)
2016	13212.0	5710.0	2417.0	50.2	19.9	6.7
2017	15035.0	6352.0	2807.0	47.9	20.9	5.9
2018e	15279.0	4929.0	2894.0	64.4	15.5	6.9
2019e	N/A	N/A	N/A	N/A	N/A	N/A

Sector: General industrials

Price: 181.4p
 Market cap: £112m
 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	4.5	18.6	(7.5)
Relative*	5.4	16.6	(20.7)

* % Relative to local index

Analyst

Toby Thorington

Norcros (NXR)

INVESTMENT SUMMARY

All in all, FY17 was a satisfying year for Norcros. Against the prior year, underlying PBT increased by c 12%, EPS was flat (due to a normalised tax charge) and DPS rose by c 9%. A strong H2 in the UK and solid positive contributions from acquisitions and South Africa contributed to this outturn. Good cash generation resulted in year-end net debt of £23.2m, representing 0.7x FY17 EBITDA. Notwithstanding some market caveats, management remains confident of achieving further progress in FY18. Our estimates 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. Sustained progress in real average incomes and confidence in asset prices would be supportive for RMI recovery also. 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)
2015	222.1	24.3	14.0	18.0	10.1	6.6
2016	235.9	28.0	18.5	24.7	7.3	5.9
2017e	266.3	31.4	20.2	24.0	7.6	4.8
2018e	274.4	32.9	21.8	25.7	7.1	4.0

Sector: Financials

Price: 244.0p
 Market cap: £268m
 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	(7.5)	(5.8)	16.2
Relative*	(6.7)	(7.3)	(0.5)

* % Relative to local index

Analyst

Andrew Mitchell

Numis Corporation (NUM)

INVESTMENT SUMMARY

The drag on revenues from scarce market-wide primary equity issuance in the first half year to 31 March was substantially mitigated by progress elsewhere. The rise in the UK equity market supported growth in institutional commissions and trading income, and although Numis was involved in fewer IPOs in H117 (two vs 10 in H116), the size and breadth of the client base supported a stronger level of non-primary transactions and corporate retainers. Core revenues declined 8%, although a higher contribution from the strategic investment portfolio limited the total income decline to 5%. Costs were similar to H216 but higher than H116, taking the cost/income ratio up 10pp to 81%. Some of the cost pressure is likely to prove structural as MiFID II implementation approaches. Pre-tax profits were £10.5m (H116: £16.8m) with fully diluted EPS of 7.6p (11.6p). DPS was unchanged at 5.5p but share repurchases substantially increased.

INDUSTRY OUTLOOK

The political background in the UK continues to generate uncertainty but with transactions completed in the current half year (including the recent Alfa Financial Software IPO) and a strong pipeline, Numis remains confident on the full year.

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	13.3	N/A
2016	112.3	30.0	32.5	22.4	10.9	N/A
2017e	116.9	28.3	30.1	20.6	11.8	N/A
2018e	119.5	31.3	30.8	21.0	11.6	N/A

Sector: Mining

Price: 13.9p
Market cap: £14m
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	1.8	0.9	22.0
Relative*	2.7	(0.7)	4.5

* % Relative to local index

Analyst

Tom Hayes

Orosur Mining (OMI)

INVESTMENT SUMMARY

OMI's flagship San Gregorio (SG) mine has met production and cost guidance for FY17. This is made all the more notable as H2 production ran alongside increased infrastructure spending to secure future gold mining activities at SG. These infrastructure works will underpin FY18 production at the mine. The company's continued tight cost control is evident through its maintenance of a decent average gross margin of c 30% since the start of 2014. Tight cost control has also allowed OMI to continue to expand its gold resources at SG, as well as markedly increasing exploration activities at its highly attractive APTA asset in Colombia.

INDUSTRY OUTLOOK

OMI met the lower end of its 35koz to 40koz target for FY17, producing 35,751oz Au. OMI states that this was achieved in line with its C1 cash cost guidance of US\$800/oz to US\$900/oz, which will be confirmed on release of its full-year results in mid-August.

Y/E May	Revenue (US\$m)	EBITDA (US\$m)	PBT (US\$m)	EPS (fd) (c)	P/E (x)	P/CF (x)
2015	65.9	10.7	(6.2)	(56.3)	N/A	1.5
2016	42.9	9.1	3.2	(1.2)	N/A	2.7
2017e	48.4	12.9	5.8	4.4	4.0	1.4
2018e	51.9	21.0	13.9	10.5	1.7	1.2

Sector: Financials

Price: US\$23.50
Market cap: US\$268m
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	6.8	11.9	38.2
Relative*	5.1	7.7	19.8

* % Relative to local index

Analyst

Andrew Mitchell

OTC Markets Group (OTCM)

INVESTMENT SUMMARY

OTC Markets Group (OTCM) provides regulated marketplaces offering a cost-effective solution for targeting US investors. Q117 results showed progress with revenues up 5% and pre-tax profits 12% ahead of Q116. OTCM continues to refine the rules for its premium markets to enhance their reputation while minimising the burden on corporates. The recent purchase of theOTC.today, a website that monitors stock promotion campaigns, furthers the strategy of increasing the quality of information available to investors. The drive to increase the number of states that grant OTCM markets Blue Sky recognition continues as a further means to increase their appeal to corporates. OTCM is also taking a measured approach in its response to the competitive threat from the Global OTC ATS.

INDUSTRY OUTLOOK

The pick-up in new company sign-ups at the start of the current year is encouraging while sustained higher market levels should also be helpful for OTCM. There are general geopolitical, regulatory and market risks to the outlook, but OTCM's well-established network and cost-effective offering are positive features for the longer term.

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	88.32	26.6	N/A
2016	50.9	18.5	16.9	95.47	24.6	N/A
2017e	53.8	19.1	17.6	96.41	24.4	N/A
2018e	55.9	19.8	18.1	97.50	24.1	N/A

Sector: Property

Price: 377.5p
 Market cap: £95m
 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	6.3	7.9	2.7
Relative*	7.3	6.1	(12.0)

* % Relative to local index

Analyst

Julian Roberts

Palace Capital (PCA)

INVESTMENT SUMMARY

Palace Capital published strong FY17 results, showing the success of its strategy to generate income and capital growth through regional property investment. Rental income of £14.3m fed through to adjusted EPRA earnings of 22.2p per share (FY16: 18.9p). EPRA NAV of 443p per share was 7% higher than at 31 March 2016 (414p), driven by asset management initiatives, selective disposals at above book value and modest yield contraction. We expect Palace to complete an announced potential acquisition of an asset for c £20m in the near term, more than replacing rental income from recent disposals, and that the announced increase in the half year dividend from 9p to 9.5p will be sustained and fully covered in FY18.

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 macroeconomic headwinds, including the effects of Brexit, when compared with property in London. Regional rents may benefit from supply constraint as well as robust occupier demand.

Y/E Mar	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (p)	P/E (x)	P/CF (x)
2016	14.6	N/A	8.1	29.2	12.9	N/A
2017	14.3	N/A	9.5	24.4	15.5	N/A
2018e	14.0	N/A	6.2	20.6	18.3	N/A
2019e	14.7	N/A	7.6	25.8	14.6	N/A

Sector: Mining

Price: 15.5p
 Market cap: £346m
 Market: AIM

Share price graph (p)

Company description

Pan African has six major assets in South Africa: Barberton, the Barberton Tailings Retreatment Project, Evander, the Evander Tailings Retreatment Project, Elikhulu and Phoenix Platinum.

Price performance

%	1m	3m	12m
Actual	(3.1)	0.0	(1.6)
Relative*	(2.3)	(1.6)	(15.7)

* % Relative to local index

Analyst

Charles Gibson

Pan African Resources (PAF)

INVESTMENT SUMMARY

H117 results were in line with guidance after operations were disrupted by a series of DMR Section 54 notices. H217 results will be restrained by the underground mining hiatus at Evander to accommodate necessary infrastructure refurbishment before recovering strongly in FY18. In the aftermath of its equity placing, we value PAF at 20.2p/share (although this is also within the context of materially reduced risk in the form of group net debt funding expectations of £20.4m in FY19 to finance Elikhulu, versus £71.6m previously). Even so, PAF continues to have the third-highest forecast dividend yield of any gold company globally.

INDUSTRY OUTLOOK

On 5 December, PAF announced the results of a DFS into its Elikhulu tailings project, which will add c 51,769oz gold (or 25%) to PAF's production profile and which we value at US\$69.9m (at a 10% discount rate). Since then, it has announced the disposal of its 91% interest in Uitkomst for ZAR275m (£16.3m, or US\$20.9m) and a placing to raise ZAR705m (£41m, or US\$51m).

Y/E Jun	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (p)	P/E (x)	P/CF (x)
2015	140.4	28.4	16.0	0.64	24.2	10.7
2016	168.4	57.4	45.9	2.08	7.5	6.0
2017e	203.4	42.5	26.0	1.19	13.0	5.2
2018e	204.8	68.3	57.7	2.16	7.2	4.4

Sector: General industrials

Price: €65.40
Market cap: €296m
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	1.6	47.4	129.8
Relative*	1.0	39.3	85.1

* % Relative to local index

Analyst

Roger Johnston

paragon (PGN)

INVESTMENT SUMMARY

paragon successfully completed a new bond issue of €50m, ahead of the €40m target, in accelerated time due to substantial demand, which also allowed the final interest rate to be set at 4.5% the lower end of the range reported at the start of the bond issue. The issue will be used to refinance the existing bond and provide additional growth financing and financial flexibility. This followed the Q117 results, which demonstrated a continuation of strong growth and the construction of the new automated production line for Voltabox, which will substantially increase capacity and efficiency in the electromobility segment. The group also converted Voltabox Deutschland into a stock corporation to further focus growth options, which also exist in each segment driven by megatrends and technology development (R&D c 15% of sales in 2016).

INDUSTRY OUTLOOK

paragon's core business has been built on a strategy of identifying emerging trends and developing systems ahead of, as opposed to in response to, requests from OEMs. Following the company's rapid expansion in electromobility, we forecast that 27% of revenue will come from non-automotive markets by 2017.

Y/E Dec	Revenue (€m)	EBITDA (€m)	PBT (€m)	EPS (fd) (c)	P/E (x)	P/CF (x)
2014	79.0	10.5	4.3	67.0	97.6	26.0
2015	95.0	14.1	5.0	83.0	78.8	16.4
2016e	103.0	15.8	6.4	102.0	64.1	29.5
2017e	123.7	19.4	9.4	139.0	47.1	20.4

Sector: Financials

Price: 80.9p
Market cap: £149m
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	(3.3)	3.2	17.9
Relative*	(2.5)	1.5	1.0

* % Relative to local index

Analyst

Andrew Mitchell

Park Group (PKG)

INVESTMENT SUMMARY

Park's annual results to 31 March 2017 were in line with our forecasts, with billings (+5%) growing in both divisions, supporting a similar growth in operating profits despite Mastercard issuer start-up costs. PBT growth was limited to 4% by lower interest earnings on the back of post-EU referendum pressure on deposit rates, despite a c 11% increase in average cash balances. The dividend increased to 2.90p (2.75p). The current year has started well with order levels ahead of their position at the same time last year. Among new strategic initiatives, Park has begun to roll out its new Christmas savings mobile app and has provided more details on the global extension of its 'Evolve' digital corporate rewards and incentivisation platform. The new service will first be offered to existing UK clients with overseas employees or customers, before being extended to new territories.

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	15.6	12.4
2017	404.5	13.0	12.4	5.3	15.3	15.3
2018e	432.8	13.5	13.2	5.6	14.4	13.7
2019e	462.9	14.4	14.3	6.1	13.3	11.3

Sector: Technology

Price: 521.0p
 Market cap: £2526m
 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	9.2	12.4	34.8
Relative*	10.1	10.5	15.5

* % Relative to local index

Analyst

Katherine Thompson

Paysafe Group (PAYS)

INVESTMENT SUMMARY

Paysafe saw Q1 trading in line with management expectations and reiterates its FY17 guidance: low double-digit organic revenue growth (our reported revenue growth forecast 10.4%), with adjusted EBITDA margins of at least 30.1% (our forecast 30.1%). Cash conversion remains strong with net debt reducing as expected. The stock continues to trade at a c 30% discount to its peer group on EV/EBITDA and P/E multiples, which in our view is excessive. Continued steady progress in growth and cash generation, as well as a reduction in the relative contribution from the company's largest merchant, should help to reduce this discount.

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	26.0	29.0
2016	1000.3	300.8	241.9	42.1	15.8	11.6
2017e	1103.9	332.5	270.5	44.6	14.9	9.8
2018e	1203.0	364.8	300.4	48.6	13.7	9.1

Sector: Technology

Price: €5.29
 Market cap: €96m
 Market: AIM Italia

Share price graph (€)



Company description

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

Price performance

%	1m	3m	12m
Actual	5.8	3.3	29.1
Relative*	8.5	(0.4)	9.9

* % Relative to local index

Analyst

Richard Jeans

Piteco (PITE)

INVESTMENT SUMMARY

In early June, Podini family interests sold 1,663,500 Piteco shares (c 9.18% of the share capital) to institutional investors. Piteco aims to list on the MTA by the end of the year and the share sale increases the company's free float to 27.41%, satisfying the 25% threshold for the main market (MTA). In April, Piteco said it was buying the principal assets of LendingTools, a small US payments software provider, for up to \$14.5m in cash. The deal provides Piteco with an attractive route into the lucrative US market. Given the growth opportunities, strong cash generation and healthy balance sheet, we continue to believe the shares are attractive on c 14x our FY18e earnings.

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	5.0	21.5	24.6	18.9
2016	13.5	5.6	5.1	25.1	21.1	17.3
2017e	18.0	8.0	7.4	32.0	16.5	12.0
2018e	20.9	9.1	8.5	34.9	15.2	10.2

Sector: Technology

Price: US\$12.20
 Market cap: US\$98m
 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	13.5	38.6	105.7
Relative*	11.6	33.4	78.3

* % 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. Following on from its recent contract win in New York, the group also announced a promising pilot programme with Latam firm Coca-Cola FEMSA, the largest global independent Coca-Cola bottler. After very strong Q117 results, which underscored the margin benefit of the group's fast-growing subscriber base and strong operating leverage, Pointer Telocation looks well positioned to achieve management guidance of 20% EBITDA growth in 2017. We derive share valuations on multiple and DCF valuations of \$13.6 (NIS48.9) and \$14.9 (NIS53.6), 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 (c)	P/E (x)	P/CF (x)
2015	60.6	8.8	6.4	66.8	18.3	N/A
2016	64.4	9.8	6.6	61.8	19.7	N/A
2017e	71.9	12.1	8.4	78.4	15.6	N/A
2018e	78.1	14.5	10.6	97.6	12.5	N/A

Sector: General industrials

Price: 398.7p
 Market cap: £791m
 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	(6.6)	14.5	23.5
Relative*	(5.8)	12.6	5.8

* % Relative to local index

Analyst

Toby Thorrington

Polypipe (PLP)

INVESTMENT SUMMARY

AGM comments confirmed that the first four months of the year were ahead of the previous year (revenue +4.6% I-f-I, +6.0% actual) with underlying progress from both UK and overseas operations. New housebuilding continues to be the dominant driver here and demand for below-ground products is a good lead indicator for other lines used later in the build. Management's full year expectations and our estimates are unchanged. Current CFO Martin Payne is to become CEO in October following the intended retirement of David Hall, who has led the company since 2005. The search for a new CFO is underway.

INDUSTRY OUTLOOK

The Construction Products Association's latest quarterly (dated February) contained growth forecasts across all UK construction sectors of +0.8% in 2017, +0.7% in 2018 and +2.2% for 2019. Within this, private housebuilding starts are projected to rise at a steady +2% pa across this timeframe while infrastructure spending – not all in Polypipe's sectors – is above this in 2017 and accelerating further to 2019. Partly offsetting this, activity in the commercial, industrial and retail subsectors is forecast to decline in each of the next two years.

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	20.6	10.9
2016	436.9	86.4	61.8	25.0	15.9	9.2
2017e	459.5	90.8	66.0	26.4	15.1	9.0
2018e	475.5	96.0	70.8	28.7	13.9	8.5

Sector: Travel & leisure

Price: 812.5p
 Market cap: £343m
 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	(4.6)	2.2	2.9
Relative*	(3.8)	0.5	(11.9)

* % Relative to local index

Analyst

Richard Finch

PPHE Hotel Group (PPH)

INVESTMENT SUMMARY

PPHE has consolidated a H216 recovery with a “strong” start to 2017. The 21% like-for-like RevPAR gain in Q1, albeit on weak comparatives and currency-boosted, implies double-digit yield growth in key UK and German markets, which is impressive in uncertain times. Full-year prospects remain positive, boosted by transformative investment in London and Croatia, recently the subject of a successful c€100m fundraising by its Arena subsidiary. Potential asset sales and associated return to shareholders, as in 2016, could be a significant catalyst for a share price at a huge discount to real asset value.

INDUSTRY OUTLOOK

The London market, PPHE’s largest profit source, remained notably buoyant in May (RevPAR +9%, per STR), suggesting that the Westminster and Manchester attacks look not to have affected London immediately as a tourist destination. While too early to assess the effect of repeated upset (London Bridge), there is justifiable confidence from the boost to international tourism from pound devaluation and a strong summer events schedule. STR newly (but pre-London Bridge) raised its 2017 RevPAR forecast to double-digit growth.

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	10.7	4.1
2016	272.5	94.1	34.2	73.9	11.0	4.3
2017e	315.0	102.0	36.0	73.9	11.0	3.4
2018e	334.0	110.0	44.0	90.8	8.9	3.1

Sector: Property

Price: 115.0p
 Market cap: £689m
 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	2.7	6.5	7.5
Relative*	3.6	4.7	(7.9)

* % Relative to local index

Analyst

Andrew Mitchell

Primary Health Properties (PHP)

INVESTMENT SUMMARY

PHP’s 26 April trading update summarised developments since 31 December, including the acquisition of three properties for £13.5m, the issue of £100m of senior secured notes with a fixed coupon of 2.83%, a revision of the advisory agreement with Nexus and an increase in the quarterly dividend to 1.31p (5.25p annualised). A 300th asset has since been acquired, taking the rent roll to just over £70m from assets valued at £1.25bn. The proceeds of the secured notes have been used to partially refinance the club facility, which was due to expire in August. Net debt now stands at £669m and LTV at 54.3% (31 December £656m and 53.7%). The new advisory terms reduce the incremental management fee payable to Nexus when the portfolio exceeds £1.5bn and £1.75bn, to 0.275% and 0.25% of gross assets respectively, and caps performance fees at £2m or 20% of the management fee.

INDUSTRY OUTLOOK

Rental growth may accelerate as NHS Sustainability and Transformation Plans progress, reflecting underlying demand for new premises and land, and build cost inflation. Inflation will also lift RPI-linked rents. Similar opportunities in the smaller Irish market offer a significantly higher rental yield.

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	23.5	9.0
2016	67.4	59.2	26.7	4.8	24.0	11.3
2017e	72.6	64.0	32.2	5.4	21.3	10.7
2018e	78.5	69.5	33.7	5.6	20.5	9.8

Sector: Aerospace & defence

Price: 282.1p
 Market cap: £1600m
 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	(8.4)	(0.1)	14.9
Relative*	(7.6)	(1.7)	(1.6)

* % Relative to local index

Analyst

Roger Johnston

QinetiQ Group (QQ)

INVESTMENT SUMMARY

QinetiQ is a business in transformation. It has a new management team, a new campaign-based strategy and it is proactively adapting to meet the new defence environment in the UK and the US. Solid FY17 numbers saw the first organic revenue growth since 2014, which is encouraging, and management has maintained its expectations for FY18. Underlying momentum is building at the company. Order intake, contract wins and continued organic revenue growth will demonstrate whether or not the new strategy can translate into higher returns.

INDUSTRY OUTLOOK

The UK business is underpinned by some good long-term contracts such as the LTPA and NCSISS. Indications are that following several years of decline due to decreases in conflict-related revenues, the Global Products division has now stabilised.

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	17.3	9.1
2017	783.1	145.3	116.1	18.1	15.6	13.8
2018e	831.4	143.1	110.3	16.9	16.7	12.6
2019e	850.6	150.1	118.4	18.1	15.6	11.5

Sector: Basic industries

Price: 3.3p
 Market cap: £29m
 Market: AIM

Share price graph (p)

Company description

Quadrise Fuels International is the licensor of an oil-in-water emulsion fuel technology enabling refiners to manufacture and market MSAR for use as a low-cost substitute for heavy fuel oil in the marine bunker and power generation sectors.

Price performance

%	1m	3m	12m
Actual	(20.3)	(59.4)	(72.3)
Relative*	(19.6)	(60.0)	(76.2)

* % Relative to local index

Analyst

Anne Margaret Crow

Quadrise Fuels Int. (QFI)

INVESTMENT SUMMARY

Quadrise has received an interim letter of no objection from Wärtsilä. This confirms that MSAR has satisfactorily completed 1,370 hours of a 4,000-hour validation test on board a vessel equipped with a Wärtsilä engine, including a period of continuous operation of 139 hours. The results of engine inspections and cylinder condition monitoring show that the innovative fuel has had no detrimental effect on the engine and is safe to use.

INDUSTRY OUTLOOK

Quadrise is using this positive endorsement to enhance its business development activities in the marine market. This targets those marine operators that have begun to install exhaust gas cleaning systems in order to meet the International Maritime Organisation's 2020 sulphur limit environmental legislation. The adoption of Marine MSAR will enable these operators to obtain additional economic and environmental advantages compared to using heavy fuel oil.

Y/E Jun	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (fd) (p)	P/E (x)	P/CF (x)
2015	0.1	(2.6)	(2.7)	(0.3)	N/A	N/A
2016	0.0	(4.0)	(4.1)	(0.5)	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: Travel & leisure

Price: 236.6p
 Market cap: £924m
 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. 86% of FY16 revenues came from venues and 14% from digital operations.

Price performance

%	1m	3m	12m
Actual	12.7	11.0	(2.6)
Relative*	13.6	9.2	(16.6)

* % Relative to local index

Analyst

Victoria Pease

Rank Group (RNK)

INVESTMENT SUMMARY

Rank Group aims to be the UK's leading omni-channel gaming operator and, as outlined at its capital markets day, the strategies for its Venues and Digital verticals are clearly interlinked. With an open architecture platform, Digital is well positioned to leverage the existing retail customer base and a single wallet (piloting in autumn 2017) could be a game changer for Grosvenor digital. Meanwhile, the core Venues businesses are being reinvigorated and remain highly cash generative. With its progressive dividend policy and potential online upside, Rank's calendar 7.2x 2017e EV/EBITDA appears low.

INDUSTRY OUTLOOK

The UK government triennial review into gaming machines is expected to mainly focus on FOBT machines in betting shops, but possible tighter restrictions on TV gambling advertising before the 9pm watershed could impact Mecca online along with other bingo operators. Cost pressures include the National Living Wage and the extension of the UK 15% POC tax to gaming 'free play' from August 2017.

Y/E Jun	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (p)	P/E (x)	P/CF (x)
2015	738.3	126.3	74.1	14.6	16.2	6.3
2016	753.0	128.2	77.4	15.4	15.4	8.4
2017e	764.0	127.0	76.0	15.3	15.5	8.0
2018e	785.0	133.0	81.5	16.4	14.4	7.1

Sector: Property

Price: 46.2p
 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	(5.6)	(10.6)	25.0
Relative*	(4.8)	(12.1)	7.1

* % Relative to local index

Analyst

Andrew Mitchell

Raven Russia Ltd (RUS)

INVESTMENT SUMMARY

Raven has announced the placing of 89.8m £1 convertible preference shares at 114p each to raise gross proceeds of £102.3m, conditional on ordinary and preference shareholder approvals. It is expected that the new convertible preference shares will commence trading on the TISE and LSE SETSqx platform on 4 July under the ticker RUS2 (changing to RUSC, the same as the existing convertible preference shares after 29 September). The new shares will accrue cumulative preferential dividends at 6.5% pa from the date of issue, payable quarterly in equal instalments, and will be convertible into 1.818 ordinary shares (representing a total of 21.7% of the ordinary shares should they all convert and 45.2% of all the convertible preference shares). Raven will redeem any remaining new convertible preference shares for 135p on 7 July 2026. The proceeds of the offering will be converted into roubles and placed on account to take advantage of favourable interest rates in Russia and enable Raven to pursue acquisition opportunities as they arise.

INDUSTRY OUTLOOK

Agents expect increasing take-up of warehouse space in Russia: rents are stable and new supply therefore remains muted (and often built to order), whereas the economic recovery may increase occupier demand.

Y/E Dec	Revenue (US\$m)	EBITDA (US\$m)	PBT (US\$m)	EPS (fd) (c)	P/E (x)	P/CF (x)
2014	257.6	N/A	75.1	8.94	6.6	2.5
2015	219.7	N/A	64.9	7.94	7.4	2.9
2016e	195.3	N/A	74.8	6.81	8.7	3.2
2017e	196.2	N/A	50.6	5.80	10.2	3.4

Sector: Financials

Price: 46.8p
 Market cap: £104m
 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	14.4	5.4	81.6
Relative*	15.4	3.6	55.6

* % Relative to local index

Analyst

Andrew Mitchell

Record (REC)

INVESTMENT SUMMARY

For FY17, Record reported AUME of \$58.2bn, up 10% from March 2016. Underlying revenue increased 9% and pre-tax profit 13%. The main news was the level of ordinary dividend increase (+21%) and the announcement of a revised capital policy and an accompanying return of capital by way of a c £10m tender offer. These underline the balance sheet strength and cash-generative nature of the business. Despite rerating in the last year, the shares still trade below average multiples for UK asset managers and the yield including the special dividend is over 7%.

INDUSTRY OUTLOOK

Sources of uncertainty over the economic and political outlook remain a feature of the global scene, creating an environment in which interest in Record's currency management services is sustained. Prospectively, subject to the level of take up, the tender offer is set to contribute to the increase in earnings per share, while the commitment to a progressive dividend policy and ongoing special dividend payments to distribute substantially all earnings means income returns should continue to be attractive.

Y/E Mar	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (p)	P/E (x)	P/CF (x)
2016	21.1	7.2	7.0	2.54	18.4	N/A
2017	23.9	8.1	7.9	2.90	16.1	N/A
2018e	25.1	9.1	8.8	3.39	13.8	N/A
2019e	25.6	9.2	9.0	3.59	13.0	N/A

Sector: Property

Price: 105.8p
 Market cap: £318m
 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	(0.7)	4.7	(3.4)
Relative*	0.2	3.0	(17.3)

* % Relative to local index

Analyst

Julian Roberts

Regional REIT (RGL)

INVESTMENT SUMMARY

Regional REIT (RGL) issued a trading update on 25 May providing portfolio statistics and declared a dividend of 1.8p for Q117 to be paid on 14 July (Q116: 1.75p); it then announced a major new letting on 30 May. Management has continued to reduce tenant concentration and has further rebalanced the portfolio towards offices and away from Scotland, in line with the intentions stated when it listed in November 2015. Asset management activity in the year to date has included signing some 27 new leases for £1.36m of rent, and a number of regears achieving an average rental uplift of 2.8% on headline rent. Regional economies remain robust, supporting occupier demand, while investment in new buildings is still subdued, constraining supply. RGL offers an attractive dividend supported by a growing portfolio of high-yielding assets in markets that may be more resilient to macroeconomic headwinds than London real estate.

INDUSTRY OUTLOOK

Tenant demand for regional office and industrial space remains robust, with little discernible impact from Brexit yet. Typical incentive periods on new leases are reducing while rent levels are expected to remain firm.

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	117.6	N/A
2016	38.1	30.2	21.0	7.7	13.7	9.2
2017e	45.8	37.0	24.2	8.2	12.9	7.1
2018e	51.7	42.2	28.2	9.4	11.3	7.3

Sector: Media & entertainment

Price: €2.04
 Market cap: €71m
 Market: Alternext Paris

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	(2.9)	(10.9)	140.0
Relative*	(1.9)	(15.7)	101.2

* % Relative to local index

Analyst

Fiona Orford-Williams

Reworld Media (ALREW)

INVESTMENT SUMMARY

Reworld Media posted FY16 preliminary figures showing strong growth, with EBITDA of €4.4m – well ahead of earlier guidance of around €3.3m. This demonstrates the positive impact of the strategy to grow the digital aspects of the media brands, which are achieving fast-growing reach. TradeDoubler's Q117 update showed revenues declining as expected due to the withdrawal from low-value contracts, while underlying trading improved. Lower costs delivered a good uplift in EBITDA, moving it into positive territory. Across the group, digital now accounts for 71% of revenues, and overseas revenues are 56% of total. Our FY17e and FY18e forecasts were broadly unchanged and show a continuing positive trajectory as the brands gain traction. The group has announced the consolidation of Sporever, which will complete imminently, adding digital sports-based content and video capability. Reworld's market valuation remains on a sizeable discount to peers.

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, benefiting both Reworld's media brands and the TD business model.

Y/E Dec	Revenue (€m)	EBITDA (€m)	PBT (€m)	EPS (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	510.0	56.1
2017e	186.3	8.5	3.1	5.7	35.8	15.1
2018e	196.5	13.8	8.1	13.8	14.8	15.1

Sector: Oil & gas

Price: 20.0p
 Market cap: £91m
 Market: AIM

Share price graph (p)

Company description

Rockhopper is a London-listed E&P with fully funded development of Sea Lion, a 500+mmmbbl 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	(8.1)	(5.9)	(44.4)
Relative*	(7.3)	(7.4)	(52.4)

* % Relative to local index

Analyst

Will Forbes

Rockhopper Exploration (RKH)

INVESTMENT SUMMARY

Rockhopper (RKH) holds a material stake in the major discoveries in the Falklands. The Sea Lion complex holds 517mmboe of 2C contingent resource (900mmboe 3C), while the Isobel Elaine complex could be of a similar magnitude (according to management estimates). This resource base is significant and commercially attractive given the cost reductions achieved through the FEED process so far – NPV10 break-even at \$45/bbl. Although the timing of project sanction is uncertain, the partners are engaging with the export credit agency and contractors to secure requisite funding to allow a project sanction in 2018.

RKH also holds E&P assets in Egypt and Italy, with combined volumes of over 1.3mboe/d (including limited production from Civita, which RKH recently sold, subject to closing). The resulting net cash flows should largely offset the company G&A, helping to conserve the material (adjusted) December 2016 cash balance of \$60-65m. Our core NAV is 73p/share.

INDUSTRY OUTLOOK

Y/E Dec	Revenue (US\$m)	EBITDA (US\$m)	PBT (US\$m)	EPS (fd) (c)	P/E (x)	P/CF (x)
2015	4.0	(32.8)	(44.7)	12.0	2.1	N/A
2016	7.4	(15.2)	98.0	(1.3)	N/A	N/A
2017e	9.6	(2.4)	(11.9)	(2.8)	N/A	N/A
2018e	9.1	(3.7)	(20.8)	(4.5)	N/A	N/A

Sector: Financials

Price: 2000.0p
Market cap: £240m
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 40,000 customers currently.

Price performance

%	1m	3m	12m
Actual	(1.2)	(3.0)	(21.6)
Relative*	(0.4)	(4.6)	(32.8)

* % Relative to local index

Analyst

Andrew Mitchell

S&U (SUS)

INVESTMENT SUMMARY

S&U's AGM trading update in May confirmed that the Advantage motor finance business continued to trade well, with a record number of applications in Q117 and transactions 20% up on Q116. Customer numbers are now over 46,000, another record, and receivables are up 30% on Q116 at £210m. Competition has put some upward pressure on commissions paid to brokers who originate business, while modest adjustments to underwriting criteria to address customers with lower credit scores have helped support the revenue yield on receivables but resulted in an increase in impairments, as expected – but overall debt quality remains good and collections are now over £9m per month. The Aspen Bridging finance pilot may provide another avenue for growth, while it is reassuring that management is taking a prudent approach in this new area. S&U has sufficient facilities to fund growth at Advantage and Aspen.

INDUSTRY OUTLOOK

Demand remains robust in the non-prime auto market and motor finance is expected to remain the main driver of growth for S&U for the foreseeable future. Bridging finance will potentially provide a measure of diversification if the pilot proves successful.

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	15.1	N/A
2017	60.5	27.1	25.2	169.1	11.8	N/A
2018e	75.2	33.2	30.1	199.1	10.0	N/A
2019e	89.8	40.0	35.4	234.2	8.5	N/A

Sector: Technology

Price: 99.5p
Market cap: £29m
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	(10.0)	(4.8)	34.5
Relative*	(9.2)	(6.3)	15.2

* % Relative to local index

Analyst

Richard Jeans

SCISYS (SSY)

INVESTMENT SUMMARY

In an in line AGM trading update, SCISYS said that its order book grew by 4% over Q1, while net debt fell by £2.4m as at end-April. Cash flow was boosted by the receipt of overdue payments from the MOD and a tax credit from HMRC that were deferred from 2016. All business units have been performing well and we note that this year is likely to be more H2 weighted than is typical due to the acquired ANNOVA. ANNOVA, which supplies software-based editorial solutions to the television, radio and online markets is "progressing steadily". Noting management's goal to achieve £60m in revenues and double-digit operating margins within three to five years, we believe the stock looks attractive on c 8x our maintained FY18e EPS.

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	76.5	18.4
2016	45.7	4.0	3.0	9.2	10.8	8.4
2017e	53.4	5.6	4.0	11.2	8.9	4.1
2018e	55.1	6.0	4.4	11.8	8.4	5.2

Sector: Oil & gas

Price: 53.1p
 Market cap: £99m
 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	(9.6)	7.1	147.1
Relative*	(8.8)	5.3	111.7

* % Relative to local index

Analyst

Will Forbes

SDX Energy (SDX)

INVESTMENT SUMMARY

In SDX's first quarter 2017 results, hydrocarbon sales rose significantly, totalling 2.991mboe/d and more than doubling year-on-year, while oil netbacks also increased markedly to \$44.4/boe. In April, SDX discovered gas in the Abu Madi structure of the South Disouq SD-1X well. The well came in on prognosis, validating the company's interpretation and encountering 65ft of excellent quality net pay with average porosity of 25%. This unlocks 150-300bcf of the estimated 585bcf in the Abu Madi, with the remainder now de-risked in four other structures in the area. We expect this to be a material discovery that will contribute to a significant addition to the company reserves and resources (currently estimated to be 12.03mboe on a 2P basis), increasing our RENAV to 76p/share. The well test results exceeded expectations and the company expects to pursue early development in 2018 – we expect more details over the summer.

INDUSTRY OUTLOOK

Y/E Dec	Revenue (US\$m)	EBITDA (US\$m)	PBT (US\$m)	EPS (c)	P/E (x)	P/CF (x)
2015	11.4	0.0	11.1	0.2	339.6	N/A
2016	12.9	0.0	(26.7)	(0.4)	N/A	N/A
2017e	45.5	0.0	9.9	0.1	679.1	4.2
2018e	80.9	0.0	35.9	0.2	339.6	2.2

Sector: Property

Price: 346.5p
 Market cap: £799m
 Market: AIM

Share price graph (p)

Company description

Secure Income REIT targets real estate investment providing secure, long-term income and offering protection against inflation for investors.

Price performance

%	1m	3m	12m
Actual	(0.3)	2.1	24.2
Relative*	0.6	0.4	6.4

* % Relative to local index

Analyst

Andrew Mitchell

Secure Income REIT (SIR)

INVESTMENT SUMMARY

SIR's FY16 preliminary results announced on 9 March showed an increase in EPRA NAV per share of 14.4% over the year to 323.6p, a reduction in net LTV from 61.0% to 53.5% and EPRA EPS of 11.3p (FY15: 2.6p). The investment property portfolio saw a valuation increase of £85m due to 2.2% like-for-like rent increases and yield tightening, particularly on the German assets, reflecting investor demand for long-term secure income streams. SIR began paying quarterly dividends in the year with the Q3 dividend yielding 3.9% on an annualised basis. The ability to continue expanding the property portfolio without compromising on lease length or tenant covenant was demonstrated by the acquisition in October of the Travelodge portfolio. Our forecasts support management's estimate that the portfolio can provide 11% annual total NAV returns to 2021 on unchanged valuation yields.

INDUSTRY OUTLOOK

While Brexit has increased uncertainty about economic growth and occupier demand for the mainstream UK commercial property sector, specialist secure long-term income streams offer defensive opportunities for income and capital growth.

Y/E Dec	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (fd) (p)	P/E (x)	P/CF (x)
2015	99.4	91.3	7.1	2.6	133.3	N/A
2016	93.1	71.5	23.3	11.1	31.2	N/A
2017e	105.6	94.3	31.5	13.7	25.3	N/A
2018e	106.9	95.0	34.1	14.7	23.6	N/A

Sector: Financials

Price: 2029.5p
Market cap: £375m
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	(14.2)	(3.3)	(18.8)
Relative*	(13.5)	(4.9)	(30.4)

* % Relative to local index

Analyst

Andrew Mitchell

Secure Trust Bank (STB)

INVESTMENT SUMMARY

Secure Trust Bank's (STB) 2016 results showed loan growth of 38%, operating income up 28% and underlying net income 21% ahead. The 3 May AGM trading update reported that Q117 had seen trading in line with management expectations. STB continues to adopt a more cautious approach to consumer lending, including the cessation of new subprime motor lending, and SME lending activities are progressing well, with a number of higher LTV development loans repaid early, reducing related risk and having a short-term impact on income. The debt collection business has doubled operating profit y-o-y and further investment is being made here. Also, STB's 23.5m shares in Non-Standard Finance plc, issued in connection with the Everyday Loans sale, have been sold at a profit.

INDUSTRY OUTLOOK

STB has withdrawn from new, unsecured personal lending, focused on lower margin, lower risk motor finance and tempered its appetite for lending in Central London real estate and asset finance. However, the economic background in the UK remains resilient, which should be helpful for growth elsewhere and for partial disposals from larger banks that could present inorganic opportunities.

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	17.8	N/A
2016	118.2	N/A	32.9	137.7	14.7	N/A
2017e	141.0	N/A	33.0	140.8	14.4	N/A
2018e	168.3	N/A	50.2	213.1	9.5	N/A

Sector: Engineering

Price: 79.2p
Market cap: £237m
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	(8.4)	(0.6)	36.6
Relative*	(7.6)	(2.3)	17.1

* % Relative to local index

Analyst

Toby Thorington

Severfield (SFR)

INVESTMENT SUMMARY

A c 50%+ uplift in full year earnings and dividends and further growth in group cash balances were the headline financial highlights of FY17. Underlying EBIT and a maiden FY profit contribution from the Indian JV were both ahead of our expectations, partly offset by higher interest and share-based payments leaving group PBT slightly better than anticipated overall. Solid operational performance in the UK – with the highest H2 activity levels for seven years – and in India, which saw both revenue and margin gains y-o-y. At the same time, there is clear evidence of investment in equipment, processes, systems and people across the business, which indicates that this progress and future prospects are well-founded.

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	3.84	20.6	9.5
2017	262.2	25.7	20.3	5.70	13.9	8.6
2018e	263.2	27.3	22.2	6.26	12.7	10.7
2019e	267.8	29.6	24.4	6.87	11.5	8.5

Sector: Financials

Price: 23.8p
Market cap: £34m
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	(5.0)	(10.4)	(18.1)
Relative*	(4.2)	(11.8)	(29.8)

* % Relative to local index

Analyst

Andrew Mitchell

Share plc (SHRE)

INVESTMENT SUMMARY

In its pre-close update (issued 27 June), Share confirmed that trading has remained strong following a record first quarter during which revenue of £4.1m was achieved. The board expects first-half revenue and profits to be ahead of its own expectations (results due to be announced 9 August). The performance has been augmented by the contribution from services to Computershare (certificated and corporate sponsored nominee dealing), which began in the second quarter. The migration of investment accounts from Invesco to The Share Centre has also been successful with c 95% of accounts being retained.

INDUSTRY OUTLOOK

After a weak first half in 2016, ahead of the Brexit referendum, activity levels picked up and this has been sustained into the first half of the current year. It remains to be seen whether recent political developments dampen investor confidence, but Share stands to benefit further from the Computershare and other partnership agreements, while work on enhancing its customer proposition and servicing through IT investment should enhance the longer-term outlook and underpin a return to profitability.

Y/E Dec	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (p)	P/E (x)	P/CF (x)
2015	14.1	(0.8)	0.6	0.40	59.5	N/A
2016	14.6	(1.1)	0.0	0.0	N/A	N/A
2017e	16.5	(0.1)	0.3	0.12	198.3	N/A
2018e	17.5	0.2	0.7	0.36	66.1	N/A

Sector: Financials

Price: 252.5p
Market cap: £54m
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	4.1	(19.2)
Relative*	0.9	2.4	(30.8)

* % Relative to local index

Analyst

Andrew Mitchell

Shore Capital Group (SGR)

INVESTMENT SUMMARY

SGR's FY16 figures, reported in March, showed revenues up 21% to £39.4m and profit before tax and impairments of £5.1m compared with £4.3m (adjusted FY15 numbers excluding the benefit of the radio spectrum sale). EPS on the same basis were 13.4p vs 12.1p. Profits in Capital Markets were up 45% to £6.8m reflecting client gains, transaction activity and a strong market making contribution. Asset Management AUM saw growth of 7%, while investment in people to support further growth held profits to £2m versus £2.7m. There was a £2.7m write-down on various investments within the Principle Finance area. Chairman and founder Howard Shore is to step back from operational responsibilities while remaining as executive chairman. Long-standing managers, Simon Fine and David Kaye, will take over as joint CEOs.

INDUSTRY OUTLOOK

The outcome of the UK election and the likely fluctuation of sentiment around Brexit negotiations will heighten uncertainty, but the continuing 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	9.7	77.6
2016	39.4	3.6	2.4	5.8	43.5	6.6
2017e	41.8	6.6	5.5	13.1	19.3	12.2
2018e	N/A	N/A	N/A	N/A	N/A	N/A

Sector: Technology

Price: NZ\$0.28
 Market cap: NZ\$17m
 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	(15.2)	(20.0)	(67.1)
Relative*	(16.7)	(24.6)	(69.0)

* % Relative to local index

Analyst

Dan Ridsdale

SLI Systems (SLIZ)

INVESTMENT SUMMARY

SLI's financial performance in H1 reflected its current transitional phase with ARR remaining flat as the business is realigned to focus on value over volume through a number of initiatives. The key customer retention rate is reverting to historical levels and with an operationally geared model, we believe that only a modest recovery in new business momentum should support robust upside. Net cash stands at NZ\$6m. At 0.5x EV/Sales, SLI is trading at an acute recovery rating and a substantial discount to search/SaaS peers (typically 2x+). However, any recovery momentum should drive operationally geared growth in profitability and a re-rating upwards. Our DCF scenario analysis suggests that sustaining 5% growth in the mid-term should generate upside, while 7.5% mid-term growth and 20% EBITDA margins result in a DCF valuation of NZ\$0.77, twice the current share price.

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)
2015	28.6	(6.7)	(7.0)	(11.1)	N/A	N/A
2016	35.7	1.1	0.7	1.1	25.5	23.1
2017e	32.3	(0.5)	(0.8)	(1.3)	N/A	N/A
2018e	34.7	0.9	0.5	1.0	28.0	N/A

Sector: Technology

Price: €40.52
 Market cap: €202m
 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	(6.5)	(9.1)	42.6
Relative*	(7.0)	(14.0)	14.9

* % Relative to local index

Analyst

Richard Jeans

SNP AG (SHF)

INVESTMENT SUMMARY

SNP has increased its shareholding in SNP Transformations SEA from 51% to 81% and plans to acquire the remaining 19% on January 1, 2018. SNP acquired 51% of the shares of the company in early 2016 when it purchased Astrums, which was recently renamed SNP Transformations Malaysia. The company provides consulting and services, based around various ERP systems, in the South-East Asian markets and it now plans to expand high-margin software and distribution in these markets. Given SNP's strong market position in software-based transformation projects and assuming a sustained high level of activity, we believe the shares remain attractive on c 18x 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	68.9	79.8
2016	80.7	8.5	5.7	94.4	42.9	173.4
2017e	110.0	10.1	7.2	96.3	42.1	21.3
2018e	135.1	16.8	13.6	185.6	21.8	12.6

Sector: Technology

Price: 116.0p
 Market cap: £75m
 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	(6.5)	33.3	36.5
Relative*	(5.7)	31.2	16.9

* % Relative to local index

Analyst

Richard Jeans

StatPro Group (SOG)

INVESTMENT SUMMARY

In an in-line AGM trading update, StatPro said that sales have progressed well and that the pipeline remains solid. We maintained all of our forecasts, but see scope for upgrades as the year progresses, unless sterling continues its recovery. In April, StatPro said that it was acquiring UBS Delta, a portfolio analysis and risk management system, at a valuation of less than 0.8x revenues. The valuation compared with the c 7.3x sales that FactSet recently paid for BISAM, a key competitor of StatPro. Following the acquisition of UBS Delta, c 81% of StatPro's annualised recurring software revenues now come from SaaS or cloud-based solutions. We continue to see strong upside potential in the shares, if StatPro can successfully integrate UBS Delta, 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 1% to \$71.4trn in 2015, 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	44.6	12.0
2016	37.5	5.1	2.7	3.5	33.1	10.2
2017e	48.9	7.0	4.2	5.0	23.2	6.5
2018e	57.3	8.9	6.1	7.2	16.1	5.2

Sector: Support services

Price: 293.6p
 Market cap: £1029m
 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	13.0	39.3	119.9
Relative*	14.0	37.0	88.4

* % Relative to local index

Analyst

Jamie Aitkenhead

Stobart Group (STOB)

INVESTMENT SUMMARY

On 11 May, Stobart Group announced its FY results for 2017, with all divisions making good progress towards their stated objectives. The post-year-end IPO of Eddie Stobart Logistics valued the group's 49% investment at £184.8m, significantly ahead of the year-end carrying value of £58.4m and realised cash of £113.3m. The group announced the creation of Stobart Capital under Andrew Tinkler, who in turn hands over the CEO role to Warwick Brady, following the AGM.

INDUSTRY OUTLOOK

Stobart is exposed to the property, transport, aviation, energy and rail industries. Property valuation drives a high percentage of its book value. Stobart has exposure to transport, which is driven by GDP. Rail is driven by allowed rail capex spend, Energy depends on government incentives and Aviation relies on the interplay between capacity and GDP.

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	49.8	283.3
2017	129.4	35.0	27.3	5.5	53.4	67.9
2018e	207.5	42.9	33.1	8.1	36.2	38.1
2019e	257.3	58.8	48.0	11.7	25.1	23.3

Sector: Travel & leisure

Price: 216.0p
Market cap: £147m
Market: AIM

Share price graph (p)

Company description

Stride Gaming is an online gaming operator in the bingo-led and global social gaming markets. 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	(6.1)	(5.5)	(16.3)
Relative*	(5.3)	(7.0)	(28.3)

* % Relative to local index

Analyst

Victoria Pease

Stride Gaming (STR)

INVESTMENT SUMMARY

Stride Gaming's H117 pro forma net gaming revenues grew 21% to £44.0m, driven by strong organic growth in the real money gaming (RMG) vertical. In a continuation of previous trends, the social gaming vertical has weakened, with a 24% decline in revenues to £4.7m, and Stride has recognised a £10.2m impairment on its InfiApps assets. However, the core RMG business is gaining market share, trading has been robust in Q317 and management has reiterated its FY17 outlook. Our headline FY17 revenue and EBITDA figures remain unchanged. Stride trades at 7.0x calendar 2017e EV/EBITDA, a meaningful discount to its peers.

INDUSTRY OUTLOOK

The UK bingo-led market is growing at c 8% pa, with slots outpacing pure bingo, driven by mobile. The UK government review into gaming machines is expected to focus mainly on FOBT machines in betting shops; possible tighter restrictions on TV gambling advertising before the 9pm watershed would have little impact on Stride, as it mainly advertises online. Although the timing is uncertain, the extension of the UK 15% POC tax from net to gross real money gaming revenue is in our forecasts from August 2017.

Y/E Aug	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (fd) (p)	P/E (x)	P/CF (x)
2015	27.8	7.3	7.2	14.0	15.4	20.6
2016	47.8	12.3	11.3	20.3	10.6	7.7
2017e	88.8	19.5	17.5	21.4	10.1	12.7
2018e	100.7	18.5	16.3	19.7	11.0	8.5

Sector: Property

Price: 118.5p
Market cap: £299m
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	0.9	6.8	8.7
Relative*	1.7	5.0	(6.9)

* % Relative to local index

Analyst

Julian Roberts

Target Healthcare REIT (THRL)

INVESTMENT SUMMARY

THRL's corporate update on 26 April showed that portfolio value had increased 8.5% to £274.6m over the quarter to 31 March. 0.5% was due to revaluation of the existing assets and the rest through the acquisition of two care homes. Portfolio net initial yield was 6.75%, with a rent roll of £19.8m, up 8.7% in the quarter, of which 0.5% was through rent reviews. EPRA NAV per share fell very slightly from 101.8p to 101.5p, with the largest single factor being the payment of a 1.57p interim dividend (an annualised yield of 5.5%). After the quarter end, THRL continued to grow with the acquisition of a 45th home for £6.1m let to Athena Healthcare on a 35-year lease. THRL has debts of £30m for LTV of 10.9% and an all-in cost of debt of 2.36% to June 2019 (2.25% thereafter). The investment pipeline remains strong with several near-term opportunities and £20m of debt capital available for investment. A third 1.57p interim dividend was paid on 26 May.

INDUSTRY OUTLOOK

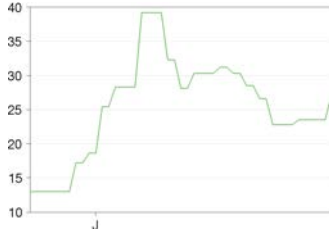
The UK population over the age of 85 is expected to increase by 140% from 2014 to 2039. There is a lack of high-quality care homes of the sort Target invests in, providing ample opportunity to grow the portfolio.

Y/E Jun	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (p)	P/E (x)	P/CF (x)
2015	13.7	N/A	9.6	6.1	19.4	18.8
2016	16.9	N/A	11.7	5.1	23.2	25.2
2017e	23.4	N/A	16.6	5.0	23.7	30.9
2018e	27.9	N/A	20.1	6.7	17.7	15.4

Sector: Technology

Price: SEK27.30
 Market cap: SEK273m
 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	N/A	N/A	N/A
Relative*	N/A	N/A	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), multimedia video streaming, mHealth and the trading of surplus data capacity between smartphones. The company has attracted a number of leading global firms to its propositions including Qualcomm, Autoliv, 3M Peltor, Saab and now IBM. 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.

INDUSTRY OUTLOOK

In recent years, new TerraNet management has created a number of imaginative use cases backed up by market research, to address modern needs. There is potential for the company to benefit from the expected strong growth in demand in China for proximal connectivity enabled mobile phones. The group's Wi-Fi Aware and other wireless solutions should tap into a projected rise in demand for IoT and vehicle-to-vehicle communication solutions, as well as the fast-developing area of mHealth.

Y/E Dec	Revenue (SEKm)	EBITDA (SEKm)	PBT (SEKm)	EPS (öre)	P/E (x)	P/CF (x)
2015	0.4	(17.2)	(18.0)	(2.40)	N/A	N/A
2016	2.7	(25.0)	(37.6)	(3.22)	N/A	N/A
2017e	16.1	(52.3)	(59.4)	(3.15)	N/A	N/A
2018e	55.2	(55.2)	(63.0)	(2.63)	N/A	N/A

Sector: Technology

Price: NOK3.94
 Market cap: NOK3218m
 Market Oslo

Share price graph (NOK)



Company description

Thin Film Electronics (Thinfilm) is a global leader in NFC marketing and smart-packaging solutions using printed electronics. It creates printed tags, labels, and systems that include memory, sensors, displays, and wireless communications at low cost points vs conventional electronics.

Price performance

%	1m	3m	12m
Actual	16.9	15.9	(6.9)
Relative*	23.0	19.7	(13.7)

* % Relative to local index

Analyst

Anna Bossong

Thin Film Electronics (THIN)

INVESTMENT SUMMARY

In June, the company commenced production of EAS and NFC tags at its new roll-to-roll production facility in San Jose. The recent launch of the CNECT cloud-based software portal is creating a strong environment to build demand for its NFC-based solutions. Helped by this, customer announcements continue at a fast pace, including Californian medical marijuana supplier, Caliva. EAS sales should continue to grow strongly in coming quarters, assisted by a 16m unit order backlog (vs Q1 sales of 5m units). Our model indicates that the group is fully funded until 2018 and we value the stock at NOK8.19 per share on a DCF basis.

INDUSTRY OUTLOOK

Thinfilm is the global leader in printed electronics, which is a low-cost and highly scalable method of creating smart labels for the Internet of Things. The company is currently focused on three areas: NFC labels, most notably NFC OpenSense, which is on pilot trial with a number of major brands; memory labels, which are in production; and sensor and display labels, where it has developed prototypes. The ability of printed electronics to add intelligence to low-cost, high-volume products opens a wide range of potential applications that could present an even greater market opportunity.

Y/E Dec	Revenue (US\$m)	EBITDA (US\$m)	PBT (US\$m)	EPS (c)	P/E (x)	P/CF (x)
2015	4.4	(29.2)	(28.3)	(5.3)	N/A	N/A
2016	3.8	(37.1)	(43.0)	(6.6)	N/A	N/A
2017e	10.8	(38.3)	(42.5)	(5.2)	N/A	N/A
2018e	48.3	(23.4)	(29.9)	(3.7)	N/A	N/A

Sector: Industrial support services

Price: RUB3100.00
 Market cap: RUB43bn
 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	(5.1)	(11.3)	4.2
Relative*	(0.3)	(2.6)	7.1

* % Relative to local index

Analyst

Jamie Aitkenhead

TransContainer (TRCN)

INVESTMENT SUMMARY

TransContainer's strong operating performance has continued into 2017, with a 22.4% year-on-year volume increase seen in the three months to 31 March. This was split between a 12.0% increase in domestic transportation, a 33.4% increase in international transportation and a near doubling of transit volumes. Adjusted EBITDA was up 63.9% to RUB2,142m in Q117.

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	22.4	7.8
2016	21988.0	6377.0	4302.0	202.4	15.3	5.8
2017e	23761.0	7426.0	5469.0	314.7	9.9	5.9
2018e	25256.0	8083.0	5650.0	325.1	9.5	5.3

Sector: Food & drink

Price: 510.5p
 Market cap: £265m
 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	12.6	43.4	197.7
Relative*	13.5	41.1	155.1

* % 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 yet again beat expectations by delivering an exceptionally strong H117, despite Q1 typically being a seasonally weak quarter, and momentum continued to build throughout Q2. There will be a full site relocation for the UK business over the next three years or so, and expansion of the US site. 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)
2015	85.9	10.3	8.3	12.7	40.2	30.3
2016	88.0	11.6	9.6	14.3	35.7	24.5
2017e	102.1	15.8	13.6	19.9	25.7	18.0
2018e	109.3	17.6	14.8	21.6	23.6	16.0

Sector: Industrial support services

Price: 221.2p
 Market cap: £266m
 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	2.4	3.4	57.5
Relative*	3.3	1.7	34.9

* % 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. The European presence has been enhanced by investment in Italy, Germany and Spain. FY17 results again exceeded expectations with a strong cash performance. Momentum continues in FY18 but margin pressure due to FX input cost pressure is expected.

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	22.1	16.2
2017	186.5	22.9	20.5	12.82	17.3	11.5
2018e	192.0	23.0	20.7	12.56	17.6	15.0
2019e	197.9	24.0	21.7	13.15	16.8	13.5

Sector: Financials

Price: 64.8p
 Market cap: £82m
 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	(5.5)	10.5	19.9
Relative*	(4.7)	8.6	2.7

* % Relative to local index

Analyst

Andrew Mitchell

Tungsten Corporation (TUNG)

INVESTMENT SUMMARY

Tungsten's pre-close update for the year to the end of April was encouraging, as it confirmed that the company would deliver ahead of previous guidance on revenue, EBITDA and cash. Revenue reported for FY17 is expected to be more than £31m (+12% on a constant currency basis), the EBITDA loss to be below £12m and cash, including transitional on-balance sheet invoice lending, to be £21.8m. The growth in volume of invoices processed was lower than expected at 6%, but we see this as a lagging indicator while buyer and supplier additions to the network continue and the relaunch of a service allowing paper invoices to be digitised should facilitate supplier sign up and increase coverage to the benefit of buyers.

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 (nearly 49%) are a tangible measure of the value the Tungsten Network delivers and an important contributor to its path to profitability and cash generation.

Y/E Apr	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (p)	P/E (x)	P/CF (x)
2015	22.5	(25.2)	(27.9)	(26.9)	N/A	N/A
2016	26.1	(18.7)	(28.6)	(22.5)	N/A	N/A
2017e	30.1	(13.9)	(17.7)	(14.0)	N/A	N/A
2018e	37.1	2.4	(1.5)	(1.2)	N/A	48.1

Sector: Technology

Price: €11.59
 Market cap: €151m
 Market: Borsa Italiana STAR

Share price graph (€)



Company description

TXT e-solutions has two divisions: TXT Retail provides software solutions for supply chain management in the international retail and consumer-driven industrial sectors; and TXT Next provides IT, consulting and R&D services to Italian customers.

Price performance

%	1m	3m	12m
Actual	(3.3)	16.2	56.6
Relative*	(0.9)	12.1	33.3

* % Relative to local index

Analyst

Katherine Thompson

TXT e-solutions (TXT)

INVESTMENT SUMMARY

TXT reported strong organic revenue growth in Q117, with 14% growth for TXT Retail and 8% growth for TXT Next. Our forecasts are substantially unchanged. TXT continues to internationalise both businesses and we believe it could make further bolt-on acquisitions in the TXT Next business. In Italy, the recently introduced individual savings account scheme (PIR) is driving up demand for TXT's shares, and in our view this is the main driver of the share price outperformance year-to-date.

INDUSTRY OUTLOOK

The supply chain management software market is growing at c 10% pa and splits into two broad areas: supply chain planning (SCP) and supply chain execution software. TXT Perform specialises in SCP software, a market that was worth c \$3.8bn in 2015 (source: Gartner). 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.

Y/E Dec	Revenue (€m)	EBITDA (€m)	PBT (€m)	EPS (c)	P/E (x)	P/CF (x)
2015	61.5	6.7	5.7	40.0	29.0	56.2
2016	69.2	8.7	8.1	55.0	21.1	12.7
2017e	75.2	8.6	8.0	53.0	21.9	17.1
2018e	78.5	9.5	8.8	59.0	19.6	13.3

Sector: Construction & blding mat

Price: 367.0p
 Market cap: £653m
 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	7.9	18.3	33.7
Relative*	8.8	16.4	14.6

* % Relative to local index

Analyst

Toby Thorington

Tyman (TYMN)

INVESTMENT SUMMARY

FY16 results came in with a decent surprise to the upside, attributable to a better end to the year than anticipated in all three regions. Acquisitions and favourable FX translation accounted for the majority of the y-o-y increase in revenue and operating profit, although we note that there was some improvement in organic revenue and margin also. Tyman ended FY16 with £176m net debt. AGM comments (12 May) reinforced existing guidance and reference an expectation of further progress over the remainder of FY17. H1 results are to be announced on 27 July.

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	19.1	12.6
2016	457.6	82.5	62.1	25.3	14.5	7.9
2017e	537.1	92.3	68.8	26.9	13.6	8.3
2018e	550.4	96.1	72.1	28.2	13.0	7.4

Sector: Aerospace & defence

Price: 2031.0p
 Market cap: £1435m
 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	(2.5)	(4.3)	13.9
Relative*	(1.7)	(5.9)	(2.5)

* % Relative to local index

Analyst

Andy Chambers

Ultra Electronics (ULE)

INVESTMENT SUMMARY

Ultra Electronics more than delivered on expectations in FY16, with a flat organic performance boosted by M&A and FX in the second half. The outlook is for slightly improved organic growth in FY17, marginally offset by dilution from the ID disposal. The potential move for Sparton Corporation would be a significant strengthening of the core aimed at leveraging the improving defence spending environment, which should accelerate in H2 of FY18. The pre-close interim statement continues to support the existing outlook. Our fair value remains at 2,257p.

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	16.4	16.7
2016	785.8	148.0	120.1	134.6	15.1	12.1
2017e	812.8	149.8	121.4	134.7	15.1	13.1
2018e	852.8	157.2	130.2	144.5	14.1	10.2

Sector: Technology

Price: €1.12
 Market cap: €20m
 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	(3.2)	(0.1)	(8.3)
Relative*	(3.8)	(5.5)	(26.1)

* % Relative to local index

Analyst

Anna Bossong

UMT United Mobility Technology (UMD)

INVESTMENT SUMMARY

UMT continues to make progress in its contract to provide mobile payments services to retail outlets in the Payback scheme, Germany's largest loyalty programme. Six retail chains currently offer mobile payment services using its technology. In May, UMT announced the acquisition of a controlling stake in prelado, a German internet portal for digital pre-paid mobile and gift vouchers. With €3.2m sales, 230,000 customers and a complementary product range, UMT is looking to achieve significant cross-selling and cost-saving synergies. UMT has also released consolidated results under German GAAP for 2016, with net profit of €208,000, equating to 1.3 cents per share.

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 (fd) (c)	P/E (x)	P/CF (x)
2014	1.3	0.1	0.1	0.89	125.8	N/A
2015	3.0	0.6	1.0	6.29	17.8	N/A
2016e	N/A	N/A	N/A	N/A	N/A	N/A
2017e	N/A	N/A	N/A	N/A	N/A	N/A

Sector: Industrial support services

Price: 110.5p
 Market cap: £87m
 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 in the UK.

Price performance

%	1m	3m	12m
Actual	(9.4)	(37.8)	(20.1)
Relative*	(8.7)	(38.9)	(31.5)

* % Relative to local index

Analyst

Graeme Moysie

Utilitywise (UTW)

INVESTMENT SUMMARY

Prior to exceptional items (£14.4m – the majority for an impairment charge to the carrying value of t-mac Technologies), UTW reported further growth in H117: revenue +11%, flat EBITDA, a 4% rise in profit before tax and a 5% increase in the DPS. UTW also decided to discontinue the practice of taking cash advances from suppliers and will now include cash repayments to the suppliers that are not under UTW's control, as debt. These changes (c £20m in FY17) will increase reported net debt, but should strengthen the relationship between cash and reported earnings. The new management team recently refreshed UTW's corporate strategy and put in place a plan for extending the company's growth profile (2018-21). UTW sees a significant opportunity in the UK energy procurement and controls market, and has set ambitious targets for market share of energy controls (5%) and energy procurement (7%).

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 (p)	P/E (x)	P/CF (x)
2015	69.1	17.8	16.7	17.9	6.2	N/A
2016	84.4	18.3	17.7	19.3	5.7	6.2
2017e	94.7	19.8	18.7	19.5	5.7	N/A
2018e	105.9	21.8	20.3	21.2	5.2	5.6

Sector: General retailers

Price: 44.5p
 Market cap: £177m
 Market: AIM

Share price graph (p)



Company description

Vertu is the sixth-largest UK motor vehicle retailer. Established in 2006, it is expanding through the completion and subsequent development of a series of acquisitions, initially in volume cars, but now including the premium segment of the market.

Price performance

%	1m	3m	12m
Actual	(3.3)	(9.6)	(22.6)
Relative*	(2.4)	(11.1)	(33.7)

* % Relative to local index

Analyst

Andy Chambers

Vertu Motors (VTU)

INVESTMENT SUMMARY

Vertu's FY17 results were at the upper end of market expectations, showing underlying PBT ahead by 15% to £31.5m. As in previous years, the growth stemmed from a combination of organic growth and the development of recent acquisitions. The key performances came in used cars and aftermarket operations (71.5% of gross profits), where profits moved ahead by 20%. The strength of these operations underlies the quality of earnings in the more challenging new car market. Benefiting from a £35m equity fund-raising and a strong cash flow, the balance sheet remains strong, with £21m of net cash and significant banking facilities to support continuing acquisition ambitions.

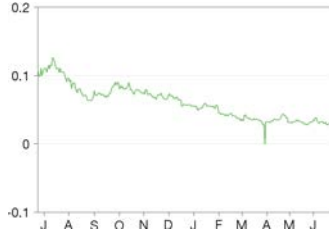
INDUSTRY OUTLOOK

Market dynamics favour larger motor dealership groups at the expense of smaller independents, which command some 60% of the franchise market. Global manufacturing overcapacity still points to support from OEMs, although stockmarket confidence is undermined by the inflationary impact of weak sterling on new car prices and interest rates. A 35% discount rating 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 Feb	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (fd) (p)	P/E (x)	P/CF (x)
2016	2423.3	35.5	27.4	6.31	7.1	2.3
2017	2822.6	42.4	31.5	6.43	6.9	3.0
2018e	2900.0	45.0	34.0	6.79	6.6	3.8
2019e	3000.0	46.6	35.5	7.08	6.3	3.7

Sector: Mining

Price: 0.0p
 Market cap: £31m
 Market: ASX

Share price graph (p)

Company description

Volt Resources is a graphite development company. Its main asset is the currently 100%-owned Namangale graphite project located in Tanzania. Volt is currently debt free.

Price performance

%	1m	3m	12m
Actual	14.3	(3.0)	(69.5)
Relative*	15.2	(3.0)	(71.6)

* % Relative to local index

Analyst

Tom Hayes

Volt Resources (VRC)

INVESTMENT SUMMARY

Volt has binding and non-binding offtake agreements covering up to 26ktpa of its future Namangale graphite concentrate with a diversified set of Chinese graphite companies. As long as all due diligence and commercial conditions are met by all parties involved, these agreements should support Volt's staged development approach, whereby 20ktpa of concentrate production capacity is brought on line, potentially, as early as mid-2018 (pending completion of all requisite technical studies, approvals and financing). Of further importance is the vast majority of planned graphite concentrate tonnage commitments for industrial uses with a diversified range of demand profiles. Only a small fraction of Volt's planned output from Namangale will be potentially used for developments within the possibly highly lucrative graphene space.

INDUSTRY OUTLOOK

The current PFS to develop Namangale (on which base our valuation is being revised) is in two stages. Stage 1 involves the potential to build a 10-20ktpa mine and bring it on line mid-2018. Stage 2 developments are targeted for completion by 2020, with further expansions potentially increasing output by up to 170ktpa, linked to market demand.

Y/E Jun	Revenue (A\$m)	EBITDA (A\$m)	PBT (A\$m)	EPS (fd) (c)	P/E (x)	P/CF (x)
2015	0.0	(0.7)	(0.7)	(0.2)	N/A	0.0
2016	0.0	(3.4)	(3.3)	(0.4)	N/A	0.0
2017e	0.0	(2.3)	(2.4)	(0.2)	N/A	0.0
2018e	0.0	(2.2)	(12.9)	(1.1)	N/A	0.0

Sector: Pcare & household prd

Price: 202.5p
 Market cap: £142m
 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	(5.8)	(7.5)	12.8
Relative*	(5.0)	(9.1)	(3.3)

* % Relative to local index

Analyst

Toby Thorrington

Walker Greenbank (WGB)

INVESTMENT SUMMARY

AGM comments were very much in line with those at the beginning of the year and our estimates are unchanged. Walker Greenbank is on track for a good profit uplift in FY18 derived from organic progress in both divisions and a full year contribution from Clarke & Clarke. Moreover, the business retains significant financial flexibility for further investment. The company's insurance claim relating to the Lancaster (ie Standfast & Barracks) factory flood has now reached the full settlement. A £2.4m final cash payment is expected to be received by the end of H118, which brings total claim proceeds to £19.3m and is in line with existing guidance.

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	17.5	17.1
2017	92.4	12.7	10.4	12.9	15.7	10.2
2018e	114.7	17.4	14.3	16.1	12.6	10.0
2019e	119.7	18.4	15.2	17.0	11.9	8.9

Sector: Technology

Price: 572.5p
 Market cap: £204m
 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	28.7	44.9	288.1
Relative*	29.8	42.6	232.6

* % Relative to local index

Analyst

Dan Ridsdale

WANdisco (WAND)

INVESTMENT SUMMARY

Positive progress continued in June. A \$2m deal with a major US multinational retailer took the announced big data deals to \$6.1m in H1 vs our \$11m FY big data bookings estimate. The last three announced big data deals encompassed automotive manufacturing, financial services and retail, highlighting the broad applicability of the company's technology. Compliance with Oracle's MAA architecture should be a catalyst for sales via Oracle to expand, while new banking facilities provide the business with continued balance sheet headroom. We believe there is a strong prospect of upgrades but leave our estimates unchanged for now, pending a fuller trading update.

INDUSTRY OUTLOOK

The rate at which data and computing are moving to cloud platforms continues to gather pace. It is also the technology cycle upon which the development of many others such as big data analytics and AI depend, which strengthens the case for enterprises to move data to the cloud.

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	15.7	(4.2)	(13.4)	(34.2)	N/A	87.3
2018e	21.6	(0.6)	(10.2)	(25.4)	N/A	24.1

Sector: Mining

Price: C\$26.82
 Market cap: C\$11849m
 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	(3.1)	(2.5)	0.9
Relative*	(2.1)	(1.8)	(6.9)

* % Relative to local index

Analyst

Charles Gibson

Wheaton Precious Metals (WPM)

INVESTMENT SUMMARY

WPM's Q117 net earnings were within 0.4% of our prior expectations. Gold sales once again exceeded silver sales and shareholders subsequently voted to change the name of the company from Silver Wheaton to Wheaton Precious Metals, which came into effect on 16 May. Assuming no material purchases of additional streams (which is unlikely), we forecast a value per share for WPM of US\$37.52, or C\$51.32, in FY20 (at average precious metal prices of US\$23.98/oz Ag and US\$1,362/oz Au).

INDUSTRY OUTLOOK

In relative terms, WPM's shares are trading on near-term financial measures that are cheaper than those of its royalty/streaming 'peers' in c 92% of instances considered, and the miners themselves in c 44%, despite being associated with materially less risk. Upside from existing streams includes the potential expansion of Salobo and the development of Pascu-Lama, among others.

Y/E Dec	Revenue (US\$m)	EBITDA (US\$m)	PBT (US\$m)	EPS (c)	P/E (x)	P/CF (x)
2015	648.7	426.2	223.6	53.0	37.9	18.2
2016	891.6	602.7	269.8	62.0	32.4	14.2
2017e	859.6	576.3	278.1	63.0	31.9	15.2
2018e	951.8	669.0	396.7	90.0	22.3	13.3

Sector: Alternative energy

Price: 68.5p
 Market cap: £28m
 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	(14.4)	(11.6)	(40.4)
Relative*	(13.6)	(13.1)	(49.0)

* % Relative to local index

Analyst

Anne Margaret Crow

Windar Photonics (WPHO)

INVESTMENT SUMMARY

While Windar's revenue growth of 26% y-o-y was lower than management guidance, the results show substantial reductions in the cost-base and lower losses. The thorough review of operations during the year included a switch from relying on a direct salesforce to non-exclusive regional distributors (currently 15 worldwide) who have strong relationships with local independent power producers (IPPs). The change in sales channel resulted in revenues from Asia almost doubling during FY16 and a more recent improvement in performance in Europe and North America.

INDUSTRY OUTLOOK

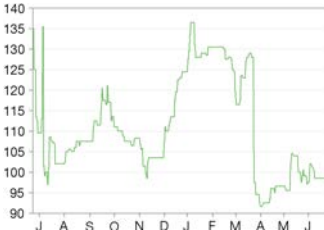
The focus on IPPs has resulted in a recent order from a Mexican IPP for five WindEYE wind sensor units, scheduled for delivery by the end of June. These LiDAR units will be integrated into five Vestas V112 turbines. The current order presents the opportunity to integrate WindEYE units into each of the turbines on the site, which operators intend to extend to over 1GW output over the next couple of years.

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

Sector: Industrial support services

Price: 98.5p
 Market cap: £69m
 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	0.0	1.0	(27.0)
Relative*	0.9	(0.6)	(37.5)

* % Relative to local index

Analyst

Toby Thorington

WYG (WYG)

INVESTMENT SUMMARY

Overall, WYG delivered a c 14% revenue uplift and a c 21% increase in EBIT in FY17, which represented good progress, although it was below best expectations earlier in the year. The major themes were covered in the year-end update, with a very strong trading performance in the MENA region and further progress in the Western Balkans (part of EAA) partly diluted by slower development of UK project work in Q4 and restructuring in Poland. WYG ended FY17 with modest gearing (c 0.2x EBITDA), substantially reflecting deferred consideration payments on prior year acquisitions.

INDUSTRY OUTLOOK

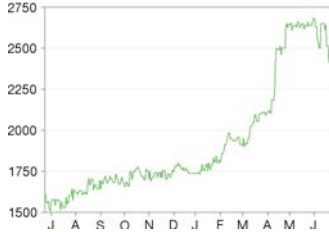
Management is clearly focused on margin improvement predicated on the efficient delivery of high-quality consultancy services and rigorous operational and financial control. Extending the multi-discipline service offering, along seven identified sector lines, particularly in international markets, is a key component of this process. 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 (p)	P/E (x)	P/CF (x)
2016	133.5	9.0	7.0	10.6	9.3	N/A
2017	151.8	10.6	8.2	11.9	8.3	20.6
2018e	162.5	13.3	10.6	13.2	7.5	9.0
2019e	172.0	14.4	11.6	14.4	6.8	5.9

Sector: Electronics & elec eqpt

Price: 2410.0p
 Market cap: £464m
 Market: LSE

Share price graph (p)



Company description

XP Power is a developer and designer of power control solutions with production facilities in China and Vietnam, and design, service and sales teams across Europe, the US and Asia.

Price performance

%	1m	3m	12m
Actual	(9.4)	14.8	49.7
Relative*	(8.6)	12.9	28.3

* % Relative to local index

Analyst

Katherine Thompson

XP Power (XPP)

INVESTMENT SUMMARY

XP generated revenues of £39.6m in Q117, +40% y-o-y and +23% on a constant currency basis (Q416: +33% y-o-y reported). After a strong H216, XP saw further acceleration in order intake in Q117, up 55% y-o-y and 27% q-o-q as customers pulled in orders from future quarters. XP is seeing strong demand across all sectors and geographies, with particular strength from the semiconductor sector. Revenue and bookings strength combined with sterling weakness lead us to upgrade our forecasts. We lift our revenue forecasts by 4% and normalised EPS forecasts by 2% for FY17 and FY18.

INDUSTRY OUTLOOK

XP 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, although semi fab suppliers have returned to growth.

Y/E Dec	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (fd) (p)	P/E (x)	P/CF (x)
2015	109.7	29.7	25.7	104.32	23.1	21.8
2016	129.8	33.0	28.6	115.33	20.9	16.4
2017e	150.0	36.9	31.5	123.62	19.5	19.1
2018e	156.9	39.3	33.5	131.29	18.4	15.8

Sector: Media & entertainment

Price: 280.5p
 Market cap: £295m
 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	11.1	6.9	56.7
Relative*	12.0	5.1	34.3

* % Relative to local index

Analyst

Fiona Orford-Williams

YouGov (YOU)

INVESTMENT SUMMARY

YouGov continues to deliver growth well ahead of the market as investment in its scalable Data Products and Services pays back in profits and in cash. Profiles is gaining traction both standalone and in combination with BrandIndex, and is being launched across more geographies. The MRP model process, which draws on big data stored within the Cube combined with regular survey data, worked well in the recent UK election and adds to the group's market credibility. We edged our FY17e and FY18e numbers ahead following the interims and there may be more scope in FY18e if current momentum is maintained. This underpins the premium on which YouGov trades to other quoted market research stocks.

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)
2015	76.1	9.3	9.1	6.7	41.9	28.1
2016	88.2	11.6	13.3	8.5	33.0	20.6
2017e	104.5	14.3	14.9	10.5	26.7	20.2
2018e	115.2	16.2	16.8	11.5	24.4	17.3

Sector: Food & drink

Price: US\$2.25
 Market cap: US\$49m
 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	(20.5)	(30.3)	(67.4)
Relative*	(19.8)	(30.3)	(69.6)

* % Relative to local index

Analyst

Beth Senko

Yowie Group (YOW)

INVESTMENT SUMMARY

After a modest slowdown in the December quarter, the company appears to be back on track. With a deep bench of experienced confectionery executives, we maintain confidence in Yowie's long-term growth and profitability prospects. However, the company is taking a more modest approach to sales guidance to ensure it can fulfil customer (and investor) expectations. In May, we kept our revenue forecasts, but cut profitability estimates for FY17-19 due to higher than expected stock compensation costs in H117.

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 holding steady with a 97.3 score for July 2016 (Thomson 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 (fd) (c)	P/E (x)	P/CF (x)
2015	2.4	(2.7)	(2.7)	(21.6)	N/A	N/A
2016	13.1	(6.6)	(6.7)	(40.5)	N/A	N/A
2017e	22.1	(3.5)	(3.9)	(17.7)	N/A	N/A
2018e	37.1	6.1	5.8	26.4	8.5	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	4.9	
Acal	2017/03	GBP	8.5	8.9	9.3
Augean	2016/12	GBP	1.0	1.2	1.4
Avon Rubber	2016/09	GBP	9.5	11.0	13.0
Bezant Resources	2016/06	GBP	1.0		
Borussia Dortmund	2016/06	EUR	6.0	6.0	7.0
Braemar Shipping Services	2017/02	GBP	14.0	15.0	15.8
Caledonia Mining Corp	2016/12	USD	5.5	5.5	5.5
Carclo	2017/03	GBP	0.0	0.0	3.9
Carr's Group	2016/08	GBP	3.8	3.9	4.0
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	3.2	3.6	4.0
China Water Affairs Group	2016/03	HKD	8.0	10.0	12.5
Coats Group	2016/12	USD	0.8	1.5	1.7
Cohort	2016/04	GBP	6.0	7.0	8.0
Comvita	2016/06	NZD	18.0		
Ebiquity	2016/12	GBP	0.7	0.7	0.8
Eddie Stobart Logistics	2016/11	GBP	0.0	5.5	6.2
EMIS Group	2016/12	GBP	23.4	24.4	25.4
Entertainment One	2017/03	GBP	1.3	1.4	1.5
Epwin Group	2016/12	GBP	6.6	6.7	7.0
EQS Group	2016/12	EUR	75.0	80.0	85.0
Euromoney Institutional Investor	2016/09	GBP	23.4	30.0	34.0
Focusrite	2016/08	GBP	2.0	2.3	2.4
Game Digital	2016/12	GBP	3.4	2.0	2.0
GB Group	2017/03	GBP	2.2	2.5	2.8
GFT	2016/12	EUR	30.0	33.0	37.0
Greggs	2016/01	GBP	31.0	32.2	34.2
GVC Holdings	2016/12	EUR	30.0	33.0	38.0
Hogg Robinson Group	2017/03	GBP	2.6	2.8	
IG Design Group	2017/03	GBP	4.5	5.5	6.5
Is Yatirim Menkul Degerler	2016/12	TRY	12.7	12.7	12.7
Jersey Electricity	2016/09	GBP	13.5	14.2	14.9
John Laing Group	2016/12	GBP	8.2	9.8	9.9
K3 Business Technology Group	2016/06	GBP	1.8		
La Doria	2016/12	EUR	18.0	17.0	24.0
London Stock Exchange Group	2016/12	GBP	43.2		
Lookers	2016/12	GBP	3.6	3.8	4.0
Low & Bonar	2016/11	GBP	3.0	3.2	3.3
Marshall Motor Holding	2016/12	GBP	5.5	5.8	6.0
MedicX Fund	2016/09	GBP	6.0	6.0	6.1
Medserv	2016/12	EUR	0.0	0.0	3.8
National Grid	2017/03	GBP	43.5	129.3	
Norcros	2016/03	GBP	6.6	7.2	7.5
Numis Corporation	2016/09	GBP	12.0	12.0	12.5
OTC Markets Group	2016/12	USD	116.0	120.0	122.0

Palace Capital	2017/03	GBP	18.5	19.0	19.0
Pan African Resources	2016/06	GBP	0.9	0.6	1.1
Piteco	2016/12	EUR	15.0	17.5	20.0
Polypipe	2016/12	GBP	10.1	10.6	11.1
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	2016/06	GBP	6.5	7.1	8.2
Raven Russia	2015/12	USD	2.0	2.5	1.0
Record	2017/03	GBP	2.0	2.1	2.2
Regional REIT	2016/12	GBP	7.7	7.9	8.8
SCISYS	2016/12	GBP	2.0	2.2	2.4
Secure Trust Bank	2016/12	GBP	75.0	78.0	82.0
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	12.0	12.0
Stride Gaming	2016/08	GBP	2.5	2.8	3.0
Treatt	2016/09	GBP	4.4	6.0	6.5
Trifast	2017/03	GBP	3.5	3.7	3.8
TXT e-solutions	2016/12	EUR	30.0	32.0	33.0
Tyman	2016/12	GBP	10.5	11.5	13.8
Ultra Electronics Holdings	2016/12	GBP	47.8	49.5	52.0
Utilitywise	2016/07	GBP	6.5	6.9	7.3
Vertu Motors	2017/02	GBP	1.4	1.5	1.6
Walker Greenbank	2017/01	GBP	3.6	4.4	5.1
Wheaton Precious Metals	2016/12	USD	21.0	27.0	28.0
WYG	2016/03	GBP	1.5	1.8	2.0
YouGov	2016/07	GBP	1.4	1.6	1.8

Company	Sector	Most recent note	Date published
1Spatial	Software & comp services	Update	09/03/17
32Red	Travel & leisure	Update	13/03/17
4imprint Group	Media	Update	10/03/17
Aberdeen New Dawn Investment Trust	Investment trusts	Investment company review	23/07/15
Aberdeen New Thai Investment Trust	Investment companies	Investment company review	21/12/16
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	Outlook	19/06/17
Acorn Income Fund	Investment companies	Investment company review	09/01/17
AFH Financial Group	Financials	Update	26/01/16
African Petroleum Corporation	Oil & gas	Update	18/03/16
Alkane Resources	Metals & mining	Flash	27/06/17
Almonty Industries	Metals & mining	Outlook	16/08/16
Amur Minerals	Metals & mining	Update	07/03/16
Arbuthnot Banking Group	Financials	Update	16/08/16
Ariana Resources	Metals & mining	Update	02/03/16
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Augean	Industrial support services	Update	31/03/17
Avanti Communications Group	Fixed satellite services	Flash	29/03/17
Avesco Group	Media	Update	03/10/16
Avon Rubber	Aerospace & defence	Update	24/05/17
Banca Sistema	Financials	Initiation	08/05/17
BB Biotech	Investment companies	Investment company review	27/02/17
Biotech Growth Trust (The)	Investment companies	Investment company review	21/02/17
BlackRock Greater Europe Inv. Trust	Investment companies	Investment company review	10/11/16
BlackRock Latin American Inv. Trust	Investment companies	Investment company review	16/01/17
Blanco Technology Group	Software & comp services	Initiation	15/03/17
Borussia Dortmund	Travel & leisure	Update	16/03/17
Bowleven	Oil & gas	Flash	15/03/17
Braemar Shipping Services	Industrial support services	Outlook	10/05/17
Brady	Technology	Update	17/01/17
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Caledonia Mining	Metals & mining	Update	12/04/17
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Carclo	Technology	Update	15/06/17
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Cenkos Securities	Financials	Update	03/04/17
Centrale del Latte d'Italia	Food & drink	Outlook	22/06/17
Challenger Energy	Oil & gas	Update	28/04/15
China Aviation Oil (Singapore)	Industrial support services	Initiation	27/02/17
China Water Affairs Group	Utilities	Update	04/05/17
City Natural Resources	Investment companies	Investment company review	22/01/15
Coats Group	General industrials	Outlook	13/06/17
Cohort	Aerospace & Defence	Flash	10/03/17
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Custodian REIT	Property	Initiation	22/03/17
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Diverse Income Trust (The)	Investment companies	Investment company review	15/02/17
Dunedin Enterprise Investment Trust	Investment companies	Investment company review	05/10/15

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Ebiquity	Media	Update	29/03/17
Eckoh	Technology	Flash	21/01/16
Eddie Stobart Logistics	Industrial support services	Initiation	19/06/17
Edinburgh Worldwide Investment Trust	Investment companies	Initiation	13/10/14
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Elk Petroleum	Oil & gas	Update	20/04/17
Ellomay Capital	Alternative energy	Update	09/05/17
EMIS Group	Software & comp services	Update	20/03/17
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Epwin Group	Industrials	Update	26/05/17
EQS Group	Media	Update	23/05/17
eServGlobal	Technology	Update	09/01/17
Esker	Technology	Update	21/04/17
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Findel	Retail	Update	07/04/17
Finsbury Growth & Income Trust	Investment companies	Investment company review	09/05/17
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HSBC	Financials	Update	13/08/15
Hurricane Energy	Oil & gas	Outlook	16/05/17
IG Design Group	Consumer support services	Outlook	27/06/17
Imperial Innovations	Financials	Update	27/09/16

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Intelligent Energy Holdings	Alternative energy	Update	24/04/17
International Biotechnology Trust	Investment companies	Investment company review	10/05/16
Invesco Asia Trust	Investment companies	Investment company review	09/12/16
IQE	Tech hardware & equipment	Update	21/03/17
Is Private Equity	Investment companies	Outlook	17/03/17
IS Solutions	Technology	Outlook	09/03/16
Is Yatirim Menkul Degerler	General financial	Update	11/05/17
Jackpotjoy plc	Travel & leisure	Update	22/06/17
Jersey Electricity	Industrials	Outlook	03/03/17
John Laing Group	Investment companies	Update	08/03/17
JPMorgan European Smaller Comps Trust	Investment trusts	Investment company review	22/06/17
JPMorgan Global Convertibles Inc Fund	Investment companies	Investment company review	22/11/16
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	Initiation	02/02/17
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Jupiter UK Growth Investment Trust	Investment trusts	Investment company review	06/03/17
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K3 Business Technology Group	Technology	Update	10/01/17
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Keywords Studios	Software & comp services	Update	22/05/17
La Doria	Food & drink	Outlook	07/06/17
Lazard World Trust Fund	Investment companies	Investment company review	02/08/16
Leaf Resources	Alternative energy	Update	20/07/16
Leigh Creek Energy	Oil & gas	Update	22/05/17
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Martin Currie Global Portfolio Trust	Investment companies	Investment company review	26/06/17
MedicX Fund	Property	Update	31/05/17
Medserv	Industrial support services	Flash	25/05/17
Merchants Trust (The)	Investment companies	Investment company review	12/06/17
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	Review	07/09/16
Mitula Group	Media	Update	13/02/17
Nanoco	Tech hardware & equipment	Flash	22/05/17
Nano Dimension	Technology	Flash	31/03/17
National Grid	Industrials	Outlook	28/04/17
NetDimensions	Technology	Update	11/11/16
Norcros	Construction & materials	Update	18/04/17
Numis Corporation	Financial services	Outlook	22/05/17
Ocean Wilsons Holdings	Investment companies	Outlook	13/06/17
Oceania Natural	Consumer support services	Update	02/06/17
Orosur Mining	Metals & mining	Update	30/01/17
OTC Markets Group	Financial services	Outlook	26/05/17
Pacific Assets Trust	Investment companies	Investment company review	30/07/15
Palace Capital	Real estate	Update	07/06/17
Pan African Resources	Metals & mining	Update	17/05/17

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paragon	General industrials	Update	26/10/16
Park Group	Financial services	Update	23/06/17
Paysafe Group	Technology	Flash	23/05/17
Picton Property Income	Property	Initiation	26/06/17
Piteco	Software & comp services	Update	26/04/17
Pointer Telocation	Tech hardware & equipment	Update	05/06/17
Polypipe	Construction & materials	Update	26/05/17
Powerflute	Basic industries	Update	08/04/16
PPHE Hotel Group	Travel & leisure	Flash	09/05/17
Primary Health Properties	Property	Update	16/05/17
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	05/06/17
Quadrise Fuels International	Oil & gas	Outlook	01/11/16
Rank Group	Travel & leisure	Update	14/06/17
Raven Russia	Property	Outlook	27/03/17
Real Estate Investar	Technology	Update	30/05/17
Record	Financials	Update	26/06/17
Regional REIT	Real estate	Update	05/06/17
Reworld Media	Media	Update	30/03/17
Rex Bionics	Technology	Update	06/01/16
RNTS Media	Media	Update	02/06/17
Rockhopper Exploration	Oil & gas	Update	08/06/17
Rubicon	Construction & materials	Update	09/04/15
S&U	Financials	Outlook	07/04/17
Schroder AsiaPacific Fund	Investment companies	Investment company review	05/01/17
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	22/05/17
Secure Income REIT	Financials	Initiation	19/09/16
Secure Trust Bank	Financials	Outlook	31/03/17
Securities Trust of Scotland	Investment companies	Investment company review	24/02/17
Seneca Global Income & Growth Trust	Investment companies	Investment company review	27/06/17
Severfield	Industrial engineering	Update	19/06/17
Share plc	Financials	Update	15/03/17
Shore Capital Group	Financials	Update	11/04/17
SinnerSchrader	Technology	Outlook	02/02/17
SLI Systems	Technology	Outlook	14/03/17
Snakk Media	Media	Update	02/06/17
SNP Schneider-Neureither & Partner	Technology	Update	12/05/17
Standard Life Equity Income Trust	Investment companies	Investment company review	30/01/17
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	12/01/17
StatPro Group	Technology	Update	22/05/17
Stobart Group	Support services	Update	10/11/16
Stride Gaming	Travel & leisure	Update	30/05/17
STV Group	Media	Update	26/08/16
Target Healthcare REIT	Property	Update	28/04/17
Templeton Emerging Markets Investment	Investment companies	Investment company review	03/04/17
Tenon	Building materials	Outlook	03/12/15
Tetragon Financial Group	Investment companies	Investment company review	15/06/17
The Bankers Investment Trust	Investment trusts	Investment company review	14/03/17
The Law Debenture Corporation	Investment trusts	Initiation	20/12/16

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The North American Income Trust	Investment trusts	Investment company review	11/10/16
The Scottish Investment trust	Investment trusts	Initiation	18/11/16
Thin Film Electronics	Technology	Flash	12/06/17
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	17/05/17
TransContainer	General industrials	Update	26/04/17
Treatt	Basic industries	Update	09/05/17
Trifast	Engineering	Update	20/06/17
Tungsten Corporation	e-invoicer & invoice financier	Update	19/10/16
TXT e-solutions	Technology	Update	11/05/17
Tyman	Construction & materials	Outlook	24/05/17
UK Commercial Property Trust	Investment trusts	Initiation	24/03/17
Ultra Electronics	Aerospace & defence	Flash	26/06/17
UMT United Mobile Technology	Software & comp services	Update	02/12/16
Utilico Emerging Markets	Investment companies	Investment company review	16/03/17
Utilitywise	Industrial support services	Outlook	21/04/17
Vertu Motors	Automotive retailers	Update	15/05/17
Victoria Gold	Metals & mining	Update	20/09/16
VinaCapital Vietnam Opportunity Fund	Investment companies	Investment company review	08/08/16
Vislink	Tech hardware & equipment	Flash	19/01/17
Volt Resources	Metals & mining	Initiation	15/03/17
Walker Greenbank	General industrials	Update	21/06/17
WANdisco	Technology	Flash	14/06/17
Wheaton Precious Metals	Metals & mining	Update	18/05/17
Windar Photonics	Alternative Energy	Flash	27/06/17
Witan Investment Trust	Investment companies	Investment company review	05/04/16
Witan Pacific Investment Trust	Investment companies	Investment company review	30/05/17
Worldwide Healthcare Trust	Investment companies	Investment company review	25/05/17
WYG	Industrial support services	Update	28/06/17
XP Power	Electronic & electrical equipment	Update	11/04/17
YouGov	Media	Update	30/03/17
Yowie Group	Food & beverages	Update	17/05/17
YPB Group	Industrial support services	Update	10/06/16

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