Edison Insight

Strategic perspective | Company profiles

April 2017

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Contents

Prices at 21 April 2017

Published 27 April 2017

US$/£ exchange rate: 0.7958
€/£ exchange rate: 0.8505
C$/£ exchange rate: 0.5945
A$/£ exchange rate: 0.6020
NZ$/£ exchange rate: 0.5565
TRY/£ exchange rate: 0.2168
MYR/£ exchange rate: 0.1801

RUB/£ exchange rate: 0.0141
NIS/£ exchange rate: 0.2180
NOK/£ exchange rate: 0.0926
HKD/£ exchange rate: 0.1024
CHF/£ exchange rate: 0.7949
SGD/£ exchange rate: 0.5690
EGP/£ exchange rate: 0.0439

Welcome to the April edition of the Edison Insight. We now have over 400 companies under coverage, of which 154 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 finds that equity valuations are above average across the UK and Europe, and exceptionally high in the US. The combination of high valuations and price momentum accelerating to the upside, but concentrated within a narrow range of digital stocks, is starting to feel like the 'financial instability' the US Fed has been keen to avoid. He remains cautious and believes developed market equity valuations appear to price in a sustained period of strong economic growth, which is at odds with expectations in the bond market. However, an overvalued market does not exclude the possibility of attractive stock-specific or event-driven situations – which, in turn, are relevant to the debate that currently favours passive over active management.

This month we have added Polypipe and Game Digital 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: Numbers trump narrative

Analyst

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- **We re-check global equity valuations.** While we undertook the exercise hoping to become more relaxed in respect of equity exposure in what is for now a bull market, we conclude that the valuation picture remains disconcerting. Equity valuations are relatively extended across the UK and Europe and exceptionally high in the US. The combination of high valuations and price momentum accelerating to the upside but concentrated within a narrow range of digital stocks is starting to feel like the 'financial instability' the US Fed has been keen to avoid.
- **We are a little frustrated as we seem to have called the Trump 'no-bump' correctly.** 'Soft' economic data is trending down to meet hard data as we expected and there has been no follow through of post-Trump market optimism in US earnings forecasts. However, declining inflation and growth expectations in the US have been taken as a positive for equities as US interest rate expectations and longer-term yields fall. If sustained over coming quarters, this softening in economic data is likely to impact corporate profits.
- **What to do if the market is overvalued?** An overvalued market does not exclude the possibility of attractive stock-specific or event-driven situations and this is relevant to the debate between passive and active management, if index returns are set to disappoint. In the UK, between the low yields on government bonds and the higher volatility of equity markets reside defensive niches of the property market that continue to offer yields close to long-run averages. We continue to like floating-rate senior debt, which would benefit from any further increase in US rates. Credit spreads on high-yield bonds are too tight, however, and the asset class now appears to offer fixed-income returns with equity-like risk, following the opportunity in 2016.
- **Remaining cautious.** Even as we approach the data with an open mind the numbers trump the narrative. Developed market equity valuations appear to price in a sustained period of strong economic growth, which is at odds with the expectations in the bond market. In such circumstances and notwithstanding the benefits of the improved sentiment in Europe, we believe investors have to look to the active, rather than passive, element of their portfolios to deliver returns.

Numbers trump narrative

It is challenging to be right and wrong at the same time. At the outset of 2017, we believed the market was too complacent in respect of the US Fed's determination to re-normalise interest rates. Trump's policy of corporate tax reform and fiscal stimulus appeared at risk of being blocked by the US Congress and the surge in economic surprises, driven by soft data such as surveys and sentiment, seemed seasonal and likely to mean-revert according to our analysis earlier in the year.

Furthermore, with global equity valuations already extended and the momentum from the commodity reflation trade of 2016 in retreat, a period of sub-par equity performance seemed a distinct possibility.

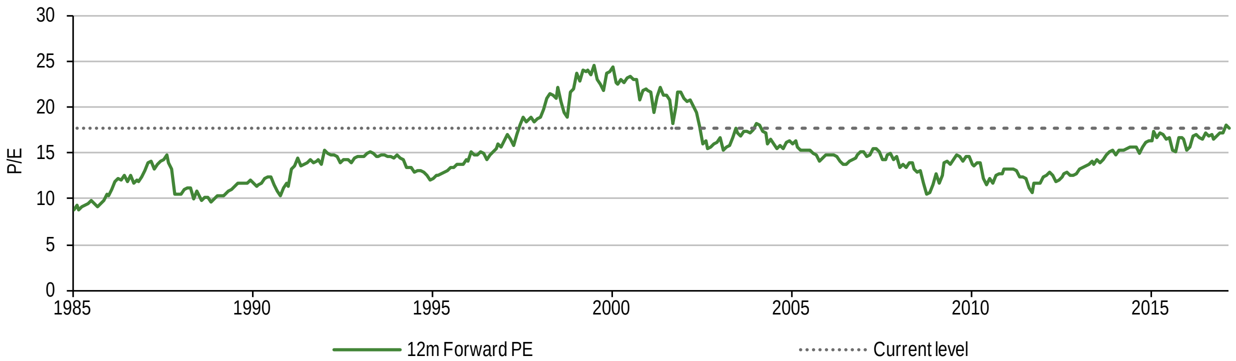
Indeed, with the continued roll-over of global economic surprise indices, the bond market has in recent weeks re-traced much of the Trump reflation trade with US 10-year yields back to 2.3% from year highs of over 2.6%. Market-implied expectations for US interest rates have also been drifting further beneath the Fed's most recent dot-plot in recent weeks, Exhibit 6. It is becoming clearer that there is only limited likelihood of Trump's campaign promises, in terms of corporate tax cuts and a fiscal stimulus, becoming reality at the scale originally envisaged.

The recent bout of geopolitical tension following the US air strike in Syria and hardening of the US position in terms of North Korea would also normally be unhelpful for risk assets. Rumours of an executive order to withdraw the US from NAFTA this weekend – swiftly denied – add to the policy uncertainty by highlighting the flow of inconsistent signals emanating from Trump's administration in respect of foreign and trade policy.

However, global equities are holding firm at or close to all-time highs in many cases. The very strong relief rally that accompanied the predictable event of a Le Pen/Macron run-off in the French presidential election only demonstrated how well supported equity markets are in the short-term. Our retreat from a bearish strategic outlook in March was largely pragmatic, having seen how easily markets were absorbing bad news on US politics and interest rates; this month's relief rally shows how only a little positive surprise can drive markets higher in the current environment.

We have re-checked the valuation data and note that US equities in particular have entered valuation territory not seen since the late 1990s. The US 12m-forward P/E is currently 18x (Exhibit 1) and higher than at any time outside the dot-com bubble. No matter which way the data are cut – price/book, price/sales, median or weighted average – risk premia or equivalently future expected returns over the medium term appear to be much lower than normal on US equities.

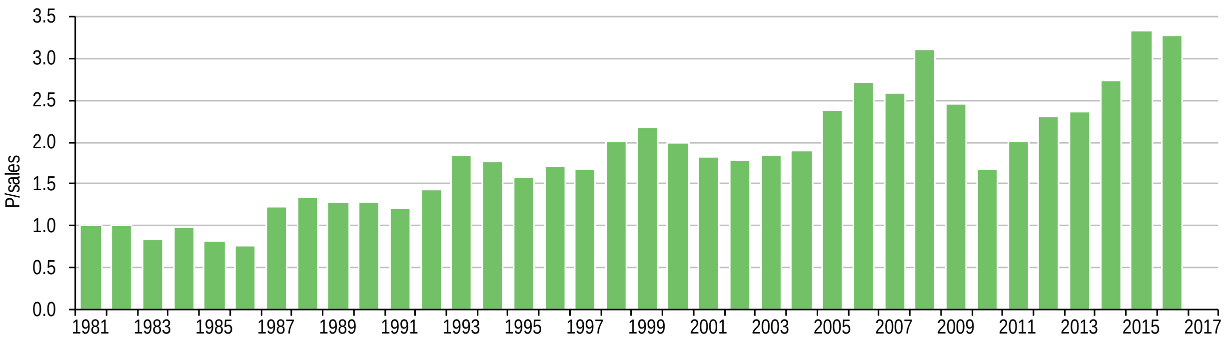
Exhibit 1: S&P 500 12m-forward P/E at record levels except for 1990s bubble



Source: Thomson Reuters Datastream

In case the data might be distorted by the inclusion of digital economy companies, which have especially high ratings, we have also calculated the valuation statistics for a universe of US companies that have been listed since 1987. The conclusions remain the same (Exhibit 2) with long-standing US businesses also trading close to record-high valuations. This is in spite of the exceptional growth in profitability and cash flow of large cap technology companies, which is at times at the expense of traditional sectors such as retail.

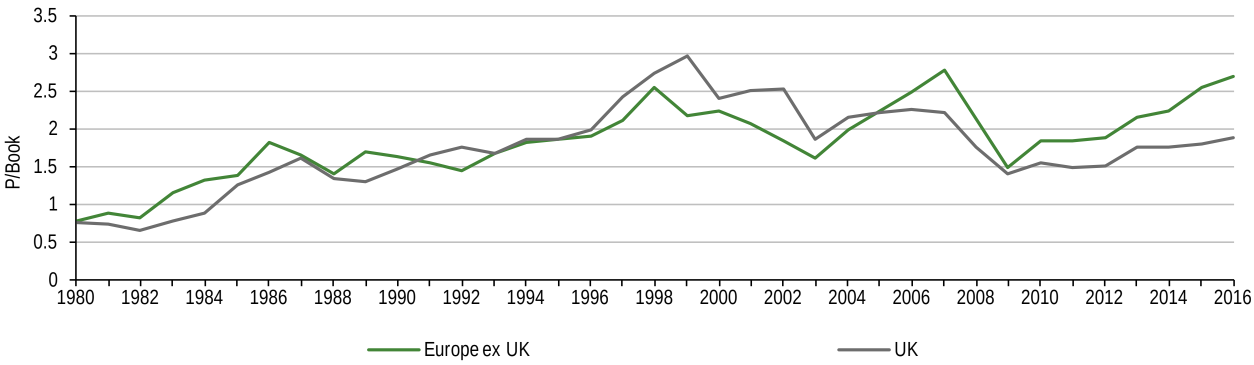
Exhibit 2: US ‘Old economy’ stocks – median price/sales multiple also well above average



Source: Thomson Reuters Datastream. Universe is stocks with trading history dating from 1987.

In other markets, such as the UK and Europe ex-UK, the valuation data are not quite as unequivocal, although valuations remain well above historical averages (Exhibit 3). We acknowledge that within the eurozone unemployment remains at cyclically high levels, suggestive of a much larger output gap than in the US currently (Exhibit 4). Eurozone policy rates are therefore likely to remain at very low levels for the foreseeable future and the lack of alternatives to equities rather than absolute returns prospects seems to be driving performance.

Exhibit 3: UK and Europe P/book



Source: Thomson Reuters Datastream, Edison calculations

In a benign market environment, valuation statistics can appear rather dry and academic. Furthermore, if valuations were only moderately above historical averages we believe they could be safely ignored in an environment of moderate but stable growth. However, in the US for example, a move to merely average price/book multiples would represent a decline of close to 25% from current levels and it is difficult to rationalise further multiple expansion. The risk/reward does not appear in the investor’s favour at present.

Valuation is, however, a dog that does not bark alone, even if the trigger for a move lower in valuation levels is often not obvious ahead of time. It is certainly difficult to find an obvious trigger at present with commodity prices stable and economic activity growing globally, if slowly. Corporate profits expectations have also stabilised Therefore, there is no clear reason to dive wholly into cash, but what is often left unanswered is what is an investor to do, with equities and government bonds as expensive as they are currently?

Time for active management

Much has been said in favour of passively managed investment vehicles, firstly in terms of cost, where the advantage is undeniable, and secondly in the widely reported underperformance of active managers versus benchmark indices in recent years. This second factor is, in our view, highly dependent on the time period chosen. Given the valuation concerns we have highlighted it now appears a good time to consider rotating away from the current fashion for passive index investing.

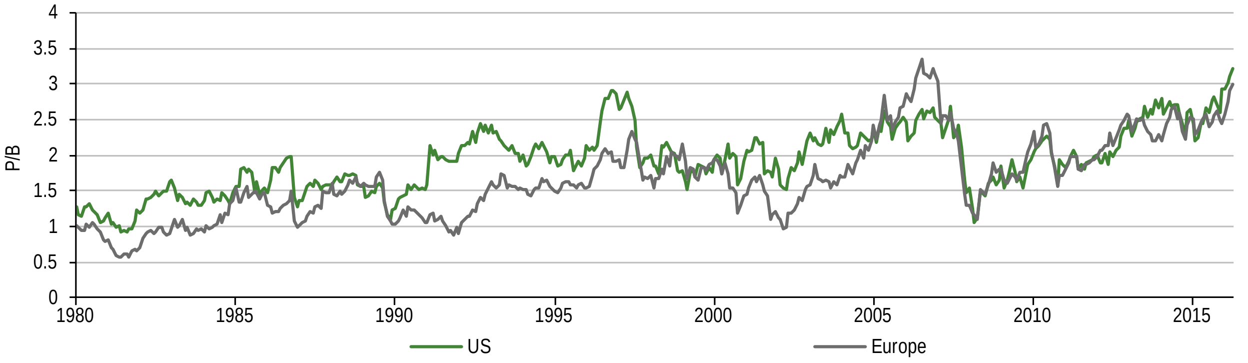
We believe there are several tactics that can be employed to avoid the worst excesses of current equity market valuations and to deliver an acceptable expected return without undue risk. It is not the case that every sector or security is clearly overvalued, even if that is the general trend.

For example, we note that within the real estate sector in the UK there a number of niche sectors exposed to positive demand factors such as logistics and healthcare where initial yields are still within historical ranges and well above 10-year government bonds. Such investments may appeal both to more risk-averse investors seeking greater yield than cash and equity investors looking to deliver real returns forecast at only a little lower than equity markets but with significantly less volatility.

Second, increasing LIBOR rates favour floating rate senior loans, which currently yield close 5%. The default history on this asset class suggests that except in the very worst-case scenarios investors benefit from significantly greater capital protection compared to equities. As a source of diversification, it is also one of the few asset classes which will pay a greater income in the event US interest rates increase faster than the market expects.

Third, we also continue to favour UK and European insurers in view of price/book, ROE and dividend yield measures all in line with historical averages. However, general industrials in each of the UK, Europe and US are all suffering from the valuation malaise discussed previously (Exhibit 4).

Exhibit 4: Industrial sector (price/book) has already benefited from substantial upward re-rating



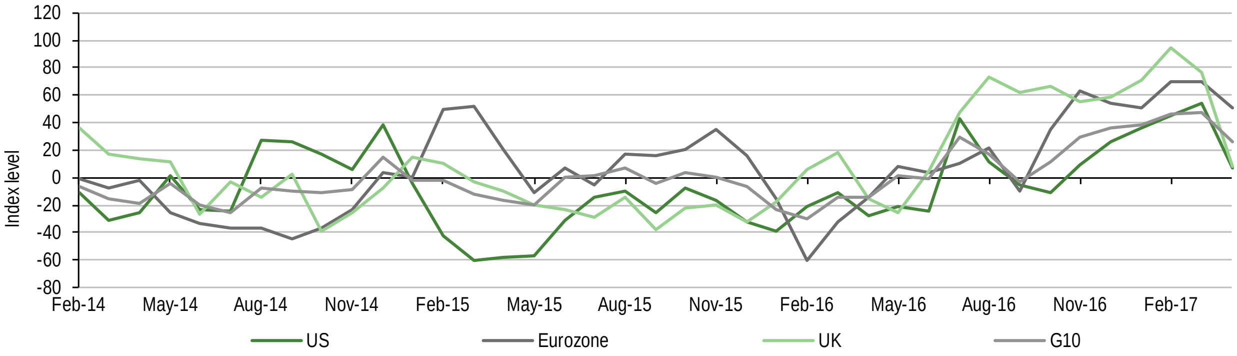
Source: Thomson Reuters Datastream, Edison calculations

Economic surprise ebbs – 2017 profits expectations unchanged

As we indicated in March, there was a strong likelihood that the positive economic surprises seen earlier in the year were likely to be seasonal and mean-reverting. Thus far, for each of the UK, US and Eurozone, this has proved to be the case with significant reductions in the surprise indices over the past month (Exhibit 5).

This decline in momentum has had a much more significant impact on the bond and interest rate markets rather than equities. Since just after the Fed's most recent decision to raise US interest rates, the gap has once again increased between the Fed's dot plots and the market-implied trajectory for US interest rates in futures markets (Exhibit 6).

Exhibit 5: Economic surprise indices declining as expected

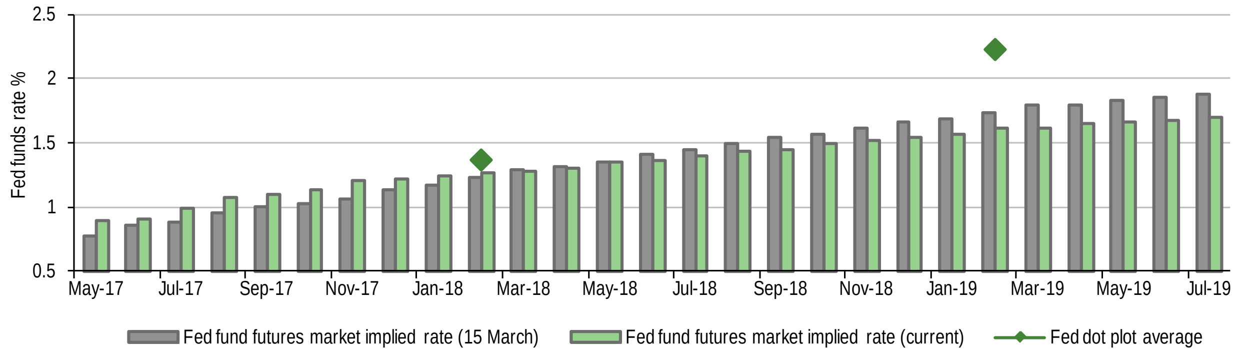


Source: Thomson Reuters Datastream

We believe part of this is rational as it becomes clearer that Trump's stimulus agenda, whether corporate tax reform or deficit spending, will have real difficulties passing through the US Congress.

However, it is not so clear to us in the context of very benign financial markets and close to target inflation that the Fed will hold back in any meaningful way from its gradual path of interest rate increases over the next two years. Given the problems in recent years of seasonal adjustments, which have tended to understate Q1 GDP growth, Fed policymakers are likely to look through any weakness in Q1, at least until it is confirmed in later data.

Exhibit 6: Market-implied expectations drift away from Fed dot plot (again)



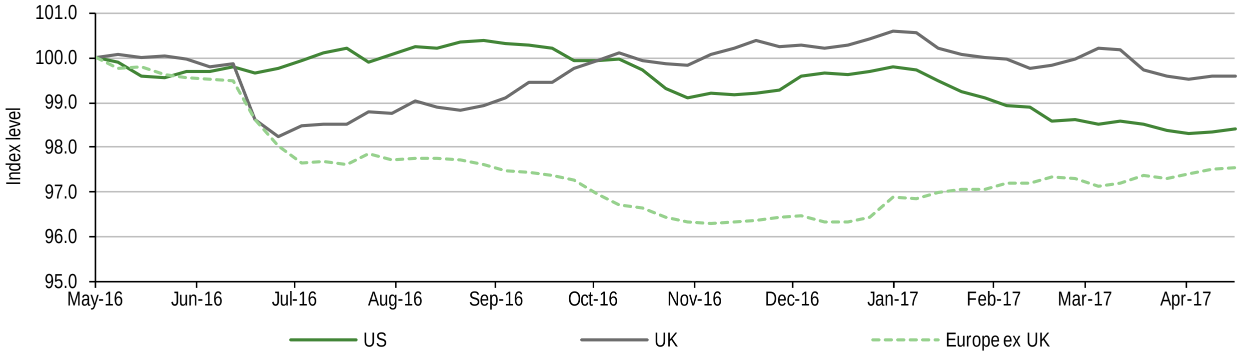
Source: Thomson Reuters Datastream

Furthermore, with both credit and equity risk premia declining and the US dollar falling somewhat on a trade-weighted basis, there is an argument that financial conditions in aggregate have loosened since the previous increase in March. Given the data, in our view the Fed will remain on its current course, close to the dot plot.

On the longer end of the yield curve we do not have a strong view at present; the combination of rising interest rates, modest US GDP growth in 2017 is balanced by stable commodity prices and declining enthusiasm for the Trump trade.

In terms of corporate profits, earnings forecasts for 2017 are effectively unchanged on a weighted average basis for each of the UK, US and Europe, although the unweighted measure highlights a degree of positive momentum within Europe (Exhibit 7). Over short periods, equity markets are very responsive to even modest earnings momentum and this goes some way to explaining the robust performance of European equities in 2017, which are up 8.5% year to date, after a flat performance in 2016.

Exhibit 7: Unweighted earnings revisions show positive momentum in Europe ex-UK



Source: Edison calculations. Index created from median estimate revision.

French Election: Is populism already passé?

Relief across asset classes following first-round vote

2016 may have been the year investors were caught out by misleading polls, but the relief rally following the first round of the French presidential election suggests that investors are being caught out by mistrusting them. A collapse in near-term euro volatility, sharply higher equity markets and a compression in the spread between French and German government bonds suggested significant speculative interest in the possibility of a run-off vote between Le Pen and a far-left candidate.

From here, a victory for Le Pen appears just a remote possibility, deliverable only perhaps in the event of an unanticipated development or scandal as centrist support coalesces around Macron. Investors' focus is likely to move towards German federal elections at the end of September. However, both leading candidates for the German chancellorship are pro-EU and there appears relatively little to attract international speculators in a contest likely to be of greater relevance for Germany's domestic policy agenda.

Compared to only six months ago, political uncertainty in Europe has diminished significantly. The political impasse in Spain has been broken in favour of a pro-EU administration, while in the Netherlands the anti-EU Geert Wilders is not even at the negotiating table as the new Dutch coalition government is assembled.

Notwithstanding the still-high level of support for populist parties in Europe, if Macron becomes French president, the UK's Brexit vote may start to look like an anomaly rather than the beginning of a trend of EU disintegration. We also note that in the US, Trump's first 100 days have pivoted in a direction investors are quite familiar with – a blocked healthcare bill, sabre-rattling foreign policy and lowered expectations in respect of the timing and extent of any US fiscal stimulus or tax reform.

Furthermore, the recent improvement in economic momentum in Europe clearly works against political protest movements. If Europe's nascent economic recovery endures, the loss of momentum in terms of the popular desire for radical change could become permanent.

While the political influence of populism will certainly still be felt as centrist politicians steal the best ideas of the new political contenders, the probability of abrupt change within the EU or eurozone is for now in decline. Market expectations in government bond and FX markets have adjusted accordingly.

But as we highlighted in our earlier analysis of the French presidential election, aside from politics there remains a significant divergence in economic performance and indebtedness between France and Germany. The EU and its member states will have to demonstrate continued economic performance, spread widely across the region – and not just a short-term cyclical lift – to break away from the structural question marks raised over the last decade.

Conclusion

An overvalued market does not exclude the possibility of attractive stock-specific or event-driven situations and is relevant to the debate between passive and active management, if index returns are set to disappoint in coming periods.

In the UK, between the low yields on government bonds and the higher volatility of equity markets reside defensive niches of the property market that continue to offer yields close to long-run averages. We continue to like floating-rate senior debt, which would benefit from any further increase in US rates. Credit spreads on high-yield bonds are too tight, however, and the asset class now appears to offer fixed-income returns with equity-like risk, following the opportunity in 2016.

However, we remain cautious on equities. We approach the data with an open mind but the numbers trump the market narrative. Developed market equity valuations appear to price in a sustained period of strong, rather than stable, economic growth, which is at odds with the expectations in the bond market. In such circumstances and notwithstanding the benefits of the improved sentiment in Europe, we believe investors have to look to the active, rather than passive, element of their portfolios to deliver returns.

Sector: Technology

Price: 3.8p
Market cap: £29m
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 data.

Price performance

%	1m	3m	12m
Actual	15.4	130.8	(28.6)
Relative*	18.4	130.2	(36.3)

* % Relative to local index

Analyst

Dan Ridsdale

1Spatial (SPA)

INVESTMENT SUMMARY

Having undertaken a full strategic review, 1Spatial is moving towards a more client-led solutions provider model from its previous IP-centric one. A restructuring plan is being executed to reduce overheads, create clear reporting lines and align the business to the new model. Once up and running, the new strategy should improve near-term financial performance, through reducing sales cycles and focusing investment while sacrificing some of the scalability potential that successful execution on the previous strategy would bring. Visibility is low and hence our estimates remain withdrawn pending further updates. Nevertheless, we believe there is substantial intrinsic value within the business, which, with a modicum of execution, should be unlocked.

INDUSTRY OUTLOOK

GIS is a multi-billion dollar market growing at a robust rate. Demand for GIS management solutions is being driven by the increased criticality of GIS information, the need to integrate data from multiple sources and the integration of spatial data with financial and operational databases.

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	14.1	70.0
2016	20.7	3.7	2.0	0.29	13.1	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: Media & entertainment

Price: 196.0p
Market cap: £167m
Market AIM

Share price graph (p)

Company description

32Red is an award-winning online casino, poker, bingo and sports operator. About 75% of revenues arise in regulated markets, mainly in the UK. 32Red is based in Gibraltar and was founded by the present CEO in 2002. It listed on AIM in 2005.

Price performance

%	1m	3m	12m
Actual	0.3	43.7	63.3
Relative*	2.9	43.4	45.7

* % Relative to local index

Analyst

Victoria Pease

32Red (TTR)

INVESTMENT SUMMARY

On 23 February 2017, Kindred announced an all-cash offer for 32Red at a price of 196p per share, a premium of 39.5% to the prior three months' weighted average closing price. Final consideration is expected to be paid in May. After completion, 32Red's shares will be delisted from AIM.

INDUSTRY OUTLOOK

The European casino market is growing at c 9% and mobile is a key driver. The UK government review into stakes and prizes has unsettled the stock market, but is likely to mainly focus on FOBT machines in betting shops and gambling advertising on TV before the 9pm watershed, neither of which particularly impacts 32Red. The extension of the POC gaming tax to 'free play' from 1 August 2017 is already in our forecasts.

Y/E Dec	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (fd) (p)	P/E (x)	P/CF (x)
2015	48.7	5.2	3.3	3.8	51.6	N/A
2016	62.3	10.6	9.0	9.7	20.2	N/A
2017e	76.4	15.6	13.4	14.0	14.0	N/A
2018e	88.5	18.1	15.9	16.5	11.9	N/A

EDISON

Sector: Media & entertainment

Price:	1747.0p
Market cap:	£491m
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. 96% of 2015 revenues were generated in the US and Canada.

Price performance

%	1m	3m	12m
Actual	2.2	2.8	34.4
Relative*	4.8	2.5	19.9

* % Relative to local index

Analyst

Fiona Orford-Williams

4imprint Group (FOUR)

INVESTMENT SUMMARY

4imprint again posted strong results, with FY16 revenue increase well ahead of the market growth of 2-3% and a tick up in operating margin. Second half performance was good, with revenues up 8%, which would have been higher but for market uncertainty around the US presidential elections. December returned to normal trading patterns. As indicated at the interims, there has been a 35% uplift in the dividend, 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	25.1	20.0
2016	558.2	40.8	38.4	98.7	22.2	13.3
2017e	615.2	44.3	41.6	104.4	21.0	15.0
2018e	661.2	47.7	45.0	112.9	19.4	13.4

Sector: Mining

Price:	413.0p
Market cap:	£1694m
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	(13.5)	0.1	22.7
Relative*	(11.2)	(0.2)	9.4

* % Relative to local index

Analyst

Charles Gibson

Acacia Mining (ACA)

INVESTMENT SUMMARY

As in Q416, Acacia's output exceeded our expectations in Q117 (by 6,423oz or 3.0%), with strong operational performances at North Mara and Buzwagi offsetting a weak outcome at Bulyanhulu (albeit not unexpectedly). Currently, Acacia is guiding investors towards production of 850-900koz in FY17 at cash costs of US$580-620/oz. We believe that this is possible after the company applied a positive 26% grade reconciliation factor to the stopes in this year's mine plan at North Mara.

INDUSTRY OUTLOOK

Our updated financial forecasts therefore assume production of 853koz at a cash cost of US$658/oz and an average gold price of US$1,275/oz in Q2-Q417. In the interim, however, Tanzania's directive to cease metal concentrate exports is costing the company c US$1m per day in deferred sales and placing a corresponding strain on cash flows. In addition, regulations impose twin obligations on miners to list operating assets locally and a 30% minimum local shareholding by 23 August. FY18 forecasts remain under review.

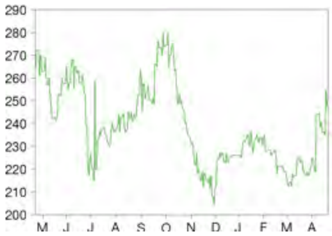
Y/E Dec	Revenue (US$m)	EBITDA (US$m)	PBT (US$m)	EPS (fd) (c)	P/E (x)	P/CF (x)
2015	868.1	166.6	22.0	(12.4)	N/A	13.0
2016	1053.5	407.9	242.1	39.2	13.2	6.5
2017e	1126.9	433.3	259.3	44.9	11.6	6.6
2018e	N/A	N/A	N/A	N/A	N/A	N/A

Acal (ACL)

Sector: Technology

Price:	250.0p
Market cap:	£177m
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	14.6	7.3	(5.6)
Relative*	17.5	7.0	(15.8)

* % Relative to local index

Analyst

Katherine Thompson

INVESTMENT SUMMARY

Acal saw strong trading in Q417, with organic growth in both divisions further boosted by currency. 13% organic order growth in Q417 positions the company well for FY18. Acal reduced net debt significantly, with net debt/EBITDA falling to below 1.5x at the end of FY17. We have revised our forecasts to reflect the stronger trading environment, upgrading EPS by 3.4% in FY17 and 2.3% in FY18. With the recent hiring of an M&A director, we expect to see more bolt-on acquisitions, which should further boost earnings growth. Despite some recovery in the share price, in our view the stock still represents good value.

INDUSTRY OUTLOOK

Acal is a supplier of customised electronics to industry with operations throughout Europe and increasingly outside Europe. Its solutions are used in both the design and production phases of a customer's product. Design activity tends to be technology-driven, whereas production activity is more geared to general economic conditions. The company is focused on growing the percentage of higher-margin specialist product through organic growth and acquisition.

Y/E Mar	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (p)	P/E (x)	P/CF (x)
2015	271.1	16.6	12.4	16.4	15.2	21.8
2016	287.7	19.8	15.2	17.8	14.0	10.8
2017e	335.8	23.1	17.4	19.0	13.2	9.6
2018e	364.3	26.5	20.3	20.3	12.3	8.5

Alkane Resources (ALK)

Sector: Mining

Price:	A$0.25
Market cap:	A$126m
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	(7.4)	(31.5)	16.3
Relative*	(8.4)	(33.6)	5.4

* % Relative to local index

Analyst

Tom Hayes

INVESTMENT SUMMARY

ALK's Q317 activities report indicates a complete turnaround at the TGO, following a first half that was dominated by bad weather and disruptions to the TGO's mining practices. While H1 caused a downward revision to year-end guidance (now 53-58koz at AISC between A$1,600/oz-A$1,750/oz), Q317 production performance has de-risked this revised guidance. Q317 saw production above budget at 18,721oz Au and gold sales of 16,303 ounces for A$27.6m, at AISC costs of A$1,201/oz – a q-o-q decrease of 33%.

INDUSTRY OUTLOOK

ALK guides that it expects to come in at the higher end of production guidance and lower end of AISC guidance, due to higher pit grade reconciliations. This latter fact also bodes well for the extensive exploration being undertaken over the TGO to test and increase confidence of UG resource sections. A positive grade reconciliation between actual tonnes mined against the original resource model means that previous geostatistical estimations underestimated the amount of gold in-situ. We expect the company to convert its current (positive) drill results into a firm understanding of TGO UG mining viability in the coming months.

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	25.0	3.6
2016	109.6	40.9	11.0	2.2	11.4	2.8
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:	C$0.26
Market cap:	C$29m
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	(1.9)	(8.6)	(26.4)
Relative*	(3.8)	(9.0)	(34.6)

* % Relative to local index

Analyst

Tom Hayes

Almonty Industries (AII)

INVESTMENT SUMMARY

Almonty's full-year results show revenues on a like-for-like basis are 3% higher at C$37.3m (FY15 C$36.1m), with costs down 16%. After inventory write-downs (C$6.8m), mine impairments (C$5.3m), and depreciation and amortisation of C$8.2m, Almonty finished the year reporting earnings from operations of -C$9.2m. After G&A, forex adjustments and other costs, Almonty reported a net loss of C$21.2m for the year, or 22c per share, a narrowing of loss y-o-y of 42%. Our forecasts are currently under review.

INDUSTRY OUTLOOK

Almonty's flagship development asset is the large high-grade Sang Dong tungsten project in South Korea. In relation to this asset, Almonty announced (9 January 2017) that it has received final construction permits. Sang Dong is now fully permitted and an Engineering Procurement and Construction contract is expected to be signed within four weeks from the date of the announcement. Concerning the company's Valtreixal mine in Spain, Almonty now owns 100% after acquiring the remaining 49% it did not already own through a series of payments to Siemcalsa for €1.5m, after negotiating a €0.75m reduction in the asking price.

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	16.9
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:	7.6p
Market cap:	£45m
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	(3.1)	(37.9)	49.2
Relative*	(0.6)	(38.0)	33.1

* % Relative to local index

Analyst

Charles Gibson

Amur Minerals (AMC)

INVESTMENT SUMMARY

Amur announced a 50kt (or 6.8%) headline increase in contained nickel tonnes at Kun-Manie in February, but a 214kt (or 41.7%) underlying increase at constant cut-off grade, to 790kt Ni, or 1.1Mt Ni equivalent. The upgrade follows the January announcement of bulk sample metallurgical test results by Gipronickel that indicated recoveries of seven metals 13.0% higher than those derived from earlier bench-scale tests.

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 increasingly likely in the wake of RPM's trade-off study). 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

EDISON

Sector: Industrial support services

Price:	62.0p
Market cap:	£64m
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	17.0	22.2	31.9
Relative*	20.0	21.9	17.7

* % 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	13.3	5.1
2016	76.0	13.8	7.0	4.42	14.0	4.9
2017e	87.1	15.7	8.2	5.84	10.6	4.3
2018e	91.5	17.5	9.5	6.98	8.9	3.7

Sector: Aerospace & defence

Price:	11.8p
Market cap:	£19m
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	4.4	(42.0)	(87.9)
Relative*	7.2	(42.1)	(89.2)

* % 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. Reduced guidance of 35% sales growth implies a longer journey for equity holders, but at least that continues. The H117 results confirmed previous management comments about revenue growth constraints due to uncertainty and FX headwinds.

INDUSTRY OUTLOOK

Avanti is building a Ka-band satellite network to service broadband connectivity for underserviced markets and remote locations in EMEA. In these markets it has been a first mover and it currently owns and operates three satellites in geostationary orbit. The company's increasing focus on Africa is a reflection of the expected rapid growth of demand for data transmission in the region. The potential in the market appears to be validated by 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	1.1
2018e	127.4	67.6	(92.5)	(56.7)	N/A	0.3

Sector: Aerospace & defence

Price:	1020.0p
Market cap:	£316m
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	7.4	(1.1)	30.2
Relative*	10.1	(1.3)	16.2

* % Relative to local index

Analyst

Alexandra West

Avon Rubber (AVON)

INVESTMENT SUMMARY

Avon Rubber's Q117 trading statement was reassuringly upbeat with Dairy benefiting from a stronger milk price and the Protections & Defence division continuing to see encouraging order intake. Both divisions reported organic growth and have a higher deliverable order book for FY17 compared to FY16. The company's major recent acquisitions, Argus and InterPuls, are both performing well. New CEO Paul McDonald is the former MD of Dairy and therefore is already known to many and as such should be seen as a good appointment with a track record of decisiveness and getting things done.

INDUSTRY OUTLOOK

Despite pressured budgets, the protective and consumable nature of Avon's products provides resilience. The emerging portfolio effect should enable continued growth, while dairy expansion in the BRICs and the sales synergies from the InterPuls acquisition provide further long-term opportunities as the milk price recovery takes hold. According to the latest US data, the average price was $18.70/cwt in February 2017, which is up 29% from last year's low in May of $14.50/cwt.

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	18.2	15.0
2016	142.9	30.8	21.6	74.2	13.7	9.8
2017e	167.6	35.5	24.9	66.2	15.4	9.3
2018e	176.4	36.8	26.8	71.1	14.3	8.8

Sector: Mining

Price:	1.1p
Market cap:	£3m
Market	AIM

Share price graph (p)

Company description

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

Price performance

%	1m	3m	12m
Actual	2.3	(47.1)	(35.7)
Relative*	4.9	(47.2)	(42.7)

* % Relative to local index

Analyst

Tom Hayes

Bezant Resources (BZT)

INVESTMENT SUMMARY

BZT's Choco alluvial Au-Pt project in Colombia is scheduled for mine development and production in Q217. BZT recently undertook an exploratory trial pit excavation during its Phase 1 work programme and is now following up by completing further sampling in and around the trial pit as part of Stage 2. These latest (initial) sampling results are stated to demonstrate Au and Pt recoveries above the break-even point for mining the project. This was determined by an independent scoping study report announced on 8 March 2017. Further sampling, pitting and testing at the base of the Phase 1 test pit is underway as the project prepares to become a full-scale mining operation during Q217.

INDUSTRY OUTLOOK

Gold and platinum currently trade at US$1,271/oz and US$965/oz, up 11% and 9% respectively YTD.

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

Edison

Sector: Technology

Price: 216.0p
Market cap: £126m
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	(10.9)	(11.8)	(8.5)
Relative*	(8.6)	(12.1)	(18.4)

* % 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. The company's patented technology and numerous certifications create a strong barrier to entry. We forecast adjusted operating margins to remain above 20% and forecast adjusted EPS growth of 50% in FY17, 32% in FY18 and 23% in FY19.

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	76.1	23.1
2016	22.4	6.9	5.6	5.63	38.4	N/A
2017e	31.4	9.6	7.2	8.42	25.7	67.2
2018e	37.9	11.7	9.3	11.10	19.5	10.9

Sector: Travel & leisure

Price: €5.45
Market cap: €501m
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	(2.8)	0.9	39.1
Relative*	(3.5)	(2.7)	20.4

* % Relative to local index

Analyst

Richard Finch

Borussia Dortmund (BVB)

INVESTMENT SUMMARY

Although in transition after high-profile player departures, Borussia Dortmund has competed well on all fronts, notably in defeating Bayern to reach the DFB Cup Final. However, immediate uncertainty about automatic qualification for next season's Champions League is a concern (our FY18 forecasts assume participation). H117 saw a near doubling in pre-transfer EBITDA, driven by the Champions League. Costs remain an issue, so we are maintaining our full-year, pre-transfer EBITDA forecast despite better than expected progress in Europe. Apart from a new deal on Bundesliga media rights, FY18 should benefit from 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.

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	12.8	19.5
2016	281.6	15.3	73.8	68.2	8.0	11.3
2017e	324.0	30.0	51.0	47.2	11.5	16.7
2018e	336.0	50.0	74.0	68.4	8.0	10.0

Sector: Oil & gas

Price:	34.5p
Market cap:	£111m
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 290mmboe of 2C contingent resource.

Price performance

%	1m	3m	12m
Actual	(4.2)	42.3	58.6
Relative*	(1.7)	41.9	41.5

* % 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".
On an operational level, Bowleven announced a farm-out agreement with Victoria Oil & Gas (VOG) for 80% of the Bomono Permit in return for access to VOG's pipeline network, a royalty payment and a small amount of VOG shares. The Etinde joint venture partners continue to work on finding an agreeable development solution for all stakeholders.

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:	74.5p
Market cap:	£62m
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	(2.0)	(3.3)	34.2
Relative*	0.6	(3.5)	19.8

* % Relative to local index

Analyst

Richard Jeans

Brady (BRY)

INVESTMENT SUMMARY

FY16 revenue rose by 11% to £30.3m (we forecasted £30.5m), representing a 1% organic growth, 8% currency headwinds, and the benefits of two small acquisitions (Energycredit and ScrapRunner). The growth slowdown was mainly due to fewer new licence sales. Edison-adjusted EBITDA doubled to £3.0m (we forecasted £4.0m), reflecting the benefits from the cost-cutting programme announced in late 2015. The group ended the year with net cash of £7.3m (we forecasted £6.7m). The company has been focusing on improving efficiencies, including a shift away from the old divisions to global functions. Consequently, Brady will no longer report results from separate divisions. Priorities include shifting the business model to recurring fees and re-architecting the product. We are reviewing our forecasts and expect to make small downgrades.

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)
2014	31.0	5.6	5.1	5.3	14.1	9.8
2015	27.4	1.5	1.0	1.0	74.5	26.1
2016e	30.5	4.0	3.5	3.5	21.3	17.9
2017e	32.2	4.6	4.1	3.9	19.1	10.1

Sector: Industrial support services

Price:	291.0p
Market cap:	£88m
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 transporting goods by sea and in the energy sector.

Price performance

%	1m	3m	12m
Actual	11.7	(0.8)	(35.4)
Relative*	14.5	(1.0)	(42.4)

* % Relative to local index

Analyst

Andy Chambers

Braemar Shipping Services (BMS)

INVESTMENT SUMMARY

Acquisitions over the past 10 years established non-broking divisions where demand is related to the volume of seaborne trade and the oil & gas market. The merger with ACM in 2014 rejuvenated the group's core broking business. FY17 results are due in May and should confirm the challenges faced due to weak oil markets. The pre-close update addressed this as well as a cut in dividends. The shares still offer an above-average yield, supported by the balance sheet, as well as cost savings in FY18 ahead of any recovery in the shipping cycle.

INDUSTRY OUTLOOK

The shipping industry expanded to absorb the shift in global manufacturing capacity towards low-cost territories, responding to the increased movement of raw materials, components and finished goods. Global recession in 2008/09 upset the supply/demand balance, leading to sharply reduced charter rates. Volumes of seaborne trade recovered, aided by early retirement of ageing vessels, but severe overcapacity remains a major factor in most sectors of the market.

Y/E Feb	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (p)	P/E (x)	P/CF (x)
2015	145.6	13.6	11.2	32.3	9.0	10.3
2016	159.1	15.9	13.4	34.7	8.4	6.3
2017e	140.0	4.6	3.0	8.0	36.4	21.5
2018e	138.0	9.3	7.7	20.6	14.1	9.2

Sector: Mining

Price:	7.5p
Market cap:	£57m
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	7.2	153.4	205.1
Relative*	9.9	152.8	172.2

* % 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 is also proceeding with the acquisition of a 42.075% effective interest in the Uis tin project in Namibia, while its 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 its other assets could be worth up to an aggregate c US$0.28/share (Edison estimate). 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: 4.2p
Market cap: £11m
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	(8.1)	3.0	9.7
Relative*	(5.7)	2.8	(2.2)

* % 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 slow down the introduction of new products employing Byotrol technology. However, there is a growing momentum of opportunities, supported by upgraded formulations. There was a sharp cash outflow during H117, but the group reiterated earlier indications that a £1.1m payment related to the Solvay agreement will enable Byotrol to deliver its first underlying profit in H2. The appointment of a new and experienced non-executive chairman reinforces this optimism. The £0.1m acquisition of Winch Pharma helps develop the NHS relationship and enhance future trading.

INDUSTRY OUTLOOK

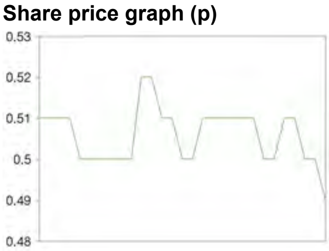
The global market for specialist antimicrobial technology is vast and growing, as awareness of the impact of infection and diseases increases. While many products can kill bacteria instantly, the potential of a product that can be demonstrated to be "long-lasting and gentle" (chairman's statement, 18 August 2016) is quite significant. The challenge is convincing 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: 0.5p
Market cap: £38m
Market LSE

Share price graph (p)



Company description

Cadence Minerals (previously Rare Earth Minerals) is a minerals investment company with direct and indirect interests in lithium and rare earth projects. It has a 40.06% effective interest in the Sonora Lithium Project concessions in Northern Mexico.

Price performance

%	1m	3m	12m
Actual	(8.4)	(8.4)	(17.0)
Relative*	(6.0)	(8.6)	(25.9)

* % Relative to local index

Analyst

Tom Hayes

Cadence Minerals (KDNC)

INVESTMENT SUMMARY

KDNC's holding in EMH's Cinovec Li/Sn project on the Czech/German border now has a completed PFS, detailing an NPV8 of US$540m and an IRR of 21%. This requires US$393m of capex, and production of a lithium carbonate product will incur costs of US$3,483/t (current LiCO3 spot prices are around US$10,000/t, depending on buyers' geography). KDNC owns 19.2% of Bacanora Minerals (BCN) and has a 30% direct interest in certain project concessions. BCN has entered into a strategic partnership with a Japan-based battery chemical trader, Hanwa Co, which sells c US$130m in battery chemicals per annum. Hanwa is to purchase 70% to 100% of Sonora's 17,500tpa Phase 1 output. The partnership also comprises Hanwa taking a 10% stake in BCN. Our forecasts are currently under review.

INDUSTRY OUTLOOK

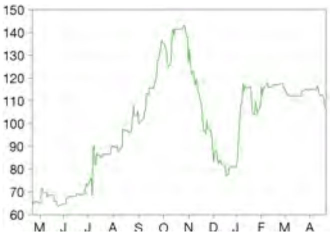
KDNC also has equity stakes of 7.7% and 16.5% in Auroch Minerals and MacArthur Minerals respectively. KDNC also has a 30% direct interest in the Yangibana REE project in WA, along with JV partner Hastings Technology Metals.

Y/E Dec	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (p)	P/E (x)	P/CF (x)
2013	0.0	1.5	1.5	0.05	10.0	N/A
2014	0.0	(3.1)	(3.5)	(0.07)	N/A	N/A
2015e	N/A	N/A	N/A	N/A	N/A	N/A
2016e	N/A	N/A	N/A	N/A	N/A	N/A

Sector: Mining

Price:	107.0p
Market cap:	£56m
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	(6.6)	2.9	65.9
Relative*	(4.1)	2.6	48.0

* % Relative to local index

Analyst

Tom Hayes

Caledonia Mining (CMCL)

INVESTMENT SUMMARY

Caledonia Mining (CMCL) beat its FY16 production target of 50kozpa by recording 50.4koz Au produced, with all-in sustaining costs (AISC) down 12% y-o-y to US$912/oz, while C1 costs dropped 9% due to a commensurate annual increase of 18% in gold ounces produced. Investment continues at Blanket to raise production towards 80kozpa by 2021, with US$36m spent in the past two years alone, and another US$18m due in 2017 before capex drops off markedly. The central shaft is on track and on budget for completion in mid-2018 and is two-thirds complete. While this investment takes place, CMCL carries a sound cash balance of US$14.3m at end December 2016. The dividend yield is a high 3.8% and the stock is trading on a very low P/E of c 4x vs the FTSE miners index at 2.1% and 40x respectively.

INDUSTRY OUTLOOK

Caledonia's on-mine and AISC continue to fall with 2016 recording a y-o-y decline in mine costs of 9.3% from US$701/oz to US$636/oz as production increased 18% in line with the Investment Plan roll-out. AISC decreased 12% from US$1,037/oz to US$912/oz. The AISC decrease in part reflects CMCL's accounting of the Zimbabwean government's 2016 launch of an export incentive credit rebate in H216.

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	16.6	8.4
2016	62.0	23.3	19.6	21.4	6.3	2.8
2017e	76.2	29.6	26.0	35.6	3.8	2.5
2018e	81.9	31.7	26.8	29.8	4.5	2.4

Sector: Oil & gas

Price:	C$0.01
Market cap:	C$6m
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)	(66.7)	(84.6)
Relative*	(51.0)	(66.8)	(86.3)

* % Relative to local index

Analyst

Sanjeev Bahl

Canadian Overseas Petroleum (XOP)

INVESTMENT SUMMARY

Canadian Overseas Petroleum's (COPL) Mesurado-1 prospect in Liberia targeted multiple Santonian deepwater channel sands with pre-drill gross P50 unrisked resource estimated at c 400mmbbl. The well located reservoir-quality sands but no hydrocarbons; 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

Carbios (ALCRB)

Sector: Alternative energy

Price:	€6.35
Market cap:	€24m
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	(8.6)	(17.5)	(42.3)
Relative*	(9.9)	(21.3)	(48.0)

* % Relative to local index

Analyst

Catharina Hillenbrand-Saponar

INVESTMENT SUMMARY

Carbios leverages proprietary and unique enzyme-based technology for the self-destruction and recovery of plastics. It 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 has recently completed the fourth key stage of its research project and expects a milestone payment for stage five in 2017. The company has reported a profit for the first time for FY16, driven by first commercial revenues from its new JV, Carbiolice. It has also recently secured a new equity financing line over two years.

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	4.8	5.3
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

Carclo (CAR)

Sector: Technology

Price:	139.0p
Market cap:	£101m
Market	LSE

Share price graph (p)

Company description

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

Price performance

%	1m	3m	12m
Actual	3.7	3.0	(7.8)
Relative*	6.4	2.7	(17.7)

* % Relative to local index

Analyst

Anne Margaret Crow

INVESTMENT SUMMARY

Both of Carclo's larger divisions, Technical Plastics and LED Technologies, grew in line with management expectations during FY17, while the smaller Aerospace division continues to experience stable trading conditions. FY18 has started well with the announcement of a second mid-volume project for Wipac. This new award underscores the relevance of the recent FLTC acquisition, which substantially enhances Wipac's ability to progress multiple projects simultaneously. We leave our estimates unchanged but slightly increase our indicative sum-of-the-parts valuation.

INDUSTRY OUTLOOK

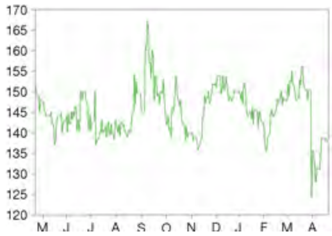
On 30 March, Carclo acquired FLTC, an independent automotive design company based in the Czech Republic. FLTC employs 35 engineers solely focused on automotive LED lighting design. The FLTC team will be incremental to Wipac's existing UK design team. By adding over 30 designers in one go, rather than attempting to achieve this through recruitment of individual people, Wipac will be able to work on more low- and medium-volume prestige car projects simultaneously. Wipac's ability to expand had previously been limited by the rate at which it could find suitably qualified and experienced staff in the UK.

Y/E Mar	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (fd) (p)	P/E (x)	P/CF (x)
2015	107.5	11.4	7.1	7.9	17.6	25.9
2016	119.0	13.8	8.8	10.1	13.8	6.6
2017e	130.0	16.8	10.7	11.6	12.0	8.8
2018e	140.6	19.3	12.7	13.1	10.6	5.9

Sector: General industrials

Price:	137.5p
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	(8.9)	(5.5)	(8.9)
Relative*	(6.5)	(5.7)	(18.8)

* % 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 cyclicity in any one market. This time outperformance in UK Agriculture, supported by improving farmer confidence, offset weak demand in the US for feed blocks caused by a surplus of cattle following a period of restocking. 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.

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	8.6
2016	314.9	16.5	14.0	10.2	13.5	10.6
2017e	332.2	14.1	11.8	8.6	16.0	7.3
2018e	336.0	17.4	14.7	10.8	12.7	6.8

Sector: Financials

Price:	104.5p
Market cap:	£59m
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	10.6	7.2	(27.9)
Relative*	13.4	6.9	(35.7)

* % 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, which was 13% lower in the year at £4.8bn (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).

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, with the potential to deliver a flow of transactions as opportunities present themselves. CNKS was Nomad and sole broker on the April flotation of Eddie Stobart, raising £380m with a market valuation of £573m.

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	3.8	3.8
2016	43.7	4.5	4.4	4.7	22.2	N/A
2017e	52.0	8.0	7.8	11.2	9.3	6.7
2018e	N/A	N/A	N/A	N/A	N/A	N/A

Sector: Food & drink

Price: €2.84
Market cap: €40m
MarketSTAR, 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	(0.4)	(4.4)	(4.8)
Relative*	0.0	(7.0)	(11.1)

* % Relative to local index

Analyst

Sara Welford

Centrale del Latte d'Italia (CLI)

INVESTMENT SUMMARY

The domestic market remains challenging, and raw material prices are now increasing. FY16 revenues were slightly ahead of our forecast and FY17 seems to have got off to a good start. The company is due to increase its list prices as of 1 April, 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	946.7	N/A
2016	119.8	2.9	(2.1)	(19.57)	N/A	N/A
2017e	177.5	8.5	0.5	3.95	71.9	N/A
2018e	178.4	8.9	1.0	7.48	38.0	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	118.2	60.0	(25.0)
Relative*	115.7	55.2	(32.0)

* % 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 March/April 2017. The DMR proposed that the state's 20% free carried interest 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: 1.6p
Market cap: £1429m
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	11.5	8.9	88.6
Relative*	12.2	4.4	77.8

* % 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	0.1	0.2

Sector: General industrials

Price: HK$5.13
Market cap: HK$7798m
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	(0.6)	(6.7)	51.8
Relative*	1.7	(11.2)	36.5

* % Relative to local index

Analyst

Jamie Aitkenhead

China Water Affairs Group (855)

INVESTMENT SUMMARY

Excluding non-cash effects, CWA's h-o-h operating profit increased by 30%. City Water Supply, CWA's most significant business unit, grew revenue at an underlying rate of 25% h-o-h (70% reported) and operating profit surprised on the upside. We increased our estimates to take account of the improved operating performance. The 1.3% increase in FY18e EBITDA, together with improved cash generation, resulted in an increase in our fair value per share of 9.6% to HK$7.12 from HK$6.52.

INDUSTRY OUTLOOK

We forecast significant growth in Chinese water supply. Water supply lags behind wastewater 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 wastewater 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 (fd) (c)	P/E (x)	P/CF (x)
2015	2859.0	1299.8	885.6	16.59	30.9	12.8
2016	4033.0	1820.2	1337.4	38.54	13.3	5.2
2017e	6255.0	2649.5	2031.0	55.50	9.2	5.4
2018e	7535.0	2796.1	2167.6	58.83	8.7	3.3

Sector: General industrials

Price:	60.8p
Market cap:	£857m
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	7.5	(1.2)	102.5
Relative*	10.3	(1.5)	80.7

* % Relative to local index

Analyst

Toby Thorrington

Coats Group (COA)

INVESTMENT SUMMARY

Reported FY16 normalised PBT came in c U$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. Coats returned to the dividend list a year earlier than we had anticipated. U$78m underlying free cash inflow was more than offset by outflows of c U$119m from exceptional items (chiefly pensions cash plus some reorganisation costs and discontinued effects), acquisition spend and adverse FX effects (on sterling cash balances). Adjusting for U$290m agreed pension recovery cash outstanding (giving pro forma group net debt of U$212m, or U$265m in the operating businesses) we estimate that net debt/EBITDA for the continuing businesses was 1.3x for FY16.

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	15.3	12.2
2016	1457.3	198.6	140.7	5.8	13.2	14.0
2017e	1478.9	200.0	146.3	6.2	12.3	N/A
2018e	1528.1	204.6	152.4	6.5	11.8	6.1

Sector: Aerospace & defence

Price:	429.5p
Market cap:	£176m
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	(1.8)	5.1	13.3
Relative*	0.7	4.9	1.1

* % 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 our expectations. The progressive dividend provides immediate benefit to investors, but the capital progress also remains attractive. The shares remain resilient, aided by significant recent contract wins across the businesses. Trading near to all-time highs and close to our 485p fair value.

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	21.0	8.4
2016	112.6	13.0	12.0	27.2	15.8	20.5
2017e	125.8	15.5	14.3	24.1	17.8	27.0
2018e	138.9	17.8	16.6	33.4	12.9	10.6

Comvita (CVT)

Sector: Food & drink

Price:	NZ$7.20
Market cap:	NZ$306m
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	(10.0)	(8.1)	(39.0)
Relative*	(11.0)	(8.6)	(39.1)

* % Relative to local index

Analyst

Paul Hickman

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, 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.

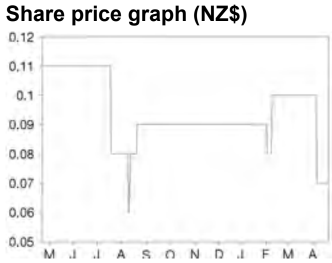
Y/E Mar / Jun	Revenue (NZ$m)	EBITDA (NZ$m)	PBT (NZ$m)	EPS (c)	P/E (x)	P/CF (x)
2015	152.7	22.8	16.3	29.9	24.1	12.8
2016	230.7	39.4	29.6	52.9	13.6	N/A
2017e	N/A	N/A	N/A	N/A	N/A	N/A
2018e	N/A	N/A	N/A	N/A	N/A	N/A

Cooks Global Foods (CGF)

Sector: Food & drink

Price:	NZ$0.07
Market cap:	NZ$29m
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	(30.0)	(22.2)	(36.4)
Relative*	(30.8)	(22.7)	(36.4)

* % Relative to local index

Analyst

Paul Hickman

INVESTMENT SUMMARY

Cooks Global Foods (CGF) continues to grow the Esquires network and align store formats with its organic and fairtrade brand values. Store sales rose 15.6% to NZ$9.7m and same store sales by 2.0% for the quarter to March 2017, led by the UK and Ireland. CGF has secured NZ$10m in new capital, principally 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 at the same time 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 (c)	P/E (x)	P/CF (x)
2015	8.9	(2.8)	(3.5)	(1.27)	N/A	N/A
2016	12.4	(4.2)	(4.6)	(1.38)	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

EDISON

Sector: Technology

Price: CHF115.80
Market cap: CHF125m
Market Swiss Stock Exchange

Share price graph (CHF)

Company description

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

Price performance

%	1m	3m	12m
Actual	(1.0)	7.2	23.9
Relative*	(0.3)	3.7	18.1

* % 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 17x 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	70.3	95.8
2017e	71.6	6.0	3.9	201.40	57.5	19.3
2018e	76.9	8.0	6.4	438.20	26.4	14.6

Sector: Property

Price: 113.2p
Market cap: £385m
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	3.9	5.8	5.8
Relative*	6.6	5.6	(5.6)

* % 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 sold two properties for c £10m and agreed a £15m loan facility.

INDUSTRY OUTLOOK

The yield spread between the regions and London remains historically wide at c 2%. At the peak of the market in 2008 it was just 0.5%. Although this seems likely to narrow, it 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	20.2	23.8
2016	19.0	N/A	11.2	6.8	16.6	28.3
2017e	27.2	N/A	20.3	6.6	17.2	19.4
2018e	30.8	N/A	31.6	6.9	16.4	15.3

Sector: Financials

Price:	€1.45
Market cap:	€376m
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 end December 2016 it had an investment portfolio of c €450m and assets under management of c €11.3bn (including SPC).

Price performance

%	1m	3m	12m
Actual	3.6	19.9	11.1
Relative*	4.0	16.7	3.7

* % Relative to local index

Analyst

Andrew Mitchell

DeA Capital (DEA)

INVESTMENT SUMMARY

For FY16, DeA reported good growth in its AUM (to €11.3bn) and positive performance from its fund investments that offset weakness at Migros, its Turkish retail investment. The company has a robust net financial position of €80m at the holding company level, equivalent to c 15% of NAV. Adjusted for dividends of €0.12 paid during the year, NAV per share increased from €1.95 to €2.03. DeA continues to trade at a significant discount to NAV, which appears 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 three to four 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	9.4	2.1
2016	80.5	N/A	12.4	4.7	30.9	19.9
2017e	69.7	N/A	18.3	3.4	42.6	19.5
2018e	72.6	N/A	20.6	3.7	39.2	8.4

Sector: Alternative energy

Price:	€2.03
Market cap:	€21m
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	6.8	(2.4)	(42.7)
Relative*	5.4	(6.9)	(48.4)

* % Relative to local index

Analyst

Graeme Moyse

Deinove (DEINO)

INVESTMENT SUMMARY

FY16 results were slightly ahead of our forecasts at the revenue and net loss level, and Deinove believes that it has sufficient cash resources to last until Q118 without recourse to further tranches of the Kepler facility (€8m). Deinove has also made progress in implementing its new healthcare and industrial biotech strategy. The company recently appointed four directors with experience in the pharmaceutical industry and completed its acquisition of Deinobiotics. 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 and concluded the second phase of its COLOR2B (animal nutrition) project with Avril. The project is now entering its final phase, with a view to marketing these active ingredients 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

Ebiquity (EBQ)

Sector: Media & entertainment

Price:	115.0p
Market cap:	£84m
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	0.0	12.2	(9.8)
Relative*	2.6	11.9	(19.5)

* % Relative to local index

Analyst

Bridie Barrett

INVESTMENT SUMMARY

Ebiquity's FY16 results reflect a continuation of trends seen at H116 and the early stages of the Growth Acceleration Plan. Additional services are due to launch in FY17 and, supported by a more active marketing strategy (we note the recent white paper published by Michael Karg on media transparency), we expect the pace of growth to start to pick up. One such new service, the Portfolio Digital platform, was launched in Australia at the start of the year and recently in the UK. The transition to a more sustainable margin translates to a lower EPS figure overall, but improves the quality of the earnings base and the sustainability of revenue growth. The c 12x P/E rating is unchallenging.

INDUSTRY OUTLOOK

Harnessing the explosion in consumer data is one of the most challenging aspects of a CMO's job. With a complex supply chain and, according to the ANA, "a fundamental disconnect between advertisers and their agencies", the need for independent media and marketing advice should continue to grow.

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	10.6	N/A
2016	83.6	14.6	11.8	11.3	10.2	N/A
2017e	92.0	15.6	12.3	10.3	11.2	N/A
2018e	99.3	14.7	11.5	9.5	12.1	N/A

Egdon Resources (EDR)

Sector: Oil & gas

Price:	9.4p
Market cap:	£24m
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	(10.7)	(21.1)	21.4
Relative*	(8.4)	(21.3)	8.3

* % Relative to local index

Analyst

Sanjeev Bahl

INVESTMENT SUMMARY

Following fundraising, Egdon has zero debt and cash of c £7.0m, making it the largest unlevered UK-listed shale play. Licences span over 200,000 net acres with an ERCE estimated undiscovered gas initially in place (GIIP Pmean) of 48tcf. Our valuation is adjusted for placing proceeds and associated NAV/share dilution, offset by inclusion of 14th-round licence awards. 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 supportive stance taken by the UK government towards shale provides a stable fiscal and regulatory environment for its development.

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	62.3

EDISON

Elk Petroleum (ELK)

Sector: Oil & gas

Price:	A$0.07
Market cap:	A$60m
Market	ASX

Share price graph (A$)

Company description

Elk Petroleum is an enhanced oil recovery (EOR) company. This technology achieves low-cost tertiary recovery of residual oil. Elk's first project at Grieve in the US is targeted for first production in CY17. There is a significant opportunity to apply EOR in Australasia, Indonesia and Malaysia.

Price performance

%	1m	3m	12m
Actual	(6.7)	(6.7)	(5.7)
Relative*	(7.7)	(9.5)	(14.5)

* % Relative to local index

Analyst

Sanjeev Bahl

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 CO_2 producer, fulfilling ELK's strategy of CO_2 integration, securing supply for future CO_2 enhanced oil recovery (EOR) projects. 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	17.5	15.8

Ellomay Capital (ELLO)

Sector: Alternative energy

Price:	US$8.08
Market cap:	US$86m
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	1.4	(4.6)	(3.3)
Relative*	1.2	(7.7)	(13.9)

* % Relative to local index

Analyst

Jamie Aitkenhead

INVESTMENT SUMMARY

Temporary factors – both lower solar radiation (worse weather) and lower spot prices – hit Ellomay's FY16 results. However, the results contained nothing to permanently unsettle investors on Ellomay and its equity story. In addition, there has been good progress towards the development of several Dutch waste-to-energy assets.

INDUSTRY OUTLOOK

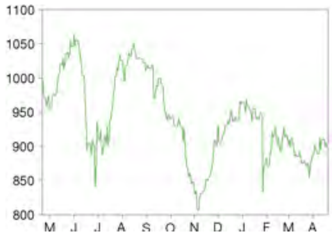
Ellomay operates solar PV assets in Spain and Italy, and has an equity stake in a gas-fired power plant in Israel. All three markets have seen tariff reductions imposed by regulatory authorities and governments in recent years. Regulatory risk is the main potential negative driver of Ellomay's earnings, 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 (fd) (c)	P/E (x)	P/CF (x)
2014	15.8	8.4	2.5	20.92	38.6	11.8
2015	13.8	7.2	1.9	35.25	22.9	8.7
2016e	12.8	5.5	0.6	7.93	101.9	14.3
2017e	14.3	8.5	4.8	33.10	24.4	11.9

Sector: Technology

Price:	901.5p
Market cap:	£571m
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	2.9	(4.1)	(9.4)
Relative*	5.6	(4.3)	(19.2)

* % 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 causing difficult trading conditions in certain parts of the business. Cost-cutting programmes in 2016 and a planned reorganisation in 2017 are helping to counteract some of the funding pressure. 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.

INDUSTRY OUTLOOK

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

Y/E Dec	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (p)	P/E (x)	P/CF (x)
2015	155.9	52.0	36.6	46.0	19.6	13.2
2016	158.7	52.3	39.2	49.4	18.2	13.0
2017e	166.2	50.5	37.3	46.0	19.6	12.6
2018e	175.4	54.0	40.2	49.4	18.2	10.4

Sector: Media & entertainment

Price:	246.9p
Market cap:	£1061m
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	9.5	5.1	35.7
Relative*	12.4	4.8	21.0

* % Relative to local index

Analyst

Bridie Barrett

Entertainment One (ETO)

INVESTMENT SUMMARY

eOne's trading update points to strong growth in reported revenues and underlying EBITDA, underpinned by an excellent half for Television, strong growth in Family and an improved second half performance in Film, as expected. Going into FY18, the pipeline in Film and Television looks relatively strong, particularly at MGC, and Family has good momentum in the US with both Peppa Pig and PJ Masks. While the business mix may have a stronger weighting towards Television than we have forecast, overall we do not anticipate any material changes to our EBITDA forecasts. While Film can be volatile, eOne has made considerable progress in delivering on its strategy to become a more balanced content group – this is not reflected in its EV/EBITDA rating, which continues to trade well below peers.

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)
2015	785.8	107.3	88.8	20.8	11.9	3.0
2016	802.7	129.1	104.1	19.4	12.7	2.9
2017e	1003.1	157.0	126.7	20.0	12.3	2.2
2018e	1093.9	178.0	149.4	23.7	10.4	1.8

Epwin Group (EPWN)

Sector: Construction & blding mat

Price:	120.0p
Market cap:	£171m
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	14.3	11.4	(9.3)
Relative*	17.2	11.1	(19.1)

* % Relative to local index

Analyst

Toby Thorrington

INVESTMENT SUMMARY

Epwin delivered double-digit percentage headline y-o-y revenue and operating profit progress in FY16, including acquisition effects (and in both reporting divisions). In underlying terms, further progress in Extrusion & Moulding was, we estimate, more than offset by a weaker contribution from Fabrication & Distribution. PBT norm was slightly below our expectations, while EPS FD norm was slightly ahead. Free cash flow was a little better than we had anticipated; year-end net debt came in at c £21m and the increase over 2016 was more than explained by acquisition consideration. Our estimates are under review.

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)
2014	259.5	24.5	18.0	11.2	10.7	7.8
2015	256.0	25.6	19.2	11.7	10.3	6.8
2016e	298.0	33.8	24.5	14.0	8.6	5.9
2017e	313.5	35.5	25.9	14.6	8.2	5.0

EQS Group (EQS)

Sector: Technology

Price:	€49.16
Market cap:	€64m
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	(4.6)	1.9	53.6
Relative*	(5.2)	(1.7)	33.0

* % Relative to local index

Analyst

Fiona Orford-Williams

INVESTMENT SUMMARY

EQS is growing its sales strongly, stimulated by increasing regulation. The new Market Abuse Regulation increases both the scale and complexity of the compliance burden on companies across Europe, boosting sales of INSIDER MANAGER. The consolidation of ARIVA (67% held) technically affected FY16 results, but gives greater benefit in the run-up to the implementation of the PRIIP regulation in January 2018. Growing recurring and repeatable revenues, as well as continuing international expansion, underwrite the 14% top-line growth built into our new FY18 forecast, with the momentum implying that the valuation could have further upside.

INDUSTRY OUTLOOK

The incoming PRIIP regulation should stimulate sales 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, the 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	40.9	12.3
2016	26.1	4.2	2.4	96.1	51.2	12.2
2017e	32.3	4.7	3.6	145.3	33.8	12.5
2018e	36.8	5.6	4.5	185.6	26.5	11.5

Edison

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	(15.1)	(18.2)	4.8
Relative*	(12.9)	(18.4)	(6.5)

* % 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	142.8
2018e	N/A	N/A	N/A	N/A	N/A	N/A

Sector: Technology

Price: €47.10
Market cap: €254m
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	(0.6)	(5.7)	72.5
Relative*	(2.0)	(10.0)	55.3

* % 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	36.0	16.5
2016	66.0	14.9	9.9	123.0	38.3	14.7
2017e	75.6	16.6	11.9	142.0	33.2	15.4
2018e	82.0	17.7	12.8	151.0	31.2	14.6

Sector: Mining

Price:	C$0.52
Market cap:	C$63m
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	6.1	(13.3)	(3.7)
Relative*	4.1	(13.7)	(14.4)

* % 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$46.6m, 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:	1100.0p
Market cap:	£1200m
Market	LSE

Share price graph (p)

Company description

Euromoney Institutional Investor is a leading international B2B media group focused primarily on the international finance, metals and commodities sectors.

Price performance

%	1m	3m	12m
Actual	3.8	(5.2)	20.9
Relative*	6.5	(5.4)	7.8

* % Relative to local index

Analyst

Fiona Orford-Williams

Euromoney Institutional Investor (ERM)

INVESTMENT SUMMARY

January's AGM trading update showed Q117 revenues up 6%. On an underlying basis, though, the top line dipped 5%. The difference stems from the gain from sterling moves, along with portfolio changes. Since then, the group has also announced the acquisition of RISI, a price discovery agency in forest products, for $125m (completed on 6 April 2017). This clearly fits with the strategy to drive repeatable and recurring income, especially in areas of markets where pricing is opaque. Group restructuring benefits should be stronger in FY18e, when the rating differential to peers looks more anomalous. Interim results are scheduled for 18 May.

INDUSTRY OUTLOOK

January's statement included a cautionary note over activities targeted at asset management, with geopolitical factors continuing to play out. Our numbers are based on the assumption that there is no immediate recovery in underlying customers' markets. Commodity and energy markets remain in the doldrums, while new opportunities are opening up in areas such as telecoms and in new markets such as China.

Y/E Sep	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (fd) (p)	P/E (x)	P/CF (x)
2015	403.4	109.4	107.8	70.1	15.7	12.7
2016	403.1	104.2	102.5	66.5	16.5	13.6
2017e	420.0	109.6	100.0	72.6	15.2	12.3
2018e	440.0	115.8	103.9	77.0	14.3	11.1

Sector: Food & drink

Price:	CHF0.54
Market cap:	CHF229m
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	(3.6)	(3.6)	(18.2)
Relative*	(2.9)	(6.7)	(22.0)

* % 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. The recent news that a collaboration agreement has been reached with Cargill is positive, and we expect launch during 2018. Evolva also has projects for resveratrol, nootkatone, valencene (all on the market) and saffron. 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 end 2017.

INDUSTRY OUTLOOK

The manufacturers of nutritional and consumer health products are always interested in cheaper production methods, especially if the product is natural and has health benefits. Evolva is primarily targeting this market.

Y/E Dec	Revenue (CHFm)	EBITDA (CHFm)	PBT (CHFm)	EPS (CHFc)	P/E (x)	P/CF (x)
2014	10.7	(19.4)	(21.2)	(6.4)	N/A	N/A
2015	13.4	(30.3)	(32.1)	(8.0)	N/A	N/A
2016e	9.6	(31.4)	(32.2)	(8.1)	N/A	N/A
2017e	14.9	(30.1)	(31.4)	(7.7)	N/A	N/A

Sector: Technology

Price:	€1.83
Market cap:	€51m
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	0.4	(3.8)	(13.0)
Relative*	0.8	(6.4)	(18.8)

* % 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. Converting the increasing interest in Expert's cognitive computing solutions into new business should support strong revenue growth and a return to profitability.

INDUSTRY OUTLOOK

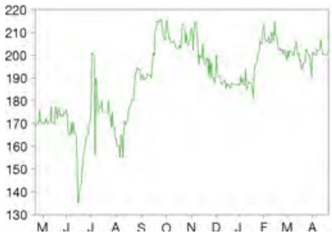
Ever-increasing amounts of data are being produced, 80% of which are estimated to be unstructured. The need to derive useful insights from this growing body of data is driving the demand for cognitive computing and smarter artificial intelligence solutions, such as those offered by Expert System. Allied 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	15.2
2016	25.1	(2.2)	(6.1)	(22.0)	N/A	22.6
2017e	29.7	3.2	(1.3)	(3.2)	N/A	8.2
2018e	35.4	6.6	1.6	3.9	46.9	7.9

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	1.7	2.0	18.3
Relative*	4.4	1.8	5.6

* % Relative to local index

Analyst

Paul Hickman

Findel (FDL)

INVESTMENT SUMMARY

Trading continues to move in favour of Express Gifts, the online value retailer. At pre-close on 6 April 2017, Express Gifts had continued its strong H2 performance with like-for-like sales growth of 14% (H1: 11.8%). Customer recruitment grew a spectacular 21% in the last 13 weeks. Education, however, ended c 4% down in like-for-like revenue for the year. Following a review, the provision for flawed financial products will increase from £17.7m to £29m. Phil Maudsley, formerly MD of Express Gifts, is appointed CEO, Ian Burke steps back to non-executive chairman and Stuart Caldwell is appointed acting CFO.

INDUSTRY OUTLOOK

UK retail sales volumes (excluding fuel) increased 4.1% y-o-y in February. The price component of that was 1.1% y-o-y. Hence, retail sales value (excluding fuel) increased by 5.2% y-o-y. February's online sales increased 20.7% y-o-y, strengthening the 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)
2015	406.9	45.1	27.7	25.8	7.8	8.9
2016	410.6	41.8	24.8	23.0	8.7	19.4
2017e	459.7	43.1	24.0	23.1	8.7	81.4
2018e	501.4	48.1	28.0	26.8	7.5	18.0

Sector: Pcare & household prd

Price:	215.0p
Market cap:	£125m
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	(3.8)	3.1	22.9
Relative*	(1.3)	2.9	9.6

* % Relative to local index

Analyst

Paul Hickman

Focusrite (TUNE)

INVESTMENT SUMMARY

Focusrite has updated on first-half trading. Revenue is up by 23% at £32m, with growth across all regions, led by the US. This includes underlying constant currency growth of 12%, which compares favourably with our assumption of 8% for FY17. The strengthening balance sheet has also become a theme this year, confirmed by the end-February cash balance of £9.4m. We are leaving our forecasts unchanged ahead of the interim results on 3 May. However, we believe the risk to market forecasts is now on the upside.

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	20.5	N/A
2016	54.3	10.2	7.7	11.8	18.2	N/A
2017e	62.6	10.9	8.0	12.1	17.8	N/A
2018e	68.3	12.0	8.8	13.3	16.2	N/A

Foresight Autonomous Holdings (FRST)

Sector: Technology

Price:	NIS3.17
Market cap:	NIS259m
Market	AIM Italia, TASE

Share price graph (NIS)

Company description

Foresight Autonomous (FRST) 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	(11.4)	44.0	50.3
Relative*	(10.6)	43.2	55.3

* % Relative to local index

Analyst

Anna Bossong

INVESTMENT SUMMARY

FRST is developing 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. If successful, we see good prospects for FRST to gain market share in the vulnerable-user detection market. 32%-owned Rail Vision, a rail collision warning specialist, is achieving positive results in product tests with Deutsche Bahn and others. Q117 equity issues of NIS42.7m ($11.7m) put FRST on track to becoming fully self-financing. A planned NASDAQ listing should also boost trading volumes. We recently increased our valuation to NIS3.30 per share.

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 (NISm)	EBITDA (NISm)	PBT (NISm)	EPS (NIS)	P/E (x)	P/CF (x)
2015	N/A	N/A	N/A	N/A	N/A	N/A
2016	0.0	(9.1)	(9.8)	(0.14)	N/A	N/A
2017e	0.0	(13.0)	(16.0)	(0.17)	N/A	N/A
2018e	0.6	(15.4)	(16.6)	(0.18)	N/A	N/A

Fusionex International (FXI)

Sector: Technology

Price:	135.0p
Market cap:	£73m
Market	AIM

Share price graph (p)

Company description

Fusionex International is a software business providing data management, business intelligence and analytics products, including GIANT, a big-data analytics software.

Price performance

%	1m	3m	12m
Actual	4.3	(9.7)	(23.9)
Relative*	6.9	(9.9)	(32.2)

* % Relative to local index

Analyst

Bridie Barrett

INVESTMENT SUMMARY

FY16 revenues increased 23% and EBITDA doubled (from a low base) to MYR15m, ahead of forecasts. Sales of GIANT accelerated to 115 customers in the year and momentum remains strong in the first four months of the year (163 customers by Jan 2017). The next iteration of the platform, GIANT 2017, marks a step-change in usability and functionality, and management is targeting 250 customers by September 2017. Since reporting, it has announced several major wins, including a multi-year deal with Galaxy Entertainment Group and its first major win in the healthcare sector. This progress is not reflected in Fusionex's EV/EBITDA rating, which, despite its higher margins, is the lowest in its peer group.

INDUSTRY OUTLOOK

Enterprise adoption of big-data solutions appears to be accelerating as solutions mature and as trials turn into larger-scale deployments. The competitive landscape is crowded, but Fusionex's robust deal flow indicates that the company has an attractive offering. The launch of GIANT 2016 should open up the SME market where competition from larger players is less of a factor.

Y/E Sep	Revenue (RMm)	EBITDA (RMm)	PBT (RMm)	EPS (sen)	P/E (x)	P/CF (x)
2015	77.0	33.2	26.3	53.3	14.1	24.7
2016	94.6	15.1	4.6	3.0	249.9	18.5
2017e	127.1	20.3	1.2	2.0	374.8	20.0
2018e	170.0	35.3	8.2	13.9	53.9	11.4

Sector: Media & entertainment

Price:	177.9p
Market cap:	£65m
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	1.1	(3.2)	34.8
Relative*	3.7	(3.4)	20.2

* % Relative to local index

Analyst

Fiona Orford-Williams

Future (FUTR)

INVESTMENT SUMMARY

Future's H1 trading update showed continued good progress in diversifying the group's revenue streams, reinforcing the strategy of building a global platform for specialist media. e-Commerce and events both performed notably strongly in the period, up 70% and 15% on the prior year (albeit off lower bases). Cash performance was also better than expected. The acquisitions of Imagine Publishing and the magazines of Team Rock have played out to plan and the benefits should accrue more strongly in FY18, as built into our (unchanged) forecast figures. This faster earnings growth brings the rating down to attractive levels. Interims are due on 19 May.

INDUSTRY OUTLOOK

The latest ABC stats on UK consumer magazine circulation for H216 showed a continuing retrenchment of 5.9%, after a 1.0% fall in H116, but digital circulation built to 1m (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 (p)	P/E (x)	P/CF (x)
2015	59.8	3.6	0.2	2.7	65.9	N/A
2016	59.0	4.7	1.6	5.7	31.2	N/A
2017e	70.0	9.0	4.6	10.0	17.8	N/A
2018e	73.0	12.4	8.6	18.0	9.9	N/A

Sector: Technology

Price:	45.8p
Market cap:	£78m
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	6.4	(18.7)	(63.3)
Relative*	9.2	(18.9)	(67.2)

* % 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 cyclicality 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.

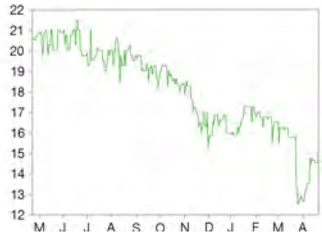
Y/E Dec	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (p)	P/E (x)	P/CF (x)
2015	866.6	46.9	38.0	18.5	2.5	1.7
2016	822.5	28.0	16.4	8.8	5.2	12.5
2017e	812.6	17.9	5.9	2.7	17.0	4.8
2018e	813.2	19.0	6.4	2.9	15.8	N/A

EDISON

Sector: Travel & leisure

Price:	15.1p
Market cap:	£41m
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	(4.0)	(12.3)	(26.7)
Relative*	(1.5)	(12.5)	(34.6)

* % 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, etc). On 21 April, GMR announced content licensing deals in New Jersey (US) for its Slingo Original Portfolio, with an expected launch in May 2017. FY16 results are due on 27 April, where we expect the company to announce its EBITDA break-even target. We believe that GMR has passed a tipping point in its development and is gathering profitable momentum. Further progress should be clearer with the final results.

INDUSTRY OUTLOOK

The UK government review into stakes and prizes is expected to mainly focus 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. The extension of POC gaming tax to 'free play' from 1 August 2017 is already in our forecasts.

Y/E Sep / Dec	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (fd) (p)	P/E (x)	P/CF (x)
2014	11.2	(7.8)	(8.4)	(5.0)	N/A	N/A
2015	21.2	(4.1)	(5.0)	(2.1)	N/A	N/A
2016e	35.5	0.0	(2.0)	(0.7)	N/A	N/A
2017e	54.3	6.0	4.0	1.3	11.6	9.2

Sector: Technology

Price:	338.5p
Market cap:	£456m
Market	AIM

Share price graph (p)

Company description

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

Price performance

%	1m	3m	12m
Actual	12.8	13.9	16.7
Relative*	15.8	13.6	4.1

* % Relative to local index

Analyst

Bridie Barrett

GB Group (GBG)

INVESTMENT SUMMARY

GBG's trading update indicated FY17 revenue growth of 19%, reflecting a full half contribution of ID Scan and a pick-up in organic growth to 12% across the year (11% H1) driven by the excellent performance from the higher margin international services. The mix effects of this growth resulted in EBIT of £17m, 4% ahead of our forecasts, and a 1.1pp improvement in the operating margin. We will review our revenue-margin mix following publication of the full-year results on 6 June, but do not expect any material changes to estimates. As the only listed pure-play ID verification group in the UK with a strong organic and M&A track record, we expect sustained strong earnings growth and consider the premium PE rating to be more than justified.

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 (p)	P/E (x)	P/CF (x)
2015	57.3	11.8	10.5	6.7	50.5	34.5
2016	73.4	14.8	13.2	8.2	41.3	31.0
2017e	89.0	18.8	15.9	9.4	36.0	29.1
2018e	105.0	22.3	19.0	10.6	31.9	22.7

Sector: General retailers

Price:	553.0p
Market cap:	£111m
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	3.2	0.1	325.4
Relative*	5.8	(0.2)	279.5

* % 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 and only partially online, so the market is wide open. At pre-close, FY17 revenue growth was 58%, slightly ahead of our expectation. The last two post-Christmas months continued to move ahead strongly and in line with our upgraded forecast. Management is guiding to profit marginally ahead of expectations for FY17, and we left our forecasts unchanged. In support of its Europe-focused strategy, G4M has now opened distribution centres in Germany as well as Sweden.

INDUSTRY OUTLOOK

The UK musical instrument and equipment market is worth approximately £750m in the UK at retail value, according to management estimates based on research by consultants in 2012. Of this, G4M management estimates that around £180m is online. The European market (including the UK) is estimated on the same basis to be worth £4.3bn. The UK 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)
2015	24.2	0.8	(0.6)	N/A	N/A	N/A
2016	35.5	1.7	0.6	N/A	N/A	N/A
2017e	56.0	3.2	2.4	N/A	N/A	N/A
2018e	79.1	4.1	2.9	N/A	N/A	N/A

Sector: Technology

Price:	€17.81
Market cap:	€469m
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	0.5	(11.4)	(18.4)
Relative*	(0.2)	(14.5)	(29.3)

* % Relative to local index

Analyst

Richard Jeans

GFT (GFT)

INVESTMENT SUMMARY

Q4 revenues grew by 6% to €108.3m, including 5% organic growth and 1% from acquisitions. The growth was driven by digital banking projects in the European retail banking sector. Adjusted EBITDA slipped by 10% to €12.8m, reflecting the challenging environment in investment banking. End FY16 net debt was €42.1m. In addition, there are acquisition liabilities of €34.1m and a pension deficit of €8.7m. Management guidance is for revenues of €450m in FY17 (which reflects 6.5% revenue growth against the c 10%+ trend) along with EBITDA of €48.5m. It expects the long-run revenue trend to resume in FY18. In January, GFT announced that Marika Lulay will be CEO from 31 May, while Ulrich Dietz, current CEO and founder, will become chairman of the administrative board. We cut our FY17 and FY18 revenues by 1% and adjusted EBITDA by 8%, which leaves the shares looking attractive on c 14x our FY18 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	14.9	8.4
2016	422.6	46.8	39.2	115.4	15.4	16.3
2017e	455.0	48.5	41.6	116.9	15.2	9.9
2018e	500.5	54.5	46.2	129.9	13.7	9.0

Sector: Alternative energy

Price:	€20.00
Market cap:	€69m
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	(12.9)	(27.0)	(16.3)
Relative*	(14.1)	(30.3)	(24.6)

* % 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. The most recent acquisition of Syngip is a synergistic expansion of the business and widens the company's market reach. 2016 results were in line with our expectations, with a net loss of €10.6m and good cash management. 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. Its first successes have been in isobutene, butadiene and propylene, which it intends to replicate with other olefins, the key molecules for the petrochemical industry, currently derived exclusively from fossil fuels.

Y/E Jun / Dec	Revenue (€m)	EBITDA (€m)	PBT (€m)	EPS (fd) (c)	P/E (x)	P/CF (x)
2014	3.2	(9.0)	(9.2)	(293.11)	N/A	N/A
2015	2.2	(11.0)	(12.2)	(395.61)	N/A	N/A
2016e	2.2	(10.6)	(12.1)	(334.68)	N/A	N/A
2017e	4.4	(8.8)	(10.9)	(272.67)	N/A	N/A

Sector: Property

Price:	€7.50
Market cap:	€678m
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	15.4	15.8	47.8
Relative*	18.4	15.5	31.9

* % Relative to local index

Analyst

Andrew Mitchell

Globalworth Real Estate Investments (GWI)

INVESTMENT SUMMARY

GWI's shares have re-rated over the past month following the publication of good FY16 results and news of acquisitions. The results show a 54% increase in net operating income to €43.6m from €28.4m and EPRA earnings of €8.6m (FY15: €5.3m loss). Portfolio value rose 5% from €931.1m to €977.5m over the year. EPRA NAV rose 38% to €784m in part due to the investment of €200m of new capital at €8 per share, mainly from South Africa's largest REIT, Growthpoint, which took a 26.9% stake. GWI will in future make distributions similarly to a REIT, paying a €0.44 dividend in FY17 and 90% of FFO thereafter. GWI has since agreed the conditional purchase of a warehouse 100% let to Dacia (a subsidiary of Renault and Romania's largest corporate) for c €42.5m. It is also reported in the press that GWI will develop Dacia's new HQ. The increased share count reduced EPRA NAV per share to €8.57 (31 December 2015: €9.08) and the new funds remain to be invested for growth, but the shares have risen 55% following the capital increase and subsequent news, reducing the discount to EPRA NAV from over 35% to c 10%.

INDUSTRY OUTLOOK

Romania has the second-largest property market in Central and Eastern Europe, and the IMF forecasts that its economy will grow the most in Europe in 2017.

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	22.5
2016	43.6	36.7	5.5	7.4	101.4	11.0
2017e	N/A	N/A	N/A	N/A	N/A	N/A
2018e	N/A	N/A	N/A	N/A	N/A	N/A

Sector: Technology

Price:	€1.70
Market cap:	€18m
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	(5.1)	14.1	26.8
Relative*	(4.8)	11.1	18.3

* % Relative to local index

Analyst

Bridie Barrett

GO internet (GO)

INVESTMENT SUMMARY

Despite the slower pace of network roll-out in 2016, GO continued to show steady financial progress. FY16 revenues of €6.4m increased in line with the subscriber base (+21%). EBITDA of €2.5m, while up 25%, was 11% lower than our forecast, reflecting the launch costs of the new fibre service in Perugia and we reduced our FY17 EBITDA forecast by 7%. However, following last October's €4m funding round, GO is able to re-accelerate the rate at which it implements its network and we expect subscriber momentum to pick up later this year. The shares trade at a significant discount to our base case DCF and investors should also take into account potential valuation implications attached to GO's spectrum ownership in light of emerging 5G standards.

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	44.5	6.6
2016	6.4	2.5	0.5	3.66	46.4	3.2
2017e	7.7	3.2	0.5	3.21	53.0	4.2
2018e	9.6	4.5	1.3	8.23	20.7	3.5

Sector: Oil & gas

Price:	105.0p
Market cap:	£164m
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 CBM gas in China.

Price performance

%	1m	3m	12m
Actual	1.9	(35.4)	(59.6)
Relative*	4.6	(35.6)	(64.0)

* % 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.

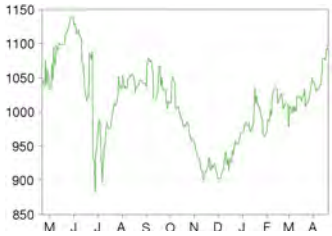
Y/E Dec	Revenue (US$m)	EBITDA (US$m)	PBT (US$m)	EPS (c)	P/E (x)	P/CF (x)
2014	33.8	11.4	(6.2)	0.0	N/A	294.2
2015	32.7	20.1	(0.1)	0.0	N/A	16.6
2016e	24.5	8.7	(8.0)	0.0	N/A	33.8
2017e	38.1	22.1	9.4	0.0	N/A	10.8

Sector: Food & drink

Greggs (GRG)

Price:	1100.0p
Market cap:	£1113m
Market	LSE

Share price graph (p)



Company description

With over 1,760 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	9.1	9.2	5.2
Relative*	12.0	9.0	(6.2)

* % Relative to local index

Analyst

Paul Hickman

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. FY16 profit before tax beat expectations. Sterling's decline since mid-2016 will impose industry-wide cost pressures in FY17, but Greggs is well placed to absorb these. We value the shares (DCF) at 1,226p per share.

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, which has studied this market for many years, estimates it could reach £15bn by 2025. Real wages continue to grow, underpinning positive short-term retail sales statistics.

Y/E Jan	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (p)	P/E (x)	P/CF (x)
2015	835.7	113.3	73.0	57.3	19.2	9.3
2016	894.2	125.9	80.3	62.0	17.7	8.3
2017e	944.2	131.4	80.8	63.4	17.4	8.7
2018e	1000.9	138.3	83.9	66.6	16.5	8.1

Sector: Travel & leisure

GVC Holdings (GVC)

Price:	734.0p
Market cap:	£2176m
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, 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	2.4	18.2	41.7
Relative*	5.1	17.9	26.4

* % Relative to local index

Analyst

Victoria Pease

INVESTMENT SUMMARY

GVC's positive momentum a year on from the bwin deal is demonstrated by very encouraging KPIs and the early resumption of dividends. On 23 March, GVC reported strong results, with 9% growth in net gaming revenues. 2017 has started well: group NGR is up 15%, €125m cost synergies are on track and GVC has announced a second special dividend. The group's combined scale and diversification has significant reduced risk with 69% of revenues derived from regulated and/or taxed markets. The Capital Markets Day and Q1 update are on 25 May.

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	11.3	8.5
2016	894.6	205.7	121.2	41.5	20.8	69.0
2017e	936.9	251.6	202.6	58.5	14.8	12.9
2018e	992.4	287.9	240.9	68.8	12.5	9.8

Sector: Support services

Price:	69.9p
Market cap:	£227m
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	3.5	(3.1)	6.3
Relative*	6.2	(3.4)	(5.2)

* % Relative to local index

Analyst

Richard Finch

Hogg Robinson Group (HRG)

INVESTMENT SUMMARY

In its February IMS, Hogg Robinson Group (HRG) again delivered, with management confident that it should continue to brave headwinds to meet full-year expectations (results due 24 May). Moreover, work on key initiatives continues apace, notably growth in managed travel and technology (Fraedom), as well as restructuring and cash generation. The financial position is "robust" (net debt/EBITDA of just 0.5x over the 12 months to September), allowing potentially lucrative investment and a progressive dividend policy (FY17e cover of almost 3x).

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)
2015	330.1	53.4	30.5	6.57	10.6	5.7
2016	318.3	55.5	32.2	7.16	9.8	4.7
2017e	332.0	60.0	35.5	7.57	9.2	5.3
2018e	330.0	62.0	37.5	7.99	8.7	4.9

Sector: Oil & gas

Price:	57.0p
Market cap:	£686m
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 200mmbbl (last published CPR) Lancaster oil discovery.

Price performance

%	1m	3m	12m
Actual	11.8	18.1	300.7
Relative*	14.7	17.8	257.5

* % Relative to local index

Analyst

Sanjeev Bahl

Hurricane Energy (HUR)

INVESTMENT SUMMARY

Hurricane positioned itself as a specialist in the discovery, appraisal and development of fractured basement reservoirs with an initial focus on UKCS. Over the past eight years, the company has discovered 593mmbbl (P50 management estimates) of recoverable oil at the Lancaster field and is in the process of appraising material upside along the Rona Ridge play fairway. Management expects to progress the first phase of development of Lancaster through to first oil by 2019.

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)
2014	0.0	(8.5)	(9.0)	(1.4)	N/A	N/A
2015	0.0	(5.4)	(5.5)	(0.9)	N/A	N/A
2016e	0.0	(4.6)	(4.5)	(0.4)	N/A	N/A
2017e	0.0	(4.6)	(4.5)	(0.4)	N/A	N/A

IFG Group (IFP)

Sector: Financials

Price:	140.2p
Market cap:	£148m
Market	Irish Stock Exchange, LSE

Share price graph (p)

Company description

IFG provides financial services, comprising a platform for retirement wealth planning and personal advisory business primarily operating in the UK. Through James Hay Partnership it is one of the largest UK platform providers.

Price performance

%	1m	3m	12m
Actual	(7.7)	(7.1)	(13.0)
Relative*	(5.3)	(7.4)	(22.4)

* % Relative to local index

Analyst

Andrew Mitchell

INVESTMENT SUMMARY

2016 saw a 10% growth in revenues together with increases in client numbers and AUA and advice, positive indicators for future performance. However, accelerated investment, particularly within James Hay (JH), a retirement wealth platform, to underpin future growth was a larger than expected drag on earnings adding to the £1.6m negative effect of lower interest rates. JH grew SIPP numbers modestly but increased AUA and AUA per SIPP by c 13%. Saunderson House (financial adviser) grew client numbers by 8% and, with continued demand for financial advice, revenues by 13%. Low rates will continue to impact FY17 but a re-pricing initiative within JH, to be introduced in stages in H217, should increase average SIPP revenues and ameliorate the loss of interest earnings. Our earnings estimates are trimmed by 13%-14% for FY17 and FY18.

INDUSTRY OUTLOOK

Uncertain markets in 2016 restrained the level of new client additions, while direct to consumer and 'robo' propositions increased competition at the lower end. IFG has invested heavily to increase its appeal at the high end of the market, and once markets become more comfortable with the economic and political conditions the longer-term growth drivers of an ageing population and pension freedoms should become more evident.

Y/E Dec	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (p)	P/E (x)	P/CF (x)
2015	71.3	13.8	11.5	8.26	17.0	10.7
2016	78.5	9.5	10.1	7.64	18.4	12.6
2017e	81.3	14.1	10.6	8.02	17.5	8.0
2018e	89.2	17.8	13.8	10.44	13.4	8.3

IG Design Group (IGR)

Sector: Pcare & household prd

Price:	334.0p
Market cap:	£209m
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	24.6	27.2	90.3
Relative*	27.9	26.9	69.8

* % Relative to local index

Analyst

Fiona Orford-Williams

INVESTMENT SUMMARY

IG Design Group had a very good second half trading and issued a year-end update in March indicating that numbers will exceed market estimates. We lifted our FY17 and FY18 numbers by 8-10% at the pre-tax and EPS levels, following an 11% uplift to earnings with the interims. Particularly notable is the comment on strong cash flow, with the group reaching its target of average leverage less than 2.5x EBITDA two years ahead of plan. With the earnings and cash flow momentum, strong balance sheet and progressive dividend, the share price has now rebased at a higher level.

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 c 7% share 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)
2015	229.0	16.2	9.6	11.8	28.3	10.9
2016	237.0	16.5	11.1	13.5	24.7	9.5
2017e	305.0	21.5	16.0	17.5	19.1	7.5
2018e	325.8	24.0	18.1	19.3	17.3	8.4

EDISON

Intelligent Energy Holdings (IEH)

Sector: Alternative energy

Price:	6.4p
Market cap:	£13m
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	6.3	(8.9)	(51.9)
Relative*	9.0	(9.2)	(57.1)

* % Relative to local index

Analyst

Anne Margaret Crow

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, withdrawn from its Indian energy management business and realised substantial cost savings. However, product roll-out has been slower than originally anticipated, with management in financing discussions with key convertible loan note holders and we have reduced our estimates.

INDUSTRY OUTLOOK

The first new contract is to supply 600 1kW fuel cell modules to US-based Luxfer-GTM Technologies for integration into Luxfer-GTM's Zero-Set Lite portable light towers. The second contract is with PINC to supply fuel cell systems for powering UAVs. Switching from battery to fuel cell more than trebles flight times, substantially improving drone efficiency. The existing Suzuki relationship continues, with trials announced with the Met Police in London of Suzuki bikes powered with IEH fuel cells.

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

IQE (IQE)

Sector: Technology

Price:	57.5p
Market cap:	£389m
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	14.4	46.5	177.1
Relative*	17.4	46.1	147.2

* % Relative to local index

Analyst

Anne Margaret Crow

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 revise 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	22.1	18.2
2016	132.7	31.7	20.6	3.00	19.2	17.2
2017e	137.0	34.5	22.5	3.15	18.3	12.9
2018e	140.2	35.0	24.0	3.37	17.1	12.7

EDISON

Sector: Financials

Price:	TRY1.23
Market cap:	TRY437m
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	(8.2)	(0.8)	21.8
Relative*	(10.0)	(10.9)	12.9

* % Relative to local index

Analyst

Andrew Mitchell

Is Yatirim (ISMEN)

INVESTMENT SUMMARY

ISY's FY16 results were encouraging: revenue growth of over 40% y-o-y in brokerage and corporate finance contributed to total revenue growth of 16% in the core investment banking division. The cost ratio fell by 2% to 81%, contributing to 82% growth in non-consolidated net profit: TRY87.8m compared with TRY48.3m in FY15. Is Asset Management and Is Investment Trust also posted net profit growth to TRY5.6m and TRY11.6 respectively. Difficult trading conditions meant that Is Private Equity and Efes NPL Asset Management posted losses of TRY9.1m and TRY17.7m respectively. Both companies have strategies in place to reduce losses in 2017 and gains by other subsidiaries outweighed these losses in FY16. As a result, consolidated net profits for the group were up 33% to TRY53.9m.

INDUSTRY OUTLOOK

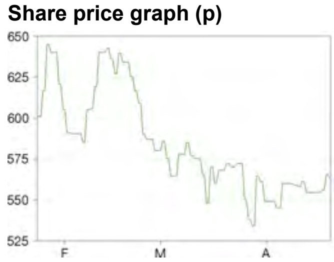
The geopolitical background in Turkey remains uncertain. The yes vote in the constitutional referendum promises greater clarity although the closeness of the result may signal continued tensions. While uncertainty is likely to have some continuing effect on the economy, growth has proved resilient and market trading volumes have been strong in some areas.

Y/E Dec	Revenue (TRYm)	EBITDA (TRYm)	PBT (TRYm)	EPS (fd) (Kr)	P/E (x)	P/CF (x)
2015	377.5	N/A	33.7	11.4	10.8	N/A
2016	438.9	N/A	41.6	15.2	8.1	N/A
2017e	448.0	N/A	104.7	18.7	6.6	N/A
2018e	486.8	N/A	122.9	22.0	5.6	N/A

Sector: Travel & leisure

Price:	563.0p
Market cap:	£415m
Market	LSE

Share price graph (p)



Company description

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

Price performance

%	1m	3m	12m
Actual	(1.2)	N/A	N/A
Relative*	1.3	N/A	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 29 March, JPJ announced its maiden London-listed results, with pro forma group revenues growing 15% and an industry-leading EBITDA margin of 38%. The stock has suffered from unusually high net debt, a lack of dividend and a complex relationship with Gamesys. However, the revised terms of the contract, together with the end of the major earn-out period, suggest that deleveraging will be on track. A trading multiple of 6.9x 2017 EV/EBITDA is far below the sector and, as JPJ continues to demonstrate its market dominance in bingo-led gaming, the stock appears attractive as a turn-around candidate.

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. The extension of the UK 15% gaming tax from net to gross revenues (August 2017) is in our forecasts. 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	7.7	14.8
2016	269.0	102.2	65.7	88.5	6.4	4.8
2017e	303.1	106.0	72.3	96.0	5.9	4.2
2018e	338.7	114.9	84.3	111.5	5.0	3.6

Sector: General industrials

Price:	420.0p
Market cap:	£129m
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	(3.5)	1.5	(9.7)
Relative*	(1.0)	1.2	(19.4)

* % Relative to local index

Analyst

Graeme Moyse

Jersey Electricity (JEL)

INVESTMENT SUMMARY

Jersey Electricity (JEL) is delivering attractive and stable returns to its shareholders and secure, affordable, low-carbon electricity to its customers. Recent investment in strengthening interconnector capacity should allow JEL to continue to keep pricing competitive. We also forecast a continuation of the favourable returns and expect that, after significant investment in the network in recent years, capex will fall to c £15m in FY17, with a consequent improvement in cash flow. The improved cash flow will reduce the already modest level of gearing and help underpin the attractive dividend growth that we forecast (5% pa growth in DPS for FY17 and FY18). At its current share price, JEL is trading at a significant 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	12.9	5.2
2016	103.4	24.6	13.2	32.4	13.0	4.8
2017e	104.5	25.7	13.4	34.3	12.2	5.0
2018e	106.8	26.4	13.8	35.2	11.9	4.7

Sector: Investment companies

Price:	284.9p
Market cap:	£1045m
Market	LSE

Share price graph (p)

Company description

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

Price performance

%	1m	3m	12m
Actual	3.8	8.0	34.6
Relative*	6.5	7.7	20.1

* % Relative to local index

Analyst

Graeme Moyse

John Laing Group (JLG)

INVESTMENT SUMMARY

John Laing Group's (JLG) FY16 results, with DPS +18% and NAV +14% (to 277p), extended its track record of growth (c 13% CAGR in NAV per share 2014-16). The growth in the NAV, although helped by favourable FX movements of c £75m, was achieved despite reflecting lower values for its holdings in the New Royal Adelaide Hospital and Manchester Waste project (c 8% of the value of the investment portfolio). The outlook appears favourable; the investment pipeline now stands at £1.86bn (c +24% in FY16), there appears to be a greater global appetite for infrastructure investment and JLG is well on track (as evidenced by the recent disposal of its holding in the M6 Hungarian motorway project) to meet its target of c £200m of realisations in FY17. We believe the valuation remains modest for a company with strong growth prospects.

INDUSTRY OUTLOOK

The favourable outlook for population growth, urbanisation and renewable energy suggests a continuing requirement 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	10.3	N/A
2016	260.8	203.2	192.1	51.9	5.5	8.4
2017e	210.2	161.4	142.8	38.9	7.3	N/A
2018e	232.8	183.0	164.2	44.8	6.4	N/A

EDISON

Sector: Technology

Price: 249.5p
Market cap: £90m
Market AIM

Share price graph (p)

Company description

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

Price performance

%	1m	3m	12m
Actual	(2.2)	2.7	(26.7)
Relative*	0.4	2.4	(34.6)

* % Relative to local index

Analyst

Katherine Thompson

K3 Business Technology Group (KBT)

INVESTMENT SUMMARY

As previously flagged, delays in closing contracts in H117 hit profitability. Management launched a reorganisation programme to streamline the business and support cross-selling, as well reduce the cost base. Better software sales in H217 combined with the reduction in overheads should result in a recovery in profitability in H217 and FY18. K3 continues to focus on selling own IP-based products and hosting services to new customers as well as its 3,700-strong customer base. We leave our forecasts largely unchanged.

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	13.1	8.2
2016	89.2	12.8	8.8	23.0	10.8	14.7
2017e	92.6	12.3	7.3	15.8	15.8	10.4
2018e	94.0	15.8	10.5	22.9	10.9	6.8

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	11.1	(24.6)	(29.1)
Relative*	14.0	(24.8)	(36.8)

* % Relative to local index

Analyst

Charles Gibson

KEFI Minerals (KEFI)

INVESTMENT SUMMARY

KEFI has updated its capex forecast for Tulu Kapi (to US$150-160m), as well as its consequential funding mix. As a result, we estimate that the company will have to raise no more than £15.0m in equity (including the £5.6m raised in mid-February) in order to comply with government limits on financial gearing, paving the way for commercial production in mid-2018.

INDUSTRY OUTLOOK

Fully diluted at a share price of 6.8p, we estimate a value for KEFI of 17p/share, rising to 30p in 2023 and offering investors an IRR of 25.4% pa in sterling terms over 12 years to 2028 (NB 14p, rising to 25p, offering a 27.6% IRR at a 5p share price). However, this valuation rises to 40p/share in the event that KEFI is successfully able to leverage its cash flow from Tulu Kapi into other development assets in the region. In the meantime, it is trading on a year-end resource multiple of just US$6.09/oz. NB financials and valuations are now presented on a post 17:1 consolidation basis (voted on at a general meeting on 1 March).

Y/E Dec	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (p)	P/E (x)	P/CF (x)
2014	0.0	(2.1)	(2.6)	(0.4)	N/A	N/A
2015	0.0	(1.6)	(2.0)	(0.2)	N/A	N/A
2016e	0.0	(2.0)	(2.0)	(0.1)	N/A	N/A
2017e	0.0	(3.8)	(5.1)	(0.1)	N/A	N/A

Sector: Technology

Price: 805.0p
Market cap: £448m
Market AIM

Share price graph (p)

Company description

Keywords Studios provides fully integrated art creation, audio, localisation, testing and customer support services to the video games industry. Its customers include 21 of the top 25 games companies.

Price performance

%	1m	3m	12m
Actual	38.8	56.4	209.0
Relative*	42.4	56.0	175.7

* % Relative to local index

Analyst

Dan Ridsdale

Keywords Studios (KWS)

INVESTMENT SUMMARY

FY16 was a strong year for Keywords Studios, both financially and operationally, with EPS growing by 61% and acquisitions strengthening the business across a number of service lines and geographies. It has also invested into key staff and core systems to support continued growth and we fully expect the growth trajectory to continue from here. We see scope for further upgrades through organic performance, further acquisitions and potentially larger outsourcing deals. Given the recent run, we feel the valuation prices in strong progress this year but believe that sustained execution of the strategy will continue to create shareholder value.

INDUSTRY OUTLOOK

The global games industry is estimated to be worth US$90-100bn. Newzoo estimates the industry grew 8.5% in 2016 and will expand at an annual rate of 6.6% through 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	75.1	95.7
2016	96.6	16.9	14.9	20.3	46.6	30.8
2017e	116.7	19.9	17.6	24.5	38.6	25.9
2018e	126.1	21.6	19.0	26.3	36.0	24.8

Sector: Food & drink

Price: €10.73
Market cap: €333m
Market Borsa Italiana

Share price graph (€)

Company description

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

Price performance

%	1m	3m	12m
Actual	18.3	16.1	(16.4)
Relative*	18.7	13.0	(22.0)

* % 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 the 2017 campaign should benefit from ongoing sector destocking due to the drop in production in southern Italy in 2016.

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	9.9	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

EDISON

Sector: Alternative energy

Price:	A$0.13
Market cap:	A$24m
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	(10.3)	(16.1)	(3.7)
Relative*	(11.4)	(18.6)	(12.7)

* % 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 well on the way to receiving 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$0.15
Market cap:	A$31m
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	(25.0)	11.1	(57.1)
Relative*	(25.8)	7.8	(61.1)

* % 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. The development is not without risk and uncertainty at this stage; however, if LCK is able to attract development funding and mid-stream/power infrastructure partners, LCK could be worth materially more than its c A$30m market cap. Our 2C risked valuation after farm-down is A$83m (A$0.31/share) based on a subjective 20% chance of success. It held A$3m in cash in December 2016 and will likely require capital in the next 6-12 months.

INDUSTRY OUTLOOK

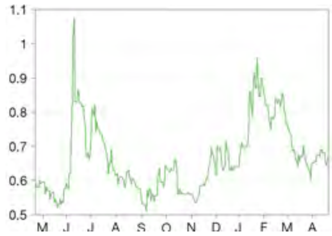
South Australian power prices have been volatile due to concentrated generator ownership, coal plant closures, limited import capability and higher than national average dominance of renewables. Gas prices have risen as a result, benefiting LCK.

Y/E Jun	Revenue (A$m)	EBITDA (A$m)	PBT (A$m)	EPS (c)	P/E (x)	P/CF (x)
2015	0.0	(17.6)	(17.7)	0.0	N/A	N/A
2016	0.0	(5.4)	(5.4)	0.0	N/A	N/A
2017e	0.0	(3.0)	(2.9)	0.0	N/A	N/A
2018e	0.0	(3.0)	(3.7)	0.0	N/A	N/A

Sector: Oil & gas

Price: A$0.68
Market cap: A$346m
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	0.0	(22.4)	15.4
Relative*	(1.1)	(24.7)	4.6

* % Relative to local index

Analyst

Will Forbes

Liquefied Natural Gas Limited (LNGL)

INVESTMENT SUMMARY

Liquefied Natural Gas Ltd has made progress in the last six months towards Final Investment Decision. 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 June 2017) and non-FTA approval received, while discussions with Stonepeak over extension of equity funding are advancing and debt funding capacity should be available. We have tweaked our DCF-based valuation for actual cash levels and FX rates, resulting in a broadly unchanged value of A$1.26/share (or US$3.84/ADR).

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	680.0	4.9

Sector: Mining

Price: C$1.80
Market cap: C$142m
Market TSX-V

Share price graph (C$)

Company description

Lithium X Energy (LIX) is an exploration and development stage lithium company. Its two main assets are the flagship Sal de los Angeles Project (50% ownership, with an option to increase to 80%) in Argentina and a project in Clayton Valley, Nevada.

Price performance

%	1m	3m	12m
Actual	11.8	(13.5)	(14.7)
Relative*	9.6	(13.8)	(24.2)

* % Relative to local index

Analyst

Tom Hayes

Lithium X Energy (LIX)

INVESTMENT SUMMARY

LIX continues to strengthen its management team with the appointment of Mr Bassam Moubarak as CFO to undertake financial reporting responsibilities and to assist with corporate governance and business development activities. The appointment is timely as the company accelerates its work programmes concerning LIX's flagship Sal de los Angeles project in the Salta region of Argentina. On its recent funding activities, Lithium X announced on 14 March that it had closed a C$15.01m (before expenses) bought-deal public offering of 7.9m common shares priced at C$1.90/share. The proceeds will be used to complete a work programme to provide an updated mineral resource estimate for Sal de los Angeles, the completion of a feasibility study on Sal de los Angeles 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 Salta Exploraciones (a local consortium of companies with extensive expertise in the construction of ponding facilities). This initial ponding facility is designed for an output of approximately 2,500 annual tonnes 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

London Stock Exchange Group (LSE)

Sector: Financials

Price:	3212.0p
Market cap:	£11227m
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.Clearnet and CC&G offer post-trade services and FTSE Russell provides benchmark indices and related data services.

Price performance

%	1m	3m	12m
Actual	4.8	5.4	17.0
Relative*	7.5	5.1	4.4

* % Relative to local index

Analyst

Andrew Mitchell

INVESTMENT SUMMARY

The European Commission decision to prohibit the merger between the LSE and Deutsche Boerse ended the planned combination, but the LSE has indicated it will honour its capital return commitment; this will take the form of a £200m share buyback. The LSE's FY16 results announced in March showed total income and adjusted operating profit up 17%, adjusted earnings per share ahead 21% and full-year dividend up 20%. On an organic constant currency basis, revenues were up 7% and operating profit increased 10% as adjusted operating expense growth was held to 4%. Progress was seen across the business portfolio.

INDUSTRY OUTLOOK

The group believes it is well positioned to pursue its growth strategy on a standalone basis given a diversified business mix, open access model and partnership approach with customers. Investment in growth has continued, including the acquisition of Mergent to facilitate growth in the FTSE Russell index business, new services in post-trade at LCH and work on the London-Shanghai Stock Connect project. We note that further consolidation in the market infrastructure industry seems possible, potentially including the LSE, despite the latest apparent setback.

Y/E Dec	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (p)	P/E (x)	P/CF (x)
2014	1381.0	618.0	558.0	103.3	31.1	N/A
2015	1419.0	769.0	710.0	129.4	24.8	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

Lookers (LOOK)

Sector: General retailers

Price:	127.8p
Market cap:	£507m
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	5.6	3.4	(12.0)
Relative*	8.3	3.2	(21.5)

* % Relative to local index

Analyst

Andy Chambers

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 buoyancy of UK car markets continues with a record Q1, which supports management's more focused approach. 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	8.6	8.7
2016	4282.0	113.2	77.1	15.55	8.2	3.9
2017e	4700.0	112.0	76.0	15.42	8.3	5.1
2018e	4900.0	114.6	78.5	15.92	8.0	5.4

Low & Bonar (LWB)

Sector: Basic industries

Price:	87.0p
Market cap:	£287m
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	22.5	27.9	40.3
Relative*	25.7	27.6	25.2

* % Relative to local index

Analyst

Toby Thorrington

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.

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	15.0	8.1
2016	402.2	52.8	29.2	6.0	14.5	8.4
2017e	436.0	59.1	35.4	7.3	11.9	4.9
2018e	457.4	63.9	39.2	8.1	10.7	5.0

MedicX Fund (MXF)

Sector: Property

Price:	88.0p
Market cap:	£367m
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 (89.2% of rent) and pharmacies on GP surgery sites (8.6%). It has three properties under development in the Republic of Ireland.

Price performance

%	1m	3m	12m
Actual	0.6	(1.7)	(0.9)
Relative*	3.2	(1.9)	(11.5)

* % Relative to local index

Analyst

Andrew Mitchell

INVESTMENT SUMMARY

MedicX Fund has announced that the board believes it would be in the interest of shareholders for the fund to convert to REIT. This proposal will be put to shareholders in an EGM, with a prospective conversion date of 1 October 2017. To qualify as a REIT, the Fund will have to be domiciled in the UK for tax purposes, requiring a move of its corporate headquarters from Guernsey and some changes to the board, the first of which has been made by appointing Helen Mahy as a non-executive director. The announcement and conversion will not affect our estimates significantly. The Fund has also recently made four investments, one to develop a new primary care centre in Cromer (expected completion in March 2018) and the others the purchase of modern, let healthcare centres in Watford, Walsall and Birmingham for a combined consideration of £30.2m. These take the portfolio to 156 assets, of which seven are under development, with annualised rents of £38.9m.

INDUSTRY OUTLOOK

A recovery in NHS development approvals should support increasing rental growth, reflecting underlying demand for new premises and land and build cost inflation. Similar opportunities in the smaller Irish market offer a significantly higher rental yield and the JV with GPI will provide access to further investment opportunities in the UK.

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	23.8	13.6
2016	35.5	28.6	14.2	3.8	23.2	12.7
2017e	39.4	32.5	15.4	3.9	22.6	10.5
2018e	42.7	36.6	15.7	3.9	22.6	9.4

Sector: Industrial support services

Price: €1.52
Market cap: €81m
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	(5.3)	(5.3)	(15.8)
Relative*	(5.1)	(7.6)	(18.8)

* % 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

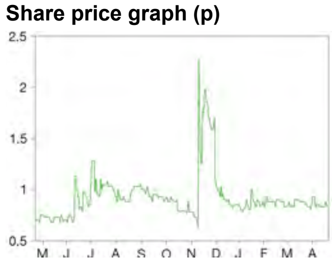
Medserv operates in the upstream oil & gas segment, providing onshore bases in the Mediterranean and Middle East for onshore and offshore exploration and production customers. The acquisition of METS in February adds onshore OCTG services to the historical integrated offshore services offered in Malta 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	15.7	6.7
2016	32.8	5.0	(1.3)	(2.1)	N/A	13.4
2017e	35.2	7.0	0.5	0.6	253.3	11.3
2018e	42.3	12.4	5.9	9.6	15.8	12.0

Sector: Oil & gas

Price: 0.8p
Market cap: £2m
Market LSE

Share price graph (p)



Company description

Mosman Oil and Gas invests in oil & gas and mining projects.

Price performance

%	1m	3m	12m
Actual	(5.7)	0.0	17.9
Relative*	(3.3)	(0.3)	5.2

* % Relative to local index

Analyst

Will Forbes

Mosman Oil and Gas (MSMN)

INVESTMENT SUMMARY

Mosman has moved to invest capital in mining and oil & gas projects. While it has retained interest in Petroleum Creek (and Taramakau), it is seeking to defer work obligations. Investments in 2016 were into GEM International Resource (A$425k) and Hemisphere Energy (A$394k), both small-cap listed entities. GEM International has started an initial work programme to evaluate the hosting alluvial diamond deposits. Hemisphere has seen positive initial responses to a pilot well injection. Mosman has just acquired 50% of the Strawn Oil Project in Young County (Texas) for US$75k and it expects to spend US$150k (gross) in the next six months. Mosman held A$2.3m in cash as of December 2016, down from A$3.8m in June, so could well require extra funding during 2017.

INDUSTRY OUTLOOK

Y/E Jun	Revenue (A$m)	EBITDA (A$m)	PBT (A$m)	EPS (c)	P/E (x)	P/CF (x)
2014	0.0	(1.8)	(1.8)	(4.1)	N/A	N/A
2015	0.0	(3.4)	(3.4)	(6.2)	N/A	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

EDISON

Sector: Technology

Price:	NIS4.53
Market cap:	NIS225m
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	(8.5)	0.4	(19.6)
Relative*	(7.6)	(0.2)	(16.9)

* % Relative to local index

Analyst

Anne Margaret Crow

Nano Dimension (NNDM)

INVESTMENT SUMMARY

Nano Dimension has hit its Q117 target of six printer deliveries to beta site customers. These were to a PCB design bureau in Israel, a medical device company in Tel Aviv, one of the 10 largest PCB manufacturers globally, a smart transportation company, an international company providing solutions to the defence industry and one of the top 10 contract manufacturers globally. This confirms it is on track to complete the beta testing phase in mid-2017 and to deliver a total of 50 printers during the year, around 35 to commercial customers. We leave estimates and valuation unchanged.

INDUSTRY OUTLOOK

The diversity of these customers highlights the attractiveness of in-house PCB manufacture to many companies. The DragonFly gives a compact, easy-to-use solution for creating complex multi-layer PCB prototypes very rapidly, eliminating the delay and potential breaches of IP security when prototypes are commissioned from a third party. This is very helpful for all electronic design departments seeking to speed up product development lifecycles.

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)	(88.72)	N/A	N/A
2018e	35.7	12.2	11.0	69.05	0.0	0.0

Sector: General industrials

Price:	1002.0p
Market cap:	£37574m
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	0.2	6.8	3.7
Relative*	2.7	6.6	(7.5)

* % Relative to local index

Analyst

Jamie Aitkenhead

National Grid (NG)

INVESTMENT SUMMARY

National Grid's H117 results on 10 November confirmed that the company's performance was in line with guidance and management was maintaining its outlook. As expected, the UK Gas Distribution disposal is on track to complete early this year. Operationally, management continues to focus its energy on filing rate cases in the US with good progress achieved in Massachusetts Electric and KEDNY/KEDLI. In the UK, National Grid continues to negotiate with the regulator regarding the future of its role as system operator. With RAV growth, capex and interim numbers all in line with guidance we reiterate our fair value range of $55-69/ADR. Note: EPS in table refers to earnings per ADR.

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 (US$m)	EBITDA (US$m)	PBT (US$m)	EPS (c)	P/E (x)	P/CF (x)
2015	20734.0	6990.0	3739.0	377.81	3.3	N/A
2016	19904.0	7423.0	4085.0	414.06	3.0	N/A
2017e	20353.0	7573.0	4202.0	422.45	3.0	N/A
2018e	20812.0	7907.0	4399.0	438.57	2.9	N/A

EDISON

Sector: General industrials

Price: 172.0p
Market cap: £105m
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	9.6	4.2	(3.2)
Relative*	12.4	4.0	(13.7)

* % Relative to local index

Analyst

Toby Thorrington

Norcros (NXR)

INVESTMENT SUMMARY

An in-line FY17 year-end update pointed to an improved H2 trading period for UK-based operations and good ongoing progress in South Africa. The update indicated group revenues of c £271m for the year, which is slightly above our estimate – existing UK operations (before acquisitions) appear to be the driver. H117 was a comparatively tough trading period for these businesses, so the second-half bounce-back is encouraging. We understand that more regular demand was seen across most UK channels with a better export picture too. Acquired UK businesses also performed well. We note that the well-publicised economic challenges in South Africa have not affected trading and like-for-like progress remained very healthy.

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	9.6	6.3
2016	235.9	28.0	18.5	24.7	7.0	5.6
2017e	266.3	31.4	20.2	24.0	7.2	4.5
2018e	274.4	32.9	21.8	25.7	6.7	3.8

Sector: Financials

Price: 265.2p
Market cap: £301m
Market LSE

Share price graph (p)

Company description

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

Price performance

%	1m	3m	12m
Actual	1.5	3.4	26.3
Relative*	4.2	3.2	12.7

* % Relative to local index

Analyst

Andrew Mitchell

Numis Corporation (NUM)

INVESTMENT SUMMARY

In its trading update for the six months to end March, Numis reported that the rise in the UK equity market over the period had been helpful for institutional commissions and trading income, which has continued above historical levels. The number of IPOs has remained muted and for H117 Numis was involved in two compared with 10 in the H116; although the size and breadth of the client base has supported a stronger level of non-primary transactions. While the total value of UK M&A activity saw strong growth last calendar year, this was concentrated in a few large transactions and Numis indicated that in H117 it had yet to benefit fully from the more modest pick-up otherwise experienced. Income from strategic investments was above the prior year period. Taking these points together, the group expects total income for H117 to be moderately lower than H116 (we assume down 5-10%). First-half results are due to be announced on 8 May.

INDUSTRY OUTLOOK

A general election adds some near-term uncertainty to ongoing Brexit-related newsflow but, as the path to exit becomes clearer, greater confidence and activity should return. With transactions completed or due to complete in the current half year and a strong pipeline, Numis remains confident on the full year.

Y/E Sep	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (fd) (p)	P/E (x)	P/CF (x)
2015	98.0	28.9	26.1	23.49	11.3	48.2
2016	112.3	30.0	32.5	24.90	10.7	6.4
2017e	113.1	32.2	31.7	26.00	10.2	11.5
2018e	115.1	33.2	32.7	26.71	9.9	11.2

Sector: Mining

Price:	15.5p
Market cap:	£16m
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	6.9	(8.2)	53.1
Relative*	9.7	(8.4)	36.6

* % Relative to local index

Analyst

Tom Hayes

Orosur Mining (OMI)

INVESTMENT SUMMARY

OMI's Q317 results indicate that the company is on track to meet its full-year guidance of 35koz to 40koz at cash costs between US$800/oz and US$900/oz. Q3 gold production was 7,820oz Au at cash costs of US$858/oz. With above-budget development capex being incurred during Q3, AISC increased 32% from US$978/oz to US$1,289/oz Au. Cash generated from operations was up 47% on a like-for-like basis, from US$5.9 to US$8.7m. Year-to-date NPAT was US$4.1m (up a considerable 720% on a like-for-like basis.

INDUSTRY OUTLOOK

The company's strategy is to continue to develop SG UG without additional funding (neither debt nor equity). It plans to capitalise on its recent exploration successes at the UG prospects of SG UG East and Central, and to develop a larger mining operation to the west of the San Gregorio mine. Regarding its Colombian exploration, OMI continues to analyse and model out its exploration results and knowledge for its high-grade gold Anza project, with next steps to plan targets for eventual drilling at the project (Anza includes a gypsum mine and as such is permitted and would require only minor permit amendments to conduct metalliferous mining there).

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	1.6
2016	42.9	9.1	3.2	(1.2)	N/A	2.9
2017e	48.4	12.9	5.8	4.4	4.4	1.5
2018e	51.9	21.0	13.9	10.5	1.9	1.3

Sector: Financials

Price:	US$21.50
Market cap:	US$243m
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	2.4	(1.1)	27.9
Relative*	2.2	(4.4)	13.9

* % 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. Against a soft trading background, OTCM delivered FY16 numbers slightly ahead of our expectation and the prior year. While the number of companies on its premium exchanges fell during the year, there has been encouraging pick-up in new joiners in Q4 and early 2017. On a medium-term view the increased number of states, now 20, that grant OTCM markets Blue Sky recognition is important in helping draw in additional, good quality, corporate clients.

INDUSTRY OUTLOOK

The pick-up in new company sign-ups at the start of the current year is encouraging while 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 encouraging features for the longer term. Q117 earnings are due to be released on 3 May.

Y/E Dec	Revenue (US$m)	EBITDA (US$m)	PBT (US$m)	EPS (fd) (c)	P/E (x)	P/CF (x)
2015	49.9	18.6	16.9	88.32	24.3	N/A
2016	50.9	18.5	16.9	90.41	23.8	N/A
2017e	53.3	19.6	17.9	92.70	23.2	N/A
2018e	55.7	20.4	18.7	95.98	22.4	N/A

Sector: Mining

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

Share price graph (p)

Company description

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

Price performance

%	1m	3m	12m
Actual	1.6	0.0	6.9
Relative*	4.3	(0.3)	(4.6)

* % Relative to local index

Analyst

Charles Gibson

Pan African Resources (PAF)

INVESTMENT SUMMARY

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), a placing to raise ZAR705m (£41m, or US$51m) and an update on progress at its Evander underground refurbishment to the effect that work will be concluded on time and within budget (ZAR40m).

INDUSTRY OUTLOOK

H117 results were in line with guidance provided in PAF's trading statement of 27 January after operations were disrupted by a series of DMR Section 54 notices. In the aftermath of its equity placing, we value PAF at 20.3p/share (although this is also within the context of materially reduced net debt group funding expectations over the course of the development of Elikhulu of just £19.3m). In the meantime, PAF has the third-highest forecast dividend yield of any gold company globally. In the light of PAF's April announcements, our financial forecasts are under review.

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	45.2	28.7	1.35	11.5	4.7
2018e	204.8	68.3	55.1	2.41	6.4	3.7

Sector: General industrials

Price:	€51.58
Market cap:	€233m
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	12.6	21.8	93.4
Relative*	11.8	17.6	67.5

* % Relative to local index

Analyst

Roger Johnston

paragon (PGN)

INVESTMENT SUMMARY

paragon's full year results were in line with our forecasts as the group delivered revenue up 8.2%, EBITDA up 13.2% and EBIT up 14.4% at an EBIT margin of 8.7%. Electromobility remained the key growth driver, up c 93% to €14.3m or 14% of group revenue from a standing start barely two years ago and despite some project delays into 2017. With other areas of the group also contributing strongly (Cockpit and Acoustics, in particular), the group achieved our revenue and profit forecasts. The expansion of electromobility is also bringing benefits of a broadening customer base with top-tier customers in each targeted market. The group also announced it would reorganise into three segments to further enhance R&D efficiency. Group targets of revenue between €120m-€125m and EBIT margin of 9-9.5% are broadly in line with our forecasts, which we are reviewing.

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	77.0	20.5
2015	95.0	14.1	5.0	83.0	62.1	12.9
2016e	103.0	15.8	6.4	102.0	50.6	23.3
2017e	123.7	19.4	9.4	139.0	37.1	16.1

Sector: Financials

Price:	81.9p
Market cap:	£151m
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	4.5	(3.1)	10.6
Relative*	7.2	(3.4)	(1.3)

* % Relative to local index

Analyst

Andrew Mitchell

Park Group (PKG)

INVESTMENT SUMMARY

In its FY17 trading update, Park indicated that the highly significant H2 trading period, which includes Christmas, maintained the momentum that was reported with the interim results in January, delivering further good progress. In Consumer, the completed order book (Christmas 2016) was ahead by more than 4% and the Corporate business successfully converted a strong interim order pipeline into increased H2 sales. The statement highlights progress in the 'Evolve' digital corporate rewards and incentivisation platform, which, like the recent introduction of Mastercard-licensed products, is an example of the product innovation that investment in digital technology and e-commerce continues to deliver. Management expects full-year results (due 13 June) to be in line with market expectations and with positive early indications, including order levels ahead of their position at the same time last year, expresses confidence for the current year.

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)
2015	372.9	11.5	10.9	4.6	17.8	10.7
2016	385.0	12.4	11.9	5.2	15.8	12.6
2017e	408.7	13.1	12.4	5.3	15.5	10.5
2018e	440.4	14.0	13.4	5.7	14.4	10.2

Sector: Technology

Price:	444.6p
Market cap:	£2153m
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	(2.3)	18.3	15.7
Relative*	0.3	18.0	3.2

* % Relative to local index

Analyst

Katherine Thompson

Paysafe Group (PAYS)

INVESTMENT SUMMARY

Paysafe reported FY16 results in line with expectations, after upgrading its outlook in January. Each division generated strong organic constant currency revenue growth (21% group growth), supporting the company's unchanged guidance for low double-digit organic revenue growth in FY17. Paysafe continues to consider acquisitions that meet its preference for relevant, niche-orientated payments solutions. The stock continues to trade at a material discount to peers – a gradual reduction in the relative contribution of the company's largest merchant should help to reduce this.

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	21.8	24.4
2016	1000.3	300.8	241.9	42.1	13.3	9.7
2017e	1103.9	332.5	270.5	44.6	12.5	8.2
2018e	1203.0	364.8	300.4	48.6	11.5	7.6

EDISON

Sector: Technology

Piteco (PITE)

Price:	€5.00
Market cap:	€91m
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	9.3	16.7	31.7
Relative*	9.7	13.6	22.9

* % Relative to local index

Analyst

Richard Jeans

INVESTMENT SUMMARY

Piteco is buying the principal assets of LendingTools (LT), a small, privately owned US payments software provider, for up to $14.5m in cash. LT operates in the niche area of 'correspondent banking', offering financial institutions an alternative to the Federal Reserve's FedLine Advantage. The deal provides Piteco with an attractive route into the lucrative US market, which it plans to use to grow its core treasury software solutions. We are reviewing our forecasts, and expect to increase EPS by c 12-14% over FY17 to FY19. Given the attractive growth opportunities, strong cash generation and healthy balance sheet, we 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	23.3	17.9
2016	13.5	5.6	5.1	25.1	19.9	16.4
2017e	14.5	6.3	5.8	28.3	17.7	14.1
2018e	15.5	6.9	6.4	31.2	16.0	12.8

Sector: Technology

Pointer Telocation (PNTR)

Price:	US$9.20
Market cap:	US$72m
Market	NASDAQ, TASE

Share price graph (US$)

Company description

Pointer Telocation (PNTR) 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	4.0	17.9	52.5
Relative*	3.7	14.1	35.8

* % Relative to local index

Analyst

Anna Bossong

INVESTMENT SUMMARY

Pointer Telocation generates high recurring revenues from mobile resource management services, with a focus on less developed markets. Management recently reported better than expected 2016 results helped by widening margins aided by strong revenue growth and high operating leverage. Following on from its recent contract win in New York, the group also announced a promising pilot programme with Coca-Cola FEMSA, the largest global independent Coca-Cola bottler. With the stock trading on a 28% forward discount to the sector and the group looking well positioned to achieve management guidance of 20% EBITDA growth in 2017, we recently increased our share price target from $8.85 (NIS33.9) to $10.8 (NIS39.6) per share.

INDUSTRY OUTLOOK

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

Y/E Dec	Revenue (US$m)	EBITDA (US$m)	PBT (US$m)	EPS (fd) (c)	P/E (x)	P/CF (x)
2015	60.6	8.1	6.3	62.3	14.8	7.2
2016	64.4	9.4	6.6	62.4	14.7	7.0
2017e	71.9	11.5	8.4	78.4	11.7	7.3
2018e	78.1	14.0	10.6	97.6	9.4	5.9

Sector: General industrials

Price:	406.5p
Market cap:	£806m
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	17.1	21.9	35.9
Relative*	20.1	21.6	21.3

* % Relative to local index

Analyst

Toby Thorrington

Polypipe (PLP)

INVESTMENT SUMMARY

Polypipe has expounded a consistent strategy since its return to the market in April 2014. The latest set of results further demonstrates that its above-market growth focus is delivering good y-o-y profit progress, while at the same time occupying strong positions in sectors exhibiting favourable long-term trends. FY16 came in slightly ahead of our expectations; Polypipe achieved underlying revenue growth in all three reported operating segments, enhanced by the Nuaire acquisition (annualised) and some FX translation benefits. Year-end net debt of c £164m was also better than anticipated with a good working capital outturn in H2.

INDUSTRY OUTLOOK

The Construction Products Association's (CPA) 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 house building 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	21.0	11.2
2016	436.9	86.4	61.8	25.0	16.3	9.3
2017e	459.5	90.8	66.0	26.4	15.4	9.2
2018e	475.5	96.0	70.8	28.7	14.2	8.7

Sector: Travel & leisure

Price:	760.0p
Market cap:	£321m
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	(5.3)	4.3	(6.5)
Relative*	(2.9)	4.0	(16.6)

* % Relative to local index

Analyst

Richard Finch

PPHE Hotel Group (PPH)

INVESTMENT SUMMARY

Ahead of its trading update, there is reassurance in industry reports of London market resilience after the Westminster attack (STR refers to "no performance disruption"). Meanwhile, PPHE delivered 2016 EBITDA well above expectations. H2 recovery in London despite headwinds and sustained buoyancy in newly consolidated Croatia made up for H1 disappointment, which is all the more encouraging as these are likely to be the company's medium-term profit drivers. Valuation is low in terms of EV/EBITDA and at a glaring discount to real asset value ('fair value' adjustment of c 1,000p/share to reported 782p NAV will only increase on inclusion of new high-value estate).

INDUSTRY OUTLOOK

Despite obvious concern about security and geopolitical developments, the London market, PPHE's principal profit source, has shown welcome recovery (Q117 RevPAR +11%, per STR), albeit on weak y-o-y comparatives post-Paris. Costs also remain an issue but we point to the benefit of a weaker pound on inbound tourism and staycations (newly confirmed by AccorHotels) as well as certain major sporting events in 2017. Pre-Westminster, PWC forecasts RevPAR growth of c 3% this year and next, while VisitBritain looks for UK visits up 4% this year (+3% in 2016), which is close to the medium-term rate of 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	10.0	3.8
2016	272.5	94.1	34.2	73.9	10.3	4.0
2017e	315.0	102.0	36.0	73.9	10.3	3.1
2018e	334.0	110.0	44.0	90.8	8.4	2.9

Sector: Property

Price:	112.5p
Market cap:	£673m
Market	LSE

Share price graph (p)

Company description

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

Price performance

%	1m	3m	12m
Actual	4.2	4.2	7.1
Relative*	6.9	3.9	(4.4)

* % Relative to local index

Analyst

Andrew Mitchell

Primary Health Properties (PHP)

INVESTMENT SUMMARY

PHP's AGM trading update of 26 April summarised developments since 31 December. These include the acquisitions 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). Two of the new properties are standing let near Aberdeen and the third is a forward-funded development in County Cork. The pipeline is healthy at £45m in the UK and €30 in Ireland. The portfolio now comprises 299 assets including two under development. 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 the performance fee at £2m or 20% of the management fee.

INDUSTRY OUTLOOK

Rental growth may accelerate reflecting underlying demand for new premises and land and build cost inflation. 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	23.0	8.8
2016	67.4	59.2	26.7	4.8	23.4	11.1
2017e	72.6	64.0	32.2	5.4	20.8	10.4
2018e	78.5	69.5	33.7	5.6	20.1	9.6

Sector: Aerospace & defence

Price:	285.9p
Market cap:	£1622m
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 (82% FY16 sales) and Global Products (18%).

Price performance

%	1m	3m	12m
Actual	1.7	9.0	30.0
Relative*	4.3	8.8	16.0

* % Relative to local index

Analyst

Alexandra West

QinetiQ Group (QQ)

INVESTMENT SUMMARY

QinetiQ CEO Steve Wadey has now got the bit between his teeth and is on a mission to expand the company internationally while exploiting growth opportunities in the core UK business. He was joined in March by David Smith as CFO (previously Rolls-Royce CFO). The recent acquisition of Meggitt Target Systems (MTS) seems to make strategic sense, both industrially and financially. Our FY17 forecasts reflect the purchases of MTS and Rubikon and the £1bn amendment to the Long Term Partnering Agreement (LTPA) with the UK Ministry of Defence, while we have recently introduced our FY18 forecasts. With key contracts won and acquisitions made, our investment case of deploying capital for growth is progressing well.

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)
2015	763.8	134.5	108.5	15.3	18.7	16.0
2016	755.7	134.7	108.6	16.3	17.5	9.2
2017e	777.9	132.6	106.8	16.3	17.5	14.8
2018e	826.0	141.3	111.1	16.9	16.9	10.9

Sector: Basic industries

Price:	5.3p
Market cap:	£46m
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	(32.6)	(53.7)	(59.0)
Relative*	(30.9)	(53.8)	(63.4)

* % Relative to local index

Analyst

Anne Margaret Crow

Quadrise Fuels Int. (QFI)

INVESTMENT SUMMARY

Quadrise has noted a recent presentation given by Maersk Oil Trading, which discusses how it intends to address the stricter sulphur emission limits that will come into force in 2020. The presentation indicated that Maersk will, at least initially, opt for using low sulphur fuel in order to be compliant with the regulations. Since the MSAR manufactured so far exceeds the sulphur limits, and would need to be used with on-board scrubbers to be compliant, this makes the future commercial adoption of MSAR by Maersk uncertain. Noting the potential for accelerating the 'Production to Combustion' trial in Saudi Arabia, we leave our estimates unchanged while we monitor developments.

INDUSTRY OUTLOOK

Quadrise continues to work with Maersk to ensure that the interim LONO (letter of no objection) is issued and on a programme to develop the commercial opportunities for MSAR within the wider global marine industry. This targets those marine operators that have begun to install scrubbers in order to meet the low-sulphur regulations.

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	0.9	(4.6)	(4.8)	(0.5)	N/A	N/A
2018e	18.3	(0.4)	(0.5)	(0.1)	N/A	N/A

Sector: Travel & leisure

Price:	213.0p
Market cap:	£832m
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	(0.6)	9.0	(13.4)
Relative*	2.0	8.7	(22.8)

* % Relative to local index

Analyst

Victoria Pease

Rank Group (RNK)

INVESTMENT SUMMARY

Rank has a unique opportunity to leverage leading high street casino and bingo brands online. With platform issues resolved, its digital casino is growing strongly and the introduction of a single wallet later this year could be a game changer. Only 3% of Grosvenor casinos customers are also digital customers, yet 50% of them gamble online, illustrating the cross-sell opportunity. Economic pressures are weighing on the venues' results but they are highly cash-generative. An expected move into net cash in FY18 underpins a progressive dividend policy and gives Rank plenty of firepower to participate in industry M&A as opportunities become available. The next IMS is 18 May.

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	14.6	5.7
2016	753.0	128.2	77.4	15.4	13.8	7.6
2017e	764.0	127.0	76.0	15.3	13.9	7.2
2018e	785.0	133.0	81.5	16.4	13.0	6.4

Raven Russia Ltd (RUS)

Sector: Property

Price:	49.0p
Market cap:	£327m
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	(5.3)	4.3	51.4
Relative*	(2.9)	4.0	35.0

* % Relative to local index

Analyst

Andrew Mitchell

INVESTMENT SUMMARY

Raven Russia (Raven) announced FY16 results on 13 March, showing an IFRS profit of \$7.7m, after a loss of \$192.4m in FY15. The improvement was largely due to a reduced revaluation loss on investment property (\$22.2m vs \$205.1m in FY15), which management hopes reflected the last of the ERV reductions and a return to firmer valuation yields. Diluted NAV per share was \$0.71 at the year-end, up from \$0.70 at the end of FY15 after a capital increase through the issue of £109m of convertible reference shares. The funds raised were applied to refinance and renegotiate debt, extending maturities, adjusting covenants and reducing amortisation. A further distribution of 2p per share via a tender offer is proposed, taking the total for FY16 to 2.5p. Raven continues to have a strong balance sheet and was able to take the opportunity to acquire three assets in St Petersburg for c \$83m in January.

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	6.9	2.6
2015	219.7	N/A	64.9	7.94	7.8	3.0
2016e	195.3	N/A	74.8	6.81	9.0	3.3
2017e	196.2	N/A	50.6	5.80	10.6	3.5

Real Estate Investar Group (REV)

Sector: Technology

Price:	A\$0.03
Market cap:	A\$2m
Market	ASX

Share price graph (A\$)

Company description

Real Estate Investar provides integrated online services to Australian and New Zealand property investors to assist them in identifying and managing suitable properties.

Price performance

%	1m	3m	12m
Actual	26.9	(10.8)	(45.0)
Relative*	25.5	(13.5)	(50.1)

* % Relative to local index

Analyst

Katherine Thompson

INVESTMENT SUMMARY

Real Estate Investar (REV) saw a lower volume of property transactions closing in H117, resulting in slower revenue growth than expected. This was partially offset by lower overheads. Good working capital management preserved cash despite lower EBITDA. We have cut our forecasts to reflect slower revenue growth. REV continues to execute on its strategy to capitalise on its growing membership base of property investors to generate property-related transaction revenues.

INDUSTRY OUTLOOK

REV is exposed to the key drivers of the property market, which include population, interest rates and taxation policies. The government's forecast CAGR for Australia's population to 2023 is 1.2% and New Zealand is expected to experience growth rates of ~1%. A sudden spike in interest rates could have a negative impact on demand for residential property. A favourable income tax policy is also an important driver of demand. Other factors such as FX, slower than expected user growth and China's investment restriction may also dampen demand.

Y/E Jun	Revenue (A\$m)	EBITDA (A\$m)	PBT (A\$m)	EPS (c)	P/E (x)	P/CF (x)
2015	4.0	(0.8)	(1.1)	(5.2)	N/A	N/A
2016	4.9	(1.0)	(1.5)	(2.4)	N/A	N/A
2017e	6.0	(0.8)	(1.3)	(1.6)	N/A	N/A
2018e	7.2	0.3	(0.1)	(0.2)	N/A	8.0

Sector: Financials

Price:	41.0p
Market cap:	£91m
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	(8.6)	9.3	56.2
Relative*	(6.3)	9.1	39.4

* % Relative to local index

Analyst

Andrew Mitchell

Record (REC)

INVESTMENT SUMMARY

In its Q417 trading update for the period to end March, Record reported AUME of $58.2bn, up 3% from the end of December and 10% from March 2016. In sterling terms, the increases were 2% and 26% respectively. The quarter saw positive moves in markets and currency that more than offset a modest net outflow of $0.5bn. This included a $0.9bn reduction in a specific multi-product mandate where allocations are subject to significant variations. Q417 performance in the currency for return area as a whole remained positive with the longest running multi-strategy product now having an annualised, ungeared return of +1.82% since inception (end July 2012).

INDUSTRY OUTLOOK

Reflecting the higher than estimated year-end AUME and allowing for the termination of a $1.2bn passive hedging mandate after the period end, we have increased our revenue estimates, resulting in EPS estimate increases of 7% and 2% for FY17 and FY18 respectively. The background for attracting additional clients and AUME remains favourable given the recent history of global macro developments and continuing uncertainty.

Y/E Mar	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (p)	P/E (x)	P/CF (x)
2015	20.9	7.7	7.5	2.65	15.5	N/A
2016	21.2	7.2	7.0	2.54	16.1	N/A
2017e	22.6	8.1	7.9	2.84	14.4	N/A
2018e	24.1	8.7	8.5	3.03	13.5	N/A

Sector: Property

Price:	105.0p
Market cap:	£316m
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	1.9	(1.2)	(0.9)
Relative*	4.6	(1.4)	(11.6)

* % Relative to local index

Analyst

Julian Roberts

Regional REIT (RGL)

INVESTMENT SUMMARY

On 24 April, Regional REIT (RGL) provided an update on letting activity, portfolio management and its capital expenditure plans showing that a high level of asset management activity has continued since FY16 results were announced in March. Four new leases and regears have been secured, with one new lease being for 10 years. These will generate c £0.6m of annual rental income and cover 50.4k sq ft of lettable area, helping RGL to move towards its target of 90% occupancy this year (83.8% at 31 December 2016) and extending its lease expiry profile. RGL also announced the disposal of Wellesley House in Stockport for £1.8m and other non-core assets for a further £1.1m. The proceeds will be used to part-fund a £5.7m capex programme refurbishing a 29.9k sq ft office building in Birmingham and a 66.8k sq ft office building in Aylesbury. We have maintained our estimates.

INDUSTRY OUTLOOK

Tenant demand for regional office and industrial space remains robust, with little discernible impact from Brexit. Typical rent-free periods on new leases are falling and 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	116.7	N/A
2016	38.1	30.2	21.0	7.7	13.6	9.2
2017e	46.8	38.0	25.5	8.7	12.1	6.8
2018e	51.5	42.0	28.4	9.5	11.1	7.4

Reworld Media (ALREW)

Sector: Media & entertainment

Price:	€1.75
Market cap:	€56m
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	(23.9)	20.7	84.2
Relative*	(24.9)	15.2	65.8

* % Relative to local index

Analyst

Fiona Orford-Williams

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, and the improving performance of TradeDoubler where costs have been realigned and the product suite is being enhanced. Across the business, 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 (subject to shareholder approval), which adds digital sports-based content and video capability. Reworld's market valuation is at a 27% discount to peers; 18% on a DCF basis.

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	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	437.5	48.1
2017e	186.3	8.5	3.1	5.7	30.7	13.0
2018e	196.5	13.8	8.1	13.8	12.7	13.0

RNTS Media (RNM)

Sector: Media & entertainment

Price:	€1.89
Market cap:	€217m
Market	FRA

Share price graph (€)

Company description

RNTS Media's mobile ad tech platforms Fyber and Inneractive help app developers and publishers overcome the challenges of a fragmented ecosystem by consolidating a wide range of advertising demand on to one platform.

Price performance

%	1m	3m	12m
Actual	4.9	(14.2)	(12.9)
Relative*	4.1	(17.1)	(24.6)

* % Relative to local index

Analyst

Bridie Barrett

INVESTMENT SUMMARY

RNTS Media has announced that it has successfully restructured its €150m convertible bonds, reflecting a reduction in the conversion price from €4.2 to €3 per share, a waiver of the July 2017 coupon, a reduction in the coupon rate from 5% to 3% and a subordination of the claims under the convertible bonds to bank lenders in respect of bank financing. This is a significant step for the group. While we forecast the group moves to EBITDA profitability this year, there remain earn out obligations as well as working capital requirements related to ongoing business. This in effect means a €3.75m saving this year and €3m annual interest savings for RNTS Media from next year (coupon reduced from €7.5m to €4.5m), while the subordination of claims should make it easier to put in place additional banking facilities.

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	(10.2)	(23.7)	(18.1)	N/A	N/A
2017e	275.0	3.9	(7.9)	(5.8)	N/A	N/A

EDISON

Sector: Oil & gas

Rockhopper Exploration (RKH)

Price:	21.0p
Market cap:	£96m
Market	AIM

Share price graph (p)

Company description

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

Price performance

%	1m	3m	12m
Actual	(4.6)	(23.6)	(33.3)
Relative*	(2.1)	(23.8)	(40.5)

* % Relative to local index

Analyst

Will Forbes

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 a similar magnitude (according to management estimates). This resource base (over which RKH holds a >50% working interest) is significant on a global scale and commercially attractive given the cost reductions achieved through the FEED process so far – the project is NPV10 break-even at $45/bbl. Although the timing of project sanction is uncertain (particularly given the financial constraints of its partner, PMO), the fiscal regime and resource base makes this a compelling long-term project.
RKH also holds production and exploration assets in Egypt and Italy, with combined volumes of over 1.3mboe/d. 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 (c)	P/E (x)	P/CF (x)
2014	1.9	(8.0)	(7.6)	(2.6)	N/A	N/A
2015	4.0	(32.8)	(44.7)	3.6	7.3	N/A
2016e	7.9	134.1	123.0	26.8	1.0	N/A
2017e	11.1	(3.9)	(18.1)	(4.1)	N/A	N/A

Sector: Financials

S&U (SUS)

Price:	2061.5p
Market cap:	£247m
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	(0.8)	0.4	(5.3)
Relative*	1.8	0.2	(15.5)

* % Relative to local index

Analyst

Andrew Mitchell

INVESTMENT SUMMARY

S&U's FY17 results showed continued strong growth with PBT +29% at £25.2m, EPS of 170.7p vs 133.6p and total dividend up 20% to 91p. Advantage motor finance recorded a 32% increase in customer numbers and receivables were up by one-third at £193.5m. 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 has helped support the revenue yield on receivables but resulted in an increase in impairments, as expected. 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 total bank facilities of £95m, which the group sees as sufficient to fund growth at Advantage and the launch of the bridging finance pilot. Further facilities will be negotiated as required.

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.

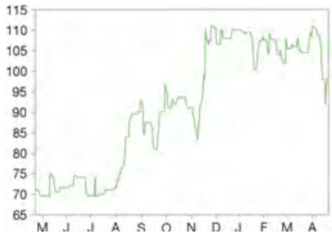
Y/E Jan	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (fd) (p)	P/E (x)	P/CF (x)
2016	45.2	21.5	19.5	132.4	15.6	N/A
2017	60.5	27.1	25.2	169.1	12.2	N/A
2018e	75.2	33.2	30.1	199.1	10.4	N/A
2019e	89.8	40.0	35.4	234.2	8.8	N/A

SCISYS (SSY)

Sector: Technology

Price:	98.5p
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	(5.7)	(2.0)	38.7
Relative*	(3.3)	(2.2)	23.8

* % Relative to local index

Analyst

Richard Jeans

INVESTMENT SUMMARY

Both FY16 revenue and operating profit were 4% ahead of our forecasts, while EPS beat by 8% on a favourable tax charge. Management reintroduced its medium-term goal to achieve £60m in revenues and double-digit operating margins. We broadly maintained our forecasts. However, the shares dipped following media reports that UK companies risk being frozen out of European space contracts due to Brexit. The reports cited the new terms for the latest phase of work on the EU's Galileo satellite navigation system, within which SCISYS has been actively involved. SCISYS says it is confident that Brexit will not affect its revenues from Galileo due to its ability to bid for work through either its UK or German offices. Hence, we believe the stock looks attractive on c 8x our 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, notably in the environment sector, has been offset by strong performances from space and defence. Management is keen to add critical mass to the Media & Broadcast division and expand the offering beyond radio play out systems.

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	75.8	18.2
2016	45.7	4.0	3.0	9.2	10.7	8.3
2017e	53.4	5.6	4.0	11.2	8.8	4.0
2018e	55.1	6.0	4.4	11.8	8.3	5.2

SDX Energy (SDX)

Sector: Oil & gas

Price:	67.4p
Market cap:	£126m
Market	AIM, TSX-V

Share price graph (p)

Company description

SDX Energy is an Egyptian onshore player listed in Toronto and London. It has plans to notably increase production in two fields, while a third should see a carried exploration well around the turn of the year.

Price performance

%	1m	3m	12m
Actual	38.9	96.7	N/A
Relative*	42.5	96.2	N/A

* % Relative to local index

Analyst

Will Forbes

INVESTMENT SUMMARY

SDX has announced that it has discovered gas in the Abu Madi structure of the South Disouq SD-1X well. The well came in on prognosis, validating the company's 3D seismic 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 12.03mmboe on a 2P basis), increasing our RENAV from 57p to 76p/share.

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	2.6	18.7	N/A	N/A	N/A
2016	12.9	(19.2)	(22.4)	N/A	N/A	N/A
2017e	45.5	29.0	10.9	N/A	N/A	5.3
2018e	80.9	57.9	36.9	N/A	N/A	2.8

Sector: Property

Price:	345.8p
Market cap:	£797m
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	1.9	9.2	23.0
Relative*	4.6	9.0	9.8

* % 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	133.0	N/A
2016	93.1	71.5	23.3	11.1	31.2	N/A
2017e	105.6	94.3	31.5	13.7	25.2	N/A
2018e	106.9	95.0	34.1	14.7	23.5	N/A

Sector: Financials

Price:	2300.0p
Market cap:	£425m
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	7.6	(1.1)	(18.0)
Relative*	10.4	(1.4)	(26.9)

* % Relative to local index

Analyst

Andrew Mitchell

Secure Trust Bank (STB)

INVESTMENT SUMMARY

Secure Trust Bank's (STB) 2016 results were close to expectations with loan growth of 38%, operating income up 28% and underlying net income 21% ahead. The year saw major changes as the group generated substantial profit from the Everyday Loans sale, gained independence and moved to the Main Market. Looking ahead, there is scope for further organic growth, but STB will also consider acquisitions on a disciplined basis. Both have the potential to contribute to a strengthening in the return on equity from the 2016 level of 11.9%, towards the return on required equity of nearly 20%.

INDUSTRY OUTLOOK

STB is taking a cautious approach in several areas, having withdrawn from new, unsecured personal lending and tempered its appetite for lending in real estate and asset finance where the returns on offer are unappealing compared with the risks. However, the economic background in the UK remains resilient, which should be helpful for growth elsewhere, and there is potential for partial disposals from larger banks that could present inorganic opportunities.

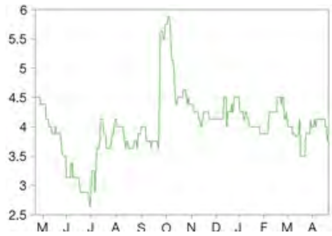
Y/E Dec	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (p)	P/E (x)	P/CF (x)
2015	92.1	N/A	26.7	114.3	20.1	N/A
2016	118.2	N/A	32.9	137.7	16.7	N/A
2017e	141.0	N/A	33.0	140.8	16.3	N/A
2018e	168.3	N/A	50.2	213.1	10.8	N/A

Seeing Machines (SEE)

Sector: Technology

Price:	3.9p
Market cap:	£58m
Market	AIM, ISDX

Share price graph (p)



Company description

Seeing Machines (SM) is a technology company focused on designing vision-based human machine interfaces.

Price performance

%	1m	3m	12m
Actual	10.7	(3.1)	(13.9)
Relative*	13.6	(3.4)	(23.2)

* % Relative to local index

Analyst

Richard Jeans

INVESTMENT SUMMARY

While H1 revenue dipped sharply to A$3.6m, the corresponding period included a A$21.9m one-off licensing fee and A$5.8m of direct DSS sales that are no longer undertaken. The near-term growth area is Fleet, which grew by 134% to A$1.6m. Additionally, Fleet's contracted revenue base is significantly higher; it has c 65 trials in place and a global distribution partnership with MiX Telematics. Both Fleet and Mining generated lower revenues than anticipated. Nevertheless, SM has established the building blocks for long-term growth. It has developed a chipset that runs SM's core algorithms and provides a cost-effective means to market, particularly in the automotive OEM space. SM ended the period with A$11.6m in cash. It has since completed a £16.4m gross (c A$27m) fundraising, which takes its pro forma cash position to c $37m. We are reviewing our forecasts.

INDUSTRY OUTLOOK

SM specialises in operator performance and safety through real-time monitoring and intervention. Its IP is based around three sets of algorithms – head tracking, eye aperture and eye gaze. SM focuses on five safety-related areas: mining, commercial road transport, consumer automotive, rail and simulators (including aviation). It is also seeking business in consumer electronics through licensing/royalty relationships.

Y/E Jun	Revenue (A$m)	EBITDA (A$m)	PBT (A$m)	EPS (c)	P/E (x)	P/CF (x)
2015	19.0	(9.1)	(9.4)	(1.2)	N/A	N/A
2016	33.6	(2.0)	(1.3)	(0.1)	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

Severfield (SFR)

Sector: Engineering

Price:	83.5p
Market cap:	£250m
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	3.7	7.6	58.7
Relative*	6.4	7.3	41.6

* % Relative to local index

Analyst

Toby Thorrington

INVESTMENT SUMMARY

Severfield's UK order book began to pick up at the beginning of 2016 (from c £185m in November 2015 to £315m a year later) and this has progressively fed into its FY17 trading performance with a strong end to the year with regard to revenue, margins and cash flow. Elsewhere, the Indian JV trading performance has been stable, as has the local order book (at £40m). We have raised our FY17 and FY18 group PBT estimates by c 9% and c 5% respectively with increased revenue and margin expectations in both years. Full-year results are scheduled for 14 June; order book progression and revenue run rates at that time will inform FY18 prospects more fully.

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)
2015	201.5	13.6	8.8	2.47	33.8	21.8
2016	239.4	18.9	13.7	3.84	21.7	10.0
2017e	263.2	25.7	20.1	5.64	14.8	9.6
2018e	263.2	27.2	21.4	6.01	13.9	9.5

Sector: Financials

Price:	26.0p
Market cap:	£37m
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	(2.8)	(5.5)	(8.8)
Relative*	(0.3)	(5.7)	(18.6)

* % Relative to local index

Analyst

Andrew Mitchell

Share plc (SHRE)

INVESTMENT SUMMARY

Share plc's FY16 result showed a 32% increase in AUA to £3.7bn, fee and commission income taken together were up 8% while interest income fell as a result of lower rates. Reported pre-tax profit was £1m (vs £0.9m in FY15), including a £2.1m profit on the sale of London Stock Exchange shares. There was a marginal normalised profit after tax reflecting investment costs. Share is making progress in its work to enhance its customer proposition and servicing through IT investment. The results should become more evident this year and help continue the growth in AUA, potentially helped by further acquisitions of accounts and corporate partnerships. In its Q117 update (24 April), Share indicated the current year has started well and revenue reached a record level of £4.1m with market share (ex-interest) at 11.0%. Positively, the FCA has granted the company some extra flexibility in the term of client money deposits, mitigating the lack of bank appetite for on-call deposits.

INDUSTRY OUTLOOK

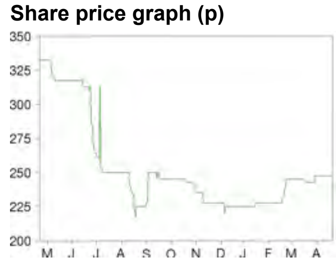
Following a particularly poor market background for retail investment activity in H215 and the H116 uncertainty ahead of the Brexit referendum, activity levels picked up, an improvement that has been sustained into the current year.

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	65.0	N/A
2016	14.6	(1.1)	0.0	0.0	N/A	N/A
2017e	16.5	(0.1)	0.3	0.12	216.7	N/A
2018e	17.5	0.2	0.7	0.36	72.2	N/A

Sector: Financials

Price:	247.5p
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	2.1	8.8	(25.6)
Relative*	4.7	8.5	(33.6)

* % 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

Uncertainty relating to Brexit is set to remain a feature, but the prospective election may increase confidence in the outcome and with market levels markedly higher on a year's view and the economy showing strength – together with SGR's own successful development of its franchise – there is good support for management's positive outlook.

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	9.5	76.1
2016	39.4	3.6	2.4	5.8	42.7	6.5
2017e	41.8	6.6	5.5	13.1	18.9	12.0
2018e	N/A	N/A	N/A	N/A	N/A	N/A

Sector: Mining

Price:	C$28.49
Market cap:	C$12578m
Market	NYSE, TSX

Share price graph (C$)

Company description

Silver Wheaton is the pre-eminent pure precious metals streaming company, with more than 25 streaming agreements relating to assets in Mexico, Peru, Canada, Brazil, Chile, Argentina, Sweden, Greece, Portugal, the US and Guyana.

Price performance

%	1m	3m	12m
Actual	7.3	0.6	17.3
Relative*	5.2	0.2	4.3

* % Relative to local index

Analyst

Charles Gibson

Silver Wheaton (SLW)

INVESTMENT SUMMARY

A mixed performance at SLW's silver division in Q416 was trumped by an exceptional performance at its gold division, such that sales and cash flows derived from gold exceeded those from silver. More significantly, its results materially outperformed both our prior estimates for Q416, as well as SLW's own production guidance at the time of its Q316 results.

INDUSTRY OUTLOOK

Assuming no material purchases of additional streams (which is unlikely), we forecast a value per share for SLW of US$36.66, or C$49.00, in FY20 (at average precious metal prices of US$23.98/oz Ag and US$1,362/oz Au). In the meantime, SLW's shares are trading on near-term financial measures that are cheaper than those of its royalty/streaming 'peers' in c 80% of instances considered, and the miners themselves in c 40%, despite being associated with materially less risk. Additional upside exists in the potential expansion of Salobo and the development of Pascu-Lama and Rosemont, among others. Q1 results are scheduled for 9 May.

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	40.2	19.3
2016	891.6	602.7	269.8	62.0	34.3	15.1
2017e	879.7	589.9	266.6	60.0	35.5	15.8
2018e	973.0	673.1	391.1	89.0	23.9	13.9

Sector: Technology

Price:	NZ$0.34
Market cap:	NZ$21m
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	(9.3)	(24.4)	(68.8)
Relative*	(10.4)	(24.9)	(68.8)

* % 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	30.9	28.0
2017e	32.3	(0.5)	(0.8)	(1.3)	N/A	N/A
2018e	34.7	0.9	0.5	1.0	34.0	N/A

Sector: Technology

Price: €41.02
Market cap: €204m
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	(6.2)	(6.3)	36.9
Relative*	(6.9)	(9.5)	18.6

* % Relative to local index

Analyst

Richard Jeans

SNP AG (SHF)

INVESTMENT SUMMARY

SNP Schneider-Neureither & Partner's (SNP) FY16 results indicated that the business environment remains healthy. The group has a strong balance sheet with net cash, boosted by the €30m capital increase last year, and has raised additional €40m in loan notes to build a war chest to make additional acquisitions. We have edged up revenue forecasts, but eased profits, to reflect the increased costs as it positions for the next phase of its growth. 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 19x our cash-adjusted FY19 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	69.8	80.8
2016	80.7	8.5	5.7	94.4	43.5	175.5
2017e	97.5	11.9	9.0	121.3	33.8	18.0
2018e	110.5	14.6	11.5	155.8	26.3	14.6

Sector: Industrial support services

Price: 412.5p
Market cap: £35m
Market AIM

Share price graph (p)

Company description

Solid State is a high value-add manufacturer and specialist design-in distributor specialising in industrial/ruggedised computers, electronic components, antennas, microwave systems, secure comms systems and battery power solutions.

Price performance

%	1m	3m	12m
Actual	(20.3)	(13.6)	21.3
Relative*	(18.2)	(13.8)	8.2

* % Relative to local index

Analyst

Anne Margaret Crow

Solid State (SOLI)

INVESTMENT SUMMARY

Solid State has announced that FY17 trading is likely to be broadly in line with market expectations, with delays in antenna projects in Q4 pushing performance to the lower bound of the range. We adjust our estimates slightly downwards and revise our indicative valuation to 390-516p/share. The mean of the lower and upper bounds of our new range is 453p, indicating that Solid State is fairly priced at current levels.

INDUSTRY OUTLOOK

Discussion with management indicates that the delays in antennae orders relate to delays in some defence programmes being awarded and in some programmes progressing from pilot phases to more extensive roll-out. This unpredictable order pattern is normal for the industry. We note that the rest of the manufacturing business performed broadly in line with management expectations, while the distribution business was slightly ahead. Orders at the end of February 2017 totalled £18.1m, compared with £16.5m one year previously, which is encouraging.

Y/E Mar	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (fd) (p)	P/E (x)	P/CF (x)
2015	36.6	3.8	3.2	36.3	11.4	12.8
2016	44.1	5.1	4.4	51.2	8.1	19.1
2017e	39.5	3.6	3.1	32.2	12.8	4.4
2018e	41.0	3.7	3.3	32.7	12.6	12.8

Sector: Technology

Price:	126.5p
Market cap:	£82m
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	47.1	22.8	71.0
Relative*	50.9	22.5	52.5

* % Relative to local index

Analyst

Richard Jeans

StatPro Group (SOG)

INVESTMENT SUMMARY

StatPro is acquiring UBS Delta, a portfolio analysis and risk management system, from UBS for €13.05m. UBS Delta is an early-generation private cloud application used by front offices of institutional investors and is particularly strong in fixed income attribution and risk. The acquisition significantly scales up StatPro's business, boosting FY18 revenues by c 33% and EBITDA by c 40%. While the deal looks very cheap at less than 0.8x revenues, compared with 7.3x sales that FactSet recently paid for BISAM, a key competitor of StatPro, UBS Delta's technology needs to be refreshed and to achieve this, its functionality, along with the customer base, will be transitioned to StatPro Revolution. If StatPro can successfully integrate UBS Delta, we believe there is strong upside potential in the shares, given the significant valuation disparity with 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	48.7	13.1
2016	37.5	5.1	2.7	3.5	36.1	11.1
2017e	48.9	7.0	4.2	5.0	25.3	7.1
2018e	57.3	8.9	6.1	7.2	17.6	5.7

Sector: Support services

Price:	224.0p
Market cap:	£794m
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	7.8	26.7	113.8
Relative*	10.6	26.4	90.8

* % Relative to local index

Analyst

Jamie Aitkenhead

Stobart Group (STOB)

INVESTMENT SUMMARY

On 23 March, Stobart Group (STOB) announced that Eddie Stobart Logistics (ESL), in which STOB has a 49% equity stake, will float on AIM. ESL was sold to private equity in 2014 – the three-year holding period is average for a company to be held by private equity. We await further concrete news on the listing process, timetable and any indication on valuation.

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.

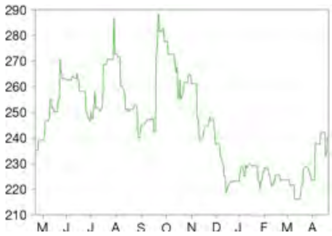
Y/E Feb	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (p)	P/E (x)	P/CF (x)
2015	116.6	18.0	9.6	2.2	101.8	N/A
2016	126.7	30.0	20.6	5.9	38.0	216.2
2017e	147.8	33.8	22.8	5.5	40.7	51.8
2018e	207.5	42.9	33.1	8.1	27.7	29.0

Stride Gaming (STR)

Sector: Travel & leisure

Price:	240.0p
Market cap:	£162m
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	5.0	4.8	2.1
Relative*	7.8	4.5	(8.9)

* % Relative to local index

Analyst

Victoria Pease

INVESTMENT SUMMARY

Stride's AGM statement (31 January) reported strong organic growth in real money gaming and we believe it is continuing to win market share. The acquisitions of Tarco and 8Ball (31 August 2016) doubled its share of the online bingo market to 10% and we believe it achieved strong double-digit like-for-like growth in 2016 (+31% reported). We left our forecasts unchanged but slightly adjusted the mix. The share rating looks low for a cash-generative, fully regulated, pure online business that we expect to deliver 11% EPS growth in FY17. Next results: interims in May.

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 mainly focus 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. The extension of the UK 15% POC tax from net to gross real money gaming revenue from August 2017 is already in our forecasts.

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	17.1	22.9
2016	47.8	12.3	11.3	20.3	11.8	8.6
2017e	88.8	19.5	18.3	22.6	10.6	12.0
2018e	103.3	21.0	19.6	23.6	10.2	8.4

Target Healthcare REIT (THRL)

Sector: Property

Price:	117.0p
Market cap:	£295m
Market	LSE

Share price graph (p)

Company description

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

Price performance

%	1m	3m	12m
Actual	5.4	4.5	7.8
Relative*	8.1	4.2	(3.8)

* % Relative to local index

Analyst

Julian Roberts

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%). Since the quarter end, THRL has 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 will be paid on 26 May.

INDUSTRY OUTLOOK

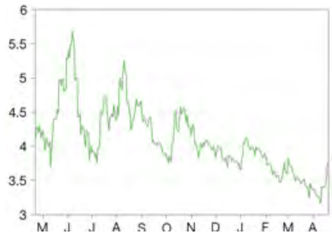
The UK population over the age of 85 is expected to increase by 140% from 2014 to 2039. There is a lack of high-quality care homes of the sort Target invests in, providing ample opportunity to grow the portfolio.

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	19.2	18.5
2016	16.9	N/A	11.7	5.1	22.9	24.9
2017e	23.4	N/A	16.6	5.0	23.4	30.5
2018e	27.9	N/A	20.1	6.7	17.5	15.2

Sector: Technology

Price: NOK3.75
Market cap: NOK3063m
Market Oslo

Share price graph (NOK)



Company description

Thin Film Electronics commercialises printed electronics and owns key patents for printing rewritable, non-volatile memory and printable NFC circuits. It also licenses technology from others to develop complete printed systems.

Price performance

%	1m	3m	12m
Actual	9.0	(5.1)	(9.0)
Relative*	13.6	(0.6)	(16.3)

* % Relative to local index

Analyst

Anna Bossong

Thin Film Electronics (THIN)

INVESTMENT SUMMARY

Thinfilm's year has been dominated by a steadily growing list of new clients, preparations for the move to its new roll-to-roll plant in San Jose and a successful $61.7m funding round, which should keep the company fully funded until 2018. The planned completion of a high-volume, roll-to-roll production facility in 2018 and the recent launch of the CNECT cloud-based software portal should help the group to fully exploit growing demand for NFC-based solutions. Shorter term, Thinfilm management expects to set a record in Q117 for wireless units (EAS and NFC) shipped during a quarter. We currently value the stock based on a DCF analysis at NOK8.19.

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: RUB3210.00
Market cap: RUB45bn
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	(3.9)	(9.8)	18.9
Relative*	1.2	0.2	19.2

* % Relative to local index

Analyst

Jamie Aitkenhead

TransContainer (TRCN)

INVESTMENT SUMMARY

TransContainer's (TRC) 12-month and FY16 results announcement on 30 March was in line with Edison and market expectations. Adjusted revenue was up 8.3% y-o-y and adjusted EBITDA increased by 8.8%. The Russian rail container market grew by 10.2% y-o-y and TRC's volumes grew by 8.9% over the same period. Management continues to believe in the long-term structural growth drivers in the Russian rail freight market, which is a view we share.

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)
2014	20538.0	6544.0	3751.0	286.0	11.2	5.8
2015	20311.0	5744.0	3530.0	138.7	23.1	8.1
2016e	21849.0	6778.0	4582.0	264.4	12.1	6.6
2017e	23664.0	7826.0	5669.0	327.0	9.8	5.7

EDISON

Sector: Food & drink

Price: 394.0p
Market cap: £204m
Market LSE

Share price graph (p)

Company description

Treatt provides innovative ingredient solutions from its manufacturing bases in Europe, N 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	10.4	57.3	121.4
Relative*	13.2	56.9	97.5

* % 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 start to FY17, despite Q1 typically being a seasonally weak quarter, and momentum continues to build. There will be a full site relocation for the UK business over the next three years or so. 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	31.0	23.4
2016	88.0	11.6	9.6	14.3	27.6	18.9
2017e	102.1	15.8	13.6	20.0	19.7	13.9
2018e	107.2	17.1	14.4	21.2	18.6	12.2

Sector: Industrial support services

Price: 223.0p
Market cap: £268m
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	3.7	8.3	61.6
Relative*	6.4	8.0	44.2

* % Relative to local index

Analyst

Andy Chambers

Trifast (TRI)

INVESTMENT SUMMARY

The impressive record since management restructuring eight 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. The pre-close update confirmed strong Q4 trading, boosted by FX. Accompanied by a strong cash performance, this has led us to upgrade estimates once again.

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)
2015	154.7	16.5	14.3	8.68	25.7	37.4
2016	161.4	18.2	16.0	9.99	22.3	16.4
2017e	186.2	22.8	20.1	12.70	17.6	12.5
2018e	190.3	23.0	20.6	12.90	17.3	13.3

Sector: Financials

Price:	59.0p
Market cap:	£74m
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	4.4	(8.5)	(0.8)
Relative*	7.1	(8.8)	(11.5)

* % Relative to local index

Analyst

Andrew Mitchell

Tungsten Corporation (TUNG)

INVESTMENT SUMMARY

Tungsten announced its H117 results in December. Revenue was up 20% or 11% on a constant currency basis and the EBITDA loss was reduced from £6.3m to £1.9m (excludes Tungsten Bank where the sale completed in December). Cash at the period end was £2.6m, but this excluded cash at Tungsten Bank where the sale released nearly £30m in total. Progress is being made on the strategic plan of achieving greater focus in the business, operational improvements, relaunching invoice financing and developing related services. Pricing on buyer contract renewals remains strong with an average year to mid-December increase of 47%, while five net new buyers and c 11,000 suppliers have been added to the e-invoicing network (now c 180 and 213,000 respectively). The invoice financing offer has only recently been relaunched but Tungsten reports early indications as promising.

INDUSTRY OUTLOOK

The group has reiterated its guidance that FY17 year-end cash should be at least £20m, the EBITDA loss below £13m and revenue at least £30m (H117 £15.5m). EBITDA breakeven is expected at some point in CY17.

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	43.8

Sector: Technology

Price:	€9.88
Market cap:	€128m
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	4.1	16.2	27.3
Relative*	4.5	13.0	18.8

* % Relative to local index

Analyst

Katherine Thompson

TXT e-solutions (TXT)

INVESTMENT SUMMARY

TXT expects to report revenues of €18.0m in Q117 (our forecast €17.4m), equating to year-on-year growth of 25%, or 11.8% once the €1.9m contributed by PACE is excluded. TXT Retail grew 14% y-o-y to €9.0m, helped by sales to several new US customers. TXT Next grew 39% to €9.0m and 9.2% on an organic basis. The company expects to show limited growth in EBITDA in Q117 (Q116: €1.4m, our forecast €1.3m). Net cash reached €8.8m at the end of Q117, up from €5.4m at the end of FY16. We leave our forecasts unchanged pending full Q117 results on 8 May.

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.

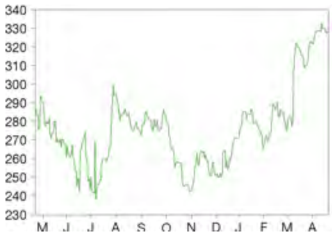
Y/E Dec	Revenue (€m)	EBITDA (€m)	PBT (€m)	EPS (fd) (c)	P/E (x)	P/CF (x)
2015	61.5	6.7	5.7	40.0	24.7	47.9
2016	69.2	8.7	8.1	55.0	18.0	10.8
2017e	74.9	8.5	8.0	53.0	18.6	14.5
2018e	77.9	9.4	8.8	59.0	16.7	11.4

EDISON

Sector: Construction & blding mat

Price:	327.0p
Market cap:	£582m
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	5.9	16.8	14.0
Relative*	8.7	16.5	1.7

* % Relative to local index

Analyst

Toby Thorrington

Tyman (TYMN)

INVESTMENT SUMMARY

FY16 results came in with a decent surprise to the upside with reported normalised PBT £62.1m, EPS FD 25.41p and DPS 10.5p (versus £54.5m, 21.98p and 9.25p respectively. This outturn was 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, though we note that there was some improvement in organic revenue and margin also. Tyman ended FY16 with £176m net debt, a y-o-y increase of c £94m, broadly equivalent to cash acquisition consideration in the year. Otherwise, a positive cash flow performance – enhanced by a small equity fund raise - was effectively offset by adverse translation effects on overseas borrowing. Our estimates are under review.

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)
2014	350.9	54.6	39.3	17.1	19.1	13.7
2015	353.4	60.4	44.9	19.1	17.1	11.2
2016e	454.3	75.6	54.4	21.9	14.9	9.1
2017e	533.9	87.8	64.2	25.3	12.9	8.0

Sector: Aerospace & defence

Price:	2075.0p
Market cap:	£1465m
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 (27% of 2015 sales); Communications & Security (33%); and Maritime & Land (40%).

Price performance

%	1m	3m	12m
Actual	(3.0)	9.6	16.2
Relative*	(0.5)	9.3	3.7

* % 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. With net debt down significantly, we would also expect increased M&A to augment the improving defence spending environment, which should accelerate in FY18. The Q1 trading statement is due with the AGM on 28 April. Our fair value remains at 2,257p pending the trading update.

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	16.7	17.0
2016	785.8	148.0	120.1	134.6	15.4	12.4
2017e	812.8	149.8	121.4	134.7	15.4	13.4
2018e	852.8	157.2	130.2	144.5	14.4	10.4

Sector: Technology

UMT United Mobility Technology (UMD)

Price:	€1.15
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	(1.0)	(7.2)	(16.8)
Relative*	(1.7)	(10.4)	(27.9)

* % Relative to local index

Analyst

Anna Bossong

INVESTMENT SUMMARY

UMT has reported progress in its contract to provide mobile payments services to customers of Payback, Germany's largest loyalty programme. Implementation has proceeded smoothly and latest data from Payback show that 10.5m Payback customers have downloaded the Payback app. In January, Payback was awarded the first ever 'Goldene Transaktion' award for its mobile payment system, with the jury judging the system on the basis of improving the payment process and usability, optimising conversion and adding value for users. UMT recently released selected group earnings data under German GAAP for H116, with net profit of €1.3m, equating to €0.08 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	129.2	N/A
2015	3.0	0.6	1.0	6.29	18.3	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

Utilitywise (UTW)

Price:	140.0p
Market cap:	£110m
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	(22.3)	(24.2)	(19.3)
Relative*	(20.3)	(24.4)	(28.0)

* % Relative to local index

Analyst

Graeme Moyse

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 (fd) (p)	P/E (x)	P/CF (x)
2015	69.1	17.8	16.7	17.9	7.8	N/A
2016	84.4	18.3	17.8	19.4	7.2	8.7
2017e	97.1	19.4	19.1	20.0	7.0	9.2
2018e	110.2	22.2	22.2	23.2	6.0	6.6

Sector: General retailers

Price:	49.8p
Market cap:	£198m
Market	AIM

Share price graph (p)

Company description

Vertu is the fifth-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	0.0	11.2	(16.7)
Relative*	2.6	10.9	(25.7)

* % Relative to local index

Analyst

Andy Chambers

Vertu Motors (VTU)

INVESTMENT SUMMARY

Vertu is the fifth-largest UK motor dealership group. Having initially focused on volume cars, it now has a strong position in the premium segment. The core strategy involves development through a series of acquisitions, typically strengthening used car and aftermarket operations. The pre-close trading statement showed stronger organic growth in these segments, which should outweigh the current uncertainty in new cars. Vertu's financial strength enables it to respond effectively to M&A potentials as they arise.

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)
2015	2074.9	28.7	22.0	5.06	9.8	6.5
2016	2423.3	35.5	27.4	6.31	7.9	2.6
2017e	2700.0	38.4	30.5	6.07	8.2	4.6
2018e	2850.0	42.4	34.5	6.76	7.4	4.5

Sector: Mining

Price:	0.0p
Market cap:	£42m
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	22.9	(21.8)	10.3
Relative*	21.5	(24.2)	0.0

* % Relative to local index

Analyst

Tom Hayes

Volt Resources (VRC)

INVESTMENT SUMMARY

Volt's recent pre-feasibility study on Namangale outlines a 170ktpa operation feeding a high-purity graphite concentrate into the lithium-ion battery and expandable graphite end-markets. We have compared Namangale to six of the most advanced East African graphite projects and note Volt's high ranking in terms of estimated operating margin and concentrate purity. We note the project's slightly above-average capital intensity, but also that it is c 17% lower than Magnis Resources' BFS-stage Nachu project situated close by.

INDUSTRY OUTLOOK

We initiate coverage on Volt with a fully diluted (50/50 debt/equity split) valuation of A$264m or 27 cents per share, using a 10% discount rate and US$1,684/t concentrate basket price. Volt has also secured a binding off-take agreement with a graphene developer, which we view as technically de-risking Namangale graphite for use in high-value and high-tech applications.

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:	216.0p
Market cap:	£150m
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 and Zoffany.

Price performance

%	1m	3m	12m
Actual	(1.8)	6.1	6.7
Relative*	0.7	5.9	(4.8)

* % Relative to local index

Analyst

Toby Thorrington

Walker Greenbank (WGB)

INVESTMENT SUMMARY

WGB's pre-close trading statement reinforces market estimates, puts its major flood largely into the history books and enables the market to concentrate on the future. It has delivered a strong recovery from the impact of the December 2015 flash flood, which disrupted the H117 performance. Brand sale momentum improved in all regions as the year progressed – reflecting a continued sound underlying performance in a challenging marketplace, but with improved supply of printed fabrics, following the return of the Lancaster factory to full production – and Clarke & Clarke (acquired October 2016) is trading in line with management expectations. As was seen at the interim stage, profits will be credited with further loss of profit payments from insurers. FY17 results will be announced on 26 April.

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 which 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 (fd) (p)	P/E (x)	P/CF (x)
2015	83.4	10.7	8.1	11.20	19.3	36.9
2016	87.8	11.8	8.9	12.13	17.8	18.2
2017e	92.4	13.5	10.4	12.66	17.1	14.7
2018e	123.0	17.4	14.3	15.93	13.6	13.1

Sector: Technology

Price:	385.0p
Market cap:	£137m
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	(11.5)	(2.0)	116.9
Relative*	(9.2)	(2.3)	93.5

* % Relative to local index

Analyst

Dan Ridsdale

WANdisco (WAND)

INVESTMENT SUMMARY

Encouraging progress looks to have continued in Q1 with WANdisco securing a $4.1m deal with a multinational financial institution and with the business operating at cash flow break-even. The recent launch of Fusion 2.10 is significant as it expands Fusion's capability to the mainstream file storage market – initially supporting Network File Storage for NetApp devices, with others to follow. This should significantly expand WANdisco's addressable market and strengthen its proposition, enabling enterprises to fully utilise, optimise and migrate the data stored across its entire network. The rating implies the market is pricing in an acceleration in momentum from here and we believe that there are some encouraging signs of this in the Q1 update. The company's strategic attractiveness should also factor in the valuation equation.

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	57.7
2018e	21.6	(0.6)	(10.2)	(25.4)	N/A	15.9

Sector: Industrial support services

Price:	273.5p
Market cap:	£334m
Market	LSE

Share price graph (p)

Company description

Wincanton is a British provider of logistics with its origins in milk haulage. The company provides transport and logistics services including specialist automated high bay, high capacity warehouses, and supply chain management for businesses.

Price performance

%	1m	3m	12m
Actual	1.8	6.8	57.2
Relative*	4.5	6.6	40.2

* % Relative to local index

Analyst

Jamie Aitkenhead

Wincanton (WIN)

INVESTMENT SUMMARY

Through refinancing, cost cutting and disposals, Wincanton has made excellent progress in mending its finances in recent years, the culmination of which was the reintroduction of the dividend in H216. FY17e debt of 0.5x EBITDA is a significant reduction on recent history and has given management and investors confidence in the underlying business. Balance sheet recovery looks set to continue as the pension deficit is paid down, further bolstering investor confidence in the story.

INDUSTRY OUTLOOK

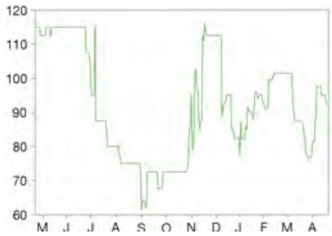
The UK logistics market is estimated at £36bn and while it is directly linked to economic health and business activity, it has resilience and has consistently grown faster than GDP, helped by the complexity of supply chains and the evolution of multi-channel retailing.

Y/E Mar	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (p)	P/E (x)	P/CF (x)
2015	1107.4	62.0	31.4	22.2	12.3	9.2
2016	1147.4	62.5	35.3	25.4	10.8	N/A
2017e	1111.5	62.7	42.0	28.8	9.5	6.9
2018e	1139.2	65.1	44.8	30.9	8.9	7.0

Sector: Alternative energy

Price:	92.5p
Market cap:	£37m
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	12.1	(3.7)	(19.6)
Relative*	15.0	(3.9)	(28.2)

* % Relative to local index

Analyst

Anne Margaret Crow

Windar Photonics (WPHO)

INVESTMENT SUMMARY

Windar has received a new order for 25 WindEYE LiDAR units from a newly appointed regional distributor in the Chinese market, with financing provided by Denmark's export credit agency, Eksport Kredit Fonden. The LiDAR sensor units are expected to be delivered in H117, and installed and commissioned shortly afterwards. This order is significant because it demonstrates that the revised strategy for penetrating this important market is making progress.

INDUSTRY OUTLOOK

This deal follows orders at the end of December for projects in South Korea and India. These highlight how the distribution network that has been put in place over the last nine months is beginning to generate business.

Y/E Dec	Revenue (€m)	EBITDA (€m)	PBT (€m)	EPS (fd) (c)	P/E (x)	P/CF (x)
2014	1.0	(1.5)	(2.0)	(5.1)	N/A	N/A
2015	0.9	(2.8)	(3.3)	(8.4)	N/A	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:	96.5p
Market cap:	£67m
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	(24.6)	(25.2)	(26.6)
Relative*	(22.7)	(25.4)	(34.5)

* % Relative to local index

Analyst

Toby Thorrington

WYG (WYG)

INVESTMENT SUMMARY

A slower end to FY17 in the UK reduced market guidance to c £9m EBIT for the year, c 12% below our estimate (but still c 23% above FY16) and we adjusted our model accordingly. Management cites some programme and contract award deferrals but no standout sectors, contracts or customer types behind this. International operations overall traded slightly ahead of our expectations. WYG is in the process of updating its business strategy and group structure; costs of c £1.7m are anticipated and, together with associated accelerated contract adjustments in Poland, give a c £2.5m exceptional charge for the year as a whole. By FY17 results (on June 6), we will have more visibility on run rates and order intake and will naturally review estimates for FY18 and beyond at that time.

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)
2015	130.5	7.2	5.7	8.6	11.2	26.5
2016	133.5	9.0	7.0	10.6	9.1	N/A
2017e	152.0	11.2	8.5	11.5	8.4	31.4
2018e	166.0	13.7	11.0	13.6	7.1	6.5

Sector: Electronics & elec eqpt

Price:	2500.0p
Market cap:	£481m
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	19.1	39.7	49.7
Relative*	22.1	39.3	33.6

* % 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	24.0	22.6
2016	129.8	33.0	28.6	115.33	21.7	17.0
2017e	150.0	36.9	31.5	123.62	20.2	19.8
2018e	156.9	39.3	33.5	131.29	19.0	16.4

Sector: Media & entertainment

Price:	283.5p
Market cap:	£298m
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	8.4	24.2	101.1
Relative*	11.2	23.9	79.4

* % 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. Interim results showed organic top-line progress of 8%, boosted to 14% by currency movements, while operating margins ticked up 1% point to 11%. Profiles is gaining traction both standalone and in combination with BrandIndex and is being launched across more geographies. We have edged our FY17e and FY18e figures ahead 2-3% 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

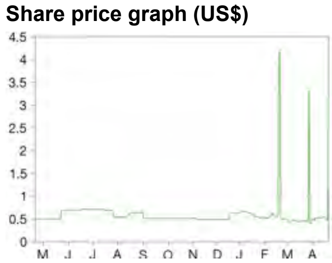
The global MR industry continues to go through an extended period of change, prompted by technological advances that facilitate the production of vast quantities of data. This has led to a proliferation of tools to manipulate it and generate usable value for the client markets and the rise of influential 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	42.3	28.4
2016	88.2	11.6	13.3	8.5	33.4	20.8
2017e	104.5	14.3	14.9	10.5	27.0	20.5
2018e	115.2	16.2	16.8	11.5	24.7	17.4

Sector: Food & drink

Price:	US$3.14
Market cap:	US$66m
Market	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, with further expansion planned into Australia, New Zealand and Asia.

Price performance

%	1m	3m	12m
Actual	(3.3)	(21.6)	(46.3)
Relative*	(4.4)	(24.0)	(51.3)

* % Relative to local index

Analyst

Beth Senko

Yowie Group (YOW)

INVESTMENT SUMMARY

Yowie continues to report strong top-line results driven by product development and increased shelf space at Walmart, its key customer. After a modest slowdown in the December quarter, the company appears to be back on track. In February, Wayne Loxton announced that he is stepping down as executive chairman. With a deep bench of experienced confectionery executives, we maintain confidence in Yowie's long-term growth and profitability prospects. However, our estimates are under review as we seek to fine-tune our near-term expectations.

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	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

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	2016/03	GBP	8.1	8.4	8.5
Augean	2016/12	GBP	1	1.2	1.44
Bezant Resources	2016/06	GBP	1		
Borussia Dortmund	2016/06	EUR	6	6	7
Brady	2015/12	GBP	0	1.7	1.9
Braemar Shipping Services	2016/02	GBP	26	14	14
Caledonia Mining Corp	2016/12	USD	5.5	5.5	5.5
Carclo	2016/03	GBP	0.9	0	0
Carr's Group	2016/08	GBP	3.8	3.9	4
Cenkos Securities	2016/12	GBP	6	11	
Centrale del Latte d'Italia	2016/12	EUR	6	6	6
China Aviation Oil (Singapore)	2016/12	USD	3.2	3.6	4
China Water Affairs Group	2016/03	HKD	8	10	12.5
Coats Group	2016/12	USD	0.8	1.5	1.7
Cohort	2016/04	GBP	6	7	8
Comvita	2016/06	NZD	18		
Creston	2016/03	GBP	4.4		
DeA Capital	2016/12	EUR	12	12	12
Ebiquity	2016/12	GBP	0.65	0.7	0.75
EMIS Group	2016/12	GBP	23.4	24.4	25.4
Entertainment One	2016/03	GBP	1.2	1.3	1.4
Epwin Group	2015/12	GBP	6.4	6.6	6.9
EQS Group	2016/12	EUR	75	80	85
Euromoney Institutional Investor	2016/09	GBP	23.4	26.5	30.5
Game Digital	2016/12	GBP	3.4	2	2
GB Group	2016/03	GBP	2.1	2.2	2.5
GFT	2016/12	EUR	30	33	37
Greggs	2016/01	GBP	31	32.2	34.2
GVC Holdings	2016/12	EUR	30	33	38
Hogg Robinson Group	2016/03	GBP	2.5	2.7	2.8
IFG Group	2016/12	GBP	4.95	5.45	5.99
IG Design Group	2016/03	GBP	2.5	4	5
IS Solutions	2015/03	GBP	0.56	1.6	1.8
Is Yatirim Menkul Degerler	2016/12	TRY	12.68	12.68	12.68
Jersey Electricity	2016/09	GBP	13.5	14.2	14.9
John Laing Group	2016/12	GBP	8.15	9.75	9.92
K3 Business Technology Group	2016/06	GBP	1.75	1.93	2.12
La Doria	2016/12	EUR	18	17	24
London Stock Exchange Group	2015/12	GBP	36		
Lookers	2016/12	GBP	3.64	3.82	4
Low & Bonar	2016/11	GBP	3	3.2	3.3
MedicX Fund	2016/09	GBP	5.95	6	6.05
Medserv	2016/12	EUR	0	0	3.8
NetDimensions	2015/12	USD	0.9	1	1.1
Newmark Security plc	2015/04	GBP	0.1	0.1	0.1
Norcros	2016/03	GBP	6.6	7.2	7.5

Numis Corporation	2016/09	GBP	12	12.5	13
OTC Markets Group	2016/12	USD	116	120	122
Pan African Resources	2016/06	GBP	0.88	0.73	0.85
Piteco	2016/12	EUR	15	17.5	20
Polypipe	2016/12	GBP	10.1	10.6	11.1
Powerflute	2015/12	EUR	3		
PPHE Hotel Group	2016/12	GBP	21	22	23
Primary Health Properties	2016/12	GBP	5.1	5.3	5.4
QinetiQ Group	2016/03	GBP	5.7	6.2	6.6
Rank Group	2016/06	GBP	6.5	7.1	8.2
Raven Russia Ltd	2015/12	USD	2	2.5	1
Record	2016/03	GBP	1.65	1.65	1.65
Regional REIT	2016/12	GBP	7.7	8.2	8.8
SCISYS	2016/12	GBP	1.96	2.16	2.38
Secure Trust Bank	2016/12	GBP	75	78	82
Severfield	2016/03	GBP	1.5	2	2.2
Share plc	2016/12	GBP	0.25	0.3	0.5
Shore Capital Group	2016/12	GBP	5	10	
Silver Wheaton	2016/12	USD	21	26	29
SinnerSchrader	2016/08	EUR	20		
SNP Schneider-Neureither & Partner	2016/12	EUR	39	45	52
Solid State	2016/03	GBP	12	12	12.5
StatPro Group	2016/12	GBP	2.9	2.9	2.9
Stobart Group	2016/02	GBP	6	12	12
Stride Gaming	2016/08	GBP	2.5	2.8	3
Tenon	2015/06	USD	4		
Treatt	2016/09	GBP	4.4	6.1	6.5
Trifast	2016/03	GBP	2.8	3.25	3.5
TXT e-solutions	2016/12	EUR	30	32	33
Tyman	2015/12	GBP	8.8	9.3	10.3
Ultra Electronics Holdings	2016/12	GBP	47.8	49.5	52
Utilitywise	2016/07	GBP	6.5	6.9	7.3
Vertu Motors	2016/02	GBP	1.3	1.4	1.5
Walker Greenbank	2016/01	GBP	2.89	3.2	3.35
WYG	2016/03	GBP	1.5	1.8	2
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	Update	24/04/17
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	Update	19/12/16
Almonty Industries	Metals & mining	Outlook	16/08/16
Altamir	Investment companies	Investment company review	14/10/16
Amur Minerals	Metals & mining	Update	07/03/16
Arbuthnot Banking Group	Financials	Update	16/08/16
Ariana Resources	Metals & mining	Update	02/03/16
Atlantis Japan Growth Fund	Investment companies	Initiation	21/07/15
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	Flash	15/02/17
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
Blancco 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	Update	24/01/17
Brady	Technology	Update	17/01/17
Brunner Investment Trust	Investment companies	Investment company review	03/04/17
Bushveld Minerals	Metals & mining	Update	18/05/16
Caledonia Mining	Metals & mining	Update	12/04/17
Canadian General Investments	Investment companies	Investment company review	27/04/17
Canadian Overseas Petroleum Limited	Oil & gas	Flash	19/12/16
Carbios	Alternative energy	Update	11/04/17
Carclo	Technology	Update	13/04/17
Carr’s Group	Food & drink	Update	12/04/17
Cenkos Securities	Financials	Update	03/04/17
Centrale del Latte d’Italia	Food & drink	Update	09/03/17
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	13/12/16
Circle Holdings	Financials	Outlook	09/12/16
City Natural Resources	Investment companies	Investment company review	22/01/15
Coats Group	General industrials	Update	10/03/17
Cohort	Aerospace & Defence	Flash	10/03/17
Comvita	Consumer	Update	16/05/16
Cooks Global Foods	Food & drink	Flash	14/12/16
CREALOGIX	Software & comp services	Update	29/03/17
Custodian REIT	Property	Initiation	22/03/17
DeA Capital	Investment companies	Update	20/03/17
Deinove	Alternative energy	Update	06/04/17
Deutsche Beteiligungs	Investment companies	Investment company review	31/01/17
Diverse Income Trust (The)	Investment companies	Investment company review	15/02/17

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Dunedin Enterprise Investment Trust	Investment companies	Investment company review	05/10/15
Ebiquity	Media	Update	29/03/17
Eckoh	Technology	Flash	21/01/16
Edinburgh Worldwide Investment Trust	Investment companies	Initiation	13/10/14
Egdon Resources	Oil & gas	Update	27/02/17
Elk Petroleum	Oil & gas	Update	20/04/17
Ellomay Capital	Alternative energy	Update	16/01/17
EMIS Group	Software & comp services	Update	20/03/17
Entertainment One	Media	Update	31/03/17
Epwin Group	Industrials	Update	07/02/17
EQS Group	Media	Update	07/04/17
eServGlobal	Technology	Update	09/01/17
Esker	Technology	Update	21/04/17
Euromax Resources	Metals & mining	Update	28/03/17
Euromoney Institutional Investor	Media	Update	27/01/17
European Assets Trust	Investment companies	Investment company review	03/01/17
European Investment Trust (The)	Investment companies	Investment company review	26/10/16
Evolva	Food & beverages	Update	16/03/17
Expert System	Technology	Update	27/04/17
F&C Managed Portfolio Trust	Investment companies	Initiation	22/03/17
Fair Value REIT	Property	Update	16/05/16
Fidelity China Special Situations	Investment companies	Investment company review	04/04/17
Fidelity European Values	Investment companies	Investment company review	09/01/17
Findel	Retail	Update	07/04/17
Finsbury Growth & Income Trust	Investment companies	Investment company review	26/10/16
Focusrite	Consumer support services	Update	20/03/17
Foreign & Colonial Investment Trust	Investment companies	Investment company review	07/12/16
Foresight Autonomous Holdings	Technology	Update	24/04/17
Fusionex International	Technology	Update	04/04/17
Future	Media	Update	11/04/17
G3 Group	Industrial support services	Update	01/02/17
Game Digital	Retail	Initiation	19/04/17
Gaming Realms	Gaming	Update	03/11/16
GB Group	Technology	Update	20/04/17
Gear4music Holdings	Consumer support services	Update	03/03/17
GFT Group	Technology	Outlook	31/03/17
Global Bioenergies	Alternative energy	Update	08/03/17
Globalworth Real Estate Investments	Property	Update	06/12/16
Green Dragon Gas	Oil & gas	Update	21/11/14
GO internet	Technology	Update	04/04/17
Green Dragon Gas	Oil & gas	Update	20/02/17
Greggs	Food & drink	Outlook	06/03/17
GVC Holdings	Travel & leisure	Update	03/04/17
Hansa Trust	Investment companies	Investment company review	24/11/15
HarbourVest Global Private Equity	Investment companies	Investment company review	13/06/16
HBM Healthcare Investments	Investment companies	Investment company review	21/11/16
Henderson Alternative Strategies Trust	Investment trusts	Investment company review	27/01/17
Henderson Far East Income	Investment companies	Investment company review	04/05/16
Henderson Global Trust	Investment companies	Investment company review	31/03/16
Henderson International Income Trust	Investment trusts	Investment company review	21/06/16
Hogg Robinson Group	Consumer support services	Flash	21/02/17
HSBC	Financials	Update	13/08/15
Hurricane Energy	Oil & gas	Flash	20/12/16
IFG Group	Financials	Update	04/04/17
IG Design Group	Consumer support services	Update	24/03/17
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	21/02/17
Jackpotjoy plc	Travel & leisure	Update	30/03/17
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	09/01/17
JPMorgan Global Convertibles Inc Fund	Investment companies	Investment company review	22/11/16
JPMorgan Global Growth & Income	Investment companies	Initiation	27/09/16
JPMorgan Private Equity	Investment companies	Investment company review	28/04/15
Jupiter Green Investment Trust	Investment trusts	Initiation	02/02/17
Jupiter Primadona Growth Trust	Investment companies	Initiation	03/06/15
Jupiter UK Growth Investment Trust	Investment trusts	Investment company review	06/03/17
Jupiter US Smaller Companies	Investment trusts	Investment company review	23/03/17
K3 Business Technology Group	Technology	Update	10/01/17
KEFI Minerals	Mining	Update	13/02/17
Keywords Studios	Software & comp services	Update	07/04/17
La Doria	Food & drink	Update	20/03/17
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	Initiation	02/02/17
Liquefied Natural Gas Ltd	Oil & gas	Update	05/04/17
Lookers	General retailers	Update	16/03/17
London Stock Exchange Group	Financials	Update	19/10/15
Low & Bonar	Basic industries	Update	13/04/17
Lowland Investment Company	Investment companies	Initiation	15/06/16
LSL Property Services	Property	Update	01/09/16
Marlborough Wine Estates Group	Food & drink	Update	24/04/17
Martin Currie Asia Unconstrained Trust	Investment companies	Investment company review	05/10/16
Martin Currie Global Portfolio Trust	Investment companies	Investment company review	06/09/16
MedicX Fund	Property	Outlook	15/12/16
Medserv	Industrial support services	Update	06/04/17
Merchants Trust (The)	Investment companies	Investment company review	09/01/17
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
Nano Dimension	Technology	Flash	31/03/17
National Grid	Industrials	Flash	14/11/16
Nektan	Travel & Leisure	Update	23/10/15
NetDimensions	Technology	Update	11/11/16
Norcros	Construction & materials	Update	18/04/17
Numis Corporation	Financial services	Update	04/01/17
Ocean Wilsons Holdings	Investment companies	Update	16/12/16
Oceania Natural	Consumer support services	Update	03/04/17
Orosur Mining	Metals & mining	Update	30/01/17
OTC Markets Group	Financial services	Update	10/03/17
Pacific Assets Trust	Investment companies	Investment company review	30/07/15
Palace Capital	Real estate	Update	14/03/17
Pan African Resources	Metals & mining	Update	04/04/17
paragon	General industrials	Update	26/10/16

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Park Group	Financial services	Update	07/04/17
Paysafe Group	Technology	Update	15/03/17
Piteco	Software & comp services	Update	26/04/17
Pointer Telocation	Tech hardware & equipment	Update	16/03/17
Polypipe	Construction & materials	Update	13/04/17
Powerflute	Basic industries	Update	08/04/16
PPHE Hotel Group	Travel & leisure	Update	09/03/17
Primary Health Properties	Property	Update	27/02/17
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	22/03/17
Quadrise Fuels International	Oil & gas	Outlook	01/11/16
Rank Group	Travel & leisure	Outlook	16/02/17
Rare Earth Minerals	Metals & mining	Update	15/01/16
Raven Russia	Property	Outlook	27/03/17
Real Estate Investar	Technology	Update	03/04/17
Record	Financials	Update	24/04/17
Regional REIT	Real estate	Update	03/04/17
Reworld Media	Media	Update	30/03/17
Rex Bionics	Technology	Update	06/01/16
RNTS Media	Media	Update	14/02/17
Rockhopper Exploration	Oil & gas	Flash	12/04/17
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	04/04/17
Scottish Oriental Smaller Cos Trust	Investment companies	Investment company review	10/11/16
SDX Energy	Oil & gas	Update	19/04/17
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
Seeing Machines	Technology	Update	13/11/15
Seneca Global Income & Growth Trust	Investment companies	Investment company review	23/03/17
Severfield	Industrial engineering	Update	29/03/17
Share plc	Financials	Update	15/03/17
Shore Capital Group	Financials	Update	11/04/17
Silver Wheaton	Metals & mining	Update	29/03/17
SinnerSchrader	Technology	Outlook	02/02/17
SLI Systems	Technology	Outlook	14/03/17
Snakk Media	Media	Update	03/02/17
SNP Schneider-Neureither & Partner	Technology	Outlook	03/04/17
Solid State	Industrial support services	Update	27/03/17
Standard Life Equity Income Trust	Investment companies	Investment company review	30/01/17
Standard Life European Private Equity Trust	Investment companies	Investment company review	07/11/16
Standard Life Inv. Property Income Trust	Investment companies	Review	02/09/16
Standard Life UK Smaller Cos Trust	Investment companies	Review	12/01/17
StatPro Group	Technology	Update	11/04/17
Stobart Group	Support services	Update	10/11/16
Stride Gaming	Travel & leisure	Update	02/02/17
STV Group	Media	Update	26/08/16
Target Healthcare REIT	Property	Initiation	20/03/17
Templeton Emerging Markets Investment Trust	Investment companies	Investment company review	03/04/17
Tenon	Building materials	Outlook	03/12/15
Tetragon Financial Group	Investment companies	Investment company review	28/11/16

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The Law Debenture Corporation	Investment trusts	Initiation	20/12/16
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	Update	06/03/17
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	20/06/16
Track Group	Technology	Update	16/02/16
TransContainer	General industrials	Update	26/04/17
Treatt	Basic industries	Update	07/04/17
Trifast	Engineering	Update	20/04/17
Tungsten Corporation	e-invoicer & invoice financier	Update	19/10/16
TXT e-solutions	Technology	Update	13/03/17
Tyman	Construction & materials	Update	09/12/16
UK Commercial Property Trust	Investment trusts	Initiation	24/03/17
Ultra Electronics	Aerospace & defence	Update	06/03/17
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	17/10/16
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
VinaLand	Investment companies	Investment company review	05/09/16
Volt Resources	Metals & mining	Initiation	15/03/17
Walker Greenbank	General industrials	Update	07/02/17
WANdisco	Technology	Update	24/04/17
Wincanton	Industrial support services	Outlook	25/01/17
Windar Photonics	Alternative Energy	Update	04/10/16
Witan Investment Trust	Investment companies	Investment company review	05/04/16
Witan Pacific Investment Trust	Investment companies	Investment company review	12/12/16
Worldwide Healthcare Trust	Investment companies	Investment company review	23/11/16
WYG	Industrial support services	Update	24/03/17
XP Power	Electronic & electrical equipment	Update	11/04/17
YouGov	Media	Update	30/03/17
Yowie Group	Food & beverages	Update	24/01/17
YPB Group	Industrial support services	Update	10/06/16

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