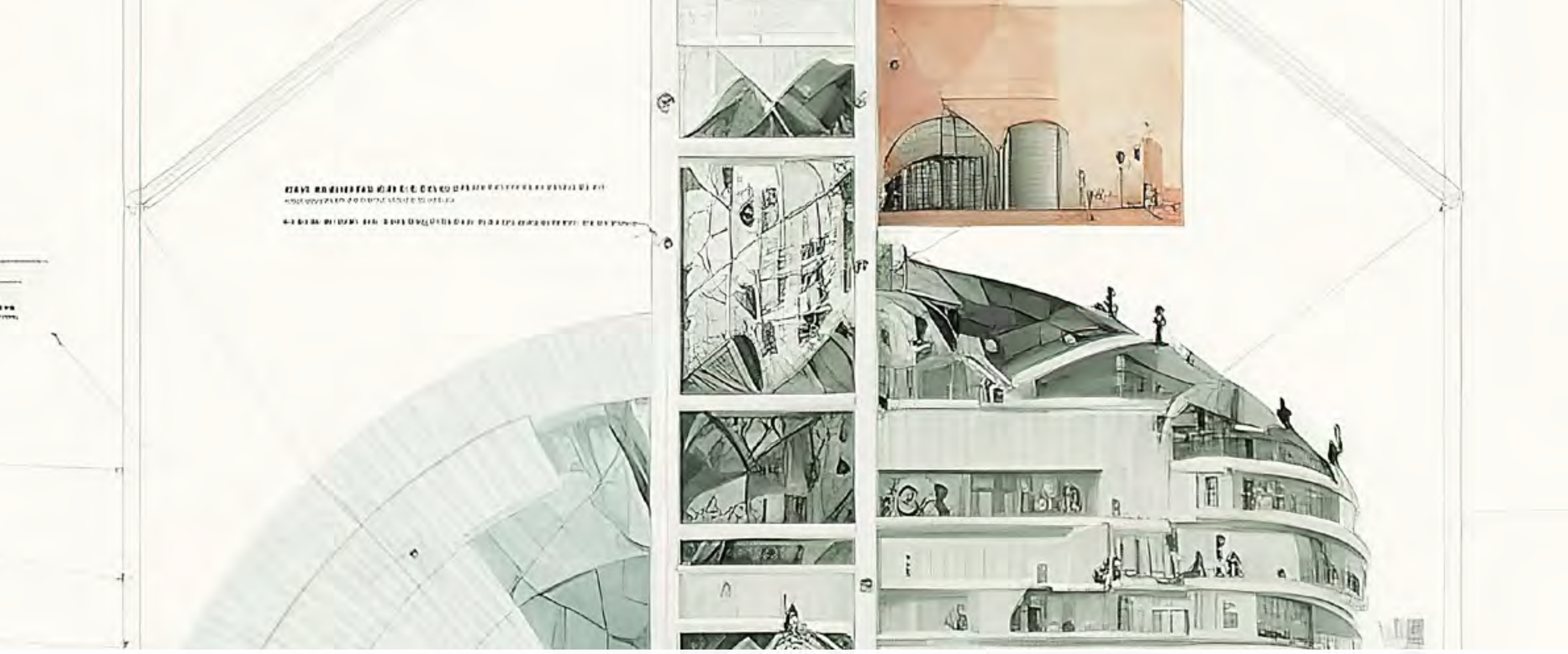


EDISON

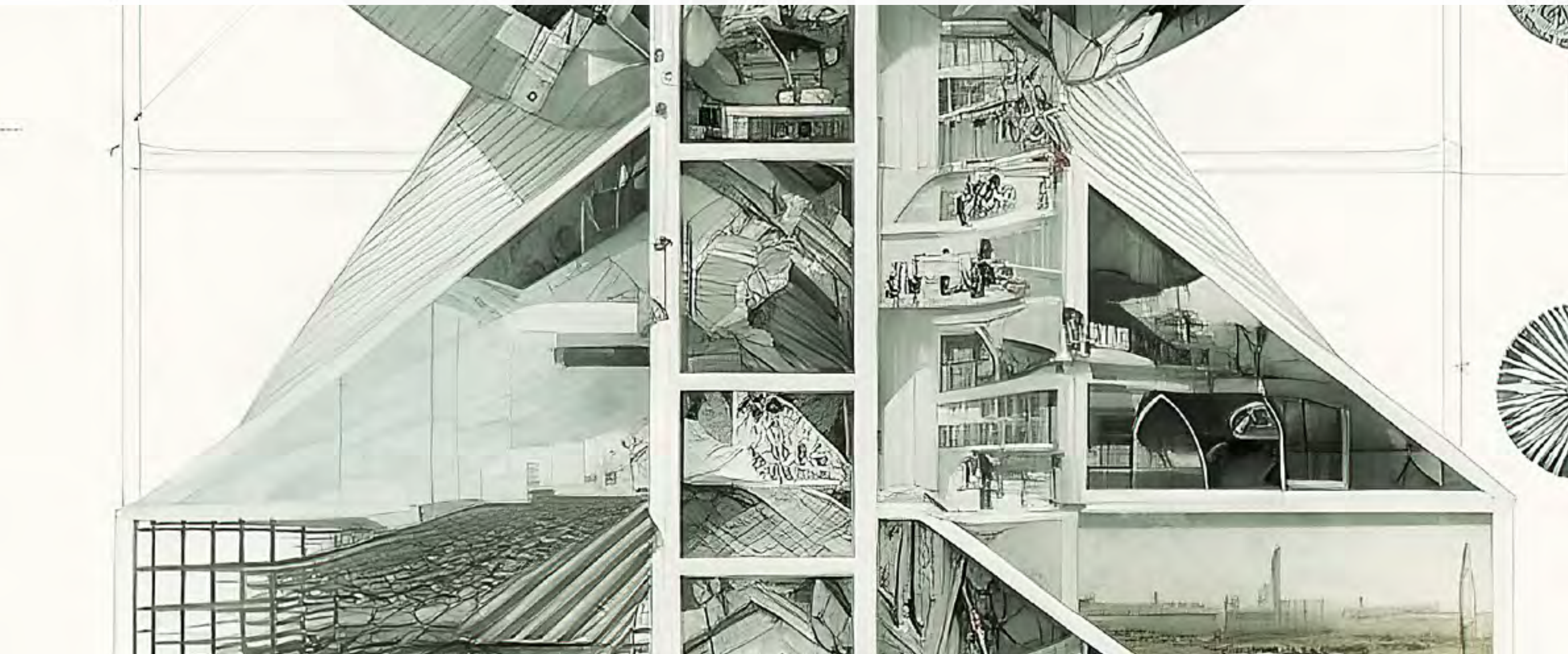
BRILLIANT KNOWLEDGE

INSIGHT

Strategic perspective | company profiles

OCTOBER 2023

Published by Edison Investment Research



Contents

Prices at 23 October 2023	Published 26 October 2023
US$/£ exchange rate: 0.8205	*NOK/£ exchange rate: 0.0753*
€/£ exchange rate: 0.8667	*CHF/£ exchange rate: 0.9046*
C$/£ exchange rate: 0.6020	*ZAR/£ exchange rate: 0.0430*
A$/£ exchange rate: 0.5223	*HUF/£ exchange rate: 0.0022*
NZ$/£ exchange rate: 0.4867	*KZT/£ exchange rate: 0.0017*
SEK/£ exchange rate: 0.0746	*JPY/£ exchange rate: 0.0055*
PLN/£ exchange rate: 0.1903	*DKK/£ exchange rate: 0.1162*

Welcome to the October edition of Edison Insight. This month we open with a strategy piece by Alastair George, who believes that the recent surge in long-term bond yields has caught investors off guard. 2023 was supposed to be the year of the bond, following the peak in global policy interest rates and a rapid decline in inflation. Instead, interest rates have peaked but global bond yields have continued to climb as inflation remains stubbornly above targeted levels. We believe the recent increase in long-term yields represents a significant additional tightening of financial conditions which will ultimately prove self-defeating and maintain a positive outlook on the asset class. Global consensus earnings estimates have remained stable in recent weeks, indicating 7% earnings growth for 2023. However, this masks upgrades to the energy sector with modest downgrades elsewhere. We believe investors should keep a close eye on balance sheet strength as companies face a much tougher refinancing environment and some may look to investors to raise equity capital. We maintain a neutral outlook on global equities as yields on safer debt instruments should attract cautious investors. Valuations for US equities are still high on a price/book basis, especially in the context of consensus forecasts for single-digit earnings growth for 2023. European and UK equities trade close to long-term average price/book levels.

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

Edison is a leading research and investor relations consultancy, connecting listed companies to the widest pool of global investors. By focusing on the volume and quality of investors reached – across institutions, family offices, wealth managers and retail investors – Edison can create and gauge intent to purchase, even in the darkest pools of capital, and then make introductions via non-deal roadshows, events or virtual meetings.

Having been the first company in-market 17 years ago, Edison has more than 100 employees and covers every economic sector. Headquartered in London, Edison also has offices in New York, Sydney and Wellington.

Edison is authorised and regulated by the Financial Conduct Authority. Edison is a registered investment adviser regulated by the state of New York.

We welcome any comments/suggestions our readers may have.

Neil Shah
Director of research

Global perspectives: Still positive on bonds

- **The recent surge in long-term bond yields has caught investors off guard.** 2023 was supposed to be the year of the bond, following the peak in global policy interest rates and a decline in inflation. Instead, interest rates have peaked but global bond yields have continued to climb as inflation remains stubbornly above targeted levels. We believe the recent increase in long-term yields represents a significant additional tightening of financial conditions which will ultimately prove self-defeating and maintain a positive outlook on the asset class.
- **Global consensus earnings estimates have remained stable in recent weeks, indicating 7% earnings growth for 2023.** However, this masks upgrades to the energy sector with modest downgrades elsewhere. We believe investors should keep a close eye on balance sheet strength as companies face a much tougher refinancing environment and some may look to investors to raise equity capital.
- **We maintain a neutral outlook on global equities as yields on safer debt instruments should attract cautious investors.** Valuations for US equities are still high on a price/book basis, especially in the context of consensus forecasts for single-digit earnings growth for 2023. European and UK equities trade close to long-term average price/book levels.

Analyst

Alastair George
+44 (0)20 3077 5700
institutional@edisongroup.com

Bond markets: Yields rise even as recession risk looms

2023 was supposed to be the year of recovery for global government bonds, after a challenging performance in 2022. However, long-term yields have soared during Q3, even as evidence accumulates of a slowdown in the global economy. We believe the reasons for this counterintuitive outcome are twofold. First, inflation has proved stubbornly high in both Europe and the US. This is particularly worrying in Europe as economic growth has slowed markedly.

Second, in the US economic momentum has surprised to the upside during the autumn. This provides no all-clear to the US Federal Reserve to step back from its restrictive stance on monetary policy. US inflation continues to run at twice targeted levels of 2%. As a result, the trade-weighted value of the US dollar has been on a tear, rising 7% from mid-July until early October, Exhibit 1. This is in part due to higher short-term rate expectations but also rising geopolitical tensions. Finally, a price-insensitive volume of quantitative tightening has increased the market supply of government debt securities, increasing the term premium.

Exhibit 1: Trade-weighted value of US dollar on a tear since mid-summer

Source: Refinitiv. Note: Rebased to 100 at 1 January 2023.

It was only recently that income-seeking investors were faced with unprecedented yield compression across all asset classes. Now, income-generating securities are in ample supply. In addition to interest rates close to 5% in the US and UK, investment-grade corporate credit yields more than 6%, meaning that investors can now lock away low-risk income streams for five years or more. This has impinged on the value of less liquid or riskier assets such as real estate or dividend-paying equities, both of which have struggled to perform since the trough in global monetary tightening cycle began in 2022.

We believe the tightening of financial conditions since the summer has been significant in the US and Europe. 30-year mortgage interest rates in the US are now just under 8%, which represents a rise of as much as 4.5% in only two years. For many US consumers, this will make the prospect of purchasing a home unaffordable unless prices fall. The lack of mortgage portability disincentivises existing owners from moving. Despite otherwise strong momentum in the US economy, existing home sales in the US have fallen by close to 40% since the lift-off in US interest rates, Exhibit 2.

For investors, the sharp tightening of financial conditions should in our view place a spotlight on balance sheet quality, for both debt and equity securities held in portfolios. Periods of financial tightening are associated with a higher risk of financial accidents. While even recent memories of Silicon Valley Bank and Credit Suisse seem to be fading, these events remain highly relevant. Both incidents were triggered by the fear of hidden balance sheet losses and long-term rates have only risen further since then. Slowing growth may be in prospect for 2024 and many companies may shortly be facing recessionary conditions, especially in Europe, at a time when debt may need to be refinanced against stronger covenants and at much higher interest rates.

Having remained with an underweight outlook on long-term government bonds throughout the COVID pandemic, in hindsight we moved too early to a more constructive view as 10- and 30-year US yields have continued to surge during Q323 in something of a momentum-driven trade.

Nevertheless, this yield expansion represents an additional tightening in financial conditions and is in our view likely over time to become self-defeating. Furthermore, US long-term inflation expectations remain relatively well-anchored. Consumer surveys indicate median inflation rates similar to those of the pre-pandemic era, while market-implied measures are also well contained, Exhibit 2. Therefore, current US 10-year rates are now significantly ahead of those which would be expected as the 3–4% sum of expected inflation, population growth and long-run productivity growth.

Exhibit 2: US inflation expectations remain well-anchored

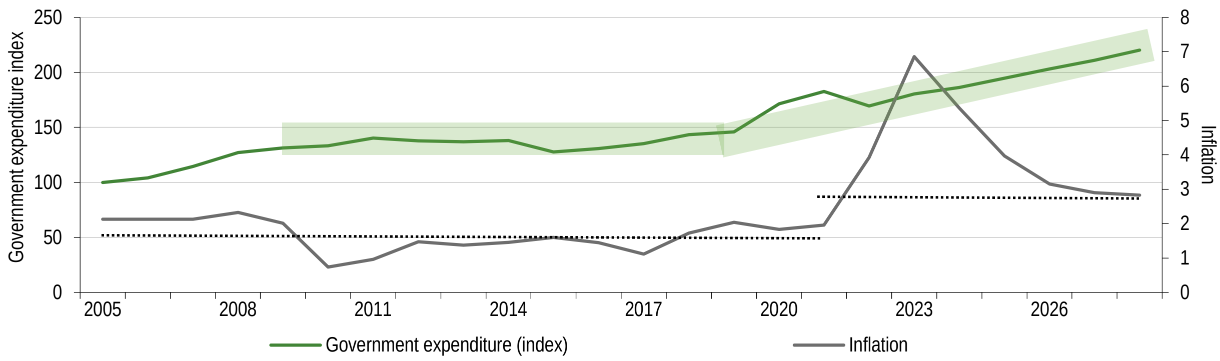
Source: Refinitiv. Note: Implied five-year breakeven inflation rate based on US TIP and US Treasury yield.

Inflation: A fiscal phenomenon in this cycle?

For most of the post-2009 financial crisis era, quantitative easing (QE) in developed markets was undertaken at a time of relative austerity in government spending. No government wished to follow the example of the periphery of Europe into a sovereign solvency crisis, even if this was to a significant degree an artefact of the shortcomings built into the early stages of the euro currency project, and not necessarily applicable to other nations.

However, austerity fell out of fashion during the COVID pandemic. IMF forecasts expect nominal government spending to continue its current growth rate in the next few years, Exhibit 3. While inflation may strictly be considering to be a monetary phenomenon, it appears that the fiscal expansion during the pandemic and in the years following induced a much stronger increase in the velocity of money, compared to central bank QE policies.

Exhibit 3: End of austerity coincident with rise in inflation



Source: International Monetary Fund, Edison calculations

The lesson seems to be that central banks have good levers to manipulate asset prices modulating the supply of money at various durations, to shape expected returns over time and even across asset classes. Nevertheless, in the absence of digital currencies, central banks cannot direct the hands into which money is placed, which determines velocity. Recent inflationary experience suggests control over the velocity of money is therefore under the remit of fiscal authorities.

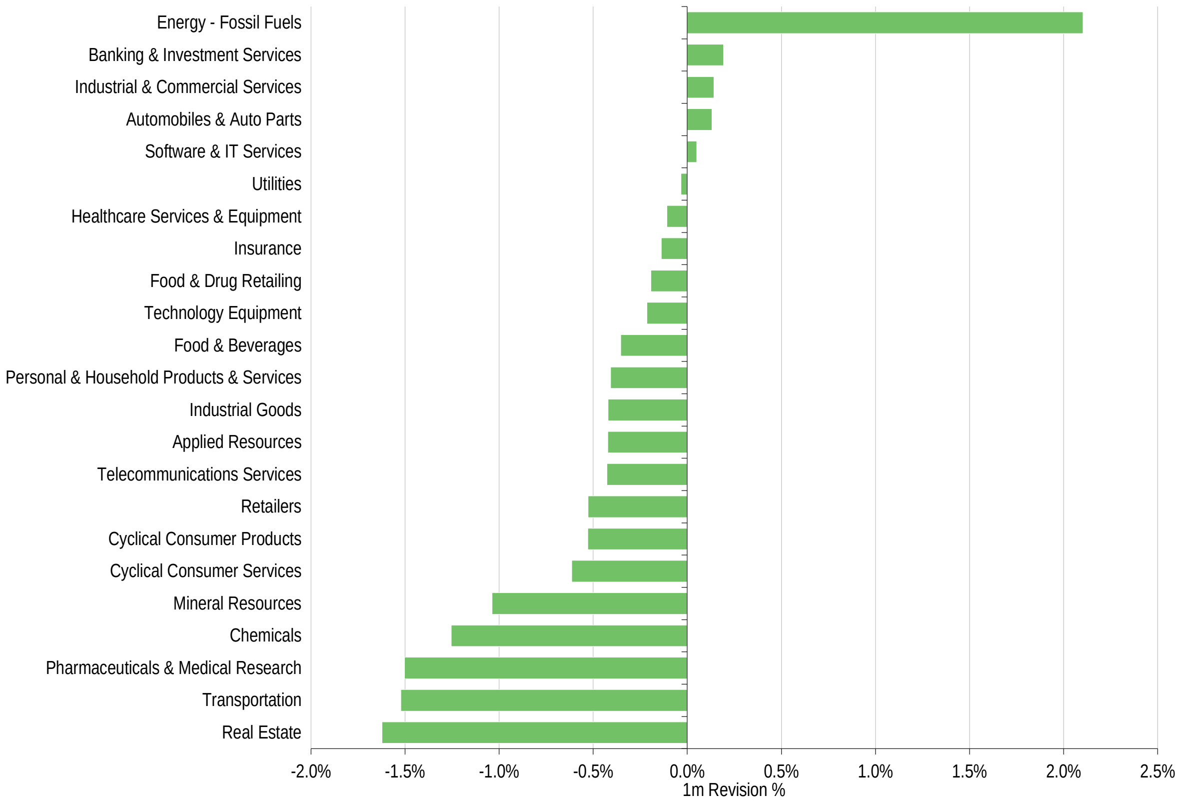
However, resolving the fiscal drivers of the recent inflationary period should not be an insurmountable political problem. Electorates in developed nations are only too aware of the damage inflation can cause to purchasing power, despite rising nominal wages. Workers demanding increased wages are in the process of discovering the deleterious effects of higher interest rates on house and other asset prices.

Governments are now looking at weakened balance sheets from the COVID pandemic and the prospects of mechanically widening fiscal deficits as the global economy and the growth in tax receipts slows over the coming year. 'Innovative' fiscal policy reliant on debt monetisation has fallen out of favour as central banks draw back from QE and governments face 15-year highs in funding costs. Central banks which are unwinding previous QE at a loss are also contributing to deficits and there is therefore a clear additional incentive for governments to maintain fiscal credibility and keep long-term interest rates at levels that reflect supply-driven estimates of long-term economic growth and inflation.

Earnings estimates steady even as economic momentum declines

Despite weak PMI survey data continuing to indicate that a slowdown in economic activity lies ahead in Europe and the UK, global consensus earnings estimates have been stable in recent weeks, continuing to indicate 7% earnings growth for the full year. However, geopolitical events have triggered a rebound in the oil price and we would note that upward revisions to energy stocks are counterbalancing downgrades to other sectors, Exhibit 4.

Exhibit 4: One-month global earnings estimates stable in aggregate as energy offsets downgrades in other sectors



Source: Refinitiv, Edison calculations

Conclusion

Despite the recent increase in long-term government bond yields on both sides of the Atlantic, we maintain a positive outlook on this asset class. The recent surge in yields is in our view likely to prove self-defeating as higher long-term rates feed through to the real economy and we believe central banks have the mandate required to maintain a restrictive stance on monetary policy until inflation has been brought to target. US inflation expectations also appear well anchored.

Furthermore, compared to the pandemic era, there now seems to be relatively little political appetite for innovative fiscal measures to promote growth. Attention is now being drawn to the need for fiscal consolidation.

For equities, we maintain a neutral position. US equities remain at the upper end of prior valuation ranges, which seems at odds with the strong likelihood of a slowdown from the current pace of US economic expansion and the historically high real rates of return available on other asset classes. Geopolitical risks also remain high, both in Ukraine and now in the Middle East.

We believe investors should review holdings for balance sheet strength. Bank surveys indicate that a substantial credit tightening is underway and companies carrying excess leverage may struggle to refinance in current markets without raising additional equity capital.

Sector: Technology

Price: 48.0p
Market cap: £53m
Market LSE AIM

Share price graph (p)

Company description

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

Price performance

%	1m	3m	12m
Actual	2.1	(5.0)	6.7
Relative*	7.1	(0.1)	1.8

* % Relative to local index

Analyst

Max Hayes

1Spatial (SPA)

INVESTMENT SUMMARY

1Spatial's H124 results show robust revenue growth and continued improvement in the revenue mix, with recurring revenue growing by 24%. Investment in sales resource, inflationary pressures and FX compressed margins, but a strong pipeline for both renewals and SaaS products, could drive revenues and margins in H2 and beyond. In particular, the market opportunity for both 1Streetworks and NG9-1-1 has the potential to be transformative. We have upgraded our revenue forecast but leave earnings largely unchanged. Good conversion of the SaaS pipeline could justify further revisions, which may not be reflected in the current valuation.

INDUSTRY OUTLOOK

We see the geographic information system (GIS) market as poised for rapid growth, driven by the substantial growth of data generated every day by sensors, the internet of things and mobile devices, and we estimate the GIS market could grow 20%+ pa over the next decade. We believe untapped value is found in companies like 1Spatial, which operate in a niche position and can turn GIS data into something useful for a wide variety of use cases.

Y/E Jan	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (fd) (p)	P/E (x)	P/CF (x)
2022	27.0	4.2	1.1	0.77	62.3	13.2
2023	30.0	5.0	1.8	1.20	40.0	11.6
2024e	32.1	5.5	2.4	1.57	30.6	10.3
2025e	35.2	6.5	3.4	2.22	21.6	8.6

Sector: Technology

Price: HUF822.00
Market cap: HUF245840m
Market Budapest stock exchange

Share price graph (HUF)

Company description

4iG is a regional ICT/telecoms group, based in Hungary and focused on two core areas: telecoms and infrastructure in Hungary and the West Balkans; and IT services, where it is the number one IT systems integrator in Hungary.

Price performance

%	1m	3m	12m
Actual	(3.5)	23.2	19.1
Relative*	(5.2)	16.8	(14.5)

* % Relative to local index

Analyst

Katherine Thompson

4iG (4IG)

INVESTMENT SUMMARY

4iG's H123 results reflect the inclusion of Vodafone Hungary since its acquisition on 31 January. Since then, 4iG has been working through its integration plan, which includes monetising the DIGI mobile network infrastructure and launching a strategic review to consider carve-out options and further asset optimisation (the scope is Hungarian fixed and Albanian/Montenegrin passive mobile infrastructure). The company recently announced it had signed an MoU with Telecom Egypt for the construction of a high-capacity submarine fibre-optic cable between Albania and Egypt. This alternative to existing Mediterranean routes should help 4iG gain a share of data traffic between Europe and Asia/East Africa.

INDUSTRY OUTLOOK

Post the Vodafone Hungary acquisition, 4iG now has the number two position in mobile and fixed line telephony and leading positions in fixed broadband and TV services in Hungary, along with market-leading positions in Albania and a robust presence in Montenegro.

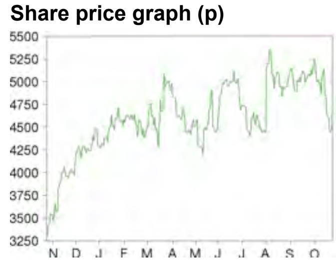
Y/E Dec	Revenue (HUFm)	EBITDA (HUFm)	PBT (HUFm)	EPS (fd) (HUF)	P/E (x)	P/CF (x)
2021	93653.0	11793.0	8102.0	67.60	12.2	6.7
2022	277421.0	74054.0	(15247.0)	(67.54)	N/A	3.1
2023e	N/A	N/A	N/A	N/A	N/A	N/A
2024e	N/A	N/A	N/A	N/A	N/A	N/A

EDISON

Sector: Media

Price:	4710.0p
Market cap:	£1327m
Market	LSE

Share price graph (p)



Company description

4imprint is the leading direct marketer of promotional products in the United States, Canada, the UK and Ireland. In FY22, 98% of revenues were generated in the United States and Canada.

Price performance

%	1m	3m	12m
Actual	(7.3)	3.0	39.4
Relative*	(2.8)	8.2	33.0

* % Relative to local index

Analyst

Fiona Orford-Williams

4imprint Group (FOUR)

INVESTMENT SUMMARY

4imprint's interim results on 9 August reflected the narrative of the previous week's trading update, being strong underlying demand, an uptick in gross margin as the supply chain bottlenecks ease and strong returns on each dollar of marketing spend. Having upgraded following the update, we 'tidied up' our modelling for FY23 and FY24. With the buy-in of the legacy defined benefit pension and the accelerated recovery contributions, plus payment of the special dividend, we now expect 4imprint to end FY23 with net cash of around $72m. This gives plenty of firepower to support continued growth, helped by a likely project in FY24 to extend the Oshkosh distribution centre. The group is clearly outperforming its market and building (profitable) share.

INDUSTRY OUTLOOK

The US promotional products distribution market is highly fragmented and PPAI estimated its 2022 value at over US$25bn, up 13% on the year, well ahead of the GDP increase of 2.9%. Q123 growth moderated to +3.3%, with a pick up in Q2 to +5.6%, which will include some price inflation, so underlying volume growth is still likely limited. Some questions remain about confidence in the US corporate sector, but the utility of promotional products is high and sector prospects remain positive.

Y/E Dec	Revenue (US$m)	EBITDA (US$m)	PBT (US$m)	EPS (fd) (c)	P/E (x)	P/CF (x)
2021	787.3	35.7	30.2	80.3	71.5	70.6
2022	1140.3	108.4	103.7	285.0	20.1	15.9
2023e	1320.0	128.8	126.0	335.3	17.1	12.2
2024e	1450.0	146.9	141.0	379.5	15.1	11.2

Sector: General industrials

Price:	SEK0.61
Market cap:	SEK173m
Market	Nasdaq Nordic

Share price graph (SEK)

Company description

Headquartered in Sweden, AAC Clyde Space (AAC) is a world leader in nanosatellite end-to-end solutions, subsystems, platforms, services and components, including supply to third parties. It has production and development operations in Sweden, Scotland, the Netherlands and the United States and a start-up in Africa.

Price performance

%	1m	3m	12m
Actual	(10.3)	9.1	(53.6)
Relative*	(5.0)	20.3	(56.0)

* % Relative to local index

Analyst

Andy Chambers

AAC Clyde Space (AAC)

INVESTMENT SUMMARY

AAC is at the forefront of the rapidly growing and innovative market for small satellites. It continues to see opportunities in new space to extend its technologies, capabilities and reach. As nanosatellite deployments rise sharply, management expects sales of SEK500m in FY24 and targets revenues of c $250m (SEK2.2bn) by 2030. Of that, space data as a service (SDaaS) revenues should reach c $150m. H123 revenues rose 65% to SEK150m with EBITDA of SEK4m and SEK440m order backlog. The recent fund-raise enables AAC to accelerate the xSPANCION constellation project, support SDaaS growth with the first VDES maritime comms satellite launch due now, and maintain progress on major projects such as delivery of the first weather sensor payload for the AWS.

INDUSTRY OUTLOOK

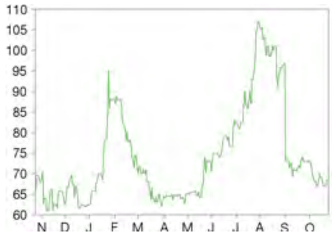
AAC has a strong space heritage in small and nanosatellites. Over the next five years, around 2,100 nanosats should be launched as technology development extends the applications for low earth orbit constellations, especially for communications. Its growing capabilities cover three revenue segments: SDaaS, Space Missions and Space Products. AAC aims to become a world leader in commercial small satellites and services from space.

Y/E Dec	Net Sales (SEKm)	EBITDA (SEKm)	PBT (SEKm)	EPS (fd) (öre)	P/E (x)	P/CF (x)
2021	180.0	(12.4)	(27.0)	(14.34)	N/A	N/A
2022	196.7	(24.5)	(17.7)	(8.35)	N/A	N/A
2023e	328.4	16.7	0.7	0.29	210.3	46.9
2024e	481.6	71.0	40.3	13.42	4.5	1.7

Sector: General industrials

Price:	67.2p
Market cap:	£148m
Market	LSE AIM

Share price graph (p)



Company description

Accsys Technologies is a chemical technology company focused on the development and commercialisation of a range of transformational technologies based on the acetylation of solid wood and wood elements for use as high-performance, environmentally sustainable construction materials.

Price performance

%	1m	3m	12m
Actual	(8.0)	(27.7)	1.1
Relative*	(3.5)	(24.0)	(3.6)

* % Relative to local index

Analyst

Johan van den Hooven

Accsys Technologies (AXS)

INVESTMENT SUMMARY

In its trading update for the first four months of FY24, Accsys warned of weaker building materials and construction markets, caused by the higher interest rates and high inflation environment. We have lowered our FY24 revenue forecast by 11.5% and our EBITDA forecast by more than 50% and expect a modest recovery in FY25. According to management, it expects to be (just) compliant with debt covenants. On lowered estimates and a raised risk profile, our DCF now points at a value of €0.93 per share (previously €1.25).

INDUSTRY OUTLOOK

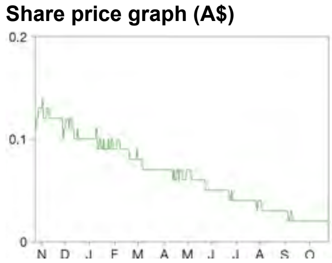
Long-term demand for Accoya and Tricoya seems intact and Accsys's focus remains on expanding capacity. The fourth reactor in Arnhem potentially increases capacity to 80k m³, with estimated revenues of €195m by CY26. The Accoya plant in the United States is expected to be operational by mid-2024 (July/August) and can produce up to 43k m³, with estimated revenues of €105m by CY27 (this 60%/40% joint venture is equity accounted). We assume the Tricoya project will be continued, although most likely not operational before CY25.

Y/E Mar	Revenue (€m)	EBITDA (€m)	PBT (€m)	EPS (fd) (c)	P/E (x)	P/CF (x)
2022	120.9	10.4	1.8	0.97	79.9	14.3
2023	162.0	22.9	(66.0)	4.35	17.8	7.4
2024e	154.0	11.8	0.7	(1.34)	N/A	12.4
2025e	170.8	21.1	7.2	2.39	32.4	8.1

Sector: Pharma & healthcare

Price:	A$0.02
Market cap:	A$38m
Market	ASX

Share price graph (A$)



Company description

Actinogen Medical is an ASX-listed Australian biotech developing its lead asset Xanamem, a specific and selective 11beta-HSD1 inhibitor designed to treat cognitive impairment (CI), which occurs in chronic neurodegenerative and neuropsychiatric diseases.

Price performance

%	1m	3m	12m
Actual	(5.6)	(50.8)	(84.6)
Relative*	(2.3)	(47.4)	(85.0)

* % Relative to local index

Analyst

Pooya Hemami

Actinogen Medical (ACW)

INVESTMENT SUMMARY

Actinogen Medical's lead asset, Xanamem, is a once-daily oral selective 11beta-HSD1 inhibitor, designed to cross the blood brain barrier and target excess brain cortisol, which has been associated with CI. The company is targeting two CI indications: for patients with mild CI in the early stages of Alzheimer's disease (AD), and for patients with major depressive disorder. Positive clinical results in healthy adults demonstrated the drug's initial efficacy, and an analysis of biomarker-positive patients using plasma samples from the previous XanADu study in mild AD also showed clinical activity. Actinogen plans to start its Phase IIb XanaMIA trial in patients with biomarker-confirmed early AD in Q4 CY23, and report interim data in H1 CY25. It started the XanaCIDD proof-of-concept Phase II trial in major depressive disorder in Q4 CY22 and plans to report top-line data in H1 CY24.

INDUSTRY OUTLOOK

The unmet need in chronic neurocognitive disorders is tremendous due to the limited effectiveness of available treatment options. The Phase IIb portion of the XanaMIA trial will be key for validating the encouraging Xanamem data shown to date. The XanaCIDD study may also validate the drug's potential for treating CI related to major depressive disorder.

Y/E Jun	Revenue (A$m)	EBITDA (A$m)	PBT (A$m)	EPS (fd) (c)	P/E (x)	P/CF (x)
2022	3.6	(9.1)	(7.9)	(0.460)	N/A	N/A
2023	4.9	(10.6)	(9.0)	(0.498)	N/A	N/A
2024e	3.9	(24.1)	(23.8)	(1.183)	N/A	N/A
2025e	4.8	(56.8)	(60.6)	(2.735)	N/A	N/A

Sector: Pharma & healthcare

Price: NZ$3.40
Market cap: NZ$357m
Market ASX, New Zealand SE

Share price graph (NZ$)

Company description

AFT Pharmaceuticals is a specialty pharmaceutical company that operates primarily in Australasia but has product distribution agreements across the globe. The company's product portfolio includes prescription and over-the-counter (OTC) drugs to treat a range of conditions and a proprietary nebuliser.

Price performance

%	1m	3m	12m
Actual	0.0	(8.1)	(9.1)
Relative*	3.6	1.2	(7.9)

* % Relative to local index

Analyst

Soo Romanoff

AFT Pharmaceuticals (AFT)

INVESTMENT SUMMARY

AFT Pharmaceuticals is a profitable New Zealand-based specialty pharmaceutical company that sells over 150 proprietary branded and generic products through its own salesforce in New Zealand and Australia, with offices in South-East Asia and Europe to handle its growing export business. AFT reported strong FY23 results with 20.2% year-on-year top-line growth, mainly driven by robust organic growth across most regions and bolstered by 22 new product launches. Management also announced a maiden dividend of 1.1c/share (paid in July 2023). Among its strategic priorities for CY24, Maxigesic remains the key commercial driver with plans to launch new variants internationally, including the anticipated US launch of Maxigesic IV, recently approved by the FDA.

INDUSTRY OUTLOOK

AFT Pharmaceuticals is a multi-product company targeting pharmacy prescription, OTC and hospital markets. Data for Maxigesic offer it a competitive advantage in a fragmented industry.

Y/E Mar	Revenue (NZ$m)	EBITDA (NZ$m)	PBT (NZ$m)	EPS (c)	P/E (x)	P/CF (x)
2022	130.3	21.4	18.9	19.2	17.7	29.0
2023	156.6	21.4	16.7	11.0	30.9	34.5
2024e	184.0	25.2	21.7	15.2	22.4	19.9
2025e	214.0	42.7	39.4	27.3	12.5	10.5

Sector: Mining

Price: A$0.64
Market cap: A$383m
Market ASX

Share price graph (A$)

Company description

Alkane Resources has two main assets in Central West New South Wales: the Tomingley gold mine, where recent exploration has increased the mine life by at least eight years, from FY23 to FY31, and its Northern Molong Porphyry project, which is shaping up to be a tier 1 alkalic porphyry district.

Price performance

%	1m	3m	12m
Actual	6.7	(18.6)	1.6
Relative*	10.4	(12.8)	(0.7)

* % Relative to local index

Analyst

Lord Ashbourne

Alkane Resources (ALK)

INVESTMENT SUMMARY

Alkane confirmed FY23 production figures at Tomingley of 70,253oz (cf guidance of 65,000–73,000oz) at an all-in sustaining cost of A$1,602 per oz (cf guidance of A$1,550-1,700/oz). Tomingley's mine life has been increased from CY23 to at least CY31 and subsequent exploration has delineated a maiden inferred resource at Boda of 10.1Moz gold equivalent (AuE) and one of 4.7Moz AuE at Kaiser. This exploration is expected to produce an updated resource at Boda in Q4 CY23, including a maiden resource at Boda Two and Three. Alkane is also aiming to produce a conceptual mine plan at Boda later this year.

INDUSTRY OUTLOOK

Our valuation of Alkane continues to be underpinned by Tomingley (A$0.60/share). Liquid assets contribute a further A$0.03/share with Boda and Kaiser estimated at a combined A$0.29 per share. We also value a potential A$0.52 per share additional upside in the event of further exploration success at the Boda Two and Three deposits (within the Northern Molong Porphyry Project).

Y/E Jun	Revenue (A$m)	EBITDA (A$m)	PBT (A$m)	EPS (fd) (c)	P/E (x)	P/CF (x)
2022	165.0	87.5	52.1	3.63	17.6	N/A
2023	190.5	94.9	60.6	7.00	9.1	N/A
2024e	172.4	72.4	63.0	7.24	8.8	N/A
2025e	229.3	89.6	80.6	9.27	6.9	N/A

Alphamin Resources (AFM)

Sector: Mining

Price:	C$0.83
Market cap:	C$1059m
Market	TSX Venture Exchange

Share price graph (C$)

Company description

Alphamin owns (84.14%) and operates the Bisie tin mine at Mpama North in the North Kivu province of the Democratic Republic of the Congo with a grade of c 4.5% tin (the world's highest). Accounting for c 4% of mined supply, it is the second largest tin mine in the world outside China and Indonesia.

Price performance

%	1m	3m	12m
Actual	(7.8)	(16.2)	33.9
Relative*	(4.2)	(9.6)	32.6

* % Relative to local index

Analyst

Lord Ashbourne

INVESTMENT SUMMARY

Alphamin Resources (AFM) offers rare exposure to a metal that both Rio Tinto and the MIT regard as the most likely to benefit from the electrification of the world economy. AFM successfully ramped up its Mpama North mine at Bisie in the Democratic Republic of the Congo to full production at a time when the tin price was enjoying one of its biggest bull markets in decades. As a result, it is already net debt free and making distributions to shareholders.

INDUSTRY OUTLOOK

AFM continues to impress, achieving production of 3,104t in Q323 with EBITDA of US$38.3m (up 8.2% q-o-q). The Mpama South project is moving towards production of 7,200tpa in FY24, increasing group annual production to c 20,000tpa. On this basis, we calculate a value for AFM's shares of US$1.06 per share (or C$1.44/share). However, this increases to as much as US$1.76 per share (C$2.36/share) if its exploration programme continues to extend the productive life of its operations. Similarly, its peers imply a potential share price of C$2.89 in 2025.

Y/E Dec	Revenue (US$m)	EBITDA (US$m)	PBT (US$m)	EPS (fd) (c)	P/E (x)	P/CF (x)
2021	352.9	198.6	162.7	3.75	16.2	5.1
2022	391.1	222.2	188.0	7.86	7.7	4.2
2023e	325.0	158.3	121.6	4.99	12.2	15.8
2024e	580.2	317.8	274.3	12.56	4.8	2.8

Amoeba (ALMIB)

Sector: Basic industries

Price:	€0.40
Market cap:	€20m
Market	Euronext Paris

Share price graph (€)

Company description

Amoéba is developing biological fungicides for treating diseases such as mildews and rusts, which have a major economic impact on the production globally of a wide range of crops. These novel fungicides are based on the characteristics of the Willaertia magna C2c Maky amoeba.

Price performance

%	1m	3m	12m
Actual	(10.5)	(30.4)	(65.8)
Relative*	(5.7)	(24.1)	(69.4)

* % Relative to local index

Analyst

Natalya Davies

INVESTMENT SUMMARY

Amoéba is rapidly advancing its operations with the ongoing construction of its USIBIAM biocontrol plant. This facility is poised to achieve an annual production capacity of 40 tonnes of active substance with commercialisation expected in 2025, which will enable the treatment of 100,000 hectares of agricultural soil. The company continues to actively seek €45m in funding to support its operations and site expansion over the next two years, with €23m allocated for capex. H123 saw year-on-year EBIT losses widen by €1.0m to €3.9m, primarily due to increased industrial deployment costs and fees related to securing financing.

INDUSTRY OUTLOOK

According to a report from Grand View Research, the global crop protection chemicals market was valued at $43.2bn in 2022 and is expected to expand at a CAGR of 5.6% from 2023 to 2030. Within this market, the biological segment is growing rapidly. A report published by P&S Intelligence noted that the global biocontrol agents market was worth c $4.9bn in 2021, and predicted that it would increase to $13.6bn by 2030. Management estimates that Amoéba's addressable market size within the biological agents market is €1.6bn, expanding to €8bn if conventional fungicides are replaced by biological ones.

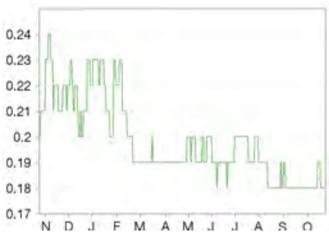
Y/E Dec	Revenue (€m)	EBITDA (€m)	PBT (€m)	EPS (fd) (c)	P/E (x)	P/CF (x)
2021	0.0	(4.0)	(7.4)	(41.62)	N/A	N/A
2022	0.0	(4.7)	(7.7)	(22.99)	N/A	N/A
2023e	0.0	(7.7)	(9.1)	(18.43)	N/A	N/A
2024e	N/A	N/A	N/A	N/A	N/A	N/A

EDISON

Sector: General industrials

Price: NZ$0.18
Market cap: NZ$92m
Market New Zealand SE

Share price graph (NZ$)



Company description

ArborGen Holdings is a New Zealand-listed investment company and is the world's largest integrated developer, commercial manufacturer and supplier of advanced forestry seedlings with operations in the United States and Brazil.

Price performance

%	1m	3m	12m
Actual	(2.8)	(5.9)	(12.5)
Relative*	0.7	3.6	(11.4)

* % Relative to local index

Analyst

Andy Murphy

ArborGen Holdings (ARB)

INVESTMENT SUMMARY

We believe ArborGen Holdings is in prime position, not only to address increasing demands from clients for its seedlings, but also for its ongoing investment in genetic improvement to continue to drive the switch to sales of higher-value, higher-margin seedlings to all its key markets. While this process plays out, underlying EBIT is set to increase five-fold in the next two years as gross margins return to and then exceed historical levels. We determine a value of NZ$0.49/share, implying attractive upside.

INDUSTRY OUTLOOK

Prior to the COVID-19 outbreak, the economic growth outlook in each of its core countries, the United States and Brazil, was either good or improving, according to OECD data. At this point the primary end-markets served by ArborGen's plantation forestry customer base were in a positive cyclical phase.

Y/E Mar	Revenue (US$m)	EBITDA (US$m)	PBT (US$m)	EPS (fd) (c)	P/E (x)	P/CF (x)
2022	47.6	10.1	1.0	1.1	9.7	5.0
2023	56.1	9.2	0.3	(0.6)	N/A	24.4
2024e	68.0	14.4	5.8	0.8	13.3	4.9
2025e	74.7	17.1	8.5	1.2	8.9	5.7

Sector: Industrial support services

Price: €1.20
Market cap: €174m
Market Athens Stock Exchange

Share price graph (€)

Company description

Based in Greece, AVAX operates through three main segments: construction, concessions and real estate & marinas, with a large international footprint. The largest segment, construction, is involved in large-scale private and public works, with unique experience among its peers, in energy infrastructure and subway construction.

Price performance

%	1m	3m	12m
Actual	(7.4)	(26.1)	65.2
Relative*	(3.9)	(15.7)	20.3

* % Relative to local index

Analyst

Natalya Davies

AVAX (AVAX)

INVESTMENT SUMMARY

AVAX is a leader in Greek construction, operating critical assets with long-term and visible cash flow streams, particularly in concessions. Greek economic growth should be stimulated to 2026 by the National Recovery Plan, worth over €30bn, which should help unplug the infrastructure investment deficit. H123 results highlight the group's progress domestically as the market improved, which more than offset the weaker international performance, and continuing operating profit rose to €16m compared to a €9m loss in H122. As Greek infrastructure investment improves, AVAX could secure an improved rating, with an attractive FY22 gross dividend yield of 5.8%. With a concessions portfolio independently valued at €130m above the recognised book value of €295m, and a current record work-in-hand level exceeding €3bn, there appears to be significant potential for investors.

INDUSTRY OUTLOOK

The Greek construction market is worth around €7.5bn and can be split into two distinct sectors, housebuilding (c 30%) and civil engineering (c 70% non-residential construction, including commercial and infrastructure projects), including both private and public works. According to ELSTAT, overall average construction activity fell by just 9.5% in 2020, before increasing 7% in 2021 and 24.4% in 2022, the highest level since 2017 in absolute terms.

Y/E Dec	Revenue (€m)	EBITDA (€m)	PBT (€m)	EPS (c)	P/E (x)	P/CF (x)
2021	592.0	51.0	0.0	1.0	120.0	N/A
2022	403.0	58.0	19.0	9.0	13.3	N/A
2023e	N/A	N/A	N/A	N/A	N/A	N/A
2024e	N/A	N/A	N/A	N/A	N/A	N/A

EDISON

Sector: Pharma & healthcare	
Price:	CHF37.00
Market cap:	CHF485m
Market	SIX Swiss Exchange

Share price graph (CHF)

Company description

Basilea Pharmaceutica is focused on treating infectious diseases. Its marketed products are Cresemba (an antifungal) and Zevtera (an anti-MRSA broad-spectrum antibiotic).

Price performance

%	1m	3m	12m
Actual	(13.3)	(12.6)	(16.3)
Relative*	(7.6)	(5.2)	(15.6)

* % Relative to local index

Analyst

Soo Romanoff

Basilea Pharmaceutica (BSLN)

INVESTMENT SUMMARY

Basilea's portfolio of products is comprised of Cresemba (an antifungal) and Zevtera (an antibiotic). Cresemba has been approved in 75 countries (marketed in 67 countries) and has orphan drug designation in the US, Europe and Australia. Zevtera is marketed in selected countries in Europe, Latin America, Middle East, North Africa and Canada; the pending US approval remains a key strategic priority (NDA accepted in October 2023 and the FDA has set a PDUFA goal date of 3 April 2024). Another focus area for Basilea is to re-fill its clinical development pipeline to bolster its anti-infectives portfolio. The company recently reported strong H123 results, with 47.3% (y-o-y) revenue growth to CHF84.9m, mainly led by higher royalty income and milestone payments related to Cresemba and Zevtera sales. Additionally, Basilea shared revised FY23 Cresemba- and Zevtera-related revenue and operating profit guidance of CHF147–150m and CHF50–55m, respectively.

INDUSTRY OUTLOOK

There is an ever-increasing need for therapeutic agents that are efficacious against drug-resistant strains of bacteria (eg MRSA) or fungi. Hence the opportunities for Zevtera and Cresemba could be significant.

Y/E Dec	Revenue (CHFm)	EBITDA (CHFm)	PBT (CHFm)	EPS (CHFc)	P/E (x)	P/CF (x)
2021	148.1	1.9	(6.6)	(56.90)	N/A	N/A
2022	147.8	19.6	12.3	104.10	35.5	N/A
2023e	158.2	52.4	43.5	332.20	11.1	N/A
2024e	180.7	68.0	63.2	482.25	7.7	N/A

Sector: Pharma & healthcare	
Price:	US$3.50
Market cap:	US$2m
Market	Nasdaq

Share price graph (US$)

Company description

Biodexa Pharmaceuticals (formerly Midatech) is a clinical-stage biopharmaceutical company focused on oncology and rare and orphan indications. Lead candidate MTX110 is in Phase I clinical studies in aggressive rare/orphan brain cancer indications. The preclinical pipeline includes MTD217, targeting leptomeningeal disease.

Price performance

%	1m	3m	12m
Actual	(37.3)	(37.5)	(99.4)
Relative*	(35.7)	(32.8)	(99.5)

* % Relative to local index

Analyst

Soo Romanoff

Biodexa Pharmaceuticals (BDRX)

INVESTMENT SUMMARY

Following a strategic pivot in early 2023, Biodexa is now positioned as a therapeutics company with a focus on oncology and rare/orphan indications. The current pipeline focus is on the legacy Phase I asset, MTX110, currently undergoing clinical studies in aggressive brain cancers such as glioblastoma (Phase Ib trial ongoing) and diffuse intrinsic pontine glioma, a very rare pediatric cancer. Biodexa has added a new preclinical programme, MTD217, targeting leptomeningeal disease, a secondary CNS cancer with poor prognosis. It recently announced completion of a Phase I study of MTX110 in the treatment of children with newly diagnosed diffuse midline gliomas; full results are expected in Q124. To bolster its pipeline further, Biodexa announced the proposed acquisition of Varian Biopharmaceuticals in May 2023. H123 ended with a £5.23m cash balance, supported by a $6m private placement and $3.3m direct offering, providing a cash runway to Q124.

INDUSTRY OUTLOOK

The brain cancer space comes with a high risk-reward trade off, although successful therapeutics stand to benefit materially given the unmet need. The glioblastoma therapeutics market is a $3–5bn opportunity with only a handful of drugs approved, highlighting the potential for novel therapeutics.

Y/E Dec	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (p)	P/E (x)	P/CF (x)
2021	0.6	(6.6)	(6.1)	(6.78)	N/A	N/A
2022	0.7	(8.6)	(8.5)	(1.55)	N/A	N/A
2023e	N/A	N/A	N/A	N/A	N/A	N/A
2024e	N/A	N/A	N/A	N/A	N/A	N/A

Sector: Technology

Price: 135.5p
Market cap: £402m
Market LSE AIM

Share price graph (p)

Company description

Boku operates a billing platform that connects merchants with mobile network operators and alternative payment methods in more than 90 countries. It has c 370 employees, with its main offices in the US, UK, Estonia, Germany and India.

Price performance

%	1m	3m	12m
Actual	(6.9)	(3.9)	8.4
Relative*	(2.3)	1.0	3.5

* % Relative to local index

Analyst

Katherine Thompson

Boku (BOKU)

INVESTMENT SUMMARY

Boku reported H123 revenue growth of 26% y-o-y to $38.2m, with a growing and now material contribution from local payment methods (LPMs). Adjusted EBITDA was 28% higher and the margin expanded by 0.7pp, as upside from higher revenues was partially offset by further investment to support LPMs. We have revised up our forecasts to reflect faster growth in total payment volumes partially offset by higher investment in Boku's payments network.

INDUSTRY OUTLOOK

Direct carrier billing (DCB) is an alternative payment method that uses a consumer's mobile bill as the means to pay for digital content or services such as games, music or apps. Boku is the dominant DCB player, serving the largest merchants such as Apple, Sony, Facebook, Spotify and Netflix, and is expanding into alternative payment methods such as digital wallets and real-time payments.

Y/E Dec	Revenue (US$m)	EBITDA (US$m)	PBT (US$m)	EPS (fd) (c)	P/E (x)	P/CF (x)
2021	62.1	22.9	17.8	4.71	35.1	21.2
2022	63.8	20.5	15.3	3.97	41.6	24.0
2023e	79.3	25.4	20.8	5.32	31.0	19.4
2024e	90.7	30.1	25.4	6.46	25.6	16.4

Sector: Travel & leisure

Price: €3.60
Market cap: €397m
Market Deutsche Börse

Share price graph (€)

Company description

The group operates Borussia Dortmund, a leading football club, placed second in the Bundesliga in 2022/23, DFB Super Cup winners in 2019/20 and DFB-Pokal winners in 2020/21. The club has qualified to play in the Champions League in nine of the last 10 seasons.

Price performance

%	1m	3m	12m
Actual	(9.3)	(15.4)	1.7
Relative*	(4.7)	(7.5)	(12.5)

* % Relative to local index

Analyst

Russell Pointon

Borussia Dortmund (BVB)

INVESTMENT SUMMARY

Borussia Dortmund's headline (income statement) results for FY23 were ahead of management's previous guidance and our estimates. The company enjoyed a year of recovery following the disruption of COVID-19 in the prior year and the first team enjoyed better sporting success than the previous season, although it fell agonisingly short of winning the Bundesliga. Our FY24 estimates, which already include part of the disclosed transfer profit on the sale of Jude Bellingham, are under review following the recent publication of the full financial statements.

INDUSTRY OUTLOOK

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

Y/E Jun	Revenue (€m)	EBITDA (€m)	PBT (€m)	EPS (fd) (c)	P/E (x)	P/CF (x)
2021	334.2	39.0	24.3	26.3	13.7	8.7
2022	351.6	83.8	66.4	66.5	5.4	5.0
2023e	418.2	123.2	96.2	80.2	4.5	3.4
2024e	420.5	165.2	150.9	125.8	2.9	2.4

Sector: Industrial support services

Price:	233.0p
Market cap:	£77m
Market	LSE

Share price graph (p)

Company description

Braemar is the second largest shipbroker in the world, providing broking services to the dry cargo, deep sea tanker, specialised tanker and sale and purchase markets. It also addresses the fast-growing areas of offshore and renewables, securities and financial markets.

Price performance

%	1m	3m	12m
Actual	0.0	0.0	(22.7)
Relative*	4.9	5.1	(26.3)

* % Relative to local index

Analyst

Andy Murphy

Braemar (BMS)

INVESTMENT SUMMARY

Braemar completed a corporate transformation in mid-2022, which saw it move away from being a widely spread shipping services company to a clearly focused broking operation. Allied to the transformation is Braemar's growth strategy, which has management focused on doubling the business within four years. Braemar's FY23 results were confirmed in the September 2023 update, which also stated that it expected to report H124 operating profit of 'not less than £7.0m' and to deliver FY24 operating profit in line with market consensus. Our valuation remains 520p. Braemar expects to request a restoration of its listing of ordinary shares following the publication of its FY23 results. Grant Foley was appointed CFO on 1 August.

INDUSTRY OUTLOOK

The global deep sea shipping fleet has been steadily expanding. A key driver has been growing international trade, which is likely to continue and should have a direct benefit on the shipbroking industry. While some charter rates are currently very high, for example tanker ship charter rates, others like the Baltic Dry Index are broadly within a historical average range and other indicators such as fleet age and low new vessel order books for certain key trades point to greater future demand, thus balancing risks and growth.

Y/E Feb	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (fd) (p)	P/E (x)	P/CF (x)
2021	83.7	11.4	6.7	13.43	17.3	8.2
2022	101.3	13.5	8.9	18.79	12.4	6.0
2023e	151.7	23.6	19.2	37.90	6.1	3.4
2024e	153.1	21.5	17.5	32.99	7.1	3.7

Sector: Mining

Price:	5.2p
Market cap:	£9m
Market	LSE AIM

Share price graph (p)

Company description

Cadence Minerals is an early-stage investment and development company in the mining space. Its public equity holdings include rare earths and lithium developers, and its non-listed interests include lithium in Mexico and a 30% interest in the Amapá iron ore restart project in Brazil.

Price performance

%	1m	3m	12m
Actual	(30.7)	(38.8)	(42.5)
Relative*	(27.3)	(35.7)	(45.2)

* % Relative to local index

Analyst

Andrew Keen

Cadence Minerals (KDNC)

INVESTMENT SUMMARY

Cadence Minerals is a mining-focused investment company with unlisted investment assets that the market appears to be clearly mis-pricing. Its portfolio of public equities at end-September accounts for £7.2m (4.2p/share) of its c £12m market cap, leaving an implied combined value of £4.6m for its 30% stake in the Amapá iron ore project and its minority stake in the Sonora lithium project. In our view Amapá is worth more than this alone, and we believe a conservative base-case valuation to be £38m or 22p/share at its current stage of development.

INDUSTRY OUTLOOK

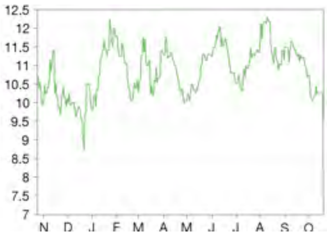
Cadence's commodity exposure is favourable in our view, with exposure to rare earth minerals and lithium, which both have strong structural end-use demand, and iron ore, where we see continued need for projects such as Amapá. Cadence is a relatively small investment company in a large sector so has been overlooked by investors.

Y/E Dec	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (p)	P/E (x)	P/CF (x)
2021	1.2	(0.6)	(0.1)	(0.10)	N/A	N/A
2022	(4.0)	(5.5)	(5.5)	(3.36)	N/A	N/A
2023e	0.0	(1.8)	(1.8)	(1.10)	N/A	N/A
2024e	N/A	N/A	N/A	N/A	N/A	N/A

Sector: Oil & gas

Price:	C$7.50
Market cap:	C$256m
Market	Toronto SE

Share price graph (C$)



Company description

Canacol Energy is a natural gas exploration and production company primarily focused on Colombia.

Price performance

%	1m	3m	12m
Actual	(33.2)	(33.6)	(30.2)
Relative*	(30.6)	(28.4)	(30.9)

* % Relative to local index

Analyst

Peter Hitchens

Canacol Energy (CNE)

INVESTMENT SUMMARY

Canacol Energy has solid visibility of its cash flows on the back of its long-term gas contracts. The group has opted not to grow its activities in the Lower Magdalena basin and concentrate on the Middle Magdalena and has cancelled its proposed pipeline to Medellin which was supposed to start up at the end of 2024. This will defer some production. Canacol has also announced that it is entering the gas market in Bolivia taking three E&P permits. Management wants to replicate the growth it achieved in Colombia.

INDUSTRY OUTLOOK

Colombia is running out of gas and is increasingly reliant on imports of expensive LNG. Canacol is well placed with significant uncontracted gas reserves and resources. The advent of El Nino this year could trigger increased demand for gas.

Y/E Dec	Revenue (US$m)	EBITDA (US$m)	PBT (US$m)	EPS (fd) (c)	P/E (x)	P/CF (x)
2021	311.0	181.0	59.0	4.3	128.0	1.3
2022	336.0	198.0	66.0	43.1	12.8	0.6
2023e	351.0	218.0	91.0	17.3	31.8	0.8
2024e	364.0	217.0	69.0	13.1	42.0	0.8

Sector: Pharma & healthcare

Price:	SEK4.02
Market cap:	SEK671m
Market	Nasdaq Nordic

Share price graph (SEK)

Company description

Cantargia is a clinical-stage biotechnology company based in Sweden. It is developing two assets against IL1RAP, CAN04 and CAN10. CAN04 is being studied in several solid tumours with a main focus on non-small cell lung cancer (NSCLC) and pancreatic cancer. The most advanced trial is in Phase II.

Price performance

%	1m	3m	12m
Actual	(5.6)	7.4	7.2
Relative*	0.0	18.4	1.5

* % Relative to local index

Analyst

Soo Romanoff

Cantargia (CANTA)

INVESTMENT SUMMARY

Cantargia is developing antibodies against IL1RAP. Interim data from CANFOUR (Phase Ib/IIa) for nadunolimab in first-line NSCLC and pancreatic ductal adenocarcinoma (PDAC) support the hypothesis that nadunolimab has a synergistic benefit with chemotherapy, with new encouraging clinical/biomarker data for PDAC reported in September 2023. The company is preparing for a Phase IIb trial in PDAC patients. Further, in October 2023, Cantargia announced positive interim efficacy and safety data from TRIFOUR (Phase Ib/II), assessing nadunolimab in triple-negative breast cancer. Additionally, Cantargia recently announced a $1.1m grant, which will support a new Phase Ib/IIa clinical trial for nadunolimab in leukaemia. A second programme, CAN10, is being developed for the treatment of autoimmune diseases; the company initiated a Phase I trial in September 2023. At end-Q223, Cantargia had a cash and short-term investment position of SEK287.1m.

INDUSTRY OUTLOOK

Increasing understanding of inflammation in malignant processes now includes findings that cytokines are not only produced by the immune cells, but that cancer itself can produce certain cytokines and the associated receptors to escape from the immune response. Therefore, cytokines represent a potentially promising class of targets in oncology.

Y/E Dec	Revenue (SEKm)	EBITDA (SEKm)	PBT (SEKm)	EPS (öre)	P/E (x)	P/CF (x)
2021	0.0	(366.8)	(366.5)	(365.80)	N/A	N/A
2022	0.0	(377.9)	(371.8)	(290.43)	N/A	N/A
2023e	0.0	(302.1)	(306.6)	(183.58)	N/A	N/A
2024e	0.0	(286.9)	(292.6)	(175.20)	N/A	N/A

Sector: General industrials

Price:	124.5p
Market cap:	£117m
Market	LSE

Share price graph (p)

Company description

Carr's Group's Speciality Agriculture division serves farmers in the UK, Ireland, the United States, Germany, Canada and New Zealand with feed blocks and feed supplements. The Engineering division offers remote handling equipment and fabrications to the global nuclear and oil and gas industries.

Price performance

%	1m	3m	12m
Actual	2.1	(10.9)	27.6
Relative*	7.0	(6.3)	21.7

* % Relative to local index

Analyst

David Larkam

Carr's Group (CARR)

INVESTMENT SUMMARY

Carr's Group's year end update was in line. The trends reported in August have continued, with a strong performance in Engineering but continued softness in the Speciality Agriculture businesses due to lower feed block volumes in the UK and US. Central costs will also be marginally lower. Net cash (pre-leases) stood at £4.2m with the financial position assisted further subsequently by significant customer receipts, with a further £4.0m related to the disposal of the Agricultural Supplies division expected in October 2023. FY23 results are due in mid-December.

INDUSTRY OUTLOOK

The Engineering division order book finished the year at a record £63m suggesting 60–70% cover for FY24 (August 2022: £41m) with positive medium-term fundamentals from nuclear and defence. This provides a solid earnings stream until the agriculture markets recover, which management anticipates in the medium term when commodity pricing and drought issues in the US revert. In addition, the strong balance sheet provides flexibility for future investment.

Y/E Aug	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (fd) (p)	P/E (x)	P/CF (x)
2021	120.3	14.9	10.4	9.9	12.6	7.8
2022	124.2	16.0	11.2	9.9	12.6	7.3
2023e	145.2	12.5	8.0	8.5	14.6	9.4
2024e	151.0	14.2	9.7	8.6	14.5	8.2

Sector: Media

Price:	38.6p
Market cap:	£57m
Market	LSE

Share price graph (p)

Company description

Centaur Media is an international provider of business information, training and specialist consultancy. Its Xeim and The Lawyer business units serve the marketing and legal sectors respectively and offer customers a wide range of products and services targeted at helping them add value.

Price performance

%	1m	3m	12m
Actual	0.3	(15.2)	(5.9)
Relative*	5.2	(10.8)	(10.2)

* % Relative to local index

Analyst

Fiona Orford-Williams

Centaur Media (CAU)

INVESTMENT SUMMARY

Centaur Media's strategy of focusing on its key Flagship 4 operations is underpinning group EBITDA levels against a difficult trading backdrop limiting revenue growth potential. The growing proportion of higher-quality revenues in the mix means that the adjusted EBITDA margin should at least achieve management's MAP23 FY23 target of 23%, delivering adjusted EBITDA of £10m. Net cash of £8.8m at end June (post H123 special dividends), gives good scope for further investment in the core growth areas of business intelligence and learning. The recent Festival of Marketing was sold out, attracting a substantial blue-chip attendee base of high-spending marketeers, enhancing Centaur's positioning.

INDUSTRY OUTLOOK

Management's MAP23 margin target was set against a very different macroeconomic backdrop. That it still looks to be in reach is testament to the degree of background effort. Xeim's target market is the top 200 companies by marketing spend. Its goal is to increase sales of corporate packages, subscriptions and partnerships, becoming more deeply embedded in customers' workflows. The Lawyer is targeted at major UK and European law firms and in-house corporate lawyers, where it is enhancing its utility and growing its subscription revenue base.

Y/E Dec	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (fd) (p)	P/E (x)	P/CF (x)
2021	39.1	6.4	3.0	1.9	20.3	8.7
2022	41.6	8.5	5.2	2.6	14.8	6.5
2023e	41.6	10.0	7.3	3.6	10.7	5.8
2024e	44.0	10.6	8.1	3.8	10.2	5.5

Sector: Technology

Price: 23.5p
Market cap: £25m
Market LSE AIM

Share price graph (p)

Company description

Checkit optimises the performance of people, processes and physical assets with its intelligent operations software. It is headquartered in Cambridge, UK, and has operations centres in Fleet, UK, and Tampa, US.

Price performance

%	1m	3m	12m
Actual	(19.0)	20.5	30.6
Relative*	(15.0)	26.7	24.6

* % Relative to local index

Analyst

Katherine Thompson

Checkit (CKT)

INVESTMENT SUMMARY

Checkit reported annual recurring revenue growth of 24% year-on-year in H124, with more than half of the growth from upsells and cross-sells to its existing customer base. Revenue was 19% higher year-on-year and EBITDA losses nearly halved year-on-year. We have upgraded our FY24 EBITDA forecast on better gross margins and operating efficiencies. Recent contract wins provide upsell potential and the recent John Lewis contract renewal highlights the stickiness of the technology.

INDUSTRY OUTLOOK

With its workflow management software, Checkit is focused on connecting and empowering deskless mobile workers who are not able to use desktop software in their day-to-day working environment. Only a small proportion of the current enterprise software market is designed for this group of workers. Checkit's sweet spot is supporting workers who perform a combination of routine tasks and infrequent but important tasks where the volume and variety of tasks is such that it is difficult to build a targeted application.

Y/E Jan	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (fd) (p)	P/E (x)	P/CF (x)
2022	8.4	(5.6)	(6.1)	(9.0)	N/A	N/A
2023	10.3	(6.4)	(7.3)	(6.9)	N/A	N/A
2024e	12.0	(3.6)	(4.7)	(4.3)	N/A	N/A
2025e	14.2	(2.3)	(3.6)	(3.4)	N/A	N/A

Sector: Technology

Price: 3.30PLN
Market cap: PLN604m
Market Warsaw Stock Exchange

Share price graph (PLN)

Company description

Founded in 2002, CI Games is a Warsaw-based developer and publisher of AA+/AAA multi-platform video games for a global audience. It specialises in first person shooter and action-driven titles and owns intellectual property (IP) including the Sniper: Ghost Warrior and Lords of the Fallen franchises.

Price performance

%	1m	3m	12m
Actual	(47.6)	(40.5)	29.9
Relative*	(49.5)	(36.6)	(9.3)

* % Relative to local index

Analyst

Max Hayes

CI Games (CIG)

INVESTMENT SUMMARY

CI Games' FY22 and Q123 results reflect investment in its seven-pillar strategy, aiming to diversify its IP to drive long-term growth. The group remains profitable and continues to generate revenue through its back catalogue with no new releases in FY22. Lords of the Fallen launched on 13 October to mixed reviews due to a patch issue, which was quickly resolved and momentum now seems to have recovered. We maintain our expectations that the game should drive strong top-line growth and margin expansion for the full year.

INDUSTRY OUTLOOK

The global video games market is set for robust market growth driven by a confluence of factors, including AI, cloud gaming, and other tools that can extend the lifetime value of a game and enable greater player immersion. Valuations are normalising after pandemic highs as consumers become more selective amid macro uncertainty, increasing pressure on developers to create hit titles that drive long-term engagement.

Y/E Dec	Revenue (PLNm)	EBITDA (PLNm)	PBT (PLNm)	EPS (fd) (gr)	P/E (x)	P/CF (x)
2021	105.5	62.5	44.9	16.33	20.2	9.3
2022	56.7	16.1	10.1	4.00	82.5	19.1
2023e	270.0	206.9	131.5	56.85	5.8	2.9
2024e	N/A	N/A	N/A	N/A	N/A	N/A

Sector: Technology

Price: €1.39
Market cap: €80m
Market Euronext Paris

Share price graph (€)

Company description

Claranova consists of three businesses focused on mobile and internet technologies: PlanetArt (digital photo printing; personalised gifts), Avanquest (consumer software) and myDevices (Internet of Things/IoT).

Price performance

%	1m	3m	12m
Actual	(5.9)	(19.1)	(42.4)
Relative*	(0.9)	(11.7)	(48.5)

* % Relative to local index

Analyst

Katherine Thompson

Claranova (CLA)

INVESTMENT SUMMARY

Claranova reported FY23 adjusted EBITDA growth of 27.5%, slightly ahead of our forecast and within its guidance range. PlanetArt profitability dipped as cost inflation outweighed revenue growth, Avanquest saw strong revenue and profit growth, helped by the recent acquisitions of PDF Forge and ScannerApp, and myDevices unexpectedly achieved break-even. Claranova continues to target a 10% EBITDA margin in FY24, although this is partially dependent on the success of restructuring in PlanetArt. We are reviewing our forecasts.

INDUSTRY OUTLOOK

PlanetArt is evolving from a digital photo printing business into a personalised e-commerce business and is focused on expanding its product offering geographically. Avanquest, the consumer software business, is focused on developing and marketing software in three key product areas: PDF, photo editing and security/privacy. The IoT business's myDevices platform provides a simple and effective way for SMEs and corporates to deploy IoT applications.

Y/E Jun	Revenue (€m)	EBITDA (€m)	PBT (€m)	EPS (fd) (c)	P/E (x)	P/CF (x)
2021	470.6	36.5	24.2	37.47	3.7	1.5
2022	473.7	28.3	7.2	10.70	13.0	2.1
2023e	507.3	36.0	9.8	16.15	8.6	1.8
2024e	530.9	48.1	22.3	27.65	5.0	1.6

Sector: Technology

Price: €17.22
Market cap: €112m
Market Deutsche Börse Scale

Share price graph (€)

Company description

CLIQ Digital sells subscription-based streaming services that bundle movies and series, music, audiobooks, sports and games to consumers globally. In FY22, 37% of sales were generated in Europe, 57% in North America and 6% in other regions.

Price performance

%	1m	3m	12m
Actual	(13.5)	(26.6)	(3.4)
Relative*	(9.1)	(19.7)	(16.9)

* % Relative to local index

Analyst

Fiona Orford-Williams

CLIQ Digital (CLIQ)

INVESTMENT SUMMARY

CLIQ Digital delivered robust growth in H123, with 37% y-o-y growth in both revenue and EBITDA at a maintained margin of 15.8%. Growth continues to be driven by marketing spend and investment into evolving the bundled content offering. Given a more competitive bidding market, management is focusing on acquiring customers with a higher lifetime value to create a more profitable subscriber base. Management reiterated both its FY23 and mid-term FY25 guidance and our headline forecasts were unchanged. Despite CLIQ's share price performance faring better than the peer average, its valuation remains at a significant discount to peers on both EV/sales and EV/EBITDA multiples. In our view there continues to be significant upside to the current share price.

INDUSTRY OUTLOOK

Demand for mobile entertainment has grown rapidly over the last decade, boosted by increased smartphone penetration, now at 84% of the global mobile users (Statista). While boundaries between types of content are becoming increasingly blurred, mobile gaming is the largest segment. The larger content subscription services have been struggling to maintain momentum in their subscriber base and have been pushing up subscription prices and limiting password sharing to protect revenues.

Y/E Dec	Revenue (€m)	EBITDA (€m)	PBT (€m)	EPS (fd) (c)	P/E (x)	P/CF (x)
2021	150.0	27.2	25.3	271.36	6.3	4.2
2022	276.1	43.5	40.9	445.38	3.9	2.5
2023e	345.0	51.0	46.8	486.29	3.5	2.2
2024e	400.2	59.4	55.4	575.11	3.0	1.9

Sector: Financials

Price:	SEK42.00
Market cap:	SEK2856m
Market	Nasdaq Nordic

Share price graph (SEK)

Company description

CoinShares International develops innovative infrastructure, financial products and services for the digital asset class.

Price performance

%	1m	3m	12m
Actual	(4.6)	(16.0)	29.8
Relative*	1.1	(7.4)	22.9

* % Relative to local index

Analyst

Milosz Papst

CoinShares International (CS)

INVESTMENT SUMMARY

CoinShares International (CS) is a fintech created to support the emergence of digital assets as a new investible asset class. However, it is more than a simple beta play on the bitcoin price as its proprietary technology facilitates regulated issuance platforms (it had ETP assets under management of £1.66bn at end-June 2023) and gains derived from capital markets activities, including liquidity provisioning, non-directional trading, decentralised finance income and fixed income activities. We consider CS an attractively priced option on the prospective adoption of digital assets.

INDUSTRY OUTLOOK

Despite the regulatory crackdown on key crypto players (combined with still pending US congress legislation for the sector) in the US, there are further signs of interest from traditional finance players in the digital assets space, as illustrated by recent US filings for a Bitcoin spot ETF from BlackRock and Invesco, as well as PayPal's launch of its own Ethereum-based stablecoin. Near-term adoption may be dampened by low market liquidity and gaps in infrastructure left by the collapse of some service providers. Still, digital assets have grown 'too big to ignore', even if the current adoption rate varies by investor group.

Y/E Dec	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (fd) (p)	P/E (x)	P/CF (x)
2021	80.8	121.1	112.7	162.0	1.9	N/A
2022	51.5	(6.5)	(15.8)	4.0	78.3	0.5
2023e	40.9	41.8	32.3	31.4	10.0	0.4
2024e	53.2	52.3	41.6	60.3	5.2	0.3

Sector: Pharma & healthcare

Price:	33.5p
Market cap:	£121m
Market	LSE AIM

Share price graph (p)

Company description

UK-based Creo Medical focuses on the development and commercialisation of minimally invasive electrosurgical devices. Its six products in the flagship CROMA platform have all been CE marked, with five cleared by the FDA. Acquired in 2020, Albyn Medical provides Creo with profitable products and a direct salesforce in Europe.

Price performance

%	1m	3m	12m
Actual	4.7	(2.9)	(28.4)
Relative*	9.8	2.1	(31.7)

* % Relative to local index

Analyst

Soo Romanoff

Creo Medical (CREO)

INVESTMENT SUMMARY

Creo Medical is developing and commercialising minimally invasive endoscopic electrosurgical devices. Its CROMA advanced energy platform delivers a combination of advanced bipolar radiofrequency and microwave energy for the dissection, resection, ablation and haemostasis of diseased tissue. Its initial focus is on gastrointestinal (GI) tract procedures, expanding into soft tissue (eg pancreas and liver) and pulmonology. It has six advanced energy products CE marked, with five cleared by the FDA. Its first commercially available device, Speedboat Inject, is used across the globe, with a slimmer version launched in November 2022. In FY22, Creo announced agreements with two surgical robotic partners, Intuitive and CMR Surgical. In its recently announced H123 results, Creo reported 15.1% y-o-y revenue growth and a CE mark received for Speedboat Inject for upper GI procedures, expanding the addressable market in Europe.

INDUSTRY OUTLOOK

Creo's products are in a large and lucrative market. Conmed estimates that the GI endoscopic technologies market is worth c $3.0–3.2bn and the radiofrequency energy-based surgical device market is $2.7–2.9bn pa. Entering the robotics and laparoscopic markets further increases the scale of opportunity open to Creo.

Y/E Dec	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (p)	P/E (x)	P/CF (x)
2021	25.2	(20.0)	(29.7)	(14.58)	N/A	N/A
2022	27.2	(20.8)	(31.0)	(14.85)	N/A	N/A
2023e	32.8	(20.7)	(24.3)	(6.57)	N/A	N/A
2024e	40.8	(11.5)	(14.8)	(3.49)	N/A	N/A

Sector: Property

Price:	85.2p
Market cap:	£376m
Market	LSE

Share price graph (p)

Company description

Custodian Property Income REIT (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	1.1	(2.9)	2.4
Relative*	6.0	2.1	(2.3)

* % Relative to local index

Analyst

Martyn King

Custodian Property Income REIT (CREI)

INVESTMENT SUMMARY

Strong leasing activity continued to support rental growth through Q124, providing an offset to increased interest costs on the 20% of borrowings that are at floating rate. Annual rental income of £2.2m was secured, in aggregate in line with estimated rental value (ERV), through leasing, renewals and rental uplifts. Occupancy was maintained at 90%. ERV has continued to increase, by 1.2% like-for-like in the period, driven primarily by capital expenditure in refurbishing industrial assets. DPS of 1.375p was in line with the full year target of no less than 5.5p and was fully covered by EPRA earnings of 1.5p. Portfolio valuation showed a modest 0.5% like-for-like decrease, with asset management driven gains of £2.0m providing a partial offset to slight yield widening. NAV per share was 98.6p (end-FY23: 99.3p) and the NAV total return was 0.7%.

INDUSTRY OUTLOOK

The commercial property market is cyclical, historically exhibiting substantial swings in capital values through cycles. Income returns have been significantly more stable. Across all main sectors the market is continuing to adjust to higher bond yields and economic uncertainty, although price weakness in 2023 year to date has been much less pronounced than in late 2022. Investment activity remains weak.

Y/E Mar	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (p)	P/E (x)	P/CF (x)
2022	35.6	30.1	25.3	5.89	14.5	11.2
2023	37.1	31.0	24.8	5.62	15.2	12.4
2024e	38.2	32.4	24.5	5.55	15.4	11.1
2025e	38.8	32.9	24.8	5.62	15.2	11.7

Sector: Technology

Price:	ZAR35.60
Market cap:	ZAR8171m
Market	Johannesburg SE

Share price graph (ZAR)

Company description

Datatec is a South Africa-listed multinational ICT business, serving clients globally, predominantly in the networking and telecoms sectors. The group operates through three main divisions: Westcon International (distribution); Logicalis International (IT services); and Logicalis LatAm (IT services in Latin America).

Price performance

%	1m	3m	12m
Actual	(0.5)	0.5	(14.0)
Relative*	4.2	10.1	(19.6)

* % Relative to local index

Analyst

Katherine Thompson

Datatec (DTCJ)

INVESTMENT SUMMARY

For H124, Datatec reported 15% y-o-y revenue growth, gross margin expansion, EBITDA growth of 39% and adjusted EBITDA growth of 2%. Underlying EPS increased 336% to 9.6c. After incurring restructuring charges and elevated share-based compensation in FY23, H124 provided a cleaner set of numbers. Supply chain issues eased during H1 allowing Datatec to reduce its order backlog by 21% from the end of FY23. The company is seeing strong demand for cyber security and networking solutions, and while challenges still persist in Latin America, it expects FY24 performance to improve versus FY23 for all divisions.

INDUSTRY OUTLOOK

Datatec has seen strong growth globally, with elevated demand for networking, cybersecurity and cloud infrastructure. Amidst continuing uncertainties, there are signs that global growth is slowing but we expect established technology trends to persist, underpinned by the unwinding of Datatec's backlog during FY24.

Y/E Feb	Revenue (US$m)	EBITDA (US$m)	PBT (US$m)	EPS (fd) (c)	P/E (x)	P/CF (x)
2022	4546.4	158.9	69.1	14.2	13.1	2.3
2023	5143.1	180.2	86.7	24.1	7.7	2.1
2024e	5499.4	193.8	89.6	21.5	8.7	2.2
2025e	5761.4	220.0	113.0	27.6	6.8	1.9

Sector: Media

Price:	¥4339.00
Market cap:	¥1172247m
Market	Tokyo SE

Share price graph (¥)

Company description

Dentsu Group is a holding company, operating in over 145 countries. It provides a wide range of client-centric integrated communications, media and digital services.

Price performance

%	1m	3m	12m
Actual	(1.8)	(6.4)	(6.0)
Relative*	4.2	(5.4)	(21.0)

* % Relative to local index

Analyst

Fiona Orford-Williams

Dentsu Group (4324)

INVESTMENT SUMMARY

Dentsu experienced difficult trading conditions in its first half, with US client hesitancy, poor Chinese macro conditions and a one-off hit from a problematic project in the DACH region, compounded by demanding comparatives. These ease in H223, and trading should also benefit from one-off events like the Rugby World Cup, as well as the contribution from Tag, consolidated from 1 July. With the inclusion of Tag, operational cost savings and lower interest following debt restructuring, guidance for EPS was unchanged. We updated our forecasts to reflect this, with a knock-on into FY24. Changes to the management and organisational structure over recent periods are giving the group a greater coherence, yet the valuation remains well below peers and long-term average metrics.

INDUSTRY OUTLOOK

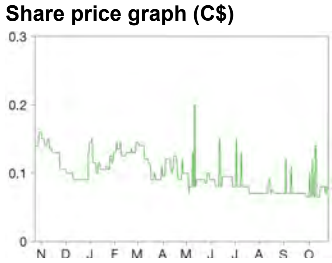
Customer Transformation and Technology benefits from structural tailwinds as companies invest in optimising their responses to the increasing demands of their own customers, although short-term economic uncertainty is slowing the sales cycle for larger projects across the industry, particularly for clients in the tech sector. Dentsu's latest FY23 global ad spend forecast is +3.3%, with 4.7% for FY24 and 3.8% for FY25 pencilled in. Digital spend is forecast at 58% of FY23 global ad spend, with the growth rate slowing.

Y/E Dec	Revenue (¥m)	EBITDA (¥m)	PBT (¥m)	EPS (fd) (¥)	P/E (x)	P/CF (x)
2021	1085592.0	196917.0	146020.0	390.0	11.1	4.3
2022	1243883.0	216831.0	186478.0	482.0	9.0	6.6
2023e	1275702.0	243459.0	175420.0	459.0	9.5	5.9
2024e	1331917.0	256001.0	190210.0	506.0	8.6	4.9

Sector: Mining

Price:	C$0.07
Market cap:	C$12m
Market	TSX Venture Exchange

Share price graph (C$)



Company description

DFR Gold is a junior exploration company focused on gold in West Africa. It has four principal assets, namely the Cascades project in Burkina Faso (with a 635koz resource), the Kalaka gold project in Mali, the Gurara joint venture in Nigeria and the Beravina zircon project in Madagascar (non-core).

Price performance

%	1m	3m	12m
Actual	(7.1)	(7.1)	(53.6)
Relative*	(3.6)	0.2	(54.0)

* % Relative to local index

Analyst

Lord Ashbourne

DFR Gold (DFR)

INVESTMENT SUMMARY

Collectively, DFR's management and board have discovered over 50Moz gold in some of the largest gold deposits in West Africa and they have wasted no time in demonstrating value at DFR's flagship Cascades project where, in a short time, they have defined a maiden resource (of 635koz JORC), made new discoveries and demonstrated extensions to the existing resource. Together, they have raised over US$100m in their careers as well. From drilling either already completed or underway, Edison estimates that DFR could almost double its maiden resource in the short term.

INDUSTRY OUTLOOK

DFR's immediate priority is the Cascades project, where management believes it could have an endowment as large as 5.0Moz Au. In the meantime, it is building a balanced portfolio of promising projects at varying stages of development, including a 40% interest in Kalaka in Mali (a large, medium-grade prospect) and a 25.5% interest in the Gurara JV in Nigeria (an early-stage exploration project with high-grade intersections).

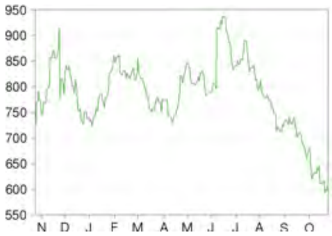
Y/E Dec	Revenue (US$m)	EBITDA (US$m)	PBT (US$m)	EPS (c)	P/E (x)	P/CF (x)
2021	0.0	(1.0)	(1.0)	(1.4)	N/A	N/A
2022	0.0	(2.3)	(2.3)	(1.7)	N/A	N/A
2023e	N/A	N/A	N/A	N/A	N/A	N/A
2024e	N/A	N/A	N/A	N/A	N/A	N/A

discoverIE Group (DSCV)

Sector: Electronics & elec eqpt

Price:	609.0p
Market cap:	£587m
Market	LSE

Share price graph (p)



Company description

discoverIE is a leading international designer and manufacturer of customised electronics to industry, supplying customer-specific electronic products and solutions to original equipment manufacturers.

Price performance

%	1m	3m	12m
Actual	(11.1)	(27.2)	(16.9)
Relative*	(6.8)	(23.5)	(20.7)

* % Relative to local index

Analyst

Katherine Thompson

INVESTMENT SUMMARY

discoverIE's trading update confirmed organic revenue growth and operating margin expansion in H124. Organic growth was 2% for Magnetics & Controls and 1% for Sensing & Connectivity. The company expects to deliver FY24 underlying earnings in line with its recently upgraded expectations; we maintain our operating profit and EPS forecasts. As expected, the order book continues to normalise but still provides good visibility for H224, and strong design win activity provides support for growth in the medium term.

INDUSTRY OUTLOOK

discoverIE specialises in the design and manufacture of technically demanding, bespoke electronics for industrial applications with operations throughout Europe and increasingly outside Europe. The company is focused on four target markets comprising three-quarters of group sales – renewables, electrification of transportation, medical and industrial & connectivity – all of which are long-term structural growth markets.

Y/E Mar	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (fd) (p)	P/E (x)	P/CF (x)
2022	379.2	56.1	41.0	32.1	19.0	13.3
2023	448.9	65.4	48.8	36.7	16.6	11.2
2024e	452.2	71.8	49.6	37.4	16.3	10.3
2025e	477.3	76.6	52.2	38.9	15.7	9.7

Dowlais Group (DWL)

Sector: Industrial support services

Price:	97.4p
Market cap:	£1357m
Market	LSE

Share price graph (p)

Company description

Dowlais Group is an automotive components group with two core divisions: GKN Automotive is the market leader in drive systems for both ICEs and EVs, and GKN Powder Metallurgy is the leader in sintered component manufacture and number two in metal powders.

Price performance

%	1m	3m	12m
Actual	(13.9)	(21.9)	N/A
Relative*	(9.7)	(17.8)	N/A

* % Relative to local index

Analyst

David Larkam

INVESTMENT SUMMARY

The restructuring of Dowlais is largely complete. With the benefit of automotive market recovery, this is expected to drive operating margins to over 11% (10%+ in GKN Automotive and 14% in Powder Metallurgy). The strategy is focused on shareholder value, including through corporate activity; management has pointed to a strategic review of Powder Metallurgy in the medium term.

INDUSTRY OUTLOOK

The H1 sales growth was 10% with the operating margin up from 5.0% to 6.3%. The Automotive division's revenue growth of 12% was in line with the global automotive market, while operating margin, up from 3.9% to 6.5%, was assisted by high (39%) drop through. Powder Metallurgy division sales were up 2%, reflecting softer industrial markets and the impact of the shift to EVs, and the operating margin of 9.2% was down from 10.5%, but up from 8.2% in H222. Net debt was £849m with net debt/EBITDA of 1.4x. There was no change to guidance, reflecting some uncertainties in H2, including UAW strikes, which remain ongoing.

Y/E Dec	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (fd) (p)	P/E (x)	P/CF (x)
2021	4731.0	515.0	109.0	N/A	N/A	N/A
2022	5246.0	594.0	212.0	N/A	N/A	N/A
2023e	5486.6	622.5	259.3	13.26	7.3	2.4
2024e	5798.9	712.7	336.6	17.45	5.6	2.1

Sector: Pharma & healthcare

Price:	10.5p
Market cap:	£61m
Market	LSE

Share price graph (p)

Company description

e-therapeutics is a UK biotech using its proprietary computational biology and RNAi platforms to discover novel disease targets and therapies. The company is specifically focused on leveraging its expertise to design treatments targeting one cell type in the liver, hepatocytes.

Price performance

%	1m	3m	12m
Actual	(15.8)	(43.2)	(38.2)
Relative*	(11.7)	(40.3)	(41.1)

* % Relative to local index

Analyst

Soo Romanoff

e-therapeutics (ETX)

INVESTMENT SUMMARY

UK-based e-therapeutics is leveraging its computational biology platform, HepNet, to discover novel hepatocyte-associated therapeutic targets and develop novel RNAi medicines using its RNAi platform, GalOmic. Within HepNet, it aims to utilise advanced artificial intelligence (AI) systems, such as large language models, to extract non-obvious insights across disparate data domains to streamline its drug discovery workflow. There continues to be a diverse range of hepatocyte-associated disease indications (not restricted to diseases of the liver) with untapped, novel targets, providing scope for new treatments to have a unique offering. The company's preclinical pipeline consists of multiple programmes in haematology, cardiovascular indications and non-alcoholic steatohepatitis, which management claims are assessing novel disease targets. Should any of these programmes deliver a clinical candidate, it would represent a significant catalyst for investor attention.

INDUSTRY OUTLOOK

The application of AI platforms in the pharmaceutical industry has evolved significantly and has matured to a stage where the first purely AI-generated candidates have entered clinical trials. We believe that platforms capable of designing novel, effective drugs and with the ability to identify new disease targets will offer an advantage over competitors.

Y/E Jan	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (fd) (p)	P/E (x)	P/CF (x)
2022	0.5	(9.4)	(9.5)	(1.65)	N/A	N/A
2023	0.5	(9.8)	(9.8)	(1.54)	N/A	N/A
2024e	N/A	N/A	N/A	N/A	N/A	N/A
2025e	N/A	N/A	N/A	N/A	N/A	N/A

Sector: Technology

Price:	A$1.10
Market cap:	A$412m
Market	ASX

Share price graph (A$)

Company description

EML Payments is a payment solutions company managing thousands of programmes across 32 countries in Europe, North America and Australia. It provides payment solutions for banking, credit and disbursement services, earned wage access, gifts, incentives and rewards, and open banking and FX.

Price performance

%	1m	3m	12m
Actual	(5.2)	26.4	74.6
Relative*	(1.9)	35.4	70.6

* % Relative to local index

Analyst

Katherine Thompson

EML Payments (EML)

INVESTMENT SUMMARY

EML Payments reported FY23 revenue and underlying EBITDA ahead of the top-end of its guidance range, benefiting from higher interest income and improvements to customer contracts in H223. The company is making good progress with its short-term priorities, and while the Barrenjoey strategic review is ongoing, management has started taking action to return loss-making activities to profitability and to reinvigorate growth in its core businesses. We have upgraded our forecasts to reflect better-than-expected performance in FY23 and identified cost savings.

INDUSTRY OUTLOOK

EML provides payment solutions for banking, credit and disbursement services, earned wage access, gifts, incentives and rewards, and open banking and FX. The company estimates it has a serviceable addressable market worth A$114bn, which is growing at c 7% pa. It estimates it has less than a 0.2% share of this market, providing plenty of scope for growth.

Y/E Jun	Revenue (A$m)	EBITDA (A$m)	PBT (A$m)	EPS (fd) (c)	P/E (x)	P/CF (x)
2022	232.4	34.3	16.0	3.398	32.4	12.3
2023	254.2	(2.6)	(22.8)	(4.869)	N/A	N/A
2024e	277.8	35.4	13.6	2.833	38.8	11.6
2025e	302.7	56.3	32.9	6.869	16.0	7.3

Sector: Mining

Price: 1718.0p
Market cap: £4229m
Market LSE

Share price graph (p)

Company description

Following its acquisitions of SEMAFO and Teranga, Endeavour Mining (EDV) has become one of the top 10 major gold producers globally, with six mines in Côte d'Ivoire, Burkina Faso and Senegal plus a portfolio of development projects, all in the West African Birimian greenstone belt.

Price performance

%	1m	3m	12m
Actual	4.8	(11.5)	11.6
Relative*	9.9	(7.0)	6.5

* % Relative to local index

Analyst

Lord Ashbourne

Endeavour Mining (EDV)

INVESTMENT SUMMARY

Following the divestment of non-core assets Boungou and Wahgnion, EDV has updated its FY23 guidance from 1,325–1,425koz to 1,060–1,135koz, with all-in sustaining costs improving to US$895–950/oz (cf US$940–995/oz, previously), which we are forecasting it will achieve, with production weighted to H2.

INDUSTRY OUTLOOK

In line with EDV's strategy, the recent divestment of Boungou and Wahgnion supports growth of larger, lower all-in sustaining costs and longer life assets, such as the Lafigué greenfield project and the Sabodala-Massawa BIOX expansion. EDV aims to reinvest in organic growth throughout FY23 via the BIOX expansion (NPV US$861m) and Lafigué greenfield projects (NPV US$477m). After discovering 11.4Moz indicated gold resources during its FY16–21 exploration plan, the company has launched a second plan to find a further 15–20Moz by FY26, focusing on the new Tanda-Iguela prospect. Our most recent analysis valued EDV at US$36.73 per share.

Y/E Dec	Revenue (US$m)	EBITDA (US$m)	PBT (US$m)	EPS (fd) (c)	P/E (x)	P/CF (x)
2021	2903.8	1517.3	756.5	203.21	10.3	3.7
2022	2508.1	1261.3	527.2	125.32	16.7	4.3
2023e	2103.0	1089.4	562.8	121.87	17.2	4.9
2024e	1681.1	901.3	558.6	153.95	13.6	5.5

Sector: Technology

Price: NOK0.10
Market cap: NOK216m
Market Olso SE

Share price graph (NOK)

Company description

Ensurge Micropower's solid-state lithium battery technology combines advanced energy cell design with proprietary materials and manufacturing innovation to produce thin, flexible batteries that can power safer and more capable wearable devices and connected sensors.

Price performance

%	1m	3m	12m
Actual	(21.3)	(6.2)	(95.9)
Relative*	(18.2)	(7.5)	(96.1)

* % Relative to local index

Analyst

Max Hayes

Ensurge Micropower (ENSU)

INVESTMENT SUMMARY

Ensurge develops solid-state microbatteries that can potentially double the power density of equivalent lithium-ion designs, provide form-factor flexibility and can be mass produced in significant volumes. In 2023, the group has achieved breakthrough technological milestones and is working with a lead customer to deliver pre-production orders in Q124 with a view to entering commercial production later in the year. On 18 September, the company announced that it had secured another new contract. Although the announcement did not include any material updates, it further validates the progress the group has made in the year.

INDUSTRY OUTLOOK

Ensurge did not generate any revenues during FY22. Payroll costs were $1.6m higher year-on-year, at $8.9m, as management increased spending on operations to support sampling and production readiness. This resulted in a widening of EBITDA losses, excluding share-based payments, by $2.1m to $16.7m. Investment in capital expenditure was only $0.5m (net), as most of the work adapting the roll-to-roll facility for manufacturing microbatteries was completed in FY21. Free cash outflow totalled $20.8m, leaving $3.4m cash (gross excluding restricted cash) at end-FY22.

Y/E Dec	Revenue (US$m)	EBITDA (US$m)	PBT (US$m)	EPS (c)	P/E (x)	P/CF (x)
2021	0.0	(14.6)	(17.8)	(9.19)	N/A	N/A
2022	0.0	(16.7)	(20.8)	(9.67)	N/A	N/A
2023e	N/A	N/A	N/A	N/A	N/A	N/A
2024e	N/A	N/A	N/A	N/A	N/A	N/A

Sector: Construction & blding mat

Price:	66.0p
Market cap:	£96m
Market	LSE AIM

Share price graph (p)

Company description

Epwin Group 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	(4.4)	(2.2)	(11.4)
Relative*	0.3	2.8	(15.5)

* % Relative to local index

Analyst

Andy Murphy

Epwin Group (EPWN)

INVESTMENT SUMMARY

Epwin's H123 interim results highlight both the challenging trading environment and also management's ability to successfully offset margin pressures, pushing the margin up by 60bp to 6.6%. Although market pressures remain, well-established long-term growth trends imply that Epwin is well placed to leverage off increasing demand for its energy efficient and low-maintenance building products. The integration of recent acquisitions underscore the company's ambition and ability to self-finance accretive expansions. We anticipate further deals in the future. Epwin trades on a P/E of c 7.5x for FY23e versus a long-term average of 10.7x, with upside as and when margins recover further.

INDUSTRY OUTLOOK

Epwin is exposed to both repair, maintain, improve (RMI, c 70% revenue) and new build (c 30%) in the UK housing market. Despite the expected weakness in new build, demand from the RMI market has remained more resilient, which implies a relatively robust end to the current calendar year with some optimistic signals beginning to emerge from new build for 2024.

Y/E Dec	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (fd) (p)	P/E (x)	P/CF (x)
2021	329.6	36.3	13.7	9.06	7.3	2.6
2022	355.8	41.6	16.5	8.84	7.5	2.3
2023e	355.9	40.0	16.3	8.83	7.5	2.4
2024e	361.2	41.0	17.3	9.01	7.3	2.3

Sector: Technology

Price:	€25.50
Market cap:	€256m
Market	Deutsche Börse Scale

Share price graph (€)

Company description

EQS is a leading international provider of regulatory technology in the fields of corporate compliance and investor relations. Its products enable corporate clients to fulfil complex national and international disclosure obligations, minimise risks and communicate transparently with stakeholders.

Price performance

%	1m	3m	12m
Actual	(2.3)	(3.4)	8.5
Relative*	2.7	5.6	(6.7)

* % Relative to local index

Analyst

Fiona Orford-Williams

EQS Group (EQS)

INVESTMENT SUMMARY

After repeated delays, the German whistleblowing regulation came into law on 1 July and pent-up demand should now be flowing through into new customers and growing recurring revenues. Those customers present a pipeline of warm leads for selling EQS's broader suite of cloud-based products and services, particularly in the Compliance segment, underpinning management's medium-term ambitions for the top line and EBITDA margins, targeted at €130m and 30% respectively on a time frame of FY26 or FY27. We edged up our FY23 and FY24 estimates on the interims to reflect the momentum and greater degree of confidence in the rest of H223. Q3 numbers are slated for 10 November. The shares continue to trade well below the level indicated by our DCF.

INDUSTRY OUTLOOK

EQS should now (finally) have the impetus of full legislative implementation regarding digital whistleblowing in its home market of Germany. The boost should kick in relatively quickly, given the group's experience in other markets, such as France, Spain and Italy. We regard the strategy of establishing a much wider pool of customers for cross- and up-selling of other corporate compliance cloud-based services to be sound. Upcoming EU regulation on ESG monitoring and reporting should also provide substantial opportunities.

Y/E Dec	Revenue (€m)	EBITDA (€m)	PBT (€m)	EPS (fd) (c)	P/E (x)	P/CF (x)
2021	50.2	1.7	(5.4)	(64.53)	N/A	N/A
2022	61.4	4.6	(3.1)	(19.76)	N/A	88.8
2023e	72.5	10.0	1.5	9.71	262.6	45.0
2024e	90.0	17.3	9.3	62.16	41.0	23.2

Esker (ALESK)

Sector: Technology

Price:	€114.50
Market cap:	€690m
Market	Euronext Paris

Share price graph (€)

Company description

Esker provides end-to-end SaaS-based document automation solutions supporting order-to-cash and procure-to-pay processes. In FY21, the business generated 55% of revenues from Europe, 39% from the United States and the remainder from Asia and Australia.

Price performance

%	1m	3m	12m
Actual	(11.8)	(20.1)	(5.0)
Relative*	(7.1)	(12.8)	(15.1)

* % Relative to local index

Analyst

Katherine Thompson

INVESTMENT SUMMARY

Esker reported Q323 revenue of €43.8m, up 8% y-o-y (13% constant currency (cc)), with SaaS revenue growth of 11% (15% cc). Volumes processed were lower than expected but have reverted to more normal levels in October. The company maintained guidance for FY23. Esker hit another quarterly bookings record, with annual recurring revenue of €5.3m signed in Q3, up 11% cc y-o-y, and for 9M23 up 14% cc. Management noted that if Q4 order intake were significantly higher than the current run rate, it may need to accrue additional sales commissions in Q4 which would weigh on operating margins.

INDUSTRY OUTLOOK

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

Y/E Dec	Revenue (€m)	EBITDA (€m)	PBT (€m)	EPS (fd) (c)	P/E (x)	P/CF (x)
2021	133.6	25.7	18.0	236.68	48.4	23.1
2022	159.0	31.8	23.4	304.35	37.6	30.2
2023e	180.1	32.9	22.8	284.78	40.2	21.4
2024e	205.4	39.2	28.0	343.63	33.3	19.3

Filtronic (FTC)

Sector: Technology

Price:	15.8p
Market cap:	£34m
Market	LSE AIM

Share price graph (p)

Company description

Filtronic is a designer and manufacturer of advanced radio frequency (RF) communications products supplying a number of market sectors including mobile telecommunications infrastructure, public safety, defence and aerospace.

Price performance

%	1m	3m	12m
Actual	(4.6)	(7.4)	44.8
Relative*	0.1	(2.6)	38.2

* % Relative to local index

Analyst

Katherine Thompson

INVESTMENT SUMMARY

Filtronic has won a £3.4m contract to supply its solid state power amplifiers to a leading low Earth orbit (LEO) satellite communications equipment provider. Filtronic supported the customer's trial of E-band connectivity earlier this year; this contract is for the second phase of the customer's roll-out and is the first time that E-band frequencies have been used in volume in a commercial LEO space application. Hot on the heels of winning a satellite payload development contract from the European Space Agency, this highlights the company's growing presence in the space sector.

INDUSTRY OUTLOOK

While it continues to serve customers in its established markets (5G backhaul, defence and aerospace, and public safety networks), Filtronic is seeing increasing demand for its transceiver modules in new applications such as LEO satellite communications, low latency banking networks, 5G test equipment and quantum computing.

Y/E May	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (fd) (p)	P/E (x)	P/CF (x)
2022	17.1	2.8	1.5	0.53	29.8	12.1
2023	16.3	1.3	0.1	0.06	263.3	26.1
2024e	20.7	2.2	0.7	0.32	49.4	15.4
2025e	22.7	2.7	1.2	0.56	28.2	12.6

Sector: Financials

Price: 36.5p
Market cap: £110m
Market LSE

Share price graph (p)

Foxtons Group (FOXT)

INVESTMENT SUMMARY

Foxtons' interim results highlighted revenue and margin expansion as well as market share gains, evidence of success in rolling out the new strategy, which focuses growth on non-cyclical revenue streams and decouples performance from sales market cycles. If the strategy succeeds, over the medium term Foxtons expects margins to expand by c 500bp and operating profit to more than double. We retain our base case valuation of 59p/share, which implies c 50% upside, and our preferred 'bull' case valuation of 124p/share.

INDUSTRY OUTLOOK

Foxtons is almost entirely focused on the London market where both the lettings and sales markets are recovering as London and the rest of the UK head towards a 'new normal'. Foxtons' Greater London region contains 13% of the UK population and by value accounts for 33% of sales and 38% of UK lettings.

Company description

Foxtons Group is London's leading and most widely recognised estate agency. It operates from a network of 57 interconnected branches offering a range of residential-related services, which are split into three separate revenue streams: sales, lettings and mortgage broking.

Price performance

%	1m	3m	12m
Actual	(1.4)	(5.1)	33.5
Relative*	3.5	(0.2)	27.4

* % Relative to local index

Analyst

Andy Murphy

Y/E Dec	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (fd) (p)	P/E (x)	P/CF (x)
2021	126.5	25.1	10.0	(0.52)	N/A	17.9
2022	140.3	27.8	13.7	3.54	10.3	7.5
2023e	138.0	26.7	13.5	3.59	10.2	8.2
2024e	146.6	30.0	17.8	4.58	8.0	6.2

Sector: Technology

Price: A$0.20
Market cap: A$88m
Market ASX

Share price graph (A$)

Freelancer (FLN)

INVESTMENT SUMMARY

Freelancer achieved a key profitability target in Q323 by delivering positive operating EBITDA across divisions, leading to positive operating cash flow generation and an uplift in gross cash. Despite lower group gross merchandise value (GMV), revenue likely grew given the higher take rate of the marketplace division, where GMV increased. Near-term pipeline highlights include accelerating Enterprise momentum from US expansion and a Chinese retailer partnership, Loadshift's ongoing marketplace transition and new Escrow.com partnerships to drive diversification.

INDUSTRY OUTLOOK

Structural tailwinds such as increased digitisation, remote working and a more globalised economy are providing businesses with the opportunity to seamlessly access specialised talent at low cost. Escrow.com operates a large-value transaction payment processing platform, uniquely positioned as it is fully licensed in every US state, Canada and Australia.

Company description

Freelancer is an Australian company, operating one of the world's largest online marketplaces for freelancers. Its marketplace division has two business units and the company also owns Escrow.com, which is a large transactions processor.

Price performance

%	1m	3m	12m
Actual	(7.1)	(23.5)	(18.8)
Relative*	(4.0)	(18.1)	(20.6)

* % Relative to local index

Analyst

Max Hayes

Y/E Dec	Revenue (A$m)	EBITDA (A$m)	PBT (A$m)	EPS (fd) (c)	P/E (x)	P/CF (x)
2021	57.4	(2.7)	(3.0)	(0.66)	N/A	34.1
2022	55.7	(6.6)	(6.9)	(1.52)	N/A	N/A
2023e	54.8	0.3	0.1	0.01	2000.0	20.8
2024e	59.5	1.8	1.5	0.24	83.3	16.7

Sector: Consumer support services

Price: 9805.0p
Market cap: £3227m
Market LSE

Share price graph (p)

Company description

Games Workshop is a leading international specialist designer, manufacturer and multi-channel retailer of miniatures, scenery, artwork and fiction for tabletop miniature games set in its fantasy Warhammer worlds.

Price performance

%	1m	3m	12m
Actual	(8.4)	(13.8)	58.8
Relative*	(3.9)	(9.4)	51.5

* % Relative to local index

Analyst

Russell Pointon

Games Workshop Group (GAW)

INVESTMENT SUMMARY

Games Workshop Group's June 2023 launch of Leviathan has been well received based on core year-on-year revenue growth of 14% in Q124 which, accompanied by a more favourable cost profile, translated to c 46% growth in PBT to £57m (c £39m in Q123). Our reported PBT estimates for FY24 increased by 6%, to give year-on-year growth of c 9% and we introduced FY25 estimates for c 4% growth to c £193m. So far in FY24, GAW has declared total dividends of 195p/share (dividends of 145p/share and 50p/share), c 63% higher than cumulative dividends at the same time in FY23 of 120p/share (dividends of 90p/shares and 30p/share).

INDUSTRY OUTLOOK

Games Workshop Group is the global leader for tabletop miniature gaming, a market it created. Tabletop miniature gaming is the fastest-growing segment of the global non-digital games market, which is expected to grow at a CAGR of 9% between 2017 and 2023 and reach a value exceeding $12bn.

Y/E May	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (fd) (p)	P/E (x)	P/CF (x)
2022	414.8	193.2	156.5	394.6	24.8	26.6
2023	470.8	213.3	170.6	411.8	23.8	16.7
2024e	495.8	224.2	186.2	426.3	23.0	17.9
2025e	518.4	233.6	193.2	442.3	22.2	17.5

Sector: Food & drink

Price: 2312.0p
Market cap: £2364m
Market LSE

Share price graph (p)

Company description

With 2,410 shops and 12 manufacturing and distribution centres, Greggs is the leading UK 'food-on-the-go' retailer. It uses vertical integration to offer differentiated products at competitive prices. Its ambition is to grow revenue to £2.4bn by FY26.

Price performance

%	1m	3m	12m
Actual	(5.6)	(14.4)	20.7
Relative*	(1.0)	(10.0)	15.2

* % Relative to local index

Analyst

Russell Pointon

Greggs (GRG)

INVESTMENT SUMMARY

The strength of underlying trading in Q323 was highlighted by management's confirmation of consensus FY23 PBT expectations despite the addition of new costs for expanding the company's delivery offer to a second platform and a slight delay in some store openings from the end of the year into FY24. Total year-on-year revenue growth of 20.8% in the 13 weeks to 30 September followed H123 growth of 21.5%. On an underlying basis, like-for-like growth in company-managed stores of 14.2% (16% in H123) moderated, as should be expected given Greggs has been and will continue to annualise against price increases made in FY22.

INDUSTRY OUTLOOK

Greggs' ambition to double revenue by FY26 has four key growth drivers: growing and developing the estate; leveraging digital channels; extending trading hours to the evening; and broadening customer appeal and driving loyalty. All will be enabled by higher investment in the supply chain and systems.

Y/E Dec	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (fd) (p)	P/E (x)	P/CF (x)
2021	1229.7	259.0	145.6	114.3	20.2	7.5
2022	1512.8	269.9	148.3	117.5	19.7	8.6
2023e	1778.4	303.7	164.9	116.3	19.9	6.8
2024e	1970.1	350.6	186.0	133.8	17.3	6.4

EDISON

Sector: Financials

Price: 145.0p
Market cap: £111m
Market LSE AIM

Share price graph (p)

Company description

Helios Underwriting was established in 2007 primarily to provide investors with a limited liability direct investment into the Lloyd's insurance market. It is an AIM-quoted holding company, providing underwriting exposure across a diversified portfolio of selected Lloyd's syndicates.

Price performance

%	1m	3m	12m
Actual	23.4	(9.4)	(6.5)
Relative*	29.4	(4.7)	(10.7)

* % Relative to local index

Analyst

Marius Strydom

Helios Underwriting (HUW)

INVESTMENT SUMMARY

Helios Underwriting is a very successful aggregator of Lloyd's of London syndicate capacity, with a ninefold increase since FY16 and 4.8% for H123, supported by capital raising, reinsurance utilisation and strong syndicate growth. H123 results delivered a strong turnaround, providing support for a very strong earnings growth outlook and high returns into FY24 and FY25, aided by a hard underwriting cycle and higher interest rates. Long-term upside comes from enhanced organic capacity growth prospects, investment in new syndicates and risk classes and investment in its portfolio evaluation and measurement initiative.

INDUSTRY OUTLOOK

The outlook for Lloyd's has improved meaningfully with cumulative premium increases of 65% since 2018. This should continue supporting lower combined ratios, with higher interest rates boosting investment income. The Ukraine war may still affect loss ratios, but natural catastrophe claims and the hurricane season presents the greatest risk.

Y/E Dec	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (fd) (p)	P/E (x)	P/CF (x)
2021	70.6	(1.9)	(1.9)	(0.8)	N/A	N/A
2022	148.3	(5.2)	(5.2)	(4.9)	N/A	N/A
2023e	213.5	14.9	14.9	14.4	10.1	6.5
2024e	250.7	28.3	28.3	27.3	5.3	5.9

Sector: Oil & gas

Price: €6.85
Market cap: €2094m
Market Athens Stock Exchange

Share price graph (€)

Company description

HELLENiQ ENERGY (ELPE) operates three refineries in Greece with a total capacity of 344kbod. It has sizeable marketing (domestic and international) and petrochemicals divisions.

Price performance

%	1m	3m	12m
Actual	(6.8)	(13.5)	1.5
Relative*	(3.3)	(1.3)	(26.1)

* % Relative to local index

Analyst

Peter Hitchens

HELLENiQ ENERGY (ELPE)

INVESTMENT SUMMARY

HELLENiQ ENERGY Holdings shares are primarily listed on the Athens Exchange (ELPE) with a secondary listing in London (HLPD). HELLENiQ has been successfully executing on its Vision 2025 strategy, having incorporated a new fit-for-purpose corporate structure, improved the overall corporate governance and rebranded with a new name, logo and corporate identity, while updating its business strategy/capital allocation and redefining its ESG strategy. HELLENiQ plans to expand its Renewable Energy Sources portfolio from 0.34GW currently to greater than 2GW by 2030. It reported another strong set of results for Q223 and we would look for a similar performance over the remainder of 2023.

INDUSTRY OUTLOOK

European refining will likely face continued challenges in the coming years as demand falls and refinery systems elsewhere (Asia/USnited States) hold structural advantages. To offset this, changing regulations should put complex, middle distillate-orientated refineries, such as ELPE's, in a strong position.

Y/E Dec	Revenue (€m)	EBITDA (€m)	PBT (€m)	EPS (c)	P/E (x)	P/CF (x)
2021	9222.0	401.0	151.0	47.1	14.5	7.8
2022	14508.0	1601.0	1421.0	291.0	2.4	3.4
2023e	N/A	N/A	N/A	N/A	N/A	N/A
2024e	N/A	N/A	N/A	N/A	N/A	N/A

Sector: Pharma & healthcare

Price:	US$3.45
Market cap:	US$56m
Market	Nasdaq

Share price graph (US$)

Company description

Immix Biopharma's lead asset, IMX-110, is being investigated in a Phase Ib/IIa study for the treatment of soft tissue sarcoma and a Phase Ib trial in advanced solid tumors in combination with tislelizumab. Its preclinical pipeline is based on tissue-specific therapeutics (TSTx) technology.

Price performance

%	1m	3m	12m
Actual	0.6	65.9	192.4
Relative*	3.0	78.4	160.2

* % Relative to local index

Analyst

Soo Romanoff

Immix Biopharma (IMMX)

INVESTMENT SUMMARY

Immix Biopharma is focused on the development of novel CAR-T cell therapies and Tissue Specific Therapeutics (TSTx). The company's lead CAR-T cell therapy asset (NXC-201) is being assessed in the Phase Ib/IIa NEXICART-1 trial for multiple myeloma and AL amyloidosis (Orphan Drug designation granted in both indications). Rolling data readouts to date have demonstrated high response rates, and a desirable safety profile. The company's lead TSTx asset (IMX-110) is being investigated for the treatment of soft tissue sarcoma in Phase Ib/IIa studies; interim results have demonstrated positive safety and efficacy profiles. IMX-110 is also being assessed for the treatment of solid tumors in the Phase Ib/IIa IMMINENT-01 combination trial with tislelizumab; positive interim results have been reported in patients with colorectal cancer and we expect rolling data readouts throughout H223 and FY24.

INDUSTRY OUTLOOK

With IMX-110 Immix is targeting the soft tissue sarcoma market, a rare cancer with c 13,000–16,000 new cases reported in the United States each year and limited safe and effective treatment options. IMX-110's combination study may further expand the drug's offering into new indications.

Y/E Dec	Revenue (US$m)	EBITDA (US$m)	PBT (US$m)	EPS (c)	P/E (x)	P/CF (x)
2021	0.0	(1.4)	(1.3)	(35.91)	N/A	N/A
2022	0.0	(8.2)	(7.7)	(55.49)	N/A	N/A
2023e	0.0	(12.7)	(12.3)	(71.55)	N/A	N/A
2024e	0.0	(16.2)	(15.8)	(81.13)	N/A	N/A

Sector: Property

Price:	79.6p
Market cap:	£330m
Market	LSE

Share price graph (p)

Company description

Impact Healthcare REIT (IHR) invests in a diversified portfolio of UK healthcare assets, particularly residential and nursing care homes, let on long leases to high-quality operators. It aims to provide shareholders with attractive and sustainable returns, primarily in the form of dividends.

Price performance

%	1m	3m	12m
Actual	(6.1)	(15.1)	(18.2)
Relative*	(1.6)	(10.8)	(21.9)

* % Relative to local index

Analyst

Martyn King

Impact Healthcare REIT (IHR)

INVESTMENT SUMMARY

Q323 NAV total return (TR) was 2.8%, taking the TR in the first nine months of FY23 to 9%. The 1.3% increase in NAV per share reflected a similar like-for-like gain in property values, driven by rent reviews, with the EPRA topped up and net initial yield broadly flat at 6.91% (Q2: 6.95%). For tenants, strong fee growth and higher occupancy continues to offset inflationary pressures and IHR expects Q3 data to show a further increase in underlying rent cover (Q2: 1.8x). Q3 collection of rents due returned to 100%. Quarterly DPS remains in line with IHR’s full year target of 6.77p (109% covered by adjusted ‘cash’ earnings in the first half and 123% by EPRA earnings). With higher property values and reduced borrowing, Q3 loan-to-value was slightly lower at 27%. 98% of drawn debt is now fixed/hedged with an average cost of 4.5%.

INDUSTRY OUTLOOK

Care home demand is driven by demographics and care needs and benefits from supportive demand fundamentals including increasing requirements from a rapidly ageing population for high quality care and a need to reduce pressure on high-cost, medical care providers in the NHS.

Y/E Dec	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (p)	P/E (x)	P/CF (x)
2021	36.5	31.0	27.4	8.1	9.8	N/A
2022	45.4	38.6	30.8	8.4	9.5	10.5
2023e	53.4	45.7	33.9	8.2	9.7	8.6
2024e	56.2	48.5	34.6	8.3	9.6	8.0

EDISON

Sector: Pharma & healthcare

Price:	US$0.87
Market cap:	US$55m
Market	Nasdaq

Share price graph (US$)

Company description

Incannex Healthcare is an Australian dual-listed biotech company focused on developing medicinal cannabis pharmaceutical products and psychedelic medicine therapies. These therapies are being designed to target indications with unmet need, including obstructive sleep apnea, generalized anxiety disorder, trauma and inflammatory conditions.

Price performance

%	1m	3m	12m
Actual	(23.0)	(55.8)	(78.4)
Relative*	(21.1)	(52.5)	(80.7)

* % Relative to local index

Analyst

Soo Romanoff

Incannex Healthcare (IXHL)

INVESTMENT SUMMARY

Incannex is developing treatments for chronic conditions using cannabinoids and psychedelics. In August 2023, the company announced that its IND application for IHL-42X had been completed, and the Phase II/III trial in obstructive sleep apnoea may proceed. Interim data from the ongoing Australian Phase II trial of psilocybin in combination with psychotherapy in generalized anxiety disorder have been positive; final data are expected in Q423. Final results for ILH-675A in the Phase I trial were announced in Q223, and the asset is now being assessed in Phase II for the treatment of rheumatoid arthritis; Incannex completed a pre-IND meeting with the FDA in July 2023. Incannex recently announced plans to redomicile to the US and list all shares on Nasdaq. Management anticipates the move will enable greater access to capital markets and enhance access to FDA resources.

INDUSTRY OUTLOOK

Management's strategy to pursue synergistic combination patent filings of its assets has the potential to create extensive protection within the cannabinoid treatment market. The intellectual property position for the combinations will be further supported by method of use and formulation patents. Combination patents could therefore be a significant source of value for the company should approval be granted.

Y/E Jun	Revenue (A$m)	EBITDA (A$m)	PBT (A$m)	EPS (fd) (c)	P/E (x)	P/CF (x)
2021	2.0	N/A	(8.2)	(0.83)	N/A	N/A
2022	0.8	N/A	(14.9)	(1.25)	N/A	N/A
2023e	0.1	N/A	(20.7)	(1.43)	N/A	N/A
2024e	0.1	N/A	(33.4)	(2.10)	N/A	N/A

Sector: Technology

Price:	48.9p
Market cap:	£507m
Market	LSE

Share price graph (p)

Company description

IP Group helps to create, build and support IP-based companies internationally. It focuses on companies that meaningfully contribute to regenerative (renewable), healthier (life sciences) and tech-enriched (deep tech) futures. The group has investment platforms in Australia, New Zealand, the United States, China and the UK.

Price performance

%	1m	3m	12m
Actual	(16.5)	(17.1)	(12.1)
Relative*	(12.4)	(12.8)	(16.1)

* % Relative to local index

Analyst

Milosz Papst

IP Group (IPO)

INVESTMENT SUMMARY

IP Group's private portfolio valuations remained broadly stable in H123, with its c 4.1% NAV decline in total return terms mostly due to a de-rating of listed holdings (Oxford Nanopore in particular) and FX headwinds, though subsequently largely offset by a rebound in quoted holdings to date. IP Group's holding-level liquidity remains firm and 84% of its direct portfolio holdings have a cash runway of 12 months or more. IP Group shares continue to trade at a wide 60% discount to NAV.

INDUSTRY OUTLOOK

Activity in the European venture capital (VC) sector remains subdued, with Q223 deal volumes down to €12.3bn from €30.5bn in Q222 (VC exit volumes fell to €0.9bn vs €15.0bn in Q222), according to PitchBook. Nevertheless, IP Group's portfolio companies were able to raise £300m in H123 (vs £350m in H122), with 72% and 14% of the 14 new funding rounds being up rounds and flat rounds, respectively (broadly in line with the 72% and 10% for European venture capital rounds in Q123 according to PitchBook, respectively).

Y/E Dec	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (fd) (p)	P/E (x)	P/CF (x)
2021	508.9	460.2	457.2	41.9	1.2	N/A
2022	(302.0)	(340.8)	(340.6)	(32.8)	N/A	N/A
2023e	N/A	N/A	N/A	N/A	N/A	N/A
2024e	N/A	N/A	N/A	N/A	N/A	N/A

Sector: Pharma & healthcare

Price:	SEK6.88
Market cap:	SEK356m
Market	Nasdaq Nordic

Share price graph (SEK)

Company description

Based in Sweden, IRLAB Therapeutics is focused on developing novel drugs for the treatment of neurodegenerative diseases utilising its ISP technology platform. Its two lead assets, mesdopetam and pirepemat, are in late-stage clinical trials for the symptomatic treatment of Parkinson's disease (PD).

Price performance

%	1m	3m	12m
Actual	(4.7)	(14.6)	(80.1)
Relative*	0.9	(5.9)	(81.1)

* % Relative to local index

Analyst

Soo Romanoff

IRLAB Therapeutics (IRLABA)

INVESTMENT SUMMARY

IRLAB focuses on developing symptomatic treatments for PD and other central nervous system (CNS) disorders. Its ISP discovery platform has been validated by the progress of lead assets, pirepemat and mesdopetam. Pirepemat is in a Phase IIb trial for impaired balance and falls in PD. It passed a safety review in July 2023 and topline results are due in H124. Mesdopetam did not reach statistical significance on the primary endpoint (good ON-time) in a Phase IIb trial for levodopa-induced dyskinesias, but demonstrated significant ON-phase anti-dyskinetic efficacy, measured by UDysRS. In August 2023, IRLAB secured full rights to the project (previously out-licensed to Ipsen). It is preparing to present detailed data to the FDA supporting further development of mesdopetam and believes it is Phase III-ready. IRLAB is also developing three preclinical assets, IRL942, IRL757 and IRL117 for various CNS indications. IRL942 and IRL757 are being evaluated by MSRD, a member of the global Otsuka family of pharmaceutical companies, under exclusivity.

INDUSTRY OUTLOOK

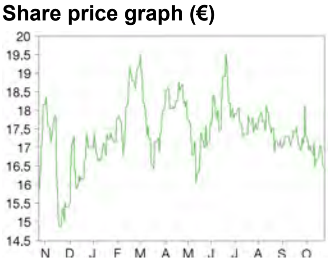
PD is characterised by a triad of cardinal motor symptoms, although non-motor symptoms are as debilitating and remain undertreated. Despite substantial efforts to develop disease-modifying approaches in PD, symptomatic treatment remains the mainstay.

Y/E Dec	Revenue (SEKm)	EBITDA (SEKm)	PBT (SEKm)	EPS (öre)	P/E (x)	P/CF (x)
2021	207.9	56.1	91.1	176.0	3.9	6.8
2022	61.3	(108.3)	(113.1)	(218.0)	N/A	N/A
2023e	7.1	(164.6)	(168.4)	(325.0)	N/A	N/A
2024e	0.2	(180.1)	(183.9)	(355.0)	N/A	N/A

Sector: Financials

Price:	€16.45
Market cap:	€225m
Market	Deutsche Börse Scale

Share price graph (€)



Company description

JDC Group is a leading German insurance platform, providing advice and financial services to professional intermediaries and banks and directly to end-customers. JDC also provides its digital platform for end-clients and for the administration and processing of insurance products as a white-label product.

Price performance

%	1m	3m	12m
Actual	(3.0)	(6.8)	1.9
Relative*	2.0	1.9	(12.4)

* % Relative to local index

Analyst

Edwin De Jong

JDC Group (JDC)

INVESTMENT SUMMARY

JDC Group (JDC) reported H123 results that showed accelerating growth at its key Advisortech division (c 89% of revenue) of 11.2%. After three slower quarters, JDC expects overall growth to accelerate in H223 and reiterated its challenging but realistic FY23 guidance of 17% revenue growth at the midpoint, with EBITDA of €11.5–13.0m. JDC trades at an FY24e EV/EBITDA multiple of 13.2x on consensus estimates, which we believe is undemanding for what is essentially a fast-scaling platform business. Our DCF calculation provides a valuation of €34.09/share.

INDUSTRY OUTLOOK

In the last years, JDC has won several very large contracts with German savings bank-related insurers Provinzial and Versicherungskammer Bayern (VKB). Its pilot with R+V Versicherung, Germany's cooperative banks' insurance company, has also materialised. These contracts could add more than €300m in annual turnover with a significant contribution as of 2023.

Y/E Dec	Revenue (€m)	EBITDA (€m)	PBT (€m)	EPS (c)	P/E (x)	P/CF (x)
2021	146.8	8.4	1.4	6.88	239.1	38.5
2022	156.1	9.0	1.1	6.87	239.4	31.3
2023e	182.3	12.2	3.7	21.92	75.0	19.6
2024e	212.4	17.4	8.7	50.63	32.5	14.4

Sector: Mining

Price:	0.6p
Market cap:	£29m
Market	LSE AIM

Share price graph (p)

Company description

KEFI Gold and Copper is an exploration and development company focused on gold and copper deposits in the highly prospective Arabian-Nubian Shield – namely, the Tulu Kapi project in Ethiopia (projected 70% interest) and the Hawiah and Jibal Qutman projects (both 30%) in Saudi Arabia.

Price performance

%	1m	3m	12m
Actual	(13.5)	4.3	(2.7)
Relative*	(9.3)	9.6	(7.1)

* % Relative to local index

Analyst

Lord Ashbourne

KEFI Gold and Copper (KEFI)

INVESTMENT SUMMARY

Over the past 18 months KEFI Gold and Copper has experienced a turnaround in its working environments in both Ethiopia and Saudi Arabia. KEFI now has three projects in which it has a beneficial interest of 2.1Moz AuE with ministries in both countries reported to be supportive. Having benefitted from the mining industry's exemption from foreign exchange controls, Tulu Kapi, in particular, is now fully permitted with only procedural administrative confirmations outstanding, after which first production is expected in late 2025. Within this context, investors should note Allied Gold's recent investment into Kurmuk in Ethiopia and Silvercorp's takeover of OreCorp at US$46.14/oz.

INDUSTRY OUTLOOK

In December 2022, we calculated that KEFI was capable of generating free cash flow of c £84.0m pa from 2026–31, driving average (maximum potential) dividends of 0.63p/share and valuing the company at 2.19p/share. At spot metals' prices however, this valuation rose to over 5.88p in FY26.

Y/E Dec	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (fd) (p)	P/E (x)	P/CF (x)
2021	0.0	(2.3)	(3.4)	(0.2)	N/A	N/A
2022	0.0	(2.7)	(3.3)	(0.1)	N/A	N/A
2023e	N/A	N/A	N/A	N/A	N/A	N/A
2024e	N/A	N/A	N/A	N/A	N/A	N/A

Sector: General industrials

Price:	€11.44
Market cap:	€173m
Market	Euronext Amsterdam

Share price graph (€)

Company description

Kendrion develops, manufactures and markets high-quality actuator products for industrial applications (52% of revenues) and automotive (48%). The geographical spread of FY22 revenues was Europe 68%, the Americas 17% and Asia 15%.

Price performance

%	1m	3m	12m
Actual	(14.8)	(31.1)	(16.0)
Relative*	(13.5)	(25.9)	(23.8)

* % Relative to local index

Analyst

Johan van den Hooven

Kendrion (KENDR)

INVESTMENT SUMMARY

Kendrion designs and manufactures intelligent actuators that optimise safety, performance and comfort in industrial and automotive applications. It benefits from trends such as electrification and clean energy. The company's financial targets for 2025 are: organic revenue growth of at least 5% pa on average and an EBITDA margin of at least 15%. We value Kendrion at €21.5 per share, the average of historical multiples, DCF and a peer comparison.

INDUSTRY OUTLOOK

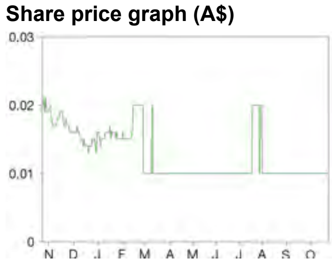
In Q223, organic revenue growth of 9% was better than expected and also better than the 5% in Q123. Gross margin remained under pressure due to Kendrion passing on material price inflation at no margin and the high usage of outsourced development services. The EBITDA margin decline of 60bp was lower than the 140bp decline in Q1 and management was positive about the recent trend in gross margin (driven by further price increases). Kendrion expects the slower economic activity levels to persist for the rest of FY23, but remains positive about its long-term growth prospects.

Y/E Dec	Revenue (€m)	EBITDA (€m)	PBT (€m)	EPS (fd) (c)	P/E (x)	P/CF (x)
2021	463.6	55.8	20.1	139.04	8.2	3.1
2022	519.3	57.4	(39.7)	145.01	7.9	3.3
2023e	551.2	61.6	25.0	136.69	8.4	2.8
2024e	592.1	74.8	38.9	201.23	5.7	2.3

Sector: Mining

Price:	A$0.01
Market cap:	A$76m
Market	ASX

Share price graph (A$)



Company description

Via its Karibib project in Namibia and unique IP, Lepidico is a vertically integrated lithium development business that has produced both lithium carbonate and lithium hydroxide from non-traditional hard rock lithium-bearing minerals using its registered L-Max and LOH-Max processes.

Price performance

%	1m	3m	12m
Actual	(4.8)	(33.3)	(54.5)
Relative*	(1.5)	(28.6)	(55.6)

* % Relative to local index

Analyst

Lord Ashbourne

Lepidico (LPD)

INVESTMENT SUMMARY

Lepidico's patented technologies produce lithium hydroxide (plus by-products) in an eco-friendly way, sourced from less contested minerals such as lepidolite. Recent updates indicate that material project assumptions remain consistent with an NPV (8%) of US$530m or c A$749m (9.8 Australian cents per share) on a pre-funding basis with the Phase 1 chemical plant having gained detailed planning approval in July. By contrast, at our updated lithium prices, we value the project at US$641.4m (8.4 US cents per share, undiluted), or A$906.6m.

INDUSTRY OUTLOOK

In 2022, Lepidico completed extensive pilot plant trials that should mitigate scale-up risk and this year has substantially upgraded its mineral resources (and ore reserves) at Karibib. In the light of these developments, we increased our valuation of the company by approximately a third to 8.61c/share, plus a further 0.65–1.59c/share for a significantly risk-adjusted 20,000tpa lithium carbonate equivalent Phase 2 plant.

Y/E Jun	Revenue (A$m)	EBITDA (A$m)	PBT (A$m)	EPS (fd) (c)	P/E (x)	P/CF (x)
2022	0.0	(4.8)	(7.9)	0.0	N/A	N/A
2023	6.4	(1.2)	(3.0)	0.0	N/A	N/A
2024e	N/A	N/A	N/A	N/A	N/A	N/A
2025e	N/A	N/A	N/A	N/A	N/A	N/A

Sector: Mining

Price:	A$0.53
Market cap:	A$334m
Market	ASX

Share price graph (A$)

Company description

Lithium Power International's (LPI's) main asset is its 100% interest in the Maricunga lithium brine project in Chile; subject to funding, stage 1 is expected to produce 15.2ktpa of high-grade lithium carbonate from 2026. It sold its lithium assets in Western Australia to Albemarle in July 2023.

Price performance

%	1m	3m	12m
Actual	125.5	73.8	(7.8)
Relative*	133.2	86.1	(9.9)

* % Relative to local index

Analyst

Andrey Litvin

Lithium Power International (LPI)

INVESTMENT SUMMARY

LPI officially announced that it has entered into a binding agreement with Coldelco whereby the latter will acquire 100% of the company's shares by way of scheme of arrangement. Under the terms of the scheme, LPI shareholders will receive A$0.57/share in cash. This implies a fully diluted value of the company of c A$385m and implies a 119% premium to the undisturbed closing share price of A$0.26 at 26 September. The LPI board has unanimously recommended that LPI shareholders voted in favour of the scheme. The implementation of the scheme is subject to a number of conditions, including LPI shareholders approval. According to the proposed timetable, the scheme is expected to be implemented on 8 February 2024.

INDUSTRY OUTLOOK

While the implied value is below our project driven valuation of the company, it has to be viewed in the context of political uncertainty in Chile and weak lithium prices.

Y/E Jun	Revenue (A$m)	EBITDA (A$m)	PBT (A$m)	EPS (c)	P/E (x)	P/CF (x)
2021	0.0	N/A	(6.0)	(2.16)	N/A	N/A
2022	0.0	N/A	(12.6)	(3.77)	N/A	N/A
2023e	0.0	N/A	(2.7)	(0.55)	N/A	N/A
2024e	N/A	N/A	N/A	N/A	N/A	N/A

LXi REIT (LXI)

Sector: Financials

Price:	84.0p
Market cap:	£1440m
Market	LSE

Share price graph (p)

Company description

LXi REIT is an externally managed UK REIT investing in assets that are let on long, index-linked leases to strong financial covenants across a range of sectors with defensive characteristics.

Price performance

%	1m	3m	12m
Actual	(9.4)	(12.4)	(27.6)
Relative*	(5.0)	(7.9)	(30.9)

* % Relative to local index

Analyst

Martyn King

INVESTMENT SUMMARY

In a trading update ahead of H124 results to be published in November, LXi REIT said that it expects to report EPRA net tangible assets (NTA) of 112p (FY23: 121p) having accrued the Q2 DPS of 1.65p that was paid in October. LXi continues to target a DPS of 6.6p (+4.8%) for the year, fully covered by cash earnings. The NTA decline was driven by a c 4% like-for-like reduction in the portfolio during the period and with rental growth continuing (completed rent reviews generated a 3.4% pa uplift) the valuation reflects a yield of 5.7% (FY23: 5.35%). As a result of the valuation movement, LTV has increased slightly to 38% (FY23: 37%), within the company's target range of 30–40% and well within covenants. Debt costs are fixed with a maturity of more than five years at 4.7%. Near term, LXi remains focused on capital recycling through further assets sales and accretive lease regearing.

INDUSTRY OUTLOOK

The commercial property market is cyclical, historically exhibiting substantial swings in capital values through cycles. Income returns have been significantly more stable. Across all main sectors the market is continuing to adjust to higher bond yields and economic uncertainty, although price weakness in 2023 year to date has been much less pronounced than in late 2022. Investment activity remains weak.

Y/E Mar	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (fd) (p)	P/E (x)	P/CF (x)
2022	58.5	49.2	43.1	5.6	15.0	11.6
2023	198.2	179.4	124.4	6.7	12.5	7.4
2024e	245.1	227.3	158.2	6.9	12.2	8.3
2025e	250.2	229.9	160.1	7.1	11.8	7.7

Melrose Industries (MRO)

Sector: General industrials

Price:	458.6p
Market cap:	£6165m
Market	LSE

Share price graph (p)

Company description

Melrose Industries is a focused aerospace group with activities in engine components and structures, operating in both metallic and composite materials. The group has significant risk reward sharing partnership (RRSP) investments on multiple engine programmes.

Price performance

%	1m	3m	12m
Actual	(2.0)	(13.5)	110.1
Relative*	2.8	(9.0)	100.5

* % Relative to local index

Analyst

David Larkam

INVESTMENT SUMMARY

Melrose reported H123 sales were up 19%, driven by the strong recovery in Civil aerospace. A combination of operational gearing and mix, with more higher-margin aftermarket, boosted operating margins to 10.7%, up from 4.9%. The Engines division was the main driver, assisted by 46% growth in the higher-margin aftermarket business, with Structures posting strong top-line growth but margin upside still waiting for the benefits of the restructuring and contract repricing. We have increased our full year PBT forecast by 9%. The company also announced a £200m cash cost associated with its share of the P&W GTF1100G programme problems.

INDUSTRY OUTLOOK

As part of the change of strategy to a focused aerospace group, Simon Peckham (CEO) and Geoffrey Martin (CFO) will step down on 7 March 2024 to be replaced by internal appointments: Peter Dilnot, currently COO, will become CEO, and Matthew Gregory, currently CFO GKN Aerospace, will become group CFO. The company has commenced a £500m share buyback programme.

Y/E Dec	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (fd) (p)	P/E (x)	P/CF (x)
2022	2957.0	292.0	62.0	4.1	111.9	22.1
2023	3410.0	505.0	288.0	17.2	26.7	12.3
2024e	3605.0	638.0	415.0	26.2	17.5	9.5
2025e	4068.0	842.0	616.0	36.0	12.7	7.1

EDISON

Sector: Pharma & healthcare

Price:	SEK0.39
Market cap:	SEK338m
Market	Nasdaq Nordic

Share price graph (SEK)

Company description

Mendus is a clinical-stage immunoncology (IO) company based in Sweden and the Netherlands. The company specialises in allogeneic dendritic cell biology and currently has two lead, cell-based, off-the-shelf therapies for haematological and solid tumours.

Price performance

%	1m	3m	12m
Actual	(14.3)	(17.2)	(80.5)
Relative*	(9.3)	(8.7)	(81.6)

* % Relative to local index

Analyst

Soo Romanoff

Mendus (IMMU)

INVESTMENT SUMMARY

Mendus is developing lead candidate vididencel, a cell-based vaccine, as a cancer maintenance therapy for the prevention or delay of tumor recurrence. Vididencel is currently in two clinical trials: Phase II (currently in long-term follow-up) in acute myeloid leukaemia (AML, ADVANCE-II, next readout expected in Q423) and Phase I in ovarian cancer (ALISON). Survival data for vididencel in AML was reported in Q422, showing a competitive profile, in our view. Management is planning to maximise the potential of vididencel with a Phase II combination study with Onureg, the only approved AML maintenance drug, due to commence by end-2023. The company's second clinical asset, ilixadencel, is being developed as an intratumoral immune primer and is in preparations to start a Phase II trial for the treatment of soft tissue sarcomas. Gross cash at end-Q223 was SEK20.2m, which with the committed financing available (SEK317m) should fund the company to Q424, and if additional warrants are fully exercised, this will extend the cash runway to Q325.

INDUSTRY OUTLOOK

IO is a frenetic pharmaceutical development area with many clinical combination studies being conducted by pharmaceutical and biotech companies. Investors should expect relatively rich newsflow from this subsector over the next few years.

Y/E Dec	Revenue (SEKm)	EBITDA (SEKm)	PBT (SEKm)	EPS (fd) (öre)	P/E (x)	P/CF (x)
2021	0.0	(0.1)	(0.1)	(72.5)	N/A	N/A
2022	3.4	(0.1)	(0.1)	(69.6)	N/A	N/A
2023e	0.3	(0.1)	(0.1)	(18.1)	N/A	N/A
2024e	0.0	(0.1)	(0.1)	(14.4)	N/A	N/A

Sector: Technology

Price:	€0.85
Market cap:	€135m
Market	Deutsche Börse Xetra

Share price graph (€)

Company description

MGI - Media and Games Invest is an advertising software platform with strong first-party games content. It mainly operates in North America and Europe. Organic growth is supplemented with acquisitions and the group has bought more than 35 companies and assets in the past six years.

Price performance

%	1m	3m	12m
Actual	(19.6)	(27.7)	(43.5)
Relative*	(15.5)	(21.0)	(51.4)

* % Relative to local index

Analyst

Fiona Orford-Williams

MGI - Media and Games Invest (M8G)

INVESTMENT SUMMARY

MGI has been steadily gaining market share in a difficult trading environment. It is now the leading mobile open web supply-side platform (SSP) on both Android and iOS in North America, second on Android and third-placed on iOS in EMEA. Continuing weak advertising pricing means that FY23 revenue guidance was pulled back at the interims, but careful cost management should ensure EBITDA is flat on FY22. Our numbers will be adjusted for this shortly. MGI's fundamentals are positive, with its vertical integration giving an efficient market proposition and earlier acquisitions providing a sound basis for its connected TV offering. The withdrawal of personal identifiers on Google should give further impetus, which we feel is not yet reflected in the rating.

INDUSTRY OUTLOOK

The digital advertising market continues to undergo significant changes, mostly driven by changing attitudes towards privacy. Where there is change, there is opportunity. The target addressable market is vast and there is a long runway until market share starts to become an issue for MGI. As the group builds scale, its increasing reach attracts greater numbers of software customers and a higher calibre of advertisers, with larger budgets.

Y/E Dec	Revenue (€m)	EBITDA (€m)	PBT (€m)	EPS (fd) (c)	P/E (x)	P/CF (x)
2021	252.2	65.0	26.9	19.77	4.3	7.5
2022	324.4	84.8	30.3	12.07	7.0	N/A
2023e	N/A	N/A	N/A	N/A	N/A	N/A
2024e	N/A	N/A	N/A	N/A	N/A	N/A

EDISON

Sector: Pharma & healthcare

Price:	17.42PLN
Market cap:	PLN244m
Market	Warsaw Stock Exchange

Share price graph (PLN)

Company description

Molecure is a clinical-stage biotechnology company. It uses its medicinal chemistry and biology capabilities to discover and develop first-in-class small molecule drug candidates that directly modulate underexplored protein targets and the function of RNA designed to treat multiple incurable diseases.

Price performance

%	1m	3m	12m
Actual	(8.4)	(10.0)	32.0
Relative*	(11.7)	(4.0)	(7.8)

* % Relative to local index

Analyst

Soo Romanoff

Molecure (MOC)

INVESTMENT SUMMARY

Molecure aims to discover and develop drugs that have novel mechanisms of action to address inflammation, fibrosis and oncology. The company's two lead assets, OATD-01 (a chitotriosidase inhibitor) and OATD-02 (an ARG1/2 inhibitor), are approaching important clinical development milestones. In July 2023, the FDA accepted the company's IND application for OATD-01, permitting the start of clinical studies in the United States. The Phase II trial in sarcoidosis is expected to commence in Q423; top-line results are expected in mid-2025. The company's second clinical asset, OATD-02, began Phase I in solid tumour indications in Q123. In July 2023, Molecure secured (secondary) financing with a gross value of around PLN50m, which will be used to co-finance the company's strategic plans for 2023–25.

INDUSTRY OUTLOOK

There remain serious unmet medical needs in the treatment of inflammatory and fibrotic diseases such as sarcoidosis, idiopathic pulmonary fibrosis and non-alcoholic steatohepatitis. Additionally, there is a constant need for new, targeted cancer treatments. The development of drugs that act through novel mechanisms of action could address these problems.

Y/E Dec	Revenue (PLNm)	EBITDA (PLNm)	PBT (PLNm)	EPS (fd) (gr)	P/E (x)	P/CF (x)
2021	1.5	(14.9)	(13.6)	(98.0)	N/A	N/A
2022	1.6	(17.3)	(15.3)	(109.0)	N/A	N/A
2023e	N/A	N/A	N/A	N/A	N/A	N/A
2024e	N/A	N/A	N/A	N/A	N/A	N/A

Sector: Financials

Price:	245.4p
Market cap:	£375m
Market	LSE

Share price graph (p)

Company description

Molten Ventures is a London-based venture capital (VC) firm that invests in the European technology sector. It has a portfolio of c 70 investee companies and includes a range of funds (seed, EIS and VCT) within the group, as well as its flagship balance sheet VC fund.

Price performance

%	1m	3m	12m
Actual	7.8	(8.8)	(0.7)
Relative*	13.1	(4.1)	(5.2)

* % Relative to local index

Analyst

Milosz Papst

Molten Ventures (GROW)

INVESTMENT SUMMARY

Molten Ventures has recently faced pressure on tech valuations and muted deal activity from macroeconomic headwinds. That said, management reflected the lower public multiples in Molten's H123 valuations, with greater stabilisation occurring in H223 (the gross portfolio value was down 19% excluding foreign exchange rates in FY23 versus only 2% in H223). Molten now offers exposure to a curated portfolio of 70+ assets at a significant discount to NAV. Management remains confident the portfolio is well funded, with 80% of the Core portfolio having a cash runway of more than 18 months on current projections, and expects weighted average top-line growth of over 65% in 2023 across the Core portfolio.

INDUSTRY OUTLOOK

After a strong run in 2021, the technology sector faced a challenging macroeconomic environment, which triggered market rotation towards value and out of growth (impacting valuations of listed high-growth tech companies). In Europe, Q223 VC deal volumes were €12.3bn from €30.5bn in Q222 (VC exit volumes fell to €0.9bn vs €15.0bn in Q222), according to PitchBook. At the same time, the market downturn is likely to create opportunities for long-term investors. Moreover, public equities (especially large-cap tech stocks) have rallied so far in 2023 and Molten remains cautiously optimistic.

Y/E Mar	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (fd) (p)	P/E (x)	P/CF (x)
2022	351.2	N/A	331.1	201.7	1.2	1.2
2023	(217.4)	N/A	(242.3)	(156.2)	N/A	N/A
2024e	N/A	N/A	N/A	N/A	N/A	N/A
2025e	N/A	N/A	N/A	N/A	N/A	N/A

Sector: Technology

MotorK (MTRK)

Price: €2.68
Market cap: €109m
Market Euronext Amsterdam

Share price graph (€)

Company description

MotorK is a European SaaS provider operating in the automotive retail industry, selling mainly in the EU5 but with a global presence. Its cloud-based platform, SparK, offers original equipment manufacturers (OEMs) and dealers a suite of digital tools to support the vehicle lifecycle end-to-end.

Price performance

%	1m	3m	12m
Actual	38.5	28.8	13.1
Relative*	40.6	38.6	2.6

* % Relative to local index

Analyst

Max Hayes

INVESTMENT SUMMARY

MotorK's Q323 results demonstrate continued growth momentum with revenue increasing by 25% y-o-y. Retail average contract value and net retention remained strong, highlighting MotorK's ability to upsell through its platform strategy. Committed annual recurring revenue of €35.2m provides robust visibility and is nearing our full-year forecast of €38.8m. Management continues to execute its strategy of pursuing higher-value enterprise sales, driving this momentum. Notably, the enterprise pipeline nearly tripled in the quarter, indicating potential strong growth through year-end and beyond.

INDUSTRY OUTLOOK

Management believes that it has a c 2.5% share of its current €2bn addressable market of automotive OEMs and franchised dealers in EU5, which is broadly in line with the share represented by the FY23 revenue forecast of €55.8m. The agility of the SparK platform could allow MotorK to move easily into the far larger (€6bn) market of all European automotive OEMs and dealers for all vehicle types, if management chooses to do so.

Y/E Dec	Revenue (€m)	EBITDA (€m)	PBT (€m)	EPS (fd) (c)	P/E (x)	P/CF (x)
2021	27.6	0.8	(8.2)	(36.73)	N/A	N/A
2022	38.5	0.2	(8.8)	(21.90)	N/A	N/A
2023e	55.8	9.7	(1.7)	(3.43)	N/A	N/A
2024e	67.9	23.4	8.8	16.23	16.5	19.5

Sector: Consumer support services

musicMagpie (MMAG)

Price: 19.5p
Market cap: £21m
Market LSE AIM

Share price graph (p)

Company description

musicMagpie is a circular economy pioneer in refurbished consumer technology and media in the UK and United States. It is expanding its offer into rentals of smartphones and other technology to consumers and corporates, and widening its sourcing infrastructure.

Price performance

%	1m	3m	12m
Actual	8.3	34.5	91.2
Relative*	13.6	41.4	82.5

* % Relative to local index

Analyst

Russell Pointon

INVESTMENT SUMMARY

musicMagpie's H123 results highlighted management's focus on higher margin sales, leading to a year-on-year gross margin improvement of 3.1pp to 29.7% despite a 13% fall in total revenue. Margin gains came from a higher proportion of sales made through musicMagpie's proprietary website, greater sourcing of product direct from consumers and the continued expansion of the Rental business. Cost savings further down the P&L translated to c 8% EBITDA growth. Our EBITDA forecasts for FY23 and FY24 were unchanged following the publication of the results.

INDUSTRY OUTLOOK

The markets for pre-owned products in musicMagpie's core categories in the UK and United States were worth £9bn in FY20, of which the UK was £1.6bn and the United States was £7.1bn (source: musicMagpie's admission document). According to independent third-party research commissioned by management, medium-term annual market growth rates for the product categories were forecast to be Technology 15%, Books stable/low growth and Media negative 5–10%.

Y/E Nov	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (fd) (p)	P/E (x)	P/CF (x)
2021	145.5	12.2	7.9	6.70	2.9	1.6
2022	145.3	6.5	(0.9)	(0.77)	N/A	3.4
2023e	134.3	8.2	(2.2)	(1.73)	N/A	2.8
2024e	138.6	10.5	(1.1)	(0.82)	N/A	2.2

Sector: General industrials

Price: €35.90
Market cap: €5130m
Market Athens Stock Exchange

Share price graph (€)

Company description

Mytilineos is a leading industrial company with an international presence in all five continents. The company is active in Energy and Metals (integrated aluminium smelting). Its renewable energy business is growing strongly organically, helped by European policy initiatives.

Price performance

%	1m	3m	12m
Actual	(1.6)	0.2	118.9
Relative*	2.1	14.4	59.5

* % Relative to local index

Analyst

Andrew Keen

Mytilineos (MYTIL)

INVESTMENT SUMMARY

Mytilineos is a leading industrial company with two core activities: Energy (renewables, generation and natural gas supply) and Metallurgy (aluminium smelting) and an international presence in all five continents. Cyclical factors helped earnings acceleration in 2022, but we see underlying organic growth (particularly in Energy) resetting earnings to €1bn pa from FY24. H123 EBITDA of €438m was 47% of our full year €931m forecast and we see the year as H2-weighted due to organic growth in the power division. We value Mytilineos at €36/share.

INDUSTRY OUTLOOK

Mytilineos has a portfolio of low-cost energy and metals assets. Its power business benefits from access to relatively low-cost natural gas and its generating and aluminium smelting assets are highly efficient. H223 will see the full operation of the company's gas plants and continued roll-out of renewables – the latter a key focus of Mytilineos's €2bn plus capex programme over the next three years.

Y/E Dec	Revenue (€m)	EBITDA (€m)	PBT (€m)	EPS (fd) (c)	P/E (x)	P/CF (x)
2021	2664.0	359.0	239.0	132.73	27.0	17.6
2022	6306.0	823.0	635.0	341.17	10.5	5.2
2023e	5953.0	931.0	691.0	376.62	9.5	8.3
2024e	5575.0	1048.0	787.0	431.01	8.3	4.5

Sector: Technology

Price: US$2.79
Market cap: US$706m
Market Nasdaq

Share price graph (US$)

Company description

Nano Dimension offers equipment for the additive manufacture of high-performance electronic devices, complex 3D ceramic and metal objects. It also offers miniature parts requiring a resolution of one micron and complementary equipment for automated assembly of electronic devices and PCBs.

Price performance

%	1m	3m	12m
Actual	8.1	(12.0)	13.4
Relative*	10.8	(5.3)	0.9

* % Relative to local index

Analyst

Katherine Thompson

Nano Dimension (NNDM)

INVESTMENT SUMMARY

Nano Dimension expects to report Q323 revenue of $12.2m, up 22% y-o-y. The company has confirmed that its Israel operations are uninterrupted despite the conflict in the region, although it suffered some damage to inventory in a storage facility. The company does not expect this to impact its supply chain or its ability to deliver on customer commitments and expects insurance to cover any financial loss. The company has appointed General (Ret.) Michael X. Garrett to the board effective 15 October. General Garrett had a 38-year career in the US Army and is currently a director of Textron, a US-based aerospace and defence company.

INDUSTRY OUTLOOK

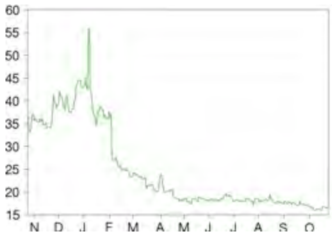
The industry is going through a consolidation phase, as demonstrated by Nano Dimension's and 3D Systems' bids for Stratasys, and Stratasys' attempt to merge with Desktop Metal. We expect further M&A activity as industry participants shift their focus from growth to profitability.

Y/E Dec	Revenue (US$m)	EBITDA (US$m)	PBT (US$m)	EPS (fd) (c)	P/E (x)	P/CF (x)
2021	10.5	(38.4)	(44.5)	(17.97)	N/A	N/A
2022	43.6	(88.8)	(96.4)	(37.05)	N/A	N/A
2023e	N/A	N/A	N/A	N/A	N/A	N/A
2024e	N/A	N/A	N/A	N/A	N/A	N/A

Sector: Technology

Price: 16.0p
Market cap: £52m
Market LSE, Nasdaq

Share price graph (p)



Company description

Nanoco Group is a global leader in the development and manufacture of cadmium-free quantum dots and other nanomaterials, with c 560 patents. Focus applications are advanced electronics, displays, bio-imaging and horticulture.

Price performance

%	1m	3m	12m
Actual	(7.2)	(11.1)	(56.8)
Relative*	(2.7)	(6.6)	(58.7)

* % Relative to local index

Analyst

Max Hayes

Nanoco Group (NANO)

INVESTMENT SUMMARY

FY23 was a turbulent but ultimately pivotal year for Nanoco. The US$150m Samsung settlement (US$90m net costs) will fund the planned £33–40m return to shareholders with the retained c £20m providing good support to make the transition from development to commercial production. The company's first commercial order is expected this calendar year. While volumes are expected to be relatively modest, this is a key milestone, and successful delivery should ease the pathway to follow-on orders and new customers. The partnership with an Asian chemicals company provides a second channel into the sensing market, while management also expects to add a third development partner in FY24.

INDUSTRY OUTLOOK

Management has said that an order for around 100m sensor units could generate around £20m in revenue, which would equate to deployment across a high-volume handset range, especially if multiple sensors are included in the device. By way of context, the CMOS image sensor market is estimated to be worth $21.2bn growing to $30bn by 2030 (by Yole Research), with applications across almost any market involving image capture mobile devices, automotive, industrial, surveying, security and agriculture.

Y/E Jul	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (fd) (p)	P/E (x)	P/CF (x)
2022	2.5	(2.1)	(4.6)	(1.32)	N/A	N/A
2023	5.6	(0.4)	(3.6)	(0.66)	N/A	N/A
2024e	8.6	1.3	(0.4)	(0.13)	N/A	39.9
2025e	N/A	N/A	N/A	N/A	N/A	N/A

Sector: Pharma & healthcare

Price: CHF4.55
Market cap: CHF81m
Market SIX Swiss Exchange

Share price graph (CHF)

Company description

Newron Pharmaceuticals is focused on the central nervous system. Xadago for Parkinson's disease (PD) is sold in Europe, Japan, the United States and other regions. Evenamide, a novel schizophrenia add-on therapy, is involved in a Phase II/III trial programme targeting schizophrenia.

Price performance

%	1m	3m	12m
Actual	(17.6)	(17.0)	250.0
Relative*	(12.1)	(9.9)	252.9

* % Relative to local index

Analyst

Soo Romanoff

Newron Pharmaceuticals (NWRN)

INVESTMENT SUMMARY

Newron is developing evenamide as an add-on therapy for poorly managed and treatment-resistant schizophrenia (TRS). A potentially pivotal Phase III trial (study 008A) in patients with schizophrenia who are taking antipsychotics but not classified as having TRS is underway; readouts are expected in Q423 or Q124. In the Phase II trial (study 014/015) for patients with TRS, evenamide has demonstrated both safety and efficacy in readouts to date. In October 2023, encouraging interim readouts were reported corresponding to the six-month timepoint for the full 161-patient cohort in extension study 015; full one-year data are expected in Q124. Newron intends to begin an additional, potentially pivotal, multinational Phase III study (study 003) in TRS patients (expected to start in Q124). In its H123 results, Newron recorded total revenue of €5.5m for the period, nearly double H122's revenue of €2.8m, primarily driven by higher royalty income for Xadago.

INDUSTRY OUTLOOK

Xadago is marketed as an add-on to levodopa therapy in PD. It is currently sold in Europe, Japan, the United States and other territories. Generic manufacturers have notified the FDA of their intention to file generic Xadago products. Newron is contesting these filings. Xadago is currently patent protected until at least 2027.

Y/E Dec	Revenue (€m)	EBITDA (€m)	PBT (€m)	EPS (c)	P/E (x)	P/CF (x)
2021	5.8	(11.4)	(14.1)	(79.23)	N/A	N/A
2022	6.1	(12.6)	(17.0)	(95.34)	N/A	N/A
2023e	8.9	(11.7)	(14.6)	(81.90)	N/A	N/A
2024e	6.8	(19.1)	(22.3)	(124.77)	N/A	N/A

Sector: Pharma & healthcare

Price:	€0.35
Market cap:	€18m
Market	Euronext Growth

Share price graph (€)

Company description

France-based Nicox develops therapeutics for the treatment of ocular conditions. Lead candidate NCX-470 is in Phase III studies for the treatment of glaucoma and it is advancing NCX-4251 for dry eye disease. Nicox receives licence revenue for its FDA-approved drugs Vyzulta and Zerviate.

Price performance

%	1m	3m	12m
Actual	(17.4)	(21.3)	(82.6)
Relative*	(12.9)	(14.0)	(84.4)

* % Relative to local index

Analyst

Pooya Hemami

Nicox (ALCOX)

INVESTMENT SUMMARY

Nicox develops drugs for eye diseases, with lead candidate NCX-470 targeting the topical ocular treatment of glaucoma. NCX-470 combines an NO-donating molecule with an analogue of established prostaglandin F2a drug, bimatoprost. NCX-470 0.1% showed non-inferiority compared to latanoprost 0.005% in the lowering of intraocular pressure in the Mont-Blanc Phase III study. The company is pursuing a second Phase III study (Denali), with results expected in 2025 (and over 65% of the targeted number of patients have been randomized). Nicox also receives ongoing licence revenue for Vyzulta and Zerviate. Ocumension Therapeutics, Nicox's Chinese partner, filed for regulatory approval in China for Zerviate, and expects to commercialise the product in China in 2024, which may provide additional related licence revenue to Nicox.

INDUSTRY OUTLOOK

Nicox is starting a Phase IIIb study in Q423 to assess NCX-470's dual mechanisms of action for the reduction of intraocular pressure. It also plans to start a separate Phase IIIb study in 2024 to investigate whether NCX-470 can provide improvements to retinal perfusion. Nicox had €14.6m gross cash at 30 September 2023 and has guided that it is financed until June 2024, based on the development of NCX-470 alone.

Y/E Dec	Revenue (€m)	EBITDA (€m)	PBT (€m)	EPS (fd) (c)	P/E (x)	P/CF (x)
2021	8.6	(16.5)	(15.5)	(31.7)	N/A	N/A
2022	5.2	(21.1)	(18.3)	(33.7)	N/A	N/A
2023e	6.6	(17.9)	(19.8)	(39.2)	N/A	N/A
2024e	7.6	(19.1)	(22.4)	(44.2)	N/A	N/A

Sector: General industrials

Price:	141.2p
Market cap:	£126m
Market	LSE

Share price graph (p)

Company description

Norcros is a leading supplier of showers, enclosures and trays, tiles, taps and related fittings and accessories for bathrooms, kitchens, 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	(2.9)	(13.9)	(20.0)
Relative*	1.8	(9.5)	(23.6)

* % Relative to local index

Analyst

Andy Murphy

Norcros (NXR)

INVESTMENT SUMMARY

In H124, Norcros's total revenue fell 8% on a reported basis, but declined only 3% on a constant currency basis reflecting tough UK market conditions and power outages in South Africa. The compay's market leading businesses, brands and superior service offering allowed it to unlock market share opportunities that offset weaker markets. We continue to believe Norcros's key strengths are undervalued and that most, if not all, of the legacy issues, particularly the pension deficit, have been resolved. We retain our estimates and value Norcros at 246p, implying more than 50% upside.

INDUSTRY OUTLOOK

The UK's new build housing market is subdued following the interest rate increases, although the repair, maintenance and improvement market has been more robust. In South Africa, demand across the board has been affected by the ongoing power disruption issues, which are likely to remain a feature.

Y/E Mar	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (fd) (p)	P/E (x)	P/CF (x)
2022	396.3	47.0	38.6	37.99	3.7	2.4
2023	441.0	52.3	41.5	40.89	3.5	2.4
2024e	442.1	49.4	35.3	30.02	4.7	2.5
2025e	447.2	49.8	36.5	30.91	4.6	2.5

Sector: Investment companies

Price: 986.0p
Market cap: £349m
Market LSE

Share price graph (p)

Company description

Ocean Wilsons Holdings is an investment company based in Bermuda. It has a controlling shareholding in Wilson Sons, a quoted maritime services company in Brazil and holds a portfolio of international investments.

Price performance

%	1m	3m	12m
Actual	5.8	(2.4)	10.8
Relative*	11.0	2.6	5.7

* % Relative to local index

Analyst

Andy Murphy

Ocean Wilsons Holdings (OCN)

INVESTMENT SUMMARY

Ocean Wilsons Holdings reported H123 revenue of $229.7m, up c 9%, and a flat operating profit of $54.7m, implying that costs rose in line with the increase in revenue. The investment portfolio reported a net return of $11.2m, which contributed to a $5.8m increase in the portfolio asset value. Overall, group net assets increased by $19.8m to $773.9m. At 30 June, the implied NAV per share of Ocean Wilsons stood at £22.10, a c 57% discount. Ocean Wilsons is increasingly confident that investment stories outside the US look interesting and that the fundamentals for towage, container handling and energy-related activity are positive. We are currently updating our model following the H123 results and note that the group is undertaking a strategic review involving its investment in Wilson Sons (Ocean Wilsons owns 57% of the shares).

INDUSTRY OUTLOOK

Wilson Sons' good spread of assets in Brazil allowed it to weather reasonably well the exceptional conditions in FY20, FY21 and FY22. Its assets include large, competitive container terminals in two Brazilian ports and the country's largest maritime tugboat business. Looking ahead, spare capacity in various PORT3 businesses means there is significant positive operating leverage as business picks up.

Y/E Dec	Revenue (US$m)	EBITDA (US$m)	PBT (US$m)	EPS (c)	P/E (x)	P/CF (x)
2021	396.4	162.0	110.4	180.1	6.7	2.7
2022	440.1	N/A	38.1	(52.8)	N/A	N/A
2023e	478.3	192.6	111.5	148.0	8.1	2.2
2024e	N/A	N/A	N/A	N/A	N/A	N/A

Sector: Travel & leisure

Price: €15.07
Market cap: €5577m
Market Athens Stock Exchange

Share price graph (€)

Company description

OPAP was founded in 1958 as the Greek national lottery and is the exclusive licensed operator of all numerical lotteries, sports betting, instant and passives, VLTs and horse racing. OPAP listed in 2001 and was fully privatised in 2013. Allwyn has a 50.2% stake and significant board representation.

Price performance

%	1m	3m	12m
Actual	(3.5)	(7.8)	20.9
Relative*	0.1	5.2	(12.0)

* % Relative to local index

Analyst

Russell Pointon

OPAP (OPAP)

INVESTMENT SUMMARY

OPAP's Q223 results demonstrated continued strong growth in revenue, helped by improvements to both the retail and online product offering, and profits, with the support of a more favourable macroeconomic background as inflation has declined. OPAP's Q223 gross gaming revenue grew by c 13% year-on-year to €498m, and EBITDA (company's definition) by 7% to €178m. The revenue growth was broad-based. Management's unchanged guidance for FY23 looks well-supported. We upgraded our FY23 and FY24 EBITDA forecasts by 2–3%.

INDUSTRY OUTLOOK

The Hellenic Gaming Commission estimates the total Greek gaming market's gross gaming revenue amounted to €2.3bn in 2022, growth of c 26% in the year as it continued to recover from the COVID-19 pandemic. On an absolute basis, 2022's gross gaming revenue was 5% ahead of the pre COVID-19 level of €2.23bn.

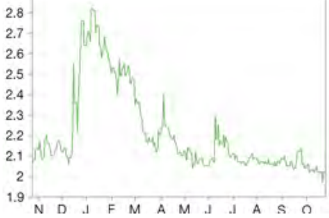
Y/E Dec	Revenue (€m)	EBITDA (€m)	PBT (€m)	EPS (fd) (c)	P/E (x)	P/CF (x)
2021	1538.8	551.2	364.6	82.28	18.3	9.4
2022	1939.0	722.6	565.9	122.22	12.3	7.4
2023e	2110.5	753.6	618.1	124.84	12.1	7.3
2024e	2172.5	765.4	633.0	128.53	11.7	7.1

Oryzon Genomics (ORY)

Sector: Pharma & healthcare

Price:	€2.01
Market cap:	€117m
Market	Madrid SE

Share price graph (€)



Company description

Spanish biotech Oryzon Genomics is focused on epigenetics. Iadademstat is being explored for acute leukaemias, small-cell lung cancer (SCLC) and neuroendocrine tumours. Central nervous system (CNS) asset Vafidemstat has completed several Phase IIa trials and a Phase IIb trial in borderline personality disorder is now the lead study.

Price performance

%	1m	3m	12m
Actual	(5.9)	(4.1)	(3.1)
Relative*	(0.6)	2.1	(18.8)

* % Relative to local index

Analyst

Soo Romanoff

INVESTMENT SUMMARY

Oryzon is focused on the development of small molecule inhibitors for epigenetic targets. The two lead drugs are vafidemstat for CNS indications and iadademstat for oncology (both are inhibitors of LSD1). In CNS, vafidemstat is being evaluated in two Phase IIb trials, PORTICO in borderline personality disorder, which has shown encouraging interim results to date with top-line data expected in Q124, and EVOLUTION in schizophrenia. Oryzon is also deploying a CNS personalised medicine approach with vafidemstat with its Phase I/II HOPE study targeting Kabuki syndrome, expected to start in 2024. In oncology, positive top-line data have been reported from the ALICE trial in acute myeloid leukaemia (AML) while new trials FRIDA in AML (first patient dosed in Q123) and STELLAR in SCLC could potentially be pivotal, with the FDA having granted orphan drug designation for iadademstat in AML and SCLC. The FRIDA study represents one of Oryzon's key strategic priorities.

INDUSTRY OUTLOOK

Oryzon is among the leading clinical-stage drug developers with a second generation of epigenetic therapeutics, which have greater selectivity and a potentially favourable safety/efficacy profile compared with the first generation HDAC inhibitors.

Y/E Dec	Revenue (€m)	EBITDA (€m)	PBT (€m)	EPS (fd) (c)	P/E (x)	P/CF (x)
2021	10.6	(6.9)	(7.2)	(8.83)	N/A	N/A
2022	15.7	(5.3)	(6.4)	(7.26)	N/A	N/A
2023e	17.3	(3.7)	(4.2)	(3.27)	N/A	N/A
2024e	19.0	(9.3)	(10.0)	(13.64)	N/A	N/A

OSE Immunotherapeutics (OSE)

Sector: Pharma & healthcare

Price:	€4.17
Market cap:	€79m
Market	Euronext Paris

Share price graph (€)

Company description

OSE Immunotherapeutics (OSE) is based in Nantes and Paris in France and is listed on the Euronext Paris exchange. It is developing immunotherapies for the treatment of solid tumours and autoimmune diseases and has established several partnerships with large pharma companies.

Price performance

%	1m	3m	12m
Actual	(9.7)	20.9	(40.3)
Relative*	(4.9)	32.0	(46.6)

* % Relative to local index

Analyst

Soo Romanoff

INVESTMENT SUMMARY

OSE and its pharma partners have made progress with all clinical and preclinical assets. The final analysis of the data from the most advanced trial in OSE's pipeline, the Phase III ATALANTE-1 study investigating lung cancer vaccine Tedopi, revealed a potential path to market and OSE is on track to begin a confirmatory pivotal Phase III trial in 2024. Also in clinical development is the IL-7R-targeting antibody therapy Lusvertikimab for the treatment of ulcerative colitis; an update from the ongoing Phase II study is expected in December 2023. The two partnered assets – OSE-172/BI 765063 and FR104/VEL-101 – are at different stages of clinical development and generate relatively steady licensing fee income. In December 2022, OSE announced a new asset to enter clinical trials, OSE-279, an anti-PD1 blocking monoclonal antibody being investigated for the treatment of advanced solid tumours or lymphomas. The first data readouts from the Phase I/II trial are expected in 2024.

INDUSTRY OUTLOOK

OSE has products in development for both immunoncology and immuno-inflammation indications. As a result, the R&D pipeline is diversified and the outlook does not depend on developments in any specific subsector.

Y/E Dec	Revenue (€m)	EBITDA (€m)	PBT (€m)	EPS (c)	P/E (x)	P/CF (x)
2021	26.3	(13.6)	(17.2)	(94.82)	N/A	N/A
2022	18.3	(15.0)	(18.0)	(97.28)	N/A	N/A
2023e	2.7	(25.3)	(26.2)	(134.05)	N/A	N/A
2024e	15.0	(18.5)	(21.8)	(98.48)	N/A	N/A

Sector: Pharma & healthcare

Price:	0.7p
Market cap:	£7m
Market	LSE

Share price graph (p)

Company description

Based in the UK, Oxford Cannabinoid Technologies is focused on advancing cannabinoid medicines for the treatment of pain and other indications. Lead asset OCT461201 is a CB2 selective agonist to be investigated for the treatment of neuropathic pain associated with CIPN and visceral pain in IBS as initial pain indications.

Price performance

%	1m	3m	12m
Actual	(25.6)	(19.4)	26.1
Relative*	(22.0)	(15.3)	20.3

* % Relative to local index

Analyst

Soo Romanoff

Oxford Cannabinoid Technologies (OCTP)

INVESTMENT SUMMARY

Oxford Cannabinoid Technologies (OCT) is focused on the development of endocannabinoid system-targeting new chemical entities (NCEs), phytocannabinoids (synthetic plant-derived cannabinoids) and synthetic cannabinoid derivatives. Lead asset OCT461201 is a cannabinoid receptor type 2 selective NCE agonist being developed as a potential treatment for neuropathic pain associated with chemotherapy-induced peripheral neuropathy (CIPN) and visceral pain in irritable bowel syndrome (IBS). OCT's UK Phase I trial for OCT461201 is a dose-escalation and safety study in healthy volunteers. In October 2023, the study was completed with no safety or tolerability concerns. The programme is ready for Phase II, however, the company needs to raise funds before continuing with clinical development. OCT has three other active programmes in early stages of development, targeting orphan and oncology indications.

INDUSTRY OUTLOOK

With the stigma that has become associated with opioids, alternative therapies for the treatment of pain are highly sought after. New drugs that target the endocannabinoid system may represent an innovative solution to address this need.

Y/E Apr	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (fd) (p)	P/E (x)	P/CF (x)
2022	0.0	(5.1)	(5.1)	(0.49)	N/A	N/A
2023	0.0	(6.9)	(7.0)	(0.61)	N/A	N/A
2024e	0.0	(2.9)	(2.9)	(0.25)	N/A	N/A
2025e	0.0	(9.9)	(9.9)	(0.87)	N/A	N/A

Sector: Mining

Price:	15.9p
Market cap:	£353m
Market	LSE AIM

Share price graph (p)

Company description

Pan African Resources (PAF) has four major producing precious metals assets in South Africa: Barberton (target output 95koz Au pa), the Barberton Tailings Retreatment Project, or BTRP (20koz), Elikhulu (55koz) and Evander underground, incorporating Egoli (currently 30koz, rising to >100koz).

Price performance

%	1m	3m	12m
Actual	(0.4)	10.4	(6.5)
Relative*	4.5	16.1	(10.8)

* % Relative to local index

Analyst

Lord Ashbourne

Pan African Resources (PAF)

INVESTMENT SUMMARY

PAF's FY23 results came in above Edison's expectations where earnings for H223 and FY23 were US$2.5m higher than our prior forecasts, translating to an 8.5% and 4.3% outperformance respectively. Production of 175,209oz in FY23 was within 0.1% of PAF's guidance (175koz) at an all-in sustaining cost of US$1,327/oz (cf guidance of US$1,325–1,350/oz). Incorporating its two organic growth projects we expect aggregate PAF output to increase by 10.9koz in FY24, 31.5koz in FY25 and then 41.2koz in FY26, to take production over 250koz pa.

INDUSTRY OUTLOOK

Our core valuation of PAF is 34.59 cents per share (27.90p/share), based on projects either already in production or sanctioned. However, this rises by a further 18.59–23.61c (15.00–19.05p) once other assets (eg Egoli) are taken into account. Alternatively, if the company's historical average price to normalised headline EPS ratio of 8.4x is applied to our forecasts, it implies a share price of 36.29p in FY24.

Y/E Jun	Revenue (US$m)	EBITDA (US$m)	PBT (US$m)	EPS (c)	P/E (x)	P/CF (x)
2022	376.4	147.8	117.2	4.44	4.4	2.6
2023	321.6	121.9	92.9	3.54	5.5	2.8
2024e	359.0	165.1	136.7	5.40	3.6	3.2
2025e	395.1	180.5	141.7	5.69	3.4	2.2

Pan American Silver (PAAS)

Sector: Mining

Price:	US$15.19
Market cap:	US$5536m
Market	Nasdaq

Share price graph (US$)

Company description

Pan American Silver is one of the largest global primary silver producers and a sizeable gold miner with operations in North, Central and South America since 1994. It owns 11 producing operations, the currently suspended top tier Escobal silver mine and a number of large-scale advanced exploration/development projects.

Price performance

%	1m	3m	12m
Actual	(0.1)	(7.2)	(6.2)
Relative*	2.3	(0.1)	(16.6)

* % Relative to local index

Analyst

Andrey Litvin

INVESTMENT SUMMARY

Following temporary suspension of all operating activities due to security concerns, PAAS announced that it was planning to begin restarting operations at the La Colorada mine on 16 October. The project experienced an armed robbery of two trailers of concentrate and was put on care and maintenance until it was safe to resume operations. Importantly, PAAS does not expect the recent suspension to have a material effect on its full-year production and cost guidance. Neither does it envisage the timing of late 2023 release of the Skarn preliminary economic assessment to be altered by the recent events. The company will report its Q323 results on 7 November after the market close.

INDUSTRY OUTLOOK

Volatility in gold and silver prices put pressure on Pan American Silver's shares, which, in our opinion, do not reflect the intrinsic value of the company's assets. The stock is currently trading at a consensus FY23e EV/EBITDA of c 7x, which we believe is an undemanding multiple.

Y/E Dec	Revenue (US$m)	EBITDA (US$m)	PBT (US$m)	EPS (fd) (c)	P/E (x)	P/CF (x)
2021	1632.8	593.2	274.0	60.10	25.3	32.4
2022	1494.7	272.0	(66.6)	(51.01)	N/A	N/A
2023e	2439.1	740.7	133.4	35.96	42.2	203.8
2024e	2873.2	1085.0	439.7	74.25	20.5	20.3

Paradigm Biopharma (PAR)

Sector: Pharma & healthcare

Price:	A$0.64
Market cap:	A$178m
Market	ASX

Share price graph (A$)

Company description

Paradigm Biopharmaceuticals is an Australian biotechnology company focused on the development of injectable pentosan polysulfate (iPPS). Its most advanced clinical programme is investigating the drug's use as a potentially disease modifying treatment for knee osteoarthritis (kOA).

Price performance

%	1m	3m	12m
Actual	2.4	(34.2)	(51.2)
Relative*	5.9	(29.5)	(52.3)

* % Relative to local index

Analyst

Soo Romanoff

INVESTMENT SUMMARY

Paradigm Biopharmaceuticals is a late-stage Australian biotech company focused on the clinical development of injectable pentosan polysulfate (iPPS). The company's PARA_OA_008 Phase II programme is investigating iPPS as a potentially disease-modifying osteoarthritis (OA) drug (DMOAD). Interim data have been encouraging, and an update in October 2023 demonstrated durable responses up to 12 months. Management is also preparing for discussions with the FDA to reach an agreement on the DMOAD label. Paradigm's comprehensive PARA_OA_002 Phase III programme is designed to maximise the potential of iPPS as a treatment for kOA pain. We anticipate an update on this programme in Q124. iPPS is also being investigated for mucopolysaccharidosis types I and VI in Phase II studies. At end-June 2023, the company had A$56.4m in cash, which management estimates will fund operations into CY24.

INDUSTRY OUTLOOK

Osteoarthritis is a highly prevalent disease affecting quality of life. Currently, no disease-modifying drugs are available for the condition, resulting in serious unmet medical needs and a potentially significant opportunity for drug developers.

Y/E Jun	Revenue (A$m)	EBITDA (A$m)	PBT (A$m)	EPS (fd) (c)	P/E (x)	P/CF (x)
2022	0.1	(55.7)	(39.2)	(16.9)	N/A	N/A
2023	0.0	(59.9)	(51.9)	(21.0)	N/A	N/A
2024e	N/A	N/A	N/A	N/A	N/A	N/A
2025e	N/A	N/A	N/A	N/A	N/A	N/A

Sector: General industrials

Price: €4.53
Market cap: €21m
Market Deutsche Börse

Share price graph (€)

Company description

Based in Delbrück, Germany, paragon designs and supplies automotive electronics and solutions, selling directly to OEMs, including sensors, interior and body kinematics. It has production facilities in Germany, Croatia and China.

Price performance

%	1m	3m	12m
Actual	(1.1)	(17.3)	13.5
Relative*	4.0	(9.6)	(2.3)

* % Relative to local index

Analyst

Andy Chambers

paragon (PGN)

INVESTMENT SUMMARY

The c €38.8m disposal of Semvox has completed and the CHF bond has been fully redeemed, further de-risking the paragon investment case. Q323 has been constrained by extended plant shutdowns at customers with nine-month revenues for the ongoing activities up 3% to c €122m with ongoing EBITDA (including the Power disposal gain) rising to €16.3m, a margin of 13.3%. Management's FY23 sales guidance is revised to €160–170m with higher EBITDA of €25–27m. Net debt fell below €50m with the battery activity also being sold. paragon is expected to apply the disposal proceeds, cash flows and new credit lines to initiate the early repayment by January 2024 of €20.2m nominal of the Eurobond.

INDUSTRY OUTLOOK

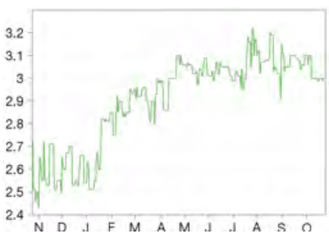
We believe paragon's identification of, and investment in, solutions to address megatrends in global automotive markets is understood by investors. It is growing faster than its markets due to innovative products that are driving changes in customer perceptions, creating new growth engines for the group and facilitating expansion internationally, notably in China and North America.

Y/E Dec	Revenue (€m)	EBITDA (€m)	PBT (€m)	EPS (fd) (c)	P/E (x)	P/CF (x)
2021	135.4	15.1	(3.5)	(71.53)	N/A	1.1
2022	160.3	11.6	(7.9)	(115.05)	N/A	1.1
2023e	164.7	21.0	1.1	37.59	12.1	1.9
2024e	178.0	24.4	10.3	155.85	2.9	0.9

Sector: Investment companies

Price: €3.00
Market cap: €18m
Market Euronext Amsterdam

Share price graph (€)



Company description

After the sale of Stern's operational activities to Hedin in H122, PB Holding only holds a 5.3% stake in the unlisted insurance company Bovemij, a loss compensation and €1.5m cash.

Price performance

%	1m	3m	12m
Actual	(1.3)	(5.1)	10.3
Relative*	0.2	2.1	0.1

* % Relative to local index

Analyst

Edwin De Jong

PB Holding (PBH)

INVESTMENT SUMMARY

Bovemij, the unlisted car insurance company in which PB Holding has a 5.3% stake, reported a net profit in H123 of €11.7m, compared to a loss of €3.8m in H122. Lower operational results were more than offset by a better investment result. Bovemij's results did not directly affect PB Holding's H123 results, as it did not pay a dividend in FY22. Therefore, PB Holding had no revenues (H122: €0.2m). Operational costs amounted to €0.1m and therefore PB Holding's before- and after-tax result were a €0.1m loss. At the end of FY22, PB Holding's stake in Bovemij had a book value of €3.38 per share.

INDUSTRY OUTLOOK

Bovemij is an insurance company for the Dutch mobility sector where a car dealer can arrange car insurance for itself, its employees or its clients. In addition, Bovemij operates a smaller financing division, a data division and the IT services company RDC. PB Holding's revenues have been around €350m in the last few years. Almost 90% of its shares are in the hands of sector organisation Bovag.

Y/E Dec	Revenue (€m)	EBITDA (€m)	PBT (€m)	EPS (c)	P/E (x)	P/CF (x)
2021	0.0	1.4	1.4	0.24	1250.0	N/A
2022	0.0	0.6	0.6	0.11	2727.3	N/A
2023e	N/A	N/A	N/A	N/A	N/A	N/A
2024e	N/A	N/A	N/A	N/A	N/A	N/A

EDISON

Sector: Pharma & healthcare

Price:	€0.07
Market cap:	€0.1m
Market	Euronext Paris

Share price graph (€)

Company description

Advanced clinical-stage biopharmaceutical, Pharnext, is developing novel therapies for neurodegenerative diseases lacking curative and/or disease-modifying treatments. PXT3003 for Charcot-Marie-Tooth disease type 1A (CMT1A) is in advanced Phase III clinical trials with top-line data due in Q423.

Price performance

%	1m	3m	12m
Actual	(93.9)	(98.7)	(99.9)
Relative*	(93.6)	(98.5)	(99.9)

* % Relative to local index

Analyst

Soo Romanoff

Pharnext (ALPHA)

INVESTMENT SUMMARY

Lead programme PXT3003 is a synergistic fixed-dose combination of baclofen, naltrexone and sorbitol, formulated as an oral solution and identified with the Pleotherapy R&D approach. It targets a rare genetic peripheral nerve disorder (CMT1A) and has recently concluded the Phase III PREMIER trial with preliminary data expected in Q423. Pharnext recently announced it has received two binding offers to out-license PXT3003, with a total estimated value of over €250m and expects to sign a definitive licensing agreement by end October 2023. Pharnext changed its legal framework to a limited partnership by shares in 2022 following a strategic financing agreement with Neovacs. The cash balance at end FY22 was €0.6m and Pharnext has raised €4.0m through OCEANE-BSA bonds in total over three phases in 2023 (€2.5m to be issued by end October).

INDUSTRY OUTLOOK

PXT3003 could potentially be the first approved treatment for CMT1A. This disease is a debilitating and rare (prevalence of 1/5,000) peripheral neuropathy with high unmet medical need where patients suffer from pain, progressive muscle atrophy and cramps in the limbs. The CMT1A development pipeline is early stage, with PXT3003 the most clinically advanced asset (Phase III) for this indication.

Y/E Dec	Revenue (€m)	EBITDA (€m)	PBT (€m)	EPS (fd) (c)	P/E (x)	P/CF (x)
2021	3.6	(22.2)	(30.6)	(100.67)	N/A	N/A
2022	2.3	(27.2)	(38.5)	(16.66)	N/A	N/A
2023e	1.9	(23.7)	(24.7)	(3579.47)	N/A	N/A
2024e	8.9	(10.8)	(13.2)	(1910.77)	N/A	N/A

Sector: Property

Price:	168.5p
Market cap:	£155m
Market	LSE

Share price graph (p)

Company description

Phoenix Spree Deutschland (PSD) is a long-term investor in mid-market residential property in Berlin, targeting reliable income and capital growth. Its core strategy is to acquire unmodernised apartment blocks that may be improved to the benefit of tenants, generating attractive returns for shareholders.

Price performance

%	1m	3m	12m
Actual	(0.9)	(13.4)	(36.2)
Relative*	4.0	(8.9)	(39.1)

* % Relative to local index

Analyst

Martyn King

Phoenix Spree Deutschland (PSDL)

INVESTMENT SUMMARY

H123 results show that with supply and demand imbalances within the Berlin private rental sector remaining firmly supportive, rental growth remains strong, and the company expects this to accelerate. As previously reported, new leases were signed at an average 31% premium to passing rents during H1, highlighting the continuing gap between portfolio and market rents. Although buyers of individual condominiums continue to sit on their hands, and PSD's notarisations are well below historical levels, the sales premium to book value (68% in H123) indicates underlying support for values, although these decline by a like-for-like 6.9%, following market trends. The PBT loss was €57m (H122: €11m gain) with the swing driven by valuation losses and the non-recurrence of hedging gains, masking an underlying improvement. EPRA net tangible assets per share fell 9% in the period to €4.64. Our forecasts are under review.

INDUSTRY OUTLOOK

Demographic trends within the Berlin market remain positive, providing continuing support for the rental market. Rising interest rates, inflation and economic uncertainty is depressing private buyer and institutional investment demand, continues to weigh on capital values.

Y/E Dec	Revenue (€m)	EBITDA (€m)	PBT (€m)	EPS (c)	P/E (x)	P/CF (x)
2021	25.8	45.4	45.3	39.3	4.9	23.1
2022	25.9	(36.5)	(17.5)	(16.8)	N/A	105.3
2023e	27.7	(50.9)	(59.1)	(54.0)	N/A	24.4
2024e	28.8	9.1	0.8	0.9	216.0	19.2

Sector: Financials

Price: 62.4p
Market cap: £340m
Market LSE

Share price graph (p)

Company description

Picton Property Income is an internally managed UK REIT that invests in a diversified portfolio of commercial property across the UK. It is total return driven with a strong income focus and aims to generate attractive returns through proactive management of the portfolio.

Price performance

%	1m	3m	12m
Actual	(10.3)	(14.9)	(20.2)
Relative*	(6.0)	(10.5)	(23.9)

* % Relative to local index

Analyst

Martyn King

Picton Property Income (PCTN)

INVESTMENT SUMMARY

In an update ahead of interim results to be published in November, the company reported continued progress through Q224 with a range of asset management initiatives, including leasing, asset enhancement and non-core disposal/repurposing. These are expected to be accretive to net asset value (NAV) and income. Active asset management is key to unlocking the strong organic rent growth opportunity embedded in the portfolio. It also supports property valuations, providing a counterweight to continuing, moderate (low single-digit percent) market weakness. In the prior period (Q1) property valuations were 0.7% lower on a like-for-like basis and NAV/share was 99.4p (end-FY23: 100.4p). Including the quarterly DPS paid of 0.875p (3.5p pa) the NAV total return was 0.2%.

INDUSTRY OUTLOOK

The commercial property market is cyclical, historically exhibiting substantial swings in capital values through cycles. Income returns have been significantly more stable. Across all main sectors the market is continuing to adjust to higher bond yields and economic uncertainty, although price weakness in 2023 year to date has been much less pronounced than in late 2022. Investment activity remains weak.

Y/E Mar	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (p)	P/E (x)	P/CF (x)
2022	35.4	29.7	147.0	3.88	16.1	N/A
2023	36.3	30.3	(89.5)	3.90	16.0	N/A
2024e	38.4	31.8	21.8	4.00	15.6	N/A
2025e	39.2	32.3	22.4	4.11	15.2	N/A

Sector: Pharma & healthcare

Price: €0.19
Market cap: €1m
Market Euronext Paris

Share price graph (€)

Company description

Pixium Vision develops bionic vision systems for patients with severe vision loss. Lead product Prima is a wireless sub-retinal implant system for dry age-related macular degeneration. Pixium started implantations for the European PRIMAvera pivotal study in Q422.

Price performance

%	1m	3m	12m
Actual	(89.2)	(92.5)	(97.6)
Relative*	(88.6)	(91.8)	(97.9)

* % Relative to local index

Analyst

Pooya Hemami

Pixium Vision (PIX)

INVESTMENT SUMMARY

Pixium Vision is developing the Prima System, a wireless photovoltaic sub-retinal implant combined with proprietary smart glasses. Prima is designed to apply proprietary algorithms and artificial intelligence to generate a form of bionic vision for patients who have lost their sight due to severe retinal diseases. Positive 36-month data from its EU feasibility study in patients with geographic atrophy due to age-related macular degeneration (GA-AMD) showed sustained improvements on the Landolt C visual acuity scale versus baseline, the ability to restore reading capabilities and continued implant safety and stability. Pixium started the PRIMAvera European pivotal study in Q420 and completed its target of 38 implantations in Q422, which could lead to top-line data being reported in Q423 or H124.

INDUSTRY OUTLOOK

Despite the company's best efforts in seeking financing options to extend its funding runway, Pixium Vision announced that safeguard proceedings have been opened by the Commercial Court of Paris. We estimate the likelihood of any material residual value remaining attributable to the common equity holders of Pixium Vision following the court proceedings as highly speculative. We have withdrawn our estimates and forecasts.

Y/E Dec	Revenue (€m)	EBITDA (€m)	PBT (€m)	EPS (fd) (c)	P/E (x)	P/CF (x)
2021	2.7	(9.7)	(10.9)	(23.06)	N/A	N/A
2022	2.0	(11.5)	(10.3)	(21.09)	N/A	N/A
2023e	N/A	N/A	N/A	N/A	N/A	N/A
2024e	N/A	N/A	N/A	N/A	N/A	N/A

Sector: Consumer support services

Price: €9.04
Market cap: €32m
Market Milan SE/Borsa Italiana

Share price graph (€)

Company description

Portobello aims to build a national Italian retail presence via a rapid rollout of own-stores and franchises. It uses a combination of barter (own and third-party media) and cash purchases to source branded products from its suppliers.

Price performance

%	1m	3m	12m
Actual	(32.0)	(51.3)	(43.3)
Relative*	(29.4)	(48.7)	(54.7)

* % Relative to local index

Analyst

Russell Pointon

Portobello SpA (POR)

INVESTMENT SUMMARY

Portobello's (POR) H123 demonstrated strong revenue growth as the store expansion continued against an increasingly challenging macroeconomic backdrop. However, profitability was negatively affected by inflationary cost pressures and an unexpected and unfavourable out-of-court settlement to pay a counterparty's VAT, which will be paid over three instalments by the end of March 2024 from operating cash flow and new financing currently under negotiation. Our forecasts are under review.

INDUSTRY OUTLOOK

Portobello's aspiration is to grow its retail footprint across Italy. If management can execute this strategy, it would produce premium revenue and profit growth in the long term versus its peers. Management is accelerating its store expansion plans from FY22, following the disruption caused by the outbreak of COVID-19.

Y/E Dec	Revenue (€m)	EBITDA (€m)	PBT (€m)	EPS (fd) (c)	P/E (x)	P/CF (x)
2021	85.5	16.5	13.0	262.8	3.4	1.7
2022	129.9	24.6	18.6	462.8	2.0	1.2
2023e	183.4	27.8	22.1	474.2	1.9	1.1
2024e	222.5	35.5	30.8	556.2	1.6	0.9

Sector: Property

Price: 85.5p
Market cap: £1143m
Market LSE

Share price graph (p)

Company description

Primary Health Properties (PHP) is a long-term investor in primary healthcare property in the UK and the Republic of 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	(12.1)	(13.2)	(17.6)
Relative*	(7.8)	(8.8)	(21.4)

* % Relative to local index

Analyst

Martyn King

Primary Health Properties (PHP)

INVESTMENT SUMMARY

Interim results showed PHP to be well on track to meet its fully covered 6.7p DPS target, the 27th consecutive year of growth. Adjusted earnings increased by £1.2m or 2.7% versus H122, with a similar rise in adjusted EPS, covering DPS 102%. Organic rent growth is the driver, and continues to accelerate, with an average 4.4% uplift on completed reviews, while the EPRA cost ratio of 10.1% remains among the lowest in the sector. The balance sheet is strong with a loan to value (LTV) of 45.6% in the middle of PHP's target LTV range of 40–50% and c £300m of borrowing headroom. 97% of drawn debt was either fixed or hedged, providing protection from interest rate volatility. While a highly selective approach to investment continues, PHP continues to identify value-creating opportunities in asset management schemes and acquisitions in Ireland, where yields remain higher. It recently agreed the acquisition of Ireland's first Enhanced Community Care facility for a total consideration of €30m.

INDUSTRY OUTLOOK

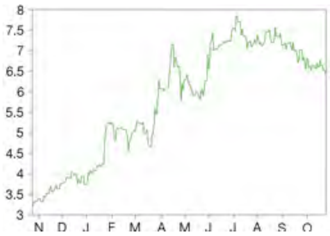
The primary health property market is driven by supportive demographic trends and the need to modernise health provision rather than the economy. PHP's leases are long and substantially upward-only, 89% backed directly or indirectly by government bodies.

Y/E Dec	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (fd) (p)	P/E (x)	P/CF (x)
2021	136.7	126.2	141.6	6.1	14.0	8.1
2022	141.5	131.9	56.9	6.4	13.4	9.7
2023e	149.9	138.7	85.2	6.5	13.2	8.5
2024e	154.4	143.5	95.4	6.7	12.8	8.0

Sector: Financials

Price: €6.40
Market cap: €377m
Market Deutsche Börse Xetra

Share price graph (€)



Company description

ProCredit Holding (PCB) is a Germany-based group operating regional banks across South Eastern and Eastern Europe and Ecuador. The banks focus on SMEs and private middle-income and high earners.

Price performance

%	1m	3m	12m
Actual	(8.8)	(11.4)	92.8
Relative*	(4.2)	(3.1)	65.8

* % Relative to local index

Analyst

Milosz Papst

ProCredit Holding (PCZ)

INVESTMENT SUMMARY

PCB has extensive experience in supporting SMEs in emerging economies (and a strong ESG profile), with a focus on Southeastern and Eastern Europe and banking operations in Ecuador. The company released a new medium-term target earlier this year, now aiming for a return on equity of c 12% (vs 10% previously) based on a cost of risk at 25–30bp over the cycle, as well as a cost-income ratio of c 57%, which we consider achievable.

INDUSTRY OUTLOOK

According to the World Economic Outlook released in October 2023, the International Monetary Fund expects c 3–5% GDP growth pa in 2024–28 for PCB's countries of operations (except for Ukraine and Ecuador). PCB's in-depth, impact-oriented relationships with SME borrowers (c 90% of the loan book), prudent credit risk management and solid capital base (CET-1 ratio of 14.2% at end-June 2023) should help it weather the near-term macroeconomic slowdown. Longer term, PCB's business should be assisted by the low banking sector penetration in the region, scaling potential of its regional banks, an improving deposits to loans ratio and sustained good credit quality of its portfolio, among others.

Y/E Dec	Revenue (€m)	EBITDA (€m)	PBT (€m)	EPS (c)	P/E (x)	P/CF (x)
2021	222.0	N/A	94.5	135.0	4.7	N/A
2022	264.6	N/A	17.8	28.0	22.9	N/A
2023e	304.0	N/A	109.2	154.8	4.1	N/A
2024e	312.5	N/A	118.9	171.4	3.7	N/A

Sector: General industrials

Price: 0.8p
Market cap: £12m
Market LSE AIM

Share price graph (p)

Company description

Quadrise is the innovator and global supplier of disruptive refinery upgrading technology that produces a synthetic, enhanced heavy fuel oil called MSAR and a biofuel called bioMSAR. The technology provides a low cost and cleaner fuel for marine, power and industrial applications.

Price performance

%	1m	3m	12m
Actual	(18.4)	(36.7)	(63.7)
Relative*	(14.4)	(33.5)	(65.3)

* % Relative to local index

Analyst

Andrew Keen

Quadrise (QED)

INVESTMENT SUMMARY

During H123 Quadrise made further progress on the three projects that provide the company with the fastest and most material paths to commercialisation. The company continues to advance multiple options for its MSAR and bioMSAR products, and is now planning a testing of both products in parallel in H124 on the MSC vessel, Leandra.

INDUSTRY OUTLOOK

Quadrise is still pre-revenue. Stripping out share option and exceptional charges, operating losses widened by £0.3m year-on-year during H123 to £1.7m. Free cash outflow rose by £0.3m to £1.7m, leaving the group with £2.6m in cash and cash equivalents and no debt or convertible securities at end H123. Quadrise's placing announced on 7 July 2023 and open offer raised, at the issue price, £1.94m (before expenses), and is forecast to extend the company's cash runway into Q324 and commercial revenue.

Y/E Jun	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (fd) (p)	P/E (x)	P/CF (x)
2021	0.0	(2.8)	(2.8)	(0.23)	N/A	N/A
2022	0.1	(2.7)	(2.8)	(0.19)	N/A	N/A
2023e	N/A	N/A	N/A	N/A	N/A	N/A
2024e	N/A	N/A	N/A	N/A	N/A	N/A

Recce Pharmaceuticals (RCE)

Sector: Pharma & healthcare

Price:	A$0.44
Market cap:	A$90m
Market	ASX

Share price graph (A$)

Company description

Recce Pharmaceuticals is an Australian company developing its novel, broad-spectrum synthetic polymer anti-infective drugs for the treatment of several infectious diseases, including sepsis (Phase II-ready), burn wound infections (Phase I/II) and urinary tract infections.

Price performance

%	1m	3m	12m
Actual	(10.2)	(35.3)	(38.9)
Relative*	(7.1)	(30.7)	(40.3)

* % Relative to local index

Analyst

Pooya Hemami

INVESTMENT SUMMARY

Recce Pharmaceuticals is a clinical-stage, Australian biotech company developing a novel class of broad-spectrum synthetic anti-infective drugs to which, so far, all tested bacteria have been unable to develop resistance. This could be a very desirable trait given widespread concerns about antimicrobial resistance. The lead indication for RECCE 327 (R327), is sepsis (Phase I/II study underway), a substantial area of unmet need with significant mortality and high costs of care. Recce is also assessing its intravenous formulation in other indications, such as complicated urinary tract infections. Topical spray and gel formulations of R327 are also being assessed for burn wound infections and diabetic foot infections.

INDUSTRY OUTLOOK

The WHO estimates that sepsis leads to c 11 million deaths each year. Sepsis affects 1.7 million people in the United States annually and costs the healthcare system US$57bn in inpatient costs. We view significant opportunities for treatments that may reduce morbidity or hospital utilisation. Recce had a gross cash balance of A$8.36m at 30 September, which was strengthened by a A$10.7m equity raise in Q3 CY23, and subsequently boosted by a A$0.3m shortfall commitment.

Y/E Dec	Revenue (A$m)	EBITDA (A$m)	PBT (A$m)	EPS (fd) (c)	P/E (x)	P/CF (x)
2021	1.9	(13.3)	(13.5)	(8.70)	N/A	N/A
2022	3.1	(10.9)	(11.0)	(6.31)	N/A	N/A
2023e	6.2	(12.3)	(12.4)	(7.01)	N/A	N/A
2024e	4.6	(36.3)	(36.5)	(20.48)	N/A	N/A

Record (REC)

Sector: Financials

Price:	65.1p
Market cap:	£130m
Market	LSE

Share price graph (p)

Company description

Record is a specialist independent currency manager. It provides a number of products and services, including passive and dynamic hedging, and a range of currency for return strategies, including funds and customised segregated accounts.

Price performance

%	1m	3m	12m
Actual	(19.2)	(21.9)	(14.8)
Relative*	(15.3)	(17.9)	(18.7)

* % Relative to local index

Analyst

Rob Murphy

INVESTMENT SUMMARY

Record reported assets under management equivalent (AUME) of US$84.5bn in Q224, down 2% q-o-q but up 5% y-o-y. The group reported inflows of US$1.5bn in Q224, bringing an end to the two successive quarters of outflows. Inflows were primarily driven by passive hedging, its largest product by AUME, and supplemented by US$0.2bn of inflows into cash and futures products. Record's highest fee earners, currency for return and multi-product, both reported outflows of US$0.3bn and US$0.1bn, representing 7% and 2% of Q124 AUME respectively. Core inflows were offset by US$3.4bn in negative movements related to FX movements and mandate volatility targeting and movements in global markets. Hence, the net movement in AUME was negative US$1.9bn.

INDUSTRY OUTLOOK

Management continues to display confidence in their currency management business which showed good core inflows in the quarter. Previously, management emphasised its ambitions to diversify its revenue streams. Although these initiatives are well underway, management has highlighted that there have been some delays in launching the new products. Management will shed more light on strategic developments at the H124 results on 17 November.

Y/E Mar	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (fd) (p)	P/E (x)	P/CF (x)
2022	35.2	12.2	10.9	4.37	14.9	11.3
2023	44.7	15.6	14.6	5.81	11.2	10.4
2024e	45.6	14.9	14.7	5.67	11.5	11.7
2025e	52.0	18.2	18.0	6.97	9.3	10.0

Sector: Property

Price:	28.2p
Market cap:	£145m
Market	LSE

Share price graph (p)

Company description

Regional REIT (RGL) owns a highly diversified commercial property portfolio of predominantly offices located in the regional centres of the UK. It is actively managed and targets a total shareholder return of at least 10% with a strong focus on income.

Price performance

%	1m	3m	12m
Actual	(8.3)	(40.5)	(55.1)
Relative*	(3.8)	(37.5)	(57.1)

* % Relative to local index

Analyst

Martyn King

Regional REIT (RGL)

INVESTMENT SUMMARY

Income and new lettings fell short of expectations in H123, even though achieved rents increased. Occupiers adopted a cautious 'wait and see' approach in the face of interest rate uncertainty but, supported by the strong 'return to the office', RGL expects take-up to accelerate in coming months. Reflecting lower income expectations, Q2 DPS was 1.20p (vs 1.65p in Q1). With similar payments for Q3/Q4 RGL expects a full year DPS of 5.25p, fully covered, and believes the ongoing 4.8p pa to be a sustainable level. Meanwhile, increased asset sales will target lower income/vacant properties to reduce void costs and gearing. The 3.8% H123 decline in valuations was less than the sector average, but the loan to value ratio reached 51.9% despite lower borrowing, ahead of the reiterated 40% target.

INDUSTRY OUTLOOK

The commercial property market is cyclical, historically exhibiting substantial swings in capital values through cycles. Income returns have been significantly more stable. Across all main sectors the market is continuing to adjust to higher bond yields and economic uncertainty, although price weakness in 2023 year to date has been much less pronounced than in late 2022. Investment activity remains weak.

Y/E Dec	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (fd) (p)	P/E (x)	P/CF (x)
2021	55.8	45.2	28.8	6.61	4.3	2.3
2022	62.6	51.2	(65.2)	6.61	4.3	3.0
2023e	54.5	43.7	2.7	5.35	5.3	2.9
2024e	54.8	43.7	43.8	5.03	5.6	3.4

Sector: Pharma & healthcare

Price:	5.5p
Market cap:	£3m
Market	LSE AIM

Share price graph (p)

Company description

UK-based ReNeuron Group is focused on its stem cell-derived exosome drug delivery platform, CustomEx. The company is progressing the preclinical development of exosome-based therapeutics utilising its CustomEX technology.

Price performance

%	1m	3m	12m
Actual	(21.4)	(37.1)	(78.4)
Relative*	(17.6)	(33.9)	(79.4)

* % Relative to local index

Analyst

Soo Romanoff

ReNeuron Group (RENE)

INVESTMENT SUMMARY

ReNeuron is focused on the development of its stem cell-derived exosome drug delivery platform, CustomEX. In collaboration with academic and industry partners, the company aims to develop novel exosome therapeutics for diseases with significant unmet needs. CustomEX provides a unique delivery mechanism for a variety of therapeutic payloads including nucleic acids, proteins and gene editing technologies. ReNeuron's exosomes have shown encouraging in vitro data (outside of a biological setting) to deliver such payloads with high tissue specificity. In September 2023, ReNeuron announced the successful generation of in vivo data (within a biological setting) showing distinct organ/cellular targeting capabilities; it is now focused on the functional delivery of specific payloads.

INDUSTRY OUTLOOK

Drug delivery remains a major challenge in both central nervous system (CNS) and cell and gene drug development, and we view these as key markets for ReNeuron to target with its exosome drug delivery platform. Additionally, ReNeuron's diversification in exosome-producing stem cell lines and its ability to produce exosomes with enhanced natural tissue-targeting affinity, particularly neural stem cell lines to target CNS indications, may offer market differentiation against single cell line competitors.

Y/E Mar	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (fd) (p)	P/E (x)	P/CF (x)
2022	0.4	N/A	(11.1)	(17.01)	N/A	N/A
2023	0.5	N/A	(6.7)	(9.47)	N/A	N/A
2024e	0.9	N/A	(7.1)	(10.53)	N/A	N/A
2025e	12.3	N/A	3.9	5.72	1.0	0.8

Sector: Pharma & healthcare

Price:	A$0.04
Market cap:	A$35m
Market	ASX

Share price graph (A$)

Company description

Respiri is an Australia-based medical device and SaaS company focused on respiratory health management through its integrated wheezo platform. Its technology records data such as wheeze rates, breath recordings and other environmental factors and medication usage. Wheezo was launched in the US in December 2021.

Price performance

%	1m	3m	12m
Actual	9.4	(2.8)	(10.3)
Relative*	13.1	4.1	(12.3)

* % Relative to local index

Analyst

Soo Romanoff

Respiri (RSH)

INVESTMENT SUMMARY

Respiri is an Australian medical device and SaaS company developing a novel remote patient monitoring (RPM) approach to respiratory health management through its integrated wheezo platform. With a commercialisation focus on the US market, Respiri has 15 clients across 14 US states (including recent contract wins in Hawai and Alabama). In August 2023 Respiri completed the acquisition of Access Managed Services (its US RPM partner) for a total cash consideration of A$4.5m. Respiri expects the acquisition to increase its recurring RPM revenue to US$70–100/patient (US$10–20/patient previously) and has guided for break-even at 9k patients by end CY24. The recent distribution agreement with Fi-Med Management provides an incremental growth opportunity.

INDUSTRY OUTLOOK

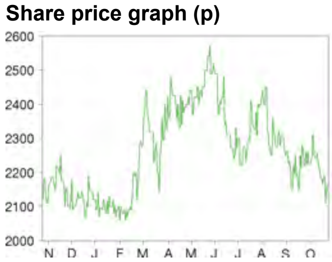
Despite the relatively large target patient population (asthma and chronic obstructive pulmonary disease), the key consideration for Respiri's US push is the established reimbursement infrastructure. The Centers for Medicare and Medicaid Services has established current procedural terminology codes for RPM reimbursement coverage. With key technology patents, two telehealth partners and reimbursement arrangements in place, Respiri is well positioned and has a first-mover advantage.

Y/E Jun	Revenue (A$m)	EBITDA (A$m)	PBT (A$m)	EPS (fd) (c)	P/E (x)	P/CF (x)
2022	0.8	(6.2)	(6.3)	(0.87)	N/A	N/A
2023	0.7	(5.4)	(5.4)	(0.67)	N/A	N/A
2024e	6.6	(1.7)	(1.8)	(0.20)	N/A	N/A
2025e	11.9	0.5	0.4	0.03	133.3	12982.7

Sector: Financials

Price:	2140.0p
Market cap:	£260m
Market	LSE

Share price graph (p)



Company description

S&U's Advantage motor finance business lends on a simple HP basis to lower- and middle-income groups that may have impaired credit records restricting access to mainstream products. It has c 65,000 customers. The Aspen property bridging business has been developing since its launch in 2017.

Price performance

%	1m	3m	12m
Actual	(3.6)	(8.0)	2.4
Relative*	1.1	(3.2)	(2.3)

* % Relative to local index

Analyst

Rob Murphy

S&U (SUS)

INVESTMENT SUMMARY

Advantage and Aspen both performed well and broadly in line with our expectations. PBT in H124 was £21.4m, 2% above H123. Impairments were better than expected, particularly at Aspen, but costs were affected by the inflationary environment and a more than twofold increase in finance expenses. Profit after tax came in at £16.2m, 5% below H123 as the tax rate rose. The group declared a dividend of 35p/share, in line with H123. S&U also increased its funding facilities by £70m to £280m in anticipation of future growth. Graham Wheeler, CEO of Advantage, is to retire at the beginning of FY24 and will be replaced by Karl Werner, former managing director of Motor, Aldermore Bank and deputy CEO of MotoNovo Finance.

INDUSTRY OUTLOOK

Momentum at Advantage has slowed, as the number of new motor loans fell 15% y-o-y, and we note that new lending was very strong in H223. Alongside weakening macroeconomic indicators, we have reduced our net receivables expectations, which is partially offset by increasing loan rates. We also expect cost inflation to continue to affect EBITDA. Our PBT assumptions for FY24 remain broadly unchanged at £40.9m, but we have lowered FY25 by 9% to £44.1m. Our dividend forecast is unchanged.

Y/E Jan	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (fd) (p)	P/E (x)	P/CF (x)
2022	87.9	51.3	47.0	312.7	6.8	N/A
2023	102.7	49.4	41.4	277.5	7.7	N/A
2024e	112.8	55.1	40.9	256.2	8.4	11.4
2025e	124.3	59.2	44.1	272.0	7.9	17.9

Sector: Financials

Price: 608.0p
Market cap: £114m
Market LSE

Share price graph (p)

Company description

Secure Trust Bank (STB) is a well-established specialist bank addressing niche markets within consumer and business lending.

Price performance

%	1m	3m	12m
Actual	(5.9)	4.8	(3.5)
Relative*	(1.3)	10.2	(7.9)

* % Relative to local index

Analyst

Rob Murphy

Secure Trust Bank (STB)

INVESTMENT SUMMARY

STB delivered an 11% y-o-y increase in operating income in H123, overcoming margin pressure on rising interest rates. PBT was £16.5m, down 4% on H122 as the bank incurred a one-off impairment charge of £7.0m stemming from a long-standing debt case in Commercial Finance. Excluding this charge, PBT was £23.5m, implying a 6% beat on our existing estimates on an annualised basis. Across the group, underlying impairments were resilient, especially in Vehicle Finance where impairments fell to 2.4% (H122: 8.0%) as lending shifted to prime borrowers. We have increased our FY23 and FY24 continuing PBT forecasts to £45m and £55m respectively.

INDUSTRY OUTLOOK

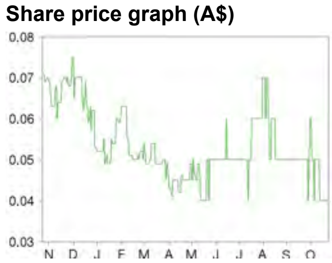
UK consumer finance demand remains robust and STB is gaining share in both Vehicle Finance and Retail Finance through expanded distribution and product innovation. Arrears remain under control with low UK unemployment and high single-digit wage growth mitigating high inflation and interest rates. Meanwhile, STB has strategically shifted to lower-risk prime borrowers. Business Finance lending is subdued due to the economic environment but is now less than 50% of the loan book and likely to shrink further in relative terms.

Y/E Dec	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (p)	P/E (x)	P/CF (x)
2021	148.9	N/A	55.9	240.0	2.5	N/A
2022	169.6	N/A	39.0	152.9	4.0	N/A
2023e	188.5	N/A	45.0	168.0	3.6	N/A
2024e	221.8	N/A	55.0	214.9	2.8	N/A

Sector: Technology

Price: A$0.04
Market cap: A$30m
Market ASX

Share price graph (A$)



Company description

SenSen Networks is an Australian live awareness company with a global presence. Its SenDISA platform uses AI to provide real-time insights across cities, retail and gaming, where its versatility provides opportunities across verticals and geographies.

Price performance

%	1m	3m	12m
Actual	(14.2)	(32.5)	(42.0)
Relative*	(11.2)	(27.7)	(43.3)

* % Relative to local index

Analyst

Max Hayes

SenSen Networks (SNS)

INVESTMENT SUMMARY

SenSen's SenDisa 'Live Awareness' platform enables data from multiple sensors and cameras to be fused into a single stream, analysed and turned into business insights in real time. In FY23, management streamlined operations to take advantage of the global Smart Cities opportunity. The company is now poised to generate cash in FY24, alongside further top-line growth and operating leverage. In October, SenSen announced a fully underwritten entitlement offer to raise A$2.09m, where c A$900k will be invested to fulfil a potentially transformational tender with an Australian-based government customer.

INDUSTRY OUTLOOK

Innovations in cloud technologies, mobile connected devices and IoT are proliferating the amount of data available to companies and are primary drivers of AI technology. The popularity of platforms like ChatGPT underscore momentum in the sector and highlight rising public interest. SenSen operates in a less concentrated market with its live awareness technology but could still leverage this momentum with its proven software.

Y/E Jun	Revenue (A$m)	EBITDA (A$m)	PBT (A$m)	EPS (fd) (c)	P/E (x)	P/CF (x)
2022	9.1	(7.6)	(8.4)	(1.40)	N/A	N/A
2023	10.8	(5.0)	(6.0)	(0.90)	N/A	N/A
2024e	14.3	2.5	1.9	0.21	19.0	15.2
2025e	N/A	N/A	N/A	N/A	N/A	N/A

Sector: Pharma & healthcare

Price:	€2.78
Market cap:	€79m
Market	Euronext Brussels

Share price graph (€)

Company description

Based in Belgium, Sequana Medical develops products to treat diuretic-resistant fluid overload, a frequent complication of liver disease and heart failure (HF). Its proprietary alfapump and Direct Sodium Removal (DSR) approaches aim to provide significant clinical and quality-of-life benefits.

Price performance

%	1m	3m	12m
Actual	(13.1)	(11.5)	(57.5)
Relative*	(5.0)	1.1	(55.9)

* % Relative to local index

Analyst

Pooya Hemami

Sequana Medical (SEQUA)

INVESTMENT SUMMARY

Sequana's alfapump and DSR platforms are being advanced as long-term treatments for diuretic-resistant fluid overload related to liver disease/ascites and HF, respectively. The alfapump removes localised excess fluid build-up in the peritoneal cavity and is being advanced for treating fluid overload (ascites) resulting from liver disease including non-alcoholic steatohepatitis. Sequana's larger opportunity lies within its DSR programme for chronic HF patients with persistent congestion.

INDUSTRY OUTLOOK

Given positive efficacy, safety and quality of life data from its POSEIDON North American registration study for the alfapump in recurrent and refractory ascites, Sequana expects to submit a US Premarket Approval application in Q423, with US approval anticipated in H224. Supported by encouraging data from its Phase IIa SAHARA DSR study in HF patients with persistent congestion, in July 2023 Sequana started a MOJAVE US Phase I/IIa study assessing its second-generation product (DSR 2.0) in a similar patient population. Positive results from the first two MOJAVE patients was reported in October, including the safe and effective treatment of congestion with maintenance of euvolemia without the need for loop diuretics, as well as material benefits in cardiorenal status and in diuretic response.

Y/E Dec	Revenue (€m)	EBITDA (€m)	PBT (€m)	EPS (fd) (c)	P/E (x)	P/CF (x)
2021	0.4	(23.4)	(24.4)	(136.37)	N/A	N/A
2022	0.9	(28.3)	(30.9)	(137.33)	N/A	N/A
2023e	0.7	(29.9)	(31.8)	(113.66)	N/A	N/A
2024e	1.8	(29.7)	(33.1)	(117.06)	N/A	N/A

Sector: Engineering

Price:	60.6p
Market cap:	£188m
Market	LSE

Share price graph (p)

Company description

Severfield is the market-leading UK structural steelwork fabricator operating across a broad range of market sectors. An Indian facility undertakes structural steelwork projects for the local market in a joint venture with India's largest steel producer, JSW Steel.

Price performance

%	1m	3m	12m
Actual	(2.9)	(18.1)	21.3
Relative*	1.9	(13.9)	15.8

* % Relative to local index

Analyst

Andy Murphy

Severfield (SFR)

INVESTMENT SUMMARY

Severfield's AGM statement highlights that FY24 is expected be in line with management expectations and that the quality of the orderbooks – both in the UK and Europe, and India – remains a key support for the future. That said, the outlook for the UK and continental Europe is less robust in the short term than it was due to the impact of high inflation and the rising interest rate cycle. The FY24e P/E rating of c 7x remains comfortably below the long-term average of 10.0x, implying that some risk is discounted in the rating. The stock yields more than 5%.

INDUSTRY OUTLOOK

The primary strategic aim is to maintain Severfield's position as the leading UK structural steelwork supplier. JSSL targets 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.

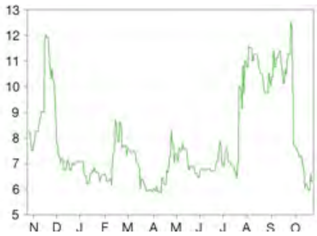
Y/E Mar	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (fd) (p)	P/E (x)	P/CF (x)
2022	403.6	33.4	27.1	7.00	8.7	4.6
2023	491.8	40.4	32.5	8.61	7.0	4.1
2024e	566.5	45.0	35.2	8.92	6.8	3.6
2025e	589.2	47.5	37.5	9.46	6.4	3.5

EDISON

Sector: Pharma & healthcare

Price:	6.3p
Market cap:	£49m
Market	LSE AIM

Share price graph (p)



Company description

Shield Therapeutics is a commercial-stage pharmaceutical company. Its proprietary product, Feraccru/Accrufer, is approved by the EMA and FDA for iron deficiency. Shield markets Accrufer in collaboration with Viatris in the United States and in other international markets, it is marketed through Shield's commercial partners.

Price performance

%	1m	3m	12m
Actual	(44.0)	(37.0)	(22.3)
Relative*	(41.3)	(33.8)	(25.9)

* % Relative to local index

Analyst

Soo Romanoff

Shield Therapeutics (STX)

INVESTMENT SUMMARY

Shield Therapeutics is a UK-headquartered commercial-stage speciality pharmaceutical company focused on the commercialisation of Feraccru/Accrufer (oral ferric maltol), approved by the EMA and FDA to treat iron deficiency in adults, with or without anaemia. Shield launched the product in the US in July 2021 as part of its self-commercialisation strategy. However, it signed a US co-commercialisation deal for Accrufer with Viatris in December 2022. The commercialisation of Feraccru in Europe, Australia and New Zealand is managed by distribution partner Norgine, and it has been licensed to ASK Pharm in China, Korea Pharma in South Korea and KYE Pharma in Canada. Q223 was a strong quarter with 51% q-o-q growth in US prescriptions to 15,800 and led to stronger management guidance of ~80% sequential growth in Q323 and anticipated ~100–130k US prescriptions in FY23. Supported by the recent $20m debt financing and $6.2m equity raise, we believe Shield is sufficiently funded to profitability in FY25.

INDUSTRY OUTLOOK

The market for iron deficiency is substantial and Feraccru/Accrufer is a unique oral formulation of iron developed to overcome the side-effect profile of salt-based oral iron therapies and provides an alternative treatment to intravenously administered iron.

Y/E Dec	Revenue (US$m)	EBITDA (US$m)	PBT (US$m)	EPS (fd) (c)	P/E (x)	P/CF (x)
2021	N/A	N/A	N/A	N/A	N/A	N/A
2022	5.5	(28.7)	(31.2)	(12.3)	N/A	N/A
2023e	22.9	(27.9)	(29.7)	(3.8)	N/A	N/A
2024e	74.8	(12.0)	(15.2)	(1.8)	N/A	N/A

Sector: Pharma & healthcare

Price:	US$5.25
Market cap:	US$373m
Market	Nasdaq

Share price graph (US$)

Company description

SIGA Technologies is a commercial-stage health security company focused on the treatment of smallpox and other orthopoxvirus. It has contracts with both the US and Canadian governments for TPOXX, its treatment for smallpox, and is expanding internationally.

Price performance

%	1m	3m	12m
Actual	11.5	4.6	(41.3)
Relative*	14.2	12.5	(47.7)

* % Relative to local index

Analyst

Soo Romanoff

SIGA Technologies (SIGA)

INVESTMENT SUMMARY

SIGA Technologies is a commercial-stage company focused on the treatment of smallpox and other orthopoxviruses. Lead drug TPOXX was approved by the US FDA in 2018 for the treatment of smallpox and in the EU and UK under the broad label including all orthopox pathogens in 2022. The company recently reported Q223 results, which came in largely as expected. Activity in H223 has started to firm up, with upcoming TPOXX deliveries (for H223) and better-than-expected international orders (offsetting IV orders that will likely be delivered in FY24). While SIGA is conducting a detailed review of preliminary data from the immunogenicity trial, the PEP label expansion presents an important growth catalyst.

INDUSTRY OUTLOOK

With c 64,000 global cases and 23,000 cases in the United States, mpox remains a growing concern for governments and health agencies. SIGA's antiviral product TPOXX is the leading therapeutic, originally designed to treat smallpox. TPOXX was approved by the US FDA for smallpox and is now available to treat mpox through the Centers for Disease Control and Prevention's expanded access investigational new drug protocol. Currently, it is the only allowed therapy for all orthopoxvirus pathogens, including mpox, approved in both the UK (July 2022) and the EU (January 2022).

Y/E Dec	Revenue (US$m)	EBITDA (US$m)	PBT (US$m)	EPS (fd) (c)	P/E (x)	P/CF (x)
2021	133.7	89.6	89.2	90.75	5.8	34.3
2022	110.8	43.2	43.7	45.56	11.5	9.2
2023e	175.2	100.5	102.4	110.32	4.8	5.6
2024e	181.0	102.3	104.7	117.80	4.5	4.8

Sector: Industrial support services

Price:	45.6p
Market cap:	£113m
Market	LSE

Share price graph (p)

Company description

Smiths News is the UK's largest newspaper and magazine distributor with a c 55% market share covering 24,000 retailers in England and Wales. It has a range of long-term exclusive distribution contracts with major publishers, supplying a mix of supermarkets and independent retailers.

Price performance

%	1m	3m	12m
Actual	8.3	4.1	33.3
Relative*	13.6	9.5	27.3

* % Relative to local index

Analyst

Natalya Davies

Smiths News (SNWS)

INVESTMENT SUMMARY

Smiths News' recent trading update highlights continued growth in FY23 adjusted operating profit, which is anticipated to be at least in line with market expectations of £38.3m (Edison: £38.1m). This represents a marginal increase of 0.5% year-on-year, despite the substantial inflationary impacts seen in the past two years. This follows the signing of numerous long-term publisher contracts recently, which collectively account for 65% of current revenues. These renewals bolster the company's cash-generative business model, providing a steady stream of revenue up to 2029 or 2030. The company has also recently extended the News UK contract to London areas, expected to generate incremental annual revenue of c £27m. We value the company at 89p/share.

INDUSTRY OUTLOOK

Volumes of newspaper and magazine sales have been falling at an average rate of c 5% pa for many years as first TV and radio and then online have taken over as the primary source of news consumption by an increasingly younger audience. Cover price inflation has partially offset lost revenue, but Smiths News has had to, and continues to, cut costs repeatedly to make up the shortfall. These characteristics are likely to persist into the future, but Smiths is developing new revenue streams to offset these pressures.

Y/E Aug	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (fd) (p)	P/E (x)	P/CF (x)
2021	1109.6	44.9	31.9	10.83	4.2	2.5
2022	1089.3	42.9	32.3	11.03	4.1	2.5
2023e	1056.6	43.2	33.1	10.53	4.3	2.5
2024e	1024.9	42.9	33.5	10.28	4.4	2.5

Sector: Financials

Price:	71.3p
Market cap:	£884m
Market	LSE

Share price graph (p)

Company description

Supermarket Income REIT (SUPR), listed on the premium segment of the LSE, invests in supermarket property, let to leading UK supermarket operators, on long, RPI-linked leases. The investment objective is to provide an attractive level of income, with the potential for capital growth.

Price performance

%	1m	3m	12m
Actual	(9.1)	(9.4)	(26.8)
Relative*	(4.6)	(4.8)	(30.1)

* % Relative to local index

Analyst

Martyn King

Supermarket Income REIT (SUPR)

INVESTMENT SUMMARY

FY23 adjusted earnings increased 26% to £72m driven by strongly increased rental income (acquisitions and rent reviews) partly offset by higher financing costs and admin expenses. Reflecting increased shares in issue, adjusted EPS was 2% lower at 5.8p, covering DPS of 6.0p by 0.97x. A new target DPS of 6.06p has been set for FY24 which SUPR expects to be fully covered. The c 13% like-for-like decline in property values during the year reflected market-wide yield widening but compared favourably with the broader market and substantially stabilised in H2. Over the year the topped-up net initial yield increased from 4.6% to 5.5%. EPRA NTA was 93p (vs 92p at H123 and 115p in the prior year). Bolstered by the sale proceeds of its highly successful JV, the balance sheet is strong, with a current LTV of 34% and all debt costs hedged with a weighted average four-year maturity.

INDUSTRY OUTLOOK

Across all main sectors the market is continuing to adjust to higher bond yields and economic uncertainty, although price weakness in 2023 year to date has been much less pronounced than in late 2022. SUPR's supermarket assets have the benefit of visible income, from long mostly indexed leases, a strong occupier covenant and the non-cyclical nature of grocery retailing.

Y/E Jun	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (p)	P/E (x)	P/CF (x)
2022	72.1	58.2	57.4	5.9	12.1	11.0
2023	95.2	79.8	72.4	5.8	12.3	10.5
2024e	106.1	92.5	75.8	6.1	11.7	9.9
2025e	N/A	N/A	N/A	N/A	N/A	N/A

EDISON

Sector: Mining

Price:	83.0p
Market cap:	£218m
Market	LSE AIM

Share price graph (p)

Company description

Sylvania Platinum focuses on the re-treatment and recovery of platinum group metals (PGMs) including platinum, palladium and rhodium, mainly from tailings dumps and other surface sources, but also lesser amounts of run-of-mine underground ore from Samancor chrome mines in South Africa.

Price performance

%	1m	3m	12m
Actual	8.5	15.3	(15.0)
Relative*	13.8	21.2	(18.8)

* % Relative to local index

Analyst

Rene Hochreiter

Sylvania Platinum (SLP)

INVESTMENT SUMMARY

Sylvania Platinum's FY23 production was at the upper end of guidance. The company's Q423 results were lower due to weaker rhodium prices. We have lowered our near-term forecasts for palladium and rhodium due to weak demand and high stock levels. Sylvania recently announced a joint venture with Limberg Mining Company, receiving a chromite concentrate revenue stream on its own account. Our value of 135.4p per share for Sylvania includes 17.2p per share from the joint venture.

INDUSTRY OUTLOOK

Platinum group metals (PGM) prices, especially platinum and iridium, will benefit from their use in the future hydrogen economy. We think PGM prices will rise in concert as battery materials shortages emerge in the second half of this decade resulting in higher than generally expected internal combustion engine car sales. Lower production from South African PGM producers due to ore reserve depletion and in Russia due to equipment spares shortages and improving Chinese demand for PGMs and particularly chromite, will likely support prices in the longer term.

Y/E Jun	Revenue (US$m)	EBITDA (US$m)	PBT (US$m)	EPS (fd) (c)	P/E (x)	P/CF (x)
2022	152.0	83.0	81.0	20.4	5.0	3.0
2023	130.0	66.0	67.0	16.7	6.1	3.5
2024e	114.0	37.0	39.0	10.7	9.5	8.3
2025e	137.0	50.0	49.0	12.8	7.9	5.9

Sector: Property

Price:	75.5p
Market cap:	£468m
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	(2.5)	(4.2)	(3.1)
Relative*	2.3	0.7	(7.5)

* % Relative to local index

Analyst

Martyn King

Target Healthcare REIT (THRL)

INVESTMENT SUMMARY

As expected, FY23 adjusted earnings grew strongly. Increased income, materially lower credit provisioning and well controlled costs more than outweighed higher debt costs. With the continuing improvement in overall tenant profitability, supported by asset management initiatives, rent collection increased to 99%. Rebased dividends (1.4p per quarter) in H2 were 1.07x covered and the Q124 DPS is increased 2% to 1.428p, with the company targeting a fully covered 5.71p for the year. With property yields stable, rent growth drove gains in property values and net asset value (NAV) in H2. H2 NAV total return of 4.5% substantially offset the negative 5.2% return of H1.

INDUSTRY OUTLOOK

The care home sector is driven by demographics rather than the economy, generating a positive demand outlook for new, ESG-compliant, purpose-built homes with flexible layouts and high-quality residential facilities. With its unwavering focus on asset and tenant quality, these are the homes in which Target invests. It believes that best-in-class assets, in areas with strong demand/supply characteristics, and sustainable rent levels will always be attractive to existing or alternative tenants and are key to providing sustainable, long-duration income with capital growth.

Y/E Jun	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (p)	P/E (x)	P/CF (x)
2022	63.9	N/A	30.2	5.0	15.1	15.1
2023	67.7	N/A	37.2	6.0	12.6	15.6
2024e	69.0	N/A	37.3	6.0	12.6	11.1
2025e	N/A	N/A	N/A	N/A	N/A	N/A

Sector: Technology

Price: 120.4p
Market cap: £326m
Market LSE AIM

Share price graph (p)

Company description

Team Internet Group is a global internet company that derives recurring revenue from privacy-safe, AI-based customer journeys that help online consumers make informed choices, as well as from the distribution of domain names.

Price performance

%	1m	3m	12m
Actual	(8.8)	(5.5)	(5.9)
Relative*	(4.3)	(0.7)	(10.2)

* % Relative to local index

Analyst

Max Hayes

Team Internet Group (TIG)

INVESTMENT SUMMARY

Team Internet (previously CentralNic) marked its 10-year anniversary of being listed with a name change and a capital markets day. Both reinforced the company's transformation into a diversified digital marketing platform group. The group consists of a network of people, technologies and tier one partners focused on creating successful connections between consumers and companies online. We believe that this strategy and platform provide a resilient foundation for Team Internet to continue to generate strong growth and cash flows. In our view, the current value rating is at odds with the company's growth track record and prospects.

INDUSTRY OUTLOOK

Team Internet's largest addressable market is online marketing, with global spending reaching US$616bn in 2022 and forecast to grow at a CAGR of 10% to 2027, according to Statista. While Team Internet currently has a small share of this market, its proprietary digital marketing capabilities and blue-chip partnerships offer the potential for rapid growth. However, further market consolidation may result in heightened competition from larger competitors, namely marketing technology companies such as The Trade Desk or AppLovin.

Y/E Dec	Revenue (US$m)	EBITDA (US$m)	PBT (US$m)	EPS (fd) (c)	P/E (x)	P/CF (x)
2021	410.5	46.3	31.9	10.91	13.5	14.3
2022	728.2	86.0	64.3	21.41	6.9	7.2
2023e	833.7	94.4	80.7	21.09	7.0	5.1
2024e	909.6	103.0	89.3	24.75	5.9	4.3

Sector: Mining

Price: US$0.83
Market cap: US$248m
Market Nasdaq

Share price graph (US$)

Company description

The Metals Company (TMC) is focused on the collection, processing and refining of polymetallic nodules, containing nickel, copper and cobalt, found on the seafloor in the international waters of the Clarion Clipperton Zone, 1,300 nautical miles off the coast of Southern California.

Price performance

%	1m	3m	12m
Actual	(23.3)	(54.5)	(15.5)
Relative*	(21.5)	(51.1)	(24.8)

* % Relative to local index

Analyst

David Larkam

The Metals Company (TMC)

INVESTMENT SUMMARY

TMC has been exploring the Clarion Clipperton Zone, a deep seabed off the coast of Western California. The region contains polymetallic nodules rich in nickel, cobalt, manganese and copper. It has been explored since the 1970s but requires the International Seabed Authority to initiate the requisite mining regulation, which has been delayed into 2024. TMC intends to submit an application for an exploitation licence in July 2024 and commence commercial nodule operations in Q425. Recent fund-raising and headroom provides TMC with the funds for the application and the required environmental impact statement.

INDUSTRY OUTLOOK

The decarbonisation of the automotive sector is gathering pace with sales of electric vehicles (EVs) increasing 59% in 2022 to nearly 15% of the global market. This seismic shift will require a significant increase in the availability of nickel, cobalt and manganese for the batteries required to power EVs. We estimate that TMC's total nickel resources could electrify 230m cars.

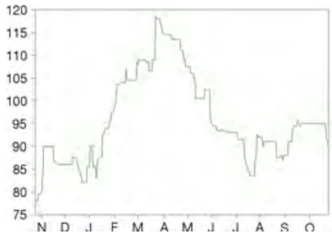
Y/E Dec	Revenue (US$m)	EBITDA (US$m)	PBT (US$m)	EPS (fd) (c)	P/E (x)	P/CF (x)
2021	0.0	(115.7)	(107.9)	(51.02)	N/A	N/A
2022	0.0	(170.5)	(86.0)	(32.46)	N/A	N/A
2023e	0.0	(46.2)	(50.0)	(16.33)	N/A	N/A
2024e	0.0	(60.0)	(50.0)	(15.91)	N/A	N/A

Sector: Media

The Pebble Group (PEBB)

Price:	90.0p
Market cap:	£151m
Market	LSE

Share price graph (p)



Company description

The Pebble Group provides digital commerce, products and related services to the global promotional products industry through two focused, complementary and differentiated businesses: Facilisgroup and Brand Addition.

Price performance

%	1m	3m	12m
Actual	(5.3)	7.8	15.4
Relative*	(0.6)	13.3	10.1

* % Relative to local index

Analyst

Fiona Orford-Williams

INVESTMENT SUMMARY

H123 results showed revenues up 5% y-o-y and adjusted EBITDA margin expanding from 11.1% to 11.8%. Our FY23 estimates were unchanged. Facilisgroup is making particularly strong progress, with revenues up 24% over H122 (+18% in US$) as it builds its customer base and adds further offerings. Brand Addition grew revenues by 2.5% in more challenging markets, with high retention rates clearly demonstrating its utility to its blue-chip customers. We would expect volumes to pick up as corporate confidence rebuilds. Facilisgroup President Ashley McCune has stepped down and CEO Chris Lee is in charge pending an appointment. We believe that Pebble's opportunities are not fully reflected in the valuation.

INDUSTRY OUTLOOK

The Pebble Group operates within the global promotional products market, estimated at $50bn. It is a highly competitive landscape, but distributor participants are predominantly small and local. The best statistics are available for the North American market, estimated by industry body PPAI to be worth over $25bn in FY22 (+13% y-o-y, and matching 2019 levels: Q123 growth lower at 3.3%, Q223 improved at 5.6%), with the total European market a little smaller. The industry's resilience is based on its utility and effectiveness as an advertising medium.

Y/E Dec	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (fd) (p)	P/E (x)	P/CF (x)
2021	115.1	15.4	10.9	5.12	17.6	9.8
2022	134.0	18.0	12.4	5.77	15.6	8.3
2023e	143.0	19.3	12.9	5.77	15.6	7.8
2024e	148.0	20.4	14.0	6.23	14.4	7.4

Sector: Media

Tinexta (TNXT)

Price:	€15.71
Market cap:	€742m
Market	Milan SE/Borsa Italiana

Share price graph (€)

Company description

Tinexta offers innovative solutions for the digital transformation and growth of companies, professionals and institutions. It has three divisions: Digital Trust, Business Innovation and Cyber Security.

Price performance

%	1m	3m	12m
Actual	(5.8)	(4.1)	(18.2)
Relative*	(2.1)	0.9	(34.6)

* % Relative to local index

Analyst

Russell Pointon

INVESTMENT SUMMARY

Tinexta's revenue and adjusted EBITDA year-on-year growth slowed a little in Q223 after a strong start to the year, but there was improving momentum in revenue and profitability from the two divisions that are forecast to generate the fastest growth in FY23. Of most significance was the acceleration by the Cyber Security division, which appears to have turned a corner since the start of the year following relatively disappointing growth post the acquisitions. The low net debt position leaves the company well placed to take advantage of M&A opportunities.

INDUSTRY OUTLOOK

Tinexta is exposed to favourable growth trends including the transition to a digital world and the requirement for enhanced online security. Starting from a purely domestic Italian focus, the company is exploiting these trends internationally. In particular, given recent regulatory changes, in Digital Trust the group is leveraging its Italian expertise to expand on an EU-wide basis with a unified legal base across the region. At the same time, we believe Tinexta is likely to make acquisitions in Italy and Europe that will further expand its addressable markets and seek cross-selling opportunities between the business units.

Y/E Dec	Revenue (€m)	EBITDA (€m)	PBT (€m)	EPS (fd) (c)	P/E (x)	P/CF (x)
2021	301.5	76.5	57.5	82.8	19.0	10.2
2022	357.2	94.8	73.6	106.7	14.7	10.1
2023e	410.4	104.1	80.8	105.4	14.9	10.4
2024e	456.7	119.8	95.0	120.3	13.1	9.4

Sector: Consumer support services

Price:	48.0p
Market cap:	£94m
Market	LSE

Share price graph (p)

Company description

Topps Tiles is the market-leading specialist retailer/distributor of wall and floor tiles, and associated products such as tools, grouts and adhesives, to its retail, trade and commercial customers in the UK.

Price performance

%	1m	3m	12m
Actual	(1.3)	(4.1)	19.9
Relative*	3.5	0.8	14.4

* % Relative to local index

Analyst

Russell Pointon

Topps Tiles (TPT)

INVESTMENT SUMMARY

The FY23 trading update indicated the company has delivered on consensus market profit expectations with a third consecutive year of record revenue. Group revenue grew by 6.4% y-o-y to c £263m (FY22: £247.2m), marginally ahead of our prior estimate of £261.3m. Management's stated 'significant outperformance' versus the UK tiling market is testimony to its strategy of developing and diversifying its operations. Management believes there has been rapid progress towards the early delivery of its '1 in 5 by 2025' market share target. Of equal importance was the contribution from the expected increase in the Topps Tiles brand's (Omnichannel) gross margin through the year as inflationary cost pressures eased.

INDUSTRY OUTLOOK

Changes in consumer confidence and the health of the housing market are important indicators for the outlook on spend on residential repairs, maintenance and improvement. With increasing exposure to the corporate market, Topps Tiles is also exposed to the expansion and maintenance capital plans of those customers, specifically in the retail, leisure and travel sectors, which are also affected by changes in consumer spending.

Y/E Oct	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (fd) (p)	P/E (x)	P/CF (x)
2021	228.0	47.6	16.5	6.73	7.1	2.0
2022	247.2	44.6	16.4	6.37	7.5	2.1
2023e	261.3	40.8	13.2	4.77	10.1	2.3
2024e	272.9	42.1	14.2	5.04	9.5	2.3

Sector: Food & drink

Price:	435.5p
Market cap:	£263m
Market	LSE

Share price graph (p)

Company description

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

Price performance

%	1m	3m	12m
Actual	(11.9)	(32.5)	(27.1)
Relative*	(7.6)	(29.0)	(30.4)

* % Relative to local index

Analyst

Milo Bussell

Treatt (TET)

INVESTMENT SUMMARY

Treatt's FY23 trading update demonstrated a resilient performance despite the tougher trading environment towards the end of the year. Revenue growth of c 5% (to c £147m) has been driven by price increases, which have mitigated inflationary pressures and supported margins. Sales in H223 slowed due to destocking as clients reduced inventories, although management notes early signs that this is reversing. New markets (Coffee, China and Treattzest citrus) displayed particularly strong growth, with revenue up 60% to £16m. Cash generation was at a record high leading to net debt more than halving in a year to £10.5m (FY22: £22.4m).

INDUSTRY OUTLOOK

Treatt has migrated 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, tea, fruit and vegetable flavours, and health and wellness (mainly 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 (fd) (p)	P/E (x)	P/CF (x)
2021	124.3	24.9	22.7	27.1	16.1	19.5
2022	140.2	19.5	16.5	25.4	17.1	N/A
2023e	147.2	23.6	18.0	21.7	20.1	8.7
2024e	156.0	27.9	20.4	24.1	18.1	12.0

Sector: Property

Price: 50.0p
Market cap: £197m
Market LSE

Share price graph (p)

Company description

Triple Point Social Housing REIT (SOHO) invests in primarily newly built and newly renovated social housing assets in the UK, with a particular focus on supported housing. SOHO aims to provide a stable, long-term inflation-linked income with the potential for capital growth.

Price performance

%	1m	3m	12m
Actual	(8.8)	(16.1)	(21.6)
Relative*	(4.3)	(11.8)	(25.2)

* % Relative to local index

Analyst

Martyn King

Triple Point Social Housing REIT (SOHO)

INVESTMENT SUMMARY

With borrowing costs fixed, H123 indexed rental income growth partly offset the impact of credit loss provisions against its two underperforming tenants. Rent collection fell to 88% but SOHO expects an increase in H2 as progress is made in resolving the issues, which show no read-across to the wider portfolio. Adjusted earnings of £8.9m was £1.5m or 14% lower versus H122 and £1.0m lower than H222 (£9.9m). Dividend cover fell to 0.81x. We forecast a strong rebound in FY24 earnings as provisions fall away. Rent growth more than offset property yield widening, generating valuation gains and an increase in NAV. Including DPS paid, the H1 NAV total return was 4.6%. The sale of four properties for £7.6m, just 3.6% below the 30 June 2023 book value, is supportive of published valuations and NAV, and confirms investor demand for SSH properties.

INDUSTRY OUTLOOK

Specialised social housing/care-based social housing is widely recognised to improve lives in a cost-effective manner compared with the alternatives of residential care or hospitals. Most providers/lessees are responding positively to regulatory activity by enhancing operational performance, financial strength and governance structures, all positive for sector sustainability.

Y/E Dec	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (p)	P/E (x)	P/CF (x)
2021	33.1	26.2	19.4	4.82	10.4	8.2
2022	37.4	27.5	19.3	4.78	10.5	7.8
2023e	39.8	27.2	19.7	4.95	10.1	6.9
2024e	41.3	32.8	25.3	6.43	7.8	6.0

Sector: Pharma & healthcare

Price: NOK112.00
Market cap: NOK3852m
Market Olso SE

Share price graph (NOK)

Company description

Ultimovacs is developing novel immunotherapies against cancer. Its lead product candidate, UV1, is a peptide-based vaccine against the universal cancer antigen telomerase (hTERT), which is expressed in c 85% of all cancer types. UV1 therefore has a broad potential in a variety of different settings and combinations.

Price performance

%	1m	3m	12m
Actual	40.0	47.4	57.8
Relative*	45.4	45.3	50.5

* % Relative to local index

Analyst

Soo Romanoff

Ultimovacs (ULTI)

INVESTMENT SUMMARY

Ultimovacs is a biotechnology company focused on developing a next generation cancer vaccine with virtually universal potential. Lead asset UV1 activates the immune system to recognise cancer cells that express hTERT, which is present in c 85% of all cancer types. For this reason, UV1 has broad potential in a variety of cancers and in combination with other treatments. The company's R&D strategy is to combine UV1 with checkpoint inhibitors due to an expected treatment synergy. The broad R&D programme includes five Phase II trials in different solid tumours, which will enrol more than 600 patients in total. Readouts are expected over 2023–25. The most near-term catalyst for the share price is top-line readouts from the Phase II INITIUM study in malignant melanoma, expected in H124.

INDUSTRY OUTLOOK

Novel drug projects in oncology comprise the lion's share of total R&D investments in the industry. Around 85% of all cancer types express high levels of hTERT, which means that UV1 has a broad potential in a variety of different settings, including combinations with other cancer treatments.

Y/E Dec	Revenue (NOKm)	EBITDA (NOKm)	PBT (NOKm)	EPS (fd) (öre)	P/E (x)	P/CF (x)
2021	0.0	(161.1)	(164.7)	(508.83)	N/A	N/A
2022	0.0	(181.0)	(167.8)	(489.06)	N/A	N/A
2023e	0.0	(235.8)	(214.8)	(624.46)	N/A	N/A
2024e	0.0	(274.0)	(277.9)	(807.84)	N/A	N/A

EDISON

Sector: Technology

Price: €0.15
Market cap: €53m
Market Euronext Paris

Share price graph (€)

Company description

Vantiva consists of two businesses: Connected Home (CH), a leading global supplier of strategic customer-premises equipment solutions, and Vantiva Supply Chain Services (SCS), a global leader in the production of discs and associated logistical fulfilment.

Price performance

%	1m	3m	12m
Actual	(7.8)	(31.6)	(80.1)
Relative*	(2.9)	(25.4)	(82.2)

* % Relative to local index

Analyst

Fiona Orford-Williams

Vantiva (VANTI)

INVESTMENT SUMMARY

Vantiva has announced the purchase of CommScope's Home Networks business in exchange for CommScope taking a 25% stake in the enlarged group. The deal significantly increases the scale of the CH segment, with combined revenues of $3.6bn (€3.4bn) in the 12 months to June 2023, enlarging its customer base and geographic reach. Run-rate cost synergies of $100m by FY26 have been identified and the deal would accelerate the improvement in cash generation, so reducing the debt burden. An earnout based on demanding EBITDA targets across FY25–29 is in place, capped at $100m. Completion is expected in Q423. Meantime, Vantiva has agreed a new €85m financing facility.

INDUSTRY OUTLOOK

The ongoing trading backdrop is mixed and management remains cautious on demand from the network service providers, key customers of the CH segment. However, relationships are very close and there is plenty of co-operation on technical developments, such as DOCSIS 4.0, Wi-Fi 7 and 5G FWA. These should spur demand as service providers introduce them, with the increased scale post the CommScope acquisition cementing commercial relationships further. SCS's ambition is to build on its expertise in precision manufacturing and complex logistical fulfilment.

Y/E Dec	Revenue (€m)	EBITDA (€m)	PBT (€m)	EPS (fd) (c)	P/E (x)	P/CF (x)
2021	2250.0	105.0	(126.0)	(61.0)	N/A	N/A
2022	2776.0	161.0	(497.0)	(197.0)	N/A	0.5
2023e	2640.0	140.0	(22.0)	(8.0)	N/A	N/A
2024e	2702.0	151.0	(14.0)	(4.0)	N/A	0.3

Sector: Technology

Price: A$0.04
Market cap: A$43m
Market ASX

Share price graph (A$)

Company description

Vection Technologies (VR1), an Australia-based software company, operates in the field of extended reality (XR), which encompasses immersive technologies such as augmented reality, virtual reality and mixed reality.

Price performance

%	1m	3m	12m
Actual	(9.5)	(15.6)	(41.5)
Relative*	(6.4)	(9.6)	(42.9)

* % Relative to local index

Analyst

Max Hayes

Vection Technologies (VR1)

INVESTMENT SUMMARY

Vection Technologies reported rapid contract growth in its Q423 update, driven by upsells, new contract wins and progress with its potential A$30m defence tender. The ability to integrate artificial intelligence software, like ChatGPT, and Apple's entry into the market underpins the rising commercial value of XR software. This is translating into increased demand across a range of verticals, where management is aiming to solidify its market position through M&A, alongside developments to its IntegratedXR product suite. Higher investment could impact FY23 profitability but the group's plan to build operating leverage should support FY24 margins.

INDUSTRY OUTLOOK

VR1's prospects are boosted by the two fast-growing markets it operates in. First is the rapidly evolving metaverse, which is swiftly adding users and potential customers for VR1's products (Gartner predicts that by 2026, 25% of people will spend at least one hour per day in the metaverse). Second is the XR market, which is expected by various studies to grow by 46–58% in 2022–27.

Y/E Dec	Revenue (A$m)	EBITDA (A$m)	PBT (A$m)	EPS (c)	P/E (x)	P/CF (x)
2021	3.5	(0.4)	(2.5)	(0.27)	N/A	N/A
2022	18.9	0.9	(7.0)	(0.67)	N/A	N/A
2023e	N/A	N/A	N/A	N/A	N/A	N/A
2024e	N/A	N/A	N/A	N/A	N/A	N/A

Sector: Mining

Price: C$59.68
Market cap: C$27025m
Market Toronto SE

Share price graph (C$)

Company description

Wheaton Precious Metals is the world's pre-eminent ostensibly precious metals streaming company, with over 30 high-quality precious metals streams and early deposit agreements over mines in Mexico, Canada, Brazil, Chile, the US, Argentina, Peru, Sweden, Greece, Portugal and Colombia.

Price performance

%	1m	3m	12m
Actual	2.1	2.2	33.8
Relative*	6.1	10.3	32.5

* % Relative to local index

Analyst

Lord Ashbourne

Wheaton Precious Metals (WPM)

INVESTMENT SUMMARY

Wheaton Precious Metals' (WPM's) production of gold equivalent ounces (GEOs) was 4.6% higher than our prior forecasts in Q223, while sales of GEOs were 6.9% higher, driving a positive variance in revenue of 6.6%, or US$16.4m, following stronger-than-expected production results at Salobo, in particular. WPM reaffirmed FY23 production guidance of 600–660koz GEOs. However, we expect growth in production thereafter, such that it exceeds 850koz GEOs by FY27.

INDUSTRY OUTLOOK

Assuming no purchases of additional streams in the foreseeable future (which we think unlikely), we calculate a value per share for WPM of US$57.71 or C$79.16 or £47.56 in FY26, based on a 30.4x historical multiple of contemporary earnings. In the meantime, WPM's shares are trading on near-term financial ratios that are lower than those of its peers on at least 52% of common valuation measures, which otherwise imply a share price today of US$45.89, or C$62.94 or £37.54 (based on Edison forecasts). Q3 results are scheduled for 9 November.

Y/E Dec	Revenue (US$m)	EBITDA (US$m)	PBT (US$m)	EPS (fd) (c)	P/E (x)	P/CF (x)
2021	1201.7	852.7	592.1	131.0	33.4	23.1
2022	1065.1	735.2	497.7	112.0	39.1	26.4
2023e	969.8	676.5	468.7	111.0	39.4	27.3
2024e	1434.9	1041.1	686.6	151.0	29.0	19.0

Sector: Technology

Price: 1010.0p
Market cap: £199m
Market LSE

Share price graph (p)

Company description

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

Price performance

%	1m	3m	12m
Actual	(58.5)	(50.7)	(31.7)
Relative*	(56.5)	(48.2)	(34.8)

* % Relative to local index

Analyst

Katherine Thompson

XP Power (XPP)

INVESTMENT SUMMARY

XP Power has confirmed that Q323 trading was lower than expected, with weaker end-market demand resulting in some customers deferring shipments into FY24. Management expects these conditions to continue for the rest of the year, with the FY23 outlook now below its prior expectation and operating profit likely to be broadly similar to FY22. End-Q323 net debt was £163m and XP expects it to rise further by the year end. XP is taking steps to reduce costs, conserve cash and maximise headroom in its banking facilities, including suspending the build of the Malaysian manufacturing facility and cancelling the dividend for the remainder of the year.

INDUSTRY OUTLOOK

XP Power supplies three end-markets: healthcare, industrial technology and semiconductor manufacturing. The industrial technology segment is relatively fragmented, with demand across various applications. The healthcare business continues to gain market share, with corporate approvals from the major suppliers in place. The semiconductor segment is the most cyclical, tracking the capex requirements of semiconductor manufacturers.

Y/E Dec	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (fd) (p)	P/E (x)	P/CF (x)
2021	240.3	55.5	43.8	176.3	5.7	3.5
2022	290.4	56.4	38.0	160.1	6.3	3.5
2023e	N/A	N/A	N/A	N/A	N/A	N/A
2024e	N/A	N/A	N/A	N/A	N/A	N/A

Edison dividend list

Company name	FY0 period end	Currency	DPS FY0	DPS FY1	DPS FY2
4imprint Group	2022/12	USD	160.00	185.00	210.00
ABC arbitrage	2022/12	EUR	41.00	30.00	35.60
AFT Pharmaceuticals	2023/03	NZD	1.10	1.43	2.64
discoverIE Group	2023/03	GBP	11.45	12.00	12.50
Endeavour Mining	2022/12	USD	81.00	81.00	88.00
Games Workshop Group	2023/05	GBP	415.00	425.00	435.00
Greggs	2022/12	GBP	59.00	66.10	66.90
Helios Underwriting	2022/12	GBP	3.00	6.00	13.70
Impact Healthcare REIT	2022/12	GBP	6.50	6.80	7.00
LXi REIT	2023/03	GBP	6.30	6.60	6.90
Numis Corporation	2022/09	GBP	13.50		
Ocean Wilsons Holdings	2022/12	USD	70.00	70.00	
Pan African Resources	2023/06	USD	0.95	0.95	0.95
Phoenix Spree Deutschland	2022/12	EUR	2.40	0.00	0.00
Primary Health Properties	2022/12	GBP	6.50	6.70	6.90
ProCredit Holding	2022/12	EUR	0.00	51.60	57.10
Record	2023/03	GBP	4.50	4.40	5.40
Regional REIT	2022/12	GBP	6.60	5.25	4.80
S&U	2023/01	GBP	133.00	133.00	150.00
Secure Trust Bank	2022/12	GBP	45.10	42.00	53.70
Supermarket Income REIT	2023/06	GBP	6.00	6.06	
Target Healthcare REIT	2023/06	GBP	6.20	5.70	
Treatt	2022/09	GBP	7.90	8.00	8.60
Triple Point Social Housing REIT	2022/12	GBP	5.46	5.46	5.70
Wheaton Precious Metals	2022/12	USD	60.00	60.00	64.00

Company	Sector	Most recent note	Date published
1Spatial	Software & comp services	Update	11/10/23
4iG	IT services	Update	05/09/23
4imprint Group	Media	Update	08/08/23
AAC Clyde Space	Aerospace & defence	Update	08/09/23
ABC arbitrage	Financials	Update	04/10/23
Aberdeen New Thai Investment Trust	Investment companies	Investment company review	29/01/21
abrdn Asian Income Fund	Investment companies	Investment company update	09/08/23
abrdn Latin American Income Fund	Investment companies	Investment company update	31/08/22
abrdn Private Equity Opportunities Trust	Investment companies	Investment company update	25/10/23
abrdn UK Smaller Cos Growth Trust	Investment companies	Investment company review	18/10/23
Accsys Technologies	General industrials	Update	08/09/23
Actinogen Medical	Healthcare	Update	25/10/23
AFT Pharmaceuticals	Healthcare	Flash	19/10/23
AGBA	Financial services	Update	18/09/23
Agronomics	Investment companies	Investment company update	09/03/23
Alkane Resources	Metals & mining	Update	25/08/23
Alphamin Resources	Metals & mining	Outlook	04/09/23
Amoéba	Industrial engineering	Update	22/05/23
ArborGen	Basic materials	Outlook	24/07/23
Arctic Paper	Industrials	Update	15/08/23
Atlantis Japan Growth Fund	Investment companies	Investment company flash	16/08/23
Auriant Mining	Metals & mining	Update	16/12/21
AVAX	Industrials	Flash	09/08/23
Axiom European Financial Debt Fund	Investment companies	Investment company update	07/11/22
Baillie Gifford China Growth Trust	Investment companies	Investment company review	01/12/22
Baillie Gifford US Growth Trust	Investment companies	Investment company update	15/09/23
Baker Steel Resources Trust	Investment companies	Investment company update	20/09/23
Basilea Pharmaceutica	Healthcare	Flash	20/10/23
BayWa	Consumer staples	Update	19/01/21
BB Biotech	Investment companies	Investment company update	25/10/23
bet-at-home	Travel & leisure	Update	12/12/22
Biodexa Pharmaceuticals	Healthcare	Flash	24/05/23
Biotech Growth Trust (The)	Investment companies	Investment company review	04/10/23
BlackRock Greater Europe Inv. Trust	Investment companies	Investment company review	09/10/23
BlackRock Latin American Inv. Trust	Investment companies	Investment company update	18/05/22
BlackRock Sustainable American Income Trust	Investment companies	Investment company review	23/05/23
Bloc Ventures	Venture capital	Update	26/07/22
Boku	Software & comp services	Update	26/09/23
Borussia Dortmund	Travel & leisure	Update	23/08/23
Braemar	Industrial support services	Update	04/04/23
Brunner Investment Trust (The)	Investment companies	Investment company update	21/09/23
Cadence Minerals	Metals & mining	Flash	31/08/23
Canacol Energy	Oil & gas	Flash	13/10/23
Canadian General Investments	Investment companies	Investment company update	11/05/23
Cantargia	Healthcare	Flash	19/04/23
Carr's Group	Food & drink	Flash	11/10/23
Cenkos Securities	Financial services	Update	15/03/23
Centaur Media	Media	Update	20/07/23
Channel Islands Property Fund	Investment companies	Investment company update	10/10/23
Checkit	Software & comp services	Update	14/09/23
Chosa Oncology	Healthcare	Update	10/08/23
CI Games	Video games	Flash	04/10/23
Claranova	Software & comp services	Update	09/08/23
CLIQ Digital	Media	Update	08/08/23
Cohort	Aerospace & defence	Outlook	15/12/22
CoinShares International	Financials	Update	16/08/23
Coro Energy	Oil & gas	Flash	03/04/20
Creo Medical	Healthcare	Flash	26/10/23

Company	Sector	Most recent note	Date published
Creotech Instruments	Aerospace & defence	Flash	30/06/23
Custodian Property Income REIT	Property	Outlook	27/09/23
Datatec	IT services	Flash	23/10/23
Dentsu Group	Media	Outlook	18/08/23
Deutsche Beteiligungs	Investment companies	Investment company update	23/08/23
DFR Gold	Metals & mining	Initiation	21/09/23
discoverIE Group	Electronics & electrical	Update	13/10/23
Diverse Income Trust (The)	Investment companies	Investment company update	20/10/23
Doctor Care Anywhere Group	Healthcare	Update	25/04/22
Dowlais Group	Automotive components	Flash	13/09/23
EMIS Group	Software & comp services	Flash	29/09/23
EML Payments	Software & comp services	Update	14/09/23
Endeavour Mining	Metals & mining	Update	25/10/23
Ensurge Micropower	Tech hardware & equipment	Update	07/03/23
Epwin Group	Industrials	Update	19/10/23
EQS Group	Media	Outlook	16/08/23
Esker	Technology	Update	18/09/23
e-therapeutics	Healthcare	Initiation	16/05/23
European Opportunities Trust	Investment companies	Investment company update	16/08/23
Expert.ai	Technology	Update	05/10/21
Filtronic	Tech hardware & equipment	Flash	22/09/23
Finsbury Growth & Income Trust	Investment companies	Investment company review	22/05/23
Foresight Solar Fund	Investment companies	Investment company flash	10/08/23
Foxtons Group	Financial services	Update	01/08/23
Freelancer	Software & comp services	Update	24/10/23
Games Workshop Group	Consumer goods	Outlook	25/09/23
Georgia Capital	Investment companies	Investment company update	07/09/23
Greggs	Food & drink	Update	03/10/23
Gresham House Energy Storage Fund	Investment companies	Investment company flash	14/03/23
Gresham House Strategic	Investment companies	Investment company review	08/10/20
Hansa Investment Company	Investment companies	Investment company review	06/05/21
Heliad Equity Partners	Investment companies	Investment company update	15/06/23
Helios Underwriting	Insurance	Update	10/10/23
HELLENiQ Energy	Oil & gas	Flash	11/11/22
Henderson EuroTrust	Investment companies	Investment company review	25/07/23
Henderson Far East Income	Investment companies	Investment company update	17/07/23
Henderson International Income Trust	Investment trusts	Investment company update	30/06/23
Henderson Opportunities Trust	Investment trusts	Investment company update	19/07/23
HgCapital Trust	Investment companies	Investment company update	22/09/23
Immix Biopharma	Healthcare	Update	10/10/23
Impact Healthcare REIT	Real estate	Update	26/10/23
Incannex Healthcare	Healthcare	Update	01/06/23
Information Services Corporation	Industrial support services	Initiation	26/10/23
Invesco Asia Trust	Investment companies	Investment company update	28/03/23
IP Group	Listed venture capital	Update	03/10/23
IRLAB Therapeutics	Healthcare	Flash	10/10/23
JDC Group	Diversified financials	Update	16/08/23
Jersey Electricity	Industrials	Update	18/09/22
JPMorgan European Discovery Trust	Investment companies	Update	12/09/22
JPMorgan Global Growth & Income	Investment companies	Investment company update	06/02/23
Jupiter UK Growth Investment Trust	Investment trusts	Investment company review	13/05/19
KEFI Gold and Copper	Metals & mining	Flash	18/09/23
Kendrion	Industrial engineering	Update	01/09/23
Kinarus Therapeutics	Healthcare	Flash	15/05/23
Lepidico	Metals & mining	Update	14/02/23
Light Science Technologies Holdings	Tech hardware & equipment	Flash	05/04/23
Lithium Power International	Metals & mining	Flash	22/06/23
Lowland Investment Company	Investment companies	Investment company update	10/10/23

Company	Sector	Most recent note	Date published
LXi REIT	Real estate	Update	18/07/23
MagForce	Healthcare	Flash	10/11/21
Manx Financial Group	Banking	Flash	16/10/23
Martin Currie Global Portfolio Trust	Investment companies	Investment company review	12/07/23
Media and Games Invest	Media	Update	05/06/23
Melrose Industries	Industrials	Update	24/10/23
Mendus	Healthcare	Flash	08/09/23
Merchants Trust (The)	Investment companies	Investment company review	09/10/23
Molecure	Healthcare	Update	04/10/23
Molten Ventures	Investment companies	Review	24/07/23
MotorK	Software & comp services	Update	31/07/23
Murray Income Trust	Investment companies	Investment company update	23/05/23
Murray International Trust	Investment companies	Investment company review	12/09/23
musicMagpie	Retail	Outlook	25/07/23
Mytilineos	General industrials	Flash	05/05/23
Nanoco Group	Tech hardware & equipment	Update	20/10/23
Nano Dimension	Tech hardware & equipment	Update	23/08/23
Newron Pharmaceuticals	Healthcare	Update	11/10/23
Nicox	Healthcare	Flash	21/07/23
Norcros	Construction & materials	Update	02/08/23
Numis Corporation	Financial services	Update	04/04/23
Ocean Wilsons Holdings	Investment companies	Flash	21/11/22
Ondine Biomedical	Healthcare	Flash	11/08/23
OPAP	Travel & leisure	Outlook	20/10/23
OpGen	Healthcare	Update	14/08/23
OPG Power Ventures	Utilities	Update	05/04/22
Oryzon Genomics	Healthcare	Flash	11/10/23
OSE Immunotherapeutics	Healthcare	Flash	17/10/23
OTC Markets Group	Financial services	Update	30/05/22
Oxford Cannabinoid Technologies	Healthcare	Flash	12/10/23
Pan African Resources	Metals & mining	Update	18/09/23
Pan American Silver	Metals & mining	Flash	12/10/23
Paradigm Biopharma	Healthcare	Flash	25/10/23
paragon	General industrials	Update	25/10/23
PB Holding	Automobiles & parts	Flash	02/10/23
Pharnext	Healthcare	Flash	25/09/23
Phoenix Spree Deutschland	Real estate	Update	14/08/23
Picton Property Income	Property	Flash	11/10/23
Pixium Vision	Healthcare	Flash	10/10/23
Portobello	Retail	Outlook	20/06/23
Premier Miton Global Renewables Trust	Investment companies	Investment company update	12/10/23
Primary Health Properties	Real estate	Flash	13/09/23
Princess Private Equity Holding	Investment companies	Investment company update	31/08/23
ProCredit Holding	Banks	Update	23/08/23
Quadrise Fuels International	Alternative energy	Update	31/03/23
Raven Property Group	Property	Outlook	09/09/21
Recce Pharmaceuticals	Healthcare	Update	23/08/23
Record	Financials	Update	25/07/23
Regional REIT	Real estate	Outlook	27/09/23
ReNeuron Group	Healthcare	Flash	15/09/23
Renewi	Industrial support services	Update	05/09/23
Respiri	Healthcare	Update	12/09/23
Riverstone Credit Opportunities Income	Investment companies	Investment company update	29/08/23
Round Hill Music Royalty Fund	Investment companies	Investment company review	06/05/23
RTW Biotech Opportunities	Investment companies	Investment company flash	05/07/23
S&U	Financials	Update	16/10/23
Sareum Holdings	Healthcare	Update	12/10/23
SDCL Energy Efficiency Income Trust	Investment companies	Initiation	24/08/23

Company	Sector	Most recent note	Date published
Secure Trust Bank	Financials	Flash	19/05/23
SenSen Networks	Software & comp services	Update	14/09/23
Sequana Medical	Healthcare	Update	25/09/23
Seraphim Space Investment Trust	Investment companies	Investment company update	12/09/23
Severfield	Construction & materials	Update	08/09/23
Shield Therapeutics	Healthcare	Update	29/09/23
SIGA Technologies	Healthcare	Flash	24/10/23
Smiths News	Industrial support services	Flash	04/10/23
Supermarket Income REIT	Property	Update	22/05/23
Sylvania Platinum	Metals & mining	Update	14/09/23
SynBiotic	Consumer	Outlook	09/05/23
Target Healthcare REIT	Property	Update	09/08/23
Team Internet	Software & comp services	Update	19/09/23
Templeton Emerging Markets Inv Trust	Investment companies	Investment company review	04/07/23
Tetragon Financial Group	Investment companies	Investment company update	09/08/23
The Bankers Investment Trust	Investment trusts	Investment company review	11/08/23
The European Smaller Companies Trust	Investment companies	Investment company update	07/08/23
The Law Debenture Corporation	Investment companies	Investment company update	07/08/23
The Metals Company	Metals & mining	Update	16/08/23
The Pebble Group	Media	Flash	05/09/23
TIE Kinetix	Software & comp services	Update	18/05/22
Tinexta	Professional services	Update	03/08/23
Topps Tiles	Retail	Update	04/10/23
Treatt	Basic industries	Update	16/10/23
Triple point Energy Transition	Investment companies	Update	25/09/23
Triple Point Social Housing REIT	Real estate	Outlook	13/04/23
UIL	Investment companies	Investment company review	03/10/23
Ultimovacs	Healthcare	Flash	18/10/23
Utilico Emerging Markets Trust	Investment companies	Investment company review	14/09/23
Vantiva	Media	Flash	04/10/23
Vection Technologies	Software & comp services	Flash	16/08/23
VietNam Holding	Investment companies	Investment company update	27/03/23
VinaCapital Vietnam Opportunity Fund	Investment companies	Investment company update	01/08/23
VivoPower International	General industrials	Update	28/02/22
VolitionRx	Healthcare	Update	17/01/23
Wheaton Precious Metals	Metals & mining	Update	23/10/23
Witan Investment Trust	Investment companies	Investment company update	29/09/23
Worldwide Healthcare Trust	Investment companies	Investment company review	03/08/23
XP Power	Electronic & electrical	Update	01/08/23

General disclaimer and copyright

This report has been prepared and issued by Edison. Edison Investment Research standard fees are £60,000 pa for the production and broad dissemination of a detailed note (Outlook) following by regular (typically quarterly) update notes. Fees are paid upfront in cash without recourse. Edison may seek additional fees for the provision of roadshows and related IR services for the client but does not get remunerated for any investment banking services. We never take payment in stock, options or warrants for any of our services.

Accuracy of content: All information used in the publication of this report has been compiled from publicly available sources that are believed to be reliable, however we do not guarantee the accuracy or completeness of this report and have not sought for this information to be independently verified. Opinions contained in this report represent those of the research department of Edison at the time of publication. Forward-looking information or statements in this report contain information that is based on assumptions, forecasts of future results, estimates of amounts not yet determinable, and therefore involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of their subject matter to be materially different from current expectations.

Exclusion of Liability: To the fullest extent allowed by law, Edison shall not be liable for any direct, indirect or consequential losses, loss of profits, damages, costs or expenses incurred or suffered by you arising out or in connection with the access to, use of or reliance on any information contained on this note.

No personalised advice: The information that we provide should not be construed in any manner whatsoever as, personalised advice. Also, the information provided by us should not be construed by any subscriber or prospective subscriber as Edison's solicitation to effect, or attempt to effect, any transaction in a security. The securities described in the report may not be eligible for sale in all jurisdictions or to certain categories of investors.

Investment in securities mentioned: Edison has a restrictive policy relating to personal dealing and conflicts of interest. Edison Group does not conduct any investment business and, accordingly, does not itself hold any positions in the securities mentioned in this report. However, the respective directors, officers, employees and contractors of Edison may have a position in any or related securities mentioned in this report, subject to Edison's policies on personal dealing and conflicts of interest.

Australia

Edison Investment Research Pty Ltd (Edison AU) is the Australian subsidiary of Edison. Edison AU is a Corporate Authorised Representative (1252501) of Crown Wealth Group Pty Ltd who holds an Australian Financial Services Licence (Number: 494274). This research is issued in Australia by Edison AU and any access to it, is intended only for "wholesale clients" within the meaning of the Corporations Act 2001 of Australia. Any advice given by Edison AU is general advice only and does not take into account your personal circumstances, needs or objectives. You should, before acting on this advice, consider the appropriateness of the advice, having regard to your objectives, financial situation and needs. If our advice relates to the acquisition, or possible acquisition, of a particular financial product you should read any relevant Product Disclosure Statement or like instrument.

New Zealand

The research in this document is intended for New Zealand resident professional financial advisers or brokers (for use in their roles as financial advisers or brokers) and habitual investors who are "wholesale clients" for the purpose of the Financial Advisers Act 2008 (FAA) (as described in sections 5(c) (1)(a), (b) and (c) of the FAA). This is not a solicitation or inducement to buy, sell, subscribe, or underwrite any securities mentioned or in the topic of this document. For the purpose of the FAA, the content of this report is of a general nature, is intended as a source of general information only and is not intended to constitute a recommendation or opinion in relation to acquiring or disposing (including refraining from acquiring or disposing) of securities. The distribution of this document is not a "personalised service" and, to the extent that it contains any financial advice, is intended only as a "class service" provided by Edison within the meaning of the FAA (i.e. without taking into account the particular financial situation or goals of any person). As such, it should not be relied upon in making an investment decision.

United Kingdom

This document is prepared and provided by Edison for information purposes only and should not be construed as an offer or solicitation for investment in any securities mentioned or in the topic of this document. A marketing communication under FCA Rules, this document has not been prepared in accordance with the legal requirements designed to promote the independence of investment research and is not subject to any prohibition on dealing ahead of the dissemination of investment research.

This Communication is being distributed in the United Kingdom and is directed only at (i) persons having professional experience in matters relating to investments, i.e. investment professionals within the meaning of Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the "FPO") (ii) high net-worth companies, unincorporated associations or other bodies within the meaning of Article 49 of the FPO and (iii) persons to whom it is otherwise lawful to distribute it. The investment or investment activity to which this document relates is available only to such persons. It is not intended that this document be distributed or passed on, directly or indirectly, to any other class of persons and in any event and under no circumstances should persons of any other description rely on or act upon the contents of this document.

This Communication is being supplied to you solely for your information and may not be reproduced by, further distributed to or published in whole or in part by, any other person.

United States

Edison relies upon the "publishers' exclusion" from the definition of investment adviser under Section 202(a)(11) of the Investment Advisers Act of 1940 and corresponding state securities laws. This report is a bona fide publication of general and regular circulation offering impersonal investment-related advice, not tailored to a specific investment portfolio or the needs of current and/or prospective subscribers. As such, Edison does not offer or provide personal advice and the research provided is for informational purposes only. No mention of a particular security in this report constitutes a recommendation to buy, sell or hold that or any security, or that any particular security, portfolio of securities, transaction or investment strategy is suitable for any specific person.

-

London │ New York │ Frankfurt
20 Red Lion Street
London, WC1R 4PS