

N+1 SINGER

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Q1 Review

April 2015

N+1 Singer Chief Executive's Q1 Review - 2015

2015 has started well with UK equity markets driven ahead by improving confidence and sustained investment flows. During the first quarter all areas of the market have recorded positive progress; the FTSE 100 reached record highs in March and by the end of the quarter had increased by 3.2%. Elsewhere the FTSE Small Cap rose by 5.3% and the FTSE 250 was up 6.2%, yet again leading the way. These moves helped the FTSE All Share, the broadest measure of the market, to advance by 3.7% leaving the index at the end of the quarter some 3.5% below its all time high, which it recorded earlier in March. Following a particularly testing 2014, the FTSE AIM All-Share also returned to growth and finished the quarter up 2.0%.

Looking ahead, UK investors face significant near term uncertainty both domestically and globally. In the UK we will shortly witness what promises to be the closest general election in living memory. Based on the latest polls, it seems set to deliver a result with no overall control for the second consecutive parliament. Internationally the key challenge continues to be the slow pace of global recovery and Europe in particular has continued to languish. The European authorities have responded by beginning their first ever programme of quantitative easing, which has been greeted positively

by investors. This has seen some investment being diverted towards these markets.

Recent months have also been marked by significant volatility in commodities and currencies. In particular the effect of lower oil and energy prices has yet to impact fully on the earnings of UK plc, but this will no doubt be a feature later in the year. The fall in petrol and energy prices is a key positive for inflation and consumers.

Despite all of these challenges, the UK economy has continued to perform better than most other regions with increasing signs of sustainable growth.

March saw one of the busiest results seasons ever and in general companies have delivered positive results with further upgrade potential and scope for margin expansion, although in many cases this has been tempered by the trends in currency rates and energy prices noted above. It is clear that improving corporate confidence has begun to generate increased M&A activity and deal flow. During the period one of our long standing clients, Advanced Computer Software was in a £750m deal backed by Vista Equity, generating over 800% returns for investors from the outset.

The encouraging start to the year for equity markets has been mirrored in a positive start for N+1 Singer. Two

3 N+1 Singer: Q1 Review - 2015

transactions of particular note were the IPO of PTSG, which completed in February, and the £61m secondary issue for Pinewood Group that was announced at the very end of the period.

- PTSG is a leading specialist services provider with ten operational bases around the UK. The Group is a specialist in the design, installation and testing of electrical systems and also carries out high level cleaning services. PTSG floated on AIM raising £8 million and is currently valued at c£55m with shares up 23% since issue.
- Pinewood Group is a global leader in the provision of facilities and ancillary services to the film, television and

creative industries. Working closely with the Group's management we were pleased to announce a £61m placing which both increases liquidity and provides funds to help construct the first phase of a programme of studio development. This investment will increase capacity and enhance Pinewood Group's ability to provide the world leading media services for which it is famous. Pinewood Group's shares are currently trading at a 26% premium to the placing price.

Tim Cockroft

Partner & Chief Executive

HIGHLIGHTS

Client		Transaction	Value
Ground Rents Income Fund		Placing	£9m
Premier Technical Services Group		IPO	£8m
Synety		Placing & Open Offer	£3m
Summit Therapeutics		ADS Issue & Dual Listing	\$39m
Pinewood Group		Placing	£61m

New Joiners

We would like to introduce the new members of our team, all of whom will be working with you as part of our partnership.

Lauren Acott
Corporate Finance

Jennifer Bentick
Corporate Finance

Lauren Kettle
Corporate Finance

Nic Hellyer
Corporate Finance

Alex Laughton-Scott
Corporate Finance

Julie Nguyen
Management Assistant

James Quinn
Market Making

Lisa Tyler
Human Resources

N+1 Singer is committed to hiring and retaining exceptional talent

KEY FACTS ABOUT N+1 SINGER

- One of the UK's leading corporate advisory and broking firms
- Clear focus on UK small and mid-cap equities
- 10 core sectors:
 - Technology, Life Sciences, Healthcare, Industrials, Consumer and General Retail, Media, Support Services, Financials, Investment Funds
- Over 200 stocks under coverage
- Majority employee owned with a strong partnership culture
- Backed by blue chip institutions; Artemis, Henderson and N+1 Group
- Access to the leading international M&A and debt advisory capabilities of N+1 Group
- Over £1.2bn of growth capital raised since the start of 2013 creating an average return of 22%

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