

N+1 SINGER

H1 Review 2018



EQUITY MARKET REVIEW

Overview

It has at times not been an easy equity market in 2018. Whilst Q2 was an improvement on Q1, June saw a return of nerves leaving the FTSE 100, FTSE All-Share and FTSE Small Cap down slightly for the year. By contrast the FTSE Fledgling and AIM All-Share indices were up modestly by the end of June. Top performing sectors were Automotive, Food Retail & Industrials with Mobile Telecoms and Technology the key market laggards.



Market factors

Unhelpful market factors included further Brexit uncertainty, GDP forecast downgrades, high profile problems on the UK high street and in a global context the threat of tariff-induced trade wars and US 10 year bond yields testing 3%. That said global growth overall still appears to be healthy with a slowing in the rate of growth in Europe and a broadly sideways move in Asia trumped by a reacceleration in the USA, according to the latest PMIs and confidence indicators.

At the same time we have continued to point out the relative value offered by the UK market and have been pleased with how our preferred top down and bottom up themes and stocks picks have played out. This was well illustrated by the 9% outperformance of our 2018 Best Ideas Portfolio in H1, with most of our picks outperforming and most of our themes doing well – the Media sector for example has risen to multi-year highs, Industrials have continued to outperform as expected and so have the areas of both secular and regional strength that we pointed to at the start of the year.

Read our Best Ideas 2018 H1 Review [here](#).

EQUITIES

Overview

In terms of our wider research offering to institutional clients, well worth noting in H1 were our positive and very detailed initiation notes on Polypipe, Elektron Technology, Fulcrum Utility Services, Miton Group, Urban&Civic, Hollywood Bowl and Ten Entertainment.

In addition we wrote major positive thought pieces on nine Pharmaceutical Services companies, the Consumer Sector post results with significant individual notes on Boohoo.com, Springfield Properties, Severfield, Northgate, PCI-PAL, N Brown, Churchill China, Sigma Capital Group, Eckoh, GlobalData, CVS Group and many more. We also continued to produce regular thoughtful strategy and quant pieces and our annual Northern Lights note, which focuses on PLC's and private companies in the North.

Initiation Notes Covered



Research – A Cornerstone of Our Approach

Sector coverage

- Chemicals
- Consumer & Leisure
- General Financials
- Healthcare
- Homebuilding & Construction
- Industrials
- Investment Funds
- Life Sciences
- Media
- Retail
- Support Services
- Technology

N+1 Singer Research Range

Microcap

Small-cap

FTSE 250



#1

Stock picker for UK
Retail 2017



Research Tree

Regularly the top
downloaded broker
on this HNWI
platform

780 Stocks

We make markets in 780 stocks, a substantial increase from 600 in 2017

EXTEL SURVEY

N+1 Singer supports the long standing Extel Survey, which offers strong insights into many aspects of our industry. From a corporate perspective, this provides comprehensive rankings of company IR profiles and other elements of corporate relationships within the investment community, as well as what the buy-side see as valuable services.

As a top 10 broker in the Mid & Small Cap market, we are one of only two brokers to have risen in the rankings in the year's results, moving from 9th to 8th place. In addition to this, we were successful in moving up the rankings across Research overall, Corporate Broking, Cap Goods, Financials, Investment Trusts and Strategy, as well as maintaining our position in Consumer Goods, Media and Trading & Execution.

The 2018 Extel Survey Results

Top 10 Broker

We have successfully been voted as a top 10 broker for a fourth year in a row. We were one of only two brokers to have risen in the rankings, moving from 9th to 8th place.

Increased Rankings

Our rankings increased across:
Research overall, Corporate
Broking, Cap Goods,
Construction, Financials,
Investment Trusts and Strategy.

We thank all of our clients who voted for us, and we are thrilled to be recognised for our continuing success in the mid and small cap markets.



CAPITAL MARKET PERFORMANCE

N+1 Singer has had a strong first half of the year which looks set to continue as we enter into Q3.

Some 8 secondary fundraises were completed for corporate clients in the first half, taking the total equity raised since January 2013 to £3.3 billion. Two of our newer clients are now trading on the Specialist Funds Segment of the Main Market and AIM following their respective IPOs which both completed within the last month.

Notable Transactions

Notable transactions completed in the first half included a raise for £250m for the PRS REIT following on from the £250m raised at IPO in Q2 2017, demonstrating N+1 Singer's placing power within the market and ability to raise funds for quality corporates even during volatile equity markets.



Selected follow-on equity placings include: CVS Group who raised £60m; Microsaic Systems Plc who raised £5.5m; RM Secured Direct Lending who raised £20m; Springfield Properties who raised £15m and APQ Global Ltd raised £10m of CULS.



CAPITAL MARKET PERFORMANCE

Last month saw i-nexus announce its admission to trading on AIM alongside a £10m raise, including £5m of EIS and VCT qualifying funds, and on Wednesday 11th July Hipgnosis Songs Fund Ltd. admitted to trading on the Specialist Fund Segment of the Main Market raising £200m on admission – the largest Fund IPO on the LSE for 2018.



The Largest Fund IPO
on the London Stock Exchange for 2018 to date

First Investment Company
to be admitted to trading on the Main Market of the London Stock Exchange

£202 million raise
in an oversubscribed fundraise. N+1 Singer acted as financial adviser and bookrunner

From left to right: Merck Mercuriadis (founder of Hipgnosis), Grammy award-winner 'The-Dream' and songwriter, producer and musician, Nile Rogers.

M&A

N+1 Singer acted as Rule 3 advisor and broker to Stadium in the announced £46m recommended cash offer by TT Electronics, Financial Advisor to Poly Glorious in its announced £50m recommended acquisition for MayAir Group and Financial Advisor to FreeAgent in its announced £53m recommended acquisition by RBS. This was the first business acquired by RBS since the 2008 financial crisis. We are currently working on further M&A transactions and have had a busy start to Q3.

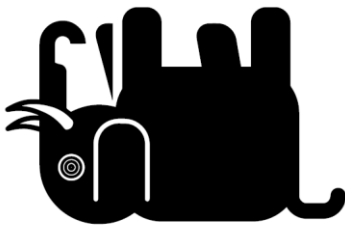
For more information on our latest transactions, visit the [Transaction page](#) of our website.

NEW CLIENT WINS



i-nexus Global Plc.

i-nexus supports some of the largest global companies in running, improving and changing their businesses through the provision of a scalable, enterprise-grade, cloud-based Continuous Improvement and Strategy Execution software platform.



HIPGNOSIS

Hipgnosis Songs Fund Ltd.

Hipgnosis aims to provide investors with growing levels of income and capital growth from investment in songwriter's copyright interests in songs and associated musical intellectual property rights.



Tufton Oceanic Ltd.

Tufton Oceanic is a fund management firm for the maritime, energy related and the wider global transportation and infrastructure sectors.



Elektron Technology

Elektron Technology creates and develops products and services that Connect, Monitor and Control. The group also owns a designer of ophthalmic screeners, Elektron Eye Technology.

EVENTS

N+1 Singer hosts a number of events throughout the year, bringing together fund managers, private companies, corporates and institutions. Highlights in H1 were our innovative Listed Law Conference (11th May), IPO Bootcamp (26th June), Emerging Companies Lunch (28th June) on top of hundreds of individual company meetings.

IPO Bootcamp

Our IPO Bootcamps help CEOs and CFOs navigate the how, what, where and when of a successful UK IPO. Held at N+1 Singer's office, our most recent IPO Bootcamp consisted of a panellist discussion between representatives from The London Stock Exchange, N+1 Singer, BDO and King & Spalding. This was followed by individual 1-to-1 meetings with each panellist, providing each company with bespoke expert advice. The morning proved to be a brilliant occasion for the private companies, who were able to delve deeper into the intricacies of the IPO process.

Bespoke Expert Advice

from world class experts in UK listings and capital markets

One-to-one Meetings

Personal one-to-one meetings with each of our panellists

Invite Only

Highly exclusive and open only to 8-10 companies at one time



Thinking about the possibility of an IPO?

To register your interest for our next event, email events@n1singer.com

EVENTS

Listed Law Conference

The business of law holds many attractions to investors including high added value, often mission critical services, with limited price competition. There are very few law businesses on the stock market, and here at N+1 Singer we expect more businesses to transition to the world of 'Listed Law'. Our most recent Listed Law Conference brought together most of the listed law-related companies, examining changing business models and investment opportunities under a broad theme of 'Talent – the lifeblood of any legal services business.'

Emerging Companies Lunch

Our Emerging Companies Lunch brings together small-cap fund managers with a small select group of companies exploring a listing on the London Stock Exchange in the near term. Our second event, hosted at The NED in the City of London, saw five tech-enabled companies presenting to a room of over 40 fund managers. Our presenters included Steve Cliffe (CEO) of Ultrahaptics, Martin Frost (CEO) of CMR Surgical, Brian Harrison (CEO) of Swoon Editions, Connor Campbell (CEO) of Osler Diagnostics and Chris Mitchell (CEO) of Audio Analytic.



An Exclusive Presentation

One of the first groups of people to get a look into 5 exceptionally exciting companies

Networking Lunch

Networking with our presenting companies to delve deeper into the investment case

Follow-up Meeting Sessions

Personal follow-up meeting schedules based on individual preferences and areas of interest

View the Emerging Companies Lunch event film [here](#)

To register your interest for our next event, email events@n1singer.com

AWARDS

The UK Stock Market Awards

The UK Stock Market Awards were launched in 2011 and have firmly established themselves as one of the leading events for publicly-listed companies. The awards recognise and reward all that is great about publicly-listed British firms, the equity market which they choose to operate within and their enormous contribution to the United Kingdom's economy.

N+1 Singer are delighted to announce that we were successful in winning the 'NOMAD of the Year' award for 2018. Thank you to everyone who voted for us, and we are thrilled to be recognised for our continuing success in the UK Small & Mid-Cap Market.



Patric Johnson, Deputy CEO of N+1 Singer, collecting the award at the UK Stock Market Awards Dinner, Monday 25th June 2018.

AWARDS

Fast Track Conference & Awards Evening

The Sunday Times Virgin Fast Track 100 league table ranks Britain's top 100 private companies with the fastest-growing sales over their latest three years. Over the past 20 years, Fast Track has created an alumni network of top-performing private companies and entrepreneurs. It has tracked the rise of many private growth companies such as chip designer ARM, Carphone Warehouse, Sophos, Just Eat and FreeAgent.

N+1 Singer have acted as proud sponsors of the Fast Track Innovation Award for the last 2 years. This year saw the 21st annual conference and awards dinner, hosted by Sir Richard Branson and featuring guests speakers including Holly Branson, Karen Jones CBE and Clare Gilmartin.

We were delighted to award fitness apparel brand, Gymshark, with this year's Innovation Award.



Tim Cockroft, CEO of N+1 Singer, presenting Steve Hewitt, CEO of Gymshark, with the Innovation Award, May 2018.

KEY FACTS ABOUT N+1 SINGER

A leading investment bank dedicated to serving the mid and small cap market

£3.3 billion

Raised for our clients since 2013

86 clients

22 Main Market clients

11

Profitable years

780

Stocks we make markets in



Ownership and recognition

3

Major investors:
ALANTRA – 27%
Artemis, Lombard Odier – 10% aggregate

2

Complementary partners:
ALANTRA – a global mid-market investment bank
Auerbach Grayson – US brokerage

Top 3

Nominated Adviser on Aim



63%

Employee owned



FT: Europe's Fastest
Growing Companies
2017



AIM Rankings: Top 3
AIM stockbrokers



London Stock
Exchange: 1000
Companies to inspire
Britain 2016



UK Stock Market
Awards: 'NOMAD of
the Year' Award
Winner 2018

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