Edison Insight

Strategic perspective | Company profiles

February 2017

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Prices at 17 February 2017

Published 23 February 2017

US$/£ exchange rate: 0.7996
€/£ exchange rate: 0.8494
C$/£ exchange rate: 0.6107
A$/£ exchange rate: 0.6126
NZ$/£ exchange rate: 0.5748
TRY/£ exchange rate: 0.2167
MYR/£ exchange rate: 0.1797

RUB/£ exchange rate: 0.0137
NIS/£ exchange rate: 0.2100
NOK/£ exchange rate: 0.0953
HKD/£ exchange rate: 0.1031
CHF/£ exchange rate: 0.7962
SGD/£ exchange rate: 0.5619
EGP/£ exchange rate: 0.0458

Welcome to the February edition of the Edison Insight. We now have over 400 companies under coverage, of which 165 are profiled in this edition. Healthcare companies are now covered separately in Edison Healthcare Insight. Click here to view the latest edition.

The book opens with a strategy piece from Alastair George, who believes that little has changed in the global outlook during the past month and we remain cautious on equities, primarily based on valuation concerns. Earnings estimates do not thus far seem to be tracking the improvement in survey data leaving global market valuations at the upper end of historical ranges. We believe the recent surge in French sovereign risk relative to Germany highlights the imbalances at the core of the eurozone, which has this time manifested in a striking divergence of French and German macroeconomic performance post-2008. We would suggest the euro is not yet out of the woods.

This month we have added EMIS Group, Jackpotjoy plc, Leigh Creek Energy and Palace Capital to the company profiles.

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

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We welcome any comments/suggestions our readers may have.

Neil Shah
Director of research

Global perspectives: The zone of low returns

Analyst

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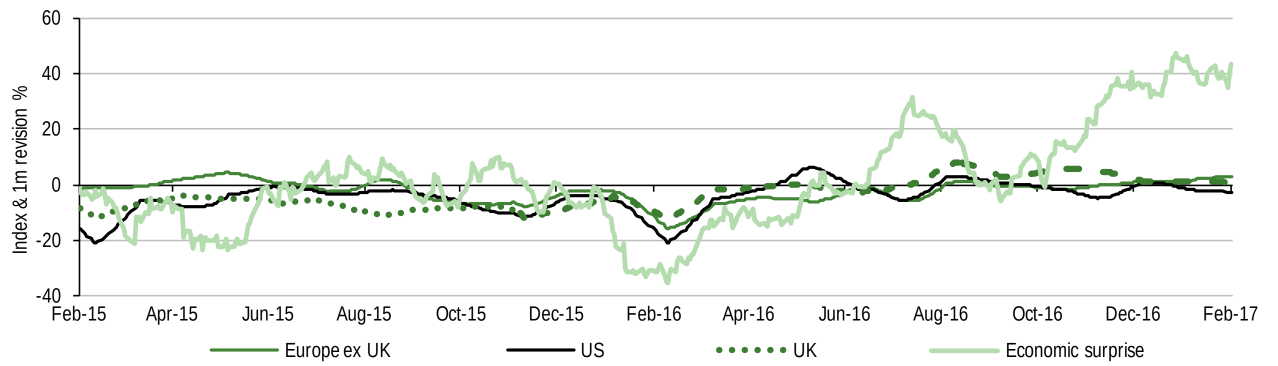
- **We maintain our view that global equity markets have entered the zone of low returns.** Valuations remain high in a historical context and we have been surprised at how little of the near-term perception of an improvement in economic activity has fed into earnings estimates to date.
- **We note that the US Fed now appears marginally more hawkish in terms of interest rate policy**. However, despite improving survey data, US 10-year bond yields are unchanged over the month. Together with rising short-term rates there has therefore been a modest flattening of the US yield curve, indicating a degree of scepticism on the part of the bond market in terms of the durability of the current uptick in economic activity.
- **The recent divergence between French and German government bond yields highlights an underlying economic divergence, which is at the root of the troubles within the eurozone.** While the risk of an anti-euro French president has risen sharply in recent weeks, we believe the increased cost of borrowing for the French state is an overdue correction that is likely to persist even if a moderate presidential candidate is elected. Investors should, however, remain alert to the tail risk of another shock to the eurozone, in the event of the election of Marine Le Pen.

Earnings estimates stuck in low gear

Still no sign of Trump bounce in corporate profits outlook

With several months since Trump's election, there has been ample time for the corporate sector to re-evaluate the 2017 outlook in respect of improved economic optimism and the strong rally in global equity markets. We find, however, that earnings upgrades have not to date followed increased investor and corporate optimism as expressed in improved survey data, shown in Exhibit 1. In the past, the short-term market direction has been closely linked to earnings momentum and the current absence of upgrades points to a period of sluggish market performance following the recent rally.

Exhibit 1: Since Q4 positive economic surprise has not fed into earnings estimates

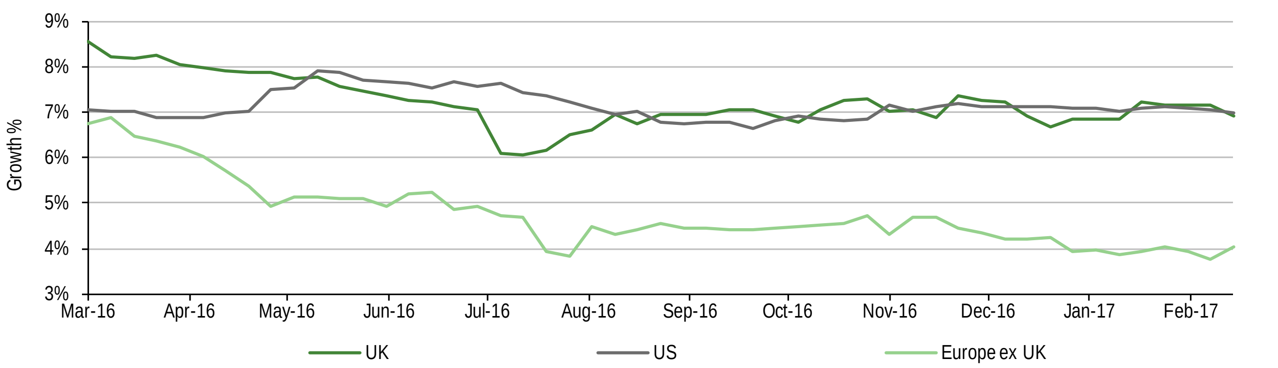


Source: Thomson Reuters Datastream. Chart shows 1m earnings revisions for respective markets

In the US and UK, 2017 earnings forecasts have each slipped just under 1% over the last month while Europe ex-UK has benefited from a small upgrade (Exhibit 2). The surge in global earnings estimates from mining and energy has receded as commodity and energy prices stabilise.

These revisions leave earnings growth for the US and UK in the upper-single-digits in 2017 (Exhibit 2), although we should highlight that the historical pattern is for growth forecasts to steadily ebb during the year, by approximately 3-4%. To us, merely mid-single-digit earnings growth, a result of the maturity of the economic cycle, seems inadequate compensation for owning equities at current premiums to historical averages.

Exhibit 2: Consensus 2017 earnings growth forecasts (unweighted)



Source: Thomson Reuters Datastream, Edison calculations

The contrast between the increased investor and corporate optimism indicated in survey data and the sluggishness of consensus earnings forecasts is also striking. There seems to be a reluctance within the corporate sector (and corporate guidance has a large influence on consensus earnings forecasts) to put a specific number on this optimism in terms of increased profits. We can understand this unwillingness in the absence of concrete proposals on corporate taxation from Trump. But we question how large an investor's bet should be on what is already proving to be a highly controversial US administration.

Yellen's hawkish testimony – 3x US rate increases ahead?

The strong performance of asset prices in the post-2008 era is, in our view, largely attributable to lower than expected growth rates being offset by much looser than expected monetary policy. But as expressed recently by Bank of England Governor Mark Carney "…we're coming to the last seconds of central bankers' 15 minutes of fame". If, as we believe, central banks are in the early stages of stepping back from unconventional monetary policy, this is also likely to have significant implications for asset prices.

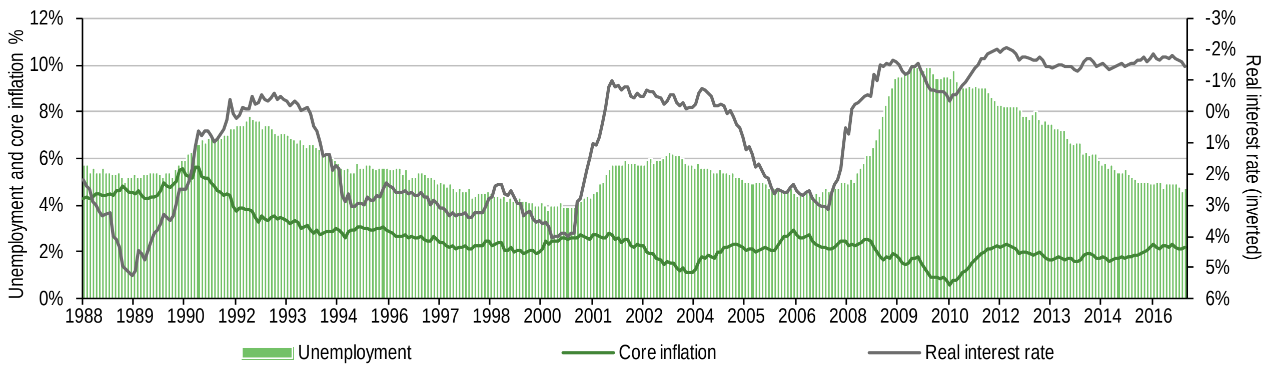
Fed Chair Yellen's prepared statement to the US Senate Committee included the following paragraph on the direction of monetary policy:

"Incoming data suggest that labor market conditions continue to strengthen and inflation is moving up to 2 percent, consistent with the Committee's expectations. At our upcoming meetings, the Committee will evaluate whether employment and inflation are ***continuing to evolve in line*** *with these expectations,* ***in which case a further adjustment of the federal funds rate would likely be appropriate.****"*

We believe this puts a March interest rate increase firmly on the table, as a mere continuation of current trends is now a sufficient condition to raise interest rates. Taken together with other comments indicating the desirability of raising rates earlier and more gradually rather than later and abruptly, deferring a rate increase in these circumstances would raise questions over the Fed's communication policy.

We believe investors, having been systematically caught off-guard by the Fed's dovishness, going as far back as the 2012 expansion of the QE programme, may be reading – but not properly absorbing – these communication signals. Following the resurgence in commodity prices, headline inflation is increasing rapidly and US unemployment is close to target levels (Exhibit 3). Given the data, three rate hikes in 2017 do not seem improbable to us.

Exhibit 3: US real rates, unemployment and core inflation



Source: Thomson Reuters Datastream

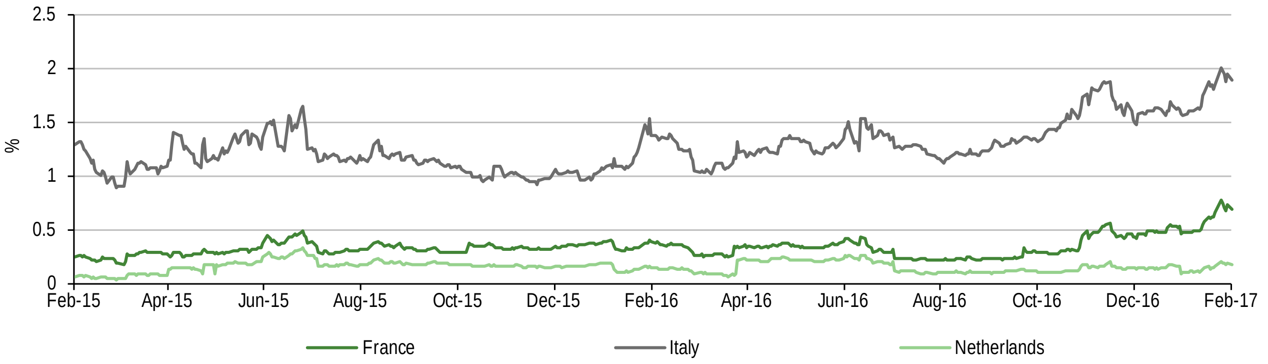
We believe investors should maintain a cautious view on equity markets globally as high valuations are likely to be at risk from tighter US monetary policy. A stronger dollar is also likely to act as a headwind on emerging markets, given the global reliance on US dollar funding. These are not new views, but investors seem to be struggling to absorb the relatively clear hints from US policymakers that the renormalisation of US interest rates is a live 2017 story.

French and German yields diverge – it's the economy...

The recent divergence between French and German government bond yields this year has been widely attributed to a possible victory for anti-euro Marine Le Pen in the French presidential elections. In our view this is not the whole story. The widening gap in borrowing costs also mirrors the increasing economic divergence between France and Germany. Therefore, the increased risk premium for French government debt should be expected to persist, even if a mainstream candidate is elected, and adds to pressure on the euro project.

In recent months, the difference between the yields on French and German government debt has widened notably (Exhibit 4). After many years of being perceived as an anchor state within the eurozone, France is now at risk of joining Italy on the new periphery, with a familiar but challenging combination of high indebtedness and slow economic growth.

Exhibit 4: France and Italy bond yields diverge from Germany, while the Netherlands stabilises



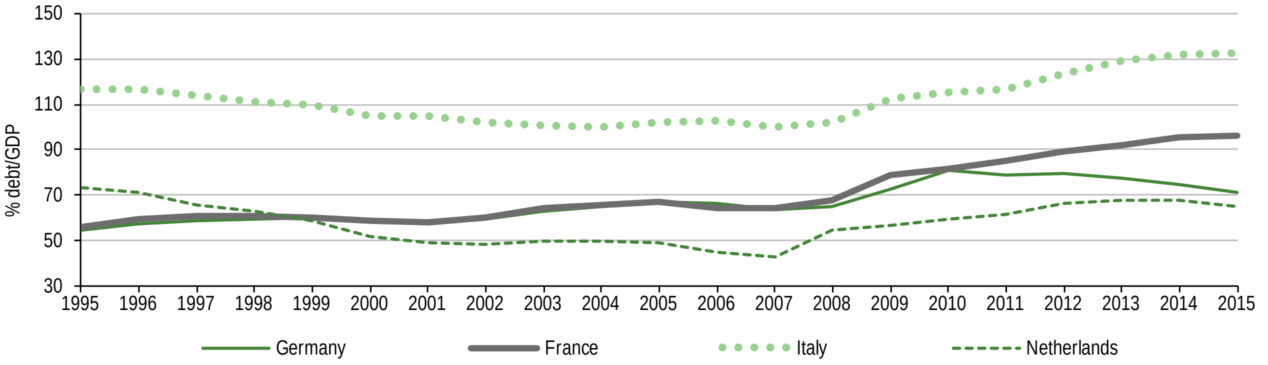
Source: Thomson Reuters Datastream. Chart shows spread to 10-year German bund in percentage points.

We believe this increase in the French cost of credit should be carefully attributed. Some commentators have leapt on a significant increase in redenomination risk to explain the divergence, due to the upcoming French presidential election and strong support for the anti-euro Marine Le Pen. This is despite still relatively long odds of her becoming French president, due to the two-round election process in France. We also note that the yield on Dutch government bonds has stayed close to German bunds, despite an upcoming election with polls showing the anti-euro and right-wing PVV party in the lead.

Polls currently suggest that Marine Le Pen will enter the second round of the French presidential election as the candidate with the highest level of popular support. However, she is then forecast to be soundly beaten as support coalesces around the one remaining centrist candidate in the second round.

A much more mundane reason for differing yields between government bonds issued in the same currency is credit risk. Since the downgrade of 2013, France's S&P credit rating of AA is clearly inferior to Germany's AAA rating. Government debt to GDP in France is just under 100%, growing and well above Germany's figure of 70%, which has been falling in recent years. The gap is forecast to widen further as France continues to run deficits while Germany maintains a surplus. As Exhibit 5 shows, the period since 2012 represents a structural break from the period 1996-2011, when French and German indebtedness fluctuated in tandem, in line with the economic cycle.

Exhibit 5: France and Germany debt/GDP divergence post 2012



Source: Thomson Reuters Datastream, Edison calculations

We also note that market yields on bonds issued by French state-owned companies, which are otherwise similar except for the choice of governing law, do not at present indicate a rising fear of redenomination. Unlike bonds issued under French law, where parliament may be able to change legislation to permit repayment in another currency, international law bonds would be likely to remain repayable in euros, even if France left the eurozone. The lack of divergence in the price performance of these corporate bonds in recent weeks is another reason to suspect that the move in French government bonds is re-pricing based on credit quality, rather than politics. Furthermore, recent projections from the EU commission, which show France missing the euro area budget deficit target of 3% in 2018, are hardly beneficial for confidence.

Having suggested that rising French borrowing costs are due to deteriorating credit quality rather than redenomination risk does not, however, make us breathe easier. If it were redenomination risk that the markets were pricing in, then the election of a centrist candidate would end the panic.

However, if we are correct, the divergence in borrowing costs is likely to be permanent, reflecting the diverging economic fortunes of France and Germany. It represents an unwelcome further fragmentation of eurozone funding markets, despite the efforts of the ECB to level the playing field through quantitative easing. It is also not immediately clear what the ECB could further do to improve the situation. Headline eurozone inflation is already close to target and the inflection point towards tighter monetary policy may have already passed.

With hindsight, the near-absence of a risk premium for French government debt prior to 2017 appears to be the real anomaly. Now the fear is that punished by higher real rates but unable to benefit from a depreciating currency, France may have no clear mechanism for achieving fiscal or economic convergence with Germany. Therefore, through a circuitous route of diverging economic fortunes within the common currency area, which are feeding escalating borrowing cost differentials, we suggest that the euro is not yet out of the woods, despite the best efforts of the ECB.

Conclusion

In our view, little has changed in the outlook during the past month and we remain cautious on equities, primarily based on valuation concerns. Earnings estimates do not thus far seem to be tracking the improvement in survey data, leaving global market valuations at the upper end of historical ranges.

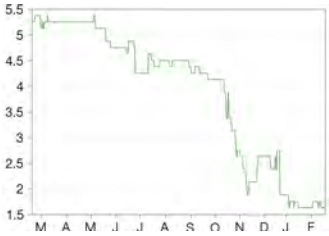
Furthermore, Fed Chair Yellen's most recent public comments suggests a marginally more hawkish outlook and the lack of response from bond markets as short-term rates have risen (albeit modestly) suggests that bond market participants are questioning the durability of the current uptick in economic activity.

We believe the recent surge in French sovereign risk relative to Germany highlights the imbalances at the core of the eurozone, which has this time manifested in a striking divergence between French and German macroeconomic performance post-2008. As this divergence has led to a widening differential in terms of credit quality, this phenomenon is likely to persist regardless of the outcome of the French presidential election. In addition, although the strong likelihood remains that a pro-euro centrist candidate becomes French president, global investors should be alert to the tail risk of a victory for Le Pen.

Sector: Technology

Price:	1.6p
Market cap:	£12m
Market	AIM

Share price graph (p)



Company description

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

Price performance

%	1m	3m	12m
Actual	0.0	(23.5)	(68.3)
Relative*	(1.3)	(28.7)	(73.7)

* % Relative to local index

Analyst

Dan Ridsdale

1Spatial (SPA)

INVESTMENT SUMMARY

1Spatial announced in December that the company's pipeline had not converted as expected thus far in H2. This, in combination with the shift to a subscription weighted model means that the company expects to be marginally loss-making at the EBITDA level versus our £3.7m profit previously. Shortly after this the company announced the departure of CEO, Marcus Hanke. We still believe that the company has strong IP, a good market opportunity and that its core strategy of building the GIS business around higher-margin and recurring revenue lines is sound. We believe that many of the ingredients for an attractive recovery play are there and await further data points on the plan from here.

INDUSTRY OUTLOOK

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

Y/E Jan	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (fd) (p)	P/E (x)	P/CF (x)
2015	19.6	3.1	1.8	0.27	5.9	29.5
2016	20.7	3.7	2.0	0.29	5.5	N/A
2017e	23.9	(0.3)	(2.4)	(0.33)	N/A	N/A
2018e	23.7	2.0	(0.7)	(0.09)	N/A	6.4

Sector: Media & entertainment

Price:	160.1p
Market cap:	£137m
Market	AIM

Share price graph (p)

Company description

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

Price performance

%	1m	3m	12m
Actual	21.5	20.9	8.2
Relative*	19.9	12.6	(10.1)

* % Relative to local index

Analyst

Jane Anscombe

32Red (TTR)

INVESTMENT SUMMARY

32Red announced a confident post-close trading update on 1 February and strong January trading (revenues up 21%). We expect 2016 EBITDA to have doubled to £10.5m helped by the highly accretive Roxy Palace acquisition. Our unchanged 2017 forecasts are for continued strong profits growth as the business scales up, with more favourable supplier agreements and Italy now in profit. The rating still looks low for a high growth, 77% regulated, cash generative gaming business in a consolidating market. The next catalyst is preliminary results on 9 March.

INDUSTRY OUTLOOK

The European casino market is growing at c 9% and mobile is a key driver. The UK government review into stakes and prizes (due to report late Q117) has unsettled the stock market, but is likely to mainly focus on FOBT machines in betting shops and gambling advertising on TV before the 9pm watershed, neither of which particularly impacts 32Red. The extension of the POC gaming tax to 'free play' from 1 August 2017 is already in our forecasts.

Y/E Dec	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (fd) (p)	P/E (x)	P/CF (x)
2014	32.1	5.4	3.9	4.9	32.7	N/A
2015	48.7	5.2	3.3	3.8	42.1	N/A
2016e	62.3	10.5	8.9	9.4	17.0	N/A
2017e	76.0	15.5	13.3	13.9	11.5	N/A

Sector: Media & entertainment

Price:	1635.0p
Market cap:	£459m
Market	LSE

Share price graph (p)

Company description

4imprint is the leading direct marketer of promotional products in the US, Canada, the UK and Ireland. 96% of 2015 revenues were generated in the US and Canada.

Price performance

%	1m	3m	12m
Actual	(11.7)	(1.0)	41.6
Relative*	(12.9)	(7.7)	17.6

* % Relative to local index

Analyst

Fiona Orford-Williams

4imprint Group (FOUR)

INVESTMENT SUMMARY

4imprint continues to deliver premium growth as it builds market share across its large and fragmented market, estimated to be worth around $25bn. The group's data-driven marketing investment approach and efficient fulfilment are supporting this profitable (and organically scalable) growth, while the strong cash generation has allowed the historic pension issues to be fully addressed with a one-off contribution of $14.5m in the period. The group ended the year with net cash of $21.5m, up from $18.4m at end FY15. With our 35% forecast increase in the FY16 dividend (in line with the interim), the valuation premium continues to look well supported. Numbers are stated pre-pension, share option and exceptional charges. Preliminary results are scheduled for 8 March.

INDUSTRY OUTLOOK

Trade association ASI listed 4imprint as the second-largest US distributor in 2015, up from number five in 2013. It estimates the proportion of online sales was 16% of the total distributor market, up 3.4% in CY15, with a continuing shift in share towards the larger distributors. Another industry body, the PPAI, identifies that larger distributors (sales >$60m) continue to take market share from smaller distributors, with the overall distributor market growing 3.0% in 2016 and with a stronger outlook into 2017.

Y/E Dec	Revenue (US$m)	EBITDA (US$m)	PBT (US$m)	EPS (fd) (c)	P/E (x)	P/CF (x)
2014	415.8	29.5	27.9	71.5	28.6	20.6
2015	497.2	35.5	33.5	87.5	23.4	18.6
2016e	560.0	39.7	37.7	94.6	21.6	12.7
2017e	616.0	44.2	41.6	104.6	19.5	12.6

Sector: Mining

Price:	533.5p
Market cap:	£2188m
Market	LSE

Share price graph (p)

Company description

Acacia Mining (previously African Barrick Gold) was historically the Tanzanian gold mining business of Barrick and is one of Africa's five largest gold producers with output from three mines: Bulyanhulu, Buzwagi and North Mara.

Price performance

%	1m	3m	12m
Actual	24.4	17.1	131.0
Relative*	22.8	9.1	91.9

* % Relative to local index

Analyst

Charles Gibson

Acacia Mining (ACA)

INVESTMENT SUMMARY

Q416 production at Acacia outperformed our expectations by 4,457oz, or 2.1%, for the quarter and by 0.54% for the full year - principally driven by another exceptional result at North Mara. Reported adjusted net EPS of 39.2c in FY16 compared with our estimate of 40c and a prior (falling) consensus of 31c. However, the dividend was at the top of its potential range, reflecting management 'confidence'.

INDUSTRY OUTLOOK

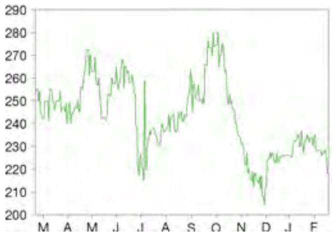
The company is guiding investors towards production of 850-900koz in FY17 at cash costs of US$580-620/oz. We believe that this is possible, but only in the event that grades at North Mara are at least c 5% higher than our expectations. In the event that Acacia achieves this goal, our FY17 EPS estimate is 48c at US$1,275/oz Au. At the moment however, we assume that ACA will produce c 835koz. FY18 forecasts remain under review. In the interim, the company has confirmed that it is in preliminary talks with Canada's Endeavour Mining about a possible merger.

Y/E Dec	Revenue (US$m)	EBITDA (US$m)	PBT (US$m)	EPS (fd) (c)	P/E (x)	P/CF (x)
2014	930.2	249.2	116.4	21.9	30.5	9.3
2015	868.1	166.6	22.0	(12.4)	N/A	16.7
2016e	1059.8	419.2	247.1	39.6	16.8	8.4
2017e	970.3	357.5	170.5	29.5	22.6	7.2

Sector: Technology

Price: 221.2p
Market cap: £156m
Market LSE

Share price graph (p)



Company description

Acal is a leading international supplier of customised electronics to industry. It designs, manufactures and distributes customer-specific electronic products and solutions to 25,000 industrial manufacturers.

Price performance

%	1m	3m	12m
Actual	(4.7)	1.7	(11.5)
Relative*	(6.0)	(5.2)	(26.5)

* % Relative to local index

Analyst

Katherine Thompson

Acal (ACL)

INVESTMENT SUMMARY

Acal's acquisition of Variohm adds the first specialist sensor business to Design & Manufacturing and moves the company closer to its mid-term target of generating 75% of revenues from the division. The acquisition, costing up to £13.85m in cash, was funded by the recent placing of 6.42m shares at 220p per share. Management expects the deal, together with the placing, to be earnings enhancing in FY18 and we lift our normalised FY18e EPS forecast by 3.4%. The stock is trading at a c 30% discount to its peer group, representing a good entry point in our view.

INDUSTRY OUTLOOK

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

Y/E Mar	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (fd) (p)	P/E (x)	P/CF (x)
2015	271.1	16.6	12.4	16.4	13.5	19.3
2016	287.7	19.8	15.2	17.8	12.4	9.6
2017e	326.0	22.7	16.8	18.4	12.0	13.0
2018e	353.3	26.2	20.0	20.0	11.1	7.8

Sector: Mining

Price: A$0.33
Market cap: A$167m
Market ASX

Share price graph (A$)

Company description

Alkane Resources is a multi-commodity explorer and developer, with projects in the central west region of New South Wales in Australia. Alkane owns the Tomingley Gold Operation and DZP rare metal and rare earths projects (both 100%).

Price performance

%	1m	3m	12m
Actual	(13.2)	(43.6)	40.4
Relative*	(14.6)	(47.9)	18.5

* % Relative to local index

Analyst

Tom Hayes

Alkane Resources (ALK)

INVESTMENT SUMMARY

Alkane's Q2 quarterly report indicates that continued wet weather has further affected production by delaying ore releases across all pits. However, Alkane states that the TGO still generated a net operating cash flow after development costs of A$4.8m. As a further result of the continued wet weather and as previously stated by Alkane, production guidance has now been revised for the remainder of FY17. Alkane now guides to 53koz to 58koz of gold for FY17 at AISC costs of A$1,600/oz to A$1,750/oz. Our forecasts are currently under review.

INDUSTRY OUTLOOK

Second quarter results indicated gold production of 11,756 ounces at cash costs of A$1,597/oz, and AISC of A$1,803/oz. Operating costs directly reflect the impact of the aforementioned continued wet weather affecting the TGO. Gold sales were 12,519oz for Q2 resulting in A$20.9m in revenue. Alkane's gold forward contracts at 31 December were 43koz at an average forward price of A$1,715/oz. Alkane's group cash position at end December totalled A$24.5m.

Y/E Jun	Revenue (A$m)	EBITDA (A$m)	PBT (A$m)	EPS (c)	P/E (x)	P/CF (x)
2015	101.8	26.5	0.1	1.0	33.0	4.8
2016	109.6	40.9	11.0	2.2	15.0	3.7
2017e	N/A	N/A	N/A	N/A	N/A	N/A
2018e	N/A	N/A	N/A	N/A	N/A	N/A

Sector: Mining

Price:	C$0.28
Market cap:	C$31m
Market	CV

Share price graph (C$)

Company description

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

Price performance

%	1m	3m	12m
Actual	0.0	16.7	3.7
Relative*	(2.5)	9.2	(15.8)

* % Relative to local index

Analyst

Tom Hayes

Almonty Industries (AII)

INVESTMENT SUMMARY

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

INDUSTRY OUTLOOK

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

Y/E Sep	Revenue (C$m)	EBITDA (C$m)	PBT (C$m)	EPS (c)	P/E (x)	P/CF (x)
2014	29.6	15.1	9.9	25.3	1.1	1.2
2015	36.1	(7.9)	(19.2)	(36.8)	N/A	18.2
2016e	N/A	N/A	N/A	N/A	N/A	N/A
2017e	N/A	N/A	N/A	N/A	N/A	N/A

Sector: Mining

Price:	11.2p
Market cap:	£67m
Market	AIM

Share price graph (p)

Company description

Amur Minerals is an exploration and development company focused on base metal projects located in Russia's far east. Amur's flagship Kun-Manie Ni-Cu project has a current global resource of 740,100t contained nickel and 212,900t contained copper.

Price performance

%	1m	3m	12m
Actual	13.6	104.6	120.6
Relative*	12.1	90.6	83.3

* % Relative to local index

Analyst

Charles Gibson

Amur Minerals (AMC)

INVESTMENT SUMMARY

As at May 2016, Amur's resource at Kun-Manie was 740.1kt contained Ni (c 1Mt NiE). Since then, it has extended the mineralised length at Maly Kurumkon-Flangovy by 43% (potentially linking it to Gorny), RPM has concluded an underground-open pit mining trade-off study and Gipronickel has completed tests that indicate average metallurgical recoveries 13% higher than those assumed previously across seven metals. Finally, updated estimates imply a c US$190m capex saving in the cost of the access road.

INDUSTRY OUTLOOK

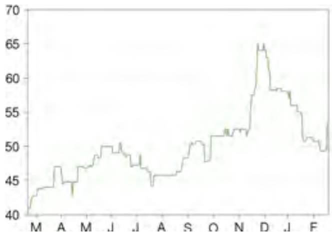
Based on the existing open cast operational blueprint (which forms the basis of Amur's DFS), we calculate values for concentrate, low-grade matte, high-grade matte and refined metal project options of 42 US cents, 55c, 44c and 55c, respectively, fully diluted at a share price of 10.5p (assuming 80% financial leverage). However, this could increase if the mine plan is reconfigured to advance high-grade underground production (as seems increasingly likely). A resource update is expected in Q117.

Y/E Dec	Revenue (US$m)	EBITDA (US$m)	PBT (US$m)	EPS (c)	P/E (x)	P/CF (x)
2014	0.0	(2.4)	(2.5)	(0.6)	N/A	N/A
2015	0.0	(4.1)	(1.9)	(0.4)	N/A	N/A
2016e	0.0	(4.1)	(4.0)	(0.8)	N/A	N/A
2017e	0.0	(4.1)	(3.9)	(0.1)	N/A	N/A

Sector: Industrial support services

Price:	53.5p
Market cap:	£55m
Market	AIM

Share price graph (p)



Company description

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

Price performance

%	1m	3m	12m
Actual	(1.8)	(7.0)	32.9
Relative*	(3.1)	(13.3)	10.5

* % Relative to local index

Analyst

Jamie Aitkenhead

Augean (AUG)

INVESTMENT SUMMARY

On 14 November Augean announced that it had entered into a partnership with the Port of Dundee to open a specialist waste facility for offshore energy decommissioning projects. The move is consistent with the company's strategy in its Augean North Sea Services (ANSS) unit of diversifying away from oil drilling-related waste, which has declined in tandem with falling North Sea oil production. The rally in the share price since the news is, we believe, a reflection of market support for the strategic shift to decommissioning waste, a potentially lucrative growth market. Mark Fryer joined the board as Group Finance Director on 14 December 2016.

INDUSTRY OUTLOOK

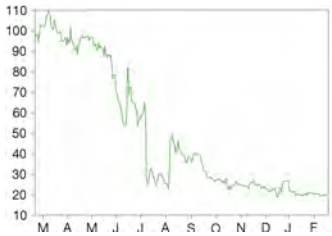
There is a growing trend towards treatment, recovery and recycling in the waste hierarchy, highlighted in the government's Strategy for Hazardous Waste Management. This increasingly more stringent environmental regulation supports Augean's specialist industry knowledge model and provides a platform for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

Y/E Dec	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (p)	P/E (x)	P/CF (x)
2014	55.2	10.0	5.4	4.13	13.0	5.7
2015	61.0	12.1	6.0	4.65	11.5	4.4
2016e	61.8	13.7	6.8	5.26	10.2	4.5
2017e	68.4	16.5	8.8	6.78	7.9	3.4

Sector: Aerospace & defence

Price:	20.0p
Market cap:	£32m
Market	AIM

Share price graph (p)



Company description

Avanti Communications is a London-based fixed satellite services (FSS) provider. It sells satellite data communications services to service providers to key markets in Enterprise, Broadband, Carrier Services and Government. It has Ka-band capacity on four satellites, with two launches due in 2017.

Price performance

%	1m	3m	12m
Actual	3.2	(18.4)	(80.1)
Relative*	1.9	(23.9)	(83.4)

* % Relative to local index

Analyst

Andy Chambers

Avanti Communications Group (AVN)

INVESTMENT SUMMARY

Avanti has completed a refinancing of its operations with the bondholders providing $130m of new funds, and a further $112m of liquidity provided by potential interest payment deferrals up to April 2018. It allows Avanti to pursue its strategy and more than double capacity by launching HYLAS 4 later in 2017. Reduced guidance of 35% sales growth implies a longer journey for equity holders, but at least that continues. Interim FY17 results are expected shortly.

INDUSTRY OUTLOOK

Avanti is building a Ka-band satellite network to service broadband connectivity for underserviced markets and remote locations in EMEA. In these markets it has been a first mover and it currently owns and operates three satellites in geostationary orbit. The company's increasing focus on Africa is a reflection of the expected rapid growth of demand for data transmission in the region. The potential in the market appears to be validated by recent competitor announcements of future deployment of Ka-band capacity servicing Africa.

Y/E Jun	Revenue (US$m)	EBITDA (US$m)	PBT (US$m)	EPS (fd) (c)	P/E (x)	P/CF (x)
2015	85.2	13.9	(73.3)	(61.4)	N/A	N/A
2016	82.8	6.1	(67.0)	(49.3)	N/A	N/A
2017e	N/A	N/A	N/A	N/A	N/A	N/A
2018e	N/A	N/A	N/A	N/A	N/A	N/A

EDISON

Avon Rubber (AVON)

Sector: Aerospace & defence

Price:	985.0p
Market cap:	£306m
Market	LSE

Share price graph (p)

Company description

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

Price performance

%	1m	3m	12m
Actual	(4.4)	(6.0)	26.0
Relative*	(5.6)	(12.4)	4.8

* % Relative to local index

Analyst

Alexandra West

INVESTMENT SUMMARY

Avon Rubber's Q117 trading statement was reassuringly upbeat with Dairy benefiting from a stronger milk price and the Protections & Defence division continuing to see encouraging order intake. Both divisions reported organic growth and have a higher deliverable order book for FY17 compared to FY16. The company's major recent acquisitions, Argus and InterPuls, are both performing well. Rob Rennie recently resigned as CEO and has been replaced by Paul McDonald, former MD of Dairy.

INDUSTRY OUTLOOK

Despite pressured budgets, the protective and consumable nature of Avon's products provides resilience. The emerging portfolio effect should enable continued growth, while dairy expansion in the BRICs and the sales synergies from the InterPuls acquisition provide further long-term opportunities as the milk price recovery takes hold. According to the latest US data, the average price was $18.08/cwt in December 2016, which is up 30% from the year's low in May of $14.50/cwt.

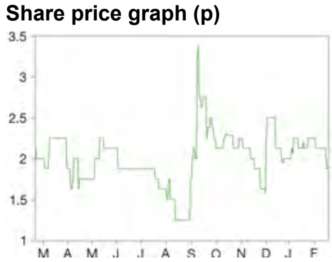
Y/E Sep	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (p)	P/E (x)	P/CF (x)
2015	134.3	26.6	19.8	56.1	17.6	14.5
2016	142.9	30.8	21.6	74.2	13.3	9.4
2017e	167.6	35.5	24.9	66.2	14.9	9.0
2018e	176.4	36.8	26.8	71.1	13.9	8.5

Bezant Resources (BZT)

Sector: Mining

Price:	2.0p
Market cap:	£4m
Market	AIM

Share price graph (p)



Company description

BZT is developing a low-cost development rationale for Platinum in Columbia, as well as working on its Gold-Copper Mankayan project in the Philippines.

Price performance

%	1m	3m	12m
Actual	(5.9)	6.7	(5.9)
Relative*	(7.1)	(0.6)	(21.8)

* % Relative to local index

Analyst

Tom Hayes

INVESTMENT SUMMARY

Bezant's 24 January announcement highlights significant progress in the development of its core Colombian Choco alluvial gold and platinum project. With platinum and gold recovery analysis firmly on-track and grades and trial mining confirming that of historic third-party operations, BZT has commissioned a scoping study to develop the project's economic scope. Test pits and processing works have resulted in the excavation of 25,000m3 from a large Phase 1 trial pit. Completion of this Phase 1 pit and sampling is expected to finish by end Q117.

INDUSTRY OUTLOOK

BZT has also informed the market of the potential cancellation of its non-core and fully-impaired Mankayan project in the Phillipines. BZT has been informed by the government that this project lies within a 'watershed area', and as such falls under the Mining Act of 1995. BZT states its associate Crescent Mining and Development Corporation will in due course be providing a response to the Department of Environment and Natural Resources concerning this formal notice.

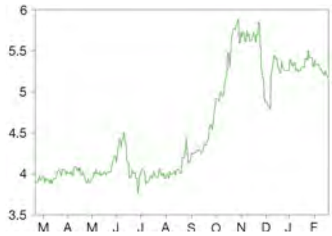
Y/E Jun	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (p)	P/E (x)	P/CF (x)
2014	0.0	(1.2)	(1.2)	(1.4)	N/A	N/A
2015	0.0	(0.6)	(0.6)	(0.7)	N/A	N/A
2016e	N/A	N/A	N/A	N/A	N/A	N/A
2017e	N/A	N/A	N/A	N/A	N/A	N/A

EDISON

Sector: Travel & leisure

Price:	€5.14
Market cap:	€473m
Market	FRA

Share price graph (€)



Company description

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

Price performance

%	1m	3m	12m
Actual	(2.9)	(8.3)	33.4
Relative*	(4.7)	(16.7)	6.4

* % Relative to local index

Analyst

Richard Finch

Borussia Dortmund (BVB)

INVESTMENT SUMMARY

Despite being in transition after high-profile departures, Borussia Dortmund (BVB) remains well placed for Champions League qualification and further progress in Europe and in the DFB Cup. Renewed strength in depth and a typically attractive style of play complement escalating scope for transfer gains. Preliminary results show Q217 pre-transfer revenue up by almost a quarter, driven by Champions League TV marketing, and a significant rise in pre-transfer EBITDA, subject to management clarification. A new lucrative deal on Bundesliga media rights supports FY18 growth prospects, assuming continued Champions League. Finances remain impressively disciplined.

INDUSTRY OUTLOOK

Unsustainable spend on wages and transfers is increasingly being penalised by new UEFA Financial Fair Play requirements. Notwithstanding a phased implementation, a 'break-even requirement' applied initially to 2012 financial statements, obliges clubs to spend no more than they generate over a rolling three-year period. Sanctions vary from a warning to a ban from UEFA competition, fines and a cap on wages and squad size.

Y/E Jun	Revenue (€m)	EBITDA (€m)	PBT (€m)	EPS (c)	P/E (x)	P/CF (x)
2015	263.6	48.0	44.2	42.7	12.0	18.4
2016	281.6	15.3	73.8	68.2	7.5	10.7
2017e	307.0	30.0	51.0	47.1	10.9	15.8
2018e	340.0	42.0	66.0	61.0	8.4	11.3

Sector: Oil & gas

Price:	33.5p
Market cap:	£107m
Market	AIM

Share price graph (p)

Company description

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

Price performance

%	1m	3m	12m
Actual	36.0	34.0	67.5
Relative*	34.2	24.9	39.2

* % Relative to local index

Analyst

Will Forbes

Bowleven (BLVN)

INVESTMENT SUMMARY

December and January have seen the emergence of shareholder activism at Bowleven (BLVN), bringing its strategy and management into greater focus. Its largest shareholder (Crown Ocean Capital, current holding 16.25%) evolved from being a supportive shareholder to voting against a number of resolutions at the December AGM, to recently calling for the widespread removal of the board and a radically different company structure. Operationally, the company reports that a new development concept is under review by the stakeholders in Etinde, where production would be piped to existing gas processing facilities in Equatorial Guinea. Such a solution would (if approved) require significantly less capex and could be brought online relatively quickly vs other solutions (fertiliser, FLNG, gas to power). Meanwhile on Bomono, formal resolution has been signed confirming the state's support for the two-year extension of the exploration licence and a Provisional Exploitation Authorisation (PEA). We leave our valuation largely unchanged, save for a revision to cash holding to reflect the recent operational update. Our new core NAV is 49p/share.

INDUSTRY OUTLOOK

Y/E Jun	Revenue (US$m)	EBITDA (US$m)	PBT (US$m)	EPS (c)	P/E (x)	P/CF (x)
2015	0.0	(11.5)	(14.1)	(4.3)	N/A	N/A
2016	0.0	(20.2)	(7.0)	(2.1)	N/A	N/A
2017e	0.0	(8.8)	(9.0)	(2.7)	N/A	N/A
2018e	6.1	(4.8)	(5.0)	(1.5)	N/A	N/A

Sector: Technology

Brady (BRY)

Price:	79.0p
Market cap:	£66m
Market	AIM

Share price graph (p)

Company description

Brady provides a range of transaction and risk management software applications, which help producers, consumers, financial institutions and trading companies manage their commodity transactions in a single, integrated solution.

Price performance

%	1m	3m	12m
Actual	7.5	18.8	39.8
Relative*	6.1	10.7	16.2

* % Relative to local index

Analyst

Richard Jeans

INVESTMENT SUMMARY

In a brief trading update in January, Brady said that trading was in line with market expectations. FY16 saw of a lot of internal change, with a new chairman and chief operating officer while the CEO left the group. While commodity markets have seen some improvements, the backdrop remains challenging. The main focus over the last few months has been on improving efficiencies, including a shift away from the old divisions to global functions. We made no major changes to our forecasts and, given the strong balance sheet and scope for recovery, continue to believe the shares look attractive, trading on c 18x our cash-adjusted FY18e earnings.

INDUSTRY OUTLOOK

Brady provides trading, risk and connectivity software solutions to the global commodity, recycling and energy markets – mining and oil companies, fabricators, traders, banks, etc. Key operational drivers are that the target market is underinvested in IT, auditors and regulators are seeking increased reporting and accountability, and fundamental changes such as electronic trading and the EEGI.

Y/E Dec	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (p)	P/E (x)	P/CF (x)
2014	31.0	5.6	5.1	5.3	14.9	10.3
2015	27.4	1.5	1.0	1.0	79.0	27.6
2016e	30.5	4.0	3.5	3.5	22.6	19.0
2017e	32.2	4.6	4.1	3.9	20.3	10.7

Sector: Industrial support services

Braemar Shipping Services (BMS)

Price:	267.4p
Market cap:	£81m
Market	LSE

Share price graph (p)

Company description

Braemar Shipping Services is a leading global shipping services group with interests ranging from shipbroking to the supply of specialist technical and logistics support to various parties involved in transporting goods by sea and in the energy sector.

Price performance

%	1m	3m	12m
Actual	(13.5)	(18.1)	(37.8)
Relative*	(14.6)	(23.7)	(48.3)

* % Relative to local index

Analyst

Andy Chambers

INVESTMENT SUMMARY

Acquisitions transformed the medium-term potential for Braemar Shipping, with several deals over the last ten years establishing non-broking divisions where demand is related to the volume of seaborne trade and the oil & gas market. In addition,the merger with ACM in 2014 rejuvenated the group's core broking business. The recent trading statement highlighted the challenges caused by the sharply reduced oil price on several of the group diversification businesses, leading to a cut in both profit estimates and dividend expectations. Nevertheless, the shares still offer an above-average yield, supported by a sound balance sheet and medium-term recovery potential related to the eventual recovery in the shipping cycle.

INDUSTRY OUTLOOK

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

Y/E Feb	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (p)	P/E (x)	P/CF (x)
2015	145.6	13.6	11.2	32.3	8.3	9.5
2016	159.1	15.9	13.4	34.7	7.7	5.8
2017e	140.0	4.6	3.0	8.0	33.4	19.7
2018e	138.0	9.3	7.7	20.6	13.0	8.5

Sector: Mining

Price:	2.7p
Market cap:	£19m
Market	AIM

Share price graph (p)

Company description

Bushveld Minerals is an AIM-listed junior diversified commodity explorer in South Africa. Other than the Vametco deal, projects include an iron-titanium-vanadium deposit on the Bushveld complex's northern limb as well as tin and coal assets.

Price performance

%	1m	3m	12m
Actual	(6.9)	86.2	4.9
Relative*	(8.1)	73.5	(12.9)

* % Relative to local index

Analyst

Tom Hayes

Bushveld Minerals (BMN)

INVESTMENT SUMMARY

Bushveld's US$16.4m acquisition of the Vametco vanadium mine and processing plant will transform it from a junior into a profitable producer. Vametco currently produces 2,750t pa of vanadium product. Hitherto, its output has been used in its traditional role as a steel hardening micro-alloy. However, Bushveld intends to re-configure the plant towards the production of vanadium electrolyte for use in vanadium redox flow-batteries.

INDUSTRY OUTLOOK

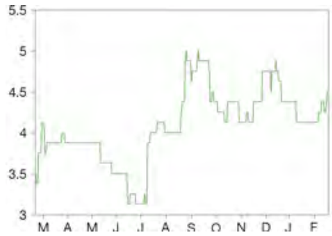
Bushveld's strategy is to develop three mineral platforms, namely vanadium, tin and coal. Significantly, Bushveld is acquiring Vametco as a going concern, including its operational team, with the result that the acquisition will simultaneously provide its vanadium platform with critical mass as well as providing a fundamental underpinning to its share price. Although less advanced than the Vametco project, we note that Bushveld's other assets could ultimately be worth up to an aggregate US$0.28 per Bushveld share on a fully diluted, attributable basis.

Y/E Feb	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (p)	P/E (x)	P/CF (x)
2015	0.0	(3.2)	(3.2)	(0.6)	N/A	N/A
2016	0.0	(1.5)	(1.8)	(0.4)	N/A	N/A
2017e	N/A	N/A	N/A	N/A	N/A	N/A
2018e	N/A	N/A	N/A	N/A	N/A	N/A

Sector: Basic industries

Price:	4.5p
Market cap:	£12m
Market	AIM

Share price graph (p)



Company description

Byotrol has developed and controls patents for a unique technology to facilitate the safe eradication of harmful microbes. These include several high-profile infections, such as MRSA and swine flu.

Price performance

%	1m	3m	12m
Actual	9.1	2.9	24.1
Relative*	7.6	(4.2)	3.2

* % Relative to local index

Analyst

Andy Chambers

Byotrol (BYOT)

INVESTMENT SUMMARY

The continued challenging global consumer climate and demanding regulatory regimes in the US and the EU continue to slow down the introduction of new products employing Byotrol technology. However, as indicated in the December interim statement, there is a growing momentum of opportunities, supported by upgraded product technology; management reported meaningful progress in each of its core product streams. There was a sharp cash outflow over the half-year, but the group reiterated earlier indications that a £1.1m payment related to the Solvay agreement will enable Byotrol to deliver its first underlying profit in H2. The appointment of a new and experienced non-executive chairman reinforces this optimism.

INDUSTRY OUTLOOK

The global market for specialist antimicrobial technology is vast and growing, as awareness of the impact of infection and diseases increases. While many products can kill bacteria instantly, the potential of a product which can be demonstrated to be "long lasting and gentle" (chairman's statement, 18 August 2016) is quite significant. The challenge is convincing the major industry players of the efficacy of technology and seeing new products to market.

Y/E Mar	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (fd) (p)	P/E (x)	P/CF (x)
2015	3.3	(0.5)	(0.6)	(0.3)	N/A	N/A
2016	2.6	(0.4)	(0.5)	(0.2)	N/A	N/A
2017e	2.8	0.0	(0.1)	0.0	N/A	N/A
2018e	N/A	N/A	N/A	N/A	N/A	N/A

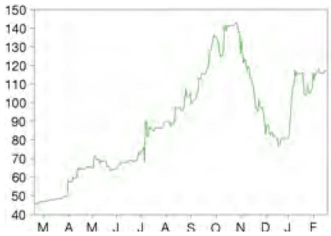
EDISON

Caledonia Mining (CMCL)

Sector: Mining

Price:	117.0p
Market cap:	£62m
Market	AIM, TSE

Share price graph (p)



Company description

Caledonia Mining mines gold at its main operating asset, the 49%-owned Blanket gold mine in southern Zimbabwe. It is also progressing its understanding of a number of promising satellite projects close to Blanket.

Price performance

%	1m	3m	12m
Actual	0.9	16.4	162.9
Relative*	(0.5)	8.5	118.5

* % Relative to local index

Analyst

Tom Hayes

INVESTMENT SUMMARY

The Blanket mine achieved record production for the fourth quarter and year ended 31 December 2016. Approximately 13,5914ozs of gold were produced during Q4, an 18% increase on a l-f-l basis (Q415: 11,515oz). Total gold production for 2016 was 50,351ozs, slightly ahead of guidance and our forecast for the year of 50,000ozs; it was also 17.6% higher than 2015's production of 42,804ozs. Operating costs have yet to be announced and will be published along with Q4 and full-year results on 21 March 2017.

INDUSTRY OUTLOOK

Caledonia forecasts 2017 production of 60koz at on mine cash costs between US$600/oz and US$630/oz, and at an all-in sustaining cost of between US$810/oz and US$850/oz.

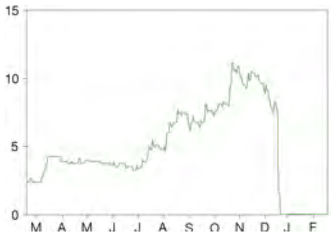
Y/E Dec	Revenue (US$m)	EBITDA (US$m)	PBT (US$m)	EPS (c)	P/E (x)	P/CF (x)
2014	53.5	14.7	11.0	10.4	14.1	4.9
2015	49.0	9.0	5.1	8.1	18.1	9.2
2016e	61.8	20.7	17.5	18.1	8.1	3.4
2017e	75.1	29.5	25.9	34.2	4.3	2.8

Canadian Overseas Petroleum (XOP)

Sector: Oil & gas

Price:	C$0.02
Market cap:	C$15m
Market	LSE, Toronto

Share price graph (C$)



Company description

Canadian Overseas Petroleum (COPL) is an Africa-focused E&P with exploration assets in Liberia and plans to expand into Nigeria through its ShoreCan JV. COPL is carried through a US$120m gross exploration programme in Liberia by ExxonMobil.

Price performance

%	1m	3m	12m
Actual	(16.7)	(85.7)	(37.5)
Relative*	(18.8)	(86.6)	(49.2)

* % Relative to local index

Analyst

Sanjeev Bahl

INVESTMENT SUMMARY

Canadian Overseas Petroleum's (COPL) Mesurado-1 prospect in Liberia targeted multiple Santonian deepwater channel sands with pre-drill gross P50 unrisked resource estimated at c 400mmbbl. The well located reservoir quality sands but no hydrocarbons, however, the company retains a sizeable proportion of it's US$120m gross exploration carry from partner and operator ExxonMobil. This remains available in event of further planned exploration. In September 2016, COPL announced that its 50% owned subsidiary, ShoreCan, had completed the acquisition of an 80% interest in OPL226 offshore Nigeria - containing the Noa West oil discovery. The transaction is subject to Ministerial approval.

INDUSTRY OUTLOOK

COPL's Liberian acreage continues to attract significant industry interest after ExxonMobil's Liza exploration success in Guyana. Despite oil prices in the mid-40's, 'giant' high quality oil fields such as Liza still offer attractive investment returns.

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

EDISON

Sector: Alternative energy

Price:	€7.81
Market cap:	€29m
Market	Euronext Paris

Share price graph (€)

Company description

Carbios develops enzyme-based processes for biodegradation and bioproduction of plastics, with a long-term aim of displacing current recycling and production practices.

Price performance

%	1m	3m	12m
Actual	(1.1)	(8.0)	(29.9)
Relative*	(1.8)	(14.8)	(39.3)

* % Relative to local index

Analyst

Catharina Hillenbrand-Saponar

Carbios (ALCRB)

INVESTMENT SUMMARY

Carbios leverages proprietary and unique enzyme-based technology for the self-destruction and recovery of plastics. It addresses the issue of plastics disposal in the face of growth in demand for plastics driven by major global trends, as well as environmental and sustainable solutions via break-through technologies for a circular plastics economy. Our fair value range is €23-37 per share, based on probability-weighted cash flows. H116 results were characterised by continued speedy expansion and good cash discipline. It reported an operating loss of €2.1m and cash of €7m. Carbios needs to reach the industrialisation and commercialisation stage in 2017. It has recently completed the fourth key stage of its research project and received a corresponding milestone payment. Its new first jv, Carbiolice, is a big step.

INDUSTRY OUTLOOK

Growing volumes, environmental concerns and an increasing focus on sustainability are becoming ever more important challenges to conventional plastic market participants. Biological plastic production and recycling is the single most important aim of the industry as a response. The target is a circular economy whereby plastic is constantly reused and recycled.

Y/E Dec	Revenue (€m)	EBITDA (€m)	PBT (€m)	EPS (fd) (c)	P/E (x)	P/CF (x)
2014	0.7	(3.3)	(3.3)	(59.3)	N/A	N/A
2015	0.8	(3.9)	(4.0)	(81.3)	N/A	N/A
2016e	9.2	3.2	3.1	124.3	6.3	N/A
2017e	0.7	(4.1)	(4.4)	(93.0)	N/A	N/A

Sector: Technology

Price:	142.5p
Market cap:	£104m
Market	LSE

Share price graph (p)

Company description

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

Price performance

%	1m	3m	12m
Actual	1.1	18.0	11.8
Relative*	(0.3)	10.0	(7.1)

* % Relative to local index

Analyst

Anne Margaret Crow

Carclo (CAR)

INVESTMENT SUMMARY

Carclo has announced that H217 trading remains strong and the outlook for the full year is in line with its expectations. Growth is being driven by the two larger divisions, Technical Plastics (TP) and LED Technologies, while the Aerospace division is experiencing stable trading conditions. We leave our estimates unchanged, but note potential currency upside should foreign exchange rates remain at current levels for the remainder of FY17.

INDUSTRY OUTLOOK

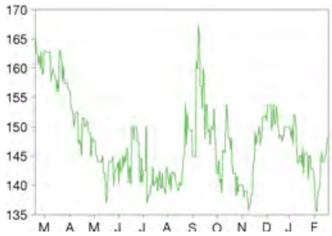
Production at the new TP facility in Taicang, China ramped up during H117 to support demand for disposable medical consumables from a global healthcare customer. Work doubling capacity at the Bangalore facility is ongoing and scheduled for completion this summer. Wipac continues to win lighting programmes in the low-volume sector and is working to secure its second mid-volume programme (the first win was in FY16) by end FY17. The strong demand enjoyed by the smaller Optics business during H117 has continued.

Y/E Mar	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (fd) (p)	P/E (x)	P/CF (x)
2015	107.5	11.4	7.1	7.9	18.0	26.6
2016	119.0	13.8	8.8	10.1	14.1	6.8
2017e	130.0	16.8	10.7	11.6	12.3	9.0
2018e	140.6	19.3	12.7	13.1	10.9	6.0

Sector: General industrials

Price:	147.5p
Market cap:	£135m
Market	LSE

Share price graph (p)



Company description

Carr's Agriculture division serves farmers in the North of England, South Wales, the Borders and Scotland, the US, Germany and New Zealand. The Engineering division offers remote handling equipment and fabrications to the global nuclear and oil and gas industries.

Price performance

%	1m	3m	12m
Actual	0.9	0.3	(7.2)
Relative*	(0.5)	(6.5)	(22.9)

* % Relative to local index

Analyst

Anne Margaret Crow

Carr's Group (CARR)

INVESTMENT SUMMARY

The in-built diversity provided by having two divisions operating in different sectors and internationalisation within those two divisions continues to show its worth. During the first 18 weeks of FY17 a better than expected performance from the Agricultural division was balanced against a significant contract delay in the Engineering division, with the group as a whole trading in line with management's expectations for the full year. Our estimates and valuation are unchanged.

INDUSTRY OUTLOOK

Confidence appears to be returning to the UK agriculture sector, boosting sales of feed blocks, machinery and agricultural inputs generally. In the US, sales of feed blocks were similar to the previous year as ranchers adjusted to lower beef prices. This positive situation is offset by significant delay with a contract in the UK Manufacturing business that was expected to utilise a significant proportion of FY17 production capacity and is not now expected to commence until towards the year end.

Y/E Aug	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (fd) (p)	P/E (x)	P/CF (x)
2015	331.3	16.0	14.2	10.2	14.5	9.2
2016	314.9	16.5	14.0	10.2	14.5	11.4
2017e	332.2	17.1	14.6	10.3	14.3	6.6
2018e	336.0	18.2	15.3	10.8	13.7	7.0

Sector: Financials

Price:	96.5p
Market cap:	£55m
Market	AIM

Share price graph (p)

Company description

Cenkos is a specialist, UK institutional stockbroker, focused on growth companies and investment funds. Its principal activities are primary and secondary fund raising, corporate advisory, research, trade execution and market making activities.

Price performance

%	1m	3m	12m
Actual	4.3	19.9	(36.5)
Relative*	2.9	11.7	(47.2)

* % Relative to local index

Analyst

Andrew Mitchell

Cenkos Securities (CNKS)

INVESTMENT SUMMARY

The background for corporate transactions and equity issuance during 2016 was challenging with the value of LSE AIM and main market issuance down 13% and 35% respectively compared with 2015. CNKS H116 profits were £1.7m vs £18.6m for H115, a period that benefited from the (£1bn) BCA Marketplace fundraising. The total raised for clients was £529m compared with over £2bn. Costs also fell (by 60%), underlining the flexible nature of the cost base. A number of significant fundraisings fell into the second half, including the £350m IPO of Civitas Social Housing. This, together with a healthy pipeline, means the second half should have been stronger: full year results are due to be reported in the second half of March.

INDUSTRY OUTLOOK

Markets have continued to strengthen since the US election despite a range of macro uncertainties. In the UK the Brexit negotiations could cause fluctuating sentiment, but entrepreneurial companies may focus more on opportunities against a resilient economic backdrop generating improving corporate transaction volumes.

Y/E Dec	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (fd) (p)	P/E (x)	P/CF (x)
2014	88.5	27.2	27.0	35.2	2.7	2.4
2015	76.5	20.0	19.9	27.2	3.5	3.5
2016e	46.0	4.2	4.1	4.8	20.1	11.0
2017e	N/A	N/A	N/A	N/A	N/A	N/A

Centrale del Latte d'Italia (CLI)

Sector: Food & drink

Price:	€2.83
Market cap:	€40m
MarketSTAR, Borsa Italiana STAR	

Share price graph (€)

Company description

Centrale del Latte d'Italia produces and distributes fresh and long-life milk (UHT and ESL), and dairy products such as cream, yoghurt and cheese. It has a leading position in milk in the Piedmont region of northern Italy, and it has expanded to the Veneto, Liguria and Tuscany regions.

Price performance

%	1m	3m	12m
Actual	(7.2)	1.8	(3.3)
Relative*	(6.1)	(11.3)	(12.0)

* % Relative to local index

Analyst

Sara Welford

INVESTMENT SUMMARY

The merger with Centrale del Latte di Firenze, Pistoia e Livorno (CLF) completed as planned. The 2016 outlook is subdued and the market in Northern Italy remains tough given the deflationary consumer backdrop, hence management guided towards flat revenues (excluding the merger) in 2016. We now expect the focus to turn to the integration of CLF with the FY16 results in March.

INDUSTRY OUTLOOK

The Italian fresh milk and ESL (extended shelf life) market was worth €574m in 2015 (source: IRI Infoscan Hypermarkets + Supermarkets), but is very localised, with different players in different regions. The market has steadily declined over the last few years, mainly as a result of volume declines caused by the economic crisis and also more recently a fashion for vegan and dairy-free diets. CLI has been gaining share in the regions in which it operates, and the Mukki brand acquired through CLF presents interesting opportunities for expansion.

Y/E Dec	Revenue (€m)	EBITDA (€m)	PBT (€m)	EPS (c)	P/E (x)	P/CF (x)
2014	102.6	5.8	1.9	8.1	34.9	4.3
2015	98.3	4.9	0.5	0.3	943.3	18.1
2016e	118.1	6.4	1.0	6.1	46.4	14.6
2017e	183.0	10.9	3.0	14.0	20.2	2.8

Ceres Power Holdings (CWR)

Sector: Alternative energy

Price:	8.6p
Market cap:	£87m
Market	AIM

Share price graph (p)

Company description

Ceres Power is a developer of low-cost, next generation fuel cell technology for use in decentralised energy products that reduce operating costs, lower CO2 emissions, increase efficiency and improve energy security.

Price performance

%	1m	3m	12m
Actual	10.8	(8.6)	56.4
Relative*	9.4	(14.8)	30.0

* % Relative to local index

Analyst

Anne Margaret Crow

INVESTMENT SUMMARY

Ceres Power announced a sequence of customer wins during H117, one of which was its first "go-to-market" agreement. This brought the total number of commercial agreements signed in calendar 2016 to four: Cummins, Honda, Nissan and an undisclosed global OEM. These wins have helped generate £1.5m of revenue and other operating income, three times the H116 total. This growth, together with an order book totalling £4.8m at end H117, supports our estimates, which we leave unchanged.

INDUSTRY OUTLOOK

The new commercial wins expand the available market so it now includes residential and commercial premises, data centres and electric vehicle range extenders. This diversification has been made possible by continued advances in efficiency and power density, as demonstrated in version 4 of the Steel Technology platform, which was released to customers on time and on budget during Q217.

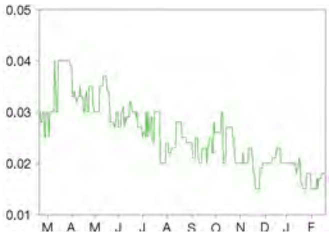
Y/E Jun	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (fd) (p)	P/E (x)	P/CF (x)
2015	0.3	(9.7)	(10.5)	(1.08)	N/A	N/A
2016	1.1	(10.5)	(11.6)	(1.11)	N/A	N/A
2017e	2.2	(10.3)	(11.3)	(0.90)	N/A	N/A
2018e	3.0	(9.5)	(10.5)	(0.83)	N/A	N/A

EDISON

Sector: Oil & gas

Price:	A$0.02
Market cap:	A$7m
Market	ASX

Share price graph (A$)



Company description

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

Price performance

%	1m	3m	12m
Actual	(10.0)	0.0	(40.0)
Relative*	(11.5)	(7.6)	(49.4)

* % Relative to local index

Analyst

Peter Chilton

Challenger Energy (CEL)

INVESTMENT SUMMARY

Recommended changes to the Mineral and Petroleum Resources Development Act (MPRDA), relating mainly to fiscal terms, were presented to South Africa's Upper House by the Department of Mineral Resources (DMR) in November 2016. Challenger Energy expects all public consultations will be completed by the end of March/April 2017. The DMR proposed that the state's 20% free carried interest be changed to a 20% carried interest with a cost recovery during the production phase. The DMR also proposed a lower 10% shareholding be reserved for Black Empowerment Participation (BEE). The MPRDA is widely anticipated as a precursor of long term shale gas exploration rights in the Karoo.

INDUSTRY OUTLOOK

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

Y/E Jun	Revenue (A$m)	EBITDA (A$m)	PBT (A$m)	EPS (c)	P/E (x)	P/CF (x)
2015	0.1	(1.2)	(1.3)	(0.3)	N/A	N/A
2016	0.0	(1.1)	(1.1)	(0.5)	N/A	N/A
2017e	N/A	N/A	N/A	N/A	N/A	N/A
2018e	N/A	N/A	N/A	N/A	N/A	N/A

Sector: General industrials

Price:	HK$5.37
Market cap:	HK$8099m
Market	HKSE

Share price graph (HK$)

Company description

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

Price performance

%	1m	3m	12m
Actual	0.8	(2.9)	62.7
Relative*	(4.3)	(10.0)	28.1

* % Relative to local index

Analyst

Jamie Aitkenhead

China Water Affairs Group (855)

INVESTMENT SUMMARY

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

INDUSTRY OUTLOOK

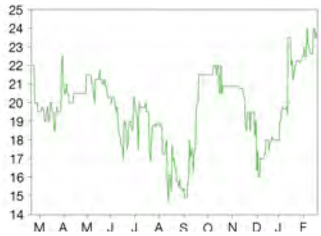
We forecast significant growth in Chinese water supply. Water supply lags behind wastewater treatment in terms of private operator penetration. CWA estimates that private enterprises account for only 20% of the water supply industry, whereas the same figure for wastewater treatment is more like 60%.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

Y/E Mar	Revenue (HK$m)	EBITDA (HK$m)	PBT (HK$m)	EPS (fd) (c)	P/E (x)	P/CF (x)
2015	2859.0	1299.8	885.6	16.59	32.4	13.4
2016	4033.0	1820.2	1337.4	38.54	13.9	5.4
2017e	6255.0	2649.5	2031.0	55.50	9.7	5.6
2018e	7535.0	2796.1	2167.6	58.83	9.1	3.4

Sector: Financials

Price:	23.8p
Market cap:	£56m
Market	AIM

Share price graph (p)



Company description

Circle Holdings is incorporated in Jersey and listed on the AIM market. It is an operator of both NHS and independent hospital facilities in the UK and has extended its activities to the provision of other healthcare services.

Price performance

%	1m	3m	12m
Actual	6.7	28.4	8.0
Relative*	5.3	19.6	(10.3)

* % Relative to local index

Analyst

Andrew Mitchell

Circle Holdings (CIRC)

INVESTMENT SUMMARY

Circle's management is focused on further diversifying the group offering and building the scale required to generate attractive overall returns. Already named as preferred bidder for a new musculoskeletal (MSK) contract in Greenwich, Circle seeks further MSK contracts, has agreed an innovative entry into the Chinese healthcare market, and plans a new independent hospital in Birmingham and the introduction of medical rehabilitation services. In December Circle announced a joint venture with established European provider, VAMED, to further delivery rehabilitation services in the UK, starting with a facility at the CircleReading hospital. Also in December, Paolo Pieri succeeded Steve Melton as CEO and, given his role as CFO for the previous six years, we expect continuity in terms of direction. In February a land disposal in Manchester realised a £9.1m cash consideration compared with a book value of £5m, providing funds for investment and working capital.

INDUSTRY OUTLOOK

Demographics and medical progress drive demand for healthcare services. Tight public finances create a need for efficient delivery which is likely to include more specialist services, integrated with the community. We see Circle's operations and planned rehabilitation offering as highly relevant in meeting this need.

Y/E Dec	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (fd) (p)	P/E (x)	P/CF (x)
2014	111.0	(10.4)	(20.2)	(4.3)	N/A	N/A
2015	127.8	(7.4)	(11.7)	(4.7)	N/A	N/A
2016e	134.0	(6.1)	(10.0)	(4.0)	N/A	N/A
2017e	142.2	(0.4)	(9.6)	(3.9)	N/A	45.4

Sector: Financials

Price:	A$0.23
Market cap:	A$19m
Market	ASX

Share price graph (A$)

Company description

CoAssets provides a 'facilitation platform' to connect funders with borrowers seeking finance. Crowdfunding to date has been primarily real estate focused with investors sourced mainly from Singapore. CoAssets has plans to extend its product by both geography and product type.

Price performance

%	1m	3m	12m
Actual	130.0	15.0	N/A
Relative*	126.2	6.3	N/A

* % Relative to local index

Analyst

Julian Roberts

CoAssets (CA8)

INVESTMENT SUMMARY

CoAssets successfully moved to the ASX from the NSX in September 2016 and has since announced partnerships with Valiant Finance, an Australian online SME broking platform and Handle Property Group (HPG), one of Western Australia's largest private development companies. CoAssets will be a lending partner on Valiant's platform, providing loans from A$75k to A$2m. HPG has appointed CoAssets as exclusive consultant in Singapore, marketing its real estate products there and the companies will also collaborate in Australia. Both agreements should feed CoAsset's pipeline of new business. CoAssets has also acquired 10% of Fujian's Da Xian Bing Internet Technology Ltd for RMB1m (AU$146k), providing access to the Chinese market through Da Xian Bing's 300,000 users and expanding CoAssets' footprint in China. To date CoAssets has funded S$48m of loans and has over 58,000 registered users, mainly in Singapore.

INDUSTRY OUTLOOK

There are a wide range of estimates for growth in global marketplace lending. Morgan Stanley estimates the market could reach US$290bn by 2020, implying a CAGR from 2015 to 2020 of 51%.

Y/E Jun	Revenue (S$m)	EBITDA (S$m)	PBT (S$m)	EPS (c)	P/E (x)	P/CF (x)
2014	N/A	N/A	N/A	N/A	N/A	N/A
2015	1.1	0.0	0.0	(0.02)	N/A	N/A
2016e	3.5	0.4	0.4	0.29	86.5	N/A
2017e	4.5	(3.5)	(3.3)	(1.52)	N/A	N/A

Sector: General industrials

Coats Group (COA)

Price: 57.8p
Market cap: £813m
Market LSE

Share price graph (p)

Company description

Coats Group is a leading producer of industrial thread and consumer craft textiles with over 70 manufacturing sites internationally. Its divisions are Industrial: Apparel & Footwear (c 66%) and Speciality (c 15%); and Crafts (19%) based on FY15 revenue.

Price performance

%	1m	3m	12m
Actual	0.4	50.0	159.6
Relative*	(0.9)	39.8	115.7

* % Relative to local index

Analyst

Toby Thorrington

INVESTMENT SUMMARY

Operating performance was more in focus in H116 given relatively lower-level distractions from non-trading items. Underlying margin increases were achieved by both divisions with little overall assistance from markets. Industrial delivered a solid H1 performance and although Crafts demand was relatively weak, underlying divisional profitability was maintained. Following the Q3 trading update we raised earnings estimates by c 6% for the current year and c 4% for the following two. On 16 December, Coats announced agreed terms (subject to final settlement) for two of its three UK DB pension schemes; this clarifies the underlying balance sheet position and ongoing cash profile and is a precursor to a likely return to the dividend list from FY17. Rajiv Sharma (previously Industrial global CEO) became group CEO on 1 January. FY16 results are due 24 February.

INDUSTRY OUTLOOK

Population growth is the ultimate trend driver for clothing and footwear demand. Increasing urbanisation, mobility and wealth are all features of this overall growth. Consumer consumption will generally track GDP growth over time. Economic and demographic differences at a country level mean that the local characteristics of demand vary. Coats is the world's leading industrial thread and consumer textile crafts business.

Y/E Dec	Revenue (US$m)	EBITDA (US$m)	PBT (US$m)	EPS (c)	P/E (x)	P/CF (x)
2014	1561.4	170.0	128.2	5.2	13.9	6.3
2015	1489.5	183.0	126.8	5.0	14.5	11.5
2016e	1490.1	197.8	135.4	5.6	12.9	9.0
2017e	1543.8	208.0	141.8	6.1	11.9	N/A

Sector: Aerospace & defence

Cohort (CHRT)

Price: 445.0p
Market cap: £182m
Market AIM

Share price graph (p)

Company description

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

Price performance

%	1m	3m	12m
Actual	10.6	14.1	32.4
Relative*	9.1	6.3	10.1

* % Relative to local index

Analyst

Andy Chambers

INVESTMENT SUMMARY

Cohort delivered solid profit growth in H117, which we expect to strengthen in H217. The mix of profitability and reducing minorities led us to increase our FY18 forecasts, and the earning- enhancing buy in of the MCL minority on 1 February underpins our expectations. The progressive dividend policy provides immediate benefit to investors, but the capital progress also remains attractive. The shares have continued to perform well so far in 2017 aided by January's contract wins, are close to all time highs and closing in on our fair value of 485p.

INDUSTRY OUTLOOK

Cohort is heavily influenced by activities in defence and security (91% of FY16 sales). These markets require highly differentiated technologies and services with high barriers to entry based on customer relationships, regulation and high-level security clearances. The UK government's commitment to spend at least 2% of GDP on defence provides greater confidence, as does the parliamentary approval for the replacement of Trident.

Y/E Apr	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (p)	P/E (x)	P/CF (x)
2015	99.9	11.0	10.2	20.5	21.7	8.7
2016	112.6	13.0	12.0	27.2	16.4	21.3
2017e	125.8	15.5	14.3	24.1	18.5	28.0
2018e	138.9	17.8	16.6	33.4	13.3	11.0

Sector: Food & drink

Price:	NZ$6.88
Market cap:	NZ$292m
Market	NZSX

Share price graph (NZ$)

Company description

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

Price performance

%	1m	3m	12m
Actual	(11.8)	(26.4)	(21.8)
Relative*	(12.1)	(29.0)	(30.1)

* % Relative to local index

Analyst

Paul Hickman

Comvita (CVT)

INVESTMENT SUMMARY

Comvita reported NPAT of NZ$18.5m for the 15 months to June 2016, a changed year end from March. In October 2016, FY17 NPAT guidance was reduced to NZ$17.1m as a result of Chinese trade restrictions. In January 2017, trading NPAT guidance was cut to NZ$5-7m on poor weather conditions, not expected to repeat. However, after disposal transactions, total NPAT is guided as NZ$20-22m. Reporting an interim NPAT loss of NZ$7.1 (H115 profit: NZ$3.0m), management noted cost savings, new routes into China, product innovation and a strong balance sheet. Our forecasts remain under review.

INDUSTRY OUTLOOK

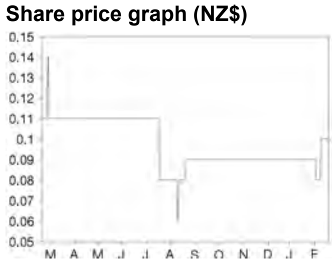
Manuka honey has gained an international reputation for its medicinal qualities, both for wound care and general health. Comvita is the largest manuka manufacturer and exporter and has leading market positions in a number of countries including the US, UK, Australia and China. Investment in manuka honey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

Y/E Mar / Jun	Revenue (NZ$m)	EBITDA (NZ$m)	PBT (NZ$m)	EPS (c)	P/E (x)	P/CF (x)
2015	152.7	22.8	16.3	29.9	23.0	12.3
2016	230.7	39.4	29.6	52.9	13.0	N/A
2017e	N/A	N/A	N/A	N/A	N/A	N/A
2018e	N/A	N/A	N/A	N/A	N/A	N/A

Sector: Food & drink

Price:	NZ$0.10
Market cap:	NZ$41m
Market	NZSX

Share price graph (NZ$)



Company description

Cooks Global Foods owns the global rights to the Esquires Coffee House brand, with 92 stores currently operating in the UK, Ireland, Canada, China, Indonesia and the Middle East via master franchise arrangements.

Price performance

%	1m	3m	12m
Actual	11.1	11.1	(9.1)
Relative*	10.7	7.3	(18.7)

* % Relative to local index

Analyst

Paul Hickman

Cooks Global Foods (CGF)

INVESTMENT SUMMARY

Cooks Global Foods (CGF) continues to grow the Esquires network and align store formats with its organic and fairtrade brand values. Store sales rose by 12.6% to $30.1m for nine months to December 2016, and same store sales grew by 0.2%. In November 2016 CGF launched a convertible offer to raise $6m which remains open. In February 2017, Jiajiayue Holding Group Limited and Cooks Executive Chairman Keith Jackson agreed to provide up to $8.2m in new funding to accelerate the growth of the store chain and provide working capital. Our forecasts remain under review.

INDUSTRY OUTLOOK

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

Y/E Mar	Revenue (NZ$m)	EBITDA (NZ$m)	PBT (NZ$m)	EPS (c)	P/E (x)	P/CF (x)
2015	8.9	(2.8)	(3.5)	(1.27)	N/A	N/A
2016	12.4	(4.2)	(4.6)	(1.38)	N/A	N/A
2017e	N/A	N/A	N/A	N/A	N/A	N/A
2018e	N/A	N/A	N/A	N/A	N/A	N/A

Sector: Mining

Price:	A$0.26
Market cap:	A$43m
Market	ASX

Share price graph (A$)

Company description

Cradle Resources has a 50% interest in the Panda Hill niobium project in Tanzania. This interest makes Cradle one of the few niobium explorers/developers; 90% of the world's metal supply originates from one country (Brazil) and just three companies.

Price performance

%	1m	3m	12m
Actual	0.0	4.0	48.6
Relative*	(1.6)	(3.9)	25.4

* % Relative to local index

Analyst

Charles Gibson

Cradle Resources (CXX)

INVESTMENT SUMMARY

In Panda Hill, Cradle has a 50% interest in a unique asset in Tanzania that is poised to become only the world's fourth niobium mine. Having completed the front-end engineering and design (FEED) process, it is now optimising its DFS. Not only the project's geology, but also the majority of its metallurgy, is entirely conventional. Cradle's partner, Tremont, has been conducting off-take and financing talks with a view to making a final investment decision (FID) in Q217.

INDUSTRY OUTLOOK

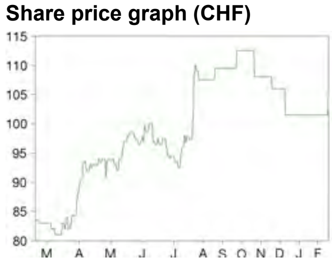
Edison calculates a project value for Panda Hill of US$369m, or an attributable US$1.12 per Cradle share. This dilutes to A$0.69/sh assuming 100% equity funding of Cradle's JV obligations at a share price of A$0.26. In the meantime however, given niobium's price and scarcity, we would expect Cradle to trade on a resource multiple in excess of 0.51% of the gross value of the in-situ metal - which implies a fair value for Cradle's shares now of A$0.46, on which basis its fully diluted valuation increases to A$0.96/sh.

Y/E Jun	Revenue (A$m)	EBITDA (A$m)	PBT (A$m)	EPS (c)	P/E (x)	P/CF (x)
2015	0.0	(4.0)	(4.0)	(3.1)	N/A	N/A
2016	0.0	(11.2)	(11.2)	(6.7)	N/A	N/A
2017e	0.0	(1.3)	(1.2)	(0.4)	N/A	N/A
2018e	0.0	(1.3)	(1.4)	(0.3)	N/A	N/A

Sector: Technology

Price:	CHF105.50
Market cap:	CHF113m
Market	Swiss Stock Exchange

Share price graph (CHF)



Company description

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

Price performance

%	1m	3m	12m
Actual	(0.9)	(0.5)	26.3
Relative*	(3.3)	(6.8)	18.0

* % Relative to local index

Analyst

Richard Jeans

CREALOGIX Group (CLXN)

INVESTMENT SUMMARY

CREALOGIX posted a strong FY16 performance with revenue growth of 28% and a return to profitability. EBITDA was CHF3.7m vs our forecast CHF1.4m. Nevertheless, we conservatively cut our FY17 profit forecasts as the group's recurring SaaS revenue book in the UK has been reduced by the fall in sterling and the growth outlook has been affected by uncertainties around Brexit. However, this is largely balanced by the growing opportunities in Germany, where projects typically involve greater services revenues, hence our FY18 forecasts remain broadly the same. Given the growth drivers and strong balance sheet, we believe the shares are attractive on c 18x our FY19e EPS.

INDUSTRY OUTLOOK

CREALOGIX develops and implements software that enables digital banking for "the digital bank of tomorrow". The solutions are most often used by traditional banks to enable their journey to digitalisation, through the provision of a sophisticated, modern omni-channel offering to their clients. The group's products are front-end solutions that integrate with the customers' back end systems. The technology has been winning awards, including Best Web Development at the Systems in the City Awards 2016 and Best of Show Award at FinovateEurope 2017 with its virtual banking app "The ARCs".

Y/E Jun	Revenue (CHFm)	EBITDA (CHFm)	PBT (CHFm)	EPS (CHFc)	P/E (x)	P/CF (x)
2015	49.3	(10.6)	(12.6)	(813.23)	N/A	N/A
2016	63.3	3.7	2.2	164.68	64.1	87.3
2017e	71.6	4.0	2.5	147.25	71.6	25.5
2018e	78.7	7.4	6.0	410.68	25.7	14.4

Sector: Financials

Price: €1.21
Market cap: €316m
Market Borsa Italiana

Share price graph (€)

Company description

DeA Capital, a De Agostini group company, is one of Italy's leading players in alternative investments and asset management. At end September 2016 it had an investment portfolio of c €450m and assets under management of c €10.8bn.

Price performance

%	1m	3m	12m
Actual	(1.1)	9.7	(1.5)
Relative*	0.0	(4.4)	(10.4)

* % Relative to local index

Analyst

Andrew Mitchell

DeA Capital (DEA)

INVESTMENT SUMMARY

DeA continues to concentrate on the development of its alternative fund management businesses, IDeA Capital Funds (private equity) and IDeA FIMIT (real estate). The Q3 results released on 3 November showed that both of these grew AUM during the period as they raised new funds and as investor appetite for real estate assets stabilised. Along with the acquisition of a 66.3% stake in SPC, a credit management business with €0.9bn under management, total AUM were at a record €10.8m at the period end. DeA continues to trade at a significant discount to NAV which, given the diversification of the portfolio, should provide protection against any increase in market volatility. FY16 results are due to be announced on 9 March.

INDUSTRY OUTLOOK

The subdued economic outlook in Italy, deferral of economic reforms and the ongoing task of strengthening the banking system, tends to support the case for alternative assets, independent of banks and with absolute return objectives.

Y/E Dec	Revenue (€m)	EBITDA (€m)	PBT (€m)	EPS (fd) (c)	P/E (x)	P/CF (x)
2014	28.3	N/A	(56.8)	(21.0)	N/A	N/A
2015	156.0	N/A	32.5	15.4	7.9	N/A
2016e	79.8	N/A	21.3	6.5	18.6	N/A
2017e	73.0	N/A	20.3	3.8	31.8	N/A

Sector: Alternative energy

Price: €2.02
Market cap: €21m
Market Alternext Paris

Share price graph (€)

Company description

Deinove is a biotech company that discovers, develops and manufactures compounds of industrial interest stemming from rare bacteria and intended for the health, nutrition and beauty markets.

Price performance

%	1m	3m	12m
Actual	(10.6)	(6.0)	(37.7)
Relative*	(11.2)	(13.0)	(46.0)

* % Relative to local index

Analyst

Graeme Moyse

Deinove (DEINO)

INVESTMENT SUMMARY

The H116 results were stable year-on-year and the net financial position (company definition) at the period end was €10.4m, compared to €12.4m at FY15. However Deinove's strategy, following the suspension of the Deinol programme, has evolved and the company is now to direct its efforts towards the Deinochem and Deinobiotics programmes, with specific focus on health (antibiotics/antifungals), cosmetics antioxidants/pigments)and nutrition (food additives/colouring agents/antioxidants). Deinove believes that these markets could have a combined value of c. S180bn by the mid 2020s. To exploit this opportunity Deinove recently strengthened its Board by appointing four directors with significant international experience and standing in the pharmaceutical and antibiotics industry.

INDUSTRY OUTLOOK

Environmentalism will continue to underpin growth in green chemistry and the growing antimicrobial resistance to current antibiotics will demand the discovery of new antibiotic structures.

Y/E Dec	Revenue (€m)	EBITDA (€m)	PBT (€m)	EPS (c)	P/E (x)	P/CF (x)
2014	0.2	(6.5)	(6.6)	(94.9)	N/A	N/A
2015	0.5	(7.3)	(7.3)	(66.8)	N/A	N/A
2016e	0.5	(7.4)	(8.1)	(77.3)	N/A	N/A
2017e	0.5	(7.4)	(8.2)	(64.5)	N/A	N/A

Sector: Media & entertainment

Price:	102.5p
Market cap:	£75m
Market	AIM

Share price graph (p)

Company description

Ebiquity is an independent marketing performance specialist and a leading provider of a range of business critical data, analysis and consultancy services to advertisers and media owners on an international basis.

Price performance

%	1m	3m	12m
Actual	2.5	13.9	(24.9)
Relative*	1.1	6.1	(37.6)

* % Relative to local index

Analyst

Bridie Barrett

Ebiquity (EBQ)

INVESTMENT SUMMARY

Ebiquity's FY16 January trading update points to 9% revenue growth (6% currency) and mid-single digit profit growth in operating and earnings. In line with the growth acceleration plan, MPO has started its expansion into new markets in Asia Pacific. MVM has had a good year across all markets; however, the contract compliance division has not yet seen the expected pick-up in activity following the ANA's summer review into media transparency. Within MI, Portfolio revenues outside the US have stabilised, although budget pressures continue to weigh on the US activities. The January outlook statement indicates FY17 has started well with a noticeable pick up in new business activity and improved visibility. We believe EBQ is in a strong position to execute to the growth acceleration plan presented in September 2016 and consider the 10x FY17 P/E rating unchallenging.

INDUSTRY OUTLOOK

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

Y/E Dec	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (p)	P/E (x)	P/CF (x)
2014	69.1	9.6	6.8	6.60	15.5	N/A
2015	76.6	14.2	11.2	10.80	9.5	N/A
2016e	84.5	15.7	12.7	11.00	9.3	N/A
2017e	92.0	15.3	12.3	10.03	10.2	N/A

Sector: Oil & gas

Price:	11.8p
Market cap:	£30m
Market	AIM

Share price graph (p)

Company description

Egdon Resources is an AIM-listed onshore oil and gas exploration company. The group has conventional and unconventional assets in the UK and France.

Price performance

%	1m	3m	12m
Actual	(2.1)	(16.8)	62.7
Relative*	(3.4)	(22.5)	35.2

* % Relative to local index

Analyst

Sanjeev Bahl

Egdon Resources (EDR)

INVESTMENT SUMMARY

Post the fund-raise, Egdon has zero debt and cash of c £7.0m, making it the largest unlevered UK-listed shale play. Licences span over 200,000 net acres with an ERCE estimated undiscovered gas initially in place (GIIP Pmean) of 48tcf. Our valuation is adjusted for placing proceeds and associated NAV/share dilution; this is offset by inclusion of 14th round licence awards. Our valuation is broken down in to 3.7p/share for core 2P value (including cash and net of G&A) and 18.5p/share for contingent resource and risked exploration. We also include an indicative dollars per acre shale valuation of 25.7p/share.

INDUSTRY OUTLOOK

The supportive stance taken by the UK government towards shale provides a stable fiscal and regulatory environment for its development.

Y/E Jul	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (fd) (p)	P/E (x)	P/CF (x)
2015	2.1	(4.0)	(4.5)	(2.0)	N/A	N/A
2016	1.6	(0.7)	(2.7)	(1.2)	N/A	N/A
2017e	2.5	0.2	(1.0)	(0.4)	N/A	135.6
2018e	4.5	2.2	0.7	0.3	39.3	13.9

Sector: Oil & gas

Price:	A$0.07
Market cap:	A$62m
Market	ASX

Share price graph (A$)

Company description

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

Price performance

%	1m	3m	12m
Actual	2.8	12.3	6.2
Relative*	1.1	3.8	(10.4)

* % Relative to local index

Analyst

Peter Chilton

Elk Petroleum (ELK)

INVESTMENT SUMMARY

In January 2017, ELK acquired a c 14% interest in the Maddon Gas Field (ELK share: 12.9mmboe) and Lost Cabin Plant in Wyoming. A key motivation was the 20% CO2 content of its gas, enabling ELK to become vertically integrated in CO2, coincident with its strategy of expanding oil production by acquiring Enhanced Oil Recovery (EOR) projects. The acquisition transforms ELK immediately into a profitable producer, albiet gas rather than oil, with its Grieve EOR project expected to start production in late 2017/early 2018. ELK's share of Madden has the potential to generate US$7-8.5m pa cash flow at consensus gas prices, comparing favourably with the US$20m purchase price.

INDUSTRY OUTLOOK

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

Y/E Jun	Revenue (A$m)	EBITDA (A$m)	PBT (A$m)	EPS (fd) (c)	P/E (x)	P/CF (x)
2015	0.0	(3.1)	(3.6)	(1.9)	N/A	N/A
2016	0.0	(5.0)	(5.7)	(2.2)	N/A	N/A
2017e	0.0	(4.9)	(7.0)	(0.5)	N/A	N/A
2018e	38.0	24.5	8.6	1.1	6.4	3.4

Sector: Alternative energy

Price:	US$7.75
Market cap:	US$83m
Market	TASE

Share price graph (US$)

Company description

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

Price performance

%	1m	3m	12m
Actual	(8.8)	6.0	(0.1)
Relative*	(12.1)	(1.4)	(18.2)

* % Relative to local index

Analyst

Jamie Aitkenhead

Ellomay Capital (ELLO)

INVESTMENT SUMMARY

Temporary factors – both lower solar radiation (worse weather) and lower spot prices – hit Ellomay's 9M16 results. However, we leave our FY17 forecasts little changed and increase our FY18 numbers on power price forecasts and currency moves. 9M16 results contained nothing to permanently unsettle investors on Ellomay and its equity story. Plus there has been good progress towards the development of several Dutch waste-to-energy assets.

INDUSTRY OUTLOOK

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

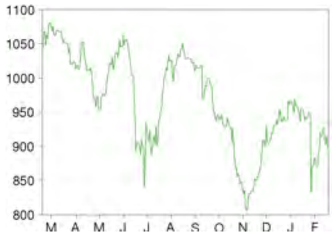
Y/E Dec	Revenue (US$m)	EBITDA (US$m)	PBT (US$m)	EPS (fd) (c)	P/E (x)	P/CF (x)
2014	15.8	8.4	2.5	20.92	37.0	11.3
2015	13.8	7.2	1.9	35.25	22.0	8.3
2016e	12.8	5.5	0.6	7.93	97.7	13.7
2017e	14.3	8.5	4.8	33.10	23.4	11.4

EMIS Group (EMIS)

Sector: Technology

Price:	892.5p
Market cap:	£565m
Market	AIM

Share price graph (p)



Company description

EMIS is a clinical software supplier to the primary care market in the UK (supplying over 50% of UK GP practices), a software supplier to UK pharmacies, and through several acquisitions also supplies specialist and acute care software.

Price performance

%	1m	3m	12m
Actual	(5.7)	5.0	(13.9)
Relative*	(6.9)	(2.2)	(28.5)

* % Relative to local index

Analyst

Katherine Thompson

INVESTMENT SUMMARY

EMIS has confirmed that trading was in line with expectations for FY16, despite a challenging environment in the NHS. Primary Care, Community Pharmacy and Patient all performed well in H216, offset by weaker trading for Secondary Care, Specialist Care and CCMH. We make no changes to our forecasts pending FY16 results on 16 March. Despite the short-term impact on demand from NHS funding issues, we expect the need for an integrated approach to healthcare to drive demand for EMIS solutions in the longer term.

INDUSTRY OUTLOOK

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

Y/E Dec	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (p)	P/E (x)	P/CF (x)
2014	137.6	47.6	34.2	42.8	20.9	12.5
2015	155.9	52.0	36.6	46.0	19.4	13.1
2016e	162.5	54.1	39.6	48.6	18.4	12.6
2017e	172.2	57.2	42.4	51.9	17.2	9.9

Entertainment One (ETO)

Sector: Media & entertainment

Price:	245.5p
Market cap:	£1055m
Market	LSE

Share price graph (p)

Company description

Entertainment One (eOne) is a leading international entertainment company that sources, selects and sells films and television content. Its library contains over 40,000 film and TV titles, 4,500 half-hours of TV programming and 45,000 music tracks.

Price performance

%	1m	3m	12m
Actual	6.1	1.7	78.9
Relative*	4.6	(5.2)	48.7

* % Relative to local index

Analyst

Bridie Barrett

INVESTMENT SUMMARY

H1 revenue growth of 19% reflects continued strong performances from Television (+34%) and Family (+16%) and the recovery in Film (+9%), buoyed by a strong box office. The upfront MGs and P&A costs associated with the cinematic release of major titles, exacerbated by the headwinds in the secondary markets from the weaker box office in previous periods resulted in margin compression in Film and a reduction in overall EBITDA y-o-y. However, this is consistent with the usual cash flow characteristics of a film's release and profitability should follow as these titles move to the secondary windows. With a significant proportion of its slate commissioned or contracted in Television, a good roster of films and very strong momentum internationally in Family, we expect a very good second half. On a March 17 (current year) EV/EBITDA of 8.1x, a significant discount to peers, the shares do not reflect the more balanced risk profile or the increase in content investment.

INDUSTRY OUTLOOK

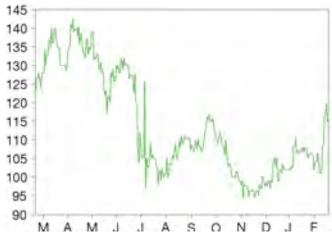
OTT platforms are having a disruptive effect, helping to drive strong demand for content. Premium content companies like eOne, with a diversified portfolio of content across Television, Film and Family brands, are well placed to satisfy the strong global demand for entertainment content.

Y/E Mar	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (p)	P/E (x)	P/CF (x)
2015	785.8	107.3	88.8	20.8	11.8	3.0
2016	802.7	129.1	104.1	19.4	12.7	2.9
2017e	1003.1	157.0	126.7	20.0	12.3	2.2
2018e	1093.9	178.0	149.4	23.7	10.4	1.8

Sector: Construction & blding mat

Price:	117.0p
Market cap:	£166m
Market	AIM

Share price graph (p)



Company description

Epwin supplies functional low-maintenance exterior building products (including windows, doors, roofline and rainwater goods) into a number of UK market segments and is a modest exporter.

Price performance

%	1m	3m	12m
Actual	9.4	22.2	(5.3)
Relative*	7.9	13.9	(21.3)

* % Relative to local index

Analyst

Toby Thorrington

Epwin Group (EPWN)

INVESTMENT SUMMARY

Year-end commentary included an in-line trading update for FY16. Epwin has progressed in a number of different areas in the year, not least the roll out of a new window system. Our estimates show a good uplift over the prior year; we believe the majority of the y-o-y increase will have been generated by acquisitions (Stormking, Ecodeck and, to a lesser extent, National Plastics), which have added new products and processes to the Epwin portfolio and broadened distribution reach. FY17 will have its challenges but we believe there is resilience in the Epwin model. FY16 results are due to be announced on 6 April.

INDUSTRY OUTLOOK

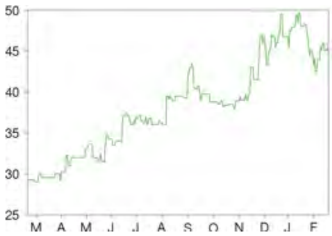
Epwin is exposed to both RMI (c 70% revenue) and newbuild (c 30%) in the UK housing market. Newbuild activity is clearly ahead y-o-y, while RMI demand has been more patchy. Referencing potential post Brexit consumer confidence, industry commentators have expressed near-term caution.

Y/E Dec	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (fd) (p)	P/E (x)	P/CF (x)
2014	259.5	24.5	18.0	11.2	10.4	7.6
2015	256.0	25.6	19.2	11.7	10.0	6.6
2016e	298.0	33.8	24.5	14.0	8.4	5.7
2017e	313.5	35.5	25.9	14.6	8.0	4.9

Sector: Technology

Price:	€45.98
Market cap:	€60m
Market	Xetra

Share price graph (€)



Company description

EQS is a leading global provider of digital solutions for investor relations and corporate communications. Its solutions and services are provided to more than 7,000 clients worldwide.

Price performance

%	1m	3m	12m
Actual	(4.2)	10.8	57.2
Relative*	(6.0)	0.7	25.4

* % Relative to local index

Analyst

Fiona Orford-Williams

EQS Group (EQS)

INVESTMENT SUMMARY

EQS raised its ARIVA stake to 67% in December 2016. There is a mutual agreement option for a full takeover in place. November's trading update indicated that ARIVA is outperforming original expectations, as it benefits from projects related to PRIIPs regulation. The update showed group organic ytd revenues up 8% across international and domestic operations (non-Germany now 24% of group), with recurring revenues at 71% of top line, despite the level of project work. A placing in December raised €5.4m gross at €45 and our forecasts are updated to reflect this and the increased ARIVA stake. We await further news on the intended acquisition referred to in the accompanying statement.

INDUSTRY OUTLOOK

The move towards implementation of PRIIPs is providing plentiful project work as people set up their complex reporting templates. H116 revenues were hurt by the removal of EU requirements for quarterly reporting and notification of voting rights. However, the bulk of changes work the other way. The EU Market Abuse Regulations give a substantial opportunity for cross- and up-selling the INSIDER MANAGER module into existing clients for the COCKPIT software (which processes workflows for IR managers), as well as growing the pool of potential new customers.

Y/E Dec	Revenue (€m)	EBITDA (€m)	PBT (€m)	EPS (c)	P/E (x)	P/CF (x)
2014	16.4	3.7	3.4	182.9	25.1	13.3
2015	18.4	3.5	3.1	115.2	39.9	10.9
2016e	23.6	4.1	3.6	171.2	26.9	14.0
2017e	30.0	4.6	4.0	208.5	22.1	10.7

Sector: Technology

Price:	7.2p
Market cap:	£46m
Market	AIM, ASX

Share price graph (p)

Company description

eServGlobal develops mobile software solutions to support mobile financial services, with a focus on emerging markets. The company also has a share in the HomeSend international remittances hub, alongside MasterCard and BICS.

Price performance

%	1m	3m	12m
Actual	7.4	5.5	271.5
Relative*	6.0	(1.7)	208.7

* % Relative to local index

Analyst

Katherine Thompson

eServGlobal (ESG)

INVESTMENT SUMMARY

eServGlobal reported FY16 results in line with its recent trading update. The turnaround in the core business is evident with H216 revenues 58% higher than in H116 and adjusted EBITDA losses significantly reducing over H216. Continued contract momentum combined with good cost control puts the company on track to generate positive EBITDA for FY17. At the same time, the HomeSend joint venture expects to see revenue contributions from new partners coming on line and continues to target break-even in CY17.

INDUSTRY OUTLOOK

eServGlobal's core business is focused on developing markets, where there is a higher prevalence of pre-paid contracts and unbanked citizens. Growth drivers include the shift to using the mobile phone for financial services and the increasing popularity of mobile peer-to-peer payments. The international remittances market was worth $583bn in 2014 and is forecast to grow to $636bn by 2017 (source: World Bank). The HomeSend JV has the potential to reduce the cost of sending smaller sums of money cross border.

Y/E Oct	Revenue (A$m)	EBITDA (A$m)	PBT (A$m)	EPS (c)	P/E (x)	P/CF (x)
2015	25.9	(10.4)	(17.7)	(5.41)	N/A	N/A
2016	21.6	(7.0)	(17.5)	(3.88)	N/A	N/A
2017e	27.6	0.8	(7.3)	(0.94)	N/A	180.4
2018e	N/A	N/A	N/A	N/A	N/A	N/A

Sector: Technology

Price:	€48.44
Market cap:	€261m
Market	Alternext Paris

Share price graph (€)

Company description

Esker provides end-to-end document automation solutions, offering on-premise and on-demand delivery models. The business generates 50% of revenues from Europe, 40% from the US and the remainder from Asia and Australia.

Price performance

%	1m	3m	12m
Actual	1.7	11.1	75.5
Relative*	1.0	2.8	51.9

* % Relative to local index

Analyst

Katherine Thompson

Esker (ALESK)

INVESTMENT SUMMARY

Esker reported Q416/FY16 revenues in line with our forecasts: Q4 revenues +9% y-o-y (reported and constant currency); FY16 revenues +13% (12% constant currency and like-for-like). Strong growth in new contracts combined with c 80% recurring revenues support continued growth and Esker expects to generate double-digit organic revenue growth in FY17. We leave our forecasts unchanged pending full-year results in March. We note that Esker had net cash of €15.9m at the end of FY16, providing ample funds for investment to drive growth.

INDUSTRY OUTLOOK

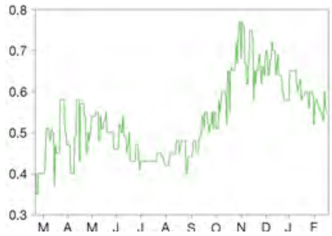
Esker's DPA software operates across four areas: document delivery, accounts payable, accounts receivable and sales order processing. Competitors are different for each business process and consist of business process outsourcers and specialist DPA software companies. Customers move to using DPA software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

Y/E Dec	Revenue (€m)	EBITDA (€m)	PBT (€m)	EPS (fd) (c)	P/E (x)	P/CF (x)
2014	46.1	9.0	5.9	90.0	53.8	25.2
2015	58.5	13.4	9.3	131.0	37.0	16.9
2016e	66.0	15.4	10.9	150.0	32.3	16.3
2017e	73.6	18.5	13.9	184.0	26.3	14.1

Sector: Mining

Price:	C$0.55
Market cap:	C$64m
Market	Toronto

Share price graph (C$)



Company description

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

Price performance

%	1m	3m	12m
Actual	(6.8)	(11.3)	37.5
Relative*	(9.1)	(17.0)	11.7

* % Relative to local index

Analyst

Charles Gibson

Euromax Resources (EOX)

INVESTMENT SUMMARY

EOX's January 2016 DFS on Ilovica envisaged a conventional 10Mtpa mining operation, followed by a consecutive flotation and cyanide leach process flow route. Since then, Euromax has announced a number of developments to de-risk the project, including 1) a number of financing rounds; 2) submission of its EIA to the Macedonian Environment Ministry as the first step towards its International ESIA; 3) German government confirmation of UFK eligibility for the debt financiers of Ilovica; and 4) moving its listing to the main board of the TSX.

INDUSTRY OUTLOOK

Final construction permits are expected to be granted in the wake of Macedonia's elections in December. In the meantime, Ilovica's resource comprises 2.9Moz Au plus 1.2bn lbs Cu (c 5.5Moz gold equivalent), mostly in the Measured category, which we estimate could have an in-situ value in the range US$135.0-178.3m (vs EOX's market cap of US$49.6m). On the basis of the DFS however, our valuation of EOX is C$1.25-1.55/share (fully diluted at C$0.56/share).

Y/E Dec	Revenue (C$m)	EBITDA (C$m)	PBT (C$m)	EPS (c)	P/E (x)	P/CF (x)
2014	2.7	(6.4)	(6.6)	(7.8)	N/A	N/A
2015	4.7	(7.7)	(8.4)	(7.2)	N/A	N/A
2016e	3.8	(9.3)	(10.3)	(10.8)	N/A	N/A
2017e	0.0	(10.5)	(41.8)	(18.9)	N/A	N/A

Sector: Media & entertainment

Price:	1100.0p
Market cap:	£1200m
Market	LSE

Share price graph (p)

Company description

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

Price performance

%	1m	3m	12m
Actual	(6.0)	6.7	23.7
Relative*	(7.2)	(0.6)	2.8

* % Relative to local index

Analyst

Fiona Orford-Williams

Euromoney Institutional Investor (ERM)

INVESTMENT SUMMARY

January's AGM trading update showed Q117 revenues up 6%. On an underlying basis, though, the top line dipped 5%. The difference stems from the gain from sterling moves, along with portfolio changes. Our forecasts were updated in part to reflect currency, but with more significant impact from the share buyback from DMGT that completed on 6 January. 19.25m shares were purchased for cancellation at £9.75 with the cost met 37% in cash, 63% in new bank term loans. This boosts EPS and, by implication, dividend. The group has moved to pro forma net debt of £92m, which our model shows reducing to £53m by the year end, thanks to the inherently strong cash flow. Restructuring benefits should be stronger in FY18e, when the rating differential to peers looks more anomalous.

INDUSTRY OUTLOOK

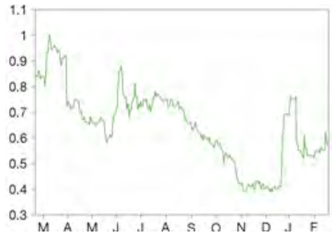
The statement includes a cautionary note over activities targeted at asset management, with geopolitical factors continuing to play out and our numbers are based on the assumption that there is no immediate recovery in underlying customers' markets. Commodity and energy markets remain in the doldrums,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

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

Sector: Food & drink

Price: CHF0.57
Market cap: CHF228m
Market: Swiss Stock Exchange

Share price graph (CHF)



Company description

Evolva is a Swiss high tech fermentation company. It has a proprietary yeast technology platform, which it uses to create and manufacture high-value speciality molecules for nutritional and consumer products.

Price performance

%	1m	3m	12m
Actual	7.5	32.6	(32.9)
Relative*	5.0	24.1	(37.4)

* % Relative to local index

Analyst

Sara Welford

Evolva (EVE)

INVESTMENT SUMMARY

Evolva has an innovative fermentation platform focused on developing new production methods for nutritional and consumer health products, which removes supply chain issues for existing natural ingredients. Evolva's key programme for stevia sweeteners is partnered with Cargill and we expect launch during 2018, though we note an agreement with Cargill regarding the JV has not yet been reached. Evolva also has projects for resveratrol, nootkatone, valencene (all on the market) and saffron. It has various alliances, including with L'Oreal, Ajinomoto and Valent BioSciences. Evolva had a cash position of c CHF47m at end 2016.

INDUSTRY OUTLOOK

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

Y/E Dec	Revenue (CHFm)	EBITDA (CHFm)	PBT (CHFm)	EPS (CHFc)	P/E (x)	P/CF (x)
2014	10.7	(19.4)	(21.2)	(6.4)	N/A	N/A
2015	13.4	(30.3)	(32.1)	(8.0)	N/A	N/A
2016e	9.2	(37.1)	(37.9)	(9.5)	N/A	N/A
2017e	14.6	(35.6)	(36.7)	(9.2)	N/A	N/A

Sector: Technology

Price: €1.84
Market cap: €51m
Market: Borsa Italiana

Share price graph (€)

Company description

Expert System combines the best artificial intelligence algorithms for simulating the human ability to read and understand language and deep learning techniques to help companies integrate, discover and leverage their data and unstructured information.

Price performance

%	1m	3m	12m
Actual	(2.5)	(7.2)	(2.7)
Relative*	(1.3)	(19.2)	(11.4)

* % Relative to local index

Analyst

Katherine Thompson

Expert System (EXSY)

INVESTMENT SUMMARY

The focus on integrating the TEMIS acquisition slowed the pace of customer wins in H116, resulting in a dip in revenues and EBITDA. With this integration largely complete, we expect a better rate of new business wins in H216. Expert continues to focus on evolving the product, developing indirect sales channels and building the business in the US. So far this year, Expert has won a contract with Intesa Sanpaolo and widened its partnership with ESRI, integrating Cogito with the ESRI ArcGIS platform.

INDUSTRY OUTLOOK

Ever increasing amounts of data are being produced, 80% of which is estimated to be unstructured. The need to derive useful insights from this growing body of data is driving the demand for cognitive computing and smarter artificial intelligence solutions such as those offered by Expert System. Allied Market Research estimates that the global text analytics market could be worth as much as $6.5bn by 2020 growing at a CAGR of 25.2% from 2014, with North America expected to be the largest regional market.

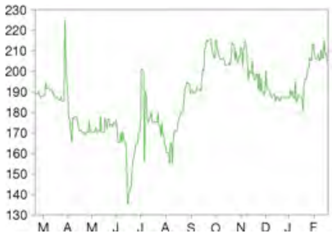
Y/E Dec	Revenue (€m)	EBITDA (€m)	PBT (€m)	EPS (fd) (c)	P/E (x)	P/CF (x)
2014	13.0	2.3	0.6	0.1	1840.0	54.9
2015	18.9	1.2	(0.8)	(3.3)	N/A	15.3
2016e	25.7	0.1	(3.4)	(8.2)	N/A	N/A
2017e	30.4	3.4	(0.2)	(0.5)	N/A	19.2

EDISON

Sector: General retailers

Price: 202.5p
Market cap: £175m
Market LSE

Share price graph (p)



Company description

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

Price performance

%	1m	3m	12m
Actual	9.0	3.5	6.2
Relative*	7.6	(3.6)	(11.8)

* % Relative to local index

Analyst

David Stoddart

Findel (FDL)

INVESTMENT SUMMARY

Findel's largest business, Express, continues to make progress. The trading update revealed that new customer acquisition is running ahead of target and sales continue to grow strongly. Capitalising on this trend will restrain profits in the short term but boost longer-term potential. Forex headwinds persist only in the short term: Findel now covers forward all forex needs. Education's major logistics project is complete and expected to deliver the targeted benefits. The potential is under-appreciated by the current share price. We value Findel (SOTP) at 265p.

INDUSTRY OUTLOOK

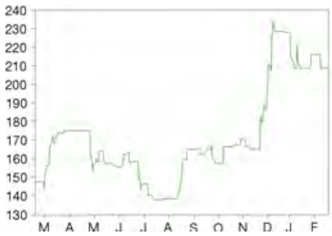
UK retail sales volumes (excluding fuel) increased by 4.9% y-o-y in December. Moreover, there was a return of price inflation, albeit only 0.1% y-o-y (excluding fuel). Hence, retail sales value (excluding fuel) increased by 5.1% y-o-y. December's online sales increased 21.3% y-o-y so the tailwind for Express remained healthy. Pressure on schools' budgets continues to restrain Education, which is why it is focusing on self-help measures.

Y/E Mar	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (p)	P/E (x)	P/CF (x)
2015	406.9	45.1	27.7	25.8	7.8	9.0
2016	410.6	41.8	24.8	23.0	8.8	19.6
2017e	459.4	44.6	25.5	24.5	8.3	64.9
2018e	498.6	48.1	28.0	26.8	7.6	16.1

Sector: Pcare & household prd

Price: 209.0p
Market cap: £121m
Market AIM

Share price graph (p)



Company description

Focusrite is a global music and audio products group supplying hardware and software products used by professional and amateur musicians, which enables the high-quality production of music.

Price performance

%	1m	3m	12m
Actual	0.2	26.7	41.7
Relative*	(1.1)	18.0	17.8

* % Relative to local index

Analyst

Paul Hickman

Focusrite (TUNE)

INVESTMENT SUMMARY

Focusrite beat our FY16 estimates, confirming our confidence in the strategy of expanding its markets and ranges with innovative and disruptive products. These included the successful launch of the second generation Scarlett interface range, confirming the sustained brand strength of the products, and the growing strength of the Far East where the company has a strategic geographical focus. The first four months of FY17 continued the positive trend of the first two, with November and December revenue growth described as good. This has also been reflected in cash, which has grown strongly.

INDUSTRY OUTLOOK

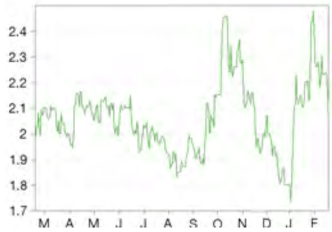
Focusrite's products connect with a home-based leisure movement that is outpacing overall consumer expenditure. The global music instrument and pro audio wholesale market was £2.7bn in 2013 (source MTM) but is highly fragmented. At IPO in 2014, management estimated its addressable market at c £450m. Currently, it estimates a 40% share of the mass interface market, 10% of the semi-professional Thunderbolt market and 2% of the commercial market, with Novation also ranking highly in its markets.

Y/E Aug	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (p)	P/E (x)	P/CF (x)
2015	48.0	9.3	7.2	11.8	17.7	N/A
2016	54.3	10.2	7.7	13.0	16.1	N/A
2017e	62.6	10.9	8.0	13.1	16.0	N/A
2018e	68.3	12.0	8.8	14.1	14.8	N/A

Sector: Technology

Price:	NIS2.05
Market cap:	NIS150m
Market	AIM Italia, TASE

Share price graph (NIS)



Company description

Foresight Autonomous (FRST) is a development stage technology company in Israel developing ADAS systems based on technology developed by its parent company and the Israeli military. FRST also has a stake in rail ADAS specialist Rail Vision.

Price performance

%	1m	3m	12m
Actual	(2.4)	5.4	4.1
Relative*	(4.7)	1.8	(1.2)

* % Relative to local index

Analyst

Anna Bossong

Foresight Autonomous Holdings (FRST)

INVESTMENT SUMMARY

Foresight Autonomous (FRST) is developing software solutions for advanced driver assistance (ADAS) and fully autonomous (FA) driving applications using stereo camera vision algorithms developed over a decade with the Israeli military. The company aims to reach 100% daytime object detection probability in all-weather/light conditions. If able to achieve these aims we expect FRST to gain market share in the vulnerable user detection market. 32%-owned Rail Vision, a rail collision warning specialist is achieving success in product tests with Deutsche Bahn and other operators, which may lead to significant contract gains over the next 12-18 months. Our DCF model indicates a value of NIS3.11 per share.

INDUSTRY OUTLOOK

ADAS is one of the fastest growing markets in the auto industry. ABI Research forecasts total spending in the ADAS market to grow at a 29% CAGR over the next decade, with sales of vulnerable user (cyclists/pedestrians) detection systems, which are principally reliant on forward camera systems, forecast to achieve a 49% CAGR during this period. From 2020, the growth of FA vehicle production should further boost forward camera demand.

Y/E Dec	Revenue (NISm)	EBITDA (NISm)	PBT (NISm)	EPS (NIS)	P/E (x)	P/CF (x)
2014	N/A	N/A	N/A	N/A	N/A	N/A
2015	N/A	N/A	N/A	N/A	N/A	N/A
2016e	0.0	(8.5)	(9.6)	(0.1)	N/A	N/A
2017e	0.0	(13.1)	(16.6)	(0.2)	N/A	N/A

Sector: Technology

Price:	140.5p
Market cap:	£76m
Market	AIM

Share price graph (p)

Company description

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

Price performance

%	1m	3m	12m
Actual	(6.3)	(21.1)	22.2
Relative*	(7.6)	(26.5)	1.5

* % Relative to local index

Analyst

Bridie Barrett

Fusionex International (FXI)

INVESTMENT SUMMARY

Fusionex's year-end update indicated revenues will be in-line with market expectations. While this implies some moderation in growth in H2, we understand that the majority of new GIANT customers are contracting on a subscription basis, rather than paying a licence up front. Management also states that the pipeline for GIANT 2016 is significant. With the deepening of the strategic alliance between Cloudera and Fusionex (announced on 7 December), followed by the announcement of a multi-million pound contract with a large Asian bank (13 December), Fusionex continues to receive important commercial vindications of the strength of its offering, which it has significantly enhanced with the pre-launch (CTP) of Fusionex Vision – this includes search-driven analytics, NLP, machine learning and AI-driven predictive technologies.

INDUSTRY OUTLOOK

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

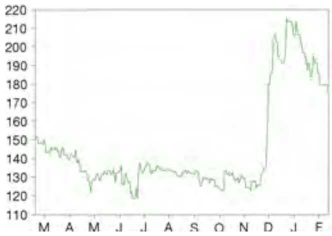
Y/E Sep	Revenue (RMm)	EBITDA (RMm)	PBT (RMm)	EPS (sen)	P/E (x)	P/CF (x)
2014	57.1	25.8	21.4	42.1	18.6	13.0
2015	77.0	33.2	26.3	53.3	14.7	25.7
2016e	89.5	7.1	(5.9)	(11.1)	N/A	35.2
2017e	133.7	9.7	(6.8)	(12.6)	N/A	54.4

EDISON

Sector: Media & entertainment

Price:	175.0p
Market cap:	£64m
Market	LSE

Share price graph (p)



Company description

Future is an international media group and leading digital publisher. It operates two separately managed brand-led divisions: Media and Magazine.

Price performance

%	1m	3m	12m
Actual	(6.7)	39.8	18.4
Relative*	(7.9)	30.3	(1.6)

* % Relative to local index

Analyst

Fiona Orford-Williams

Future (FUTR)

INVESTMENT SUMMARY

Future's AGM approved the 15:1 share consolidation, lifting the price from 12p to 180p. We have made the mechanistic adjustments to our earnings numbers. The January CMD gave a deeper dive on the elements combining to transform and build Future as a platform business, enabling content to be leveraged to generate high-quality, recurring revenues. Growth of revenues in categories such as eCommerce, events and digital advertising is building margin, helped by operating leverage. The Imagine purchase (and the smaller addition of Team Rock), post year-end, brings further scale and efficiency. The stronger share price performance since the finals means the valuation is now starting to reflect the scale of the opportunity.

INDUSTRY OUTLOOK

The latest ABC stats on UK consumer magazine circulation covering the second half of 2016 showed a continuing retrenchment of 5.9%, after a 1.0% fall in H116. Digital circulation has built to 1m (compared to print totalling 39.5m) in H216. The reach of the magazine sector is being much further boosted by its online/mobile presence, particularly among the demographic most targeted by the titles in Future's stable. Quality content is the key driver.

Y/E Sep	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (p)	P/E (x)	P/CF (x)
2015	59.8	3.6	0.2	2.7	64.8	N/A
2016	59.0	4.7	1.6	5.7	30.7	N/A
2017e	70.0	9.0	4.6	10.0	17.5	N/A
2018e	73.0	12.4	8.6	18.0	9.7	N/A

Sector: Mining

Price:	A$0.54
Market cap:	A$1064m
Market	ASX

Share price graph (A$)

Company description

Galaxy Resources (GXY) has substantial in-house IP in lithium and a 40+ battery-materials customer base. Its main focus is the development of its integrated Sal de Vida lithium and potash brine project in Argentina.

Price performance

%	1m	3m	12m
Actual	(15.6)	54.3	227.3
Relative*	(17.0)	42.6	176.2

* % Relative to local index

Analyst

Peter Chilton

Galaxy Resources (GXY)

INVESTMENT SUMMARY

Galaxy Resources (GXY) has engaged a strong team of local and international industry consultants to advance the Sal de Vida project lithium brine project in Argentina. Site works for the project are planned to commence in February 2017. To stengthen the balance sheet and provide financial flexibility for development work at Sal de Vida and James Bay (Canada), the company has completed a A$61m capital raising. The producing Mt Cattlin hard rock lithium concentrate project in WA is expected to reach nameplate capacity during February. Its second shipment is scheduled for late February.

INDUSTRY OUTLOOK

Lithium ion battery demand from high growth sectors, such as consumer electronics, electric vehicles and mass storage applications are driving demand for lithium.

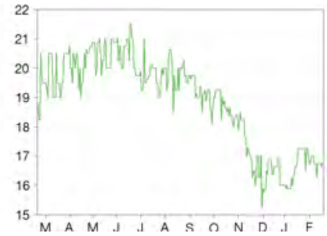
Y/E Dec	Revenue (A$m)	EBITDA (A$m)	PBT (A$m)	EPS (c)	P/E (x)	P/CF (x)
2014	0.2	(8.3)	(18.9)	(1.8)	N/A	N/A
2015	0.1	(6.4)	(11.9)	(1.1)	N/A	N/A
2016e	18.0	(3.3)	(6.5)	(0.4)	N/A	569.9
2017e	186.0	86.2	80.0	4.4	12.3	10.9

Sector: Travel & leisure

Gaming Realms (GMR)

Price:	16.8p
Market cap:	£46m
Market	AIM

Share price graph (p)



Company description

Gaming Realms creates and publishes innovative real money and social games for mobile, with operations in the UK and US.

Price performance

%	1m	3m	12m
Actual	(2.9)	3.1	(14.1)
Relative*	(4.2)	(4.0)	(28.6)

* % Relative to local index

Analyst

Jane Anscombe

INVESTMENT SUMMARY

Gaming Realms is starting to leverage its 'Slingo' brand in real money gaming as well as social, and via blue-chip licensing deals (Express Newspapers, 'Britain's Got Talent' website etc). Q316 EBITDA was £0.96m (trading update 2 November), moving the group towards its 2016 breakeven target (after an H116 loss of £3m). We believe that Gaming Realms has passed a tipping point in its development and is gathering profitable momentum, with progress becoming clearer with the final results which we expect to be in April.

INDUSTRY OUTLOOK

The UK government review into stakes and prizes (due to report in Q1/Q217) is expected to mainly focus on FOBT machines in betting shops. Possible tighter restrictions on gambling advertising could affect GMR but would be more relevant for bingo-led TV advertising pre the 9pm watershed. The European casino market is expected to grow at 9.2% to 2018 (to $27.2bn) with mobile a key driver. The extension of POC gaming tax to 'free play' from 1 August 2017 is already in our forecasts.

Y/E Sep / Dec	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (fd) (p)	P/E (x)	P/CF (x)
2014	11.2	(7.8)	(8.4)	(5.0)	N/A	N/A
2015	21.2	(4.1)	(5.0)	(2.1)	N/A	N/A
2016e	35.5	0.0	(2.0)	(0.7)	N/A	N/A
2017e	54.3	6.0	4.0	1.3	12.9	10.2

Sector: Technology

GB Group (GBG)

Price:	301.2p
Market cap:	£406m
Market	AIM

Share price graph (p)

Company description

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

Price performance

%	1m	3m	12m
Actual	0.8	28.5	18.3
Relative*	(0.5)	19.7	(1.7)

* % Relative to local index

Analyst

Bridie Barrett

INVESTMENT SUMMARY

With 16% revenue growth and stable adjusted EBITA margins, GB Group's H117 results (published December) were in line with guidance given at the October trading update. Acquisitions are performing well and like-for-like growth, 11%, is expected to accelerate further in the second half. Management believes the group is on track to deliver full year estimates. While the GOV.UK Verify service has had a slower start than initially expected, we consider this a timing issue rather than a fundamental one (the January tax self-assessment deadline may prove a catalyst to uptake of the service). As the only listed pure play ID verification group in the UK with a strong organic and M&A track record, we expect sustained strong earnings growth and consider the premium PE rating to be more than justified.

INDUSTRY OUTLOOK

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

Y/E Mar	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (p)	P/E (x)	P/CF (x)
2015	57.3	11.8	10.5	7.0	43.0	30.7
2016	73.4	14.8	13.2	8.5	35.4	27.6
2017e	89.0	18.8	15.9	9.7	31.1	25.9
2018e	105.0	22.3	19.0	11.0	27.4	20.2

Gear4music Holdings (G4M)

Sector: General retailers

Price:	635.0p
Market cap:	£128m
Market	LSE

Share price graph (p)

Company description

Gear4music is the largest dedicated, UK-based online retailer of musical instruments and music equipment. It sells branded instruments and equipment, alongside its own brand products, to customers ranging from beginners to professionals, in the UK and into Europe.

Price performance

%	1m	3m	12m
Actual	16.5	52.1	368.6
Relative*	15.0	41.7	289.5

* % Relative to local index

Analyst

Paul Hickman

INVESTMENT SUMMARY

Gear4music (G4M) is a disruptive online retailer selling musical instruments and equipment. Traditional competition is fragmented and only partially online, so the market is wide open. Revenue in the four months to December grew at 55% while margins were boosted by an increased mix of own-brand products. We upgraded FY17e EPS by 20%, following 18% at interim, resulting in forecast earnings growth of 196%. Some of the FY17 overperformance is foreign exchange related, and we left our FY18 forecast unchanged, representing a 25% increase in EPS, after allowing for the full-year costs of two European hubs and step changes in middle management.

INDUSTRY OUTLOOK

The UK musical instrument and equipment market is worth approximately £750m in the UK at retail value, according to management estimates based on research by consultants in 2012. Of this, G4M management estimates that around £180m is online. The European market (including the UK) is estimated on the same basis to be worth £4.3bn. The UK market is highly fragmented and G4M is the biggest player. There is more organised competition in Europe, with three larger players. The musical instrument (only) market is forecast to grow by a compound 1.7% over the next five years, according to ibisworld.co.uk.

Y/E Feb	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (fd) (p)	P/E (x)	P/CF (x)
2015	24.2	0.8	(0.6)	(4.1)	N/A	N/A
2016	35.5	1.7	0.6	3.1	204.8	N/A
2017e	56.0	3.2	2.4	9.2	69.0	N/A
2018e	79.1	4.1	2.9	11.5	55.2	N/A

GFT (GFT)

Sector: Technology

Price:	€19.91
Market cap:	€524m
Market	FRA

Share price graph (€)

Company description

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

Price performance

%	1m	3m	12m
Actual	(5.9)	2.5	(14.3)
Relative*	(7.7)	(6.8)	(31.7)

* % Relative to local index

Analyst

Richard Jeans

INVESTMENT SUMMARY

Q3 numbers were in line with expectations and management has maintained both its FY16 and long-term guidance. Q3 organic revenue grew 12% (FX impact was negligible). Revenue from Adesis Netlife, acquired in June 2015, and Habber Tec, acquired in April 2016, took total Q3 revenue to €106.3m. We maintained our forecasts, albeit for easing the tax charge from FY17, which increases EPS by 1% in FY17 and FY18. The backdrop remains broadly unchanged, with demand for IT projects (predominantly digitisation) in the European commercial banking sector outweighing weakness in the Anglo Saxon investment banking markets. A recovery in the latter is largely dependent on improvements in the financial performance of investment banks. However, we note the investment banking sector needs to invest in IT to remain competitive. Given that the outlook is sustained, we believe the shares are attractive on c 14x our FY18 earnings.

INDUSTRY OUTLOOK

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

Y/E Dec	Revenue (€m)	EBITDA (€m)	PBT (€m)	EPS (fd) (c)	P/E (x)	P/CF (x)
2014	279.2	32.8	30.9	96.5	20.6	22.4
2015	373.5	44.6	38.7	119.5	16.7	9.7
2016e	420.0	46.5	38.9	115.2	17.3	11.2
2017e	460.0	52.9	45.2	127.1	15.7	9.9

Global Bioenergies (ALGBE)

Sector: Alternative energy

Price:	€23.39
Market cap:	€80m
Market	Alternext Paris

Share price graph (€)

Company description

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

Price performance

%	1m	3m	12m
Actual	(15.4)	(2.6)	23.2
Relative*	(16.0)	(9.9)	6.6

* % Relative to local index

Analyst

Catharina Hillenbrand-Saponar

INVESTMENT SUMMARY

Global Bioenergies (GBE) has delivered impressive progress on its alternative olefins production technology. It is now entering the final phase of industrialisation and is on the verge of commercialisation. Low oil prices make for a difficult business environment, but efforts to diversify away from the oil-related market could help to reduce GBE's oil price dependence. Nevertheless, there is immediate commercial market potential. We also see positive evidence of progress on industrialisation, notably the completion of construction of the Leuna plant, for which it has recently received German TüV clearance. It is also showing consistent proof of commercialisation, of which the most recent Butagaz deal, is evidence. The most recent acquisition of Syngip is a synergistic expansion of the business. Our core valuation range is €37-56 per share.

INDUSTRY OUTLOOK

Global Bioenergies is developing bioprocesses to convert renewable resources into some of the most widely used petrochemical building blocks. Its first successes have been in isobutene, butadiene and propylene, which it intends to replicate with other olefins, the key molecules for the petrochemical industry, currently derived exclusively from fossil fuels.

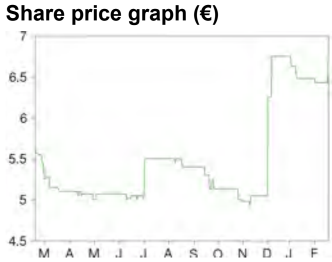
Y/E Jun / Dec	Revenue (€m)	EBITDA (€m)	PBT (€m)	EPS (fd) (c)	P/E (x)	P/CF (x)
2014	3.2	(9.0)	(9.2)	(293.11)	N/A	N/A
2015	2.2	(11.0)	(12.2)	(395.61)	N/A	N/A
2016e	2.2	(10.6)	(12.1)	(334.68)	N/A	N/A
2017e	4.4	(8.8)	(10.9)	(294.78)	N/A	N/A

Globalworth Real Estate Investments (GWI)

Sector: Property

Price:	€6.75
Market cap:	€610m
Market	AIM

Share price graph (€)



Company description

Globalworth Real Estate Investments is incorporated in Guernsey. It is a real estate investment company focused on opportunities in South-East Europe and the CEE, but primarily Romania, which accounts for the entire current portfolio.

Price performance

%	1m	3m	12m
Actual	4.3	33.7	20.5
Relative*	2.9	24.6	0.2

* % Relative to local index

Analyst

Andrew Mitchell

INVESTMENT SUMMARY

Globalworth (GWI) has raised 200m via a subscription for 25m new shares priced at €8; the lead investor is Growthpoint Properties, South Africa's largest REIT, committing €173m, and existing key investor Oak Hill has invested a further €17m. The deal significantly increases GWI's capital available for investment, strengthens corporate governance structures and introduces a new dividend policy: in future, GWI will pay dividends equivalent to at least 90% of FFO and has indicated a total payment of €0.44 per share for 2017, split between two six-monthly payments, the first early in H217. On 22 February company announced that is has already begun deploying the new capital with the conditional acquisition of a modern warehouse let to Dacia (the largest Romanian company) of c 68,000sqm for c €42.5m. We are reviewing our forecasts.

INDUSTRY OUTLOOK

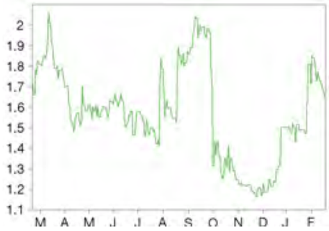
Romania has the second largest real estate market in Central and Eastern Europe and the IMF forecasts that its economy will have the highest growth in Europe in 2017. The entry of an investor of Growthpoint's calibre to this market is a further sign of confidence.

Y/E Dec	Revenue (€m)	EBITDA (€m)	PBT (€m)	EPS (c)	P/E (x)	P/CF (x)
2014	12.9	(1.7)	(9.4)	(21.0)	N/A	N/A
2015	28.4	16.7	(4.0)	(7.6)	N/A	20.3
2016e	N/A	N/A	N/A	N/A	N/A	N/A
2017e	N/A	N/A	N/A	N/A	N/A	N/A

Sector: Technology

Price: €1.63
Market cap: €17m
Market Borsa Italiana

Share price graph (€)



Company description

GO internet provides internet and telephone services using 4G wireless technology. The service is currently offered in the Emilia-Romagna and Marche regions of Italy, where GO has an exclusive right of use for 42MHz in the 3.5GHz frequency band (4G).

Price performance

%	1m	3m	12m
Actual	9.6	37.0	33.1
Relative*	10.9	19.3	21.2

* % Relative to local index

Analyst

Bridie Barrett

GO internet (GO)

INVESTMENT SUMMARY

GO successfully raised the entire €4m sought from its rights issue which should now enable it to re-accelerate the pace at which it installs its high speed network, which had been managed in recent months in order to conserve liquidity. Despite this, the number of subscribers at the end of January 2017 continued to increase (although at a slower pace) to 38.3k (20% y-o-y). The fall in the share price following the announcement of the rights issue is consistent with its pricing. Nevertheless, despite management's solid track record to date and sound strategy, the share price now appears to assume very little in terms of the expansion of the wireless network within its existing regions, or from the opportunity to widen its footprint with Enel beyond the current test ground in Perugia.

INDUSTRY OUTLOOK

The Italian broadband market is relatively underpenetrated and with no cable alternative to incumbent TI, opportunities exist for niche providers. GO internet, with its low-cost wireless service, is targeting the one million 'mobile-only' homes in the Emilia-Romagna and Marche regions of Italy that are increasingly opting to relinquish their expensive fixed-line services.

Y/E Dec	Revenue (€m)	EBITDA (€m)	PBT (€m)	EPS (fd) (c)	P/E (x)	P/CF (x)
2014	3.9	1.4	0.1	0.50	326.0	5.8
2015	5.1	2.0	0.3	3.82	42.7	6.4
2016e	6.4	2.8	0.5	4.18	39.0	5.0
2017e	7.7	3.4	0.7	4.36	37.4	5.1

Sector: Oil & gas

Price: 141.0p
Market cap: £220m
Market LSE

Share price graph (p)

Company description

Green Dragon Gas is one of the largest independent companies involved in the production and sale of CBM gas in China.

Price performance

%	1m	3m	12m
Actual	(11.6)	(26.7)	(47.8)
Relative*	(12.8)	(31.7)	(56.6)

* % Relative to local index

Analyst

Sanjeev Bahl

Green Dragon Gas (GDG)

INVESTMENT SUMMARY

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

INDUSTRY OUTLOOK

GDG's gas price is largely driven by domestic policy; however, we expect that in the medium term, domestic regulated pricing will trend towards LNG import price parity. We assume that current realisations ($7.5/mcf as a blended average of CNG and PNG prices) will remain until 2018, beyond which it will track towards Chinese LNG import price parity.

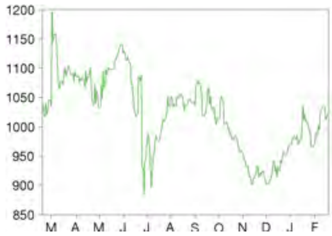
Y/E Dec	Revenue (US$m)	EBITDA (US$m)	PBT (US$m)	EPS (c)	P/E (x)	P/CF (x)
2014	N/A	N/A	N/A	N/A	N/A	22.2
2015	32.7	20.1	(0.1)	0.0	N/A	45.1
2016e	24.5	8.7	(8.0)	0.0	N/A	14.5
2017e	38.1	22.1	9.4	0.0	N/A	N/A

EDISON

Sector: Food & drink

Price:	1026.0p
Market cap:	£1038m
Market	LSE

Share price graph (p)



Company description

With over 1,740 shops, nine regional bakeries and 19,500 employees, Greggs is the UK's leading 'bakery food-on-the-go' retailer. It utilises vertical integration to offer differentiated products at competitive prices.

Price performance

%	1m	3m	12m
Actual	1.3	11.5	0.3
Relative*	(0.1)	3.9	(16.7)

* % Relative to local index

Analyst

David Stoddart

Greggs (GRG)

INVESTMENT SUMMARY

Greggs' appeal lies in the combination of its relatively low-risk business model, history of strong cash generation and its return to strong earnings growth in the past two years. It is pursuing a strategic plan that has delivered impressive financial results and has the financial strength to complete that programme. The Q4 trading update showed Greggs slightly ahead of consensus estimates for FY16. Sterling's decline since mid-2016 will impose industry-wide cost pressures in FY17 but Greggs is well placed to absorb these. We value the shares (DCF) at 1,189p per share.

INDUSTRY OUTLOOK

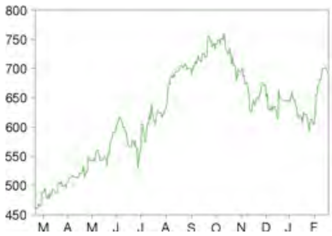
Greggs enjoys an expanding market. The Project Café2016 UK report (Allegra World Coffee Portal) valued the UK coffee shop market in 2015 at £7.9bn, +10% vs 2014. Branded outlets (including Greggs) accounted for £3.3bn. Allegra, which has studied this market for many years, estimates it could reach £15bn by 2025. As December's ONS release showed, retail sales statistics remain supportive, at least in the short term.

Y/E Jan	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (p)	P/E (x)	P/CF (x)
2014	806.1	95.6	58.3	44.0	23.3	9.5
2015	835.7	113.3	73.0	57.3	17.9	8.6
2016e	877.8	120.2	77.2	60.2	17.0	8.3
2017e	928.7	126.1	80.0	62.3	16.5	7.9

Sector: Travel & leisure

Price:	690.0p
Market cap:	£2027m
Market	AIM

Share price graph (p)



Company description

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

Price performance

%	1m	3m	12m
Actual	13.6	7.5	52.1
Relative*	12.1	0.2	26.4

* % Relative to local index

Analyst

Jane Anscombe

GVC Holdings (GVC)

INVESTMENT SUMMARY

GVC's positive momentum a year on from the bwin deal is demonstrated by very encouraging KPIs and the early resumption of dividends - see our Outlook report, 18 January. On 2 February GVC reported higher than expected FY16 revenues of €894m (our estimate €885m); we have increased our FY17 revenue estimate by 3% but left profits unchanged for now. Attainment of the target €125m of cost synergies is well on track, assuming successful platform migrations in 2017, and strong cash generation underpins a generous dividend policy (50% payout). Next results are 23 March.

INDUSTRY OUTLOOK

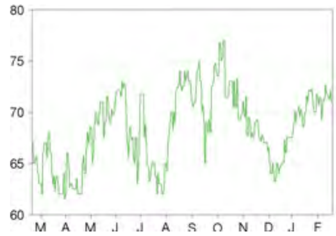
The global online gambling market is forecast to grow at 8.7% CAGR to 2020, driven by growth on mobile. The UK government triennial review into gaming machines (due to report Q1/Q217) is unlikely to materially impact GVC (the focus is FOBT machines in betting shops and possible tighter restrictions on TV gambling advertising before 9pm). Elsewhere, more countries are introducing licensing, with new taxes but better medium-term marketing and growth opportunities.

Y/E Dec	Revenue (€m)	EBITDA (€m)	PBT (€m)	EPS (fd) (c)	P/E (x)	P/CF (x)
2014	224.8	49.2	41.3	61.4	13.2	10.2
2015	247.7	54.1	50.0	76.4	10.6	8.0
2016e	894.6	204.5	105.3	32.1	25.3	81.2
2017e	935.2	250.0	188.0	55.4	14.7	11.5

Sector: Support services

Price:	71.0p
Market cap:	£231m
Market	LSE

Share price graph (p)



Company description

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

Price performance

%	1m	3m	12m
Actual	1.4	2.9	7.2
Relative*	0.1	(4.1)	(10.9)

* % Relative to local index

Analyst

Richard Finch

Hogg Robinson Group (HRG)

INVESTMENT SUMMARY

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

INDUSTRY OUTLOOK

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

Y/E Mar	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (p)	P/E (x)	P/CF (x)
2015	330.1	53.4	30.5	6.57	10.8	5.7
2016	318.3	55.5	32.2	7.16	9.9	4.8
2017e	332.0	60.0	35.5	7.57	9.4	5.4
2018e	330.0	62.0	37.5	7.99	8.9	5.0

Sector: Oil & gas

Price:	53.5p
Market cap:	£644m
Market	AIM

Share price graph (p)

Company description

Hurricane Energy is an E&P focused on UKCS fractured basement exploration. It owns 100% of the 200mmbbl (last published CPR) Lancaster oil discovery.

Price performance

%	1m	3m	12m
Actual	10.3	46.6	449.7
Relative*	8.8	36.6	356.8

* % Relative to local index

Analyst

Sanjeev Bahl

Hurricane Energy (HUR)

INVESTMENT SUMMARY

In September 2016, the 205/21a-7 pilot well helped confirm a continuous oil column below Lancaster basement structural closure. Hurricane is looking to extend this play along the Rona Ridge through the exploration of analogues, Lincoln and Halifax. Management estimates combined gross unrisked prospective resource of up to 1bnbbls, offering potential for a significant increase to the 300mmbls we currently assume for Lancaster. In our updated valuation, we incorporate success at Lincoln and our RENAV recently increased from 75p/share to 101p/share (+35%).

INDUSTRY OUTLOOK

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

Y/E Dec	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (p)	P/E (x)	P/CF (x)
2014	0.0	(8.5)	(9.0)	(1.4)	N/A	N/A
2015	0.0	(5.4)	(5.5)	(0.9)	N/A	N/A
2016e	0.0	(4.6)	(4.5)	(0.4)	N/A	N/A
2017e	0.0	(4.6)	(4.5)	(0.4)	N/A	N/A

Sector: Technology

Price: €15.60
Market cap: €43m
Market FRA

Share price graph (€)

Company description

As the leader in the German market, ifa systems has an established position in the expanding international market for ophthalmology software and clinical decision support systems.

Price performance

%	1m	3m	12m
Actual	(2.8)	16.9	36.8
Relative*	(4.6)	6.2	9.1

* % Relative to local index

Analyst

Anna Bossong

ifa systems (IS8)

INVESTMENT SUMMARY

As the leader in the German market, ifa systems has an established position in the expanding international market for ophthalmology software and clinical decision support systems. It is well placed to gain from the expected growth in this area in the US, Latin America, China and the Middle East. The group recently announced a highly prospective collaboration with IBM's tech platform Watson Health, which is expected to lead to the development of a clinical decision support system for health professionals using machine learning and artificial intelligence.

INDUSTRY OUTLOOK

The outlook for healthcare IT is strong and even though there may be some slippage in regulatory deadlines, the industry is set for continued solid growth. Key drivers for the underlying ophthalmology market are ageing populations around the world and expansion in the middle classes in developing countries. Specialist players with key market exposures could see growth significantly ahead of that of the industry as a whole.

Y/E Dec	Revenue (€m)	EBITDA (€m)	PBT (€m)	EPS (fd) (c)	P/E (x)	P/CF (x)
2014	8.1	3.3	2.4	60.5	25.8	11.5
2015	8.3	3.4	2.7	75.0	20.8	18.7
2016e	N/A	N/A	N/A	N/A	N/A	N/A
2017e	N/A	N/A	N/A	N/A	N/A	N/A

Sector: Financials

Price: 152.8p
Market cap: £161m
Market Irish Stock Exchange, LSE

Share price graph (p)

Company description

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

Price performance

%	1m	3m	12m
Actual	1.5	4.4	1.6
Relative*	0.1	(2.8)	(15.6)

* % Relative to local index

Analyst

Andrew Mitchell

IFG Group (IFP)

INVESTMENT SUMMARY

In its update for the period to end October, IFG reported that trading had been in line with management expectations and that the group was on track to deliver a result in line with 2015. Assets under administration at James Hay (retirement wealth platform) increased by 8% from June while the number of clients was stable with a larger average case size. Lower interest rates act as a drag on income in the near term but fee changes are under consideration to compensate for this. Saunderson House (financial adviser) has seen continued demand for financial advice that has held back new client acquisition to some extent, but even so there were 182 new client wins in the period to October taking the total to 1,945 vs 1,809. IFG is due to announce FY16 results on 23 March.

INDUSTRY OUTLOOK

Uncertain markets have restrained the level of new client additions at James Hay and Saunderson House and this, together with the drag from lower interest rates, has created a revenue challenge for IFG. However, this uncertainty has been factored into expectations and once markets become more comfortable with the economic and political conditions the longer-term growth drivers of an ageing population and pension freedoms should become more evident.

Y/E Dec	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (p)	P/E (x)	P/CF (x)
2014	65.1	10.3	7.8	5.61	27.2	19.8
2015	71.3	14.0	11.5	8.26	18.5	11.6
2016e	77.5	14.8	10.6	8.26	18.5	17.4
2017e	80.2	16.3	12.3	9.23	16.6	10.0

Sector: Pcare & household prd

Price:	252.0p
Market cap:	£158m
Market	AIM

Share price graph (p)

Company description

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

Price performance

%	1m	3m	12m
Actual	(4.0)	1.0	55.1
Relative*	(5.3)	(5.9)	28.9

* % Relative to local index

Analyst

Fiona Orford-Williams

IG Design Group (IGR)

INVESTMENT SUMMARY

Design Group's Christmas trading update confirmed that it continues to trade strongly and that results remain in line with expectations as upgraded post the interims in November. These were very strong, with excellent organic growth supplemented by an outperforming acquisition and further boosted by currency. Order books for H217 and into FY18 underpin the momentum, with operating efficiency gains helping offset the transactional effect on margin from currency. The group's increased scale is accelerating pay-down of net debt, possibly eliminating it by end FY18. The improved rating reflects the market shifting its view of Design Group's financial strength and dividend growth potential.

INDUSTRY OUTLOOK

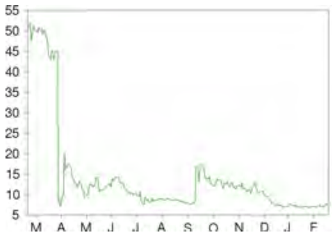
Design Group's core products are in the global gift packaging market, which it estimates at £10bn at retail value, equivalent to a trade value of c £3.2bn, giving it a c 7% share and making it the third largest participant after American Greetings and Hallmark. In some sectors, overall volumes show limited growth and the low unit cost, high-volume nature of the products makes maximising manufacturing efficiency key to building both margins and market share, along with outstanding design capabilities.

Y/E Mar	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (fd) (p)	P/E (x)	P/CF (x)
2015	229.0	16.9	9.6	11.8	21.4	8.2
2016	237.0	16.5	10.1	13.5	18.7	7.2
2017e	300.0	20.9	14.8	16.1	15.7	6.4
2018e	320.0	22.8	16.7	17.6	14.3	6.3

Sector: Alternative energy

Price:	7.6p
Market cap:	£16m
Market	LSE

Share price graph (p)



Company description

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

Price performance

%	1m	3m	12m
Actual	10.5	(37.1)	(83.2)
Relative*	9.0	(41.4)	(86.0)

* % Relative to local index

Analyst

Anne Margaret Crow

Intelligent Energy Holdings (IEH)

INVESTMENT SUMMARY

Following the termination of discussions to acquire the energy management business of GTL, Intelligent Energy (IEH) can concentrate on driving sales of commercially-ready B2B products. This is a key element of its revised strategy, which focuses on near-term opportunities to deliver products for deployment in distributed power generation, UAV and consumer electronics applications to drive revenue growth during the years before mainstream adoption of fuel cell vehicles. Management will provide an update on progress at the AGM in March.

INDUSTRY OUTLOOK

IEH will be providing the fuel cell stacks for a fleet of Suzuki Bergman scooters that will be used as part of a hydrogen fuel cell fleet trial by the London Metropolitan Police this summer. The programme confirms that the 10-year relationship with Suzuki continues to flourish. The scooters will deploy IEH's 4kW air cooled fuel cells. This is a compact, lightweight package that meets automotive requirements, standards and safety criteria.

Y/E Sep	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (fd) (p)	P/E (x)	P/CF (x)
2015	78.2	(46.2)	(51.8)	(21.4)	N/A	N/A
2016	91.8	(33.4)	(42.8)	(13.5)	N/A	N/A
2017e	27.5	(12.0)	(20.5)	(2.3)	N/A	N/A
2018e	N/A	N/A	N/A	N/A	N/A	N/A

Sector: Technology

Price:	46.8p
Market cap:	£316m
Market	AIM

Share price graph (p)

Company description

IQE is the leading supplier of epitaxial compound semiconductor wafers globally. The principal applications include radio frequency semiconductors, CPV solar cells and vertical cavity lasers.

Price performance

%	1m	3m	12m
Actual	23.8	43.9	152.7
Relative*	22.2	34.1	110.0

* % Relative to local index

Analyst

Anne Margaret Crow

IQE (IQE)

INVESTMENT SUMMARY

IQE has announced that it will exceed current market expectations for both FY16 revenue and adjusted operating profit. This is primarily driven by strong growth in the photonics business, with a helping hand from sterling's weakness and highlights the benefits of IQE's diversification strategy. We have increased our FY16 and FY17 estimates, while maintaining a conservative stance and raised our valuation range from 40-45p to 45-49p.

INDUSTRY OUTLOOK

While trading was strong in multiple markets throughout FY16, with wireless revenues returning to growth, photonics remains the fastest growing business. The two key applications: vertical cavity surface emitting lasers (VCSELs), which are used in data communications, consumer and industrial applications; and indium phosphide (InP), which is used in fibre to the premises and other short-haul optical networks, are experiencing strong demand. Revenues also benefited from weakness in sterling throughout FY16.

Y/E Dec	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (fd) (p)	P/E (x)	P/CF (x)
2014	112.0	27.0	16.2	2.42	19.3	20.5
2015	114.0	29.0	17.6	2.60	18.0	14.8
2016e	129.0	32.1	20.3	2.88	16.3	22.6
2017e	130.0	33.7	21.9	3.11	15.0	9.7

Sector: Financials

Price:	TRY1.38
Market cap:	TRY490m
Market	BIST

Share price graph (TRY)

Company description

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

Price performance

%	1m	3m	12m
Actual	10.4	23.2	29.0
Relative*	2.4	4.2	5.7

* % Relative to local index

Analyst

Andrew Mitchell

Is Yatirim (ISMEN)

INVESTMENT SUMMARY

ISY's FY16 results were encouraging: revenue growth of over 40% y-o-y in brokerage and corporate finance contributed to total revenue growth of 16% in the core investment banking division. The cost ratio fell by 2% to 81%, contributing to 82% growth in non-consolidated net profit: TRY87.8m compared with TRY48.3m in FY15. Is Asset management and Is Investment Trust also posted net profit growth to TRY5.6m and TRY11.6 respectively. Difficult trading conditions meant that Is Private Equity and Efes NPL Asset Management posted losses of TY9.1m and TRY17.7m respectively. Both companies have strategies in place to reduce losses in 2017 and gains by other subsidiaries outweighed these losses in FY16. As a result, consolidated net profits for the group were up 33% to TRY53.9m. We have revised our estimates to account for these results and a regulatory change which may affect ISY's FX business.

INDUSTRY OUTLOOK

The geopolitical background in Turkey remains uncertain. While this is likely to have some continuing effect on the economy, growth has proved resilient and market trading volumes have been strong in some areas. A period of stability would provide the basis for increased market confidence.

Y/E Dec	Revenue (TRYm)	EBITDA (TRYm)	PBT (TRYm)	EPS (fd) (Kr)	P/E (x)	P/CF (x)
2015	377.5	N/A	33.7	11.4	12.1	N/A
2016	438.9	N/A	41.6	15.2	9.1	N/A
2017e	448.0	N/A	104.7	18.7	7.4	N/A
2018e	486.8	N/A	122.9	22.0	6.3	N/A

Sector: Travel & leisure

Price:	634.0p
Market cap:	£467m
Market	LSE

Share price graph (p)

Company description

Jackpotjoy plc (JPJ) (formerly The Intertain Group) is a leading online gaming operator mainly focused on bingo-led gaming targeted towards female audiences. About 78% of revenues are generated in regulated markets. It moved its listing from the TSX (IT:TSX) to the LSE in January 2017.

Price performance

%	1m	3m	12m
Actual	N/A	N/A	N/A
Relative*	N/A	N/A	N/A

* % Relative to local index

Analyst

Jane Anscombe

Jackpotjoy plc (JPJ)

INVESTMENT SUMMARY

Jackpotjoy plc (JPJ) has market-leading brands in female-oriented gaming, including 'Jackpotjoy' which has a 22% share of the UK online bingo-led market and is operated by Gamesys. Our forecast 2017/18 EBITDA growth is 6% pa, underlying cash flows are strong and leverage should reduce rapidly after a major earn-out is paid in June. The rating is very low given its regulated bias. With a new, highly experienced UK management team, organic growth strategy and debt finance now in place, we expect a re-rating towards the sector 2017e P/E average of c 12.1x, which would imply a value of c 900p per share.

INDUSTRY OUTLOOK

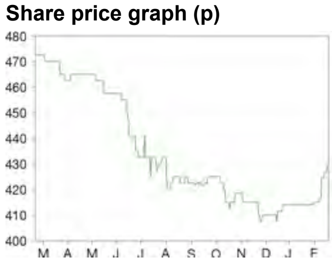
JPJ operates in growing markets with positive structural drivers. Internationally, online gambling still only accounts for 13% of the market; it is 33% in the UK and new ways to gamble (mobile) have proved to be incremental rather than cannibalistic. The extension of the UK 15% gaming tax from net to gross revenues (August 2017) is in our forecasts. M&A is a feature of the sector, driven by economies of scale and tax/compliance costs in regulating markets.

Y/E Dec	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (fd) (p)	P/E (x)	P/CF (x)
2014	N/A	N/A	N/A	N/A	N/A	N/A
2015	N/A	N/A	N/A	N/A	N/A	5.1
2016e	265.0	98.6	80.6	107.4	5.9	4.7
2017e	301.7	104.5	71.0	90.8	7.0	N/A

Sector: General industrials

Price:	429.0p
Market cap:	£131m
Market	LSE

Share price graph (p)



Company description

Jersey Electricity is the monopoly supplier of electricity to the island of Jersey. It also operates businesses in retail, property and business services on the island.

Price performance

%	1m	3m	12m
Actual	3.6	3.4	(9.7)
Relative*	2.2	(3.7)	(24.9)

* % Relative to local index

Analyst

Graeme Moyse

Jersey Electricity (JEL)

INVESTMENT SUMMARY

JEL's FY16 results demonstrated continued year-on-year growth. Operating profits, before revaluations of property and exceptional items, rose by 4.8% to £14.6m (Edison FY16e £14m), reflecting a strong performance across all divisions. The energy business, despite freezing tariffs and suffering a reduction in units sold, increased profits by 1.2%, from £11.51m to £11.65m (Edison FY16e £11.53m). Net debt rose from £17.5m to £29m due to expenditure on the N1 interconnector, which was delivered ahead of schedule and below budget. JEL is proposing a final DPS of 8p, which together with the interim, equates to an annual increase of 5%. We will update our model and review our forecasts to reflect the results in due course, but we believe JEL remains well positioned, financially and operationally, to deliver a period of stable returns for shareholders.

INDUSTRY OUTLOOK

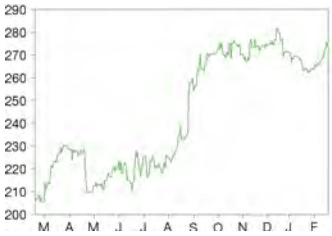
We expect the current regulatory regime to continue, enabling JEL to earn a return of 6-7% on the asset base of the electricity business.

Y/E Sep	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (p)	P/E (x)	P/CF (x)
2015	100.5	23.8	12.4	32.5	13.2	5.3
2016	103.4	24.6	13.2	32.4	13.2	4.9
2017e	N/A	N/A	N/A	N/A	N/A	N/A
2018e	N/A	N/A	N/A	N/A	N/A	N/A

Sector: Investment companies

Price:	275.2p
Market cap:	£1010m
Market	LSE

Share price graph (p)



Company description

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

Price performance

%	1m	3m	12m
Actual	4.3	0.4	34.8
Relative*	2.9	(6.4)	12.1

* % Relative to local index

Analyst

Graeme Moyse

John Laing Group (JLG)

INVESTMENT SUMMARY

JLG's pre-close statement announced that in the 11 months to 30 November 2016, it had made total investment commitments of c £181m and agreed realisations of £255m, of which £107m relate to FY16. JLG also reported that the overall investment portfolio is performing "in line with expectations" although it expects to "review" the valuations of two of its holdings at the year end. In NAV terms, we expect that the larger than anticipated pension deficit (£75m) revealed in the statement will be offset by the impact of higher inflation on the valuation of the PPP assets. We therefore retain our FY16 NAV forecast of 275p. JLG continues to trade at a discount, both to our forecast NAV and other infrastructure investment companies, although we expect this discount to close as JLG achieves the strong growth that we forecast.

INDUSTRY OUTLOOK

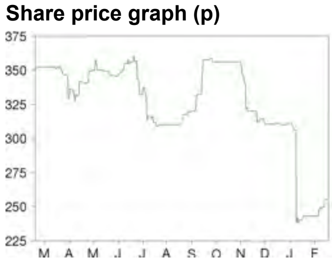
The favourable outlook for population growth, urbanisation and renewable energy suggests a continuing requirement for investment in infrastructure projects.

Y/E Dec	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (p)	P/E (x)	P/CF (x)
2014	206.6	147.1	120.4	40.2	6.8	N/A
2015	167.6	113.4	101.4	27.7	9.9	N/A
2016e	258.3	206.3	190.9	51.6	5.3	43.1
2017e	210.0	161.2	146.6	39.9	6.9	N/A

Sector: Technology

Price:	255.0p
Market cap:	£92m
Market	AIM

Share price graph (p)



Company description

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

Price performance

%	1m	3m	12m
Actual	4.9	(20.3)	(27.4)
Relative*	3.5	(25.7)	(39.6)

* % Relative to local index

Analyst

Katherine Thompson

K3 Business Technology Group (KBT)

INVESTMENT SUMMARY

K3 had a tough end to H117, with lengthening sales cycles for enterprise customers causing a shortfall in new business. More positively, recent restructuring is starting to drive more cross-divisional sales and is reducing the cost base. We have revised our revenue and EPS forecasts to reflect the slower pace of order wins as well as the restructuring, reducing FY17 EPS by 34% and FY18 by 11%. Evidence of improving order flow, growth in channel sales and growth in recurring revenues will be the triggers for share price recovery, in our view.

INDUSTRY OUTLOOK

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

Y/E Jun	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (fd) (p)	P/E (x)	P/CF (x)
2015	83.4	11.0	7.2	19.1	13.4	8.4
2016	89.2	12.8	8.8	23.0	11.1	15.0
2017e	89.1	12.3	7.7	16.7	15.3	11.9
2018e	90.2	15.9	11.0	24.4	10.5	7.1

Sector: Mining

Price:	0.4p
Market cap:	£15m
Market	LSE

Share price graph (p)

Company description

KEFI Minerals is an exploration & development company focused on gold and copper deposits in the highly prospective Arabian-Nubian Shield, principally the 95%-owned Tulu Kapi project, Ethiopia and also the 40%-owned Jibal Qutman project, Saudi Arabia.

Price performance

%	1m	3m	12m
Actual	1.4	11.9	10.3
Relative*	0.0	4.3	(8.3)

* % Relative to local index

Analyst

Charles Gibson

KEFI Minerals (KEFI)

INVESTMENT SUMMARY

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

INDUSTRY OUTLOOK

Fully diluted at a share price of 0.40p, we estimate a value for KEFI of 1.01p/sh, rising to 1.76p in 2023, which offers investors an IRR of 22.3% pa in sterling terms over 12 years to 2028. However, this valuation rises to 2.38p/sh, in the event that KEFI is successfully able to leverage its cash flow from Tulu Kapi into other development assets in the region. In the meantime, it is trading on a year-end resource multiple of just US$8.58/oz. A general meeting has been called on 1 March to consider (among other things) a 17:1 consolidation of the company's shares. NB All valuations are presented here on a pre-consolidated basis.

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

Sector: Technology

Price:	620.0p
Market cap:	£337m
Market	AIM

Share price graph (p)

Company description

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

Price performance

%	1m	3m	12m
Actual	21.1	29.8	179.3
Relative*	19.5	21.0	132.1

* % Relative to local index

Analyst

Jane Anscombe

Keywords Studios (KWS)

INVESTMENT SUMMARY

Keywords released a very positive full year update on 8 February, with revenue and PBT 3% ahead of our forecasts (upgraded in November), and we increased our 2017e EPS by 4%. Net cash at 31 December 2016 was €9m. As the largest supplier of outsourcing services in a fragmented competitive landscape, Keywords is well placed to take market share organically and through ongoing accretive acquisitions. A premium rating is fully justified by the 57% CAGR EPS growth since 2013.

INDUSTRY OUTLOOK

The global games industry is estimated to be worth US$90-100bn, broadly equally split between PC, console and mobile. Newzoo estimates the industry grew 8.5% in 2016 and will expand at an annual rate of 6.6% through 2019. Growth is being driven by the mobile market (+20% growth pa), with PC and Console growing at a low single digit rate. Industry consolidation is ongoing and there is a continued trend to technical outsourcing as publishers seek to improve flexibility and efficiency. Both trends should benefit Keywords.

Y/E Dec	Revenue (€m)	EBITDA (€m)	PBT (€m)	EPS (fd) (c)	P/E (x)	P/CF (x)
2014	37.3	6.0	5.1	8.5	85.9	136.2
2015	58.0	9.5	8.0	12.6	57.9	73.8
2016e	96.6	16.5	14.8	20.9	34.9	21.2
2017e	115.2	19.0	17.0	24.0	30.4	24.3

Sector: Food & drink

Price:	€8.73
Market cap:	€271m
Market	Borsa Italiana

Share price graph (€)

Company description

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

Price performance

%	1m	3m	12m
Actual	(5.4)	21.6	(23.4)
Relative*	(4.3)	5.9	(30.3)

* % Relative to local index

Analyst

Sara Welford

La Doria (LD)

INVESTMENT SUMMARY

La Doria's overarching objective is to reduce the volatility of the business and improve visibility. The UK is La Doria's biggest market by some margin (c 50% of sales) and sterling weakness has affected results. The 2016 tomato processing campaign proved to be tough, with higher production costs and lower sales prices. In addition, the cost of dried pulses and fruit has risen as a result of the 2016 summer harvest. Management expects the challenges to persist through H117 and then recovery to commence in H217 following the 2017 tomato processing campaign. FY results are due on 15 March.

INDUSTRY OUTLOOK

La Doria's strategic objectives, published as part of the updated three-year plan, remain broadly unchanged: the main priority is to expand the higher margin and less volatile parts of the business to reduce the dependence on the more unpredictable ‘red line’. The economic backdrop remains challenging, sterling devaluation is not helpful and the 2016 tomato campaign was tough.

Y/E Dec	Revenue (€m)	EBITDA (€m)	PBT (€m)	EPS (fd) (c)	P/E (x)	P/CF (x)
2014	631.4	60.0	44.0	80.5	10.8	5.0
2015	748.3	77.6	61.0	144.6	6.0	5.0
2016e	654.8	58.1	43.1	97.3	9.0	8.1
2017e	661.3	50.7	35.2	79.5	11.0	7.6

Sector: Alternative energy

Price:	A$0.14
Market cap:	A$26m
Market	ASX

Share price graph (A$)

Company description

The Glycell process, developed and owned by Leaf Resources, is an intermediate-stage process in the conversion of biomass to bio-based chemicals, plastics and fuel.

Price performance

%	1m	3m	12m
Actual	(9.7)	(17.6)	7.7
Relative*	(11.2)	(23.9)	(9.1)

* % Relative to local index

Analyst

Peter Chilton

Leaf Resources (LER)

INVESTMENT SUMMARY

Leaf Resources (LER) completed a capital raise of A$2.5m in late January 2017. This follows a capital raise of A$2.3m in October 2016. The funds will be applied to engineering and certification expenses associated with the commercialisation of the Glycell process. Negotiations are progressing with government agencies on a potential development in Malaysia. LER is also making progress on a second project opportunity in the US. The company has stated that it is making rapid progress towards the development of its first commercial scale project and plans to provide further updates in the future.

INDUSTRY OUTLOOK

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

Y/E Jun	Revenue (A$m)	EBITDA (A$m)	PBT (A$m)	EPS (fd) (c)	P/E (x)	P/CF (x)
2015	0.0	(2.2)	(2.2)	(1.6)	N/A	N/A
2016	0.1	(3.1)	(3.1)	(2.0)	N/A	N/A
2017e	N/A	N/A	N/A	N/A	N/A	N/A
2018e	N/A	N/A	N/A	N/A	N/A	N/A

Sector: Oil & gas

Price:	A$0.21
Market cap:	A$34m
Market	ASX

Share price graph (A$)

Company description

Leigh Creek Energy (LCK) has a certified PRMS gas resource of 2,964PJ (2C) at the Leigh Creek Energy Project (LCEP) in South Australia. Monetisation of this gas through ISG is expected to be de-risked by a demonstration programme in 2017.

Price performance

%	1m	3m	12m
Actual	40.0	75.0	(37.3)
Relative*	37.7	61.8	(47.1)

* % Relative to local index

Analyst

Sanjeev Bahl

Leigh Creek Energy (LCK)

INVESTMENT SUMMARY

Leigh Creek Energy (LCK) offers investors an option over the in-situ gasification (ISG) of an underground coal resource in the state of South Australia (SA). Recent power blackouts in SA have highlighted the need for more baseload power generation capacity, while high electricity prices incentivise the monetisation of 2,964PJ of 2C ISG gas resource at the Leigh Creek Energy Project (LCEP). The development of LCEP is not without risk and uncertainty at this stage; however, if LCK is able to attract development funding and mid-stream/power infrastructure partners, LCK could be worth materially more than its A$40m market cap. Our 2C risked valuation after farm-down is A$83m (A$0.31/share) based on a subjective 20% chance of success.

INDUSTRY OUTLOOK

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

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

Sector: Oil & gas

Price:	A$0.83
Market cap:	A$428m
Market	ASX, OTC Pink

Share price graph (A$)

Company description

Liquefied Natural Gas Ltd is an ASX-listed company devoted to the development of LNG export terminals in the US, Canada and other potential locations. It has traded ADRs.

Price performance

%	1m	3m	12m
Actual	6.4	40.3	51.8
Relative*	4.6	29.7	28.1

* % Relative to local index

Analyst

Will Forbes

Liquefied Natural Gas Limited (LNGL)

INVESTMENT SUMMARY

Liquefied Natural Gas (LNGL) has already announced two encouraging updates in 2017. On 30 January, the EPC contract with KSJV was extended to the end of June 2017, giving greater construction price certainty as and when the final investment decision (FID) is taken. On 23 January, it announced a Heads of Agreement (HOA) with KG LNG terminal in India for 4mtpa for 20 years. While non-binding, this suggests the company is making progress towards financial close for Magnolia's 8mtpa export project. As it works to retain as much cash as possible until the FID is reached, LNG is making good progress towards monetising the OSMR technology and Magnolia project. We leave our valuation unchanged, but note that if a binding contract is agreed with KG LNG it would be a major step towards realising the significant potential of the Magnolia project. Bear Head (with all environmental approvals obtained) remains a further option on the growing LNG trade in years to come.

INDUSTRY OUTLOOK

Y/E Jun	Revenue (A$m)	EBITDA (A$m)	PBT (A$m)	EPS (c)	P/E (x)	P/CF (x)
2015	0.0	(87.0)	(86.0)	0.0	N/A	N/A
2016	0.0	(115.0)	(115.0)	0.0	N/A	N/A
2017e	0.0	(42.0)	(42.0)	0.0	N/A	N/A
2018e	103.0	61.0	61.0	0.0	N/A	N/A

Lithium X Energy (LIX)

Sector: Mining

Price:	C$2.08
Market cap:	C$140m
Market	TSX-V

Share price graph (C$)

Company description

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

Price performance

%	1m	3m	12m
Actual	0.0	(3.7)	147.6
Relative*	(2.5)	(9.9)	101.2

* % Relative to local index

Analyst

Tom Hayes

INVESTMENT SUMMARY

Lithium X's 21 February news release highlights further progress in developing its Argentine lithium project – Sal de Los Angeles. Of note is that permits have been received for the construction of an initial ponding facility, which forms a part of the company's joint venture with Salta Exploraciones S.A. The latter is a local consortium of companies with extensive expertise in the construction of ponding facilities. This initial ponding facility is designed for an output of approximately 2,500 annual tonnes of lithium carbonate equivalent in 5% lithium concentrate. Lithium X states that this project has not been the subject of a feasibility study and there is no guarantee the facility will successfully produce a commercial product on a profitable basis or at all. However, we consider that such works help form a considerable bank of technical data which should assist in defining the potential economic scope for Sal de Los Angeles at its full potential scale.

INDUSTRY OUTLOOK

LIX owns 50%, and has the option to acquire up to 80%, of the Sal de los Angeles project in Salta province, Argentina and also owns the Arizaro project consisting of 33,846 hectares located in one of the district's largest salars known to contain elevated lithium brine values. LIX is also exploring in Nevada's Clayton Valley.

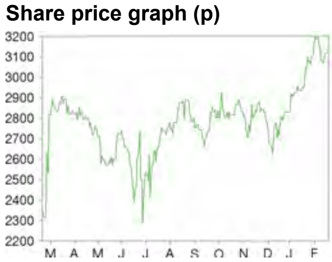
Y/E Jun	Revenue (C$m)	EBITDA (C$m)	PBT (C$m)	EPS (c)	P/E (x)	P/CF (x)
2015	0.0	(0.1)	(0.1)	(1.2)	N/A	N/A
2016	0.0	(5.4)	(5.4)	(16.5)	N/A	N/A
2017e	N/A	N/A	N/A	N/A	N/A	N/A
2018e	N/A	N/A	N/A	N/A	N/A	N/A

London Stock Exchange Group (LSE)

Sector: Financials

Price:	3130.0p
Market cap:	£10965m
Market	LSE

Share price graph (p)



Company description

LSE is Europe's leading exchange group in cash equities. MTS is Europe's largest electronic government bond market, LCH.Clearnet and CC&G offer post-trade services and FTSE Russell provides benchmark indices and related data services.

Price performance

%	1m	3m	12m
Actual	6.3	9.3	31.8
Relative*	4.8	1.9	9.5

* % Relative to local index

Analyst

Andrew Mitchell

INVESTMENT SUMMARY

Following last year's shareholder approval of the LSE Deutsche Boerse (DB1) merger, work continues on the remaining anti-trust/regulatory approvals. LSE has reached conditional agreement with Euronext for the sale of LCH Clearnet's French subsidiary for €510m and the EC Phase II investigation has been extended to 3 April to allow market testing of this commitment. Post-merger LSE shareholders would own 45.6% of the combined company. The merged company would be a leading Europe-based global financial infrastructure group and management plans to generate €450m (20%) of cost and at least €160m of sales synergies by year three after the merger. In its Q3 update LSE reported income up 19% y-o-y or +9% on an organic constant currency basis with all core parts of the group continuing to perform well. It has also announced an agreement to acquire Mergent, a provider of financial information, which is expected to support the FTSE Russell index offering. FY16 results are due to be announced on 3 March.

INDUSTRY OUTLOOK

LSE and DB1 boards have underlined that the Brexit vote does not change the rationale behind the proposed merger which is seen as significantly accelerating the companies' complementary growth strategies.

Y/E Dec	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (p)	P/E (x)	P/CF (x)
2014	1381.0	618.0	558.0	103.3	30.3	N/A
2015	1419.0	769.0	710.0	129.4	24.2	N/A
2016e	N/A	N/A	N/A	N/A	N/A	N/A
2017e	N/A	N/A	N/A	N/A	N/A	N/A

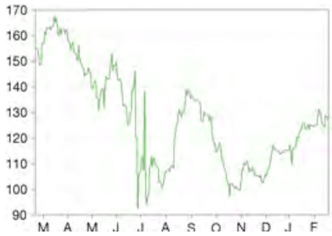
EDISON

Lookers (LOOK)

Sector: General retailers

Price:	126.0p
Market cap:	£500m
Market	LSE

Share price graph (p)



Company description

Lookers is a leading UK motor vehicle and specialist parts distributor. It operates more than 165 franchises, representing 33 marques spread across the UK.

Price performance

%	1m	3m	12m
Actual	0.6	20.0	(19.0)
Relative*	(0.7)	11.8	(32.7)

* % Relative to local index

Analyst

Andy Chambers

INVESTMENT SUMMARY

Lookers has a clear strategy involving organic growth supplemented by acquisition. The group has grown consistently, delivering record profits in each of the past seven years. The recent disposal of the group's Parts division and two key acquisitions are earnings dilutive in the short term, but raise the overall potential and provide Lookers with the financial muscle to respond quickly to the increasing flow of acquisition opportunities emerging in the market following the Brexit vote. FY16 results, due to be announced next month, should reinforce recent corporate activity, pointing positively to the future.

INDUSTRY OUTLOOK

Market dynamics continue to favour larger motor dealership groups at the expense of the independent sector, which still commands some 60% of the franchise market. Global manufacturing overcapacity still points to support from OEMs, although stockmarket confidence is undermined by the impact of weak sterling on new car prices and looming fears about pollution from diesel engines. However,a 45% discount rating relative to the FTSE All-share General Retailers index fails to recognise the defensive qualities across a sector where used vehicle and aftermarket operations account for a significant majority of profits.

Y/E Dec	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (fd) (p)	P/E (x)	P/CF (x)
2014	3043.0	87.0	65.0	13.21	9.5	8.9
2015	3649.0	99.6	72.1	14.88	8.5	8.6
2016e	4250.0	113.0	78.0	15.90	7.9	4.2
2017e	4650.0	113.5	78.0	15.90	7.9	5.5

Low & Bonar (LWB)

Sector: Basic industries

Price:	69.8p
Market cap:	£230m
Market	LSE

Share price graph (p)

Company description

Low & Bonar produces specialist performance materials for a variety of end-markets by combining polymers with specialty additives and pigments. It now reports as five global business units.

Price performance

%	1m	3m	12m
Actual	4.5	3.0	18.2
Relative*	3.1	(4.1)	(1.8)

* % Relative to local index

Analyst

Toby Thorrington

INVESTMENT SUMMARY

Reported FY16 normalised PBT came in £0.7m ahead of our estimate at £29.2m, due to more favourable Q4 FX translation effects than anticipated (with a £3.4m favourable net impact for the year as a whole). Implicitly, underlying earnings were slightly below the previous year, entirely attributable to weak profit performance in one business unit (Coated Technical Textiles) in contrast to the very good progress seen in each of the other three. The year ended with net debt at £111m versus £102m a year earlier, including c £17m adverse translation of non-sterling debt. Investment in capacity and capability is an ongoing group theme and the commissioning of a new China Colback facility was a significant achievement in the year. We believe that FY17 is likely to more clearly demonstrate gains from strategic and operational execution, as seen in our upwardly revised estimates.

INDUSTRY OUTLOOK

Key strategic medium-term financial targets are currently for 10% operating margins and 12%+ return on capital employed. Organic group revenue growth may be supplemented by M&A. The onus is clearly on territories outside Europe to provide the growth engine.

Y/E Nov	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (fd) (p)	P/E (x)	P/CF (x)
2015	362.1	46.0	27.4	5.8	12.0	6.5
2016	402.2	52.8	29.2	6.0	11.6	6.8
2017e	436.0	59.1	35.4	7.3	9.6	3.9
2018e	457.4	63.9	39.2	8.1	8.6	4.0

MedicX Fund (MXF)

Sector: Property

Price: 88.0p
Market cap: £361m
Market LSE

Share price graph (p)

Company description

MedicX Fund is a specialist investor in primary care infrastructure. Properties are let mainly to government-funded (NHS or HSE) tenants (89.2% of rent) and pharmacies on GP surgery sites (8.6%). It has three properties under development in the Republic of Ireland.

Price performance

%	1m	3m	12m
Actual	0.0	(2.0)	2.3
Relative*	(1.3)	(8.6)	(15.0)

* % Relative to local index

Analyst

Andrew Mitchell

INVESTMENT SUMMARY

MedicX Fund's quarterly NAV update for the three months to 31 December showed that the fund's Irish assets' value remained at €34.6m and the UK portfolio was valued at £612.1m (30 September: £603.4m). The uplift came partly from £3.4m of gains reflecting yield compression of 3bp to 5.22% on average across the UK portfolio and rent reviews of £2.2m of rent resulting in increases of 1.42% annualised. There was also £7.3m of capex and the sale at book value of one asset for £0.8m. These gave a 1% increase in NAV per share in the quarter to 72.4p. MXF has also announced a joint venture with GPIC and an extension of their framework agreement. The JV company will invest in UK primary care properties which do not currently meet the fund's investment policy, by may do after asset management initiatives. It will be funded by MXF and is intended to be supplementary to MXF's current sources of potential investments.

INDUSTRY OUTLOOK

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

Y/E Sep	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (p)	P/E (x)	P/CF (x)
2015	33.7	27.3	13.5	3.7	23.8	13.6
2016	35.5	28.6	14.2	3.8	23.2	12.7
2017e	39.4	32.5	15.4	3.9	22.6	10.5
2018e	42.7	36.6	15.7	3.9	22.6	9.4

Medserv (MDS)

Sector: Industrial support services

Price: €1.60
Market cap: €86m
Market Maltese Stock Exchange

Share price graph (€)

Company description

Medserv is a Malta-based provider of integrated offshore logistics and services in support of drilling operations in the Mediterranean. The acquisition of the METS companies in February 2016 diversified the company into onshore steel.

Price performance

%	1m	3m	12m
Actual	(3.6)	8.8	3.2
Relative*	(5.3)	3.4	(2.7)

* % Relative to local index

Analyst

Andy Chambers

INVESTMENT SUMMARY

Medserv is an ambitious, Malta listed, oilfield support services provider seeking to expand geographically and diversify its markets and product offering. We expect FY16 results in early April to confirm a robust overall performance aided by the initial contribution of METS. The recent award of a renewed exploration licence offshore Portugal could also be beneficial in FY17, alongside potential in the Eastern Mediterranean. The renewal of the contracts from ENI for the Malta base secures the core business until 2019.

INDUSTRY OUTLOOK

Medserv operates in the upstream oil & gas segment providing onshore bases in the Mediterranean and Middle East for onshore and offshore exploration and production customers. The acquisition of METS in February adds onshore OCTG services to the historic integrated offshore services offered in Malta and Cyprus. Despite the weaker oil price, activity in its main geographies remains broadly strong as extraction costs are at the lower end of the curve.

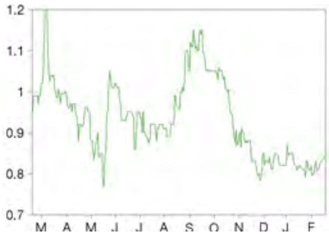
Y/E Dec	Revenue (€m)	EBITDA (€m)	PBT (€m)	EPS (c)	P/E (x)	P/CF (x)
2014	32.4	5.9	3.1	5.0	32.0	N/A
2015	42.8	10.3	6.1	9.7	16.5	7.1
2016e	38.1	8.5	2.3	4.4	36.4	11.3
2017e	49.2	14.3	6.6	11.0	14.5	9.9

Mitula Group (MUA)

Sector: Technology

Price:	A$0.84
Market cap:	A$179m
Market	ASX

Share price graph (A$)



Company description

Mitula is a leading online classifieds aggregator with 79 vertical search websites in 49 countries and 19 languages across real estate, employment, motoring and, in some countries, vacation rentals. The sites operate under the Mitula, Nestoria or Nuroa brands.

Price performance

%	1m	3m	12m
Actual	2.4	0.6	(11.6)
Relative*	0.8	(7.0)	(25.4)

* % Relative to local index

Analyst

Bridie Barrett

Mitula Group (MUA)

INVESTMENT SUMMARY

Mitula continued to be very active during H216. It launched an additional six sites in three new countries, launched its first fashion vertical in Spain, and made its second post-IPO acquisition with Dot Property and continued to invest in its sales reach. Q316 revenues (published November 2016) were broadly as we expected and management's revenue guidance for FY16 and FY17 is consistent with our existing forecasts. However, we reduced EBITDA estimates in FY16 and FY17 by 18% and 14% respectively, to take account of the loss-making Dot Property acquisition (break even expected in December 2016), as well as additional investment in the self-service platform, expansion into the fashion segment and ramp up in the direct sales effort. The 40% EV/EBITDA discount on which the shares trade versus Mitula's global peer group appears unjustified given the operational progress the group is making.

INDUSTRY OUTLOOK

While classic print advertising continues to decline, the online classified market continues to thrive – particularly in emerging markets where Mitula has much of its exposure. With a multi-geography and multi-sector approach, Mitula's addressable market is considerable.

Y/E Dec	Revenue (A$m)	EBITDA (A$m)	PBT (A$m)	EPS (fd) (c)	P/E (x)	P/CF (x)
2014	10.7	5.4	5.3	2.2	38.2	N/A
2015	20.6	9.5	7.5	3.0	28.0	N/A
2016e	30.2	12.5	12.0	4.4	19.1	N/A
2017e	39.5	18.0	17.3	6.0	14.0	N/A

Sector: Oil & gas

Price:	0.9p
Market cap:	£2m
Market	LSE

Share price graph (p)

Company description

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

Price performance

%	1m	3m	12m
Actual	(7.7)	(54.4)	28.6
Relative*	(8.9)	(57.5)	6.9

* % Relative to local index

Analyst

Will Forbes

Mosman Oil and Gas (MSMN)

INVESTMENT SUMMARY

Mosman has moved to invest capital in mining and oil & gas projects. While it has retained interest in Petroleum Creek (and Taramakau), it is seeking to defer work obligations. It is spending A$60k on an airborne survey on its Amadeus project (EP156), which should occur in Q416 and field work in EP145 should commence shortly. Investments in 2016 have been into GEM International Resource ($425k) and Hemisphere Energy (A$394k), both small-cap listed entities. Mosman holds A$4.75m in cash. GEM international has started an initial work programme to evaluate the hosting alluvial diamond deposits. Hemisphere has seen positive initial responses to a pilot well injection.

INDUSTRY OUTLOOK

Y/E Jun	Revenue (A$m)	EBITDA (A$m)	PBT (A$m)	EPS (c)	P/E (x)	P/CF (x)
2014	0.0	(1.8)	(1.8)	(4.1)	N/A	N/A
2015	0.0	(3.4)	(3.4)	(6.2)	N/A	N/A
2016e	N/A	N/A	N/A	N/A	N/A	N/A
2017e	N/A	N/A	N/A	N/A	N/A	N/A

Nano Dimension (NNDM)

Sector: Technology

Price:	NIS4.68
Market cap:	NIS232m
Market	NASDAQ, TASE

Share price graph (NIS)

Company description

Nano Dimension develops advanced 3D printed electronics systems and advanced additive manufacturing. Its initial products include a 3D printer for rapid prototyping of multi-layer PCBs and associated nanotechnology conductive and dielectric inks.

Price performance

%	1m	3m	12m
Actual	(1.5)	(4.5)	(2.8)
Relative*	(3.8)	(7.7)	(7.7)

* % Relative to local index

Analyst

Anne Margaret Crow

INVESTMENT SUMMARY

Nano Dimension met its 2016 targets with the delivery of its sixth Dragonfly printer for beta phase testing. The customer is a Fortune 500 company, one of the 10 largest bank holding companies in the US. The printer is being installed in the customer's hardware development centre. This keeps Nano Dimension on track to complete the beta testing phase mid-2017 and to deliver 50 printers during FY17.

INDUSTRY OUTLOOK

In recent weeks Nano Dimension has announced key trials which open up complementary markets. This includes printing a series of multi-layered rigid PCBs (printed circuit boards) connected through printed flexible conductors; 3D PCBs with embedded electrical components and 3D printing of ceramic materials for the aerospace and aviation sectors. The ceramic materials programme is in collaboration with the Israeli Ministry of Defence.

Y/E Dec	Revenue (US$m)	EBITDA (US$m)	PBT (US$m)	EPS (fd) (c)	P/E (x)	P/CF (x)
2014	N/A	N/A	N/A	N/A	N/A	N/A
2015	0.0	(2.4)	(2.1)	(39.49)	N/A	N/A
2016e	0.0	(4.9)	(5.0)	(60.05)	N/A	N/A
2017e	5.2	(8.6)	(8.8)	(88.72)	N/A	N/A

National Grid (NG)

Sector: General industrials

Price:	961.2p
Market cap:	£36040m
Market	LSE, NYSE

Share price graph (p)

Company description

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

Price performance

%	1m	3m	12m
Actual	1.0	3.2	0.6
Relative*	(0.4)	(3.8)	(16.4)

* % Relative to local index

Analyst

Jamie Aitkenhead

INVESTMENT SUMMARY

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

INDUSTRY OUTLOOK

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

Y/E Mar	Revenue (US$m)	EBITDA (US$m)	PBT (US$m)	EPS (c)	P/E (x)	P/CF (x)
2015	20734.0	6990.0	3739.0	377.81	3.2	N/A
2016	19904.0	7423.0	4085.0	414.06	2.9	N/A
2017e	20353.0	7573.0	4202.0	422.45	2.8	N/A
2018e	20812.0	7907.0	4399.0	438.57	2.7	N/A

Sector: Technology

Price:	98.0p
Market cap:	£50m
Market	AIM

Share price graph (p)

Company description

NetDimensions provides talent and learning management systems to global enterprises. Its solutions allow organisations to deliver personalised learning, share knowledge, enhance performance, foster collaboration and manage compliance.

Price performance

%	1m	3m	12m
Actual	32.4	58.1	90.3
Relative*	30.7	47.3	58.1

* % Relative to local index

Analyst

Richard Jeans

NetDimensions (NETD)

INVESTMENT SUMMARY

Learning Technologies Group (LTG) has reached agreement with the board of NetDimensions (NETD) on the terms of a proposed recommended all cash offer for the entire issued share capital of NetDimensions. Under the terms of the offer, NetDimensions shareholders will be entitled to receive 100p for each NetDimensions share. On our forecasts, this values the shares at 2.0x FY16 EV/sales, falling to 1.7x in FY17 and to 1.5x in FY18. LTG has received irrevocable undertakings to accept, or procure acceptance of, 28,991,507 NetDimensions shares, representing c 56.54% of NetDimensions' issued share capital. However, certain undertakings will cease to be binding if a third party announces a competing offer which is priced at 110p or greater. LTG has acquired an additional 1m NetDimensions shares at an average price of 98.23p.

INDUSTRY OUTLOOK

NETD's software helps deliver corporate training and develop talent. Its learning management system (LMS) is popular in regulated industries with stringent compliance requirements for employee training and NETD also offers Performance and Analytics modules. MarketsandMarkets, the market research firm, forecasts the global talent management systems market to grow 16.6% pa from $5.3bn in 2014 to $11.4bn in 2019.

Y/E Dec	Revenue (US$m)	EBITDA (US$m)	PBT (US$m)	EPS (c)	P/E (x)	P/CF (x)
2014	22.7	(3.3)	(3.5)	(9.4)	N/A	N/A
2015	25.4	(0.5)	(0.7)	(2.2)	N/A	N/A
2016e	26.6	(0.2)	(0.4)	(0.6)	N/A	N/A
2017e	31.5	1.5	1.2	1.7	72.1	35.7

Sector: General industrials

Price:	168.0p
Market cap:	£103m
Market	LSE

Share price graph (p)

Company description

Norcros is a leading supplier of showers, tiles, taps and related fittings and accessories for bathrooms, washrooms and other commercial environments. It has operations in the UK and South Africa, with some export activity from both countries.

Price performance

%	1m	3m	12m
Actual	(2.3)	12.8	(7.7)
Relative*	(3.6)	5.1	(23.3)

* % Relative to local index

Analyst

Toby Thorrington

Norcros (NXR)

INVESTMENT SUMMARY

H117 EBIT was 11.7% (+£1.1m) above the previous year on revenue up 8.5%, driven by a good revenue uplift and margin expansion in South Africa with progress at all three operating companies there. In the UK, acquisition contributions (ie Croydex for one additional quarter and Abode for its maiden H1) compensated for softer trading conditions at some longer-standing operations. Underlying EPS and DPS both saw increases in excess of 9% in H1 while period-end net debt at £27.5m was £5m lower than at the end of FY16. Increasing group synergies, new product launches and improving geographic reach are all active areas for Norcros by which it can increase resilience to individual sector weakness and build a broader group presence. FY17 guidance was unchanged.

INDUSTRY OUTLOOK

n the UK, the residential new-build sector has rebounded well and there is impetus for this to continue. RMI spending has not recovered at the same rate. Sustained progress in real average incomes and confidence in asset prices would be supportive for RMI recovery also. The South African economy is currently facing a number of challenges; wider distribution of wealth and an emerging middle class should benefit consumer spending over time.

Y/E Mar	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (fd) (p)	P/E (x)	P/CF (x)
2015	222.1	24.3	18.3	18.0	9.3	N/A
2016	235.9	28.0	22.5	24.7	6.8	N/A
2017e	266.3	31.4	24.8	24.0	7.0	N/A
2018e	274.4	32.9	26.3	25.7	6.5	N/A

Sector: Financials

Price:	268.0p
Market cap:	£303m
Market	LSE

Share price graph (p)

Company description

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

Price performance

%	1m	3m	12m
Actual	10.6	20.2	26.6
Relative*	9.2	12.0	5.2

* % Relative to local index

Analyst

Andrew Mitchell

Numis Corporation (NUM)

INVESTMENT SUMMARY

In December Numis reported full year figures to end September with revenues up 15%, pre-tax profit +25% to £32.5m and EPS +22% at 22.4p (fd). The dividend was increased by 4% to 12p. Importantly, the corporate client base continued to broaden with a net addition of 16 during the year taking the total to 199 illustrating the continued growth in the franchise. In its February AGM statement, Numis reported broadly positive overall market conditions for FY17 so far and noted that the rise in market levels has helped equity revenues to run ahead of their 2016 level. New issuance, however, has been quiet and there are only early signs of a pick-up in M&A. Nevertheless, Numis completed 19 equity financing transactions and 15 advisory mandates in the period.

INDUSTRY OUTLOOK

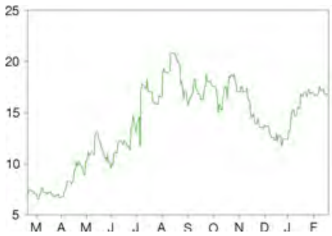
Newsflow surrounding Brexit may continue to contribute to market uncertainty but, as the path to exit becomes clearer, greater confidence and activity should return. There is also encouragement from the way in which markets have continued to strengthen in the period following the US election.

Y/E Sep	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (fd) (p)	P/E (x)	P/CF (x)
2015	98.0	28.9	26.1	23.49	11.4	48.7
2016	112.3	30.0	32.5	24.90	10.8	6.5
2017e	113.1	32.2	31.7	26.00	10.3	11.6
2018e	115.1	33.2	32.7	26.71	10.0	11.3

Sector: Mining

Price:	16.8p
Market cap:	£17m
Market	AIM, Toronto

Share price graph (p)



Company description

Orosur Mining owns (100%) and operates its San Gregorio gold mine in Uruguay. It explores for gold close to San Gregorio and in Chile at the Anillo gold property. It owns 100% of the highly prospective, high-grade Anzá gold property in Colombia.

Price performance

%	1m	3m	12m
Actual	0.8	12.6	135.1
Relative*	(0.6)	4.9	95.4

* % Relative to local index

Analyst

Tom Hayes

Orosur Mining (OMI)

INVESTMENT SUMMARY

Following a successful completion to mining at Arenal Deeps, Orosur has now transitioned most of its production to SGW UG. With ore mining now ramping up at SGW, we expect Orosur to meet its guidance mid-range at 37.5koz for FY17 at cash costs of between US$800/oz and US$900/oz. We also take a first-pass indicative value on its Anzá project, which we consider could grow materially and change the investment case for Orosur. Even on the basis of its announced exploration 'target' Anza could potentially add a third to OMI's market capitalisation.

INDUSTRY OUTLOOK

Orosur's stated FY17 production guidance is for 35koz to 40koz at a unit cash operating cost of between US$800/z to US$900/oz. Orosur has, year to date, produced 16,802 ounces at cash operating costs of US$783/oz and although H1 saw a q-o-q decrease in production of 31%, alongside a commensurate increase in cash operating costs of 32% (Q117: US$693/oz, Q217: US$914/oz), Q3 and Q4 performance should be marked on the onset of mining higher-grade SGW UG ore, which was originally planned for extraction during H117.

Y/E May	Revenue (US$m)	EBITDA (US$m)	PBT (US$m)	EPS (fd) (c)	P/E (x)	P/CF (x)
2015	65.9	10.7	(6.2)	(56.3)	N/A	1.7
2016	42.9	9.1	3.2	(1.2)	N/A	3.1
2017e	48.4	12.9	5.8	4.4	4.8	1.6
2018e	51.9	21.0	13.9	10.5	2.0	1.4

Sector: Financials

Price: US$20.15
Market cap: US$227m
Market OTC QX

Share price graph (US$)

Company description

OTC Markets Group operates the OTCQX, OTCQB and Pink financial markets for c 10,000 US and global securities. Its trading system, OTC Link ATS, is operated by OTC Link LLC, a member of FINRA and is an SEC regulated Alternative Trading System.

Price performance

%	1m	3m	12m
Actual	(7.4)	6.1	39.0
Relative*	(10.6)	(1.3)	13.9

* % Relative to local index

Analyst

Andrew Mitchell

OTC Markets Group (OTCM)

INVESTMENT SUMMARY

OTC Markets Group (OTCM) provides regulated marketplaces offering a cost-effective solution for targeting US investors. Q316 results released at the beginning of November showed a relatively resilient performance against a lacklustre market background. Revenues were down 2% reflecting contraction among broker dealers and lower transaction levels largely offset by increased data licencing fees. Costs were contained and the tax rate was lower meaning that the EPS was unchanged. The quarterly dividend was maintained at $0.14 (32nd consecutive quarterly dividend payment)and a special dividend of $0.60 announced. Since end June, a further seven states have been added to the list that recognise its premium markets for purposes of 'Blue Sky Manual Exemption' for secondary trading taking the total to 12 for OTCQX and 10 for OTCQB: encouraging progress towards an eventual goal of national recognition. FY16 results are due to be released on 1 March.

INDUSTRY OUTLOOK

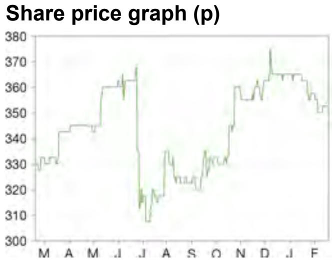
While economic and political uncertainties remain prominent, markets have continued to rise following the US election and, looking further ahead, there is a significant opportunity for OTCM to achieve greater market share both in terms of corporate clients and market data.

Y/E Dec	Revenue (US$m)	EBITDA (US$m)	PBT (US$m)	EPS (fd) (c)	P/E (x)	P/CF (x)
2014	42.2	14.4	12.9	68.58	29.4	N/A
2015	49.9	18.6	16.9	88.32	22.8	N/A
2016e	50.7	18.3	16.7	89.71	22.5	N/A
2017e	53.2	19.4	17.7	93.03	21.7	N/A

Sector: Property

Price: 352.5p
Market cap: £90m
Market AIM

Share price graph (p)



Company description

Palace Capital is an AIM-quoted property investment company focused on commercial real estate in the UK outside London. The portfolio is diverse, with the largest weighting in offices. Management aims to increase capital value and provide a sustainable and growing income stream.

Price performance

%	1m	3m	12m
Actual	(2.8)	(2.1)	6.8
Relative*	(4.1)	(8.8)	(11.2)

* % Relative to local index

Analyst

Julian Roberts

Palace Capital (PCA)

INVESTMENT SUMMARY

Palace is building a diversified and well-located commercial property portfolio let to financially sound tenants with the aim of providing investors with attractive income and capital returns. The portfolio's diversity helps mitigate sector-specific risks and the regional focus brings higher yields and less exposure to Brexit-related risks than investment in London. The policy of investing outside London can provide opportunities overlooked by other investors. Palace has an active asset management strategy with specific plans for each property, which may include full redevelopment. Asset management plans for each unit are developed by an experienced in-house team, which aims to acquire assets in good locations near transport hubs, enabling them to refurbish or redevelop them to provide high-quality alternatives to prime commercial real estate. In this way Palace seeks to increase rents and capital values while still offering an economic alternative to its tenants.

INDUSTRY OUTLOOK

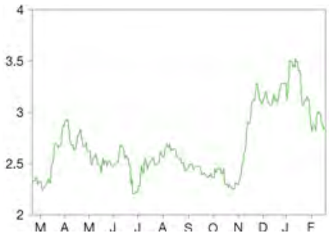
Occupier demand is sensitive to wider economic conditions and capital values are affected by investment flows and macroeconomic factors such as the value of sterling. Regional properties are likely to be less sensitive to these than London ones and rents may benefit from supply constraint as well as robust occupier demand.

Y/E Mar	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (p)	P/E (x)	P/CF (x)
2015	8.6	2.0	4.1	28.3	12.5	N/A
2016	14.6	6.0	8.1	18.9	18.7	N/A
2017e	14.0	10.9	7.2	21.8	16.2	N/A
2018e	13.9	9.1	6.9	22.5	15.7	N/A

Sector: Property

Price:	2.84EGP
Market cap:	EGP6557m
Market	EGX

Share price graph (EGP)



Company description

Palm Hills develops residential property in Greater Cairo and Egypt's Mediterranean and African Red Sea coasts. It has a 60% share in a JV with Accor, which owns three hotels in Egypt, a country club in West Cairo and an undeveloped land bank.

Price performance

%	1m	3m	12m
Actual	(16.7)	(8.7)	29.7
Relative*	7.1	2.5	18.5

* % Relative to local index

Analyst

Julian Roberts

Palm Hills Developments (PHDC)

INVESTMENT SUMMARY

Palm Hills' FY16 results showed record deliveries (2,049 units), construction spending (EGP2bn), reservations (EGP8.2bn) and revenues (EGP5.6bn). Adjusting the 2015 net income of EGP916m for a one-off gain on a land sale of EGP426m, the 2016 figure of EGP640 was a 50% increase. The balance sheet continued to grow, with EGP11.3bn of notes receivable at 31 December. In January the company announced that it had sold receivables secured on 465 completed and delivered units for EGP404m, bringing forward cash flows with the intention of funding construction and reducing debt. The securitised receivables are without recourse to Palm Hills and are underwritten by the banks who securitised them. Management expects to securitise up to a further EGP1bn of receivables in FY17. We have suspended our estimates pending publication of the IFRS accounts.

INDUSTRY OUTLOOK

Inflation since the flotation of the Egyptian pound may make property attractive to investors as well as being of long-term benefit to the economy. Palm Hills reports that Egyptians with income denominated in foreign currencies comprise 25% of recent buyers, up from around 10% historically, and expects to increase prices more than inflation increases costs.

Y/E Dec	Revenue (EGPm)	EBITDA (EGPm)	PBT (EGPm)	EPS (fd) (pia)	P/E (x)	P/CF (x)
2015	3642.0	654.0	986.0	29.00	9.8	N/A
2016	5631.0	1015.0	913.0	28.00	10.1	237.0
2017e	N/A	N/A	N/A	N/A	N/A	N/A
2018e	N/A	N/A	N/A	N/A	N/A	N/A

Sector: Mining

Price:	18.0p
Market cap:	£350m
Market	AIM

Share price graph (p)

Company description

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

Price performance

%	1m	3m	12m
Actual	14.3	(10.0)	35.9
Relative*	12.8	(16.1)	12.9

* % Relative to local index

Analyst

Charles Gibson

Pan African Resources (PAF)

INVESTMENT SUMMARY

Interim results were in line with guidance provided in PAF's trading statement of 27 January. Operations during the period were disrupted, among other things, by a series of DMR Section 54 notices. In addition, H217 will be affected by a 55-day mining hiatus underground at Evander to carry out remedial engineering work following a fatality in February. On 5 December, PAF announced the results of a DFS into its Elikhulu tailings project. All told, the project will add c 51,769oz gold (or 25%) to PAF's production profile. Using a 10% discount rate, we value the project at US$69.9m, or 3.6p/share and estimate that it will add an average 1.1p to group EPS over its 13-year life.

INDUSTRY OUTLOOK

Our forecasts are currently under review. Hitherto, our absolute value of PAF has been 23.3p. This valuation assumes that the grade profile at Evander averages 6.43g/t from FY17-30 and that the gold price will average US$1,283/oz in real terms. In the meantime, it has the fourth highest forecast dividend yield of any gold company, globally.

Y/E Jun	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (p)	P/E (x)	P/CF (x)
2015	140.4	28.4	N/A	0.64	28.1	12.5
2016	168.4	57.4	N/A	2.08	8.7	6.9
2017e	N/A	N/A	N/A	N/A	N/A	N/A
2018e	N/A	N/A	N/A	N/A	N/A	N/A

paragon (PGN)

Sector: General industrials

Price:	€46.40
Market cap:	€210m
Market	Xetra

Share price graph (€)

Company description

paragon designs and manufactures advanced automotive electronics solutions as a direct supplier to the automotive industry. Products include: sensors, acoustics, cockpit, electromobility and body kinematics.

Price performance

%	1m	3m	12m
Actual	9.4	8.9	55.2
Relative*	7.4	(1.1)	23.8

* % Relative to local index

Analyst

Roger Johnston

INVESTMENT SUMMARY

Revenue grew 9.4% to €73.7m in Q3 driven largely by the step up in electromobility which now accounts for 9.3% of paragon's total revenue (Q315: 5.2%), nearly doubling over the past year. While primarily in support of battery modules for forklifts and trolleybuses, recent announcements with Joy Global and KUKA take the group into new and developing end-markets. Revenues expanded in all other divisions except body kinematics which saw a decrease due to the timing of development programmes moving to production. EBITDA rose 11.5% to €10.2m, while EBIT increased to €5.1m (Q315: €4.6m) at an EBIT margin of 6.9% (Q315: 6.8%). Guidance was subsequently raised to revenue of €120-125m and EBIT margin of 9-9.5%. In addition, following the successful capital increase paragon is looking to increase capex to €20m from the previous €14m to capitalise on opportunities.

INDUSTRY OUTLOOK

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

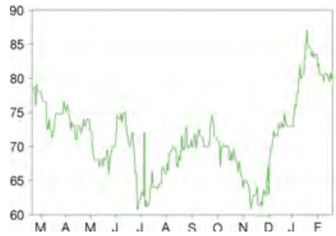
Y/E Dec	Revenue (€m)	EBITDA (€m)	PBT (€m)	EPS (fd) (c)	P/E (x)	P/CF (x)
2014	79.0	10.5	4.3	67.0	69.3	18.5
2015	95.0	14.1	5.0	83.0	55.9	11.6
2016e	103.0	15.8	6.4	102.0	45.5	21.0
2017e	123.7	19.4	9.4	139.0	33.4	14.5

Park Group (PKG)

Sector: Financials

Price:	81.4p
Market cap:	£150m
Market	AIM

Share price graph (p)



Company description

Park Group is a financial services business. It is one of the UK’s leading multi-retailer gift voucher and prepaid gift card businesses, focused on the corporate gift and consumer markets. Sales are generated via e-commerce, a direct sales force and agents.

Price performance

%	1m	3m	12m
Actual	(4.3)	32.3	7.1
Relative*	(5.5)	23.3	(11.0)

* % Relative to local index

Analyst

Andrew Mitchell

INVESTMENT SUMMARY

In January Park announced that it has been approved as a licensed MasterCard issuer having successfully trialled 'Anywhere' and 'Online' pre-paid cards that allow customers to shop wherever MasterCard is accepted. The licence allows greater flexibility and speed in product development and continues the company’s history of continuous innovation and development of its e-commerce offering. The company has also announced that its flexecash cards are now accepted online by Argos, as well as in-store, a significant development given Argos's position in the UK online retail sector. The acquisition of FMI, announced in October, is expected to be earnings enhancing in the first full year of ownership. Park's H1 results published in November are seasonally less important than H2 but showed encouraging trends: billings +5.9% y-o-y to £98.3m; the seasonal pre-tax loss of £0.8m was less than H115's £1.4m and the order book was running ahead of last year.

INDUSTRY OUTLOOK

Supported by e-commerce initiatives, Park continues to expand its Corporate and Consumer offering into a recovering market. Park is due to issue a full year trading update (to end March) in April.

Y/E Mar	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (fd) (p)	P/E (x)	P/CF (x)
2015	372.9	11.5	10.9	4.6	17.7	10.7
2016	385.0	12.4	11.9	5.2	15.7	12.5
2017e	408.7	13.1	12.4	5.4	15.1	10.3
2018e	440.4	14.0	13.4	5.7	14.3	10.1

Sector: Technology

Price:	411.4p
Market cap:	£1992m
Market	LSE

Share price graph (p)

Company description

Paysafe Group is a global payment solutions specialist operating in three areas: payment processing, digital wallets and prepaid services.

Price performance

%	1m	3m	12m
Actual	6.9	(0.4)	4.1
Relative*	5.4	(7.2)	(13.5)

* % Relative to local index

Analyst

Katherine Thompson

Paysafe Group (PAYS)

INVESTMENT SUMMARY

Paysafe expects to report FY16 revenues and EBITDA ahead of our forecasts and expects organic growth of at least 10% in FY17. We have upgraded our revenue and EPS forecasts to reflect the new guidance and the recently announced share buyback. Our normalised EPS forecasts are upgraded by 4.7% in FY16, 5.6% in FY17 and 7.2% in FY18. Although the share buyback means that net debt will reduce more slowly than previously forecast, we estimate that the company should still have headroom for further M&A.

INDUSTRY OUTLOOK

The payment processing business should continue to benefit from the growth in customer transactions. Online retail sales are forecast to continue to show strong growth; for example, Forrester predicts US e-commerce revenue CAGR of 10% from 2014-19, as more retail sales shift from on premise, mail order or telephone to online. The Digital Wallet business continues to benefit from growth in online gambling and could further benefit from opportunities in the newly regulated US market.

Y/E Dec	Revenue (US$m)	EBITDA (US$m)	PBT (US$m)	EPS (c)	P/E (x)	P/CF (x)
2014	365.0	82.9	69.2	22.0	23.4	33.5
2015	613.4	152.6	118.8	25.6	20.1	22.4
2016e	1000.5	300.9	241.6	41.0	12.5	8.5
2017e	1103.7	335.4	273.5	46.0	11.2	7.4

Sector: Technology

Price:	10.4p
Market cap:	£13m
Market	AIM

Share price graph (p)

Company description

Pebble Beach Systems Group (formerly Vislink) is a software business providing channel delivery and content management systems for broadcasters, service providers, and cable and satellite operators. Its products are used in over 70 countries.

Price performance

%	1m	3m	12m
Actual	(43.9)	(32.8)	(62.9)
Relative*	(44.8)	(37.5)	(69.5)

* % Relative to local index

Analyst

Anne Margaret Crow

Pebble Beach Systems Group (PEB1)

INVESTMENT SUMMARY

Pebble Beach Systems Group (formerly Vislink) has completed the sale of the assets of its hardware business, VCS, for an initial cash consideration of $6.5m and $9.5m deferred consideration payable in secured loan notes, which must be redeemed within 45 days of the disposal completing. $3.0m of the deferred consideration is being settled through assumption of $3.0m VCS trade creditors. As the group is now composed exclusively of its software business, it has changed its name to reflect this. Management has also announced that it expects FY16 results to be below previous expectations. Our estimates and valuation are under review.

INDUSTRY OUTLOOK

While the remaining software business has good growth potential, it is constrained by c £11m of ongoing bank borrowings. As part of a strategic review, management is considering a sale of the group as a way of maximising returns for the group's shareholders.

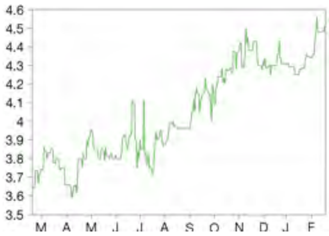
Y/E Dec	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (fd) (p)	P/E (x)	P/CF (x)
2014	61.9	10.7	7.6	5.1	2.0	1.5
2015	57.8	8.7	4.4	2.8	3.7	21.1
2016e	N/A	N/A	N/A	N/A	N/A	N/A
2017e	N/A	N/A	N/A	N/A	N/A	N/A

EDISON

Sector: Technology

Price: €4.47
Market cap: €81m
Market AIM Italia

Share price graph (€)



Company description

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

Price performance

%	1m	3m	12m
Actual	4.3	0.8	20.7
Relative*	5.6	(12.2)	9.9

* % Relative to local index

Analyst

Richard Jeans

Piteco (PITE)

INVESTMENT SUMMARY

H1 revenue grew by 11% to €6.5m while EBITDA slipped 5% to €2.5m due to increased costs including some non-recurring items. However, cash flow was strong and the financial position improved by €2.2m over the six months to €1.9m net cash. Year to date, 22 new contracts have been signed including high-quality names of Mondadori, Carrefour, Unieuro and Eataly. The initial focus of the internationalisation strategy is Mexico, which is showing positive early signs. In January, Piteco commenced a share buy-back plan to purchase up to 5% of its share capital. Given the opportunities for growth, strong cash generation and healthy balance sheet, we believe the shares are attractive on c 14x our FY18e EPS.

INDUSTRY OUTLOOK

Piteco is the leading player in the Italian treasury management systems (TMS) market. TMS are software solutions used by corporate treasuries and finance departments to manage transactions and support their decision making. The application software market in Italy is valued at €3.8bn (Assinform/NetConsulting 2014). A small slice of this (Piteco suggests 5-10%) represents the market for treasury and financial planning software. IDC estimates the worldwide revenue for the risk and treasury applications market was $2.1bn in 2013, up 4.3% y-o-y.

Y/E Dec	Revenue (€m)	EBITDA (€m)	PBT (€m)	EPS (c)	P/E (x)	P/CF (x)
2014	12.3	5.2	4.1	0.0	N/A	N/A
2015	13.4	5.7	5.0	21.5	20.8	16.0
2016e	14.5	6.0	5.5	24.1	18.5	11.8
2017e	16.0	6.9	6.5	28.2	15.9	11.5

Sector: Technology

Price: US$7.85
Market cap: US$61m
Market NASDAQ, TASE

Share price graph (US$)

Company description

Pointer Telocation (PNTR) is a leading provider of MRM services and products to the automotive and insurance industries. Key services are asset tracking, fleet management and monitoring goods in transit/IoT. Its main markets are Israel, Brazil, Argentina, Mexico and Europe.

Price performance

%	1m	3m	12m
Actual	7.5	3.3	54.9
Relative*	3.7	(3.9)	27.0

* % Relative to local index

Analyst

Anna Bossong

Pointer Telocation (PNTR)

INVESTMENT SUMMARY

In addition to sales of its own telematics devices, Pointer Telocation (PNTR) generates high recurring revenues from mobile resource management services, with a focus on less developed markets. The recent win of a five-year contract to provide fleet management and driver behaviour monitoring services for 4,000 New York black cars and car service vehicles is the group's first step into the US market with the help of its low-cost SaaS model. With the stock trading on a 30%+ discount to the sector we see potential for a re-rating on improved earnings growth, the recent acquisition of Cielo Telecom in Brazil, a strong pipeline of new products and rising service margins.

INDUSTRY OUTLOOK

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

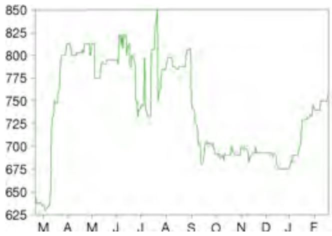
Y/E Dec	Revenue (US$m)	EBITDA (US$m)	PBT (US$m)	EPS (fd) (c)	P/E (x)	P/CF (x)
2014	N/A	N/A	N/A	N/A	N/A	6.2
2015	60.6	8.1	6.3	62.3	12.6	6.9
2016e	63.7	9.3	6.4	61.9	12.7	6.8
2017e	70.8	10.7	7.9	73.9	10.6	N/A

EDISON

Sector: Travel & leisure

Price:	757.5p
Market cap:	£320m
Market	LSE

Share price graph (p)



Company description

PPHE Hotel Group (formerly Park Plaza Hotels) is an integrated owner and operator of four-star, boutique and deluxe hotels in gateway cities, regional centres and select resort destinations, predominantly in Europe.

Price performance

%	1m	3m	12m
Actual	3.9	8.5	17.4
Relative*	2.5	1.1	(2.4)

* % Relative to local index

Analyst

Richard Finch

PPHE Hotel Group (PPH)

INVESTMENT SUMMARY

Ahead of imminent 2016 results, PPHE has again ended the year on a strong note, which is positive given the significance of Q4 and a demanding comparative. Overall rate-led RevPAR buoyancy (we estimate double-digit like-for-like gain in the quarter), driven by continued pickup in London and currency, reinforces our confidence that 2016 profit expectations will be met. 2017 should see initial material benefit of transformative investment (c 900 rooms in London), despite the delayed opening of Park Royal (now likely by end Q117). Successful hotel refinancings underline substantial hidden reserves ('fair value' adjustment of c 1,000p/share to reported 803p NAV at June 2016).

INDUSTRY OUTLOOK

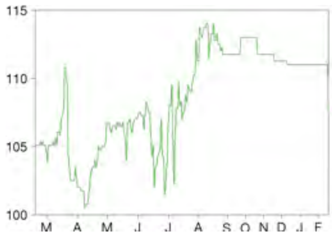
Security and geopolitical developments remain a concern but the London market, PPHE's principal profit source, is showing welcome recovery, albeit on weak y-o-y comparatives post-Paris. GL, London's largest owner-operator, expects continued volatility but a boost for inbound travel from currency; VisitBritain forecasts UK visits up 4% this year (+3% in 2016), which is close to the medium-term rate of growth, while Tourism Economics expects +7%.

Y/E Dec	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (fd) (p)	P/E (x)	P/CF (x)
2014	217.0	76.1	28.6	68.9	11.0	4.2
2015	218.7	80.1	31.8	76.1	10.0	3.8
2016e	266.0	85.0	23.5	51.1	14.8	3.8
2017e	318.0	98.0	28.5	63.3	12.0	3.3

Sector: Property

Price:	107.5p
Market cap:	£643m
Market	LSE

Share price graph (p)



Company description

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

Price performance

%	1m	3m	12m
Actual	(1.2)	(3.6)	1.8
Relative*	(2.5)	(10.2)	(15.4)

* % Relative to local index

Analyst

Andrew Mitchell

Primary Health Properties (PHP)

INVESTMENT SUMMARY

PHP's FY16 results were closely in line with our forecasts on an EPRA basis. Net rental income increased 6.9% to £66.6m and EPRA earnings grew 23.5% to £26.8m giving EPRA earnings per share of 4.8p. PHP raised a net £145.3m in April at 100p per share, a 14% premium to NAV of 87.7p at 31 December 2015. This lifted EPRA net assets by 37%, and revaluations added 2.3% to the investment portfolio, meaning that EPRA NAV was up 39% from £392m to £545m at 31 December 2016. EPRA NAV per share increased 3.9% to 91.1p. Significantly, the dividend was 100% covered from cash earnings, a particularly strong performance given the increase in the number of shares following the equity raise in April. The EPRA cost ratio remained the lowest in the sector at 11.5% (FY15: 11.5%) and we expect it to fall further as NAV growth incurs incrementally lower advisory fees.

INDUSTRY OUTLOOK

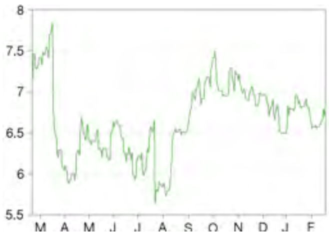
A recovery in NHS development approvals should support increasing rental growth, reflecting underlying demand for new premises and land and build cost inflation. Similar opportunities in the smaller Irish market offer a significantly higher rental yield.

Y/E Dec	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (p)	P/E (x)	P/CF (x)
2015	63.1	55.5	21.7	1.2	89.6	8.4
2016	67.4	59.2	26.7	1.2	89.6	10.6
2017e	N/A	N/A	N/A	N/A	N/A	N/A
2018e	N/A	N/A	N/A	N/A	N/A	N/A

Sector: Technology

Price: €6.84
Market cap: €56m
Market Alternext Paris

Share price graph (€)



Company description

Prodware sells and integrates its own and third-party software to SMEs across Europe. Its software products mainly sit on top of ERP and CRM platforms from Microsoft. It also has networks, hosting and security operations.

Price performance

%	1m	3m	12m
Actual	(0.7)	(2.7)	(4.5)
Relative*	(1.4)	(9.9)	(17.3)

* % Relative to local index

Analyst

Katherine Thompson

Prodware (ALPRO)

INVESTMENT SUMMARY

Prodware is making progress with its strategy to refocus the company on profitable business lines and cloud-based solutions. This is reducing revenues in the short term but should ultimately result in higher recurring revenues and more sustainable profitability. We have revised our forecasts to reflect current trading and the transition to subscription-based revenues. On our reduced forecasts, Prodware continues to trade at a discount to peers; growth in recurring revenues combined with margin expansion should start to narrow this discount.

INDUSTRY OUTLOOK

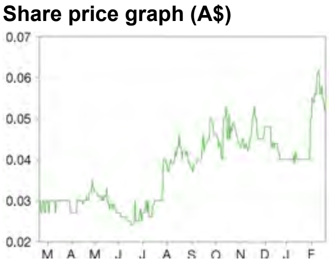
Although the wider economic outlook across Europe remains uncertain, Prodware's exposure to the SME software markets and to the provision of hosted solutions should mean that it shows underlying growth in excess of the wider economy and software industry.

Y/E Dec	Revenue (€m)	EBITDA (€m)	PBT (€m)	EPS (fd) (c)	P/E (x)	P/CF (x)
2014	174.8	27.7	9.9	114.04	6.0	4.2
2015	181.8	27.4	11.8	131.11	5.2	1.6
2016e	169.9	29.9	6.9	72.81	9.4	1.9
2017e	175.2	30.0	6.8	70.58	9.7	1.9

Sector: Oil & gas

Price: A$0.05
Market cap: A$14m
Market ASX

Share price graph (A$)



Company description

Pura Vida is an ASX-listed E&P with assets in Gabon, Morocco and Madagascar.

Price performance

%	1m	3m	12m
Actual	35.0	1.9	100.0
Relative*	32.8	(5.8)	68.8

* % Relative to local index

Analyst

Will Forbes

Pura Vida Energy (PVD)

INVESTMENT SUMMARY

Along with its international E&P peers, Pura Vida (PVD) is looking to preserve its cash reserves while progressing its exploration assets for possible future drilling. It has now received the settlement from PXP and holds A$12.9m in cash. In order to progress its Nkembe block, it has announced a conditional agreement with a rig contractor to fund $20m towards a three well programme - and is progressing with its plans to secure the remaining funding. It has also set out a path to early oil in one of its blocks Nkembe and is looking to farm-out the block to fund the work programme.

INDUSTRY OUTLOOK

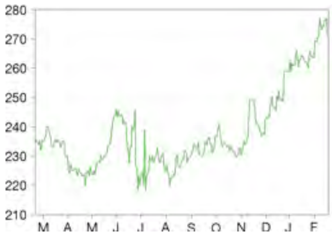
Y/E Jun	Revenue (A$m)	EBITDA (A$m)	PBT (A$m)	EPS (c)	P/E (x)	P/CF (x)
2014	14.8	1.0	(0.2)	(0.2)	N/A	N/A
2015	0.1	(18.6)	(16.2)	(10.6)	N/A	N/A
2016e	N/A	N/A	N/A	N/A	N/A	N/A
2017e	N/A	N/A	N/A	N/A	N/A	N/A

EDISON

Sector: Aerospace & defence

Price:	271.0p
Market cap:	£1550m
Market	LSE

Share price graph (p)



Company description

QinetiQ provides technical support services to customers in the global aerospace, defence and security markets. The group operates through two divisions: EMEA Services (82% FY16 sales) and Global Products (18%).

Price performance

%	1m	3m	12m
Actual	2.6	11.8	12.7
Relative*	1.3	4.1	(6.4)

* % Relative to local index

Analyst

Alexandra West

QinetiQ Group (QQ)

INVESTMENT SUMMARY

QinetiQ recently announced a £1bn, 11-year contract amendment to the Long Term Partnering Agreement (LTPA) proving both extended visibility and the opportunity to attract increasing UK and international test and evaluation business. The agreement secures half of the core LTPA revenues at this year's SSRO profit rates out to 2028, while providing QinetiQ with visibility to invest up to £180m in upgrading the UK air ranges and the Test Pilots' School at Boscombe Down. This not only secures increased capability for the UK MOD, but also expands the scope of work that QinetiQ can secure in the international market to drive medium-term organic growth.

INDUSTRY OUTLOOK

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

Y/E Mar	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (p)	P/E (x)	P/CF (x)
2014	782.6	144.9	101.2	13.8	19.6	12.5
2015	763.8	135.6	107.8	15.2	17.8	12.3
2016e	755.7	134.7	108.7	16.3	16.6	11.9
2017e	767.8	130.0	105.1	15.6	17.4	14.7

Sector: Basic industries

Price:	12.1p
Market cap:	£105m
Market	AIM

Share price graph (p)

Company description

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

Price performance

%	1m	3m	12m
Actual	11.5	14.1	14.2
Relative*	10.0	6.3	(5.1)

* % Relative to local index

Analyst

Anne Margaret Crow

Quadrise Fuels Int. (QFI)

INVESTMENT SUMMARY

At Quadrise's recent AGM, management briefed shareholders on the progress being made on several key programmes. The Maersk vessel continues to burn MSAR successfully on its regular scheduled route, while outside of the European Emission Control Area, and the feedback received on the fuel performance continues to be positive. Based on the substantial progress to date management anticipates that an interim assessment will be possible in the spring of 2017 and that the trial should be completed around the middle of the year.

INDUSTRY OUTLOOK

Based on its latest discussions with partners in Saudi Arabia, management anticipates being able to enter into formal contracts regarding the commercial scale production-to-combustion trial during calendar H117 and commence the trial during calendar H217. This news supports the roll-out timescale assumed in our estimates, which give an indicative valuation of £325m (38p/share).

Y/E Jun	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (fd) (p)	P/E (x)	P/CF (x)
2015	0.1	(2.6)	(2.7)	(0.3)	N/A	N/A
2016	0.0	(4.0)	(4.1)	(0.5)	N/A	N/A
2017e	0.9	(4.6)	(4.8)	(0.5)	N/A	N/A
2018e	18.3	(0.4)	(0.5)	(0.1)	N/A	N/A

Sector: Media & entertainment

Price:	296.0p
Market cap:	£61m
Market	LSE

Share price graph (p)

Company description

The Quarto Group is the leading global illustrated non-fiction book publisher and distribution group. It sells books across 45 countries and in 35 languages. Founded in 1976, Quarto employs over 400 people.

Price performance

%	1m	3m	12m
Actual	(7.8)	(3.0)	31.0
Relative*	(9.0)	(9.6)	8.9

* % Relative to local index

Analyst

Fiona Orford-Williams

Quarto (QRT)

INVESTMENT SUMMARY

Quarto's year-end update indicated that the publishing operations have delivered the performance as expected, despite challenges in the UK retail market and the tailing off of the colouring book trend. 2016's acquisitions have done notably well and our forecasts are unchanged. A buyer has been found for Australian/New Zealand distributor, Books and Gifts Direct (BGD), which will allow greater focus on opportunities for the core publishing business. Net debt of $62.2m was ahead of end FY15 due to working capital timing and weaker trading at BGD. Quarto has an attractive yield and continues to trade at an overlarge discount to peers.

INDUSTRY OUTLOOK

Earlier obituaries to the printed book have proved wide of the mark, yet we are relatively cautious about how much underlying growth there is in the book market. The global market for illustrated books has been much less volatile than for markets such as fiction or educational publishing and greatly less disrupted by digital distribution. The market for children's books has also been comparatively strong. Figures from the Association of American Publishers for the first eight months of 2016 show trade book sales up 0.5%, while hardback books grew an impressive 4.1%; eBooks were down 18.9%.

Y/E Dec	Revenue (US$m)	EBITDA (US$m)	PBT (US$m)	EPS (fd) (c)	P/E (x)	P/CF (x)
2014	171.3	17.0	11.9	44.1	8.4	1.5
2015	182.2	18.4	14.1	49.5	7.5	1.4
2016e	195.0	19.7	15.5	52.3	7.1	1.4
2017e	212.5	21.2	17.1	57.4	6.4	1.4

Sector: Travel & leisure

Price:	203.6p
Market cap:	£795m
Market	LSE

Share price graph (p)

Company description

Rank is a gaming-based leisure and entertainment company. Its Grosvenor and Mecca brands are market leaders in UK multi-channel gaming and it also has operations in Spain and Belgium. 86% of FY16 revenues came from venues and 14% from digital operations.

Price performance

%	1m	3m	12m
Actual	5.0	3.8	(20.8)
Relative*	3.6	(3.3)	(34.1)

* % Relative to local index

Analyst

Jane Anscombe

Rank Group (RNK)

INVESTMENT SUMMARY

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

INDUSTRY OUTLOOK

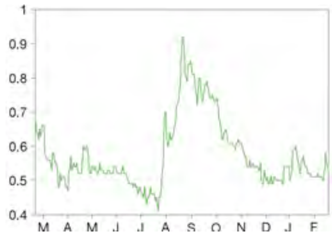
The UK government triennial review into gaming machines (due to report Q1/Q217) is expected to mainly focus on FOBT machines in betting shops, but possible tighter restrictions on TV gambling advertising pre the 9pm watershed could impact Mecca online along with other bingo operators. Cost pressures include the National Living Wage and the extension of the UK 15% POC tax to gaming 'free play' from August 2017.

Y/E Jun	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (p)	P/E (x)	P/CF (x)
2015	738.3	126.3	74.1	14.6	13.9	5.4
2016	753.0	128.2	77.4	15.4	13.2	7.2
2017e	764.0	127.0	76.0	15.3	13.3	6.9
2018e	785.0	133.0	81.5	16.4	12.4	6.1

Sector: Mining

Price:	0.5p
Market cap:	£41m
Market	LSE

Share price graph (p)



Company description

Rare Earth Minerals (REM) is a minerals investment company with direct and indirect interests in lithium and rare earth projects. REM's primary value proposition is a 40.06% effective interest in the Sonora Lithium Project concessions in Northern Mexico.

Price performance

%	1m	3m	12m
Actual	(6.3)	(2.8)	(19.9)
Relative*	(7.5)	(9.4)	(33.4)

* % Relative to local index

Analyst

Tom Hayes

Rare Earth Minerals (REM)

INVESTMENT SUMMARY

REM's recent news flow continues to highlight the importance of EMH's Cinovec Li/Sn project on the Czech/German border. Cinovec's resource has grown by 50% in the indicated category, to 3.9Mt LCE with a total 262,600 tonnes of tin as a by-product. Concerning MacArthur Minerals, this company has announced it has entered into a non-exclusive mandate with Singapore-based Tulshyan Group to raise A$200m with an initial tranche of A$50m to develop the Ularring hematite in Western Australia. Ullarring hematite project has a mineral resource of 54.46Mt at 47.2% Fe and 25.99Mt at 45.4% Fe in the inferred category. In relation to REM's loan note (announced August 2016) totalling US$15m, it has converted a further US$200k into 24,529,626 new REM shares. REM now has 7,777,690,338 shares in issue.

INDUSTRY OUTLOOK

REM has a 20.76% and a 16.56% interest in EMH and MacArthur Minerals respectively.

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

Sector: Property

Price:	50.8p
Market cap:	£339m
Market	LSE

Share price graph (p)

Company description

Guernsey based Raven Russia is listed on the main market of the LSE and invests, for the long term, in modern, high quality warehouse properties in Russia, with the aim of delivering progressive distributions to shareholders.

Price performance

%	1m	3m	12m
Actual	12.2	32.7	51.5
Relative*	10.7	23.6	25.9

* % Relative to local index

Analyst

Andrew Mitchell

Raven Russia Ltd (RUS)

INVESTMENT SUMMARY

Raven has announced the conditional acquisition of three properties in St Petersburg for RUB4.9bn (c $82m), below their replacement cost, which will generate rent of $13m in the first year of ownership (c 16% initial yield). The assets are an 87,000sqm logistics hub and two office properties totalling 33,000sqm, all in attractive locations around St Petersburg and 98% let on leases up to four years, mainly denominated in roubles. The acquisition will be funded from existing cash reserves and is expected to be complete by the end of February. We maintain our previous forecasts pending the completion of the acquisition and the publication of Raven's FY16 results on 13 March 2017.

INDUSTRY OUTLOOK

Rents and occupancy in both Moscow and St Petersburg remain stable. Speculative development is muted and new supply is largely matched to demand, which may be expected to rise as Russia emerges from recession. Helped by a higher oil price, the national economy continues to show signs of recovery: November 2016 was the first month to show year-on-year GDP growth since 2014.

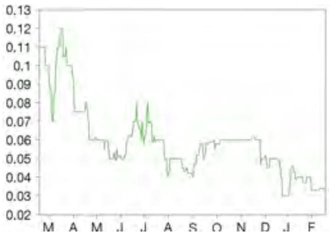
Y/E Dec	Revenue (US$m)	EBITDA (US$m)	PBT (US$m)	EPS (fd) (c)	P/E (x)	P/CF (x)
2014	257.6	N/A	75.1	8.94	7.1	2.7
2015	219.7	N/A	64.9	7.94	8.0	3.1
2016e	192.6	N/A	57.3	7.76	8.2	3.8
2017e	182.5	N/A	40.2	5.45	11.7	3.6

Real Estate Investar Group (REV)

Sector: Technology

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

Share price graph (A$)



Company description

Real Estate Investar (REV) provides integrated online services to Australian and New Zealand property investors to assist them to identify and manage suitable properties.

Price performance

%	1m	3m	12m
Actual	(15.0)	(43.3)	(69.1)
Relative*	(16.4)	(47.6)	(73.9)

* % Relative to local index

Analyst

Katherine Thompson

INVESTMENT SUMMARY

Real Estate Investar (REV) is shifting its strategy, aiming to capitalise on its growing membership base of property investors to generate property-related transaction revenues. We have revised our forecasts to reflect a higher proportion of transaction-related revenues, the three-year agreement with Domain Group for data provision, and the Property Factory acquisition in Q416. Our EBITDA break-even forecast moves to H217 (from H216) and we have reduced our DCF valuation to A$0.17 (from A$0.26).

INDUSTRY OUTLOOK

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

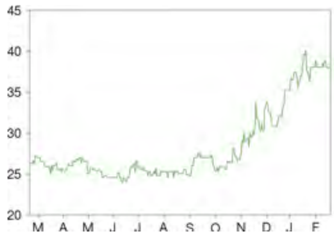
Y/E Jun	Revenue (A$m)	EBITDA (A$m)	PBT (A$m)	EPS (fd) (c)	P/E (x)	P/CF (x)
2015	4.0	(0.8)	(1.1)	(5.2)	N/A	N/A
2016	4.9	(1.0)	(1.5)	(2.4)	N/A	N/A
2017e	8.3	(0.3)	(0.7)	(0.8)	N/A	N/A
2018e	11.8	1.8	1.4	1.6	1.9	2.5

Record (REC)

Sector: Financials

Price:	38.0p
Market cap:	£84m
Market	LSE

Share price graph (p)



Company description

Record Plc is a specialist currency manager, providing currency hedging and return seeking mandates to institutional clients. Services include passive and dynamic hedging and return seeking currency strategies via funds or segregated accounts.

Price performance

%	1m	3m	12m
Actual	(4.1)	13.0	44.8
Relative*	(5.4)	5.3	20.3

* % Relative to local index

Analyst

Andrew Mitchell

INVESTMENT SUMMARY

Record's Q316 update marked a continuation of positive performance by most of the currency for return strategies. AUME grew by 2.9% from $55bn to $56.6bn, with net client inflows of $2.2bn split between Dynamic Hedging ($0.5bn), Passive Hedging ($1.3bn) and Multi-product ($0.4bn) in the quarter. These were set against negative net market and exchange rate movements of $0.6bn. In sterling terms, this overall growth was magnified to 8% by the dollar's recent strength. Even allowing for the announced AUME outflows of $1bn from end January, Record will have seen net inflows since September 2016. Fee rates are largely unchanged for all products.

INDUSTRY OUTLOOK

Record reports that recent currency volatility accompanying the Brexit vote and US election has generated a higher level of interest among clients and potential clients across geographies and products. This is supported by interest rate policy divergence among central banks and the potential for surprises in several upcoming elections in Europe.

Y/E Mar	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (fd) (p)	P/E (x)	P/CF (x)
2015	21.1	7.7	7.5	2.65	14.3	N/A
2016	21.1	7.2	7.0	2.54	15.0	N/A
2017e	21.9	7.6	7.4	2.64	14.4	N/A
2018e	23.5	8.5	8.4	2.97	12.8	N/A

Sector: Property

Price:	103.0p
Market cap:	£282m
Market	LSE

Share price graph (p)

Company description

Regional REIT owns a commercial property portfolio, predominantly offices and industrial units located in the regional centres of the UK. It is actively managed and targets a total shareholder return of 10-15% pa with a strong focus on income.

Price performance

%	1m	3m	12m
Actual	(4.0)	(3.3)	0.0
Relative*	(5.2)	(9.9)	(16.9)

* % Relative to local index

Analyst

Julian Roberts

Regional REIT (RGL)

INVESTMENT SUMMARY

Regional REIT's valuation and dividend update on 23 February announced a 2.4p dividend for Q416, taking the total to 7.65p per share for the year, in line with consensus estimates and achieving the company's target of paying a dividend yielding 7-8% on the IPO price of 100p. As of 31 December 2016 the portfolio was valued at £502.4m, a 24.4% increase on FY15 (£403.7m). RGL also announced the conditional acquisition of 31 mixed-use property assets valued at £129m from Conygar. The acquisition will be funded by £28m of shares, the assumption of £69.5m of debt and the obligation to fund Conygar's ZDPs (a liability of c £35.7m), taking the LTV to c 47%. The assets had a contracted rent roll of £9.7m at 30 September 2016, or a net initial yield of 7% and provide scope for extensive asset management initiatives. The acquisition is expected to be completed on 24 March. We will revise our forecasts following RGL's FY16 results on 23 March.

INDUSTRY OUTLOOK

Regional industrial and office markets have maintained good performance since the EU referendum. National infrastructure projects may be expected to support continued market resilience.

Y/E Dec	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (p)	P/E (x)	P/CF (x)
2014	N/A	N/A	N/A	N/A	N/A	N/A
2015	4.6	3.3	2.4	0.9	114.4	9.8
2016e	37.2	29.8	21.1	7.7	13.4	8.0
2017e	41.4	33.4	24.3	8.9	11.6	N/A

Sector: Media & entertainment

Price:	€1.80
Market cap:	€206m
Market	FRA

Share price graph (€)

Company description

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

Price performance

%	1m	3m	12m
Actual	(23.2)	(15.9)	(11.6)
Relative*	(24.6)	(23.6)	(29.5)

* % Relative to local index

Analyst

Bridie Barrett

RNTS Media (RNM)

INVESTMENT SUMMARY

RNTS Media has deferred the publication of its full year results to July 2017 following a change of auditor, but has subsequently released strong preliminary FY16 results, providing comfort that this is a capacity issue rather than a trading one. PF FY16 revenues increased by at least 65% to more than €215m, in line with our forecasts, and PF EBITDA break-even was achieved in Q4 as per the company's recently increased guidance, with a full-year adjusted EBITDA loss of less than €6m achieved. Contingent on planned financing, FY17 guidance for revenue growth of 30% and EBITDA profitability of over €3m has been introduced, a clear signal of ongoing strong momentum; we leave forecasts unchanged.

INDUSTRY OUTLOOK

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

Y/E Dec	Revenue (€m)	EBITDA (€m)	PBT (€m)	EPS (fd) (c)	P/E (x)	P/CF (x)
2014	64.0	0.7	(2.0)	(1.2)	N/A	N/A
2015	81.1	(13.7)	(18.6)	(13.6)	N/A	N/A
2016e	170.0	(10.2)	(23.7)	(18.1)	N/A	N/A
2017e	275.0	3.9	(7.9)	(5.8)	N/A	N/A

Sector: Oil & gas

Price:	26.2p
Market cap:	£120m
Market	AIM

Share price graph (p)

Company description

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

Price performance

%	1m	3m	12m
Actual	(6.3)	8.3	0.0
Relative*	(7.5)	0.9	(16.9)

* % Relative to local index

Analyst

Will Forbes

Rockhopper Exploration (RKH)

INVESTMENT SUMMARY

Rockhopper (RKH) holds a material stake in the major discoveries in the Falklands. The Sea Lion complex holds 517mmboe of 2C contingent resource (900mmboe 3C), while the Isobel Elaine complex could be a similar magnitude (according to management estimates). This resource base (over which RKH holds a >50% working interest) is significant on a global scale and commercially attractive given the cost reductions achieved through the FEED process so far – the project is NPV10 break-even at $45/bbl. Although the timing of project sanction is uncertain (particularly given the financial constraints of its partner, PMO), the fiscal regime and resource base makes this a compelling long-term project.
RKH also holds production and exploration assets in Egypt and Italy, with combined volumes of over 1.3mboed. The resulting net cashflows should largely offset the company G&A, helping to conserve the material (adjusted) December 2016 cash balance of $60-65m. Our core NAV is 73p/share.

INDUSTRY OUTLOOK

Y/E Dec	Revenue (US$m)	EBITDA (US$m)	PBT (US$m)	EPS (c)	P/E (x)	P/CF (x)
2014	1.9	(8.0)	(7.6)	(2.6)	N/A	N/A
2015	4.0	(32.8)	(44.7)	3.6	9.1	N/A
2016e	7.8	134.0	122.9	26.8	1.2	N/A
2017e	11.1	(3.9)	(18.1)	(4.1)	N/A	N/A

Sector: Financials

Price:	2252.0p
Market cap:	£269m
Market	LSE

Share price graph (p)

Company description

S&U's Advantage motor finance business lends on a simple hire purchase basis to lower and middle income groups who may have impaired credit records that restrict their access to mainstream products. It has over 40,000 customers currently.

Price performance

%	1m	3m	12m
Actual	4.8	1.2	(3.0)
Relative*	3.5	(5.7)	(19.4)

* % Relative to local index

Analyst

Andrew Mitchell

S&U (SUS)

INVESTMENT SUMMARY

In its year-end trading update, S&U confirmed FY17 finished strongly and in line with market expectations. Advantage motor finance recorded a 32% increase in customer numbers, transactions at 20,000 grew at a similar rate, and the impairment ratio is running in line with expectations. Aspen Bridging is now open for business and up to £20m may be invested over 15 months; management will take a prudent approach to developing this opportunity. S&U has total bank facilities of £85m and had net debt of £49m at the end of January. The group sees this as sufficient to fund growth at Advantage this year and the launch of the bridging finance pilot. Further facilities will be negotiated as required.

INDUSTRY OUTLOOK

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

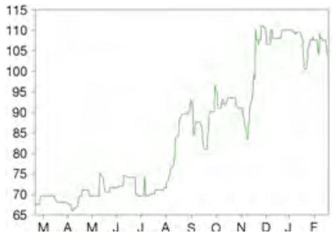
Y/E Jan	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (p)	P/E (x)	P/CF (x)
2015	36.1	16.6	14.8	99.0	22.7	N/A
2016	45.2	21.5	19.5	132.4	17.0	N/A
2017e	61.2	27.9	25.8	171.0	13.2	N/A
2018e	77.9	35.3	31.0	206.0	10.9	N/A

Sector: Technology

SCISYS (SSY)

Price:	104.0p
Market cap:	£30m
Market	AIM

Share price graph (p)



Company description

SCISYS provides a range of professional services in support of the planning, development and use of computer systems in the space, media/broadcast and defence sectors, as well as to other public and private sector enterprises.

Price performance

%	1m	3m	12m
Actual	(3.7)	(5.5)	56.4
Relative*	(5.0)	(11.9)	30.0

* % Relative to local index

Analyst

Richard Jeans

INVESTMENT SUMMARY

SCISYS has acquired Germany-based ANNOVA Systems for a deal value of c £15.3m. ANNOVA is a leading supplier of software-based editorial solutions to the media sector. It has a track record of generating strong revenue growth and in 2015 won a landmark contract with the BBC, which underpins forecasts for 12 years. ANNOVA complements SCISYS's dira! product offering for radio broadcasters, extends capabilities into television and creates cross-selling opportunities. SCISYS has accounced two Space contract wins which underpin our forecasts - a c €3.7m ExoMars contract with Thales Alenia Space Italia and a €1.9m misson control systems contract to support the EUMETSAT Polar System earth-observation programme. We believe the stock is attractive on c 10x our FY17 EPS.

INDUSTRY OUTLOOK

SCISYS is a specialist provider of high-value IT solutions, focusing on specialist markets of space, media and broadcast, and defence sectors, along with other public and private sector enterprises. In recent years, weakness across the group's significant public sector customer base, notably in the environment sector, has been offset by strong performances from space and defence. Management is keen to add critical mass to the Media & Broadcast division and expand the offering beyond radio play out systems.

Y/E Dec	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (p)	P/E (x)	P/CF (x)
2014	40.4	4.2	3.2	8.2	12.7	6.3
2015	36.1	1.5	0.6	1.3	80.0	19.2
2016e	44.0	3.9	2.9	8.5	12.2	6.3
2017e	53.4	5.6	4.0	11.0	9.5	6.0

Sector: Oil & gas

SDX Energy (SDX)

Price:	43.6p
Market cap:	£82m
Market	AIM, TSX-V

Share price graph (p)

Company description

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

Price performance

%	1m	3m	12m
Actual	19.5	74.5	N/A
Relative*	17.9	62.6	N/A

* % Relative to local index

Analyst

Will Forbes

INVESTMENT SUMMARY

SDX Energy's accretive $30m acquisition of the Egyptian and Moroccan assets from Circle Oil is a major step to increase the company's footprint and is in line with its stated ambition to grow (in)organically. The Moroccan gas production in particular is a step-out from its existing base, but provides strong cash flow generation, quick effective payback and the possibility of future high-value development and exploration. The increased working interest in NW Gemsa should boost SDX's share in FCF in Egypt, and further contribute to costs for the upcoming waterflood programme. We increase our core NAV from 39p/share to 42p/share (RENAV moves from 68p/share to 57p/share) even after some (unrelated) modelling adjustments. Despite a recent increase in the shares, this suggests further upside for investors in a larger company with greater ability to invest in high-value projects in North Africa.

INDUSTRY OUTLOOK

Y/E Dec	Revenue (US$m)	EBITDA (US$m)	PBT (US$m)	EPS (c)	P/E (x)	P/CF (x)
2014	24.5	19.1	16.5	3.2	17.0	8.0
2015	11.4	2.7	18.8	47.1	1.2	N/A
2016e	10.1	0.1	(4.4)	(5.6)	N/A	20.2
2017e	44.7	28.2	10.6	5.2	10.5	3.5

Sector: Property

Price:	322.8p
Market cap:	£733m
Market	AIM

Share price graph (p)

Company description

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

Price performance

%	1m	3m	12m
Actual	2.6	3.6	25.3
Relative*	1.3	(3.5)	4.2

* % Relative to local index

Analyst

Andrew Mitchell

Secure Income REIT (SIR)

INVESTMENT SUMMARY

Secure Income REIT (SIR) is a specialist long-term income UK REIT. It has an established portfolio on very long leases, backed by high quality tenants, and subject to annual fixed or RPI-linked uplifts. Costs are predictable, including debt costs fixed until late 2022 and it benefits from a highly visible stream of growing cash flows to support dividends. Assuming no change in yields, rent growth should also drive NAV gains. The external manager, Prestbury, has a strong track record and its 15% ownership strongly aligns its interests with other shareholders. Using the consensus expectation of a medium-term RPI increase of c 3% implies c 6.5% pa DPS growth to 2022 and, on an unchanged valuation yield, c 11% pa EPRA NAV total return. In January SIR announced its third quarterly dividend of 3.325p to be paid on 24 February, bringing the total declared to date to 9.2p per share. SIR will announce its preliminary results for FY16 on Thursday, 9 March.

INDUSTRY OUTLOOK

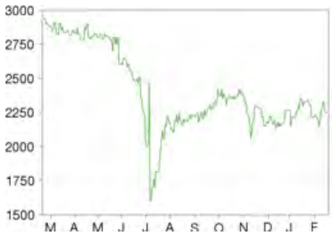
While Brexit has increased uncertainty about economic growth and occupier demand for the mainstream UK commercial property sector, specialist secure long-term income streams offer defensive opportunities for income and capital growth.

Y/E Dec	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (fd) (p)	P/E (x)	P/CF (x)
2014	N/A	N/A	N/A	N/A	N/A	8.3
2015	99.4	91.3	7.1	2.6	124.2	8.5
2016e	93.9	82.8	20.9	10.6	30.5	8.8
2017e	105.3	94.8	32.8	14.3	22.6	N/A

Sector: Financials

Price:	2250.5p
Market cap:	£416m
Market	AIM

Share price graph (p)



Company description

Secure Trust Bank is a well-established specialist bank, addressing niche markets within consumer and commercial banking. It is in the process of launching a non-standard mortgage business.

Price performance

%	1m	3m	12m
Actual	(2.2)	(1.7)	(22.0)
Relative*	(3.5)	(8.4)	(35.2)

* % Relative to local index

Analyst

Andrew Mitchell

Secure Trust Bank (STB)

INVESTMENT SUMMARY

Secure Trust Bank's (STB's) Q4 trading update confirmed the business has been performing in line with management expectations and that FY16 results should meet market estimates. The bank's prudent approach was reflected in the announcement of tightened underwriting standards and increased prices in consumer and SME finance. New unsecured personal lending has been suspended in the face of what STB sees as unsustainable pricing in this area. In contrast competitive pressures in motor finance have eased which should facilitate profitable growth while the group is proceeding with the launch of its mortgage product. Reflecting slightly more conservative net interest income assumptions we tempered our estimates for FY17 and FY18 but our updated valuation (2,700p) still stands at a significant premium to the share price.

INDUSTRY OUTLOOK

Economic uncertainties appear set to remain a prominent feature but the argument for a significant market opportunity for specialist lenders such as STB remains intact. The large incumbent banks are likely to continue to focus on core activities and managing capital ratios. STB appears well placed to take opportunities as they emerge.

Y/E Dec	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (fd) (p)	P/E (x)	P/CF (x)
2014	63.7	N/A	17.5	155.8	14.4	N/A
2015	92.1	N/A	24.8	170.4	13.2	N/A
2016e	121.2	N/A	31.9	141.0	16.0	N/A
2017e	142.3	N/A	36.0	155.1	14.5	N/A

Sector: Technology

Price: 4.5p
Market cap: £67m
Market AIM, ISDX

Share price graph (p)

Company description

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

Price performance

%	1m	3m	12m
Actual	12.5	5.9	5.9
Relative*	11.0	(1.3)	(12.0)

* % Relative to local index

Analyst

Richard Jeans

Seeing Machines (SEE)

INVESTMENT SUMMARY

In December, Seeing Machines (SM) raised £15.0m in a share placement with institutional investors and a subscription with major shareholder VS Industry Berhad. In Januuary it raised a further £1.4m in Australian and Overseas offers, for total gross proceeds of £16.4m. The primary use of the funds is to finance the group's FOVIO automotive business, which targets the automotive OEM space, and management has cancelled its prior plan to spin out FOVIO. In the December edition of SM's fleet quarterly newsletter, SM said it already has c A$18m of booked contracted revenue from Guardian, its fleet aftermarket product. SM said it had 50 assessments in place with prospective customers across the globe. Additionally, five distributorships have been established over the 12 months. This includes a global distribution agreement with MiX Telematics announced in December.

INDUSTRY OUTLOOK

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

Y/E Jun	Revenue (A$m)	EBITDA (A$m)	PBT (A$m)	EPS (c)	P/E (x)	P/CF (x)
2015	19.0	(9.1)	(9.4)	(1.2)	N/A	N/A
2016	33.6	(2.0)	(1.3)	(0.1)	N/A	N/A
2017e	N/A	N/A	N/A	N/A	N/A	N/A
2018e	N/A	N/A	N/A	N/A	N/A	N/A

Sector: Engineering

Price: 79.8p
Market cap: £238m
Market LSE

Share price graph (p)

Company description

Severfield is a leading UK structural steelwork fabricator operating across a broad range of market sectors. An Indian facility currently undertakes structural steelwork projects for the local market and is fully operational.

Price performance

%	1m	3m	12m
Actual	3.6	26.3	35.7
Relative*	2.2	17.7	12.8

* % Relative to local index

Analyst

Toby Thorrington

Severfield (SFR)

INVESTMENT SUMMARY

H117 results (22 November) demonstrated that margin development in recent years has been well founded and that further progress – contributing towards a target of doubling PBT by 2020 – was achieved in the period. Given that revenue was only up marginally, a 270bp EBIT margin uplift (to 7.0%) was the standout feature of the half. As previously announced, the UK order book has risen to a six-year high pointing to an increasing rate of top line growth from here. The Indian JV performance was stable y-o-y and the prospect of moving into profitability (from new business mix and debt reduction) is nearing. A good cash performance and a 40% increase in the interim dividend were further positives with scope for more progress in these areas also.

INDUSTRY OUTLOOK

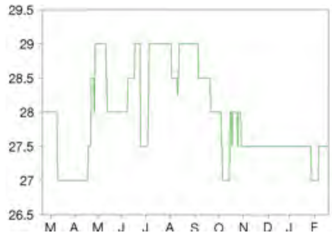
The primary strategic aim is to maintain Severfield's position as the leading UK structural steelwork supplier. An Indian JV (established in 2010) is fully operational and targeting similar sectors to those served in the UK. Management has valued the Indian construction market at c £100bn pa, with a very low penetration of steel structures currently.

Y/E Dec / Mar	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (p)	P/E (x)	P/CF (x)
2015	201.5	13.6	8.3	2.31	34.5	20.8
2016	239.4	18.9	13.2	3.67	21.7	9.6
2017e	256.9	24.1	17.9	5.00	16.0	13.1
2018e	261.7	26.3	20.0	5.58	14.3	9.7

Sector: Financials

Price:	27.5p
Market cap:	£40m
Market	AIM

Share price graph (p)



Company description

Share plc owns the Share Centre and Sharefunds. The Share Centre is a self-select retail stockbroker that also offers share services for corporates and employees. A high proportion of income is from stable fee and interest income.

Price performance

%	1m	3m	12m
Actual	0.0	0.0	(1.8)
Relative*	(1.3)	(6.8)	(18.4)

* % Relative to local index

Analyst

Andrew Mitchell

Share plc (SHRE)

INVESTMENT SUMMARY

In its Q3 update in October Share reported that trading had been in line with management's expectations. Revenue was up 7% y-o-y. While interest income was down 35% on lower rates, this now accounts for under 5% of revenue. Assets under administration were £3.6bn, up nearly 6% from end June. Share also announced an agreement to acquire a book of 8,000 client accounts with completion expected in April 2017 continuing its strategy of inorganic as well as organic growth. Work on IT investment to improve customer experience and enhance scalability is on track. In December the company sold part of its holding in the LSE raising £0.5m, leaving a holding of 0.1m shares (value c £2.7m). FY16 results are due to be released on 9 March.

INDUSTRY OUTLOOK

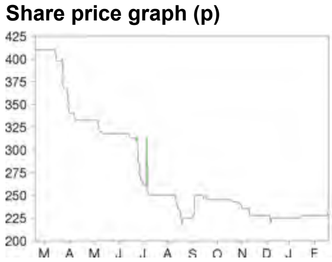
Near-term profits are set to be held back by the investment programme. While Brexit-related uncertainties may result in fluctuating sentiment, we expect long-term market growth reflecting demographic, economic and social changes. The acquisition of TD Direct Investing by Interactive Investor underlines the potential for industry consolidation and, together with fee changes by other providers, may increase the opportunities for a low cost provider such as Share.

Y/E Dec	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (p)	P/E (x)	P/CF (x)
2014	15.0	0.5	1.6	0.99	27.8	N/A
2015	14.1	(0.8)	0.6	0.40	68.8	N/A
2016e	14.4	(1.9)	(0.9)	(0.49)	N/A	N/A
2017e	15.7	(0.8)	(0.2)	(0.06)	N/A	N/A

Sector: Financials

Price:	232.5p
Market cap:	£51m
Market	AIM

Share price graph (p)



Company description

Shore Capital Group is an independent investment group with three main areas of business: Capital Markets, Asset Management and Principal Finance (on-balance sheet investments). It has offices in Guernsey, London, Liverpool, Edinburgh and Berlin.

Price performance

%	1m	3m	12m
Actual	2.2	2.2	(43.3)
Relative*	0.8	(4.8)	(52.9)

* % Relative to local index

Analyst

Andrew Mitchell

Shore Capital Group (SGR)

INVESTMENT SUMMARY

SGR's H116 figures, reported in September, showed revenues, excluding the radio spectrum sale from H115, up 7.8%: a creditable performance given an uncertain market backdrop in the run up to the EU referendum. Margins were held at levels close to the prior year period and at more than 20% for both the Capital Markets and Asset Management segments. Profits in Capital Markets nearly matched the H115 level and, underpinned by the rising level of assets under management, profits in Asset Management were up by more than 11%. Reported basic earnings per share were down nearly 70% but increased slightly compared with H215 (from 6.3p to 6.5p). FY16 results are due to be announced in the second half of March.

INDUSTRY OUTLOOK

The market outlook remains uncertain with IPO activity subdued in recent months but, as the manner of Brexit becomes clearer, impediments to transactions should diminish while Shore Capital has been successful in extending its franchise potentially entering a virtuous circle as it moves up the market cap scale. Asset Management has continued to increase AUM and as the newer products extend their track record should be better placed to attract further investors.

Y/E Dec	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (fd) (p)	P/E (x)	P/CF (x)
2014	40.6	9.5	8.3	20.8	11.2	N/A
2015	42.0	12.9	11.7	26.1	8.9	71.5
2016e	35.5	6.2	4.9	11.5	20.2	N/A
2017e	N/A	N/A	N/A	N/A	N/A	N/A

EDISON

Sector: Mining

Price:	C$28.22
Market cap:	C$12458m
Market	NYSE, TSX

Share price graph (C$)

Company description

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

Price performance

%	1m	3m	12m
Actual	4.0	9.1	36.7
Relative*	1.4	2.1	11.1

* % Relative to local index

Analyst

Charles Gibson

Silver Wheaton (SLW)

INVESTMENT SUMMARY

SLW's Q316 results were characterised by silver production in line with our expectations, but an exceptionally strong performance from its gold assets. However, a temporary build up of inventory back to more normal levels resulted in 20.0% under-sale of silver relative to production and a 22.1% under-sale of gold. Nevertheless, quarterly PBT was still the highest since Q113 (when gold and silver prices were US$1,645/oz and US$29.89/oz, respectively).

INDUSTRY OUTLOOK

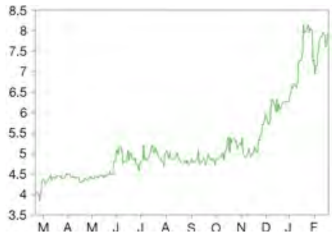
Assuming no material purchases of additional streams (which is unlikely), we forecast a value per share for SLW of US$33.09, or C$44.72, in FY20 (at prices of US$23.98/oz Ag and US$1,362/oz Au). In the meantime, SLW's shares are trading on near-term financial ratios that are cheaper than those of its royalty/streaming 'peers' in at least 87% of measures considered, and the miners themselves in at least 46%, despite being associated with materially less risk. FY16 results are scheduled for release after the close on Tuesday, 21 March.

Y/E Dec	Revenue (US$m)	EBITDA (US$m)	PBT (US$m)	EPS (fd) (c)	P/E (x)	P/CF (x)
2014	620.2	431.2	268.8	74.0	29.1	17.8
2015	648.7	426.2	223.6	53.0	40.7	19.6
2016e	867.9	584.3	262.1	60.0	35.9	15.7
2017e	1122.4	793.8	462.3	105.0	20.5	11.9

Sector: Technology

Price:	€7.95
Market cap:	€92m
Market	FRA, NYSE Euronext

Share price graph (€)



Company description

SinnerSchrader is a leading European independent digital agency that helps companies use the internet to sell and market goods and services.

Price performance

%	1m	3m	12m
Actual	6.9	56.4	91.2
Relative*	4.9	42.2	52.5

* % Relative to local index

Analyst

Bridie Barrett

SinnerSchrader (SZZ)

INVESTMENT SUMMARY

SinnerSchrader has received a cash bid for €9 per share offer by Accenture, representing a 31% premium over the three-month volume-weighted average share price and a c 15x FY17 EV/EBIT based on our previous forecasts. The majority shareholders accounting for 62% of the shares have agreed to the business combination with a public tender open for the remaining shares. Our forecasts for SinnerSchrader are therefore withdrawn.

INDUSTRY OUTLOOK

Y/E Aug	Revenue (€m)	EBITDA (€m)	PBT (€m)	EPS (fd) (c)	P/E (x)	P/CF (x)
2015	47.7	5.3	4.2	25.1	31.7	40.0
2016	51.1	4.5	5.1	29.4	27.0	18.6
2017e	N/A	N/A	N/A	N/A	N/A	N/A
2018e	N/A	N/A	N/A	N/A	N/A	N/A

Sector: Technology

Price:	NZ$0.43
Market cap:	NZ$27m
Market	NZSX

Share price graph (NZ$)

Company description

SLI Systems' core products are e-commerce site search and navigation tools that learn from customer behaviours to improve the relevance of search results and therefore increase sales conversion.

Price performance

%	1m	3m	12m
Actual	(6.5)	10.3	(42.7)
Relative*	(6.9)	6.4	(48.7)

* % Relative to local index

Analyst

Dan Ridsdale

SLI Systems (SLIZ)

INVESTMENT SUMMARY

While ARR growth has been slowing, the loss of three top ten customers - two due to insolvencies and one due to a takeover - severely dented this key metric in FY16 and confidence in the stock. However, we do believe that SLI has the raw material for a robust recovery. CEO Chris Brennan is putting in place the people, processes and structures to drive the business long term. SLI is the market leader in a large and growing market, customer ROI is strong and the company has the portfolio to double revenues from its existing customer base. However, these changes will take time to embed so while H1 results are due on 23 February, we are unlikely to see a return to robust ARR growth before H217.

INDUSTRY OUTLOOK

The global e-commerce market is estimated at $2bn growing at c 12% y-o-y. SLI estimates its global market opportunity at $1.7bn. The competitive landscape is crowded however, with direct competition, e-commerce platforms and in-house solutions in the competitive mix.

Y/E Jun	Revenue (NZ$m)	EBITDA (NZ$m)	PBT (NZ$m)	EPS (c)	P/E (x)	P/CF (x)
2015	28.6	(6.7)	(7.0)	(11.1)	N/A	N/A
2016	35.7	1.1	0.7	1.1	39.1	35.5
2017e	N/A	N/A	N/A	N/A	N/A	N/A
2018e	N/A	N/A	N/A	N/A	N/A	N/A

Sector: Technology

Price:	€48.20
Market cap:	€240m
Market	FRA

Share price graph (€)

Company description

SNP Schneider-Neureither & Partner (SNP) is a software and consulting business focused on supporting customers in implementing change, and rapidly and economically tailoring IT landscapes to new situations.

Price performance

%	1m	3m	12m
Actual	12.4	29.8	90.4
Relative*	10.3	18.0	51.9

* % Relative to local index

Analyst

Richard Jeans

SNP AG (SHF)

INVESTMENT SUMMARY

FY16 was hectic, with three acquisitions integrated, a €30m capital increase and a mammoth contract win to combine the IT landscapes of two US chemical companies (we assume Dow Chemical and DuPont) that are merging. FY16 revenues grew by c 42% to c €80m (we forecast €77m) and adjusted operating profit rose by c 66% to c €7m. We are reviewing our forecasts and expect to edge FY17 revenues up towards the middle of guidance, with the operating margin maintained at c 12%. Given SNP's strong position in software-based transformation projects, and the sustained high level of activity, we believe the shares remain attractive on c 22x our existing cash-adjusted FY18 EPS.

INDUSTRY OUTLOOK

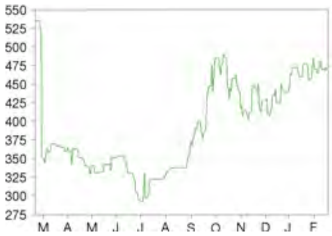
SNP helps businesses tailor and improve their ERP landscapes. Its proprietary software includes the only off-the-shelf transformation product in SNP Transformation Backbone with SAP Landscape Transformation Software (T-B), which automates the process of combining, upgrading or carving out data from ERP systems. Activity remains brisk at SNP, with utilisation rates very high, as the company continues to benefit from favourable structural growth drivers, a partnership with SAP, along with its elevated profile in wake of the landmark Hewlett-Packard deal of 2015.

Y/E Dec	Revenue (€m)	EBITDA (€m)	PBT (€m)	EPS (fd) (c)	P/E (x)	P/CF (x)
2014	30.5	0.9	(0.1)	(13.9)	N/A	69.2
2015	56.2	5.5	3.4	58.8	82.0	94.9
2016e	77.0	9.4	7.3	111.4	43.3	23.6
2017e	95.9	13.1	10.9	148.2	32.5	19.1

Sector: Industrial support services

Price:	470.0p
Market cap:	£40m
Market	AIM

Share price graph (p)



Company description

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

Price performance

%	1m	3m	12m
Actual	2.2	5.6	(12.2)
Relative*	0.8	(1.6)	(27.0)

* % Relative to local index

Analyst

Anne Margaret Crow

Solid State (SOLI)

INVESTMENT SUMMARY

Solid State is continuing to pursue its strategy of acquisitions, expansion into complementary industry verticals and development of value-added capability. For example, Steatite has reached the mid point of a two-year project to develop a pressure tolerant battery pack for deployment in submarine drones. The system is on schedule for demonstration on a deep-dive mid-2017. The system will significantly improve operating efficiency by extending the distance the drone can cover during an individual dive.

INDUSTRY OUTLOOK

The distribution division has signed a new agreement with industrial and embedded computing platform designer and manufacturer, AAEON Technology. While the provision of off-the-shelf products will form part of the agreement, Solid State Supplies will significantly enhance the value to customers by delivering customised solutions to meet their individual requirements.

Y/E Mar	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (fd) (p)	P/E (x)	P/CF (x)
2015	36.6	3.8	3.2	36.3	12.9	14.6
2016	44.1	5.1	4.4	51.2	9.2	21.7
2017e	43.6	3.7	3.2	32.2	14.6	5.2
2018e	45.1	3.9	3.5	34.6	13.6	12.9

Sector: Technology

Price:	90.5p
Market cap:	£59m
Market	AIM

Share price graph (p)

Company description

StatPro Group provides cloud-based portfolio analytics solutions to the global investment community.

Price performance

%	1m	3m	12m
Actual	(12.6)	(17.0)	24.8
Relative*	(13.7)	(22.6)	3.7

* % Relative to local index

Analyst

Richard Jeans

StatPro Group (SOG)

INVESTMENT SUMMARY

In an in-line update, StatPro said that its annualised recurring revenue (ARR) increased by 18% to £39.3m over 12 months, including two acquisitions. The ARR for StatPro Revolution, the cloud-based portfolio analysis service, increased by 68% to £15.0m, to represent 38% of the total. The primary focus is to transition existing clients from the traditional performance, risk and fixed income attribution modules to its modern cloud platform over the next two years. A premium will be charged on the switch, and we note the group announced a £1.5m contract win in January with an un-named existing client. We maintained our FY16 P&L forecasts and edged up our FY17 revenues, while broadly maintaining profits. With StatPro's US-based financial software peers and SaaS companies trading on lofty multiples, we continue to believe there is significant upside in the shares.

INDUSTRY OUTLOOK

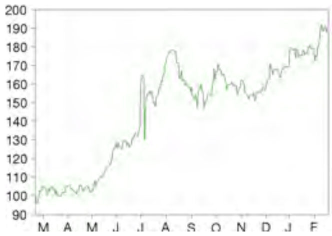
StatPro's products are targeted at the global wealth management industry. The outlook for fund managers has been showing modest improvements with assets under management rising by 1% to $71.4trn in 2015 according to Boston Consulting Group. In addition, competitive, cost and regulatory pressures all require asset managers to maintain and upgrade their reporting and risk management systems.

Y/E Dec	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (p)	P/E (x)	P/CF (x)
2014	32.0	4.4	2.6	2.7	33.5	7.9
2015	30.2	4.0	2.6	2.6	34.8	9.3
2016e	35.5	4.8	2.8	2.7	33.5	8.2
2017e	38.6	5.8	3.7	3.6	25.1	6.0

Sector: Support services

Price: 188.8p
Market cap: £669m
Market LSE

Share price graph (p)



Company description

Stobart consists of two divisions: Infrastructure and Support Services operating across Aviation, Energy, Rail and Investments.

Price performance

%	1m	3m	12m
Actual	6.3	24.0	86.4
Relative*	4.9	15.5	54.9

* % Relative to local index

Analyst

Jamie Aitkenhead

Stobart Group (STOB)

INVESTMENT SUMMARY

We were, on balance, reassured by Stobart's interim results. The 7.8% yield, supported by the continuing disposal plan, gives equity holders more than enough compensation before operations in Energy and Aviation fully ramp up to their FY19e/CY18 objectives. We have adjusted our near-term forecasts upwards slightly to reflect the observed H117 margin expansion, but our FY19 target year estimates are largely unchanged. We believe in the deliverability of Stobart's FY19e growth targets but, in the case of the Aviation business, we would be further reassured by concrete evidence of passenger growth.

INDUSTRY OUTLOOK

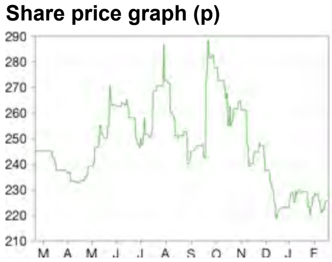
Stobart is exposed to the property, transport, aviation, energy and rail industries. Property valuation drives a high percentage of its book value. Stobart has exposure to transport, which is driven by GDP. Rail is driven by allowed rail capex spend, Energy depends on government incentives and Aviation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

Y/E Feb	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (p)	P/E (x)	P/CF (x)
2015	116.6	18.0	9.6	2.2	85.8	N/A
2016	126.7	30.0	20.6	5.9	32.0	182.2
2017e	147.8	33.8	22.8	5.5	34.3	43.7
2018e	207.5	42.9	33.1	8.1	23.3	24.5

Sector: Travel & leisure

Price: 225.5p
Market cap: £152m
Market AIM

Share price graph (p)



Company description

Stride Gaming is an online gaming operator in the bingo-led and global social gaming markets. It uses its proprietary and purchased software to provide online bingo and slot gaming and a social gaming mobile app.

Price performance

%	1m	3m	12m
Actual	(1.5)	(7.8)	(8.0)
Relative*	(2.8)	(14.1)	(23.5)

* % Relative to local index

Analyst

Jane Anscombe

Stride Gaming (STR)

INVESTMENT SUMMARY

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

INDUSTRY OUTLOOK

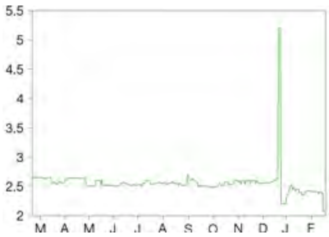
The UK bingo-led market is growing at c 8% pa, with slots outpacing pure bingo, driven by mobile. The UK government review into gaming machines (due to report in Q1/Q217) is expected to mainly focus on FOBT machines in betting shops; possible tighter restrictions on TV gambling advertising pre the 9pm watershed would have little impact on Stride as it mainly advertises online. The extension of the UK 15% POC tax from net to gross RMG revenue from August 2017 is already in our forecasts.

Y/E Aug	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (fd) (p)	P/E (x)	P/CF (x)
2015	27.8	7.3	7.2	14.0	16.1	21.5
2016	47.8	12.3	11.3	20.3	11.1	8.1
2017e	88.8	19.5	18.3	22.6	10.0	11.3
2018e	103.3	21.0	19.6	23.6	9.6	7.9

Sector: Construction & blding mat

Price: NZ$2.07
Market cap: NZ$67m
Market NZAX

Share price graph (NZ$)



Company description

Tenon is a leading mouldings and millwork manufacturer and distributor primarily for the North American housing market. It sources products and materials globally, including from its traditional New Zealand base, which serves Asia-Pacific and Europe.

Price performance

%	1m	3m	12m
Actual	(13.4)	(60.2)	(60.9)
Relative*	(13.7)	(61.6)	(65.1)

* % Relative to local index

Analyst

Peter Chilton

Tenon (TEN)

INVESTMENT SUMMARY

Tenon is undertaking a strategic business review to identify a path to increase shareholder value. Peer group comparisons suggest a valuation range in excess of NZ$4.51 based on calendarised 2015 multiples, and higher still on estimates beyond this. Our analysis suggests a very positive outlook for its core US markets; the company is set to deliver faster earnings growth and H116 results (15 February) delivered EBITDA (excluding strategic review costs) almost double that in H115. Our estimates are under review.

INDUSTRY OUTLOOK

The decline in the US housing market is well documented, with peak-to-trough falls of around 70% in new housing starts (National Association of House Builders), 24% in remodelling activity (Harvard's Joint Center of Housing Studies) and c 40% in existing home transactions (National Association of Realtors). Activity levels have improved gradually over the last 18 months or so, but they are still below historical averages or what might now be considered to be a steady or mid-cycle rate.

Y/E Jun	Revenue (US$m)	EBITDA (US$m)	PBT (US$m)	EPS (c)	P/E (x)	P/CF (x)
2014	396.0	11.0	4.0	4.2	35.4	13.9
2015	406.0	13.0	6.0	9.9	15.0	24.3
2016e	N/A	N/A	N/A	N/A	N/A	N/A
2017e	N/A	N/A	N/A	N/A	N/A	N/A

Sector: Technology

Price: NOK3.47
Market cap: NOK2834m
Market Oslo

Share price graph (NOK)

Company description

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

Price performance

%	1m	3m	12m
Actual	(11.7)	(14.5)	20.5
Relative*	(10.9)	(19.8)	0.9

* % Relative to local index

Analyst

Anna Bossong

Thin Film Electronics (THIN)

INVESTMENT SUMMARY

During December Thinfilm executed a $63m share issue, which we believe should enable it to fund all but $21m of its cash requirements ahead of cash flow break-even forecast for 2019. We expect strong revenue growth and improving cash flow following the completion of a high-volume roll-to-roll facility in Silicon Valley in 2018. In this THIN will be helped by growing demand for NFC-enabled labels and the ability to widen its addressable market through price reductions made profitable by larger production runs. Our DCF-based valuation is NOK8.19 per share.

INDUSTRY OUTLOOK

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

Y/E Dec	Revenue (US$m)	EBITDA (US$m)	PBT (US$m)	EPS (c)	P/E (x)	P/CF (x)
2014	4.5	(23.6)	(24.2)	(4.9)	N/A	N/A
2015	4.4	(29.2)	(28.3)	(5.3)	N/A	N/A
2016e	3.7	(36.3)	(40.3)	(5.9)	N/A	N/A
2017e	10.8	(39.7)	(42.6)	(5.2)	N/A	N/A

Sector: Aerospace & defence

Price:	7.9p
Market cap:	£33m
Market	AIM

Share price graph (p)

Company description

TP Group is a specialist engineering, technical and managed services group, delivered by four capability-based divisions: Design & Technology (4% of FY15 sales) Engineering (35%), Maritime (54%) and Managed Solutions (7%).

Price performance

%	1m	3m	12m
Actual	26.0	65.8	152.0
Relative*	24.3	54.5	109.4

* % Relative to local index

Analyst

Andy Chambers

TP Group (TPG)

INVESTMENT SUMMARY

Having achieved a more rapid improvement in financial performance than was originally anticipated, TP Group continues its evolution from a cash-hungry research and development house to a Tier 2 specialised services and engineering company. The acquisitions of ALS and FSS, both based in Wincanton, further extend capabilities with combined pre-tax margins of >10% bought for an EV/sales multiple of 0.6x. Our fair value calculated using a more specific peer group SOP combined with a DCF currently returns 9.11p, and the share price has continued to perform strongly.

INDUSTRY OUTLOOK

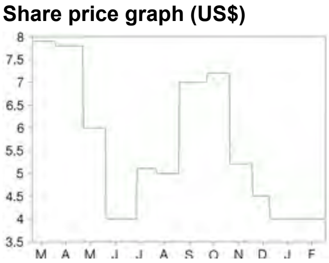
TP Group has transitioned its structure to four capability-based divisions: TPG Maritime (54% of FY15 sales), Engineering (35%), Design & Technology (4%) and Managed Solutions (7%), primarily for the defence and energy markets. These provide the opportunity to grow revenues with existing blue-chip customers and through access to adjacencies in both the UK and export markets, including selective acquisitions.

Y/E Dec	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (fd) (p)	P/E (x)	P/CF (x)
2014	21.7	(2.1)	(2.6)	(0.6)	N/A	N/A
2015	20.4	0.0	(0.4)	(0.1)	N/A	N/A
2016e	21.7	1.0	0.6	0.1	79.0	11.1
2017e	25.1	2.3	1.8	0.4	19.8	N/A

Sector: Technology

Price:	US$4.00
Market cap:	US$41m
Market	OTC Bulletin Board

Share price graph (US$)



Company description

Track Group develops and provides end-to-end tracking solutions that combine real-time tracking devices and monitoring services with advanced data analytics for the global criminal justice market.

Price performance

%	1m	3m	12m
Actual	(23.8)	(15.8)	(49.4)
Relative*	(26.5)	(21.7)	(58.5)

* % Relative to local index

Analyst

Katherine Thompson

Track Group (TRCK)

INVESTMENT SUMMARY

Track Group reported Q117 revenues of $7.7m (+21.4% y-o-y, flat q-o-q) generating an adjusted EBITDA margin of 5.3% (vs 5.3% a year ago and 21% last quarter). The company announced a restructuring programme which includes consolidating offices and outsourcing monitoring services, and resulted in exceptional costs of $566k in Q117. The company maintained its FY17 guidance for revenue of $33-35m and an adjusted EBITDA margin of 15-20%. In January, the company appointed a new CFO, Peter Poli.

INDUSTRY OUTLOOK

There are over 300,000 offenders currently being electronically monitored in the US. The main adoption driver is recent prison reform legislation in the US and other countries intended to reduce prison overcrowding. Tighter budgets provide an incentive for governments to accept EM as an evidence-based alternative to incarceration, reducing recidivism and promoting the secure reintegration of offenders into society, rather than keeping them incarcerated at over 6x the annual cost.

Y/E Sep	Revenue (US$m)	EBITDA (US$m)	PBT (US$m)	EPS (fd) (c)	P/E (x)	P/CF (x)
2014	12.3	(2.0)	(5.4)	(54.4)	N/A	N/A
2015	20.8	0.8	(6.1)	(59.8)	N/A	N/A
2016e	N/A	N/A	N/A	N/A	N/A	N/A
2017e	N/A	N/A	N/A	N/A	N/A	N/A

Sector: Industrial support services

Price:	RUB3625.00
Market cap:	RUB50bn
Market	MCIX

Share price graph (RUB)

Company description

TransContainer owns and operates rail freight assets across Russia. Its assets comprise rail flatcars, handling terminals and trucks, through which it provides integrated end-to-end freight forwarding services to its customers.

Price performance

%	1m	3m	12m
Actual	1.3	(3.1)	81.3
Relative*	3.7	(7.0)	50.8

* % Relative to local index

Analyst

Jamie Aitkenhead

TransContainer (TRCN)

INVESTMENT SUMMARY

TransContainer's (TRC) nine-month and Q3 results announcement on 28 November was in line with Edison and market expectations. Our leave our forecasts unchanged, but acknowledge that if the Russian rail container market continues to grow at the rate witnessed in recent months, our estimates (five-year EBITDA CAGR 11.3%) will look conservative. We await full year results, which we expect in late March, for a management update on rail container market growth.

INDUSTRY OUTLOOK

The Russian rail-freight market has good long-term fundamentals as an increasing portion of goods are transported by rail container at the expense of box cars. Current 'containerisation' levels of 5% are well below Europe and the US at 14% and 18%, respectively. In recent years however, transport and logistics in Russia have suffered due to the decline in the oil price and economic sanctions.

Y/E Dec	Revenue (RUBm)	EBITDA (RUBm)	PBT (RUBm)	EPS (fd) (RUB)	P/E (x)	P/CF (x)
2014	20538.0	6544.0	3751.0	286.0	12.7	6.5
2015	20311.0	5744.0	3530.0	138.7	26.1	9.1
2016e	21849.0	6778.0	4582.0	264.4	13.7	7.5
2017e	23664.0	7826.0	5669.0	327.0	11.1	6.5

Sector: Food & drink

Price:	256.0p
Market cap:	£133m
Market	LSE

Share price graph (p)

Company description

Treatt provides innovative ingredient solutions from its manufacturing bases in Europe, N America and Africa, principally for the flavours and fragrance industries and multinational consumer goods companies, particularly in the beverage sector.

Price performance

%	1m	3m	12m
Actual	(1.4)	2.8	40.3
Relative*	(2.7)	(4.2)	16.6

* % Relative to local index

Analyst

Sara Welford

Treatt (TET)

INVESTMENT SUMMARY

Treatt's strategy to improve the quality of earnings is coming through and the move from commoditised sales to more value-added products is playing out. As management stated at the start of the year, it is confident of building "a successful, strong business for the long term." There will be a full site relocation for the UK business over the next three years or so. The FY results demonstrated the business is going from strength to strength. We continue to view Treatt as a good-value opportunity in the highly rated and high-growth ingredients space.

INDUSTRY OUTLOOK

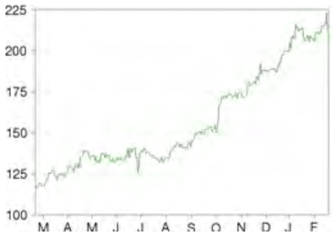
Annual growth rates for the global flavours, fragrance and ingredients sector are expected to be low single digits in 2013-18 (source: IAL Consultants). Treatt is migrating its business from that of a pure supplier to the food and beverage industries to being a valued partner in the development of new ingredients. Citrus flavours and sugar reduction are core areas of focus, with the latter undergoing a structural growth trend.

Y/E Sep	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (p)	P/E (x)	P/CF (x)
2015	85.9	10.3	8.3	12.7	20.2	15.2
2016	88.0	11.6	9.6	14.3	17.9	12.3
2017e	92.4	12.4	10.3	15.2	16.8	11.1
2018e	96.1	13.1	10.6	15.7	16.3	10.5

Sector: Industrial support services

Price:	211.5p
Market cap:	£252m
Market	LSE

Share price graph (p)



Company description

Trifast is a leading global designer, manufacturer and distributor of industrial fasteners. Principal operations are in the UK, South-East Asia and Continental Europe, while there is a modest, but growing, presence in North America.

Price performance

%	1m	3m	12m
Actual	(1.1)	17.5	85.1
Relative*	(2.4)	9.5	53.9

* % Relative to local index

Analyst

Andy Chambers

Trifast (TRI)

INVESTMENT SUMMARY

Trifast has an impressive record since management restructuring eight years ago, restoring confidence both internally and across the group's supplier and customer base. Organic progress is being delivered without conceding margin, while acquisitions extend the product, geographical and customer spread, providing numerous cross-selling opportunities. Continental aspirations are greatly enhanced by recent investment in Italy, Germany and Spain. The immediate trading climate has become more uncertain in the UK, continental Europe and North America, but with current profits boosted by the translation of overseas earnings into sterling, estimates have been lifted further following the recent trading update.

INDUSTRY OUTLOOK

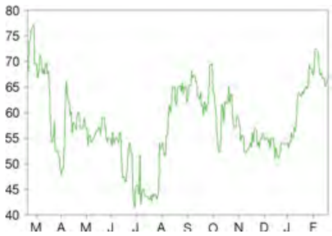
The global specialist industrial fasteners market is valued at around £25bn. Successful manufacturers and distributors responded to the shift in manufacturing to lower-cost regions by developing their own local facilities and/or supply routes. They have also created effective logistical services and shifted the emphasis towards more complex products to increase value added. A recent increase in M&A activity in the sector looks set to continue in the immediate future.

Y/E Mar	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (p)	P/E (x)	P/CF (x)
2015	154.7	16.5	14.3	8.68	24.4	35.5
2016	161.4	18.2	16.0	9.99	21.2	15.5
2017e	182.0	21.9	19.2	12.40	17.1	15.1
2018e	186.0	22.3	19.7	12.68	16.7	13.1

Sector: Financials

Price:	66.0p
Market cap:	£83m
Market	LSE

Share price graph (p)



Company description

Tungsten Corporation operates a global e-invoicing network. It also provides value-added services such as spend analytics to help buyers on its network save money and invoice financing to enable suppliers to receive early payment on their invoices.

Price performance

%	1m	3m	12m
Actual	4.8	21.7	(1.5)
Relative*	3.4	13.4	(18.1)

* % Relative to local index

Analyst

Andrew Mitchell

Tungsten Corporation (TUNG)

INVESTMENT SUMMARY

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

INDUSTRY OUTLOOK

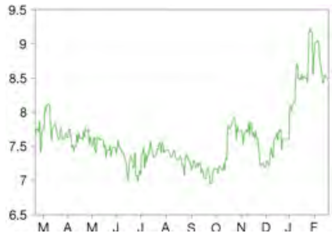
The group has reiterated its guidance that FY17 year end cash should be at least £20m, the EBITDA loss below £13m and revenue at least £30m (H117 £15.5m). EBITDA breakeven is expected at some point in calendar 2017.

Y/E Apr	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (p)	P/E (x)	P/CF (x)
2015	22.5	(25.2)	(27.9)	(26.9)	N/A	N/A
2016	26.1	(18.7)	(28.6)	(22.5)	N/A	N/A
2017e	30.1	(13.9)	(17.7)	(14.0)	N/A	N/A
2018e	37.1	2.4	(1.5)	(1.2)	N/A	49.0

Sector: Technology

Price: €8.46
Market cap: €110m
Market Borsa Italiana STAR

Share price graph (€)



Company description

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

Price performance

%	1m	3m	12m
Actual	(0.2)	9.6	9.7
Relative*	1.0	(4.5)	(0.1)

* % Relative to local index

Analyst

Katherine Thompson

TXT e-solutions (TXT)

INVESTMENT SUMMARY

TXT expects to report Q4 revenues of €19.1m (+18% y-o-y, or flat in organic terms). This implies FY16 revenues of €69.2m compared to our €69.3m forecast. TXT Retail FY16 revenues are expected to be c €36.1m (our forecast €36.3m) and TXT Next revenues €33.1m (our forecast €33.0m). Q416 EBITDA is expected to be better than the €2.5m reported in Q316 (our forecast €2.4m). Net cash at year end stood at €5.3m (our forecast €2.7m). We leave our forecasts unchanged pending FY16 results on 8 March.

INDUSTRY OUTLOOK

The supply chain management software market is growing at c 10% pa and splits into two broad areas: supply chain planning (SCP) and supply chain execution software. TXT Perform specialises in SCP software, a market that was worth c $3.8bn in 2015 (source: Gartner). TXT Next is a beneficiary of the trend to outsource IT, which gives the customer greater flexibility on cost and better access to specialist skills.

Y/E Dec	Revenue (€m)	EBITDA (€m)	PBT (€m)	EPS (fd) (c)	P/E (x)	P/CF (x)
2014	54.4	5.3	4.0	28.0	30.2	18.0
2015	61.5	6.7	5.7	40.0	21.2	41.0
2016e	69.3	8.5	7.7	50.0	16.9	13.6
2017e	74.7	8.5	7.6	50.0	16.9	13.5

Sector: Construction & blding mat

Price: 282.2p
Market cap: £503m
Market LSE

Share price graph (p)

Company description

Tyman's product portfolio substantially addresses the residential RMI and building markets with increasing commercial sector exposure following acquisitions. It manufactures and sources window and door hardware and seals, reporting in three divisions.

Price performance

%	1m	3m	12m
Actual	(0.9)	7.7	12.6
Relative*	(2.2)	0.4	(6.5)

* % Relative to local index

Analyst

Toby Thorrington

Tyman (TYMN)

INVESTMENT SUMMARY

An 8 November trading update pointed to mixed regional trading patterns in H2 with some improvement in Europe and Canada, and stable but sluggish conditions in the US, UK and Asia Pacific markets. Recent acquisitions Bilco and Giesse are bedding in well and the US footprint programme is well underway with benefits to come from 2017, as previously outlined. Weaker sterling has had a positive FX translation effect on overseas earnings but UK import costs are rising. While market conditions are mixed, Tyman is focused on significant investment and footprint programmes in all three divisions, each also benefitting from acquisitions. This should provide relative resilience if markets remain sluggish. The company is due to announce FY16 results on 8 March.

INDUSTRY OUTLOOK

Leading markets are expected to grow modestly and the new-build sector has generally continued to be firmer than RMI spend which has been more patchy.

Y/E Dec	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (p)	P/E (x)	P/CF (x)
2014	350.9	54.6	39.3	17.1	16.5	11.8
2015	353.4	60.4	44.9	19.1	14.8	9.7
2016e	454.3	75.6	54.4	21.9	12.9	7.9
2017e	533.9	87.8	64.2	25.3	11.2	6.9

![EDISON]

Sector: Aerospace & defence

Price:	1954.0p
Market cap:	£1377m
Market	LSE

Share price graph (p)

Company description

Ultra Electronics is a global aerospace and defence electronics company, with operations across three divisions: Aerospace & Infrastructure (27% of 2015 sales); Communications & Security (33%); and Maritime & Land (40%).

Price performance

%	1m	3m	12m
Actual	2.4	(0.7)	4.2
Relative*	1.1	(7.4)	(13.4)

* % Relative to local index

Analyst

Andy Chambers

Ultra Electronics (ULE)

INVESTMENT SUMMARY

A pre close update confirmed that Ultra expects trading to be in line with consensus for FY16 and our estimates are unchanged. The new US administration is now in place, but budgetary issues will remain clouded for at least a few months yet. In the UK weaker sterling is once again pressuring spending although it remains a positive for Ultra. We expect FY16 results on 6 March to confirm a return to underlying organic growth in FY17. The shares have continued to perform well year to date, and are close to both all time highs and our fair value of 2,037p.

INDUSTRY OUTLOOK

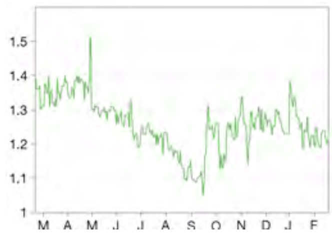
With defence drivers moving towards greater demand for electronic equipment and information management, Ultra is well positioned to benefit from more frequent upgrade cycles. In addition, it appears that defence spending may have turned a corner in the western world. Also, with civil airport infrastructure booming in emerging economies and an increasing civil aircraft build rate, Ultra stands to benefit from its diversified end-markets.

Y/E Dec	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (p)	P/E (x)	P/CF (x)
2014	713.7	128.9	112.0	123.1	15.9	14.0
2015	726.3	130.9	112.4	123.9	15.8	16.0
2016e	797.3	142.5	117.1	128.3	15.2	16.1
2017e	821.4	146.5	121.8	133.5	14.6	10.5

Sector: Technology

Price:	€1.23
Market cap:	€22m
Market	FRA, Xetra

Share price graph (€)



Company description

UMT is the operator of a proprietary mobile payments and loyalty platform. It has created an mPay platform in Germany for the loyalty scheme Payback and has preferred partner status for roll-out to other countries. UMT is also expanding into big data.

Price performance

%	1m	3m	12m
Actual	3.5	(3.9)	(10.9)
Relative*	1.6	(12.7)	(29.0)

* % Relative to local index

Analyst

Anna Bossong

UMT United Mobility Technology (UMD)

INVESTMENT SUMMARY

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

INDUSTRY OUTLOOK

UMT is a white-label operator of mobile payments and loyalty platform services with plans to grow a big data business. The mobile payments market is set to grow strongly in coming years as more consumers shop with smartphones and tablets and retailers expand their payments options. Business Insider forecasts a 116% CAGR in the US mPay market to 2019 and we expect similar trends in European markets. This growth should lead to rising demand for UMT's white-label solutions, from retailers, loyalty schemes and companies in the B2B sphere.

Y/E Dec	Revenue (€m)	EBITDA (€m)	PBT (€m)	EPS (fd) (c)	P/E (x)	P/CF (x)
2014	1.3	0.1	0.1	0.89	138.2	N/A
2015	3.0	0.6	1.0	6.29	19.6	N/A
2016e	N/A	N/A	N/A	N/A	N/A	N/A
2017e	N/A	N/A	N/A	N/A	N/A	N/A

Sector: Industrial support services

Price:	183.5p
Market cap:	£144m
Market	AIM

Share price graph (p)

Company description

Utilitywise is an independent cost management consultancy offering energy procurement and management products to the business market in the UK.

Price performance

%	1m	3m	12m
Actual	3.1	3.1	6.2
Relative*	1.7	(3.9)	(11.7)

* % Relative to local index

Analyst

Graeme Moyse

Utilitywise (UTW)

INVESTMENT SUMMARY

Utilitywise's (UTW) recent interim trading statement indicates that it continues to grow with "double digit" revenue growth in the six-month period. Net debt rose from £0.2m at the end of FY16, to £4.1m at 31 January 2017, however cash flow is traditionally stronger in the second half and we expect UTW to move into a net cash position of £3m by the end of FY17. The Enterprise division (>90% of group profits) is continuing to grow, increasing revenue and profit versus H116. Significantly, consultant headcount rose from 625 at the end of FY16 to 661 on 31 January 2017. Due to delays in deployment of technology-based solutions and the absence of ESOS revenue in H117 versus H116, the Corporate division saw a drop in revenue and profitability. However UTW remains "confident" of the outlook. The rating of the shares remains modest for a company that continues to grow and offers an attractive yield.

INDUSTRY OUTLOOK

We believe a fragmented UK TPI market provides an opportunity for Utilitywise to continue to grow.

Y/E Jul	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (fd) (p)	P/E (x)	P/CF (x)
2015	69.1	17.8	16.7	17.9	10.3	N/A
2016	84.4	18.3	17.8	19.4	9.5	11.4
2017e	97.1	19.4	19.1	20.0	9.2	12.0
2018e	110.2	22.2	22.2	23.2	7.9	8.6

Sector: General retailers

Price:	46.8p
Market cap:	£186m
Market	AIM

Share price graph (p)

Company description

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

Price performance

%	1m	3m	12m
Actual	8.7	14.0	(27.5)
Relative*	7.3	6.3	(39.8)

* % Relative to local index

Analyst

Andy Chambers

Vertu Motors (VTU)

INVESTMENT SUMMARY

Vertu is the fifth-largest UK motor dealership group. Having initially focused on volume cars, the group now has a strong position in the premium segment. The fundamental strategy involves the development of a series of acquisitions, typically strengthening used car and aftermarket operations. While there is temporary earnings dilution stemming from last year's £35m fund raising, we look forward to a positive pre-close trading statement in the next few weeks. Vertu is financially well able to respond quickly and effectively to an increasing flow of acquisition opportunities following uncertainties engendered by the Brexit result.

INDUSTRY OUTLOOK

Market dynamics continue to favour larger motor dealership groups at the expense of the independent sector, which still commands some 60% of the franchise market. Global manufacturing overcapacity still points to support from OEMs, although stockmarket confidence is undermined by the impact of weak sterling on new car prices and looming fears about pollution from diesel engines. However, a 45% discount rating relative to the FTSE All-share General Retailers index fails to recognise the defensive qualities across a sector where used vehicle and aftermarket operations account for a significant majority of profits.

Y/E Feb	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (fd) (p)	P/E (x)	P/CF (x)
2015	2074.9	28.7	22.0	5.06	9.2	6.1
2016	2423.3	35.5	27.4	6.31	7.4	2.4
2017e	2700.0	38.4	30.5	6.07	7.7	4.3
2018e	2850.0	42.4	34.5	6.76	6.9	4.3

Sector: Pcare & household prd

Price:	201.5p
Market cap:	£140m
Market	AIM

Share price graph (p)

Company description

Walker Greenbank is a luxury interior furnishings group, combining specialist design skills with high-quality upstream manufacturing facilities. Leading brands include Harlequin, Sanderson, Morris & Co, Scion, Anthology and Zoffany.

Price performance

%	1m	3m	12m
Actual	2.5	1.0	2.3
Relative*	1.2	(5.9)	(15.0)

* % Relative to local index

Analyst

Toby Thorrington

Walker Greenbank (WGB)

INVESTMENT SUMMARY

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

INDUSTRY OUTLOOK

The UK interior furnishings industry has experienced uncertainty for many years under the influence of economic shifts and fashion changes. Many brands have failed to grow, while significant production capacity has been closed down, with manufacture for the volume segment largely moved overseas. Success continues to be delivered by those businesses which are able to differentiate themselves from competition by consistently offering innovative and high-quality design and products.

Y/E Jan	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (fd) (p)	P/E (x)	P/CF (x)
2015	83.4	10.7	8.1	11.20	18.0	34.5
2016	87.8	11.8	8.9	12.13	16.6	17.0
2017e	92.4	13.5	10.4	12.66	15.9	13.7
2018e	123.0	17.4	14.3	15.93	12.6	12.3

Sector: Technology

Price:	377.5p
Market cap:	£133m
Market	AIM

Share price graph (p)

Company description

WANdisco is a distributed computing company. It has developed a suite of solutions based around proprietary replication technology, which solve critical data management challenges prevalent across the big data infrastructure and ALM software markets.

Price performance

%	1m	3m	12m
Actual	28.8	147.5	257.8
Relative*	27.1	130.7	197.4

* % Relative to local index

Analyst

Dan Ridsdale

WANdisco (WAND)

INVESTMENT SUMMARY

WANdisco's performance in H2 indicates that its investment in creating a platform for scalable growth is starting to reap returns. H2 bookings grew by 109%, costs reduced and in Q4 the company operated at close to cash flow break-even. The pipeline entering FY17 is strong and with three major tech partners – IBM, Oracle and Amazon – now generating sales, WANdisco looks exceptionally well placed to continue benefiting from the growth in cloud storage and big data. The rating suggests the market is pricing in an acceleration in momentum from here. It is too early to say with certainty that this will happen, but we believe our estimates are conservative and further visibility on the contribution from IBM or progress with other partners could raise our growth assumptions.

INDUSTRY OUTLOOK

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

Y/E Dec	Revenue (US$m)	EBITDA (US$m)	PBT (US$m)	EPS (fd) (c)	P/E (x)	P/CF (x)
2014	11.2	(17.9)	(25.9)	(103.3)	N/A	N/A
2015	11.0	(16.0)	(26.4)	(87.7)	N/A	N/A
2016e	11.4	(8.9)	(18.9)	(53.7)	N/A	N/A
2017e	15.0	(4.9)	(15.2)	(37.5)	N/A	203.0

Sector: Industrial support services

Price:	275.0p
Market cap:	£335m
Market	LSE

Share price graph (p)

Company description

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

Price performance

%	1m	3m	12m
Actual	9.5	33.5	71.9
Relative*	8.0	24.4	42.8

* % Relative to local index

Analyst

Jamie Aitkenhead

Wincanton (WIN)

INVESTMENT SUMMARY

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

INDUSTRY OUTLOOK

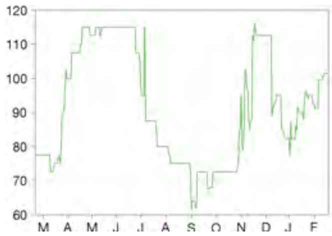
The UK logistics market is estimated at £36bn and while it is directly linked to economic health and business activity, it has resilience and has consistently grown faster than GDP, helped by the complexity of supply chains and the evolution of multi-channel retailing.

Y/E Mar	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (p)	P/E (x)	P/CF (x)
2015	1107.4	62.0	31.4	22.2	12.4	9.3
2016	1147.4	62.5	35.3	25.4	10.8	N/A
2017e	1111.5	62.7	42.0	28.8	9.5	6.9
2018e	1139.2	65.1	44.8	30.9	8.9	7.0

Sector: Alternative energy

Price:	101.5p
Market cap:	£41m
Market	AIM

Share price graph (p)



Company description

Windar Photonics is a UK-registered, Copenhagen-based developer and manufacturer of an innovative low-cost light detection and ranging (LIDAR) system.

Price performance

%	1m	3m	12m
Actual	13.4	(11.0)	31.0
Relative*	11.9	(17.0)	8.8

* % Relative to local index

Analyst

Anne Margaret Crow

Windar Photonics (WPHO)

INVESTMENT SUMMARY

Windar Photonics has announced that the FY16 performance will be lower than market expectations as certain deliveries are expected to be delayed into FY17. However, it has announced several new contract awards which will benefit FY17. Windar has also raised £0.5m (gross) through a subscription. Our estimates are under review.

INDUSTRY OUTLOOK

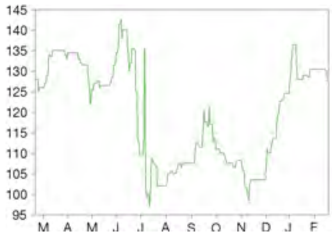
At the end of December Windar released a sequence of announcements about new orders. It has secured an order for its first test project in South Korea; an order for 5 WindEYE LiDAR units from an independent power producer (IPP) in India who operates and manages 800MW of assets and an order for a multi-beam LiDAR system from the Indian National Institute of Wind Energy as well as a repeat order for seven units from a customer with over 600MW of assets in North America. In February it announced a repeat order for four units from a European IPP. Importantly, the LiDARs for this order will be equipped with the newly developed wake detection algorithms.

Y/E Dec	Revenue (€m)	EBITDA (€m)	PBT (€m)	EPS (fd) (c)	P/E (x)	P/CF (x)
2014	1.0	(1.5)	(2.0)	(5.1)	N/A	N/A
2015	0.9	(2.8)	(3.3)	(8.4)	N/A	N/A
2016e	N/A	N/A	N/A	N/A	N/A	N/A
2017e	N/A	N/A	N/A	N/A	N/A	N/A

Sector: Industrial support services

Price:	127.5p
Market cap:	£89m
Market	AIM

Share price graph (p)



Company description

WYG is a multidiscipline, project management and management service consultancy. Over half of revenues are generated in the UK, with the remainder in a spread of international markets.

Price performance

%	1m	3m	12m
Actual	(0.4)	23.2	(0.8)
Relative*	(1.7)	14.8	(17.5)

* % Relative to local index

Analyst

Toby Thorrington

WYG (WYG)

INVESTMENT SUMMARY

Revenue was up 17% in H117, PBT was up 18%, adjusted, fully diluted EPS was up 8% and DPS was up 20%. MENA showed the best y-o-y improvement, while in the UK short-term progress was constrained by P&L investment and EAA remained subdued. Cash absorption into working capital was a notable feature of the move into a £4.9m net debt position at the half year stage, though we expect both aspects to effectively reverse by the year end. For us, a key H1 feature was the continued growth in the contracted group order book to £163.7m, vs c £123m a year earlier and c £146m at end FY16. Momentum was sustained with a further €17m of new business wins announced on 26 January. A CMD has been flagged for spring 2017.

INDUSTRY OUTLOOK

Management is focused on margin improvement predicated on the efficient delivery of high-quality consultancy services and rigorous operational and financial control. Extending the multi-discipline service offering, along seven identified sector lines, particularly in international markets, is a key component of this process. Market diversity offers both challenges and opportunities, requiring proactive and reactive approaches to business development.

Y/E Mar	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (fd) (p)	P/E (x)	P/CF (x)
2015	130.5	7.2	5.7	8.6	14.8	35.0
2016	133.5	9.0	7.0	10.6	12.0	N/A
2017e	155.0	12.4	9.7	13.2	9.7	10.8
2018e	166.0	13.7	11.0	13.6	9.4	8.6

Sector: Electronics & elec eqpt

Price:	1935.0p
Market cap:	£368m
Market	LSE

Share price graph (p)

Company description

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

Price performance

%	1m	3m	12m
Actual	7.5	10.2	32.7
Relative*	6.1	2.7	10.3

* % Relative to local index

Analyst

Katherine Thompson

XP Power (XPP)

INVESTMENT SUMMARY

XP Power had a strong finish to 2016 boosted by the strength of the dollar versus sterling. Q416 revenues of £37.1m grew 33% y-o-y and FY16 revenues of £129.8m grew 18% y-o-y (+7% in constant currency), £2.6m ahead of our forecast. Year-end net cash was higher than we forecast. Q416 order intake of £37.1m (+24% y-o-y, +6% q-o-q) positions the company well for 2017. XP Power expects to generate revenue growth in FY17 – we leave our forecasts unchanged pending the company's FY16 results on 8 March.

INDUSTRY OUTLOOK

XP supplies three end-markets: Healthcare, Industrial and Technology, across Europe, North America and Asia. The Industrial segment is relatively fragmented, but the company sees demand across various applications. The Healthcare business continues to gain market share, with corporate approvals from the major suppliers in place. The Technology segment is the most cyclical, although semi fab suppliers have returned to growth.

Y/E Dec	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (fd) (p)	P/E (x)	P/CF (x)
2014	101.1	27.6	24.3	101.07	19.1	16.9
2015	109.7	29.7	25.7	104.32	18.5	17.5
2016e	127.2	32.0	27.4	107.26	18.0	17.5
2017e	136.4	35.3	30.5	119.54	16.2	14.4

Sector: Media & entertainment

Price:	270.0p
Market cap:	£282m
Market	AIM

Share price graph (p)

Company description

YouGov is an international market research and data and analytics group offering a data-led suite of products and services including YouGov BrandIndex, YouGov Profiles and YouGov Omnibus and custom research.

Price performance

%	1m	3m	12m
Actual	19.2	11.3	101.5
Relative*	17.6	3.8	67.5

* % Relative to local index

Analyst

Fiona Orford-Williams

YouGov (YOU)

INVESTMENT SUMMARY

YouGov's positive H117 update showed trading ahead of market expectations, resulting from good progress from data products and services and growth in the custom research margin. There has also been some currency benefit. For now, we have maintained our implied H217 numbers, meaning that our FY17e revenue forecast increases 2% and changes to the mix move our PBT estimate up 4%. FY18e numbers are edged up slightly. At 15.7x current year EV/EBITDA, the valuation is towards the top of the range of global peers (7.5x to 17.5x), which is a reflection of the strong earnings growth and cash generation.

INDUSTRY OUTLOOK

The global MR industry continues to go through an extended period of change, prompted by technological advances that facilitate the production of vast quantities of data. This has led to a proliferation of tools to manipulate it and generate usable value for the client markets and the rise of influential new players. Some of these have come from the technology angle, but also from the global consultancy and technology sector majors and from in-house teams at client companies.

Y/E Jul	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (p)	P/E (x)	P/CF (x)
2015	76.1	9.3	9.1	6.7	40.3	27.0
2016	88.2	11.6	13.3	8.5	31.8	19.8
2017e	103.0	14.1	14.6	10.2	26.5	19.5
2018e	113.5	16.0	16.5	11.3	23.9	16.9

Sector: Food & drink

Price:	US$4.15
Market cap:	US$87m
Market	NYSE

Share price graph (US$)

Company description

Yowie Group is engaged in brand development of the Yowie chocolate confectionery product, digital platform, and licensed consumer products. Its brand vision includes distribution in North America, with further expansion planned into Australia, New Zealand and Asia.

Price performance

%	1m	3m	12m
Actual	(10.3)	(10.3)	(30.9)
Relative*	(11.7)	(17.0)	(41.7)

* % Relative to local index

Analyst

Beth Senko

Yowie Group (YOW)

INVESTMENT SUMMARY

Yowie continues to report strong top-line results driven by product development and increased shelf space at Walmart, its key customer. FY16 net revenue grew by 450%. In FY17 Yowie plans to expand into two to three new markets. However, we trimmed our FY17 revenue expectations by 12% following temporary production issues in December. However, this still represents 68% growth. We maintain confidence in Yowie's long-term growth and profitability prospects. Note: 1) FY15 numbers are adjusted and restated; 2) EPS refers to earnings per ADR.

INDUSTRY OUTLOOK

Chocolate is a benchmark consumer product, with over half of US consumers eating it at least once a week. US consumer confidence is holding steady with a 97.3 score for July 2016 (Thomson Reuters). The major manufacturers benefit from brand loyalty, strong shelf positioning and large marketing budgets provide a competitive edge. However, there is potential for smaller brands to take share if they can establish individual appeal and prominent store placement.

Y/E Jun	Revenue (US$m)	EBITDA (US$m)	PBT (US$m)	EPS (fd) (c)	P/E (x)	P/CF (x)
2015	2.4	(2.7)	(2.7)	(21.6)	N/A	N/A
2016	13.1	(6.6)	(6.7)	(40.5)	N/A	N/A
2017e	22.1	2.8	2.5	11.8	35.2	N/A
2018e	37.1	7.6	7.3	34.2	12.1	N/A

Sector: Industrial support services

Price:	A$0.17
Market cap:	A$36m
Market	ASX

Share price graph (A$)

Company description

YPB Group has developed a three-pronged strategy designed to detect and protect brands from counterfeiters. The company owns four Chinese patents over invisible tracers and has secured several contracts for its technology.

Price performance

%	1m	3m	12m
Actual	(27.7)	6.3	(37.0)
Relative*	(28.9)	(1.8)	(46.9)

* % Relative to local index

Analyst

Anna Bossong

YPB Group (YPB)

INVESTMENT SUMMARY

YPB Group (YPB) is in the early stages of commercialising its patented, non-destructible, anti-counterfeiting technology used for brand protection and product authentication. The company completed a A$4.5m share placement in May and provided guidance to the market for FY17 pre-tax profit of A$5m. In October YPB made a A$4.0m share issue at A$0.25 per share and management reported Q316 operating cash flows of A$2.6m, but affirmed 2017 profit guidance. YPB has secured several new contracts for its anti-counterfeit technology including with Australia's largest liquor merchant Dan Murphy and Blackmores Limited, Australia's leading natural health company. The latter two-year agreement will enable Blackmores to deploy YPB's suite of brand protection and customer engagement solutions across its range.

INDUSTRY OUTLOOK

The counterfeit solutions market is a crowded one, with several multinationals offering a range of anti-counterfeiting products alongside smaller listed and private technology companies. Competitive advantage can be gained by being first to market either with product or certification.

Y/E Dec	Revenue (A$m)	EBITDA (A$m)	PBT (A$m)	EPS (c)	P/E (x)	P/CF (x)
2014	0.1	(1.8)	(1.9)	(1.8)	N/A	N/A
2015	1.6	(5.5)	(5.7)	(4.5)	N/A	N/A
2016e	10.8	(1.9)	(2.1)	(1.1)	N/A	N/A
2017e	26.9	5.5	5.4	2.6	6.5	6.0

Edison dividend list

Company name	FY0 period end	Currency	DPSFY0	DPSFY1	DPSFY2
4imprint Group PLC	2015/12	USD	38.9	52.5	57.5
Acacia Mining PLC	2015/12	USD	4.2	4.2	4.2
Acal PLC	2016/03	GBP	8.1	8.4	8.5
Augean PLC	2015/12	GBP	0.7	0.8	1.0
Borussia Dortmund PLC	2016/06	EUR	6.0	6.0	6.0
Brady PLC	2015/12	GBP	0.0	1.7	1.9
Braemar Shipping Services PLC	2016/02	GBP	26.0	14.0	14.0
Caledonia Mining Corp	2015/12	USD	4.8	5.5	5.5
Carclo PLC	2016/03	GBP	0.9	0.0	0.0
Carr's Group PLC	2016/08	GBP	3.8	3.9	4.0
Cenkos Securities PLC	2015/12	GBP	14.0	6.0	
China Water Affairs Group LTD	2016/03	HKD	8.0	10.0	12.5
Coats Group PLC	2015/12	USD	0.0	0.0	1.5
Cohort PLC	2016/04	GBP	6.0	7.0	8.0
Comvita LTD	2016/06	NZD	18.0		
Creston PLC	2016/03	GBP	4.4		
DeA Capital S.p.A.	2015/12	EUR	0.0	12.0	12.0
Entertainment One PLC	2016/03	GBP	1.2	1.3	1.4
Epwin Group PLC	2015/12	GBP	6.4	6.6	6.9
EQS Group AG	2015/12	EUR	75.0	80.0	85.0
Euromoney Institutional Investor PLC	2016/09	GBP	23.4	26.5	30.5
GB Group PLC	2016/03	GBP	2.1	2.2	2.5
GFT AG	2015/12	EUR	30.0	33.0	36.0
Greggs PLC	2015/01	GBP	28.6	29.9	31.0
Hogg Robinson Group PLC	2016/03	GBP	2.5	2.7	2.8
ifa systems PLC	2015/12	EUR	15.0		
IFG Group PLC	2015/12	GBP	4.4	4.9	5.4
IG Design Group PLC	2016/03	GBP	2.5	4.0	5.0
IS Solutions PLC	2015/03	GBP	0.6	1.6	1.8
Is Yatirim Menkul Degerler PLC	2016/12	TRY	12.7	12.7	12.7
Jersey Electricity PLC	2016/09	GBP	13.5		
John Laing Group PLC	2015/12	GBP	6.9	8.0	9.0
K3 Business Technology Group PLC	2016/06	GBP	1.8	1.9	2.1
La Doria PLC	2015/12	EUR	28.0	21.0	17.0
London Stock Exchange Group PLC	2015/12	GBP	36.0		
Lookers PLC	2015/12	GBP	3.1	3.5	3.7
Low & Bonar PLC	2016/11	GBP	3.0	3.2	3.3
MedicX Fund LTD	2016/09	GBP	6.0	6.0	6.1
Medserv PLC	2015/12	EUR	4.3	1.1	4.4
NetDimensions LTD	2015/12	USD	0.9	1.0	1.1
Newmark Security plc PLC	2015/04	GBP	0.1	0.1	0.1
Norcros PLC	2016/03	GBP	6.6	7.2	7.5
Numis Corporation PLC	2016/09	GBP	12.0	12.5	13.0
Ocean Wilsons Holdings PLC	2015/12	USD	63.0	63.0	64.0
OTC Markets Group INC	2015/12	USD	108.0	116.0	120.0
Pan African Resources PLC	2016/06	GBP	0.8		
Pebble Beach Systems Group PLC	2015/12	GBP	1.5		
Piteco S.p.A.	2015/12	EUR	10.0	11.0	12.0

Powerflute LTD	2015/12	EUR	3.0		
PPHE Hotel Group LTD	2015/12	GBP	20.0	20.0	21.0
Primary Health Properties PLC	2016/12	GBP	1.3		
QinetiQ Group PLC	2015/03	GBP	5.4	5.7	6.0
Quarto Group Inc. (The) INC	2015/12	USD	14.5	15.3	15.8
Rank Group PLC	2016/06	GBP	6.5	7.1	8.2
Raven Russia Ltd LTD	2015/12	USD	2.0	1.0	1.0
Regional REIT LTD	2015/12	GBP	1.0	7.7	8.9
S&U PLC	2016/01	GBP	201.0	90.0	109.8
SCISYS PLC	2015/12	GBP	1.8	1.9	2.1
Secure Trust Bank PLC	2015/12	GBP	72.0	74.0	77.5
Severfield PLC	2016/03	GBP	1.5	2.0	2.2
Share plc PLC	2015/12	GBP	0.7	0.2	0.2
Shore Capital Group LTD	2015/12	GBP	0.0	5.0	
Silver Wheaton PLC	2015/12	USD	20.0	21.0	33.0
SinnerSchrader AG	2016/08	EUR	20.0		
SNP Schneider-Neureither & Partner AG	2015/12	EUR	34.0	40.0	50.0
Solid State PLC	2016/03	GBP	12.0	12.5	13.0
StatPro Group PLC	2015/12	GBP	2.9	2.9	2.9
Stobart Group LTD	2016/02	GBP	6.0	12.0	12.0
Stride Gaming PLC	2016/08	GBP	2.5	2.8	3.0
Tenon LTD	2015/06	USD	4.0		
Treatt PLC	2016/09	GBP	4.4	4.6	4.7
Trifast PLC	2016/03	GBP	2.8	3.0	3.2
TXT e-solutions S.p.A.	2015/12	EUR	25.0	26.0	27.0
Tyman PLC	2015/12	GBP	8.8	9.3	10.3
Ultra Electronics Holdings PLC	2015/12	GBP	46.1	47.6	49.5
Utilitywise PLC	2016/07	GBP	6.5	7.5	8.5
Vertu Motors PLC	2016/02	GBP	1.3	1.4	1.5
Walker Greenbank PLC	2016/01	GBP	2.9	3.2	3.4
WYG PLC	2016/03	GBP	1.5	1.8	2.0
YouGov PLC	2016/07	GBP	1.4	1.6	1.8

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1Spatial	Software & comp services	Update	21/12/16
32Red	Travel & leisure	Update	01/02/17
4imprint Group	Media	Update	19/01/17
Aberdeen New Dawn Investment Trust	Investment trusts	Investment company review	23/07/15
Aberdeen New Thai Investment Trust	Investment companies	Investment company review	21/12/16
Aberdeen Private Equity Fund	Investment companies	Investment company review	16/11/15
Aberdeen UK Tracker Trust	Investment companies	Investment company review	31/07/15
Abzena	Healthcare services	Flash	09/10/15
Acal	Technology	Update	26/01/17
Acorn Income Fund	Investment companies	Investment company review	09/01/17
AFH Financial Group	Financials	Update	26/01/16
African Petroleum Corporation	Oil & gas	Update	18/03/16
Alkane Resources	Metals & mining	Update	19/12/16
Almonty Industries	Metals & mining	Outlook	16/08/16
Altamir	Investment companies	Investment company review	14/10/16
Amur Minerals	Metals & mining	Update	24/05/16
Arbuthnot Banking Group	Financials	Update	16/08/16
Ariana Resources	Metals & mining	Update	02/03/16
Atlantis Japan Growth Fund	Investment companies	Initiation	21/07/15
Augean	Industrial support services	Update	30/11/16
Avanti Communications Group	Fixed satellite services	Flash	20/12/16
Avesco Group	Media	Update	03/10/16
Avon Rubber	Aerospace & defence	Flash	15/02/17
BB Biotech	Investment companies	Investment company review	09/02/16
Biotech Growth Trust (The)	Investment companies	Investment company review	21/02/17
BlackRock Greater Europe Inv. Trust	Investment companies	Investment company review	10/11/16
BlackRock Latin American Inv. Trust	Investment companies	Investment company review	16/01/17
Blancco Technology Group	Software & comp services	Update	25/04/16
Borussia Dortmund	Travel & leisure	Update	05/10/16
Bowleven	Oil & gas	Update	15/02/17
Braemar Shipping Services	Industrial support services	Update	24/01/17
Brady	Technology	Update	17/01/17
Brunner Investment Trust	Investment companies	Investment company review	29/09/16
Bushveld Minerals	Metals & mining	Update	18/05/16
Caledonia Mining	Metals & mining	Update	24/11/16
Canadian General Investments	Investment companies	Investment company review	19/09/16
Canadian Overseas Petroleum Limited	Oil & gas	Flash	19/12/16
Carbios	Alternative energy	Update	24/10/16
Carclo	Technology	Flash	01/02/17
Carr’s Group	Food & drink	Update	11/01/17
Cenkos Securities	Financials	Update	26/05/16
Centrale del Latte d’Italia	Food & drink	Update	18/11/16
Ceres Power Holdings	Alternative energy	Flash	26/01/17
Challenger Energy	Oil & gas	Update	28/04/15
China Water Affairs group	Utilities	Update	13/12/16
Circle Holdings	Financials	Outlook	09/12/16
City Natural Resources	Investment companies	Investment company review	22/01/15
CoAssets	Information technology	Outlook	25/05/16
Coats Group	General industrials	Update	19/12/16
Cohort	Aerospace & Defence	Flash	26/01/17
Comvita	Consumer	Update	16/05/16
Cooks Global Foods	Food & drink	Flash	14/12/16
Cradle Resources	Metals & mining	Update	31/01/17
CREALOGIX	Software & comp services	Update	08/11/16
DeA Capital	Investment companies	Update	18/11/16
Deinove	Alternative energy	Update	03/10/16

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Diverse Income Trust (The)	Investment companies	Investment company review	15/02/17
Dunedin Enterprise Investment Trust	Investment companies	Investment company review	05/10/15
Ebiquity	Media	Update	27/01/17
Eckoh	Technology	Flash	21/01/16
Edinburgh Worldwide Investment Trust	Investment companies	Initiation	13/10/14
Egdon Resources	Oil & gas	Update	05/12/16
Elk Petroleum	Oil & gas	Update	26/08/16
Ellomay Capital	Alternative energy	Update	16/01/17
EMIS Group	Software & comp services	Update	27/01/17
Entertainment One	Media	Update	22/11/16
Epwin Group	Industrials	Update	07/02/17
EQS Group	Media	Update	16/11/16
eServGlobal	Technology	Update	09/01/17
Esker	Technology	Flash	19/01/17
Euromax Resources	Metals & mining	Update	10/01/17
Euromoney Institutional Investor	Media	Update	27/01/17
European Assets Trust	Investment companies	Investment company review	03/01/17
European Investment Trust (The)	Investment companies	Investment company review	26/10/16
Evolva	Food & beverages	Update	16/01/17
Expert System	Technology	Update	17/11/16
Fair Value REIT	Property	Update	16/05/16
Fidelity China Special Situations	Investment companies	Investment company review	06/09/16
Fidelity European Values	Investment companies	Investment company review	09/01/17
Findel	Retail	Update	27/01/17
Finsbury Growth & Income Trust	Investment companies	Investment company review	26/10/16
Focusrite	Consumer support services	Update	10/01/17
Foreign & Colonial Investment Trust	Investment companies	Investment company review	07/12/16
Foresight Autonomous Holdings	Technology	Flash	15/02/17
Fusionex International	Technology	Update	24/10/16
Future	Media	Update	24/11/16
G3 Group	Industrial support services	Update	06/08/15
Galaxy Resources	Metals & mining	Update	19/12/16
Gaming Realms	Gaming	Update	03/11/16
GB Group	Technology	Update	05/12/16
Gear4music Holdings	Consumer support services	Update	06/01/17
GFT Group	Technology	Update	15/11/16
Global Bioenergies	Alternative energy	Update	18/11/16
Globalworth Real Estate Investments	Property	Update	06/12/16
Green Dragon Gas	Oil & gas	Update	21/11/14
GO internet	Technology	Outlook	10/10/16
Green Dragon Gas	Oil & gas	Update	20/02/17
Greggs	Food & drink	Flash	17/01/17
GVC Holdings	Travel & leisure	Outlook	18/01/17
Hansa Trust	Investment companies	Investment company review	24/11/15
HarbourVest Global Private Equity	Investment companies	Investment company review	13/06/16
HBM Healthcare Investments	Investment companies	Investment company review	21/11/16
Henderson Alternative Strategies Trust	Investment trusts	Investment company review	27/01/17
Henderson Far East Income	Investment companies	Investment company review	04/05/16
Henderson Global Trust	Investment companies	Investment company review	31/03/16
Henderson International Income Trust	Investment trusts	Investment company review	21/06/16
Hogg Robinson Group	Consumer support services	Flash	21/02/17
HSBC	Financials	Update	13/08/15
Hurricane Energy	Oil & gas	Flash	20/12/16
IFG Group	Financials	Update	06/12/16
IG Design Group	Consumer support services	Update	29/11/16

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Imperial Innovations	Financials	Update	27/09/16
Intelligent Energy Holdings	Alternative energy	Update	01/12/16
International Biotechnology Trust	Investment companies	Investment company review	10/05/16
Invesco Asia Trust	Investment companies	Investment company review	09/12/16
IQE	Tech hardware & equipment	Update	16/12/16
Is Private Equity	Investment companies	Outlook	15/03/15
IS Solutions	Technology	Outlook	09/03/16
Is Yatirim Menkul Degerler	General financial	Update	21/02/17
Jackpotjoy plc	Travel & leisure	Initiation	20/01/17
Jersey Electricity	Industrials	Outlook	22/02/16
John Laing Group	Investment companies	Update	12/12/16
JPMorgan European Smaller Comps Trust	Investment trusts	Investment company review	09/01/17
JPMorgan Global Convertibles Inc Fund	Investment companies	Investment company review	22/11/16
JPMorgan Global Growth & Income	Investment companies	Initiation	27/09/16
JPMorgan Private Equity	Investment companies	Investment company review	28/04/15
Jupiter Green Investment Trust	Investment trusts	Initiation	02/02/17
Jupiter Primadona Growth Trust	Investment companies	Initiation	03/06/15
Jupiter UK Growth Investment Trust	Investment trusts	Initiation	15/06/16
Jupiter US Smaller Companies	Investment trusts	Initiation	03/06/16
K3 Business Technology Group	Technology	Update	10/01/17
KEFI Minerals	Mining	Update	13/02/17
Keywords Studios	Software & comp services	Update	08/02/17
La Doria	Food & drink	Update	21/11/16
Lazard World Trust Fund	Investment companies	Investment company review	02/08/16
Leaf Resources	Alternative energy	Update	20/07/16
Leigh Creek Energy	Oil & gas	Initiation	02/02/17
Liquefied Natural Gas Ltd	Oil & gas	Update	31/01/17
Lookers	General retailers	Update	11/11/16
London Stock Exchange Group	Financials	Update	19/10/15
Low & Bonar	Basic industries	Update	15/02/17
Lowland Investment Company	Investment companies	Initiation	15/06/16
LSL Property Services	Property	Update	01/09/16
Martin Currie Asia Unconstrained Trust	Investment companies	Investment company review	05/10/16
Martin Currie Global Portfolio Trust	Investment companies	Investment company review	06/09/16
MedicX Fund	Property	Outlook	15/12/16
Medserv	Industrial support services	Flash	23/11/16
Merchants Trust (The)	Investment companies	Investment company review	09/01/17
Middlefield Canadian Income	Investment companies	Initiation	04/10/16
migme	Software & comp services	Update	07/09/16
Mineral Commodities	Mining	Update	24/06/16
Miton Global Opportunities	Investment companies	Review	07/09/16
Mitula Group	Media	Update	13/02/17
Nano Dimension	Technology	Flash	21/12/16
National Grid	Industrials	Flash	14/11/16
Nektan	Travel & Leisure	Update	23/10/15
NetDimensions	Technology	Update	11/11/16
Norcros	Construction & building	Update	12/12/16
Numis Corporation	Financial services	Update	04/01/17
Ocean Wilsons Holdings	Investment companies	Update	16/12/16
Orosur Mining	Metals & mining	Update	30/01/17
OTC Markets Group	Financial services	Update	21/11/16
Pacific Assets Trust	Investment companies	Investment company review	30/07/15
Palace Capital	Real estate	Initiation	31/01/17
Palm Hills Developments	Real estate	Update	15/02/17
Pan African Resources	Metals & mining	Update	13/12/16
paragon	General industrials	Update	26/10/16

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Park Group	Financial services	Outlook	10/02/17
Paysafe Group	Technology	Update	19/01/17
Piteco	Software & comp services	Update	20/10/16
Pointer Telocation	Tech hardware & equipment	Flash	30/01/17
Powerflute	Basic industries	Update	08/04/16
PPHE Hotel Group	Travel & leisure	Flash	03/02/17
Primary Health Properties	Property	Update	13/12/16
Prodware	Technology	Update	26/05/16
PSI	Technology	Update	10/11/16
Qatar Investment Fund	Investment companies	Investment company review	23/02/17
QinetiQ Group	Aerospace & defence	Flash	02/12/16
Quadrise Fuels International	Oil & gas	Outlook	01/11/16
Quarto Group (The)	Media	Update	31/01/17
Rank Group	Travel & leisure	Outlook	16/02/17
Rare Earth Minerals	Metals & mining	Update	15/01/16
Raven Russia	Property	Update	24/01/17
Real Estate Investar	Technology	Update	12/12/16
Record	Financials	Update	25/01/17
Regional REIT	Real estate	Update	22/11/16
Rex Bionics	Technology	Update	06/01/16
RNTS Media	Media	Update	14/02/17
Rockhopper Exploration	Oil & gas	Update	09/02/17
Rubicon	Construction & building	Update	09/04/15
S&U	Financials	Update	13/02/17
Schroder AsiaPacific Fund	Investment companies	Investment company review	05/01/17
Schroder Global Real Estate Securities	Investment trusts	Initiation	22/06/15
SCISYS	Technology	Update	28/11/16
Scottish Oriental Smaller Cos Trust	Investment companies	Investment company review	10/11/16
SDX Energy	Oil & gas	Update	27/01/17
Secure Income REIT	Financials	Initiation	19/09/16
Secure Trust Bank	Financials	Update	19/01/17
Securities Trust of Scotland	Investment companies	Investment company review	22/06/16
Seeing Machines	Technology	Update	13/11/15
Seneca Global Income & Growth Trust	Investment companies	Investment company review	29/11/16
Severfield	Industrial engineering	Update	07/12/16
Share plc	Financials	Update	27/10/16
Shore Capital Group	Financials	Update	26/09/16
Silver Wheaton	Metals & mining	Update	06/12/16
SinnerSchrader	Technology	Outlook	02/02/17
SLI Systems	Technology	Update	21/03/16
Snakk Media	Media	Outlook	30/09/14
SNP Schneider-Neureither & Partner	Technology	Update	01/02/17
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Standard Life European Private Equity Trust	Investment companies	Investment company review	07/11/16
Standard Life Inv. Property Income Trust	Investment companies	Review	02/09/16
Standard Life UK Smaller Cos Trust	Investment companies	Review	12/01/17
StatPro Group	Technology	Update	25/01/17
Stobart Group	Support services	Update	10/11/16
Stride Gaming	Travel & leisure	Update	02/02/17
STV Group	Media	Update	26/08/16
Templeton Emerging Markets Investment Trust	Investment companies	Investment company review	22/07/16
Tenon	Building materials	Outlook	03/12/15
Tetragon Financial Group	Investment companies	Investment company review	28/11/16
The Bankers Investment Trust	Investment trusts	Investment company review	14/03/16
The Law Debenture Corporation	Investment trusts	Initiation	20/12/16

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The Scottish Investment trust	Investment trusts	Initiation	18/11/16
Thin Film Electronics	Technology	Flash	25/01/17
Touchstone Exploration	Oil & gas	Update	23/01/15
Tourism Holdings	Travel & leisure	Update	05/09/16
TP Group	Industrial engineering	Outlook	31/01/17
TR European Growth Trust	Investment trusts	Investment company review	20/06/16
Track Group	Technology	Update	16/02/16
TransContainer	General industrials	Update	01/12/16
Treatt	Basic industries	Outlook	18/01/17
Trifast	Engineering	Update	16/02/17
Tungsten Corporation	e-invoicer & invoice financier	Update	19/10/16
TXT e-solutions	Technology	Update	11/11/16
Tyman	Construction & materials	Update	09/12/16
Ultra Electronics	Aerospace & defence	Flash	07/12/16
UMT United Mobile Technology	Software & comp services	Update	02/12/16
Utilico Emerging Markets	Investment companies	Investment company review	07/07/16
Utilitywise	Industrial support services	Update	22/02/17
Vertu Motors	Automotive retailers	Update	17/10/16
Victoria Gold	Metals & mining	Update	20/09/16
VinaCapital Vietnam Opportunity Fund	Investment companies	Investment company review	08/08/16
Vislink	Tech hardware & equipment	Flash	19/01/17
VinaLand	Investment companies	Investment company review	05/09/16
Walker Greenbank	General industrials	Update	07/02/17
WANdisco	Technology	Update	23/01/17
Wincanton	Industrial support services	Outlook	25/01/17
Windar Photonics	Alternative Energy	Update	04/10/16
Witan Investment Trust	Investment companies	Investment company review	04/07/16
Witan Pacific Investment Trust	Investment companies	Investment company review	12/12/16
Worldwide Healthcare Trust	Investment companies	Investment company review	23/11/16
WYG	Industrial support services	Update	31/01/17
XP Power	Electronic & electrical equipment	Update	13/01/17
YouGov	Media	Update	31/01/17
Yowie Group	Food & beverages	Update	24/01/17
YPB Group	Industrial support services	Update	10/06/16

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