Edison Insight

Strategic perspective | Company profiles

August 2014

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Contents

Prices at 21 August 2014

Published 28 August 2014

US$/£ exchange rate: 0.5849
€/£ exchange rate: 0.7937
C$/£ exchange rate: 0.5461
A$/£ exchange rate: 0.5494
NZ$/£ exchange rate: 0.5101
TRY/£ exchange rate: 0.2758
ZAR/£ exchange rate: 0.0548
HK$/£ exchange rate: 0.0755

RMB/£ exchange rate: 0.0948
DKK/£ exchange rate: 0.1064
NOK/£ exchange rate: 0.0946
JPY/£ exchange rate: 0.0058
SG$/£ exchange rate: 0.4703
NIS/£ exchange rate: 0.1707
CHF/£ exchange rate: 0.6533
SEK/£ exchange rate: 0.0859

Welcome to the August edition of the Edison Insight. We now have over 400 companies under coverage, of which 284 are profiled in this edition.

The book opens with a strategy piece from Alastair George, who retains a cautious investment outlook. While central banks are in uncharted territory, having engaged in numerous experimental and extreme monetary policies in recent years, investors are under no compulsion to conduct similarly aggressive experiments with their portfolios. Global equity valuations remain above historical averages and we have seen no convincing reasoning for a permanently high plateau in market multiples. Within equities, we believe investors should continue to focus on large-cap and M&A-related investment ideas. Absent a significant crisis, the strong performance of government bonds year to date leaves less scope for upside and we would now be reducing overweight positions.

This month we have added CARMAT, Ekso Bionics Holdings, KTG Energie, Secure Property and Zeltia to the company profiles.

Readers wishing more detail should visit our website, where reports are available for download (www.edisongroup.com). All PBT 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: Policy divergence

- **US and UK make progress while the eurozone stalls.** Diverging economic prospects mean the US Federal Reserve and Bank of England will be tightening monetary policy while the ECB grapples with disappointing growth and declining inflation expectations. This is likely to continue to pressure the euro against both the US dollar and sterling.
- **Did Draghi announce eurozone QE at Jackson Hole?** Judging by the bounce in European equities following Draghi's comments at least some investors believe eurozone QE is on the way. Draghi's speech indicated that the ECB has become significantly more concerned about declining inflation expectations in recent weeks. But investors should not expect a 2012 Nikkei-style reaction to any ECB policy moves. Due to political constraints and differences within the eurozone, any policy changes are likely to be measured in our view.
- **Mind the gap between bonds and equities.** Outside the eurozone inflation expectations have been stable. Steady declines in bond yields during 2014 therefore imply bond market investors are pricing in lower medium-term growth. In this case, equity investors should take care; theoretically there is no change in fair market values or dividend yields if the real interest rate and growth rate decline in equal measure.
- **Why are bond yields in decline?** Having recommended overweight positions in UK and US government bonds at the start of the year at yields of over 3%, yields have compressed by 60bps and we believe gains will be tougher from here, absent another crisis. In our view it is time to take profits with prices supported by geopolitical fears.
- **Maintaining cautious position.** While central banks are in uncharted territory, having engaged in numerous experimental and extreme monetary policies in recent years, investors are under no compulsion to conduct similarly aggressive experiments with their portfolios. Global equity valuations remain above historical averages and we have seen no convincing reasoning for a permanently high plateau in market multiples. Within equities, we believe investors should continue to focus on large-cap and M&A-related investment ideas.

Analyst

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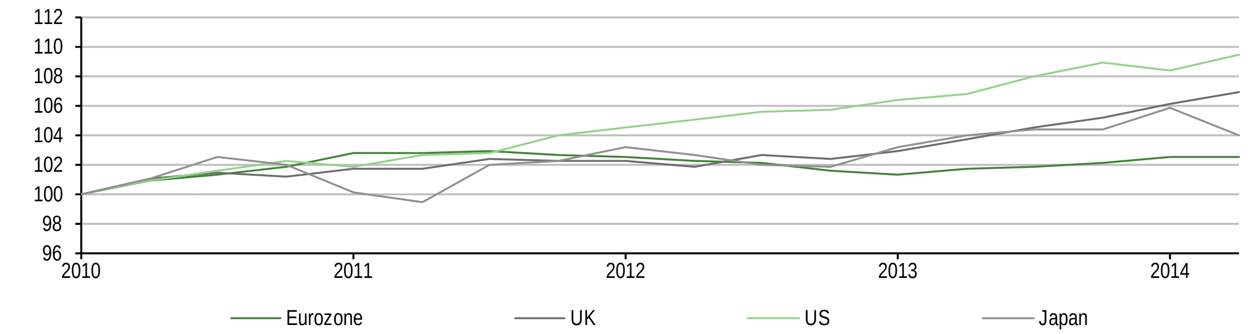
Monetary policy diverges

US and UK economic growth is now clearly pulling away from the eurozone, Exhibit 1. This is naturally leading to different trajectories for monetary policy and as a result the euro is likely to continue to remain under pressure, against both the US dollar and sterling.

Exhibit 1: GDP index level since 2010

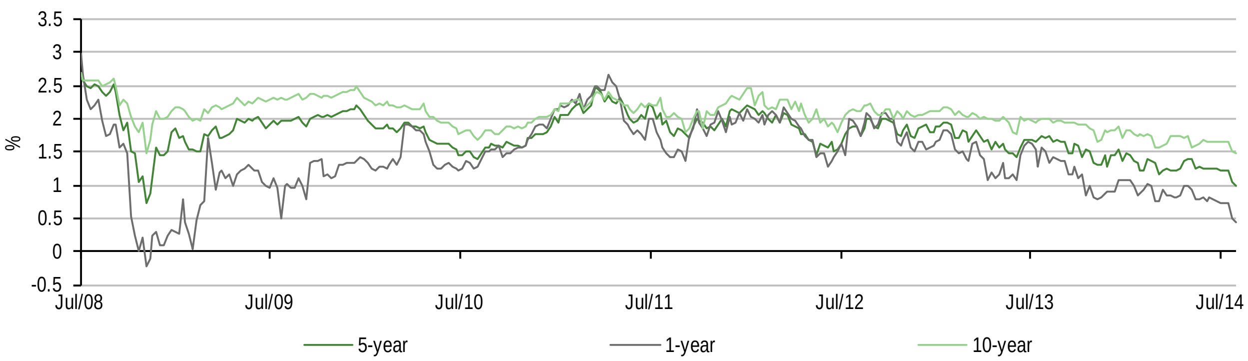


Source: Thomson Reuters Datastream

With stable inflation expectations and steadily declining unemployment the Bank of England is moving closer to its first interest increase in over 5 years, as the first disagreements evident in the recent seven to two vote to hold interest rates at their current low level make clear. While Mark Carney may be criticised for sending confusing signals on the timing of the first increase in rates, creating a degree of uncertainty allows markets to gradually reposition, lowering the risk of sudden shocks later.

In the US, Janet Yellen's speech at Jackson Hole was unremarkable and confirmed the glide path for the end of the current US QE programme in October. But by highlighting the uncertainties in the outlook for wage inflation due to the extraordinary depth of the most recent economic cycle, she has also attempted to prevent the build-up of overly strong expectations on the timing of the first increase in rates. However, the direction of policy to a tightening bias remains clear.

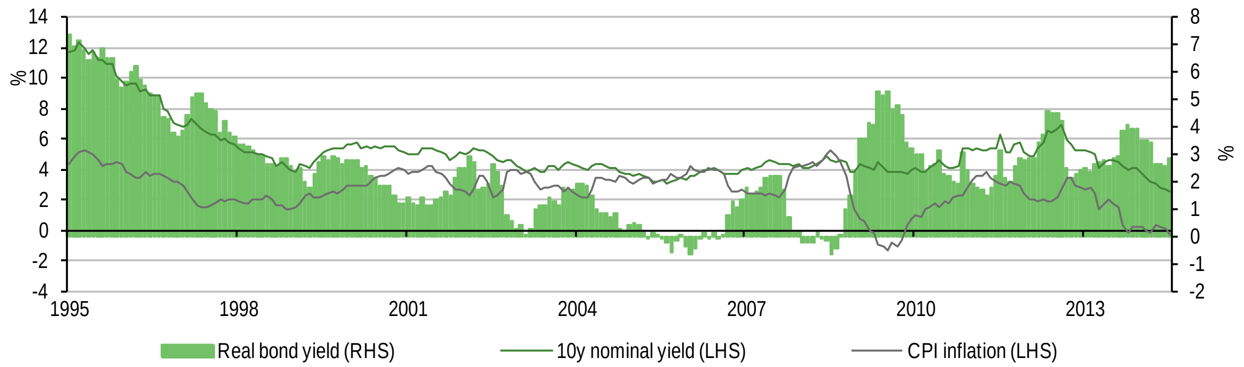
Exhibit 2: Eurozone inflation expectations



Source: Thomson Reuters Datastream

In the eurozone the situation is very different. The eurozone economy has lagged the US significantly since 2008, suffering from the additional impact of the sovereign debt crisis of 2011. The ECB is now concerned that inflation expectations have declined sufficiently sharply that additional policy action will be required to prevent real interest rates rising. This is especially important in nations such as Spain, where deflation is present, unemployment is high and relatively high real interest rates are unhelpful, Exhibit 3.

Exhibit 3: The ECB's problem - high real rates in the periphary as inflation falls



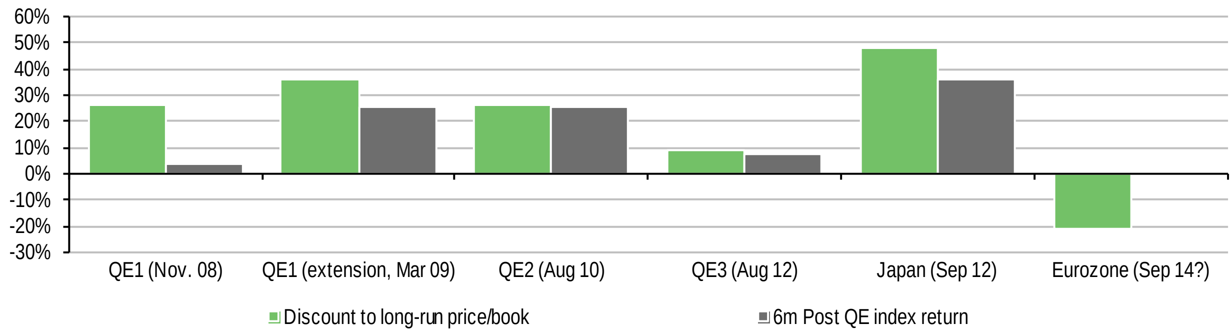
Source: Thomson Reuters Datastream

The recent bounce in European equity markets that followed Draghi's comments is unlikely to develop into a substantial leg-up in prices in our view. Unlike the US and UK, the ECB still has to contend with a large number of constituencies and explicit QE would seem to remain some way off. However, Draghi's suggestion that there is scope within the existing Stability and Growth Pact for less constrictive fiscal policy shows the ECB's current willingness to facilitate an easing back on austerity in favour of growth. Having brought calm to sovereign debt markets, the ECB is now prepared to consider a slower rate of deficit reduction to support growth.

In terms of equities, the decline in domestic eurozone growth and pressure on the euro is likely to benefit exporters over those companies exposed only to Europe. This is where equity investors should focus in our view and may benefit Germany's Dax index after a period of sideways trading, geopolitical concerns notwithstanding.

However we do not believe further policy accommodation by the ECB will have anything like the impact on asset prices seen in the US and Japan in recent years. Firstly, massive direct purchases of peripheral European bonds (especially when debt levels remain high) seem politically difficult and therefore unlikely. Secondly, European markets are not as cheap as either Japanese or US stocks prior to QE, Exhibit 4. Easing of ECB policy may be necessary economically in Europe but in our view is insufficient to drive European equities significantly higher.

Exhibit 4: Eurozone QE? A very different starting point for equity valuations

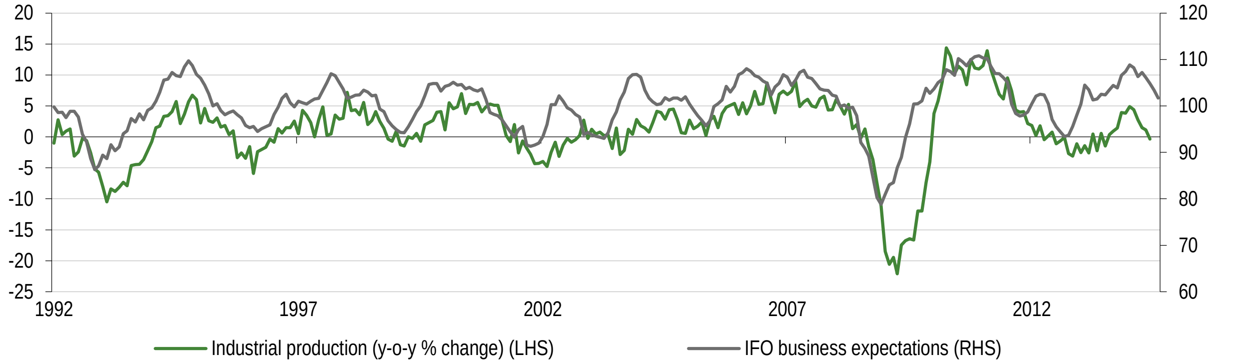


Source: Thomson Reuters Datastream

Mind the gap between bonds and equities

In contrast to the eurozone, inflation expectations have been relatively stable during 2014 in both the US and UK. Steady declines in bond yields during 2014, Exhibit 5, therefore imply bond market investors are pricing in lower medium-term growth through a flatter yield curve or alternatively geopolitical concerns are leading to a subtle flight to safety. In either case, equity investors should take care; theoretically there is no change in fair market values or dividend yields if the real interest rate and growth rate decline in equal measure (ie dividend yield = risk free rate + equity risk premium – dividend growth rate). Events in Ukraine and the Middle East are now known unknowns and it is impossible to predict if they will remain regional, while potentially drawn-out, conflicts with limited global economic repercussions or if they will become more significant. The recent dip in German business confidence and industrial production may be at least in part due to Russian sanctions, Exhibit 5.

Exhibit 5: Russia sanctions bite – on German business confidence



Source: Thomson Reuters Datastream

Conclusion

Once again, global markets are buoyed by the prospect of a significant monetary easing and this time it is the turn of the ECB to not fall short of raised expectations. Though aggressive monetary policy has been highly successful in raising asset prices in the past, we would highlight a very different starting point in terms of equity valuations this time. Furthermore, the ECB is unlikely to be able to engage in direct and substantial purchases of eurozone government bonds, at least in 2014.

Over the medium term monetary policy is not a substitute for real growth. To be a sustainable fix, monetary policy would have to deliver sufficient growth to facilitate a substantial reduction in aggregate debt/GDP. In contrast, aggregate debt levels remain exceptionally high and significantly higher than prior to the 2008 financial crisis in all major developed markets.

In this context, we believe the developed market economic outlook remains one of at best modest growth in, for example, the US and UK, but with a continuing risk of stagnation in Europe. Given the exceptionally high levels of overall indebtedness there is no reason to think that real economic volatility will be any lower than in the past, even if policy actions can smooth over market volatility in the short term.

Investors have been conditioned by recent experience to think that zero interest rate policy and aggressive intervention in lending markets across the maturity and risk spectrum is normal. In fact these policies have been introduced on an ad-hoc and experimental basis. We believe investors do have a choice over whether to conduct similarly aggressive experiments with their own portfolios.

When markets were cheap on conventional measures, ultra-loose monetary policy was at least likely to do no harm. But during the last three years, market valuations have moved to extended levels. We believe investors should remain focused on conventional investment principles. Quality companies with competent management at reasonable valuations in attractive market segments are likely to provide the best insurance against the volatility we do expect in future.

A key risk for us is that crisis-fighting monetary tools are becoming used on a daily basis, leaving little in reserve to respond to an exogenous shock. For example, what could central banks offer should there be a significant and unanticipated shock in future? These types of events, such as

2008 or 1997, are often difficult to forecast. We remain concerned about the rise of geopolitical instability and note Russian sanctions – an event that few would have predicted at the end of 2013 - have already had a significant impact on German business confidence.

Our investment strategy maintains its cautious positioning, even if the temptation to experiment with the linkages between monetary policy and asset prices will remain strong for some. For the medium term we believe investors are better served by sticking to investment principles that have stood the test of many business cycles, even if this period of low expected returns is proving frustrating.

Within a cautious overall positioning, our estimates indicate large caps still offer better value than mid caps. Absent a significant crisis, the strong performance of government bonds year to date (where in Europe total returns have outstripped many local equity markets) leaves less upside on the table and we would now be reducing overweight positions.

4imprint Group (FOUR)

Sector: Media & entertainment

Price:	749.5p
Market cap:	£210m
Forecast net cash (£m)	8.4
Forecast gearing ratio (%)	N/A
Market	LSE

Share price graph (p)

Company description

4imprint is a supplier of promotional products with market-leading businesses in North America and UK. 92% of revenues are derived from North America, where a strategy of investment in marketing has led to strong revenue and profit growth.

Price performance

%	1m	3m	12m
Actual	15.5	9.4	39.8
Relative*	14.4	9.7	31.5

* % Relative to local index

Analyst

Fiona Orford-Williams

INVESTMENT SUMMARY

A very strong first half performance, with US revenues (96% of group) ahead by 23% and UK revenues up 22%, enabled us to move our forecasts ahead for both FY14 and FY15, despite the currency headwinds on translation. Progress in the US was both from new customers on the back of higher marketing spend and from 21% growth in orders from existing customers. The SPS disposal in early 2014 has left the group as a clean direct marketing business, with strong cash flow. The group intends to use £22m of this enhanced cash resource to de-risk the pension deficit further by insuring additional pensioner liabilities; £15m in FY14 and £7m in FY15. Numbers are stated pre-pension, share option and exceptional charges.

INDUSTRY OUTLOOK

Trade association ASI lists 4imprint as the third largest US distributor, up from number 5 in 2013, with CY13 sales of $295m against market leader Staples Promotional Products on an estimated $434m. The total market size was estimated at $20.5bn for FY13, indicating how highly fragmented the industry remains. Growth continues well ahead of the broader US advertising market. US distributor revenues were up 4.8% in Q114, a slower rate of growth than the 5.7% seen in Q413, but broadly in line with that seen in H113 (FY13: 5.3%).

Y/E Dec	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (fd) (p)	P/E (x)	P/CF (x)
2012	183.5	10.9	9.2	25.0	30.0	35.6
2013	212.9	13.6	12.5	33.8	22.2	14.5
2014e	237.5	15.6	14.8	37.0	20.3	13.5
2015e	267.6	17.3	16.5	40.7	18.4	12.3

4SC (VSC)

Sector: Pharma & healthcare

Price:	€1.21
Market cap:	€62m
Forecast net debt (€m)	1.7
Forecast gearing ratio (%)	61.0
Market	FRA

Share price graph (€)

Company description

4SC is a Munich-based drug discovery and development company focused on the development of small-molecule compounds for treating cancer and autoimmune diseases. Its R&D pipeline has three NCEs in active clinical development.

Price performance

%	1m	3m	12m
Actual	(14.0)	10.8	(30.9)
Relative*	(12.1)	14.3	(39.1)

* % Relative to local index

Analyst

Christian Glennie

INVESTMENT SUMMARY

4SC is focused on preparing a randomised, double-blind, Phase II study with resminostat in first-line liver cancer, aimed at confirming the drug's efficacy and qualifying the proposed biomarker, ZFP64. This could deliver a compelling partnering and development case for pivotal studies, although funding for the direct trial costs is still required. An €10m shareholder loan option (€2m drawn so far) from Santo Holding (48% stake) and a €15m Yorkville convertible note facility provides financial flexibility. Yakult Honsha is developing resminostat for multiple cancer types in Japan. Encouraging Phase I data at ASCO for 4SC-202 (HDAC/LSD1 inhibitor) in haematological cancers highlight the potential in 4SC's earlier-stage candidates; Phase I results for 4SC-205 in solid tumours are expected in Q314.

INDUSTRY OUTLOOK

Plans to develop resminostat (HDAC inhibitor) in combination with sorafenib in first-line HCC is supported by the clinical data (high-ZFP64 identified as a predictive factor) and partnerships.

Y/E Dec	Revenue (€m)	EBITDA (€m)	PBT (€m)	EPS (c)	P/E (x)	P/CF (x)
2012	4.4	(11.5)	(11.7)	(25.31)	N/A	N/A
2013	4.9	(7.8)	(8.0)	(15.92)	N/A	N/A
2014e	6.5	(5.4)	(5.7)	(11.44)	N/A	N/A
2015e	5.3	(10.0)	(10.2)	(20.29)	N/A	N/A

aap Implantate AG (AAQ)

Sector: Pharma & healthcare

Price:	€2.79
Market cap:	€86m
Forecast net debt (€m)	N/A
Forecast gearing ratio (%)	N/A
Market	Xetra

Share price graph (€)

Company description

aap is a German medical technology company focused on developing, manufacturing and selling products for bone fractures. These include the recently launched Loqteq trauma plating system, in addition to bone cements.

Price performance

%	1m	3m	12m
Actual	(8.4)	(10.4)	112.9
Relative*	(6.3)	(7.6)	87.6

* % Relative to local index

Analyst

Hans Bostrom

INVESTMENT SUMMARY

aap's strategy is increasingly to focus on the trauma business; the company has divested the contract manufacturing business (EMCM) for €18m, representing 1.5x 2013 sales and around 9x EBITDA, and is exploring a potential divestment of the biomaterials (bone cements) business. Continued roll-out of the Loqteq trauma plates should help cement aap's position as a specialised medtech player, aided by strategic relationships with physicians and global medtech partnerships (including Zimmer and Smith & Nephew). Our forecasts are under review.

INDUSTRY OUTLOOK

Loqteq is aap's internally developed trauma plating system. Its locking and compression technology improves fracture repair by providing more stable fixation, even in weak bones or multi-fragment fractures. The existing market for locking plate technology is estimated at up to $1bn in the US alone and is dominated by DePuy Synthes (J&J). Loqteq's innovative design could offer a number of advantages over the nearest competitor, including increased surgeon flexibility and potential clinical advantages upon plate removal.

Y/E Dec	Revenue (€m)	EBITDA (€m)	PBT (€m)	EPS (c)	P/E (x)	P/CF (x)
2012	27.0	4.1	2.9	9.03	30.9	12.1
2013	28.6	10.2	8.8	29.26	9.5	24.1
2014e	N/A	N/A	N/A	N/A	N/A	N/A
2015e	N/A	N/A	N/A	N/A	N/A	N/A

Abcam (ABC)

Sector: Pharma & healthcare

Price:	421.5p
Market cap:	£845m
Forecast net cash (£m)	52.4
Forecast gearing ratio (%)	N/A
Market	AIM

Share price graph (p)

Company description

Abcam produces and sells antibodies and other protein tools for use in research via its website. Its main clients are universities, research institutes and pharmaceutical companies across the world.

Price performance

%	1m	3m	12m
Actual	17.3	14.9	(6.2)
Relative*	16.2	15.2	(11.7)

* % Relative to local index

Analyst

Emma Ulker

INVESTMENT SUMMARY

Abcam's year-end trading statement showed early signs of recovery based on the strategy to boost organic growth with FY14 sales up 8.6% (CER) and 4.7% reported. This was driven by a 10.6% increase (CER) in catalogue revenues in H2, up from 9.3% in H1, which results in a 10.0% (CER) and 6.0% (reported) growth for FY14. The positive developments reflect progress with the catalogue growth initiatives, notably based on the rabbit monoclonal antibody (RabMab) range, an increased contribution from China as the new Shanghai office gains traction (+20% growth), and reduction in the level of uncertainty over centrally funded research. Gross margins are expected to be maintained at H1 levels as the benefit of tight cost control kicks in. Cash generation remained strong, with net cash at June 2014 of £56.8m, up from £38.3m last year. The preliminary results will be reported on 9 September.

INDUSTRY OUTLOOK

More biological research is conducted into proteins, increasing the demand for protein research tools. However, the funding of academic research is coming under greater pressure as governments look to reduce their debts. Abcam is the market leader for research antibodies, but has a limited market position in the wider protein research tools market.

Y/E Jun	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (p)	P/E (x)	P/CF (x)
2012	97.8	40.1	39.0	15.4	27.4	24.0
2013	122.2	48.5	46.6	17.8	23.7	16.2
2014e	126.8	48.4	46.2	17.6	23.9	17.0
2015e	134.8	52.3	49.0	19.4	21.7	15.2

Acal (ACL)

Sector: Technology

Price:	233.0p
Market cap:	£147m
Forecast net debt (£m)	N/A
Forecast gearing ratio (%)	N/A
Market	LSE

Share price graph (p)

Company description

Acal provides specialist electronic and photonic products, manufacturing, marketing, engineering and design services to the industrial sector.

Price performance

%	1m	3m	12m
Actual	5.2	(4.5)	21.0
Relative*	4.2	(4.2)	13.9

* % Relative to local index

Analyst

Katherine Thompson

INVESTMENT SUMMARY

Acal's Q1 IMS confirms the underlying business is seeing year-on-year growth on a constant currency basis, with gross margin expansion over the same period and orders up 5% y-o-y. Noratel (acquisition completed on 17 July) has seen trading ahead of the same period a year ago. Acal is seeing steadily improving market conditions and continues to focus on delivering organic growth while seeking further value-enhancing acquisitions. Trading at a discount to specialist peers and supported by a 3% dividend yield, we view the share price weakness since the rights issue as a potential entry point.

INDUSTRY OUTLOOK

Acal's solutions are used in both the design and production phases of a customer's product. Design activity is more technology driven and Acal saw an increase in design opportunities through FY13 and FY14. Production activity was affected by the weaker markets but is starting to pick up. Strong design activity means that as the economy starts to recover, Acal is well positioned for volume orders.

Y/E Mar	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (fd) (p)	P/E (x)	P/CF (x)
2013	177.4	7.4	5.6	11.3	20.6	16.0
2014	211.6	9.1	6.9	13.1	17.8	16.5
2015e	282.6	17.2	11.9	15.3	15.2	N/A
2016e	311.5	21.1	15.5	18.0	12.9	9.1

ADX Energy (ADX)

Sector: Oil & gas

Price:	A$0.01
Market cap:	A$7m
Forecast net cash (A$m)	2.1
Forecast gearing ratio (%)	N/A
Market	ASX

Share price graph (A$)

Company description

ADX Energy is an oil and gas exploration and appraisal company with assets in Tunisia, Italy and Romania. It is listed on the Australian stock exchange. It also has a 26% share of Australian-listed mining asset Riedel Resources.

Price performance

%	1m	3m	12m
Actual	(7.7)	(7.7)	(25.0)
Relative*	(9.4)	(11.5)	(32.2)

* % Relative to local index

Analyst

Ian McLelland

INVESTMENT SUMMARY

ADX has made good progress in Tunisia in recent weeks to secure government authorisation for both transfer of its 30% interest in the Chorbane block to Gulfsands along with securing a two-year extension for its key offshore block, Kerkouane. The Chorbane deal should net ADX a further US$1.5m, although timing around this is uncertain given an evolving dispute with Gulfsands around payment. Meanwhile, the Kerkouane extension, to February 2016, strengthens ADX's position to secure a farm-out. In Romania preparations are ongoing for an upcoming seismic shoot with drilling preparation expected to commence as early as Q115. Our updated models suggest that, subject to receipt of the Chorbane funds, ADX will require only a modest c A$0.5m additional funds for its 2014/15 work programme, excluding any additional work on Kerkouane.

INDUSTRY OUTLOOK

With equities depressed it is important that oil companies can secure timely industry deals. ADX has a strong record of executing such deals across its portfolio.

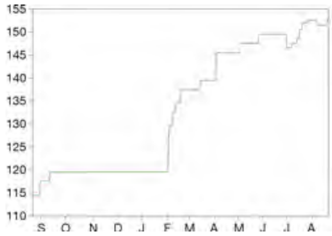
Y/E Dec	Revenue (A$m)	EBITDA (A$m)	PBT (A$m)	EPS (fd) (c)	P/E (x)	P/CF (x)
2012	0.0	(10.5)	(10.5)	(2.3)	N/A	N/A
2013	0.0	(0.8)	(0.8)	(0.2)	N/A	N/A
2014e	0.0	(0.8)	(0.8)	(0.2)	N/A	N/A
2015e	0.0	(0.9)	(0.8)	(0.2)	N/A	N/A

EDISON

Sector: Financials

Price:	152.5p
Market cap:	£29m
Forecast net debt (£m)	N/A
Forecast gearing ratio (%)	N/A
Market	AIM

Share price graph (p)



Company description

AFH Financial Group is a national independent financial advisory (IFA) and discretionary wealth management firm based in Bromsgrove. It has actively consolidated in the fragmented IFA market, making 22 acquisitions since floating in June 2011.

Price performance

%	1m	3m	12m
Actual	0.3	3.4	33.2
Relative*	(0.6)	3.7	25.3

* % Relative to local index

Analyst

Mark Thomas

AFH Financial Group (AFHP)

INVESTMENT SUMMARY

AFH is an AIM-listed IFA and wealth manager. It has exploited the market disruption to expand both organically and through 21 acquisitions since its June 2011 float. The H114 results showed revenue up 50%, administration expenses up 47%, EBITDA up 97% and pre-tax profit up 55%. The cost growth included investment for organic growth. AFH's business model is differentiated from other quoted IFAs and from private equity backed consolidators. It has raised significant equity for inorganic growth (eg 28 July Finlay Gow in Edinburgh), the benefits of which we will include in forecasts once deals are announced. Our valuation approaches indicate a fair value of 153p, with upside from value-adding acquisitions.

INDUSTRY OUTLOOK

We believe AFH's personal financial advice market will see double-digit long-term structural growth. In the near term, regulatory changes distorted the market, initially squeezing out a number of the smallest players, allowing acquisitions and the acceleration of scale efficiencies.

Y/E Oct / Oct	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (p)	P/E (x)	P/CF (x)
2012	7.2	0.3	0.5	2.50	61.0	N/A
2013	10.8	1.1	1.1	5.80	26.3	28.4
2014e	15.0	1.5	1.7	7.25	21.0	18.2
2015e	18.0	1.7	2.3	9.50	16.1	13.1

Sector: Mining

Price:	239.6p
Market cap:	£983m
Forecast net cash (US$m)	93.2
Forecast gearing ratio (%)	N/A
Market	LSE

Share price graph (p)

Company description

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	(2.5)	10.7	54.3
Relative*	(3.4)	11.0	45.1

* % Relative to local index

Analyst

Charles Gibson

African Barrick Gold (ABG)

INVESTMENT SUMMARY

Q214 results were slightly better than our expectations from an operational perspective, but slightly worse from a financial one, as a result of a higher marginal tax rate (which should reverse in H2). Currently, we estimate that if it achieves its cost savings targets, the NPV of potential dividends to investors (at a 10% discount rate) is US$5.80 per share from ABG's three core assets at our long-term gold price forecasts (NB our Au price forecast for the balance of CY14 has recently been reduced to US$1,300/oz). This excludes any value from either the Upper East Zone (est 29c/sh), the Bulyanhulu CIL expansion (est 20c/sh), Gokona underground or Nyanzaga.

INDUSTRY OUTLOOK

FY14 production guidance is in excess of 700koz. We estimate that 681koz will be derived from ABG's three core assets and current financial forecasts are made on this basis, but exclude 20koz from the CIL expansion, which could add a further 2-3c to EPS and 15koz from the Upper East Zone, which could add a further 1-2c.

Y/E Dec	Revenue (US$m)	EBITDA (US$m)	PBT (US$m)	EPS (fd) (c)	P/E (x)	P/CF (x)
2012	1087.3	340.5	163.8	25.4	16.1	6.4
2013	929.0	288.0	139.0	25.9	15.8	8.8
2014e	901.0	265.0	118.5	19.4	21.1	7.0
2015e	992.5	395.0	244.3	42.3	9.7	4.6

Sector: Alternative energy

Price:	€18.70
Market cap:	€556m
Forecast net debt (€m)	521.5
Forecast gearing ratio (%)	127.0
Market	NYSE Euronext

Share price graph (€)

Company description

Albioma is an energy producer active in the thermal (bagasse/coal), solar and anaerobic digestion power generation sectors. The majority of its assets are located in the French overseas departments.

Price performance

%	1m	3m	12m
Actual	9.4	(4.6)	17.6
Relative*	10.1	(0.8)	8.9

* % Relative to local index

Analyst

Graeme Moyse

Albioma (ABIO)

INVESTMENT SUMMARY

The H1 figures indicate that Albioma is on track to meet its full-year targets for net income €33-5m and EBITDA €123-6m. The results were helped by the excellent performance of the new Brazilian plant, which achieved very high selling prices for its output (590 BRL/MWh versus our forecast of 145 BRL/MWh) and generated EBITDA of €3m in only two months of operation. The future performance of Brazil, underpinned by the forward sale of Brazilian power at advantageous prices and the contribution of two new plants scheduled to come into operation in 2016, should help progress towards the company's longer-term targets (EBITDA €160-3m (2016) and net income of €40-2m (2016). Our analysis suggests an average valuation for Albioma of c €22.5/share.

INDUSTRY OUTLOOK

According to the Ministry of Mines and Energy, demand for electricity in Brazil is predicted to grow at a rate of c 5% pa over the next 10 years and the installed capacity of bagasse-fired cogen could increase at a CAGR of 7.6% over the same period.

Y/E Dec	Revenue (€m)	EBITDA (€m)	PBT (€m)	EPS (c)	P/E (x)	P/CF (x)
2012	373.8	119.6	60.4	127.76	14.6	3.2
2013	364.3	124.8	68.0	142.34	13.1	3.6
2014e	377.4	126.9	67.3	140.64	13.3	4.3
2015e	392.1	133.4	68.0	141.79	13.2	4.1

Sector: Pharma & healthcare

Price:	US$3.54
Market cap:	US$61m
Forecast net debt (US$m)	23.4
Forecast gearing ratio (%)	42.0
Market	NASDAQ

Share price graph (US$)

Company description

Alexza Pharmaceuticals is a US-based company developing products for acute CNS disorders using its proprietary Staccato aerosol rapid drug delivery system. Lead product Adasuve is approved in the US and EU.

Price performance

%	1m	3m	12m
Actual	(28.8)	(18.2)	(17.9)
Relative*	(29.4)	(22.5)	(32.3)

* % Relative to local index

Analyst

Pooya Hemami

Alexza Pharmaceuticals (ALXA)

INVESTMENT SUMMARY

Alexza's investment case primarily rests on the prospects for Adasuve, a new product for acute agitation in adult schizophrenia or bipolar I disorder patients. Adasuve (Staccato loxapine) was launched in European markets by Ferrer and in the US by Teva in March 2014. Adasuve offers speed, dosing reliability and ease of administration advantages and we estimate global sales of over $330m by 2018. Expansion of the Adasuve label and successful development of further candidates using Alexza's proprietary Staccato inhaled delivery platform (such as AZ-002, to enter a Phase IIa study in H214 for acute repetitive seizures, or preclinical-stage AZ-008/AZ-009 for restless legs/Parkinson's hypomobility) may provide further upside.

INDUSTRY OUTLOOK

Alexza's valuation is highly geared to Adasuve's prospects, and uptake will be driven by stakeholders' recognition of the benefits from the drug's ease of administration and rapid time to therapeutic effect vs existing non-invasive drugs used for agitation.

Y/E Dec	Revenue (US$m)	EBITDA (US$m)	PBT (US$m)	EPS (c)	P/E (x)	P/CF (x)
2012	4.1	(24.5)	(34.9)	(279.65)	N/A	N/A
2013	47.8	5.1	(10.0)	(60.16)	N/A	N/A
2014e	12.3	(28.5)	(37.5)	(213.15)	N/A	N/A
2015e	29.5	(8.3)	(19.9)	(108.13)	N/A	N/A

Sector: Mining

Price:	A$0.21
Market cap:	A$87m
Forecast net cash (A$m)	15.6
Forecast gearing ratio (%)	N/A
Market	ASX

Share price graph (A$)

Company description

Alkane is a multi-commodity explorer, with projects in the central west region of New South Wales in Australia. Alkane owns the Tomingley Gold (100%) and Dubbo rare metal and rare earths (100%) projects, which are progressing towards development.

Price performance

%	1m	3m	12m
Actual	(22.2)	(31.1)	(40.0)
Relative*	(23.7)	(34.0)	(45.8)

* % Relative to local index

Analyst

Tom Hayes

Alkane Resources (ALK)

INVESTMENT SUMMARY

According to Alkane's 18 July quarterly report, TGO produced 16,348ozs gold at an all-in sustaining cost of A$1,283/oz. Costs are still above the LOM forecast average of A$1,000-1,100/oz due to plant ramp-up only ending late in Q414 (May) and an oxygen supply constraint at its cyanide detoxification plant (now rectified). With ramp-up complete, over the coming months we expect TGO to produce at a cost of production in line with its forecast LOM average. Gold revenues were A$22.1m implying a profit from TGO of around A$1.1m. Alkane maintains a 24koz gold hedge at A$1,444/oz to use in periods of short-term gold price weakness.

INDUSTRY OUTLOOK

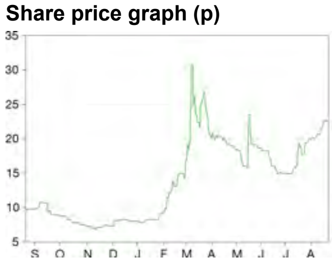
To maintain its DZP timelines Alkane also secured a A$10.4m financing, which brought Fidelity Worldwide Investment onto its shareholder register, and now holds c 10% of its stock. In our view, the main trigger to releasing value from DZP is permitting approval from the NSW authorities (anticipated by end 2014).

Y/E Dec / Jun	Revenue (A$m)	EBITDA (A$m)	PBT (A$m)	EPS (c)	P/E (x)	P/CF (x)
2012	96.7	89.5	93.1	19.7	1.1	N/A
2013	100.8	88.3	93.2	28.0	0.8	N/A
2014e	25.1	(26.9)	(28.2)	(7.6)	N/A	N/A
2015e	108.7	36.1	36.3	3.4	6.2	9.0

Sector: Pharma & healthcare

Price:	22.8p
Market cap:	£93m
Forecast net cash (£m)	8.1
Forecast gearing ratio (%)	N/A
Market	AIM

Share price graph (p)



Company description

Allergy Therapeutics is a fully integrated speciality pharmaceutical company focused on preventing and treating allergy with allergy immunotherapy (allergy vaccines).

Price performance

%	1m	3m	12m
Actual	29.1	18.2	136.4
Relative*	27.8	18.5	122.4

* % Relative to local index

Analyst

Wang Chong

Allergy Therapeutics (AGY)

INVESTMENT SUMMARY

Allergy Therapeutics has continued to grow its market share in Germany and other European markets; the recent trading update ahead of prelims on 22 September indicates expected pre-milestone, pre-rebate revenue up 14.5% to £45.7m. This has been driven by increased market share gains in all main markets and a £2.3m FX benefit. Allergy has made progress on its strategy of portfolio diversification, geographic expansion and identification of new in-licensing opportunities and has received approval to submit an efficacy study for Pollinex Quattro (PQ) Grass in Canada. The recent evolution of the US allergy immunotherapy (AIT) market should reinvigorate Allergy's US licensing campaign for PQ, but it is also exploring alternatives to exploit this opportunity. The US AIT market is potentially large, but undeveloped (the first AIT tablets should be launched in H214) and the US PQ opportunity is not included in our valuation. A licensing deal would transform Allergy's prospects and substantially increase our valuation.

INDUSTRY OUTLOOK

Pollinex Quattro (c 50% of revenue) is an ultra short-course allergy vaccine, given as four shots over three weeks, which has comparable efficacy to existing vaccines (typically requiring 16-50 injections under specialist supervision pre-hayfever season).

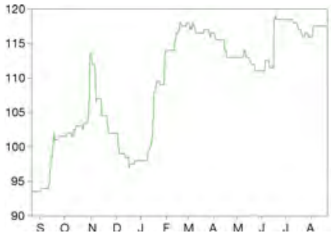
Y/E Jun	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (p)	P/E (x)	P/CF (x)
2012	41.3	3.1	1.2	0.41	55.6	25.5
2013	39.3	2.1	0.8	0.23	99.1	31.3
2014e	40.8	2.4	1.2	0.24	95.0	24.1
2015e	42.5	3.2	1.9	0.37	61.6	35.3

Allocate Software (ALL)

Sector: Technology

Price:	117.5p
Market cap:	£79m
Forecast net cash (£m)	17.0
Forecast gearing ratio (%)	N/A
Market	AIM

Share price graph (p)



Company description

Allocate Software is the leading provider of software applications designed for workforce optimisation in global organisations employing large, multi-skilled workforces.

Price performance

%	1m	3m	12m
Actual	0.9	4.9	25.7
Relative*	(0.1)	5.2	18.2

* % Relative to local index

Analyst

Dan Ridsdale

INVESTMENT SUMMARY

Structurally, competitively and financially, Allocate looks in excellent shape. Full year results were slightly ahead of our upgraded estimates with EBITDA up 44% y-o-y to £6.9m and net cash of £13.7m up from £9.1m last year. Recurring revenue expanded to 47% of the total, driven by strong uptake of Allocate cloud and other subscription services. Factoring in term licences, repeatable revenue contributed 66%. The company's position in the NHS looks rock solid, with the 100% Healthroster renewal rate maintained, market share expanding and SafeCare offering a promising source of incremental revenue streams. Good progress has also been made in Australia and Sweden. The rating looks very undemanding given the strength of Allocate's competitive position, balance sheet and cash generation.

INDUSTRY OUTLOOK

NHS budgets remain tight, but trusts are becoming more prepared to spend to improve productivity and an NHS-wide focus on safe staffing levels should be a strong driver of demand for the SafeCare product.

Y/E May	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (fd) (p)	P/E (x)	P/CF (x)
2013	37.1	4.8	4.3	5.6	21.0	9.3
2014	40.0	6.9	6.3	7.3	16.1	13.2
2015e	42.0	7.4	6.9	7.9	14.9	12.4
2016e	N/A	N/A	N/A	N/A	N/A	N/A

Amara Mining (AMA)

Sector: Mining

Price:	23.6p
Market cap:	£78m
Forecast net debt (US$m)	N/A
Forecast gearing ratio (%)	N/A
Market	AIM

Share price graph (p)

Company description

The Kalsaka/Sega complex having reached the end of its productive life, Amara Mining is now developing the feasibility stage Yaoure Gold Project in Cote d'Ivoire. It also has a development stage project in Baomahun in Sierra Leone.

Price performance

%	1m	3m	12m
Actual	0.0	39.0	39.0
Relative*	(1.0)	39.4	30.7

* % Relative to local index

Analyst

Charles Gibson

INVESTMENT SUMMARY

The Yaoure PEA has demonstrated a project with a post-tax NPV of US$688m at an 8% discount rate and US$1,250/oz gold price (or US$650m at 10% and US$1,300/oz Au, or US$1.85/£1.10 per fully diluted share) for a single pit mine producing an average 325koz pa over 12 years at a total cash cost of US$655/oz and initial capex of US$274m. Subsequent drilling at CMA has confirmed the continuous and high-grade nature of this zone and drilling in the Yaoure Central zone has identified the presence of mineralisation in areas previously defined as waste, paving the way for two mineral resource estimates in H214 ahead of a PFS for Yaoure in Q115.

INDUSTRY OUTLOOK

First-phase optimisation work at Baomahun has indicated the potential for a 40% reduction in upfront capital payments to US$90m, resulting in a project worth US$80m (at an 8% discount rate and US$1,350/oz Au) or an estimated US$49m (at US$1,300/oz and a 10% discount rate). However this more than triples when potential underground operations are considered.

Y/E Dec	Revenue (US$m)	EBITDA (US$m)	PBT (US$m)	EPS (fd) (c)	P/E (x)	P/CF (x)
2012	91.3	23.0	12.9	2.4	16.8	2.7
2013	52.4	(14.3)	(22.1)	(9.2)	N/A	5.7
2014e	N/A	N/A	N/A	N/A	N/A	N/A
2015e	N/A	N/A	N/A	N/A	N/A	N/A

Sector: Pharma & healthcare

Price:	144.0p
Market cap:	£30m
Forecast net cash (£m)	4.3
Forecast gearing ratio (%)	N/A
Market	AIM

Share price graph (p)

Company description

Animalcare Group is a leading supplier of veterinary medicines and identification products to the companion animal market in the UK, Europe and other selected markets.

Price performance

%	1m	3m	12m
Actual	(4.0)	(7.1)	(10.8)
Relative*	(4.9)	(6.8)	(16.1)

* % Relative to local index

Analyst

Franc Gregori

Animalcare Group (ANCR)

INVESTMENT SUMMARY

Animalcare's trading update shows the FY14 results are ahead of our expectations and confirms healthy progress is being maintained. Revenues are up 6.3% to £12.9m, with Licensed Veterinary Products up 10% and Companion Animal Identification up 8%. The continuing rationalisation of the older, and lower-margin, products in Animal Welfare saw sales drop by 4%, but gross profit there was up by 8%. The underlying operating profit is expected to be at least £2.6m. The cash position remains strong (£3.8m) despite the investment in new product development. It is these new products that are set to drive medium-term growth and underpin the phased expansion into selected European markets.

INDUSTRY OUTLOOK

The animal health market shares many characteristics with its human counterpart, but the success factors are subtly different, with financial muscle and global reach being less critical. Nonetheless, the competitive pressures are rising and the importance of having a portfolio of differentiated and value-adding products is growing. Animalcare is pursuing a strategy of de-emphasising the low-margin (and commoditising) segments and investing in new product development.

Y/E Jun	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (p)	P/E (x)	P/CF (x)
2012	10.9	2.5	2.3	9.3	15.5	11.6
2013	12.1	2.9	2.7	10.5	13.7	9.6
2014e	12.5	2.9	2.6	10.1	14.3	12.7
2015e	12.5	2.3	2.0	7.7	18.7	12.6

Sector: Financials

Price:	1147.5p
Market cap:	£171m
Forecast net debt (£m)	0.0
Forecast gearing ratio (%)	N/A
Market	AIM

Share price graph (p)

Company description

Arbuthnot Banking Group is engaged in retail and private banking. It currently owns 53.26% of the rapidly growing Secure Trust Bank (53.26% post announced July placement). Private banking is conducted through Arbuthnot Latham.

Price performance

%	1m	3m	12m
Actual	(2.8)	(2.9)	15.3
Relative*	(3.7)	(2.6)	8.5

* % Relative to local index

Analyst

Mark Thomas

Arbuthnot Banking Group (ARBB)

INVESTMENT SUMMARY

Arbuthnot Banking Group is showing excellent growth, has surplus liquidity and strong capital ratios. It is investing in staff, products and a Dubai office in the private bank (AL), and through acquisitions and new business lines in Secure Trust (STB) including SME property and invoice financing. The £25m ABG raised from selling STB shares will allow it to invest in its other operations to deliver further growth options. These are likely to be early stage in their development as ABG has a history of acting as a financial services incubator. Potential returns are significant if somewhat volatile. The numbers are our adjusted forecasts (statutory 2015 PBT £36.4m).

INDUSTRY OUTLOOK

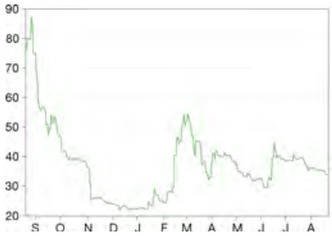
Market conditions for big banks are challenging, creating opportunities for well-funded and capitalised competitor banks. Many non-bank finance providers have funding issues, creating opportunities for ABG. Private banking is competitive and low interest rates limit the value of deposits, but there are lending opportunities.

Y/E Dec	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (p)	P/E (x)	P/CF (x)
2012	65.6	N/A	9.7	27.1	42.3	N/A
2013	100.0	N/A	16.8	49.1	23.4	N/A
2014e	123.8	N/A	27.3	89.7	12.8	N/A
2015e	154.6	N/A	39.0	113.7	10.1	N/A

Sector: Mining

Price:	34.0p
Market cap:	£11m
Forecast net cash (US$m)	4.2
Forecast gearing ratio (%)	N/A
Market	AIM, TSX V

Share price graph (p)



Company description

Arian Silver is listed on AIM and the TSX and specialises in Mexican silver deposit exploration and development. Its San Jose mine started production in October 2010. Its other principal projects are Calicanto and San Celso, located in Zacatecas.

Price performance

%	1m	3m	12m
Actual	(13.9)	6.3	(55.4)
Relative*	(14.8)	6.6	(58.1)

* % Relative to local index

Analyst

Charles Gibson

Arian Silver (AGQ)

INVESTMENT SUMMARY

Earthworks at the site hosting the refurbished El Bote mill are complete and the relocation of the plant near its conclusion. The relocation of the El Bote mill is significant because i) it was designed to treat San José's abrasive ore anyway; ii) it will be correctly sized for the San José mine; iii) it will provide a homogeneous crush to the correct size; and iv) it will not treat oxidised third-party material. The mill is now scheduled to be commissioned in late 2014, ramping up to 1.2ktpd in March 2015 and 1.5ktpd in March 2016.

INDUSTRY OUTLOOK

The El Bote mill will support an operational mine life in excess of 10 years (potentially more depending on the Ag price), still leaving the majority (79%) of the resource unexploited. On the basis of its production schedule, we estimate a value for Arian of US$1.62 (97p) at a 10% discount rate if Arian's convertible loan note is converted and US$1.91 (114p) if it is not. In addition, we estimate there is potential to define a further 40-140Moz Ag at San Jose.

Y/E Dec	Revenue (US$m)	EBITDA (US$m)	PBT (US$m)	EPS (c)	P/E (x)	P/CF (x)
2012	4.6	(3.8)	(4.0)	(13.3)	N/A	N/A
2013	0.1	(4.5)	(4.6)	(14.3)	N/A	N/A
2014e	6.9	0.5	(1.2)	(2.6)	N/A	N/A
2015e	33.5	18.7	17.2	30.1	1.9	2.4

Sector: Mining

Price:	1.0p
Market cap:	£6m
Forecast net debt (£m)	9.0
Forecast gearing ratio (%)	186.0
Market	AIM

Share price graph (p)

Company description

Ariana is a gold exploration company focused on exploration and development projects in the Republic of Turkey.

Price performance

%	1m	3m	12m
Actual	14.7	21.9	11.4
Relative*	13.6	22.2	4.8

* % Relative to local index

Analyst

Tom Hayes

Ariana Resources (AAU)

INVESTMENT SUMMARY

Ariana has secured 100% of the financing required for its eventual 50% interest in the Kiziltepe Mine (part of the Red Rabbit JV held with partner Proccea Construction). As expected, financing is 100% debt and was secured with Turkish bank Turkiye Finans Katilim Bankasi. It is structured using participatory banking principles and carries no requirement for hedging. Ariana and Proccea now need to obtain the final forestry permit from the Turkish government to begin construction, which is expected by the end of Q314. First gold production is now due end H115. Our adjusted (for this financing) valuation is now 1.90p a share with a potential 2.27p valuation realised through exploration and improved gold grades at Red Rabbit during the second half of the mine's life. Ariana expects to receive its final forestry permit by end Q314, following which construction will start and first production is expected by end H115.

INDUSTRY OUTLOOK

Gold currently trades at c US$1,315/oz.

Y/E Dec	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (p)	P/E (x)	P/CF (x)
2012	0.0	(1.1)	(1.2)	(0.4)	N/A	N/A
2013	0.0	(1.1)	(1.2)	(0.3)	N/A	N/A
2014e	0.0	(1.0)	(2.4)	(0.2)	N/A	N/A
2015e	4.3	2.1	(0.4)	0.0	N/A	4.3

Sector: Electronics & elec. eqpt.

Price:	5.1p
Market cap:	£5m
Forecast net debt (£m)	N/A
Forecast gearing ratio (%)	N/A
Market	AIM

Share price graph (p)

Company description

Armour designs and distributes a comprehensive upmarket range of home entertainment and communications products; it has recently sold its automotive business.

Price performance

%	1m	3m	12m
Actual	10.8	20.6	(14.6)
Relative*	9.7	20.9	(19.7)

* % Relative to local index

Analyst

Nigel Harrison

Armour Group (AMR)

INVESTMENT SUMMARY

Armour has followed up the disposal of its Automotive division earlier this year with the confirmation of the sale of Armour Home to its management. Following completion of the latter deal, the group will largely become a cash shell, with assets comprising a 25% stake in former Armour Home business, a £1m loan (earning 10% pa) to Armour Home and net funds of just over £3m. The new group strategy involves making a number of strategic investments in small technology businesses. We have withdrawn our estimates pending the announcement of these investments.

INDUSTRY OUTLOOK

It is inappropriate to comment on Armour group's industry outlook until the investment strategy becomes clearer. The executive management team will be departing with the disposal of Armour Home; non-executive chairman, Bob Morton, will take executive responsibility in the immediate future.

Y/E Aug	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (fd) (p)	P/E (x)	P/CF (x)
2012	34.4	0.3	(1.8)	(1.09)	N/A	4.7
2013	32.1	1.5	0.1	0.04	127.5	3.4
2014e	N/A	N/A	N/A	N/A	N/A	N/A
2015e	N/A	N/A	N/A	N/A	N/A	N/A

Sector: Pharma & healthcare

Price:	US$1.26
Market cap:	US$79m
Forecast net cash (US$m)	58.9
Forecast gearing ratio (%)	N/A
Market	NASDAQ

Share price graph (US$)

Company description

ArQule is a US biotech company engaged in developing small molecule drugs for cancer. Its lead product, tivantinib, is entering a pivotal Phase III trial for HCC. Tivantinib is partnered with Daiichi Sankyo and Kyowa Hakko Kirin.

Price performance

%	1m	3m	12m
Actual	(11.9)	(11.3)	(53.2)
Relative*	(12.7)	(15.9)	(61.4)

* % Relative to local index

Analyst

Jason Zhang

ArQule (ARQL)

INVESTMENT SUMMARY

Detailed data presented at ASCO 2014 on c-Met inhibitors, including Roche's onartuzumab and ArQule's tivantinib, failed to show much clinical benefit when a c-Met inhibitor is added to other therapies in NSCLC, and posed the question of whether inhibiting c-Met in this disease setting is clinically meaningful. However, this should not have reduced tivantinib's value in HCC, in which two Phase III trials, METIV-HCC and JET-HCC, are progressing in second-line HCC. ArQule ended Q214 with cash and marketable securities of c $77m. With the recently announced restructuring effort, its cash is enough to support its operation into 2017.

INDUSTRY OUTLOOK

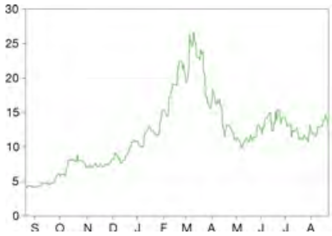
ArQule is a US biotech company focused on developing cancer drugs. Its lead product, tivantinib, is being evaluated as a monotherapy or in combination with other cancer therapy in a variety of solid tumour types. ArQule uses a proprietary structure-based drug design technology known as the ArQule Kinase Inhibitor Platform (AKIP).

Y/E Dec	Revenue (US$m)	EBITDA (US$m)	PBT (US$m)	EPS (fd) (c)	P/E (x)	P/CF (x)
2012	36.4	(9.0)	(9.6)	(14.42)	N/A	N/A
2013	15.9	(22.7)	(23.0)	(32.57)	N/A	N/A
2014e	9.9	(30.3)	(30.9)	(43.62)	N/A	N/A
2015e	4.9	(37.3)	(38.1)	(53.65)	N/A	N/A

Sector: Pharma & healthcare

Price:	US$12.72
Market cap:	US$673m
Forecast net cash (US$m)	177.9
Forecast gearing ratio (%)	N/A
Market	NASDAQ

Share price graph (US$)



Company description

Arrowhead Research Corporation is a clinical-stage targeted therapeutics company with development programmes in oncology, obesity and hepatitis B. It has acquired various platform technologies for RNAi delivery (Roche) and peptide targeting (Alvos).

Price performance

%	1m	3m	12m
Actual	14.6	16.4	214.1
Relative*	13.5	10.3	159.0

* % Relative to local index

Analyst

Jason Zhang

Arrowhead Research Corporation (ARWR)

INVESTMENT SUMMARY

Arrowhead completed dosing of 1mg/kg and 2mg/kg dose cohorts of the Phase IIa trial of ARC-520 for patients with hepatitis B infection and the the magnitude of HBsAg knockdown is similar to non-human primate studies, at ~0.8 logs, demonstrating initial efficacy in humans. It has
began enrolling an additional dose cohort at 3mg/kg in the Phase IIa patient study, in an attempt to see if better efficacy can be achieved. The company ended the quarter with cash and cash equivalents of $188.5m, enough to support its operation into 2016, in Edison's view.

INDUSTRY OUTLOOK

Gene silencing is a potentially exciting area for new product development, with targeted therapies offering better disease control and fewer side effects than current medications. Large and medium-sized pharmaceutical companies are likely to invest in this field via collaborations, of which Arrowhead would be a beneficiary.

Y/E Sep	Revenue (US$m)	EBITDA (US$m)	PBT (US$m)	EPS (c)	P/E (x)	P/CF (x)
2012	0.1	(18.1)	(20.9)	(179.4)	N/A	N/A
2013	0.3	(21.3)	(30.2)	(123.4)	N/A	N/A
2014e	0.2	(36.6)	(47.2)	(101.1)	N/A	N/A
2015e	0.2	(43.1)	(43.5)	(82.1)	N/A	N/A

Sector: Consumer support services

Price:	€3.15
Market cap:	€18m
Forecast net cash (€m)	1.6
Forecast gearing ratio (%)	N/A
Market	FRA, Xetra

Share price graph (€)

Company description

artnet is an online business offering an integrated range of information and transaction services in the fine art, design, and decorative art markets. It has four divisions: Price Database, Galleries, Auctions and Advertising.

Price performance

%	1m	3m	12m
Actual	(1.6)	1.6	36.7
Relative*	0.6	4.8	20.5

* % Relative to local index

Analyst

Fiona Orford-Williams

artnet (ART)

INVESTMENT SUMMARY

H114 results show group revenues ahead by 3.6% (8.1% in US$), with the growth coming from Auctions (on fewer lots but at higher prices) and from the Price Database, where price increases more than compensated for a dip in volumes. Gallery Networks' revenues declined due to the delayed introduction of new member websites, a situation now reportedly recovering. Newly-launched artnet News is making a significant difference in driving traffic, having recently delivered over 1m visits in one month, and is already boosting revenues from the Advertising segment. The launch costs of the re-designed website were front-end loaded, along with associated heavier sales/marketing costs. We therefore expect returns to improve over the year.

INDUSTRY OUTLOOK

The last TEFAF report estimated that online transactions have reached around 5% of the total market, valued at c €2.5bn. Growing confidence in the efficacy of process and reliability of payment, increasing use of online alongside traditional transactions and higher levels of cross-border trade are all helping to drive down market resistance. The report suggests the online share could rise considerably to 2020 to €10bn, implying a CAGR of 25%.

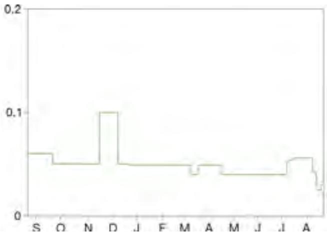
Y/E Dec	Revenue (€m)	EBITDA (€m)	PBT (€m)	EPS (fd) (c)	P/E (x)	P/CF (x)
2012	13.5	(0.2)	(0.6)	(10.9)	N/A	N/A
2013	13.0	0.4	0.1	3.2	98.4	21.1
2014e	13.8	1.6	1.2	13.9	22.7	9.9
2015e	14.9	2.1	1.7	19.4	16.2	8.1

Sector: Media & entertainment

Aspermont (ASP)

Price:	A$0.03
Market cap:	A$14m
Forecast net debt (A$m)	N/A
Forecast gearing ratio (%)	N/A
Market	ASX

Share price graph (A$)



Company description

Aspermont is a multi-platform B2B media group. It is focused on the global resources industry, especially mining (80% of revenue and profit), but is becoming more diverse. It also runs a portfolio of investments in young resources groups.

Price performance

%	1m	3m	12m
Actual	(14.3)	20.0	(26.2)
Relative*	(15.9)	15.1	(33.3)

* % Relative to local index

Analyst

Jane Anscombe

INVESTMENT SUMMARY

Aspermont has made a series of announcements regarding trading and a planned capital raise of A$5m to recapitalise the balance sheet (1-for-1 rights, placing and debt conversion). FY14 revenue is reported to have declined by c 10% and Media EBITDA fell from A2.7m to $1.3m (normalised) or to an A$0.8m loss after non-recurring costs, due to both external and internal factors. Steps are underway to return the group to profitability in FY15 (new management and products to capitalise on the group's strong brands). Our forecasts are under review. The chairman's goal is a business that can provide a A$1m dividend at the end of FY15.

INDUSTRY OUTLOOK

The B2B industry is in a period of change, with growth in digital channels, events and conferences, but a decline in traditional print. Aspermont's main market, mining, continues to face challenging conditions, particularly in exploration, with M&A remaining subdued. However Aspermont reports 'green shoots' including stronger subscription revenues in July.

Y/E Jun	Revenue (A$m)	EBITDA (A$m)	PBT (A$m)	EPS (c)	P/E (x)	P/CF (x)
2012	32.8	4.4	2.8	0.72	4.2	1.2
2013	40.2	2.7	1.6	0.43	7.0	1.9
2014e	N/A	N/A	N/A	N/A	N/A	N/A
2015e	N/A	N/A	N/A	N/A	N/A	N/A

Sector: Pharma & healthcare

Athersys (ATHX)

Price:	US$1.50
Market cap:	US$116m
Forecast net cash (US$m)	26.0
Forecast gearing ratio (%)	N/A
Market	NASDAQ

Share price graph (US$)

Company description

Athersys is a US biotech company developing MultiStem (allogeneic stem cells). Phase II studies are on-going in ulcerative colitis and ischaemic stroke. A 5HT2c agonist programme (obesity/schizophrenia) is available for partnering.

Price performance

%	1m	3m	12m
Actual	(1.3)	2.7	(18.0)
Relative*	(2.2)	(2.6)	(32.4)

* % Relative to local index

Analyst

Christian Glennie

INVESTMENT SUMMARY

Athersys is developing MultiStem, an allogeneic stem cell product (bone marrow-derived, multipotent adult progenitor cells or MAPCs). Results from a 140-patient Phase II study in ischaemic stroke are expected in Q115, with recruitment to complete in Q414. Positive results could be transformational for the treatment of stroke patients and for Athersys's market valuation. A Phase II trial with MultiStem in acute myocardial infarction should start in late 2014 (supported by a $2.8m NIH grant). A Phase II/III study in GvHD is also proposed, although the start of this programme is dependent on business development/fresh financing. End-Q214 cash was $39m.

INDUSTRY OUTLOOK

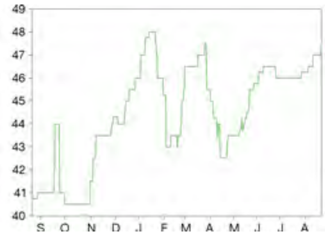
Athersys is well positioned in terms of its stage of development and the profile of its MAPCs, in terms of safety, high dose (>1bn cells), and convenient mode of delivery (IV). The MAPCs appear to be substantially differentiated from other MSCs. Regenerative medicine is gaining traction and recognition by global regulators.

Y/E Dec	Revenue (US$m)	EBITDA (US$m)	PBT (US$m)	EPS (c)	P/E (x)	P/CF (x)
2012	8.7	(17.5)	(17.1)	(52.64)	N/A	N/A
2013	2.4	(24.8)	(24.4)	(42.34)	N/A	N/A
2014e	2.2	(29.0)	(28.6)	(37.22)	N/A	N/A
2015e	1.6	(26.6)	(26.2)	(33.49)	N/A	N/A

Sector: Support services

Price:	47.5p
Market cap:	£47m
Forecast net debt (£m)	6.2
Forecast gearing ratio (%)	12.0
Market	AIM

Share price graph (p)



Company description

Augean manages hazardous waste through a new divisional structure: North Sea Services; Radioactive Waste Services; Integrated Services; Energy & Construction; and Industry & Infrastructure.

Price performance

%	1m	3m	12m
Actual	3.3	6.2	16.6
Relative*	2.3	6.4	9.7

* % Relative to local index

Analyst

Roger Johnston

Augean (AUG)

INVESTMENT SUMMARY

Augean's pre-close announcement showed that revenues grew by 6% to £24.9m, although there were differing fortunes across divisions. The pipeline in both Energy & Construction and Radioactive Waste Services suggests potential for outperformance in the year, while the East Kent facility now managed within Integrated Services is currently underperforming. With North Sea Services and Industry & Infrastructure now tracking to plan, we are maintaining our forecasts.

INDUSTRY OUTLOOK

There is an increasing trend towards treatment, recovery and recycling in the waste hierarchy, highlighted in the government's Strategy for Hazardous Waste Management. While new regulations since 2004 initially caused confusion, we believe that as the industry understands what is required and enforcement improves, volumes will become increasingly predictable.

Y/E Dec	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (p)	P/E (x)	P/CF (x)
2012	36.7	7.9	3.9	2.8	17.0	8.1
2013	43.5	7.9	4.4	3.3	14.4	8.1
2014e	45.2	8.5	5.4	4.0	11.9	5.8
2015e	46.4	9.7	6.6	4.9	9.7	5.1

Sector: Mining

Price:	C$0.46
Market cap:	C$56m
Forecast net cash (C$m)	2.2
Forecast gearing ratio (%)	N/A
Market	NYSE MKT, TSX V

Share price graph (C$)

Company description

Avalon Rare Metals is a mineral development company focused on developing its 100%-owned Nechalacho project in the Northwest Territories, Canada. It also has a number of other exploration-stage rare metals projects in North America.

Price performance

%	1m	3m	12m
Actual	(6.1)	(14.8)	(48.9)
Relative*	(8.0)	(19.8)	(58.7)

* % Relative to local index

Analyst

Tom Hayes

Avalon Rare Metals (AVL)

INVESTMENT SUMMARY

Avalon announced that it has successfully closed its non-brokered private placement of flow-through common shares and non-flow-through units. The raising was oversubscribed, resulting in gross proceeds of $2.166m. On closing, Avalon issued 1,653,866 flow-through shares priced at $0.60 each and 2,445,000 non-flow-through units priced at $0.48 each and paid finders' fees of $47,000. This follows its June 2014 raising of US$4.0m (c US$3.6m net) via the issue of 9.2m units (comprising one common share and 0.7 of a warrant exercisable into one common share at US$0.56 over a 6.5-year term, starting six months after first issue) at US$0.433 each. These funds will assist Avalon with completing its highly anticipated optimised feasibility study (FS) due in Q414.

INDUSTRY OUTLOOK

The market for REE metals remains largely controlled (especially for the five strategic metals) by the Chinese. Supply is expected to tighten as, among other things, China reforms its REE sector, which has experienced significant environmental damage from illegal mining during its history.

Y/E Aug	Revenue (C$m)	EBITDA (C$m)	PBT (C$m)	EPS (c)	P/E (x)	P/CF (x)
2012	0.0	(12.1)	(11.2)	(10.8)	N/A	N/A
2013	0.0	(8.5)	(8.3)	(8.0)	N/A	N/A
2014e	0.0	(7.8)	(7.9)	(7.2)	N/A	N/A
2015e	0.0	(7.8)	(8.0)	(5.4)	N/A	N/A

EDISON

Sector: Media & entertainment

Price:	114.0p
Market cap:	£22m
Forecast net debt (£m)	23.0
Forecast gearing ratio (%)	77.0
Market	AIM

Share price graph (p)

Company description

Avesco is a leading international provider of broadcast and audiovisual rental equipment and services to the corporate presentation, entertainment and broadcast industries worldwide.

Price performance

%	1m	3m	12m
Actual	3.6	12.9	(2.2)
Relative*	2.6	13.2	(8.0)

* % Relative to local index

Analyst

Jane Anscombe

Avesco (AVS)

INVESTMENT SUMMARY

Interim results (mid-June) showed trading profit ahead of expectations and a 50% increase in the dividend. The major reorganisation of the European business is nearly complete and the benefits will flow through in H2 and more particularly in FY15, with better margins and less quarterly volatility in results. We increased our estmates for both years (although FY15 shows the usual 'odd year' dip) and see plenty more upside for margin improvement. Higher tax restrains EPS in FY15, but the balance sheet is very sound. The shares stand at a significant discount to the NAV of 163p, which is backed by high-quality rental assets.

INDUSTRY OUTLOOK

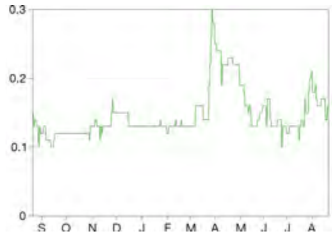
Avesco supplies a diverse range of events, from high-profile sporting occasions (eg the Commonwealth Games) and trade shows to small business conferences. Positive structural trends include the increased sophistication of digital technology, which allows more dramatic staging and increases the value of face-to-face at a time when B2B print media remains under pressure.

Y/E Sep	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (p)	P/E (x)	P/CF (x)
2012	143.5	27.1	5.8	20.8	5.5	1.5
2013	124.0	18.9	(1.0)	(1.8)	N/A	1.8
2014e	124.0	23.4	4.4	18.2	6.3	1.9
2015e	120.0	21.5	2.8	2.9	39.3	1.1

Sector: Mining

Price:	C$0.14
Market cap:	C$36m
Forecast net cash (US$m)	4.3
Forecast gearing ratio (%)	N/A
Market	TSX TP

Share price graph (C$)



Company description

Avnel Gold owns an 80% interest in the Kalana exploitation permit in south-western Malia. In addition, the company has a 90% interest in the adjacent Fougadian exploration permit.

Price performance

%	1m	3m	12m
Actual	7.7	3.7	(9.7)
Relative*	5.6	(2.3)	(27.0)

* % Relative to local index

Analyst

Tom Hayes

Avnel Gold Mining (AVK)

INVESTMENT SUMMARY

Avnel (AVK) successfully gained the funds necessary to complete the preliminary feasibility study for the Kalana Main project, following its recently completed equity financing. This PFS, now underway and managed by Snowdens, will build on the findings of its PEA and is due for completion by end-2014. The PEA outlined a 14-year life-of-mine with an average gold head grade of 3.1g/t. Kalana's gold production profile, as per the PEA, envisages 138koz for the first four years, with 91koz a year until the last year of planned operations. Gold processing is to use conventional CIL techniques. The PEA indicated a potential NPV10 of US$194m (post tax and interest at US$1,110/oz gold). AVK's small gold operation reported Q214 revenues of $2.8m and a net loss of $2.1m. Although the Kalana mine is not a materially important asset, AVK states it will continue mining through the completion of the feasibility studies for socio-economic and labour reasons.

INDUSTRY OUTLOOK

Gold currently trades at c US$1,300/oz.

Y/E Dec	Revenue (US$m)	EBITDA (US$m)	PBT (US$m)	EPS (fd) (c)	P/E (x)	P/CF (x)
2012	16.8	(3.5)	(1.6)	(0.8)	N/A	N/A
2013	14.6	(6.8)	(4.7)	(2.5)	N/A	N/A
2014e	11.8	(5.4)	(3.3)	(1.7)	N/A	N/A
2015e	2.2	(5.4)	(3.4)	(1.8)	N/A	N/A

Avon Rubber (AVON)

Sector: Aerospace & defence

Price:	644.5p
Market cap:	£200m
Forecast net debt (£m)	5.4
Forecast gearing ratio (%)	23.0
Market	LSE

Share price graph (p)

Company description

Avon Rubber designs, develops and manufactures products in the respiratory protection, defence (75% of 2013 sales) and dairy (25%) sectors. Its major contracts are with national security and safety organisations such as the DoD.

Price performance

%	1m	3m	12m
Actual	0.8	1.5	37.1
Relative*	(0.2)	1.8	29.0

* % Relative to local index

Analyst

Roger Johnston

INVESTMENT SUMMARY

Avon Rubber's IMS has demonstrated that strong progress has continued since the half year, which has been enough to overcome a c £1m currency headwind for the full year, implying a stronger underlying performance than previously forecast. We see significant future upside potential from a range of opportunities and the IMS highlights further progress against a number of these, specifically the Deltair SCBA and emergency escape breathing device (EEBD) programme. In addition, we note that if the strong cash conversion witnessed continues, full year net debt could outperform our current forecasts.

INDUSTRY OUTLOOK

Despite pressured budgets, the protective nature of Avon's products provides resilience. The emerging portfolio effect should enable continued growth, while dairy expansion in the BRICs provides a further long-term opportunity.

Y/E Sep	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (p)	P/E (x)	P/CF (x)
2012	106.6	16.4	11.0	26.9	24.0	13.3
2013	124.9	20.4	13.7	33.8	19.1	12.9
2014e	127.0	22.1	15.1	38.0	17.0	10.5
2015e	134.7	23.6	16.7	41.1	15.7	9.9

Azonto Petroleum (APY)

Sector: Oil & gas

Price:	0.7p
Market cap:	£8m
Forecast net cash (A$m)	5.0
Forecast gearing ratio (%)	N/A
Market	AIM, ASX

Share price graph (p)

Company description

Azonto is an ASX- and AIM-listed company with assets in Cote D'Ivoire and Ghana, West Africa. It is currently progressing development of the Gazelle gas condensate field in partnership with Vitol.

Price performance

%	1m	3m	12m
Actual	(25.6)	(44.2)	(42.0)
Relative*	(26.4)	(44.1)	(45.4)

* % Relative to local index

Analyst

Will Forbes

INVESTMENT SUMMARY

Azonto continues on its path to FID in Q414. A recent update hinted at a return to a thermal gas to power solution (rather than previous gas pipeline) and the company is encouraged by increased government engagement. Azonto's relationship with Vitol and net 25% share in CI-202 (assuming state back-in) gives longer-term upside given existing contingent resources, as well as a number of large prospects. Management, well-known to the E&P space, has stressed its desire to grow Azonto in the coming years. Our valuation, based on Gazelle development only and assuming a Q414 FID, is 1.30p/share. Drilling of contingent resources such as Addax or prospective resources such as Arius would add to this.

INDUSTRY OUTLOOK

Cote D'Ivoire is short of gas and, along with other African countries, is growing strongly. The country can more fully exploit a number of relatively small gas discoveries within its waters once a route to market is more fully developed.

Y/E Dec	Revenue (A$m)	EBITDA (A$m)	PBT (A$m)	EPS (c)	P/E (x)	P/CF (x)
2012	0.0	(10.5)	(11.2)	(2.4)	N/A	N/A
2013	0.5	(173.0)	(172.1)	(14.9)	N/A	N/A
2014e	0.0	(7.3)	(7.5)	(0.6)	N/A	N/A
2015e	0.0	(7.7)	(8.3)	(0.7)	N/A	N/A

EDISON

Sector: Aerospace & defence

Price:	441.8p
Market cap:	£13946m
Forecast net debt (£bn)	1.6
Forecast gearing ratio (%)	N/A
Market	LSE

Share price graph (p)

Company description

BAE Systems is a global defence company producing and supporting combat aircraft, warships, submarines, land systems and advanced electronics. Its most important markets are the UK, US and Saudi Arabia.

Price performance

%	1m	3m	12m
Actual	5.2	7.5	0.2
Relative*	4.2	7.8	(5.7)

* % Relative to local index

Analyst

Sash Tusa

BAE Systems (BA.)

INVESTMENT SUMMARY

With the 31 July H1 results, BAE reiterated guidance for a fall of 5-10% in EPS for 2014; sterling strength is likely to see the bottom end of this range achieved. In the absence of any new export contract wins near term, we see the shares being supported by the near-5% dividend yield, as well as continued progress with the authorised £1bn share buyback. While BAE's revenues and EBIT outlook appears flat through 2016e, we believe the company could run its balance sheet even leaner, supporting a further buyback programme from 2015 onwards.

INDUSTRY OUTLOOK

There are three key macro issues for BAE at present: the future of its Scottish warship yards in the event of a Yes vote in the September 2014 Referendum; the outlook and balance between the Services of UK defence spending after the May 2015 General Election, and subsequent Strategic Defence & Security Review (SDSR); and a possible return to sequestration in the US in FY16.

Y/E Dec	Revenue (£bn)	EBITDA (£bn)	PBT (£bn)	EPS (fd) (p)	P/E (x)	P/CF (x)
2012	17.9	2.5	1.7	38.5	11.5	N/A
2013	18.2	2.4	1.8	41.8	10.6	N/A
2014e	16.8	2.3	1.5	37.0	11.9	N/A
2015e	16.6	2.3	1.5	37.2	11.9	N/A

Sector: Financials

Price:	€15.30
Market cap:	€823m
Forecast net cash (€m)	N/A
Forecast gearing ratio (%)	N/A
Market	Borsa Italiana STAR

Share price graph (€)

Company description

IFIS's core business is financing Italian SME trade receivables and non-performing loans. It has modest operations in Romania, Hungary and Poland. A much-increased Italian government bond portfolio is generating significant profits.

Price performance

%	1m	3m	12m
Actual	9.2	9.1	61.1
Relative*	11.6	12.4	35.8

* % Relative to local index

Analyst

Mark Thomas

Banca IFIS (IF)

INVESTMENT SUMMARY

IFIS's core businesses are financing SME trade receivables, managing distressed loans receivables (July €1.3bn nominal value portfolio acquired) and an insolvency-related tax-rebate receivable businesses. The Q214 results saw SME financing customer numbers rise to over 4,000 (up 11.5% on H113) and increased activity per customer (receivables turnover up 51.5% to €3.8bn). Credit metrics continued to improve sharply. The underlying performance in the tax receivables business was up 31.6% (H114 on H113). The distressed loans business saw a drop in profits as new collections systems were introduced and the accounting prudently defers recognising income. The bond portfolio continued to shrink but has a €169m unrecognised gain.

INDUSTRY OUTLOOK

Managing trade receivables should show growth and margins as banks limit lending, yet retain its good credit characteristics. The NPL business offers significant growth from better managing collections. Italian government bonds are likely to be volatile.

Y/E Dec	Revenue (€m)	EBITDA (€m)	PBT (€m)	EPS (c)	P/E (x)	P/CF (x)
2012	244.9	N/A	122.8	146.0	10.5	N/A
2013	264.2	N/A	143.3	161.2	9.5	N/A
2014e	288.5	N/A	150.0	183.0	8.4	N/A
2015e	315.1	N/A	158.5	186.4	8.2	N/A

Bavarian Nordic (BAVA)

Sector: Pharma & healthcare

Price:	DKK113.50
Market cap:	DKK2964m
Forecast net cash (DKKm)	370.0
Forecast gearing ratio (%)	N/A
Market	NASDAQ OMX Mid Cap

Share price graph (DKK)

Company description

Bavarian Nordic is a Danish biotech focused on developing and manufacturing novel cancer immunotherapies and vaccines for infectious diseases. Its lead products are Prostvac (prostate cancer) and Imvamune (smallpox).

Price performance

%	1m	3m	12m
Actual	(2.6)	(9.2)	66.9
Relative*	(3.8)	(11.2)	29.2

* % Relative to local index

Analyst

Lala Gregorek

INVESTMENT SUMMARY

Phase I MVA-BN Brachyury trial start has expanded the clinical cancer vaccine pipeline, although Prostvac (prostate cancer) remains the main value driver. An ESMO Prostvac update is scheduled (27 September), which will build on ASCO 2014 presentations on mechanism of action and potential synergy with immune checkpoint inhibitors. Combination therapy could maximise Prostvac's clinical and commercial potential; further research is ongoing. Completion of enrolment in the Phase III PROSPECT Prostvac monotherapy trial is expected by end-2014; the first futility analysis should happen this year. Other catalysts include securing the second portion of the US Government Imvamune contract (H114); Imvamune Phase III non-inferiority study initiation (H114); and finalisation of the CV-301 CRC development plan based on FDA feedback (H214). Q3 results report on 28 August.

INDUSTRY OUTLOOK

The prostate cancer market is highly dynamic with various newly approved therapies; further Prostvac clinical data will be important in giving further insight into its commercial potential. Imvamune is a non-replicating third-generation smallpox vaccine that does not elicit comparable safety issues to previous generations; future US, European and Canadian orders are expected.

Y/E Dec	Revenue (DKKm)	EBITDA (DKKm)	PBT (DKKm)	EPS (ore)	P/E (x)	P/CF (x)
2012	1017.0	(32.0)	(49.0)	(92.0)	N/A	95.6
2013	1213.0	181.0	154.0	38.8	292.5	18.5
2014e	1201.0	110.0	43.0	12.0	945.8	141.1
2015e	531.0	(235.0)	(292.0)	(113.6)	N/A	N/A

Bellus Health (BLU)

Sector: Pharma & healthcare

Price:	C$1.25
Market cap:	C$59m
Forecast net cash (C$m)	11.8
Forecast gearing ratio (%)	N/A
Market	TSX V

Share price graph (C$)

Company description

Bellus Health is a Canadian pharmaceutical company developing drugs for rare diseases. Its lead candidate, Kiacta, is in a pivotal Phase III trial for AA amyloidosis.

Price performance

%	1m	3m	12m
Actual	5.9	42.1	224.7
Relative*	3.9	33.8	162.4

* % Relative to local index

Analyst

Pooya Hemami

INVESTMENT SUMMARY

Bellus's lead candidate, Kiacta, is in a Phase III trial for amyloid A (AA) amyloidosis, an orphan drug indication affecting up to 25,000 patients worldwide. We estimate a 60% probability of success, given positive efficacy trends in a previous Phase II/III trial and modifications in the pivotal study to increase its statistical power and target more responsive patients. Results are expected in 2016, and we project Bellus's cash runway to last through 2017. A Phase II Kiacta trial in sarcoidosis is also planned for Q414. Kiacta licensee Auven Therapeutics hired a financial advisor to explore the sale of Kiacta rights, with proceeds shared approximately equally between Bellus and Auven. Shigamab, for treating Shiga-toxin E. Coli (STEC) infections, will enter a Phase II trial in 2015.

INDUSTRY OUTLOOK

The potential for premium (orphan) pricing for Kiacta and a seven- to 10-year exclusivity period underscore the primary investment case, although with Phase III data in 2016, a longer-term view is required.

Y/E Dec	Revenue (C$m)	EBITDA (C$m)	PBT (C$m)	EPS (c)	P/E (x)	P/CF (x)
2012	2.3	(3.6)	(3.5)	(10.77)	N/A	N/A
2013	2.3	(3.3)	(2.6)	(5.57)	N/A	N/A
2014e	2.0	(3.2)	(2.8)	(5.85)	N/A	N/A
2015e	1.9	(3.4)	(3.1)	(6.36)	N/A	N/A

Bezant Resources (BZT)

Sector: Mining

Price:	6.1p
Market cap:	£5m
Forecast net cash (£m)	26.9
Forecast gearing ratio (%)	N/A
Market	AIM

Share price graph (p)

Company description

BZT has interests in three global assets: the Mankayan Project (a copper/gold porphyry project in the Philippines), the Eureka Project (a copper/gold deposit in northern Argentina) and the gold enterprise Mkurumu Project, located in Tanzania.

Price performance

%	1m	3m	12m
Actual	(26.9)	(38.0)	(70.8)
Relative*	(27.6)	(37.8)	(72.6)

* % Relative to local index

Analyst

Tom Hayes

INVESTMENT SUMMARY

Bezant has stated its aspirations to pursue ongoing exploration work in the Philippines. However, there has been a recent proposal for changes to Mining Tax Laws in the country, which could adversely affect Bezant. The Philippines Mining Industry Coordinating Council (MICC) has proposed a scheme where the government would receive a tax of either 55% of adjusted net revenue or 10% of gross revenue plus a share of windfall profits, whichever is higher. Bezant and other major operators in the Philippines mining sector are aiming to consult the MICC in order to outline how such revenue sharing would affect inward investment. However, changes in the taxes have not been finalised and there is no certainty of their final form.

INDUSTRY OUTLOOK

Copper currently trades at c US$3.12/lb, versus our long-term copper price of US$2.96/lb.

Y/E Jun	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (p)	P/E (x)	P/CF (x)
2012	0.0	(1.7)	(1.6)	(2.5)	N/A	N/A
2013	0.0	(1.3)	(1.3)	(1.7)	N/A	N/A
2014e	0.0	(1.3)	(1.2)	(15.0)	N/A	N/A
2015e	0.0	(1.3)	(0.3)	(0.5)	N/A	N/A

BioInvent International (BINV)

Sector: Pharma & healthcare

Price:	SEK2.87
Market cap:	SEK324m
Forecast net cash (SEKm)	102.8
Forecast gearing ratio (%)	N/A
Market	NASDAQ OMX Mid Cap

Share price graph (SEK)

Company description

BioInvent is a human therapeutic antibody company based in southern Sweden. It has a lead product, BI-505 in Phase I for multiple myeloma.

Price performance

%	1m	3m	12m
Actual	0.0	(3.4)	35.5
Relative*	0.2	(2.9)	17.0

* % Relative to local index

Analyst

Dr John Savin

INVESTMENT SUMMARY

H114 revenues were SEK34m vs SEK24m. This SEK10m increase cut the H114 loss to SEK15m vs SEK24m. Cash on 30 June was SEK75m after the SEK57m capital raise. In mid-2014, two separate milestone payments, together worth €1m, were paid under collaborations with Bayer Pharma and Servier. FY13 total revenues were SEK81.7m, helped by a Q4 payment from Bayer.

INDUSTRY OUTLOOK

BI-505, a Phase II antibody for multiple myeloma, will have clinical data probably in Q314, from a small Phase II study. This might facilitate a partnering deal and upfront payment, but the trial is very small at 10 patients and open label. BioInvent has one preclinical project, BI-1206, for non-Hodgkin's Lymphoma. BI-505 and, much less so, BI-1206 provide the longer-term upside. BioInvent's share in a joint project on ADC-1031 has been sold back to Alligator Biosciences. The pipeline of collaborations based on the n-CoDeR library and F.I.R.S.T technology is yielding milestone payments as partner projects progress into the clinic.

Y/E Dec	Revenue (SEKm)	EBITDA (SEKm)	PBT (SEKm)	EPS (fd) (öre)	P/E (x)	P/CF (x)
2012	43.0	(135.8)	(138.6)	(191.81)	N/A	N/A
2013	81.7	(16.3)	(18.0)	(22.99)	N/A	N/A
2014e	65.0	(27.1)	(28.9)	(28.64)	N/A	N/A
2015e	75.0	(17.1)	(18.9)	(17.79)	N/A	N/A

BioLineRx (BLRX)

Sector: Pharma & healthcare

Price:	US$1.72
Market cap:	US$59m
Forecast net cash (NISm)	98.2
Forecast gearing ratio (%)	N/A
Market	NASDAQ, TASE

Share price graph (US$)

Company description

BioLineRx is an Israel-based biotech company focused on the in-licensing and early development of therapeutics. It has a pipeline with five clinical and 13 preclinical candidates for a variety of indications.

Price performance

%	1m	3m	12m
Actual	(11.8)	(12.2)	(23.2)
Relative*	(12.6)	(16.8)	(36.7)

* % Relative to local index

Analyst

Dr Mick Cooper

INVESTMENT SUMMARY

BioLineRx should start a Phase I study in Q314 of BL-8040 in stem cell mobilisation, a second indication, with data due in Q414/Q115. This follows the disclosure of promising partial results from its ongoing Phase II study in acute myeloid leukaemia (AML). Its treatment of coeliac disease BL-7010 has successfully completed the Phase I/II study, which should clear the way for BL-7010 to be treated as a medical device and start a pivotal study in early 2015. Meanwhile, the clinical trial being conducted by its partner Bellerophon (formerly Ikaria) with the myocardial implant, BL-1040, in patients who have suffered an acute myocardial infarction (AMI) should complete enrolment by the end of the year with data due in mid-2015. To date, over 200 patients have been enrolled in the BL-1040 trial, out of a total expected enrolment of 300 patients. The company raised $24.1m (gross) in equity at $2.50/ADS in March and had a cash position of $33.1m at Q214. Our valuation of BioLineRx is $231m, equivalent to $6.8/ADR (basic).

INDUSTRY OUTLOOK

The largest contributor to the valuation is BL-1040 (49%), with BL-8040 (AML) and BL-7010 (coeliac disease) in joint second place (17% each). BioLineRx currently trades at a discount to our intrinsic value.

Y/E Dec	Revenue (NISm)	EBITDA (NISm)	PBT (NISm)	EPS (a)	P/E (x)	P/CF (x)
2012	0.0	(76.9)	(77.1)	(43.2)	N/A	N/A
2013	0.0	(56.0)	(61.3)	(27.0)	N/A	N/A
2014e	0.0	(42.0)	(41.5)	(13.4)	N/A	N/A
2015e	0.0	(42.0)	(41.5)	(13.5)	N/A	N/A

Bionomics (BNO)

Sector: Pharma & healthcare

Price:	A$0.57
Market cap:	A$240m
Forecast net cash (A$m)	17.8
Forecast gearing ratio (%)	N/A
Market	ASX, OTC Pink

Share price graph (A$)

Company description

Bionomics is an Australian biotech company. BNC375 (pre-clinical) is partnered with Merck & Co for Alzheimer's disease. BNC210 (Phase I) is partnered with Ironwood for anxiety. Partners are sought for cancer drug BNC105 (Phase II).

Price performance

%	1m	3m	12m
Actual	15.0	30.7	(9.4)
Relative*	12.9	25.3	(18.2)

* % Relative to local index

Analyst

Christian Glennie

INVESTMENT SUMMARY

Bionomics now holds approximately A$30m in cash after receiving US$20m upfront from Merck & Co in July after out-licensing its preclinical cognition programme BNC375 ($506m also payable in milestones), and reporting A$10.5m in cash at end-FY14 (30 June). Bionomics is reviewing next development steps and partnering options for vascular-disrupting agent BNC105 in solid tumours - encouraging Phase I data in recurrent ovarian cancer were presented at ASCO 2014, while a 136-patient Phase II study in second-line renal cell carcinoma showed that the combination of BNC105+Afinitor (n=69) did not improve progression-free survival (PFS) rates at six months, compared to Afinitor alone (n=67). However, biomarkers were identified that correlated to a PFS benefit, and further analysis is ongoing.

INDUSTRY OUTLOOK

Bionomics has a second research collaboration with Merck for chronic pain (July 2013). Anti-anxiety agent BNC210 is licensed to Ironwood. An IND filing for cancer stem cell targeting agent, BNC101, is planned for H115.

Y/E Jun	Revenue (A$m)	EBITDA (A$m)	PBT (A$m)	EPS (c)	P/E (x)	P/CF (x)
2013	11.2	(9.1)	(8.8)	(2.4)	N/A	N/A
2014	27.0	5.6	5.4	1.1	51.8	N/A
2015e	11.9	(9.8)	(9.5)	(2.3)	N/A	29.0
2016e	9.4	(12.7)	(12.3)	(3.0)	N/A	N/A

EDISON

Sector: Pharma & healthcare

Price:	NOK2.69
Market cap:	NOK607m
Forecast net cash (NOKm)	48.6
Forecast gearing ratio (%)	N/A
Market	Oslo

Share price graph (NOK)

Company description

Bionor Pharma is a Norwegian biotechnology company focused on developing peptide vaccines for infectious diseases. The lead product, Vacc-4x, is currently in Phase II development for the treatment of HIV.

Price performance

%	1m	3m	12m
Actual	(4.3)	(15.7)	(23.9)
Relative*	(2.5)	(16.5)	(34.3)

* % Relative to local index

Analyst

Dr Philippa Gardner

Bionor Pharma (BIONOR)

INVESTMENT SUMMARY

Bionor Pharma's Vacc-4x is one of the furthest advanced HIV therapeutic vaccines in development and the current strategy encompasses all the elements required to achieve a functional cure for HIV. These include releasing dormant HIV reservoirs (Kick) with an HDACi, encouraging HIV destruction via an immune response elicited by Vacc-4x (Kill) and strengthening the immune system to maximise its attack on HIV (Boost) with an IMiD. Bionor is also investigating predictive biomarkers to determine potential responders to Vacc-4x. Bionor has sufficient cash to take Vacc-4x through the critical steps before partnering; these include data from the 'Boost & Kill' trial in Q414 and the 'Kick & Kill' trial in H215.

INDUSTRY OUTLOOK

There are approximately 1.1m HIV-infected patients in the US, and around one million in developed Europe. The global antiretroviral treatment (ART) market was worth around $17bn in 2012. In the US only 25% of HIV patients are virally suppressed, despite 33% receiving ART treatment.

Y/E Dec	Revenue (NOKm)	EBITDA (NOKm)	PBT (NOKm)	EPS (öre)	P/E (x)	P/CF (x)
2012	4.2	(58.2)	(55.2)	N/A	N/A	N/A
2013	4.2	(75.8)	(74.7)	N/A	N/A	N/A
2014e	2.7	(62.8)	(62.4)	N/A	N/A	N/A
2015e	1.7	(44.3)	(44.7)	N/A	N/A	N/A

Sector: Pharma & healthcare

Price:	€0.20
Market cap:	€90m
Forecast net cash (€m)	0.8
Forecast gearing ratio (%)	N/A
Market	OMX

Share price graph (€)

Company description

Biotie Therapies is a biotech company focused on CNS disorders. Selincro (alcohol dependence) is marketed in Europe, by partner Lundbeck. Tozadenant (Parkinson's) and SYN120 (Parkinson's dementia) are key pipeline assets.

Price performance

%	1m	3m	12m
Actual	(13.2)	(13.9)	(41.8)
Relative*	(13.1)	(15.0)	(51.8)

* % Relative to local index

Analyst

Christian Glennie

Biotie Therapies (BTH1V)

INVESTMENT SUMMARY

Biotie is focused on preparing a Phase III study for tozadenant (A2a antagonist) in Parkinson's disease (PD) to start in H115. The Michael J. Fox Foundation awarded a $2m grant for a Phase IIa study with SYN120 (dual 5-HT6/5HT2a antagonist) in PD patients with dementia, to start by Q414. A Phase II study with BTT-1023 for primary sclerosing cholangitis is planned for Q414, supported by a €1m grant. Phase II data for nepicastat (SYN117) in cocaine dependence are expected by end-2014. Partner Lundbeck continues to roll out alcohol dependence drug Selincro across Europe; Biotie receives milestones (€2m/key market) and royalties. Biotie held €34m in cash at end-Q214 so fresh funds will be required to fully finance the tozadenant Phase III programme.

INDUSTRY OUTLOOK

The Phase IIb data for tozadenant are robust and competitive against current and pipeline Parkinson's agents. Selincro is a new treatment concept for alcohol dependence, providing an alternative to complete abstinence, often not an attainable goal.

Y/E Dec	Revenue (€m)	EBITDA (€m)	PBT (€m)	EPS (c)	P/E (x)	P/CF (x)
2012	4.8	(21.8)	(23.0)	(5.54)	N/A	N/A
2013	27.7	1.9	4.1	1.39	14.4	8.9
2014e	12.6	(6.4)	(6.9)	(1.53)	N/A	N/A
2015e	0.8	(15.9)	(16.3)	(3.58)	N/A	N/A

Sector: Technology

Price:	64.0p
Market cap:	£30m
Forecast net cash (US$m)	22.3
Forecast gearing ratio (%)	N/A
Market	AIM

Share price graph (p)

Company description

blur Group owns and operates a global, cloud-based B2B services exchange platform, which operates across eight verticals in the creative and business service industries. The majority of projects are received in the US and UK (91% in 2012).

Price performance

%	1m	3m	12m
Actual	(11.1)	(46.5)	(79.9)
Relative*	(12.0)	(46.4)	(81.1)

* % Relative to local index

Analyst

Bridie Barrett

blur Group (BLUR)

INVESTMENT SUMMARY

We recently visited blur Group's new HQ in Exeter. Management demonstrated blur 4.0, which can deal with projects of all sizes and has a more intuitive interface. The project 'dashboard' is helping to improve the flow of projects through the exchange and the blurSense algorithm to improve the efficiency of pitch selection. These features help the exchange support team effectively manage larger volumes of business and we were impressed with the progress made. Furthermore, the platform is integrated into the new accounting systems, which should simplify project reporting. Development work continues with a view to adding features and monetising the data that the platform is accumulating.

INDUSTRY OUTLOOK

blur Group's B2B services exchange platform strives to change the way in which businesses buy core services. It operates an archetypal network effect business model, in that the proposition strengthens as the user base grows. With the global professional services market estimated at $2tn, the opportunity is substantial.

Y/E Dec	Revenue (US$m)	EBITDA (US$m)	PBT (US$m)	EPS (fd) (c)	P/E (x)	P/CF (x)
2012	2.8	(1.6)	(1.7)	(8.1)	N/A	N/A
2013	4.8	(5.9)	(6.0)	(19.3)	N/A	N/A
2014e	17.0	(7.0)	(7.6)	(19.1)	N/A	N/A
2015e	39.4	(4.3)	(5.3)	(10.9)	N/A	N/A

Sector: Travel & leisure

Price:	€4.99
Market cap:	€334m
Forecast net debt (€m)	37.0
Forecast gearing ratio (%)	25.0
Market	FRA

Share price graph (€)

Company description

The group operates Borussia Dortmund, a leading German football club, recent back-to-back champions of the Bundesliga and quarter-finalist in this season's UEFA Champions League (finalist last season).

Price performance

%	1m	3m	12m
Actual	(1.4)	33.3	42.5
Relative*	0.8	37.5	25.5

* % Relative to local index

Analyst

Richard Finch

Borussia Dortmund (BVB)

INVESTMENT SUMMARY

The newly-announced rights issue, potentially raising c €114m (gross), ie four for 11 at €4.66 per share, is welcome in terms of cash and the scope for a step change in profit. Binding undertakings from key sponsors Puma, Evonik and SIGNAL IDUNA, covering c €82m of the issue, recognise management's creation of a sustainable business with underlying profit growth. This was shown by record pre-transfer EBITDA in FY14, which confirmed that the Wembley-led comparative was not as good as it gets. We will review fully our forecasts on completion of the capital increase and release of the annual report.

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' applies initially to 2012 financial statements, obliging 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.

Y/E Jun	Revenue (€m)	EBITDA (€m)	PBT (€m)	EPS (c)	P/E (x)	P/CF (x)
2013	253.4	42.1	71.6	99.2	5.0	7.5
2014	256.3	44.7	37.1	51.5	9.7	9.4
2015e	256.0	49.0	38.0	47.9	10.4	7.3
2016e	N/A	N/A	N/A	N/A	N/A	N/A

Sector: Oil & gas

Price:	35.2p
Market cap:	£114m
Forecast net cash (US$m)	27.3
Forecast gearing ratio (%)	N/A
Market	AIM

Share price graph (p)

Company description

Bowleven (BLVN) is an Africa-focused E&P with assets in Cameroon, Kenya and Zambia. Post the farm-out transaction its main asset is its 25% net interest in the Etinde development, which will provide gas to a fertiliser plant for 20 years.

Price performance

%	1m	3m	12m
Actual	(12.4)	2.9	(42.5)
Relative*	(13.3)	3.2	(45.9)

* % Relative to local index

Analyst

Will Forbes

Bowleven (BLVN)

INVESTMENT SUMMARY

Bowleven (BLVN) is an AIM-listed E&P with assets in Cameroon, Kenya and Zambia. By farming down its 75% interest in Etinde to Lukoil/NewAge to 25%, Bowleven has taken steps to monetise part of its stake, accelerate appraisal, reduced its risk and enabled a pivot back towards exploration. Our core NAV, driven by Etinde Phase One, is 75p/share (and should grow over time as the project progresses). Two exploration wells in Bomono by year end may add value, while two appraisal wells (due 2015) could add to existing resources. Longer term, a proposed Cameroon LNG plant (CLNG) could lead to the full current contingent resources being developed. Our RENAV is 108p/share.

INDUSTRY OUTLOOK

Cameroon's nascent gas market has material growth potential. However, currently gas demand is relatively poor, with much industry still powered by diesel. This could change, but until there are more outlets, any large discoveries will require export solutions or bespoke developments (like the fertiliser plant for Etinde).

Y/E Jun	Revenue (US$m)	EBITDA (US$m)	PBT (US$m)	EPS (c)	P/E (x)	P/CF (x)
2012	0.0	(15.7)	(12.6)	(4.3)	N/A	N/A
2013	0.0	(10.6)	(10.6)	(3.6)	N/A	N/A
2014e	0.0	(10.4)	(11.8)	(3.6)	N/A	N/A
2015e	0.0	(10.4)	(10.4)	(3.2)	N/A	N/A

Sector: Technology

Price:	77.0p
Market cap:	£63m
Forecast net cash (£m)	8.6
Forecast gearing ratio (%)	N/A
Market	AIM

Share price graph (p)

Company description

Brady provides trading and risk management software for global commodity markets. It has more than 20 years of expertise and more than 500 users worldwide, including some of the largest financial institutions and mining corporations.

Price performance

%	1m	3m	12m
Actual	0.7	(1.9)	4.1
Relative*	(0.3)	(1.6)	(2.1)

* % Relative to local index

Analyst

Richard Jeans

Brady (BRY)

INVESTMENT SUMMARY

Brady released an encouraging H1 trading update that provides an upbeat outlook with a sales pipeline that remains strong. The company said H1 trading has been in line with expectations with margins bouncing back. As we noted in March, £2.2m of costs were cut across the business in H213, although the group has had to invest more in the Commodities unit to deliver new business wins. The H1 trading statement is an extension of the trend revealed in the April AGM trading statement, with the Energy unit rebuilding momentum and the Commodities unit focused on delivering the substantial new business signed in FY13. In our view, the shares continue to look attractive on c 12x our maintained cash-adjusted FY15 EPS if the group can continue the deal-signing momentum. H1 results are on 9 September.

INDUSTRY OUTLOOK

Brady provides trading, risk and connectivity software solutions to the global commodity and energy market – 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)
2012	28.1	5.4	5.0	6.1	12.6	39.9
2013	29.4	3.1	2.5	3.3	23.3	14.6
2014e	32.7	5.6	5.0	5.2	14.8	9.9
2015e	34.7	6.4	5.7	5.8	13.3	8.4

Sector: Media & entertainment

Price:	440.0p
Market cap:	£56m
Forecast net cash (£m)	4.0
Forecast gearing ratio (%)	N/A
Market	AIM

Share price graph (p)

Company description

BrainJuicer is an online market research agency that has developed tools based on System 1 thinking. Its purpose is to reinvent market research so that its clients can better understand and predict people's behaviour.

Price performance

%	1m	3m	12m
Actual	12.8	5.1	74.3
Relative*	11.7	5.4	63.9

* % Relative to local index

Analyst

Fiona Orford-Williams

BrainJuicer (BJU)

INVESTMENT SUMMARY

BrainJuicer's pre-close trading update (16 July) reported H114 revenues up by 4% (10% at constant currency). With the perennial proviso that full-year figures depend on the last few key weeks, management expectations (and our sales and profit forecasts) should be met. The share price had retreated from its earlier overheated position, but has recently started to rebuild its traditional premium. However, the rating still does not look extended against international peers and the extraordinary element of the share-based payments charge (stripped out of our figures) will still be less material than was feared at the time of the AGM.

INDUSTRY OUTLOOK

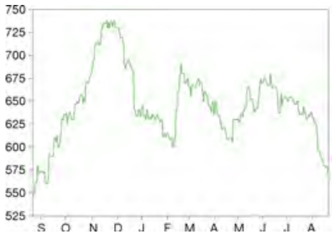
Bellwether reports show continued confidence in marketing spend, with the seventh successive month of upward revisions. However, after a positive in the last report, MR turned negative again. The last Esomar report pointed out that traditional MR had grown at a CAGR of 2% for 2010-12, whereas newer methodologies (online communities and mobile surveys, but excluding online analytics, social media-based research and consultancy) had a CAGR of 23%, which would have been even higher had those exclusions not been made.

Y/E Dec	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (fd) (p)	P/E (x)	P/CF (x)
2012	20.8	2.0	1.5	7.9	55.7	28.6
2013	24.5	4.0	3.6	18.7	23.5	10.4
2014e	27.0	4.3	3.9	19.7	22.3	17.3
2015e	29.6	4.7	4.2	21.1	20.9	11.1

Sector: Basic industries

Price:	565.0p
Market cap:	£153m
Forecast net debt (£m)	29.8
Forecast gearing ratio (%)	38.0
Market	LSE

Share price graph (p)



Company description

British Polythene Industries (BPI) is one of the largest manufacturers of polythene film products in Europe. It is also Europe's largest recycler of waste polythene film.

Price performance

%	1m	3m	12m
Actual	(11.0)	(11.4)	3.5
Relative*	(11.9)	(11.2)	(2.6)

* % Relative to local index

Analyst

Toby Thorrington

British Polythene Industries (BPI)

INVESTMENT SUMMARY

Trading has been strong enough in the UK and Europe to offset North American production delays to deliver overall progress in H1 and support existing FY estimates. We feel that British Polythene Industries (BPI) is capable of faster earnings growth, and increasing momentum from recent capex programmes is a potential driver here. Demonstrating this would provide the next catalyst for share price progress in our view. H1 results are scheduled for 29 August.

INDUSTRY OUTLOOK

FY13 saw small polymer price increases in Q113, some easing in April and May, although H1 ended with firmer pricing. This continued into Q3, eased again in the early part of Q4, before firming again at year end and into FY14. Gradual easing in prices has been seen since, although there was some upward pressure again as H1 concluded.

Y/E Dec	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (fd) (p)	P/E (x)	P/CF (x)
2012	478.7	34.0	19.7	51.7	10.9	4.4
2013	507.5	37.9	22.1	59.1	9.6	4.6
2014e	512.8	40.1	23.2	60.8	9.3	4.4
2015e	528.5	41.8	24.2	63.5	8.9	4.2

BTG (BTG)

Sector: Pharma & healthcare

Price:	621.5p
Market cap:	£2254m
Forecast net cash (£m)	83.7
Forecast gearing ratio (%)	N/A
Market	LSE

Share price graph (p)

Company description

BTG is a UK-based specialist healthcare company with a direct commercial presence in US acute care, interventional oncology and interventional vascular medicine.

Price performance

%	1m	3m	12m
Actual	1.5	19.3	58.5
Relative*	0.5	19.6	49.1

* % Relative to local index

Analyst

Lala Gregorek

INVESTMENT SUMMARY

Commercial availability of Varithena (the first patient was treated in August) in the US provides more impetus behind BTG's ongoing business transformation into a leading interventional medicine (IM) player. BTG has four commercial-stage products targeting the fast-growing interventional oncology and interventional vascular markets, with plans to drive growth and maintain its competitive edge. Management appears increasingly confident of achieving its $1bn+ IM revenue target for 2021 and has articulated its growth strategy. This should be achieved organically and through parallel investment in innovation, R&D (exemplified by a new EKOS pivotal study in chronic deep vein thrombosis) and commercial activities.

INDUSTRY OUTLOOK

BTG is a defensive growth business whose valuation is underpinned by the DCF value of its marketed assets. The TheraSphere and EKOS acquisitions have created a leading IM business with critical mass and significant growth potential. Further potential upside would be unlocked by clinical success of various pipeline assets: TheraSphere, Beads innovation programmes, Varithena aesthetic and medical indications, Xuriden.

Y/E Mar	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (p)	P/E (x)	P/CF (x)
2013	233.7	75.1	70.4	19.2	32.4	33.3
2014	290.5	74.0	76.6	19.0	32.7	39.8
2015e	347.0	78.3	77.9	18.3	34.0	30.9
2016e	390.6	102.4	104.5	23.7	26.2	28.9

Bushveld Minerals (BMN)

Sector: Mining

Price:	4.2p
Market cap:	£19m
Forecast net cash (£m)	7.7
Forecast gearing ratio (%)	N/A
Market	AIM

Share price graph (p)

Company description

Bushveld Minerals (BMN) is an AIM-listed junior iron and tin explorer in the mineral-rich Bushveld Complex in South Africa. Its flagship is an iron-titanium-vanadium deposit in the northern limb of the Bushveld Complex.

Price performance

%	1m	3m	12m
Actual	(1.2)	14.3	(49.1)
Relative*	(2.1)	14.6	(52.1)

* % Relative to local index

Analyst

Tom Hayes

INVESTMENT SUMMARY

Bushveld's financial results for the period ending 28 February 2014 indicated a marked reduction in central costs y-o-y by 44% from £2.4m to £1.3m. Reported net loss for the year narrowed to £0.4m due to a £0.9m gain related to its off-market takeover bid for ASX-listed coal developer Lemur Resources. Further, post period on 21 August Bushveld announced that it had issued 8m ordinary shares to certain parties invested in Lemur, to increase its holding in the company to 57.21%.

INDUSTRY OUTLOOK

Bushveld's scoping study on its MML vanadium resource highlights the company's increasing focus on determining the optimal project(s) to take to production from its diversified portfolio. Its scoping study details a 1Mtpa operation producing 10,350t of vanadium pentoxide flakes pa over a currently envisaged 30-year mine life. Costs are estimated at US$5,994/t compared to Bushveld's estimate of a 2017 vanadium pentoxide price of US$16,535/t (US$7.5/lb).

Y/E Feb	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (p)	P/E (x)	P/CF (x)
2013	0.0	(2.4)	(2.3)	(0.9)	N/A	N/A
2014	0.0	(1.3)	(1.4)	(0.4)	N/A	N/A
2015e	0.0	(2.0)	(2.1)	(0.7)	N/A	N/A
2016e	0.0	(2.0)	(2.8)	(1.0)	N/A	N/A

EDISON

Sector: Basic industries

Price:	3.4p
Market cap:	£8m
Forecast net debt (£m)	0.6
Forecast gearing ratio (%)	76.0
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	(3.6)	(12.9)	(46.0)
Relative*	(4.5)	(12.7)	(49.2)

* % Relative to local index

Analyst

Nigel Harrison

Byotrol (BYOT)

INVESTMENT SUMMARY

The challenging global consumer climate continues to slow down the introduction of new products employing Byotrol technology. Nevertheless, agreements with Rentokill Initial, Albaad, Boots, Robert McBride (for Tesco) and Marks & Spencer all underline the success of recent product trials. Restructuring, involving buying out the group's partner in Byotrol Consumer Products and a change in CEO, suggests a move towards developing further consumer relationships. The recent full year results announcement and fund-raising both pointed positively to the future.

INDUSTRY OUTLOOK

The global market for specialist antimicrobial technology is vast, as awareness of infection and diseases increases. While many products use chemicals (sometimes solving one problem to create another), a product that can damage the reproductive capacity of various bacteria offers considerable attractions to users. 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)
2013	3.0	(1.5)	(1.6)	(1.0)	N/A	N/A
2014	3.1	(0.6)	(0.7)	(0.3)	N/A	N/A
2015e	3.5	(0.4)	(0.5)	(0.2)	N/A	N/A
2016e	5.4	0.4	0.2	0.1	34.0	18.8

Sector: Mining

Price:	59.0p
Market cap:	£31m
Forecast net cash (C$m)	23.2
Forecast gearing ratio (%)	N/A
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.

Price performance

%	1m	3m	12m
Actual	0.9	21.7	0.0
Relative*	(0.1)	22.0	(5.9)

* % Relative to local index

Analyst

Tom Hayes

Caledonia Mining (CMCL)

INVESTMENT SUMMARY

During H114 Caledonia met with some challenging headwinds, with Blanket experiencing lower-grade ore (partially offset by improved gold recoveries at the plant) and higher than anticipated tax, regulatory fees and G&A, all set against a continuing low gold price environment. All this should be measured against Caledonia maintaining its position as one of the very lowest cost all-in (Q214: US$977/oz) gold producers in Africa and one that yields 5.5%. The company is looking to add flexibility to its Blanket operations, which may defer short-term increases in production and is likely to increase capex, but in the longer term should provide an operation that is much more resilient to negative macro and on-mine operational factors. During H114 Caledonia sold 23,433oz gold at an average price of US$1,269/oz and incurred all-in sustaining costs of US$903/oz. Net attributable profit to shareholders for the period was US$4.3m.

INDUSTRY OUTLOOK

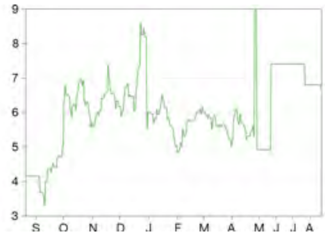
Gold currently trades at c US$1,300/oz.

Y/E Dec	Revenue (C$m)	EBITDA (C$m)	PBT (C$m)	EPS (c)	P/E (x)	P/CF (x)
2012	75.2	38.6	35.1	41.3	2.6	1.3
2013	65.1	25.4	22.0	18.2	5.9	2.5
2014e	63.7	16.5	12.2	14.2	7.6	3.5
2015e	N/A	N/A	N/A	N/A	N/A	N/A

Sector: Pharma & healthcare

Price:	US$6.64
Market cap:	US$120m
Forecast net cash (NISm)	9.4
Forecast gearing ratio (%)	N/A
Market	NYSE MKT

Share price graph (US$)



Company description

Can-Fite is an Israel-based drug development company with a platform technology surrounding A3AR agonists, with two clinical-stage oral drug candidates, CF101 and CF102, being advanced for inflammatory diseases and oncology, respectively.

Price performance

%	1m	3m	12m
Actual	(0.6)	(9.1)	(6.1)
Relative*	0.4	(8.3)	(17.0)

* % Relative to local index

Analyst

Pooya Hemami

Can-Fite BioPharma (CANFY)

INVESTMENT SUMMARY

Can-Fite's investment case largely rests on the prospects for its orally bioavailable A3 adenosine receptor (A3AR) agonist, CF101, in evaluation for major inflammatory conditions, primarily rheumatoid arthritis (RA) and psoriasis. Positive clinical data have been shown for CF101 in psoriasis and for patients with high expression of A3AR, in RA. A Phase II/III psoriasis study is under way (results expected Q115) and the next key near-term milestone could be a potential partnership transaction for CF101. CF102 (A3AR agonist) is in development for advanced liver cancer, with a 78-patient Phase II study planned in US/Europe/Israel; the drug is also approved for compassionate use in Israel.

INDUSTRY OUTLOOK

Given the large size of targeted markets, Can-Fite's programmes could provide multi-fold long-term investor returns. RA and psoriasis markets are highly competitive, however, and CF101 may need to show differential advantages vs potential new market entrants to gain a significant market position.

Y/E Dec	Revenue (NISm)	EBITDA (NISm)	PBT (NISm)	EPS (a)	P/E (x)	P/CF (x)
2012	0.0	(22.3)	(21.9)	(218.2)	N/A	N/A
2013	0.0	(31.3)	(30.8)	(224.7)	N/A	N/A
2014e	0.0	(28.3)	(27.5)	(155.0)	N/A	N/A
2015e	0.0	(27.8)	(28.0)	(155.2)	N/A	N/A

Sector: Oil & gas

Price:	C$0.19
Market cap:	C$68m
Forecast net debt (C$m)	1.7
Forecast gearing ratio (%)	11.0
Market	TSX V

Share price graph (C$)

Company description

Canadian Overseas Petroleum is an African-focused E&P with assets in Liberia and plans to expand into Nigeria. ExxonMobil is its operator and farm-in partner in Liberia Block LB-13.

Price performance

%	1m	3m	12m
Actual	(11.4)	(15.2)	0.0
Relative*	(13.1)	(20.2)	(19.2)

* % Relative to local index

Analyst

Peter Lynch

Canadian Overseas Petroleum (XOP)

INVESTMENT SUMMARY

Canadian Overseas Petroleum (COPL) is a junior E&P company with principal focus offshore Liberia. COPL has brought in a strong working partner and operator in the shape of ExxonMobil (XOM). It is also planning entry into Nigeria by acquiring producing and development assets to lower its wider portfolio exploration risk. Based on current Liberia drill activity, our RENAV value of C$0.36/share implies 20% upside. However, taking into consideration the play-opening potential of its Liberia block, we anticipate a risked M&A valuation of C$1.60/share in the event of exploration success.

INDUSTRY OUTLOOK

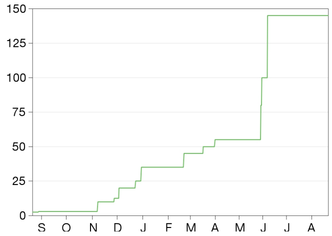
Oil companies are attracted to Liberia given its location on the West African Transform Margin, where exploration success has been achieved in offshore Ghana and Sierra Leone/Senegal. Chevron, ENI, Exxon, Repsol and Anadarko are all active. African Petroleum has announced discoveries with the Narina and Bee Eater wells, but these are not thought to be of commercial size.

Y/E Dec	Revenue (C$m)	EBITDA (C$m)	PBT (C$m)	EPS (fd) (c)	P/E (x)	P/CF (x)
2012	0.0	(56.6)	(56.6)	(20.0)	N/A	N/A
2013	0.0	(9.8)	(9.9)	(3.0)	N/A	N/A
2014e	0.0	(8.3)	(8.3)	(2.4)	N/A	N/A
2015e	N/A	N/A	N/A	N/A	N/A	N/A

Sector: Oil & gas

Price:	145.0p
Market cap:	£42m
Forecast net debt (£m)	4.5
Forecast gearing ratio (%)	133.0
Market	ISDX

Share price graph (p)



Company description

Cap Energy is an independent upstream oil and gas company focused on the exploration, production and development of conventional hydrocarbons in sub-Saharan Africa.

Price performance

%	1m	3m	12m
Actual	0.0	163.6	5700.0
Relative*	(1.0)	164.4	5356.2

* % Relative to local index

Analyst

Ian McLelland

Cap Energy (CAPP)

INVESTMENT SUMMARY

Cap Energy's focus is on high-impact exploration offshore West Africa. The company is still at a relatively early stage, although this has afforded select investors an opportunity to buy in early, hence very strong recent share price performance. Cap still requires further seismic before drillable prospects are identified in its two key areas, Guinea-Bissau and Senegal. However, management connections and potentially game-changing access to Rex International's Virtual Drilling technology set it apart from peers in terms of profile. Two wells in Senegal being drilled by Cairn/FAR in 2014 (FAN-1 and SNE-1) represent catalysts for Cap investors. We estimate Cap will need c £5m in 2014 to fund its planned 3D work programme in Guinea-Bissau, which is likely to be funded from a planned AIM listing in H214. Drilling is not expected until at least 2015 and currently remains unfunded.

INDUSTRY OUTLOOK

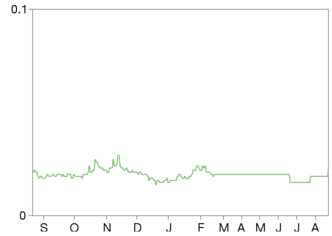
2014 is a landmark year in terms of African exploration, especially for investors in smaller independent E&Ps.

Y/E Dec	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (fd) (p)	P/E (x)	P/CF (x)
2012	0.0	(0.1)	(0.1)	(2.2)	N/A	191.1
2013	0.0	(0.6)	(0.6)	(7.0)	N/A	N/A
2014e	0.0	(0.6)	(0.8)	(3.8)	N/A	N/A
2015e	0.0	(0.7)	(1.3)	(6.2)	N/A	N/A

Sector: Mining

Price:	A$0.02
Market cap:	A$29m
Forecast net debt (A$m)	4.6
Forecast gearing ratio (%)	3.0
Market	ASX

Share price graph (A$)



Company description

Carbon Energy (CNX) has developed the keyseam underground coal gasification (UCG) technology at its Bloodwood Creek site. It is seeking to monetise its technology and has started to receive fees from its first technology agreement.

Price performance

%	1m	3m	12m
Actual	27.8	64.3	9.5
Relative*	25.4	57.6	(1.0)

* % Relative to local index

Analyst

Peter Chilton

Carbon Energy (CNX)

INVESTMENT SUMMARY

Carbon Energy (CNX) has secured a A$1.5m loan facility with Macquarie to assist working capital before the estimated A$3.7m FY14 ATO R&D rebate in Q215. At the Inner Mongolia UCG project, substantial completion of four of the eight work packages has been achieved. CNX is transitioning to a new project team to complete the final four packages. No further payments have been received from Haoqin Mining. CNX is in discussions to clarify the timing of the appointment of the local procurement and construction management company (PCM), critical for final completion, package sign-off and milestone payments.

INDUSTRY OUTLOOK

Natural gas prices are rising in Australia due to supply constraints, higher costs of new production and related LNG exports. In parts of the world, energy security is becoming increasingly important. CNX's keyseam UCG process can 'manufacture' pipeline-quality SNG from deep or stranded coal seams at operating and development costs per GJ that can be very competitive with alternative supply sources.

Y/E Dec	Revenue (A$m)	EBITDA (A$m)	PBT (A$m)	EPS (fd) (c)	P/E (x)	P/CF (x)
2012	0.1	(17.6)	(17.5)	(2.3)	N/A	N/A
2013	0.6	(12.0)	(16.4)	(2.1)	N/A	N/A
2014e	2.4	(8.3)	(10.6)	(0.9)	N/A	N/A
2015e	5.4	(5.9)	(5.9)	(0.5)	N/A	N/A

Sector: Pharma & healthcare

Price:	€39.00
Market cap:	€274m
Forecast net debt (€m)	6.1
Forecast gearing ratio (%)	137.0
Market	Euronext Brussels

Share price graph (€)

Company description

Cardio3 BioSciences is developing an autologous stem cell therapy for chronic ischaemic heart disease. The product is in Phase III in the EU and will start a US-led Phase III by late 2014. There is a Chinese partner.

Price performance

%	1m	3m	12m
Actual	(1.3)	7.1	140.3
Relative*	(2.7)	5.3	108.4

* % Relative to local index

Analyst

Dr John Savin

Cardio3 BioSciences (CARD)

INVESTMENT SUMMARY

Cardio3's C-Cure heart regenerative product programmes autologous stem cells to develop into heart muscle. This makes C-Cure a potentially powerful novel treatment for patients with weakened, scarred hearts, usually due to previous heart attacks. Cardio3 has licensed C-Cure for the Chinese market to a joint venture with Medisun, a new Chinese company. Medisun invested €25m at €44/share to close the deal. This €25m cash will fund the CHART-2 trial, which means Cardio3 will not be forced to partner early in the US. Cash on 30 June was €40.1m with a six month loss of €5.9m.

INDUSTRY OUTLOOK

Competition in chronic ischaemic heart disease may arise from Teva (Phase III H218 data) or Capricor/Janssen (Phase II); Cytori's Phase II is on hold. Cardio3 has the EU-based CHART-1 Phase II running. This has recruited 120 patients, half of those needed, and recruitment could complete in late 2014. CHART-2 (part US and FA approved) may start by late 2014. Medisun may invest €20m extra in Chinese clinical development.

Y/E Dec	Revenue (€m)	EBITDA (€m)	PBT (€m)	EPS (c)	P/E (x)	P/CF (x)
2012	0.1	(7.9)	(8.8)	(724.37)	N/A	N/A
2013	0.0	(9.8)	(10.4)	(253.22)	N/A	N/A
2014e	0.0	(9.4)	(9.4)	(145.44)	N/A	N/A
2015e	0.0	(7.1)	(7.0)	(107.62)	N/A	N/A

Sector: Pharma & healthcare

Price:	€76.11
Market cap:	€326m
Forecast net cash (€m)	6.2
Forecast gearing ratio (%)	N/A
Market	Alternext Paris

Share price graph (€)

Company description

Carmat is developing a biocompatible, artificial heart to satisfy the lack of donor hearts available for terminal heart failure patients. The development process combines the expertise of a wide range of technical and medical experts.

Price performance

%	1m	3m	12m
Actual	(13.5)	(7.0)	(37.1)
Relative*	(13.0)	(3.2)	(41.8)

* % Relative to local index

Analyst

Emma Ulker

CARMAT (ALCAR)

INVESTMENT SUMMARY

Carmat is at a critical stage of CE-mark clinical studies for its bio-prosthetic heart. The device is being developed as a permanent replacement for up to 50,000 late-stage heart failure patients on donor heart waiting lists outside the US. There is no existing European standard for a permanent implant, providing significant commercial potential. Clinical studies could be completed in 2015, leading to CE-mark award in 2016 and confirmation of the US strategy. Carmat's options for attaining US regulatory approval include obtaining a narrow but cost-effective humanitarian use device (HUD) approval or via the broader premarket approval (PMA) process, providing an addressable market of up to 50,000 patients.

INDUSTRY OUTLOOK

The Carmat artificial heart is being developed as a permanent replacement or destination therapy (DT) for chronic heart failure or acute myocardial infarction patients, who do not have access to a human donor heart. Despite the increasing worldwide prevalence of heart failure, the shortfall in donor hearts is such that only around 3,800 human heart transplants were performed in Europe and the US in 2013, while c 100,000 patients suffering from end-stage biventricular heart failure, could benefit from a permanent alternative to transplant.

Y/E Dec	Revenue (€m)	EBITDA (€m)	PBT (€m)	EPS (c)	P/E (x)	P/CF (x)
2012	0.0	(20.8)	(21.9)	(403.8)	N/A	N/A
2013	2.9	(15.2)	(16.2)	(336.5)	N/A	N/A
2014e	5.4	(13.7)	(14.7)	(280.3)	N/A	N/A
2015e	0.3	(21.7)	(27.5)	(535.6)	N/A	N/A

EDISON

Sector: General industrials

Carr's Milling Industries (CRM)

Price:	1741.5p
Market cap:	£156m
Forecast net debt (£m)	23.7
Forecast gearing ratio (%)	28.0
Market	LSE

Share price graph (p)

Company description

Carr's Agriculture division serves farmers in north England, Scotland, the US, Germany and NZ. The Food division mills flour in the UK. The Engineering division offers remote handling equipment/fabrications to the nuclear and oil and gas industries.

Price performance

%	1m	3m	12m
Actual	(3.6)	(9.0)	19.7
Relative*	(4.5)	(8.7)	12.6

* % Relative to local index

Analyst

Anne Margaret Crow

INVESTMENT SUMMARY

The July IMS shows that Carr's continues to execute on its strategy of innovation, investment and internationalisation. This is expected to enable Carr's to deliver profits growth during FY14, despite the mild UK winter. We leave our estimates and valuation of 1,983p/share unchanged.

INDUSTRY OUTLOOK

In the Agriculture division AminoMax is helping win new customers as UK dairy farmers adopt more sophisticated feed regimes to maximize milk yields. The Food division is benefiting from a step-change in profitability following the commissioning of the new flour mill in Kirkcaldy in September 2013. Looking longer term, in the Engineering division the value of Bendalls' fabrication contracts for the production and supply of 27 pressure vessels for the BP Shah Deniz gas pipeline in Azerbaijan has been increased to £8m. These contracts are expected to primarily benefit FY15, offsetting continued delays in the placement of nuclear contracts by Sellafield, which adversely affected divisional profits in H114.

Y/E Aug	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (p)	P/E (x)	P/CF (x)
2012	404.1	16.8	12.8	95.6	18.2	12.9
2013	468.1	19.1	15.6	126.6	13.8	21.5
2014e	439.3	21.3	16.6	133.0	13.1	9.3
2015e	449.4	22.2	17.7	142.9	12.2	8.1

Sector: Technology

CENIT (CSH)

Price:	€12.10
Market cap:	€101m
Forecast net cash (€m)	17.5
Forecast gearing ratio (%)	N/A
Market	Xetra

Share price graph (€)

Company description

CENIT AG is a leading provider of consulting and software PLM and EIM solution to tier 1 automotive, aerospace, banking, insurance and industrial companies.

Price performance

%	1m	3m	12m
Actual	1.0	(0.8)	33.8
Relative*	3.2	2.3	18.0

* % Relative to local index

Analyst

Rafael Kapelinski

INVESTMENT SUMMARY

CENIT AG is a Stuttgart-based software value-added reseller and consulting company specialising in PLM (Product Lifecycle Management) and EIM (Enterprise Information Management) solutions. The recent focus on the development of own software in the PLM division (+5.7% y-o-y in FY14) is likely to accelerate sales and drive margin expansion toward the EBIT target of 10%. At the same time, the PLM division should continue to offset the slower growth in the EIM business. Scope for margin expansion, top-tier clients and a strong track record support the premium rating.

INDUSTRY OUTLOOK

We believe the manufacturing outlook for Germany continues to improve after the very challenging 2013, potentially driving stronger software sales and fuelling stronger demand for integration and consulting services. According to the United Nations Industrial Development Organisation's Q114 report, the manufacturing output of Germany increased by 4.1% y-o-y due to the growth of major export-oriented industries. The improved trading environment was also evident in the Q114 results from both SAP and Dassault Systemes (organic new licence revenue was up 6% y-o-y), which remain Cenit's key partners.

Y/E Dec	Revenue (€m)	EBITDA (€m)	PBT (€m)	EPS (fd) (c)	P/E (x)	P/CF (x)
2012	119.6	11.0	8.1	64.76	18.7	9.2
2013	120.1	10.6	8.4	70.26	17.2	9.6
2014e	121.0	10.9	8.5	70.88	17.1	9.3
2015e	123.2	11.2	8.7	72.94	16.6	9.1

Sector: Financials

Price:	218.5p
Market cap:	£139m
Forecast net debt (£m)	N/A
Forecast gearing ratio (%)	N/A
Market	AIM

Share price graph (p)

Company description

Cenkos is an independent, specialist, institutional securities group, focused on growth companies and investment funds. Its principal activities are corporate broking and advisory and institutional equities.

Price performance

%	1m	3m	12m
Actual	(2.0)	28.5	140.1
Relative*	(3.0)	28.9	125.9

* % Relative to local index

Analyst

Mark Thomas

Cenkos Securities (CNKS)

INVESTMENT SUMMARY

Cenkos differentiates itself by its meritocratic remuneration policy leading to a flexible cost structure; staff ownership of risk; focus on diversified, profitable niches; and returns of capital to its owners (including 84.5p in dividends since float in 2006). The quality of staff that has delivered outperformance in tough conditions bodes well if there is a sustained market improvement. Cenkos was the sole co-ordinator and book runner for the recent AA float and on 23 June it announced its revenues and pre-tax profits for H114 were expected to exceed FY13's and to be significantly higher than market expectations for FY14. Our estimates are under review for upward revision.

INDUSTRY OUTLOOK

The most recent LSE market announcements indicate a substantial improvement in near-term trading as well as much increased capital raising. The reported deals on Cenkos's website are well ahead of 2013 and the pipeline commentary is very positive. If current conditions continue, we expect consensus upgrades.

Y/E Dec	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (p)	P/E (x)	P/CF (x)
2012	43.2	6.8	7.0	7.43	29.4	9.3
2013	51.4	10.9	10.7	14.19	15.4	10.0
2014e	N/A	N/A	N/A	N/A	N/A	N/A
2015e	N/A	N/A	N/A	N/A	N/A	N/A

Sector: Mining

Price:	167.0p
Market cap:	£186m
Forecast net cash (US$m)	45.0
Forecast gearing ratio (%)	N/A
Market	AIM

Share price graph (p)

Company description

Central Asia Metals owns, via its wholly owned subsidiary Sary Kazna, 60% of the Kounrad copper project with state-owned Kazakh partner Saryarka taking 40% on a free-carried basis. It also explores for copper and precious metals in Mongolia.

Price performance

%	1m	3m	12m
Actual	5.0	(2.8)	39.8
Relative*	4.0	(2.5)	31.5

* % Relative to local index

Analyst

Tom Hayes

Central Asia Metals (CAML)

INVESTMENT SUMMARY

Central Asia Metals' 2 July production and capacity extension update showed Q214 copper-cathode production of 3,188t and H114 total production of 5,094t. The company states that this figure is in line with its projections to produce c 11,000t of copper cathode by year end. Previous seasonal variations have indicated peak production occurred from August to October, which supports management's claims it is on target. H114 sales were 4,676t through its offtaker Traxys. The boiler house expansion is 75% complete and on schedule for commissioning in Q314 and Stage 1 of its expansion programme to 15ktpa is under way. We are reviewing our forecasts in light of this ramp up in production.

INDUSTRY OUTLOOK

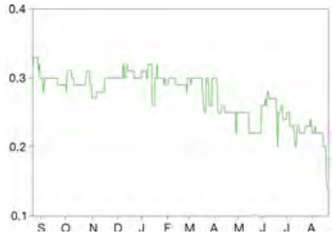
As of 18 July 2014 the company had 736,075 shares held in treasury and a total of 106,901,610 ordinary shares outstanding. Copper currently trades at c US$3.20/lb.

Y/E Dec	Revenue (US$m)	EBITDA (US$m)	PBT (US$m)	EPS (fd) (c)	P/E (x)	P/CF (x)
2012	30.7	15.9	14.8	12.0	23.8	8.6
2013	51.5	32.5	27.5	22.5	12.7	6.2
2014e	72.8	43.1	39.1	29.5	9.7	10.5
2015e	71.8	42.2	35.9	27.1	10.5	6.9

Sector: Mining

Price:	NZ$0.14
Market cap:	NZ$22m
Forecast net cash (NZ$m)	0.1
Forecast gearing ratio (%)	N/A
Market	NZAX

Share price graph (NZ$)



Company description

Chatham Rock Phosphate holds an exploration licence over 4,726sqkm off the east coast of New Zealand, known to house significant seabed deposits of rock phosphate and other minerals.

Price performance

%	1m	3m	12m
Actual	(36.4)	(36.4)	(54.2)
Relative*	(36.7)	(36.7)	(57.9)

* % Relative to local index

Analyst

Peter Chilton

Chatham Rock Phosphate (CRP)

INVESTMENT SUMMARY

Since the Marine Consent application was lodged, there have been almost 300 submissions from groups and individuals, with about one-third in favour and two-thirds against. Thich is considered by Chatham Rock (CRP) to be a good outcome given the propensity of people to submit when they are 'against' rather than when they are 'for'. The Crown submitted a detailed neutral submission with constructively suggested ways of overcoming concerns. The hearings are due to mostly run over September and October. CRP has meanwhile been focusing on marketing and has identified at least six countries in Asia that could use its phosphate product. The company has also been investigating phosphate trading and strategies to move up the value chain.

INDUSTRY OUTLOOK

The long-term outlook for phosphate rock is good due to a growing population worldwide. In the medium term, supply and demand for phosphate rock is fairly balanced. Key determinants of success for new projects include stable locations, access to markets and rock quality.

Y/E Mar	Revenue (NZ$m)	EBITDA (NZ$m)	PBT (NZ$m)	EPS (fd) (c)	P/E (x)	P/CF (x)
2012	0.0	(0.8)	(0.8)	(1.4)	N/A	N/A
2013	0.0	(1.4)	(1.4)	(1.0)	N/A	N/A
2014e	0.0	(1.4)	(1.4)	(1.0)	N/A	N/A
2015e	0.0	(2.8)	(2.8)	(1.2)	N/A	N/A

Sector: Financials

Price:	63.6p
Market cap:	£118m
Forecast net cash (£m)	20.6
Forecast gearing ratio (%)	N/A
Market	AIM

Share price graph (p)

Company description

Circle Holdings is an operator of both NHS and independent hospital facilities in the UK, and is extending its activities to the provision of other healthcare services. The group is co-owned by employees, clinician partners and external shareholders.

Price performance

%	1m	3m	12m
Actual	6.0	22.4	115.7
Relative*	5.0	22.7	102.9

* % Relative to local index

Analyst

Peter Thorne

Circle Holdings (CIRC)

INVESTMENT SUMMARY

Financial progress in 2013 included an advance in revenues and reduction in EBITDA loss; the result before rent payments was virtually break-even. £27.5m of additional growth equity was successfully raised. This balance sheet strengthening, combined with a growing operational track record, makes Circle a stronger counterparty in a range of contract negotiations, including a number of NHS hospital and service provider contracts being tendered (likely to represent c £7.4bn in aggregate revenues), and ongoing financing for further independent hospitals. NHS opportunities should increase further, particularly after the next election, in view of the number of underperforming NHS hospital trusts that are currently under review (c £14bn in revenues). Our estimates assume shareholder adoption of the planned new share structure (Project Reset).

INDUSTRY OUTLOOK

Over the last month, during which time the FTSE performance was flat, Spire's share price has risen 4% and Circle's slightly more at 5.7%. This good performance was in spite of BUPA, one of Circle's major customers, calling for industry-wide cuts in prices to make health insurance more affordable for its customers. Circle says that its prices are already competitive and reflect price pressure from its customers.

Y/E Dec	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (fd) (p)	P/E (x)	P/CF (x)
2012	73.2	(14.2)	(17.7)	(13.1)	N/A	N/A
2013	84.3	(13.8)	(17.3)	(8.0)	N/A	N/A
2014e	85.0	(6.1)	(10.1)	(4.1)	N/A	N/A
2015e	92.6	(2.1)	(6.0)	(1.8)	N/A	N/A

Sector: Pharma & healthcare

Price:	439.0p
Market cap:	£362m
Forecast net debt (£m)	4.0
Forecast gearing ratio (%)	6.0
Market	AIM

Share price graph (p)

Company description

Clinigen is a specialty pharmaceuticals and services business with three operating divisions: CTS provides a clinical trial supply service globally; GAP provides patients with difficult to access medicines; and Specialty Products sells niche drugs.

Price performance

%	1m	3m	12m
Actual	17.1	4.8	18.7
Relative*	15.9	5.1	11.6

* % Relative to local index

Analyst

Franc Gregori

Clinigen Group (CLIN)

INVESTMENT SUMMARY

Clinigen's growth story remains intact, albeit somewhat dented. The timings and size of contracts mean the revenue streams can be lumpy, but the project pipeline is healthy. The specialist niches in which it operates are attractive, offering resilient organic growth with defensive qualities. CTS, currently the largest division by revenue, is set to become a global leader in sourcing and supplying comparator drugs for customers' clinical trials. GAP and SP share similar supply chains as they distribute speciality pharmaceuticals to 53 countries around the world, with GAP running a variety of patient access programmes for company clients and SP building a portfolio of proprietary hospital-only drugs.

INDUSTRY OUTLOOK

Clinigen operates in highly specialised and defensive niches that are benefiting from the pharmaceutical industry's greater outsourcing of non-core functions. This trend, together with the rising regulatory burden and the increasing need for dedicated auditable supply chains, suggests Clinigen's recent solid organic growth is set to be maintained over the medium term.

Y/E Jun	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (fd) (p)	P/E (x)	P/CF (x)
2012	82.1	11.8	15.8	22.0	20.0	44.0
2013	122.6	20.0	20.4	20.4	21.5	16.8
2014e	127.2	22.7	19.4	18.3	24.0	29.0
2015e	147.0	26.5	22.2	20.9	21.0	16.6

Sector: Technology

Price:	4.1p
Market cap:	£6m
Forecast net debt (£m)	N/A
Forecast gearing ratio (%)	N/A
Market	AIM

Share price graph (p)

Company description

CloudTag is developing a body-worn fitness device, related software and a cloud data service. It is initially focused on the wellness, weight loss and sports and performance markets.

Price performance

%	1m	3m	12m
Actual	(13.2)	(10.8)	(73.4)
Relative*	(14.0)	(10.6)	(75.0)

* % Relative to local index

Analyst

Katherine Thompson

CloudTag (CTAG)

INVESTMENT SUMMARY

CloudTag has launched its mycloudtag app in the Apple App Store. Free to download, users can access training programmes created by leading fitness professionals. Additional programmes can be bought or earned by recommending the app to friends or performing a set number of programmes. The app will soon be available to Android users and CloudTag is finalising development of the cloud architecture that will allow users remote access to their data. Depending on uptake of the app and its premium content, CloudTag could see initial revenues in H214.

INDUSTRY OUTLOOK

CloudTag competes in a market made up of a variety of heart-rate monitor-based watches, activity monitoring body-worn devices and fitness apps. The market is currently dominated by well-established companies like Garmin, Nike and Polar, but is also attracting small specialist start-ups. Market analysts forecast strong growth in wireless-enabled wearable devices, particularly Bluetooth-enabled sports, fitness and health monitoring devices.

Y/E Dec	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (fd) (p)	P/E (x)	P/CF (x)
2012	0.0	(0.7)	(0.7)	(0.71)	N/A	N/A
2013	0.0	(1.3)	(1.3)	(0.90)	N/A	N/A
2014e	N/A	N/A	N/A	N/A	N/A	N/A
2015e	N/A	N/A	N/A	N/A	N/A	N/A

Sector: Technology

CML Microsystems (CML)

Price:	350.0p
Market cap:	£57m
Forecast net cash (£m)	10.7
Forecast gearing ratio (%)	N/A
Market	LSE

Share price graph (p)

Company description

CML Microsystems supplies semiconductors into specialist communications and embedded flash memory storage applications.

Price performance

%	1m	3m	12m
Actual	(3.5)	(35.5)	(34.8)
Relative*	(4.4)	(35.3)	(38.6)

* % Relative to local index

Analyst

Dan Ridsdale

INVESTMENT SUMMARY

FY15 will be affected by a number of customer transition issues, particularly an end-user inventory build-up related to the exit of a customer from the industrial storage market. We believe these are largely transition issues, which should normalise over the course of 2015, while investment in wireless chipset solutions and broadening the storage portfolio should support a recovery in growth and margins in FY16. The July trading update reaffirmed FY15 expectations, although given the anticipated back-end weighting, visibility is still low as this stage.

INDUSTRY OUTLOOK

We believe that business lost from the major storage customers's market exit should eventually be replaced by other customers. Uptake in SATA has been slower than expected, but the development of SD/MMC and USB products expand CML's addressable market in storage. In wireless, uptake of higher value chipset solutions should support solid growth, although the timing of customer product launches adds near-term unpredictability.

Y/E Mar	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (fd) (p)	P/E (x)	P/CF (x)
2013	24.6	8.0	5.6	27.3	12.8	7.3
2014	24.4	8.3	5.9	29.0	12.1	7.3
2015e	21.0	5.4	2.5	12.3	28.5	10.3
2016e	25.0	8.1	4.9	23.7	14.8	6.6

Sector: Technology

Comptel (CTL1V)

Price:	€0.62
Market cap:	€67m
Forecast net cash (€m)	0.2
Forecast gearing ratio (%)	N/A
Market	OMX

Share price graph (€)

Company description

Comptel supplies automated customer interaction, operational and business support software solutions (B/OSS) to communication service providers (CSPs) globally.

Price performance

%	1m	3m	12m
Actual	(1.6)	3.3	31.9
Relative*	(1.6)	2.0	9.1

* % Relative to local index

Analyst

Dan Ridsdale

INVESTMENT SUMMARY

Comptel's plans to reinvigorate growth should be enhanced by the development of a new generation of analytics-enabled products. The Tech Mahindra partnership should also put Comptel in a much stronger position to win business as part of large BSS/OSS transformation deals. While sales declined in H1, deal flow and order intake paint a more encouraging picture. We forecast a return to growth in H2, while continued commercial momentum could prompt upgrades for FY15. On the basis of current estimates, Comptel's P/E rating looks fair, but a stronger recovery in growth should deliver operationally geared earnings upside.

INDUSTRY OUTLOOK

The BSS/OSS market is large, competitive and fragmented. Comptel's growth will be determined by Comptel's success with new products targeted at structural pockets of growth such as Analytics, Policy and Charging Control and Fulfillment, while continuing to harvest its large customer base for more mature products.

Y/E Dec	Revenue (€m)	EBITDA (€m)	PBT (€m)	EPS (fd) (c)	P/E (x)	P/CF (x)
2012	82.4	3.6	(1.3)	(1.1)	N/A	18.9
2013	82.7	13.0	5.6	2.4	25.8	5.4
2014e	82.7	13.0	5.9	3.3	18.8	5.5
2015e	85.2	14.6	7.7	4.3	14.4	4.8

EDISON

Sector: Pharma & healthcare

Price:	929.5p
Market cap:	£272m
Forecast net cash (£m)	13.2
Forecast gearing ratio (%)	N/A
Market	LSE

Share price graph (p)

Company description

Consort Medical is an international medical devices business. Having divested King Systems (for up to $170m in cash), it once more consists of the Bespak operations (inhalation and injection technologies).

Price performance

%	1m	3m	12m
Actual	(3.5)	8.5	10.8
Relative*	(4.4)	8.8	4.2

* % Relative to local index

Analyst

Franc Gregori

Consort Medical (CSRT)

INVESTMENT SUMMARY

Consort Medical is midway through implementing its growth strategy. The goal of sustainable double-digit earnings growth should be achieved organically through the new product opportunities progressing through development. These, coupled with further expansion and diversification of its activities (including drug handling), should result in increasing revenues and, with margin improvement, proportionately higher profit. The improving earnings visibility (a combination of new respiratory devices, product diversification, operational improvements and moving up the value chain) suggests this should be achievable via organic growth. Selective M&A and investment opportunities (such as Atlas Genetics) should be viewed as supplementary.

INDUSTRY OUTLOOK

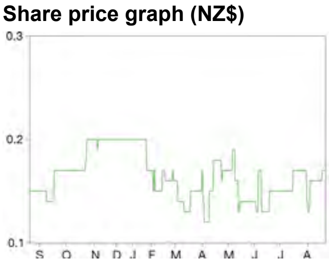
Bespak is a leader in producing medical devices for the pharmaceutical industry, with proven expertise in high-volume, high-quality manufacture of regulated products. Bespak's core drug-delivery franchise is inhalation, although it has diversified into auto-injectors, nasal delivery and point-of-care diagnostics through the Atlas Genetics investment.

Y/E Apr	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (fd) (p)	P/E (x)	P/CF (x)
2013	95.0	24.0	15.9	52.6	17.7	10.2
2014	100.0	24.4	17.5	47.1	19.7	14.9
2015e	105.1	26.7	17.9	47.2	19.7	10.6
2016e	110.4	28.8	18.9	49.4	18.8	7.2

Sector: Food & drink

Price:	NZ$0.17
Market cap:	NZ$44m
Forecast net debt (NZ$m)	N/A
Forecast gearing ratio (%)	N/A
Market	NZSX

Share price graph (NZ$)



Company description

Cooks Global Foods owns the global rights to the Esquires Coffee House brand, with 75 stores currently operating in the UK, Ireland, Canada, China and the Middle East via master franchise arrangements.

Price performance

%	1m	3m	12m
Actual	0.0	18.6	10.7
Relative*	(0.5)	18.0	1.8

* % Relative to local index

Analyst

Victoria Buxton

Cooks Global Foods (CGF)

INVESTMENT SUMMARY

Cooks Global Foods (CGF) will soon publish its full annual review (financial statements have already been published), which will outline the company's strategy to shareholders. It has recently signed master franchise agreements for Indonesia and Northern Cyprus and is reportedly close to signing agreements in two other markets. The company is also developing a new brand strategy and consumer engagement strategy that will be progressively rolled out later this year, starting in the UK. We are reviewing our model for 2014 results and updating our estimates.

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 around 10% a year in many countries, providing numerous opportunities for CGF to expand, even in mature markets such as the UK.

Y/E Mar	Revenue (NZ$m)	EBITDA (NZ$m)	PBT (NZ$m)	EPS (fd) (c)	P/E (x)	P/CF (x)
2012	0.1	0.1	(0.6)	(2.30)	N/A	N/A
2013	1.5	1.2	1.2	4.32	3.9	N/A
2014e	N/A	N/A	N/A	N/A	N/A	N/A
2015e	N/A	N/A	N/A	N/A	N/A	N/A

EDISON

Sector: Media & entertainment

Price:	109.0p
Market cap:	£65m
Forecast net cash (£m)	9.2
Forecast gearing ratio (%)	N/A
Market	LSE

Share price graph (p)

Company description

Creston is an international marketing communications group delivering services including advertising, CRM, digital and direct marketing, health communications, local marketing, market research, PR and social media marketing.

Price performance

%	1m	3m	12m
Actual	4.6	3.8	3.3
Relative*	3.6	4.1	(2.8)

* % Relative to local index

Analyst

Fiona Orford-Williams

Creston (CRE)

INVESTMENT SUMMARY

Creston's Q1 IMS (31 July) confirmed that it is on course to meet FY15 expectations with like-for-like revenues up 2% (up 3% at constant currency). Q1 new business performance was good, with wins from a broad spectrum of clients across a range of activities, mostly using the group's extensive digital expertise. The increased internal co-operation is clearly starting to pay off in cross- and up-selling, which should help drive the top line and boost profits. The shares remain on an unjustifiable discount to the media agency sector.

INDUSTRY OUTLOOK

The most recent AA/Warc forecast for UK advertising spend was again revised upwards with 2014 growth now estimated at 6.0% and 2015 at 6.4%. The Bellwether survey also shows the degree of confidence, with the seventh successive monthly uplift in the proportion of marketing directors increasing their budgets, with increases across all segments bar market research. Internet-based marketing continues to see the strongest positive momentum.

Y/E Mar	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (fd) (p)	P/E (x)	P/CF (x)
2013	75.2	11.8	10.0	14.7	7.4	5.4
2014	74.9	11.4	9.6	11.8	9.2	8.7
2015e	78.6	11.9	10.0	12.3	8.9	8.1
2016e	80.6	12.1	10.2	12.7	8.6	6.6

Sector: Travel & leisure

Price:	36.5p
Market cap:	£26m
Forecast net debt (£m)	N/A
Forecast gearing ratio (%)	N/A
Market	AIM

Share price graph (p)

Company description

Cupid is a leading provider of online dating services, operating a portfolio of sites.

Price performance

%	1m	3m	12m
Actual	(5.8)	(17.5)	(39.2)
Relative*	(6.7)	(17.3)	(42.8)

* % Relative to local index

Analyst

Fiona Orford-Williams

Cupid (CUP)

INVESTMENT SUMMARY

Cupid's June AGM statement indicated that H114 revenues slightly undershot internal targets, but that the H114 EBITDA loss was c £3m, better than anticipated due to good cost control. Interim results are due on 23 September. Net cash of £11m (pre-dividend) supports the ongoing realignment of the group to focus on its core brands and the development of the data adtech proposition. Cupid.com was redesigned and relaunched in Q2 and LoveBeginsAt.com launched in the UK and now in the US, while UniformDating has been launched in Australia. Kestrel Partners holds 18.23% of the shares. Our forecasts remain under review.

INDUSTRY OUTLOOK

The disposal of the Casual assets to concentrate dating on the niche and mainstream sites removed what was, for some, a barrier to investment and reduced the reputational risk. While the broad strategy of developing a more robust and sustainable tech business model is being taken on board, the market's view of the newer activities is still taking shape and appraisal of the group's positioning remains on hold.

Y/E Dec	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (fd) (p)	P/E (x)	P/CF (x)
2012	26.7	4.1	4.0	3.7	9.9	1.9
2013	26.6	(2.8)	(2.9)	(5.3)	N/A	0.9
2014e	N/A	N/A	N/A	N/A	N/A	N/A
2015e	N/A	N/A	N/A	N/A	N/A	N/A

Sector: Industrial support services

Price: US$103.99
Market cap: US$3734m
Forecast net debt (US$m) N/A
Forecast gearing ratio (%) N/A
Market NYSE MKT

Share price graph (US$)

Company description

Cytec Industries is a global specialty chemicals and materials company. It has four divisions: Aerospace Materials (52%); Industrial Materials (10%); In-Process Separation (22%); and Additive Technologies (16%).

Price performance

%	1m	3m	12m
Actual	(2.9)	6.0	36.6
Relative*	(3.8)	0.4	12.7

* % Relative to local index

Analyst

Roger Johnston

Cytec Industries (CYT)

INVESTMENT SUMMARY

Cytec delivered a good set of Q2 results with net sales from continuing operations up 3% to $527m and net earnings from continuing operations $62.5m, or $1.70 per share (Q213: $62.6m, $1.51 per share). The stand-out performer was Industrial Material, where continuing sales were up 19% to $87m and operating earnings were up 92% to $9.6m driven by high-performance automotive and aerospace tooling. Aerospace Materials benefited from aerospace rate increases, but operating earnings were held back by a higher proportion of bought-in carbon fibre. IPS saw strong sales in copper and phosphine, while Additive Technologies remains steady despite tough economic conditions. Full year EPS guidance was raised to $5.85-6.15 from the previous $5.60-6.00 per share and we are reviewing our forecasts.

INDUSTRY OUTLOOK

End-markets include aerospace and defence, mining, polymers and broader industrials. While aerospace is booming, there are pockets of more subdued demand due to economic concerns in Europe.

Y/E Dec	Revenue (US$m)	EBITDA (US$m)	PBT (US$m)	EPS (fd) (c)	P/E (x)	P/CF (x)
2012	1708.0	301.0	212.0	345.19	30.1	23.0
2013	1935.0	349.0	273.0	480.04	21.7	13.5
2014e	N/A	N/A	N/A	N/A	N/A	N/A
2015e	N/A	N/A	N/A	N/A	N/A	N/A

Sector: Pharma & healthcare

Price: US$1.40
Market cap: US$111m
Forecast net debt (US$m) 31.8
Forecast gearing ratio (%) 141.0
Market NASDAQ

Share price graph (US$)

Company description

Cytori sells the Celution device to harvest and concentrate adipose cells at the bedside for autologous therapy. It is CE marked. Two cardiac studies are underway in heart attack recovery and chronic heart disease.

Price performance

%	1m	3m	12m
Actual	(32.4)	(38.9)	(38.9)
Relative*	(33.0)	(42.1)	(49.6)

* % Relative to local index

Analyst

Dr John Savin

Cytori Therapeutics (CYTX)

INVESTMENT SUMMARY

Cytori continues to develop its business in patient-derived adipose (fat) derived regenerative cells (ADRC). Six months and Q214 product and contract revenues were $2.7m and $1.3m respectively ($3.6m of sales are due to be recognised in H214). After planned meetings with BARDA, it seems likely that a large new contract will be agreed over the summer. This is critical to progress a possible burns indication. The ATHENA ischemic cardiomyopathy trial may announce the 40m cell dose arm data in Q115. The 80m cell dose arm could report in Q315, enabling a Phase III from 2016. Cash and equivalents on 30 June stood at $12.8m. Cytori raised $10m gross in a June share subscription.

INDUSTRY OUTLOOK

Cardio3 (autologous) and Teva/Mesoblast (allogenic) both have Phase III studies in chronic ischemic heart disease under way. Cytori could have a clear and defensible market position, but is some way from a pivotal trial. A small study in anterior cruciate ligament repair has completed recruitment.

Y/E Dec	Revenue (US$m)	EBITDA (US$m)	PBT (US$m)	EPS (c)	P/E (x)	P/CF (x)
2012	14.5	(28.4)	(33.0)	(56.3)	N/A	N/A
2013	12.2	(32.6)	(38.1)	(56.2)	N/A	N/A
2014e	12.4	(35.3)	(40.2)	(53.5)	N/A	N/A
2015e	33.3	(22.9)	(27.0)	(35.9)	N/A	N/A

Sector: Pharma & healthcare

Price:	US$3.18
Market cap:	US$177m
Forecast net cash (US$m)	84.3
Forecast gearing ratio (%)	N/A
Market	NASDAQ

Share price graph (US$)

Company description

CytRx is focused on oncology. Its lead programme, aldoxorubicin, is Phase III-ready for second-line STS, in an ongoing Phase IIb study in front-line STS, and has entered Phase II for GBM and Kaposi's sarcoma.

Price performance

%	1m	3m	12m
Actual	(12.2)	(7.6)	35.3
Relative*	(13.0)	(12.4)	11.6

* % Relative to local index

Analyst

Jason Zhang

CytRx (CYTR)

INVESTMENT SUMMARY

Detailed results of the Phase IIb trial of aldoxorubicin in first-line STS patients presented at the annual meeting of ASCO (top-line results were reported in several press releases) continue to show the drug's superior efficacy and safety profile over doxorubicin. The 400-patient, FDA SPA-sanctioned Phase III trial in second-line STS is progressing well with targeted completion of accrual in 2015 and possible top-line readout in 2016, a major value inflection point if the data are positive. CytRx reported cash, cash equivalents and short-term investments of $102.5m as of 30 June 2014.

INDUSTRY OUTLOOK

CytRx has a strong rationale for advancing aldoxorubicin, a tumour-targeted doxorubicin conjugate, into a pivotal Phase III study for second-line STS. Initiation of Phase III development is supported by positive Phase I/II data in advanced STS; doxorubicin's efficacy in STS; limited competition; high unmet medical need; and a clear regulatory pathway due to the Special Protocol Assessment received from the FDA.

Y/E Dec	Revenue (US$m)	EBITDA (US$m)	PBT (US$m)	EPS (c)	P/E (x)	P/CF (x)
2012	0.1	(19.0)	(18.9)	(81.5)	N/A	N/A
2013	0.3	(23.5)	(23.4)	(70.6)	N/A	N/A
2014e	0.0	(35.9)	(35.7)	(70.6)	N/A	N/A
2015e	0.0	(44.0)	(43.9)	(85.8)	N/A	N/A

Sector: Pharma & healthcare

Price:	€20.70
Market cap:	€318m
Forecast net cash (€m)	26.7
Forecast gearing ratio (%)	N/A
Market	Euronext Paris

Share price graph (€)

Company description

DBV Technologies is a French allergy company focused on food allergy. DBV has a pipeline of patch-based allergy immunotherapy products, including lead candidate Viaskin Peanut. Other patch products are also in development.

Price performance

%	1m	3m	12m
Actual	2.2	10.8	159.4
Relative*	2.9	15.2	140.1

* % Relative to local index

Analyst

Dr Philippa Gardner

DBV Technologies (DBV)

INVESTMENT SUMMARY

DBV's novel Viaskin patch technology could revolutionise treatment of life-threatening food allergies. Viaskin is based on the established principles of allergy immunotherapy (AIT), which can offer an allergy cure. Traditional AIT (injections or oral) is not appropriate for food allergies owing to potentially fatal consequences. DBV's Viaskin patch uses the skin to transport allergens to the immune system, avoiding passage to the blood and reducing the risk of anaphylaxis. Lead product Viaskin Peanut has demonstrated efficacy in children with nearly 70% able to consume 10x more peanut after 18 months' treatment, and has been well tolerated to date. Topline Phase IIb VIPES data are expected in October.

INDUSTRY OUTLOOK

Peanut allergy is estimated to affect c 1.4% of children in the US, an increase from 0.6% in 1997. There are around 30,000 emergency room visits for food allergy per year in the US, with around 200 deaths. No treatment options exist outside of strict avoidance and carrying an adrenaline pen.

Y/E Dec	Revenue (€m)	EBITDA (€m)	PBT (€m)	EPS (fd) (c)	P/E (x)	P/CF (x)
2012	2.8	(13.7)	(13.0)	(105.40)	N/A	N/A
2013	3.8	(20.3)	(19.3)	(141.89)	N/A	N/A
2014e	4.8	(15.8)	(14.9)	(98.66)	N/A	N/A
2015e	4.6	(14.4)	(13.5)	(89.21)	N/A	N/A

Sector: Pharma & healthcare

Price:	723.5p
Market cap:	£635m
Forecast net debt (£m)	6.0
Forecast gearing ratio (%)	3.0
Market	LSE

Share price graph (p)

Company description

Dechra Pharmaceuticals is a global distributor and developer of veterinary pharmaceuticals and diets. The three principal operations are European pharmaceuticals, US pharmaceuticals and product development.

Price performance

%	1m	3m	12m
Actual	3.8	3.0	5.5
Relative*	2.8	3.3	(0.7)

* % Relative to local index

Analyst

Franc Gregori

Dechra Pharmaceuticals (DPH)

INVESTMENT SUMMARY

Dechra Pharmaceuticals' July IMS shows trading for the year to June 2014 is in line with expectations. Group revenues are up an underlying 1.6% (+2.3% in actual currencies), with H2 up 3.7% and reversing the 0.7% decline seen in H1. European sales were up 0.7% CER (+2.0% reported) as the growth seen in all markets was offset by continuing weakness in the Netherlands (mainly antibiotic sales related). Companion Animal Products sales are up 3.4% and Equine up 13.0%, but Food Producing Animal Products are down 7.5%. US pharmaceuticals were up an underlying 7.1% (+3.4% in actual currencies). Revenues here are set to grow as the previous supply issues recede. The strategic growth drivers are now in place, with medium- and longer-term growth set to be driven by the new product pipeline and geographic expansion.

INDUSTRY OUTLOOK

The animal health market is attractive, particularly the companion animal segment. As dogs and cats increasingly become members of the modern family, people in both developed and emerging markets are purchasing a broader range of products to help their pets live longer and healthier lives. Companion animals forms the majority (52%) of Dechra Pharmaceuticals' current and prospective revenues.

Y/E Jun	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (p)	P/E (x)	P/CF (x)
2012	124.3	24.6	16.9	14.4	50.2	18.7
2013	189.2	41.0	30.7	30.7	23.6	12.7
2014e	191.1	44.8	37.4	31.9	22.7	26.0
2015e	207.7	48.1	42.2	35.5	20.4	13.6

Sector: Alternative energy

Price:	€12.60
Market cap:	€65m
Forecast net debt (€m)	N/A
Forecast gearing ratio (%)	N/A
Market	Alternext Paris

Share price graph (€)

Company description

Deinove designs and develops technologies in biofuels and biochemicals by harnessing the properties of the Deinococcus bacterium.

Price performance

%	1m	3m	12m
Actual	2.5	(3.6)	32.2
Relative*	1.5	(3.2)	15.7

* % Relative to local index

Analyst

Graeme Moyse

Deinove (ALDEI)

INVESTMENT SUMMARY

The announcement of a collaborative agreement with Abengoa provides a potential route to significant end-markets and the agreement with Suez Environnement represents an effective extension to the Deinol project, enabling substrate diversification. In the Deinochem project Deinove has managed to produce significant concentrations of three molecules of potential industrial interest and has announced that it will acquire an exclusive licence for improving the isoprenoid biosynthesis pathway. Although Deinove has sufficient resources to meet its financial needs over the next 12 months and its majority shareholder remains supportive, the decision to cancel its capital raising was disappointing and additional financial resources will be required to sustain the business model. Our forecasts, which include a c €20m capital raising in 2014, remain under review.

INDUSTRY OUTLOOK

Environmental and security of energy supply concerns will underpin rapid growth in second-generation biofuels over the next 20 years.

Y/E Dec	Revenue (€m)	EBITDA (€m)	PBT (€m)	EPS (fd) (c)	P/E (x)	P/CF (x)
2012	0.7	(4.0)	(3.4)	(44.1)	N/A	N/A
2013	0.0	(5.1)	(5.4)	(54.5)	N/A	N/A
2014e	N/A	N/A	N/A	N/A	N/A	N/A
2015e	N/A	N/A	N/A	N/A	N/A	N/A

Sector: Pharma & healthcare

Deltex Medical Group (DEMG)

Price:	9.5p
Market cap:	£20m
Forecast net debt (£m)	N/A
Forecast gearing ratio (%)	N/A
Market	AIM

Share price graph (p)

Company description

Deltex Medical is a UK medical device company that manufactures and sells the CardioQ-oesophageal Doppler monitor and disposable probes for haemodynamic monitoring to reduce recovery times after high-risk and major surgery.

Price performance

%	1m	3m	12m
Actual	(6.2)	(30.7)	(43.1)
Relative*	(7.1)	(30.5)	(46.5)

* % Relative to local index

Analyst

Dr John Savin

INVESTMENT SUMMARY

H114 NHS sales were down 13% due to destocking relative to 15-20% growth expected; some recovery was seen from May. FY13 sales were £7.15m, of which 88% (£6.3m) were probes with the NHS accounting for 60% of revenues. For total FY14 sales to grow 9.5% to £7.8m, NHS sales need to double in H2 vs H1 and grow by 33% over H213, which seems optimistic. There were monitor gains of about £150k in H1; these sales are highly variable. Most international sales are in Q4. Interim results are due to be announced in the week of 8 September.

INDUSTRY OUTLOOK

Deltex raised £4.5m gross at 11p to drive its developing US opportunity. In 2013, US sales were £913k, but the US has a greater and faster growth potential. H114 US growth was 20% in US dollars, but hit by about 10% US$ weakening. Adoption by leading US academic medical schools is starting to occur. If Deltex builds to 30 accounts by 2016 across six US regions, it could generate £4.5m in extra sales with £1.4m net profit. The funding may accelerate R&D programmes. New premises plus process improvements should improve margins and capacity.

Y/E Dec	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (p)	P/E (x)	P/CF (x)
2012	6.8	(0.6)	(1.2)	(0.72)	N/A	N/A
2013	7.2	(1.4)	(1.8)	(1.06)	N/A	N/A
2014e	N/A	N/A	N/A	N/A	N/A	N/A
2015e	N/A	N/A	N/A	N/A	N/A	N/A

Sector: Pharma & healthcare

Derma Sciences (DSCI)

Price:	US$8.56
Market cap:	US$216m
Forecast net cash (US$m)	81.5
Forecast gearing ratio (%)	N/A
Market	NASDAQ

Share price graph (US$)

Company description

Derma Sciences is a specialty medical device/pharmaceutical company. It focuses on developing and commercialising traditional and novel advanced wound care products, including MEDIHONEY and TCC-EZ.

Price performance

%	1m	3m	12m
Actual	(10.0)	(5.5)	(37.3)
Relative*	(10.8)	(10.5)	(48.3)

* % Relative to local index

Analyst

Hans Bostrom

INVESTMENT SUMMARY

Derma Sciences offers a compelling risk/reward profile with the DSC127 trial and advanced wound management franchise progressing well in a vastly underserved market. The $80m fund-raising in January affords the company higher R&D and sales force investments, which we expect to propel strong sales growth, and to deepen operating losses in 2014 and 2015. Derma Sciences expects its Phase III trials of DSC127 for diabetic foot ulcers to be fully enrolled in 2015 with top-line data available in 2016. In Q214, its sales rose by 15.3% to $20.9m, but net loss also increased by $1.4m to $8.7m because of greater investment in R&D and SG&A. We believe the current share price attributes no probability to DSC127 successfully reaching the market, which we rate as 65% likely. We value the stock at $15.6, based on DCF.

INDUSTRY OUTLOOK

Derma Sciences operates in three segments of the wound care market: traditional (TWC), advanced (AWC) and pharmaceutical wound care (PWC). The slow-growing but cash-positive TWC unit provides the company with investment capital for the fast-growing AWC unit, which has seen a five-year CAGR of 53% and is expected to grow 25-35% in the next few years.

Y/E Dec	Revenue (US$m)	EBITDA (US$m)	PBT (US$m)	EPS (c)	P/E (x)	P/CF (x)
2012	72.5	(8.9)	(12.2)	(78.4)	N/A	N/A
2013	79.7	(14.9)	(21.0)	(123.8)	N/A	N/A
2014e	92.4	(22.5)	(27.7)	(107.7)	N/A	N/A
2015e	108.3	(16.4)	(22.8)	(86.0)	N/A	N/A

Sector: Mining

Price:	C$0.32
Market cap:	C$44m
Forecast net cash (C$m)	0.5
Forecast gearing ratio (%)	N/A
Market	TSX V

Share price graph (C$)

Company description

Duluth Metals is a TSX-listed Canadian company focused on developing the Twin Metals Minnesota copper-nickel-cobalt-platinum-palladium-gold-silver project through a JV with Antofagasta, and exploring for similar deposits in NE Minnesota, US.

Price performance

%	1m	3m	12m
Actual	(33.0)	(44.0)	(77.6)
Relative*	(34.3)	(47.2)	(81.9)

* % Relative to local index

Analyst

Tom Hayes

Duluth Metals (DM)

INVESTMENT SUMMARY

Duluth's draft PFS highlights a 30-year mine life extracting 50k short tons per day of ore. Over the course of the mine life it is estimated 5.8bnlb copper, 1.2bnlb Ni, 1.5Moz Pt, 4.0Moz Pd, 1.0Moz Au and 25.2Moz Ag will be extracted. These metals will be extracted from the Maturi and Maturi SW deposits via bulk tonnage underground mining methods and converted into marketable copper and nickel concentrates. Estimated pre-production capex is US$2.8bn, equating to a capital intensity of US$6.24/lb of annual CuE produced. The base case valuation commodity prices used in the PFS were US$3.50/lb Cu; US$9.50/lb Ni; US$1,300/oz Au; US$1,680/oz Pt; US$815/oz Pd and US$21.5/lb Ag.

INDUSTRY OUTLOOK

At the commodity prices given above, Duluth states that in the first 10 years of operating the TMM project it will generate US$12.11bn in revenue, cumulative EBITDA of US$6.19bn and post-tax cash flow of US$3.87bn. The NI 43-101 independent consultants calculate a LOM base case NPV8 of US$1.4bn (pre-tax) and US$0.7bn (post-tax).

Y/E Dec	Revenue (C$m)	EBITDA (C$m)	PBT (C$m)	EPS (fd) (c)	P/E (x)	P/CF (x)
2012	0.0	(13.2)	(54.9)	(30.05)	N/A	N/A
2013	0.0	(12.0)	(58.3)	(31.79)	N/A	N/A
2014e	0.0	(10.9)	(47.9)	(22.01)	N/A	N/A
2015e	N/A	N/A	N/A	N/A	N/A	N/A

Sector: Pharma & healthcare

Price:	27.8p
Market cap:	£73m
Forecast net cash (£m)	41.2
Forecast gearing ratio (%)	N/A
Market	AIM

Share price graph (p)

Company description

e-Therapeutics is a drug discovery and development company with a proprietary network pharmacology discovery platform and a clinical pipeline (with potential to be out-licensed post-Phase II).

Price performance

%	1m	3m	12m
Actual	(7.5)	(14.6)	(21.3)
Relative*	(8.4)	(14.4)	(25.9)

* % Relative to local index

Analyst

Franc Gregori

e-Therapeutics (ETX)

INVESTMENT SUMMARY

e-Therapeutics is a pioneer in network pharmacology, with two lead programmes, ETS2101 (dexanabinol) in various cancers and ETS6103 (tramadol) in major depressive disorder, progressing through clinical trials. Interim data from the Phase Ia UK solid tumours trial have confirmed ETS2101 is safe and well-tolerated up to doses of 22mg/kg. This, coupled with initial observations suggesting a potential anti-tumour effect, supports the decision to continue the trial up to the maximum tolerated dose (MTD). Data from this extension, as well as from the ongoing US Phase I/II glioma trial, will provide comprehensive data to inform next development steps. Positive results would provide major value inflection points. The company is well funded, through to 2019, following the £38.9m (net) raise in March 2013. Interim results are expected in September.

INDUSTRY OUTLOOK

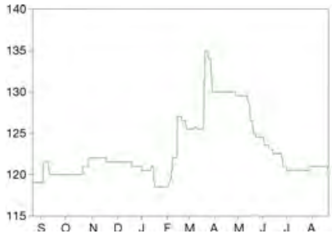
Network pharmacology could potentially revolutionise drug discovery and shorten the path to market by minimising technical risks (failure on safety or efficacy grounds) and drug development costs. e-Therapeutics is well positioned, with limited direct competition and growing industry interest in systems biology-based multi-target approaches to drug discovery.

Y/E Jan	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (p)	P/E (x)	P/CF (x)
2012	0.0	(4.0)	(3.9)	(2.5)	N/A	N/A
2013	0.0	(5.2)	(5.0)	(3.0)	N/A	N/A
2014e	0.0	(8.8)	(8.3)	(2.9)	N/A	N/A
2015e	0.0	(8.9)	(8.5)	(2.7)	N/A	N/A

Sector: Media & entertainment

Price:	120.0p
Market cap:	£86m
Forecast net debt (£m)	21.4
Forecast gearing ratio (%)	43.0
Market	AIM

Share price graph (p)



Company description

Ebiquity is a leading provider of a range of business-critical data, analysis and consultancy services to advertisers and PR professionals in the UK and internationally.

Price performance

%	1m	3m	12m
Actual	(0.4)	(4.0)	0.8
Relative*	(1.4)	(3.7)	(5.1)

* % Relative to local index

Analyst

Martin Lister

Ebiquity (EBQ)

INVESTMENT SUMMARY

Ebiquity's FY14 results showed continuing growth, with FY14 revenue up 7% to £68.5m with 68% (FY13: 66%) originating outside the UK. The Media Value Measurement and Marketing Performance Optimisation segments recorded strong organic growth of 8% and 32% respectively and both were boosted by recent acquisitions in FY13 and FY14. Group underlying operating profit margin rose to 16.6% (FY13: 16.3%). Underlying PBT of £10.2m was £0.6m shy of our estimate as the Market Intelligence segment held back growth. Management has restructured its business to take advantage of the fast-changing marketing industry and has put the building blocks in place to accelerate its international business in the US and Asia. FY15 underlying EPS growth is likely to be restrained by, as anticipated, a full 28% (FY14: 20%) tax charge.

INDUSTRY OUTLOOK

Advertisers continue to focus on achieving better returns on their marketing investment. IDC estimates that business analytics could reach over $50bn by 2016. The growing influence of social media is changing the way that marketing departments view the overall media arena, especially regarding non-paid social media.

Y/E Apr	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (fd) (p)	P/E (x)	P/CF (x)
2013	64.0	11.7	9.5	9.0	13.3	N/A
2014	68.5	12.8	10.2	10.1	11.9	N/A
2015e	73.0	14.5	11.4	10.3	11.7	N/A
2016e	75.2	15.2	12.0	10.9	11.0	N/A

Sector: Technology

Price:	42.5p
Market cap:	£95m
Forecast net cash (£m)	5.1
Forecast gearing ratio (%)	N/A
Market	AIM

Share price graph (p)

Company description

Eckoh provides multi-channel customer service and secure payment solutions for the customer contact centre market.

Price performance

%	1m	3m	12m
Actual	10.4	10.4	79.9
Relative*	9.3	10.7	69.2

* % Relative to local index

Analyst

Katherine Thompson

Eckoh (ECK)

INVESTMENT SUMMARY

Eckoh sees current trading in line with market expectations, with strong growth in revenues and margins in Q115. Positive contract momentum in the UK includes a contract renewal/extension with Tenpin and two three-year contracts to provide payment services to both a large financial institution and a specialist provider of packaged account products and services in mobile handset protection. The US channel partner is helping Eckoh to build a strong sales pipeline in the US. Strong trading supports our 30% revenue growth forecast for FY15, and we leave our estimates unchanged.

INDUSTRY OUTLOOK

Eckoh's customer base consists of consumer-facing companies that typically offer phone-based services to customers to enable them to buy products or services, pay bills or obtain information. Its hosted services help companies make their call centres more efficient, reduce customers' PCI DSS compliance requirements and provide an automated process to aid customers with more routine enquiries or services.

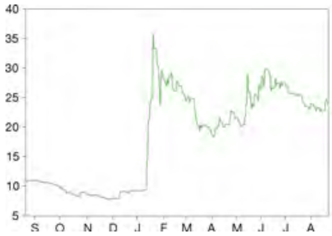
Y/E Mar	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (p)	P/E (x)	P/CF (x)
2013	11.0	2.4	1.6	0.73	58.2	34.5
2014	14.0	3.2	2.3	0.89	47.8	18.9
2015e	18.3	4.7	3.4	1.35	31.5	42.1
2016e	20.8	5.6	4.0	1.59	26.7	18.1

Sector: Oil & gas

Egdon Resources (EDR)

Price:	23.5p
Market cap:	£52m
Forecast net cash (£m)	10.0
Forecast gearing ratio (%)	N/A
Market	AIM

Share price graph (p)



Company description

Egdon Resources is an onshore oil and gas exploration and production company. It has conventional and unconventional assets in the UK and France, with its focus being the UK.

Price performance

%	1m	3m	12m
Actual	(6.9)	(2.1)	119.0
Relative*	(7.8)	(1.8)	106.0

* % Relative to local index

Analyst

Peter Lynch

INVESTMENT SUMMARY

In June 2014 Egdon acquired the UK shale gas licence portfolio of Alkane Energy, totalling 66,867 net acres, increasing its shale gas portfolio by 91% to 140,176 acres. The deal builds out Egdon's shale gas position in the Gainsborough trough, an area assessed as a sweet spot for UK shale gas potential. In terms of core NAV for Egdon's existing assets we assign a value of 8.5p, comprising producing assets and cash. We value the group's seven conventional exploration prospects at 17.5p, suggesting a risked valuation (RENAV) of 26p. In addition, we tentatively suggest a value for Egdon's unconventional shale gas acreage portfolio of 41p, suggesting a value for the company of 67p.

INDUSTRY OUTLOOK

The supportive stance taken by the UK government towards shale provides a stable fiscal and regulatory environment for its development. Egdon is looking to increase its exposure further to this resource through the 14th UK Onshore Licensing Round, which is expected in 2014.

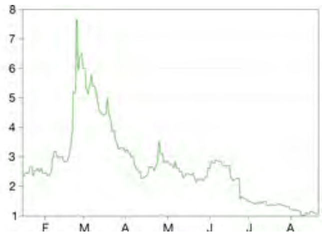
Y/E Jul	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (fd) (p)	P/E (x)	P/CF (x)
2012	2.6	3.7	(6.4)	(2.2)	N/A	36.6
2013	3.3	1.4	(2.9)	(0.5)	N/A	N/A
2014e	3.8	0.6	(2.3)	0.9	26.1	N/A
2015e	4.2	0.6	(1.0)	(0.4)	N/A	89.1

Sector: Technology

Ekso Bionics Holdings (EKSO)

Price:	US$1.03
Market cap:	US$81m
Forecast net cash (US$m)	9.1
Forecast gearing ratio (%)	N/A
Market	OTC Bulletin Board

Share price graph (US$)



Company description

Ekso Bionics is a pioneer in the field of human robotic exoskeletons that augment mobility, strength and endurance. It is a development-stage company based in Richmond, California.

Price performance

%	1m	3m	12m
Actual	(24.3)	(52.1)	N/A
Relative*	(25.0)	(54.6)	N/A

* % Relative to local index

Analyst

Dan Scovel

INVESTMENT SUMMARY

Ekso Bionics is a development-stage company that produces human robotic exoskeletons, or wearable robots. The company's Ekso Labs division uses government research grants to develop technology to enhance able-bodied human strength and endurance, while its Ekso GT system is sold to hospitals for lower-body paralysis and weakness rehabilitation. The company has delivered 79 Ekso GT systems to over 65 facilities in 17 countries as of June 2014. Primary patients include spinal cord injuries (SCI) and stroke victims and we estimate the company can ultimately ship at least 3,000 units to over 10,000 hospitals in North America and Europe at an average selling price over $100,000.

INDUSTRY OUTLOOK

Human robotic exoskeletons have been introduced to the market over the last couple of years. Ekso Bionics' first mass-market opportunity is in clinical medical rehabilitation and it already has plans to expand to the home for personal use as well as into able-bodied products for industrial applications.

Y/E Dec	Revenue (US$m)	EBITDA (US$m)	PBT (US$m)	EPS (c)	P/E (x)	P/CF (x)
2012	2.7	(14.2)	(15.1)	(30.1)	N/A	N/A
2013	3.3	(10.3)	(12.1)	(58.51)	N/A	N/A
2014e	5.3	(10.6)	(11.6)	(15.45)	N/A	N/A
2015e	8.5	(7.3)	(7.9)	(10.17)	N/A	N/A

EMED Mining (EMED)

Sector: Mining

Price:	7.8p
Market cap:	£111m
Forecast net debt (€m)	200.3
Forecast gearing ratio (%)	1420.0
Market	AIM

Share price graph (p)

Company description

EMED wholly owns the Rio Tinto copper project in Southern Spain and the Biely Vrch gold project in Slovakia. The company is largely funded to reopen the Rio Tinto mine upon receipt of the outstanding mining and environmental permits.

Price performance

%	1m	3m	12m
Actual	6.9	1.6	26.5
Relative*	5.9	1.9	19.0

* % Relative to local index

Analyst

Andrey Litvin

INVESTMENT SUMMARY

EMED announced that it has entered into a subscription agreement with two of its cornerstone shareholders, Yanggu Xiangguang Copper (XGC) and Orion Mine Finance Fund (Orion), to raise £13.1m (c US$22m) by way of conditional equity offering. The company will issue 181.2m shares at 7.25 pence, or 7% below the market price. Following the equity raise, Orion will have 14.5% interest in EMED, while XGC will control 12.5% of the company's share capital. The proceeds from this placement will be used for general working capital needs and should enable the company to finalise the funding package for its Rio Tinto copper project. The company has also reported that it continues negotiations with banks regarding senior debt facilities of US$200m. However, it appears that the eventual share of debt in the overall funding structure may be lower than it was originally planned.

INDUSTRY OUTLOOK

Despite the recent weakness, copper prices remain at an elevated level trading at US$6,885/t.

Y/E Dec	Revenue (€m)	EBITDA (€m)	PBT (€m)	EPS (c)	P/E (x)	P/CF (x)
2012	0.0	(11.5)	(12.0)	(1.1)	N/A	N/A
2013	0.0	(10.0)	(12.5)	(1.6)	N/A	N/A
2014e	0.0	(6.2)	(22.5)	(1.9)	N/A	N/A
2015e	113.1	46.6	2.6	0.2	49.1	3.0

EMIS (EMIS)

Sector: Technology

Price:	710.0p
Market cap:	£448m
Forecast net cash (£m)	3.3
Forecast gearing ratio (%)	N/A
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 its Ascribe acquisition, also supplies specialist and acute care software.

Price performance

%	1m	3m	12m
Actual	(0.4)	7.3	(5.1)
Relative*	(1.4)	7.6	(10.7)

* % Relative to local index

Analyst

Katherine Thompson

INVESTMENT SUMMARY

Through the acquisition of Indigo 4 Systems, EMIS is gaining access to software tools that help connect primary and secondary healthcare, strengthening its integrated healthcare offering and adding a large secondary care customer base. Costing up to £3.7m in cash, the deal is immediately earnings accretive. The company recently reported that it traded in line with expectations in H114. We see share price upside potential as evidence of successful integration of Ascribe and uptake of integrated healthcare solutions starts to emerge.

INDUSTRY OUTLOOK

EMIS is the dominant software supplier to the UK GP market, with a greater than 50% market share, and has a strong position in mental and community health, A&E, acute care 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 'Connect All' strategy, which promotes greater interoperability between NHS departments.

Y/E Dec	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (p)	P/E (x)	P/CF (x)
2012	86.3	33.2	27.6	39.0	18.2	12.6
2013	105.5	38.9	30.2	41.4	17.1	10.9
2014e	134.0	48.1	34.2	41.7	17.0	8.4
2015e	139.8	50.6	34.6	42.2	16.8	8.7

Entertainment One (ETO)

Sector: Media & entertainment

Price:	348.6p
Market cap:	£1023m
Forecast net debt (£m)	185.0
Forecast gearing ratio (%)	59.0
Market	LSE

Share price graph (p)

Company description

Entertainment One is a leading independent entertainment group focused on the acquisition, production and distribution of film and television content rights across all media throughout the world.

Price performance

%	1m	3m	12m
Actual	4.9	28.9	60.8
Relative*	3.9	29.2	51.3

* % Relative to local index

Analyst

Jane Anscombe

INVESTMENT SUMMARY

The Q1 IMS (23 July) reported that pro forma revenue rose 4% and confirmed that FY15 earnings are in line with expectations. We slightly increased our estimates to incorporate the Phase 4 and Paperny bolt-on acquisitions, which are an excellent fit for eOne's North American business. We expect an updated library valuation to be announced shortly. M&A activity across the global entertainment industry has refocused attention on the value of content and we believe that eOne's shares remain excellent value.

INDUSTRY OUTLOOK

PWC (Media Outlook 2014) expects the global filmed entertainment market to grow at 4.5% CAGR between 2013 and 2018, with digital revenue (VOD and OTT/streaming services) growing at 19.9% CAGR and overtaking physical home video rental (DVD, Blu-ray) in 2018. Box office CAGR remains resilient at 4.9%. Television's ability to reach large audiences means that ad spend will grow at 5.5% CAGR with online TV doubling its share from 2.25% to 4.5%; subscription TV should grow at 3.5% CAGR.

Y/E Mar	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (fd) (p)	P/E (x)	P/CF (x)
2013	629.1	62.5	53.8	15.9	21.9	N/A
2014	819.6	92.3	77.9	20.9	16.7	N/A
2015e	861.0	101.0	86.0	21.5	16.2	N/A
2016e	893.0	112.0	97.5	24.3	14.3	N/A

Epigenomics (ECX)

Sector: Pharma & healthcare

Price:	€3.10
Market cap:	€42m
Forecast net debt (€m)	N/A
Forecast gearing ratio (%)	N/A
Market	FRA

Share price graph (€)

Company description

Epigenomics is a German molecular diagnostics company focused on early detection of cancer. Its main product is Epi proColon, a blood-based DNA test for colorectal cancer that uses a sophisticated PCR assay to detect methylated copies of the septin9 gene.

Price performance

%	1m	3m	12m
Actual	(1.4)	(51.3)	25.1
Relative*	0.8	(49.8)	10.3

* % Relative to local index

Analyst

Hans Bostrom

INVESTMENT SUMMARY

The chief catalyst for Epigenomics will be completion of a user study of its blood-based test Epi proColon in the non-compliant population. This study will answer the FDA's requirement for demonstration of improved patient compliance with colorectal cancer (CRC) screening compared to approved methods. The study will support its PMA application for Epi proColon, following the issue of the complete response letter in early June. Meanwhile, partner BioChain has filed for Chinese regulatory approval. There is an opportunity to gain early ground in China as incidence and awareness of CRC grows. The outlook for 2014 is for cash burn of c €8m; Epigenomics has liquidity into early 2015 and it is evaluating financing options including further capital market transactions.

INDUSTRY OUTLOOK

Epi proColon offers patients a simple and convenient alternative to faecal occult blood testing and should increase compliance for colorectal screening by addressing individuals not currently participating in screening programmes. Epi proLung is an aid in the diagnosis of lung cancer from bronchial lavage using the SHOX2 biomarker.

Y/E Dec	Revenue (€m)	EBITDA (€m)	PBT (€m)	EPS (c)	P/E (x)	P/CF (x)
2012	1.0	(10.8)	(10.9)	(125.3)	N/A	N/A
2013	1.6	(6.3)	(6.5)	(55.5)	N/A	N/A
2014e	N/A	N/A	N/A	N/A	N/A	N/A
2015e	N/A	N/A	N/A	N/A	N/A	N/A

Sector: Pharma & healthcare

Price:	322.5p
Market cap:	£32m
Forecast net debt (£m)	N/A
Forecast gearing ratio (%)	N/A
Market	AIM

Share price graph (p)

Company description

Epistem has a profitable contract services business and an emerging clinical biomarker technology with Sanofi as a big client. Epistem is preparing to launch Genedrive, its novel molecular diagnostic device, initially in the TB market.

Price performance

%	1m	3m	12m
Actual	(1.5)	(4.4)	(43.7)
Relative*	(2.5)	(4.2)	(47.0)

* % Relative to local index

Analyst

Emma Ulker

Epistem Holdings (EHP)

INVESTMENT SUMMARY

Epistem's pre-close update for FY14 showed that income remained broadly level with EBITDA of £2.5m versus £1.5m in FY13 due to increased investment in developing Genedrive. End-June net cash stood at £4.2m; Epistem subsequently entered into a collaborative funding agreement with Global Health Investment Fund GHIF, issuing an $8m (£4.7m) convertible bond to fund the field trials of Genedrive for the diagnosis of infectious diseases in developing nations. During 2014, Epistem signed an agreement with the US Air Force to evaluate Genedrive for pathogen detection, securing £0.4m during an initial six-month development phase. If the evaluation is successful, Epistem will receive additional development funding and Genedrive will be rolled out by the US Department of Defence.

INDUSTRY OUTLOOK

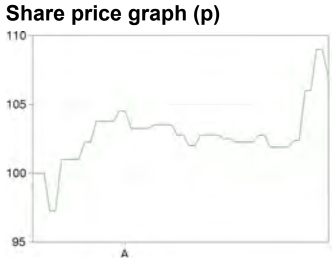
Epistem believes Genedrive (a DNA-based diagnostic point-of-care system) will change the shape of DNA diagnostics. It has now been CE marked, but published data are very limited. The TB market seems a good one as other tests are unreliable or expensive.

Y/E Jun	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (p)	P/E (x)	P/CF (x)
2012	5.6	(0.6)	(0.7)	(2.9)	N/A	N/A
2013	5.4	(1.2)	(1.5)	(12.5)	N/A	N/A
2014e	N/A	N/A	N/A	N/A	N/A	N/A
2015e	N/A	N/A	N/A	N/A	N/A	N/A

Sector: General industrials

Price:	107.0p
Market cap:	£141m
Forecast net debt (£m)	1.1
Forecast gearing ratio (%)	2.0
Market	AIM

Share price graph (p)



Company description

Epwin supplies exterior PVC building products (windows, doors, roofline and rainwater goods) into several UK market segments and is a modest exporter. It has a leading market position in roofline products.

Price performance

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

* % Relative to local index

Analyst

Toby Thorrington

Epwin Group (EPWN)

INVESTMENT SUMMARY

A pre-IPO merger is contributing to improved performance of all three of Epwin's divisions with further integration benefits expected in FY14. These enhanced market positions provide a platform for development by deepening and widening sector exposures to drive earnings growth. Ahead of this, Epwin has strong yield attractions (4.2% FY14, 6.4% FY15 at the 100p AIM admission price).

INDUSTRY OUTLOOK

Epwin is exposed to both RMI (c 70% revenue) and newbuild (c 30%) in the UK housing market. However, both sectors are ahead y-o-y, referencing a rising interest rate path; industry commentators have been more cautious in the short term.

Y/E Dec	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (p)	P/E (x)	P/CF (x)
2012	294.4	21.8	13.5	8.3	12.9	8.5
2013	264.1	21.3	14.4	9.6	11.1	11.1
2014e	266.2	24.3	17.8	10.9	9.8	7.3
2015e	271.3	25.2	18.9	11.2	9.6	6.4

EDISON

Erytech Pharma (ERYP)

Sector: Pharma & healthcare

Price:	€13.14
Market cap:	€73m
Forecast net cash (€m)	7.7
Forecast gearing ratio (%)	N/A
Market	NYSE Euronext

Share price graph (€)

Company description

Erytech Pharma is a French orphan oncology company with a red blood cell encapsulation technology. Its lead product, Graspa, is in a Phase III trial for acute lymphoblastic leukaemia and a Phase IIb for acute myeloid leukaemia.

Price performance

%	1m	3m	12m
Actual	(8.1)	(6.1)	31.4
Relative*	(7.5)	(2.4)	21.6

* % Relative to local index

Analyst

Dr Philippa Gardner

INVESTMENT SUMMARY

Phase III ALL data for Erytech's lead product Graspa are anticipated in September/October 2014, which should allow for first EU launch in early 2016 with partner Recordati. Graspa is based on L-asparaginase, a child leukaemia treatment used for over 30 years. However, use in elderly and frail patients is limited owing to serious side effects and allergic reactions. Graspa, based on Erytech's unique technology, has already demonstrated improved safety with equivalent efficacy to L-asp and is being investigated in pivotal trials in both ALL and AML. Phase II pancreatic cancer development is due to start in coming months. Ery-Met, based on similar principles to Graspa, recently entered the preclinical pipeline.

INDUSTRY OUTLOOK

Erytech's technology allows proteins to be encapsulated within red blood cells. This protects the molecule from the body’s natural defences, and limits sudden exposure. In addition, the encapsulated molecule’s half-life can be extended. This allows lower doses to achieve the same efficacy as standard/regular drug, while reducing side effects.

Y/E Dec	Revenue (€m)	EBITDA (€m)	PBT (€m)	EPS (fd) (c)	P/E (x)	P/CF (x)
2012	5.7	(1.4)	(2.2)	(69.64)	N/A	67.7
2013	1.8	(7.4)	(8.2)	(174.32)	N/A	N/A
2014e	1.3	(7.7)	(7.2)	(130.59)	N/A	N/A
2015e	1.4	(8.0)	(7.6)	(136.43)	N/A	N/A

Esker (ALESK)

Sector: Technology

Price:	€17.00
Market cap:	€84m
Forecast net cash (€m)	12.4
Forecast gearing ratio (%)	N/A
Market	Alternext Paris

Share price graph (€)

Company description

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

Price performance

%	1m	3m	12m
Actual	0.4	(9.6)	22.4
Relative*	1.0	(6.0)	13.3

* % Relative to local index

Analyst

Katherine Thompson

INVESTMENT SUMMARY

Esker reported strong trading in Q214, with revenue growth of 6% y-o-y, on-demand revenues up 15% and faster implantation times driving traffic growth. On a divisional basis, DPA (revenues €9.5m) grew 9% y-o-y and Legacy Products (revenues €1.4m) fell 4% y-o-y. We will revisit forecasts after H114 results are released in September, but we highlight that company revenue guidance for FY14 (c 10% growth in constant currency) more than underpins our forecasts.

INDUSTRY OUTLOOK

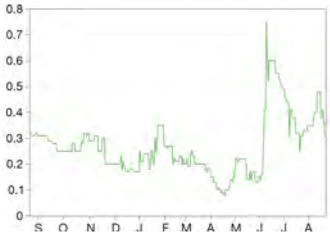
Esker's DPA software operates across four areas: document delivery, accounts payable, accounts receivable and sales order processing. Competitors are different for each business process, and consist of business process outsourcers and specialist DPA software companies. Customers move to using DPA software 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 Mar	Revenue (€m)	EBITDA (€m)	PBT (€m)	EPS (fd) (c)	P/E (x)	P/CF (x)
2012	40.3	6.6	4.3	60.0	28.3	13.0
2013	41.1	6.6	3.9	62.0	27.4	12.4
2014e	43.7	7.0	4.3	58.0	29.3	12.8
2015e	47.3	8.4	5.7	74.0	23.0	10.4

Sector: Mining

Price:	C$0.31
Market cap:	C$26m
Forecast net debt (C$m)	5.5
Forecast gearing ratio (%)	32.0
Market	TSX V

Share price graph (C$)



Company description

Euromax Resources is a Canadian resource company that focuses on the acquisition and development of mineral-bearing assets in Southeast Europe. Its flagship asset, Ilovitza in Macedonia, is at the pre-feasibility stage.

Price performance

%	1m	3m	12m
Actual	24.0	121.4	(4.6)
Relative*	21.6	108.5	(22.9)

* % Relative to local index

Analyst

Rob Kirtley

Euromax Resources (EOX)

INVESTMENT SUMMARY

Euromax Resources has announced the results of the pre-feasibility study (PFS) on its Ilovitza gold project in Macedonia. Euromax also declared a maiden reserve for Ilovitza of 2.45Moz of gold and 905Mlb of copper. Euromax highlighted a cash flow distribution-based strategy, in which its free cash flow will be distributed to shareholders. Euromax will begin Phase 1 financing of US$30m non-equity funding due in August 2014 and will start engaging with banks early to raise Phase 2 financing of US$350m in debt project financing once the NI 43-101 is filed. Our updated valuation, based on the PFS data, the December resource statement and revised funding, is C$0.98/share, up from our initiation value of C$0.40/share.

INDUSTRY OUTLOOK

Ilovitza's Phase 2 financing should qualify for German Federal Government guarantees, which are available for projects that deliver commodities, such as base metals, to German users.

Y/E Dec	Revenue (C$m)	EBITDA (C$m)	PBT (C$m)	EPS (c)	P/E (x)	P/CF (x)
2012	0.0	(5.0)	(5.1)	(7.8)	N/A	N/A
2013	0.0	(5.3)	(5.4)	(6.6)	N/A	N/A
2014e	0.0	(5.2)	(5.3)	(6.3)	N/A	N/A
2015e	0.0	(5.2)	(5.3)	(6.3)	N/A	N/A

Sector: Media & entertainment

Price:	1074.0p
Market cap:	£1376m
Forecast net debt (£m)	26.9
Forecast gearing ratio (%)	7.0
Market	LSE

Share price graph (p)

Company description

Euromoney is a global business publishing group with interests in information training and events. Primary international markets are Finance, commodities and metals. Two-thirds of revenues are invoiced in US dollars.

Price performance

%	1m	3m	12m
Actual	(0.7)	(5.8)	(5.8)
Relative*	(1.7)	(5.5)	(11.4)

* % Relative to local index

Analyst

Fiona Orford-Williams

Euromoney Institutional Investor (ERM)

INVESTMENT SUMMARY

Euromoney's (ERM) IMS (21 July) outlined resilient trading against a difficult market backdrop and currency headwinds. The acquisition of the assets of Mining Indaba brings in a strong and contiguous brand that ERM can leverage across its physical and technical infrastructure. The price of 7.3x historic EBITDA makes the deal earnings enhancing, although the timing of the main exhibition means the benefit will not accrue until FY15. We made minor adjustments to our estimates to reflect the purchase, offset by the effects of further sterling strength on translation, leaving the valuation still looking attractive.

INDUSTRY OUTLOOK

Economic and commercial conditions for many of ERM's clients have been easing and market transaction levels have picked up, but sentiment remains cautious, particularly in debt/fixed-interest markets. This limits spending on new products, and ensures continuing focus on getting value for money for services already under contract. Conditions in emerging markets (over a third of group revenues) are showing some improvement, with the Indian market turning, a resilient performance in Indonesia and Thailand, good business generated in Saudi Arabia and Latin America and China avoiding realising the worst of the fears.

Y/E Sep	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (fd) (p)	P/E (x)	P/CF (x)
2012	394.1	121.6	106.8	65.9	16.3	10.8
2013	404.7	125.0	116.5	71.0	15.1	12.7
2014e	412.0	124.8	114.0	68.9	15.6	10.8
2015e	433.0	134.2	121.4	73.1	14.7	10.2

Sector: Pharma & healthcare

Price: CHF1.27
Market cap: CHF352m
Forecast net cash (CHFm) 52.6
Forecast gearing ratio (%) N/A
Market Swiss Stock Exchange

Share price graph (CHF)

Company description

Evolva is Swiss biosynthesis 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	(7.3)	(5.2)	58.8
Relative*	(7.9)	(4.3)	46.1

* % Relative to local index

Analyst

Dr Mick Cooper

Evolva (EVE)

INVESTMENT SUMMARY

Evolva has an innovative biosynthesis platform focused on developing new production methods for nutritional and consumer health products. Its key programme for the stevia sweeteners (including RebM), partnered with Cargill, could be launched in 2015/16 and will initially be targeted at the $4bn beverage sweetener market. Evolva has achieved a US$1m technical milestone from the project. It also has a vanilla project (partnered with IFF, on market), and ones for resveratrol (on market) and saffron. It has an alliances with L'Oreal, Ajinomoto and Roquette, and another collaboration in Malaysia for indigenous natural products. Its legacy pharmaceutical product, EV-077, is partnered with Serodus, and preclinical development of antibiotic GC-072 is being funded by a DTRA grant. Evolva has an estimated net cash position of c CHF60m, after raising CHF42.5m in February. The capital raise means Evolva is likely to exercise its option to form a JV with Cargill to commercialise stevia.

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)
2012	7.0	(16.7)	(18.7)	(7.8)	N/A	N/A
2013	8.7	(14.3)	(16.2)	(5.8)	N/A	N/A
2014e	10.2	(15.0)	(16.6)	(6.3)	N/A	N/A
2015e	11.0	(13.2)	(14.4)	(4.7)	N/A	N/A

Sector: Pharma & healthcare

Price: €3.65
Market cap: €481m
Forecast net cash (€m) 85.0
Forecast gearing ratio (%) N/A
Market FRA

Share price graph (€)

Company description

Evotec is a drug discovery business that provides outsourcing solutions to pharmaceutical companies, including Bayer, Boehringer Ingelheim, Janssen and Roche. It has operations in Germany, the UK and the US.

Price performance

%	1m	3m	12m
Actual	(0.1)	6.3	34.2
Relative*	2.1	9.6	18.3

* % Relative to local index

Analyst

Dr Mick Cooper

Evotec (EVT)

INVESTMENT SUMMARY

Evotec remains focused on innovation with its CureX/TargetX strategy to differentiate itself from other drug discovery companies. There are now three CureX and 12 TargetX collaborations, drug discovery alliances with academia. TargetAD has led to major corporate alliances with J&J and several other similar deals could be signed over the next two years. Data from the second Phase III trial with DiaPep277 in Type I diabetes are due in Q414/Q115 and the Phase II study with EVT302 in Alzheimer's disease in mid-2015. Two products could also enter clinical development over the next 12 months, and EVT100 (partnered with Janssen) could re-enter the clinic as well. Evotec acquired Euprotec for £1.9m with a deferred payment in May to strengthen its anti-infectives capabilities. Evotec's sales grew by 9% in H114 to €40.1m (+12% at constant currencies), and adjusted EBITDA was stable at €0.6m even though R&D spending increased by 30% to €6.3m. It is well capitalised, with €85.6m cash at H114.

INDUSTRY OUTLOOK

Pharmaceutical companies are outsourcing drug discovery activities to improve their productivity and decrease the fixed costs associated with them. Evotec's growth depends on its ability to provide a high-quality integrated service.

Y/E Dec	Revenue (€m)	EBITDA (€m)	PBT (€m)	EPS (c)	P/E (x)	P/CF (x)
2012	87.3	9.1	1.3	0.4	912.5	35.2
2013	85.9	13.3	5.1	4.0	91.3	62.4
2014e	91.3	11.3	4.6	2.9	125.9	33.8
2015e	105.8	16.4	9.6	6.6	55.3	23.6

Sector: Investment companies

Price:	€4.95
Market cap:	€47m
Forecast net debt (€m)	147.9
Forecast gearing ratio (%)	99.0
Market	FRA

Share price graph (€)

Company description

Fair Value REIT (FVI) is a real estate investment trust managing 368,000sqm at 44 commercial properties spread across Germany. It has a diversified portfolio of office and retail assets, with a focus on regional locations.

Price performance

%	1m	3m	12m
Actual	(4.8)	(7.1)	17.8
Relative*	(2.7)	(4.1)	3.8

* % Relative to local index

Analyst

Martyn King

Fair Value REIT (FVI)

INVESTMENT SUMMARY

Fair Value REIT (FVI) reported robust half-year underlying profits and management has reiterated guidance of €5.1m underlying (EPRA basis) consolidated net profits for the full year. This supports maintenance of the significantly increased dividend (2013 DPS more than doubled on 2012), with the prospect of future growth. The dividend increase was made possible by the strategic repositioning of the portfolio over the past two years, reducing complexity and sustainably lifting distributable income. The shares have risen in absolute terms over the past 12 months, yet the prospective c 5% yield remains attractive and the discount to NAV has remained much wider than for peers.

INDUSTRY OUTLOOK

The German commercial real estate market is benefiting from low interest rates, a dearth of attractive yield generating investment alternatives and the comparative stability of the economy.

Y/E Dec	Revenue (€m)	EBITDA (€m)	PBT (€m)	EPS (fd) (c)	P/E (x)	P/CF (x)
2012	36.8	21.6	10.1	63.78	7.8	2.6
2013	36.4	19.8	8.6	68.68	7.2	3.4
2014e	30.4	15.4	9.7	54.54	9.1	4.0
2015e	31.9	16.7	12.3	62.96	7.9	3.6

Sector: Oil & gas

Price:	5.2p
Market cap:	£18m
Forecast net cash (£m)	6.7
Forecast gearing ratio (%)	N/A
Market	AIM

Share price graph (p)

Company description

Fastnet Oil & Gas is an E&P company focused on Morocco and offshore Ireland. The company differentiates itself from peers by following an aggressive deal-flow driven strategy with an objective to return all future gains to shareholders.

Price performance

%	1m	3m	12m
Actual	(8.4)	(17.6)	(71.2)
Relative*	(9.3)	(17.4)	(72.9)

* % Relative to local index

Analyst

Ian McLelland

Fastnet Oil & Gas (FAST)

INVESTMENT SUMMARY

Fastnet continues to execute its strategy of covering drilling and past costs through farm-outs. This has limited cost exposure for the recent FA-1 well in Morocco to less than $2.75m. Although the FA-1 well was not a commercial discovery, oil shows were confirmed in sidewall cores and "feather-edge" very fine-grained thin sands were confirmed, despite only tagging the very top of the prospective sand package. Fastnet will be fully carried on any FA follow-up well up to a cap of $100m. Meanwhile, for the remainder of 2014, the main focus will be on potential farm-outs at Tendrara, where terms of an option agreement have recently been renegotiated extending the drill deadline to April 2015, and in the Celtic Sea, where an ongoing process is seeking to recover up to US$20m of past costs for an initial offering of equity. Following FA-1, our RENAV drops to 26p (from 37p).

INDUSTRY OUTLOOK

Fastnet has a monetisation strategy to exit through asset sales within three years of IPO.

Y/E Mar	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (fd) (p)	P/E (x)	P/CF (x)
2013	0.0	(3.5)	(3.2)	(1.1)	N/A	N/A
2014	0.0	(2.9)	(2.7)	(0.9)	N/A	N/A
2015e	0.0	(4.1)	(5.8)	(2.0)	N/A	N/A
2016e	N/A	N/A	N/A	N/A	N/A	N/A

Sector: General retailers

Price:	€6.98
Market cap:	€82m
Forecast net cash (€m)	18.0
Forecast gearing ratio (%)	N/A
Market	FRA

Share price graph (€)

Company description

Firstextile is the leading manufacturer of high-end yarn-dyed fabrics in the Chinese domestic market. It also markets fabrics and shirts for uniforms, as well as its own-branded men's shirts for the Chinese premium market segment.

Price performance

%	1m	3m	12m
Actual	(5.8)	(24.1)	(13.3)
Relative*	(3.7)	(21.7)	(23.6)

* % Relative to local index

Analyst

Victoria Buxton

Firstextile (FT8)

INVESTMENT SUMMARY

In July Firstextile secured a $100m syndicated loan. The purpose of the loan is to fund corporate growth initiatives and working capital requirements, having recently announced the completion of the building phase of its new factory aimed at doubling production capacity. The loan enables the repayment of an existing one-year higher rate loan, thus increases planning security over the next three years. The interest rate on the loan, which is fully repayable within 36 months, is 4.25% above three months' Libor.

INDUSTRY OUTLOOK

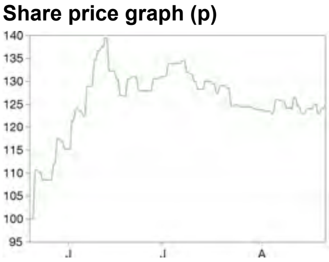
China's Q214 GDP grew by 7.5% in line with the government's 7.5% target for 2014, with other indicators of the overall Chinese textile and clothing industry also showing positive signs. Urbanisation and the growth of the middle class is positive, as is the shift from international to domestic brands, although pressure on corporate gifting is unhelpful. Firstextile has plenty of scope to increase market share, helped by its strong R&D capability, an important competitive differentiator.

Y/E Dec	Revenue (€m)	EBITDA (€m)	PBT (€m)	EPS (fd) (c)	P/E (x)	P/CF (x)
2012	179.5	46.2	38.2	346.45	2.0	5.1
2013	200.3	45.1	40.1	278.97	2.5	1.6
2014e	194.0	37.5	31.3	225.30	3.1	3.3
2015e	247.5	44.5	35.5	255.98	2.7	2.6

Sector: Industrial support services

Price:	125.0p
Market cap:	£54m
Forecast net debt (£m)	5.5
Forecast gearing ratio (%)	11.0
Market	AIM

Share price graph (p)



Company description

Flowtech Fluidpower is a specialist distributor of products used in the hydraulics and pneumatics industry. Operations cover the UK and Benelux.

Price performance

%	1m	3m	12m
Actual	(2.7)	13.0	N/A
Relative*	N/A	N/A	N/A

* % Relative to local index

Analyst

Nigel Harrison

Flowtech Fluidpower (FLO)

INVESTMENT SUMMARY

Flowtech has established a niche position in the fluid power market in the UK and Benelux. It is acknowledged as the only distributor with a full product range that is able to respond to urgent customer needs within 24 hours. Its range includes branded product, generic support items and a growing range of high-quality, own-brand goods. The acquisition earlier this month strengthened the product base and introduces manufacturing and servicing skills. We look forward to next month's interim results announcement with optimism.

INDUSTRY OUTLOOK

Fluid power is the use of fluids under pressure to generate, control and transmit power. The industry is subdivided into hydraulics, using liquids such as oil, and pneumatics, using a gas such as air. Fluid power is seen as a growth segment of the engineering industry, with new applications constantly being developed for the controlled use of energy. The industry is not immune from recession, but industry forecasts suggest UK demand rising by up to 4% a year over the next two years.

Y/E Dec	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (fd) (p)	P/E (x)	P/CF (x)
2012	33.8	4.0	(1.9)	(163.0)	N/A	0.4
2013	34.3	4.9	(0.8)	(126.1)	N/A	0.4
2014e	33.0	6.6	3.0	5.6	22.3	7.8
2015e	34.2	7.0	6.3	11.7	10.7	7.7

Sector: Property

Price:	S$1.53
Market cap:	S$389m
Forecast net cash (S$m)	768.5
Forecast gearing ratio (%)	N/A
Market	Singapore Exchange

Share price graph (S$)

Company description

Forterra Trust owns a portfolio of real estate investments, refurbishments and developments in Shanghai and Qingdao. It actively manages these assets to maximise rent income and capital values.

Price performance

%	1m	3m	12m
Actual	(9.5)	(9.5)	(28.5)
Relative*	(9.7)	(11.2)	(33.1)

* % Relative to local index

Analyst

Martyn King

Forterra Trust (LG2U)

INVESTMENT SUMMARY

2014 continues to see Forterra focused on the development of its primary site, The Place, expected to deliver a significant uplift in revenue and group profitability. Management has adapted to the weaker macroeconomic and retail environment by upgrading the planned facilities and slightly refocusing the targeted tenant mix (towards food and beverage and offerings for children), designed to maximise rental income over the longer term. The opening timelines have also been realigned to coincide with seasonal consumer spending patterns. In our revised forecasts, the changes delay revenue contribution and defer group profitability until 2016. Encouragingly, tenant interest and retail pre-commitments continue to build.

INDUSTRY OUTLOOK

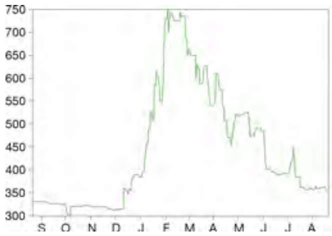
Office demand in the Puxi area of Shanghai, where The Place is situated, is more dependent on multinational corporations and has remained high in Q114 (13.4%), although office rents were up slightly (0.4%). The Place will be a significant addition to the overall Shanghai market, being one of only five shopping malls of 110,000sqm for a city of 23 million.

Y/E Dec	Revenue (S$m)	EBITDA (S$m)	PBT (S$m)	EPS (c)	P/E (x)	P/CF (x)
2012	99.1	N/A	(23.6)	(7.3)	N/A	N/A
2013	77.3	N/A	(37.0)	(10.0)	N/A	N/A
2014e	55.9	N/A	(35.3)	(9.8)	N/A	N/A
2015e	83.0	N/A	(15.3)	(4.2)	N/A	N/A

Sector: Technology

Price:	355.0p
Market cap:	£153m
Forecast net cash (RMm)	38.8
Forecast gearing ratio (%)	N/A
Market	AIM

Share price graph (p)



Company description

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

Price performance

%	1m	3m	12m
Actual	(2.1)	(26.8)	7.3
Relative*	(3.0)	(26.6)	0.9

* % Relative to local index

Analyst

Ian Robertson

Fusionex International (FXI)

INVESTMENT SUMMARY

Fusionex offers a rare and exciting investment opportunity in the big data and business intelligence space. Big data software spend is widely forecast to show explosive growth over the coming years and Fusionex's GIANT product has been built to address a large proportion of it. The company is well positioned to become a global player in its chosen markets. The recent distribution agreement with EMC and the award of Business Partner of the Year from Microsoft suggest the company has the right partners on its side.

INDUSTRY OUTLOOK

Business intelligence and big data in particular newsflow continues to be bullish with more deals being done in the VC-funded space. Although the equity markets' enthusiasm for the subsector may have subsided in recent months, there is no sign of underlying investment or demand declining.

Y/E Sep	Revenue (RMm)	EBITDA (RMm)	PBT (RMm)	EPS (sen)	P/E (x)	P/CF (x)
2012	31.3	16.4	15.1	38.48	48.6	37.6
2013	44.4	22.5	20.5	45.33	41.2	36.5
2014e	53.5	22.4	18.4	38.16	49.0	33.0
2015e	68.0	31.1	23.9	49.57	37.7	26.2

EDISON

Sector: Pharma & healthcare

Price:	51.0p
Market cap:	£50m
Forecast net debt (£m)	N/A
Forecast gearing ratio (%)	N/A
Market	AIM

Share price graph (p)

Company description

Futura Medical is a UK-based healthcare company developing non-prescription topical products in sexual healthcare and pain relief management, based on its proprietary DermaSys delivery technology.

Price performance

%	1m	3m	12m
Actual	0.5	(13.2)	(22.0)
Relative*	(0.5)	(13.0)	(26.6)

* % Relative to local index

Analyst

Franc Gregori

Futura Medical (FUM)

INVESTMENT SUMMARY

2014 should mark a defining moment for Futura Medical as recurring revenues arise. The first product, the PET500 sexual control spray, is marketed in the US by Ansell (under the EPIC brand) and, more importantly, the CSD500 erectogenic condom is expected to launch on a multi-country basis later this year. The recent £12m (gross) fund-raising will be used to accelerate the progress of the earlier development pipeline (notably the analgesic gel products). The low-cost business model means that even a modest commercial success could prove transformational for the company's finances.

INDUSTRY OUTLOOK

Futura Medical is a UK-based healthcare group focused on topical pharmaceutical drugs and medical devices that incorporate existing chemical entities and can be sold over the counter. The development portfolio consists of six products that range from PET500, a topical spray to delay premature ejaculation that has been launched by Ansell in the US, to the recently added TIB200 and SPR300, which are superior formulations of existing topical pain-relieving gels.

Y/E Dec	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (p)	P/E (x)	P/CF (x)
2012	0.1	(2.5)	(2.6)	(2.9)	N/A	N/A
2013	0.4	(2.5)	(2.7)	(2.8)	N/A	N/A
2014e	N/A	N/A	N/A	N/A	N/A	N/A
2015e	N/A	N/A	N/A	N/A	N/A	N/A

Sector: Investment companies

Price:	79.5p
Market cap:	£108m
Forecast net debt (£m)	0.0
Forecast gearing ratio (%)	0.0
Market	AIM

Share price graph (p)

Company description

Gable is a European non-life insurance company underwriting a broad range of specialist policies for the commercial sectors in the UK, Denmark, France, Germany, Italy, Norway and Spain. It is domiciled in the Cayman Islands.

Price performance

%	1m	3m	12m
Actual	(8.6)	(2.2)	17.3
Relative*	(9.5)	(1.9)	10.4

* % Relative to local index

Analyst

Peter Thorne

Gable Holdings (GAH)

INVESTMENT SUMMARY

2013 results showed strong progress. Gross written premiums (+63%) exceeded our expectations, underlying PBT nearly doubled, with underlying claims lower than we had forecast. Despite a generally softer insurance market, 2014 has begun strongly, supported by organic growth of existing products and further new product and distribution initiatives. As anticipated in our forecasts, claims reserves were prudentially strengthened by £4.1m, with further additions likely in 2014 and 2015 (also in our forecasts). Including this, the group still reported a low (71.6%) combined ratio and a strong return on tangible net assets (c 35%), both well ahead of peers. Our forecasts of continued strong premium growth only reflect announced new product introductions in new markets; further initiatives seem likely. Gable has recently announced an agreement with Gen Re, the reinsurance subsidiary of Warren Buffet's Berkshire Hathaway, which will give it additional capacity.

INDUSTRY OUTLOOK

Gable seeks to identify niche products where profitability may be sustainably higher; we expect growth from market share gains in a European commercial insurance market that remains competitive.

Y/E Dec	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (fd) (p)	P/E (x)	P/CF (x)
2012	30.9	N/A	6.1	4.40	18.1	N/A
2013	42.2	N/A	7.4	5.17	15.4	N/A
2014e	63.1	N/A	10.8	6.82	11.7	N/A
2015e	73.3	N/A	13.3	8.40	9.5	N/A

Sector: Consumer support services

Price:	37.0p
Market cap:	£58m
Forecast net debt (£m)	2.6
Forecast gearing ratio (%)	46.0
Market	AIM

Share price graph (p)

Company description

Gaming Realms creates, develops and markets interactive next-generation online gambling games delivered via mobile, tablet and desktop computers. It listed on AIM via a reverse takeover (of Pursuit Dynamics) in August 2013.

Price performance

%	1m	3m	12m
Actual	0.0	68.2	70.1
Relative*	(1.0)	68.7	60.0

* % Relative to local index

Analyst

Jane Anscombe

Gaming Realms (GMR)

INVESTMENT SUMMARY

Gaming Realms has announced the proposed acquisition of marketing company Blueburra, which specialises in online and mobile bingo (affiliate marketing via BingoPort and a number of white-label bingo 'skins'). Initial consideration is £5.0m and there is up to £5.5m earnout (both 50/50 cash and shares), part funded by a placing (@33p) to raise £6.0m. Blueburra brings in £1m of EBIT and is an excellent fit, enhancing Gaming Realms' database, product and marketing capabilities. The deal is subject to shareholder approval on 4 September and our estimates have not yet been adjusted.

INDUSTRY OUTLOOK

The UK online bingo market grew by 9% in 2013 with private operators and new entrants such as Gaming Realms taking market share from more established operators. European online casino is forecast to grow at 5% (source: bwin/H2 Gambling Capital). Key drivers are rising broadband penetration and the rapid growth in mobile: mobile is already over 22% of online gambling revenues, forecast to rise to 48% by 2018.

Y/E Sep / Dec	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (fd) (p)	P/E (x)	P/CF (x)
2012	N/A	N/A	N/A	N/A	N/A	N/A
2013	0.9	(2.3)	(2.5)	(6.9)	N/A	N/A
2014e	12.1	(7.6)	(8.6)	(5.5)	N/A	N/A
2015e	24.1	0.1	(0.9)	(0.6)	N/A	N/A

Sector: Technology

Price:	148.0p
Market cap:	£175m
Forecast net cash (£m)	11.7
Forecast gearing ratio (%)	N/A
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	(5.4)	0.3	48.7
Relative*	(6.3)	0.6	39.9

* % Relative to local index

Analyst

Martin Lister

GB Group (GBG)

INVESTMENT SUMMARY

At its August AGM, management reported that the group has made a strong start to FY15, and that the strategic April 2014 acquisition of DecTech, a global provider of fraud detection and prevention solutions, is already showing tangible benefits. Our solid growth estimates for FY15 and FY16 reflect this acquisition and continuing operational leverage. GB's FY14 results, released on July 2, confirmed the group's strong growth trend. Benefiting from organic growth of 10%, FY14 comparable revenue rose 15% leading to a 20% increase in gross profit. Normalised group operating profit before acquired intangibles amortisation rose 30% to £7.2m, with both the ID Solutions and ID Proofing segments contributing. Interim results are scheduled for release in late November.

INDUSTRY OUTLOOK

Growth in internet trading, regulatory pressure and the need for checks for money-laundering, age and anti-fraud are behind growing interest in the increasingly complex and comprehensive verification of personal data. More and more companies are switching to electronic verification from manual (and expensive) methods.

Y/E Mar	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (fd) (p)	P/E (x)	P/CF (x)
2013	39.4	6.1	5.4	3.8	38.9	26.6
2014	41.8	7.8	7.1	4.8	30.8	17.3
2015e	53.5	10.0	9.3	5.9	25.1	19.2
2016e	60.6	11.6	10.8	6.8	21.8	12.5

GFT Group (GFT)

Sector: Technology

Price:	€10.26
Market cap:	€270m
Forecast net debt (€m)	26.3
Forecast gearing ratio (%)	25.0
Market	FRA

Share price graph (€)

Company description

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

Price performance

%	1m	3m	12m
Actual	8.0	10.5	94.0
Relative*	10.4	14.0	70.9

* % Relative to local index

Analyst

Richard Jeans

INVESTMENT SUMMARY

GFT Group posted a strong set of H1 results, with organic revenue growth of 18% and margins strengthened in both divisions. GFT, the group's solutions business, continued to grow apace, with H1 organic revenue growth of 32% (40% in Q1 and 26% in Q2), while emagine saw a small revenue decline but returned to profit. In late June, GFT Group acquired Rule Financial, a UK-based provider of consultancy and IT services to investment banks, for c €60m. In our view, the Rule Financial acquisition provides additional avenues for the group to leverage growth internationally and increase margins. We are maintaining our forecasts, which are based on conservative assumptions and we believe the c 12x FY15e P/E and 2.8% yield look attractive.

INDUSTRY OUTLOOK

GFT generates the bulk of GFT Group's profits through providing 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 and Brazil. The group's staffing business, emagine, sources skilled IT specialists and engineering staff for technology projects in the financial and corporate sectors.

Y/E Dec	Revenue (€m)	EBITDA (€m)	PBT (€m)	EPS (c)	P/E (x)	P/CF (x)
2012	230.7	10.8	9.6	21.9	46.8	N/A
2013	264.3	20.9	18.5	55.3	18.6	N/A
2014e	352.0	31.0	25.3	67.3	15.2	N/A
2015e	403.9	37.2	32.0	85.0	12.1	N/A

GLG Life Tech (GLG)

Sector: Pharma & healthcare

Price:	C$0.23
Market cap:	C$8m
Forecast net debt (C$m)	81.6
Forecast gearing ratio (%)	283.0
Market	TSE

Share price graph (C$)

Company description

GLG Life Tech is a vertically integrated supplier of stevia-derived extracts primarily for use as low-calorie high-intensity sweeteners (HIS) in the food and beverage industries.

Price performance

%	1m	3m	12m
Actual	(13.0)	(53.9)	(78.8)
Relative*	(14.7)	(56.6)	(82.9)

* % Relative to local index

Analyst

Pooya Hemami

INVESTMENT SUMMARY

GLG has signed a 12-month agreement to sell between US$9m and US$12m of Luo Han Guo (LHG) extract to an undisclosed customer. This transaction cements the firm's move to diversify its revenue stream beyond stevia, and should help improve margins starting in Q414. Our C$144.2m NPV is derived from our projection that the company will return to generating consistently positive EBITDA in 2016, supported by the LHG business and the harvesting of higher-yielding leaf as part of GLG's core stevia business.

INDUSTRY OUTLOOK

We expect stevia sales to grow in the mid-upper teens through 2017, as consumers increasingly seek reduced-calorie food and beverage products that rely on naturally sourced sweeteners, such as stevia (and Luo Han Guo) rather than artificial sweeteners.

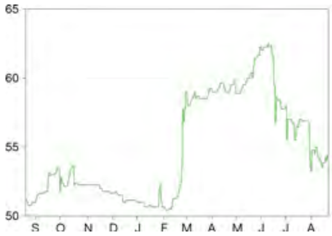
Y/E Dec	Revenue (C$m)	EBITDA (C$m)	PBT (C$m)	EPS (fd) (c)	P/E (x)	P/CF (x)
2012	21.7	(15.5)	(24.3)	(88.83)	N/A	0.9
2013	16.0	(10.1)	(21.7)	(54.96)	N/A	0.9
2014e	25.2	(4.7)	(15.4)	(45.79)	N/A	N/A
2015e	51.5	(1.0)	(11.0)	(30.68)	N/A	2.5

GLI Finance (GLIF)

Sector: Investment companies

Price:	54.0p
Market cap:	£76m
Forecast net debt (£m)	18.3
Forecast gearing ratio (%)	24.0
Market	LSE

Share price graph (p)



Company description

GLI Finance (GLIF) is a Guernsey domiciled closed-ended investment fund, which aims for NAV stability and a predictable yield. It invests in SME funding and has equity in a number of specialist providers of such financing, including peer to peer lenders.

Price performance

%	1m	3m	12m
Actual	(5.1)	(10.0)	5.6
Relative*	(6.0)	(9.8)	(0.6)

* % Relative to local index

Analyst

Mark Thomas

INVESTMENT SUMMARY

GLI Finance (GLIF) is a closed-ended investment vehicle primarily invested in a range of SME lending vehicles and loans including peer to peer platform investments. The Q214 NAV was down 1.5p. Sterling assets were up 2.4p, but dollar assets down 3.9p. Exchange rates (-2.1p) and a lower value of CLO holding on sale (-2.7p) were the main drivers. The latter is the final cost of a multi-year restructuring programme. We believe investors will be focused on the optionality inherent in the P2P platforms and here loan origination increased 48%. Looking forward, GLIF is likely to have many more investment opportunities with management commenting that GLIF has become a strategic partner of choice.

INDUSTRY OUTLOOK

GLIF's main exposure is to UK SMEs where economic trends are generally positive and bank lending appetite remains subdued. The value of the unique equity stakes in its range of peer-to-peer platforms is likely to be stimulated if one of the UK market leaders floats over the next 12-18 months.

Y/E Dec	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (p)	P/E (x)	P/CF (x)
2012	14.9	9.4	7.2	7.1	7.6	N/A
2013	15.1	8.5	6.4	4.7	11.5	N/A
2014e	15.2	8.9	7.4	5.3	10.2	N/A
2015e	15.6	9.7	8.7	6.2	8.7	N/A

Global Bioenergies (ALGBE)

Sector: Alternative energy

Price:	€36.00
Market cap:	€99m
Forecast net debt (€m)	N/A
Forecast gearing ratio (%)	N/A
Market	Alternext Paris

Share price graph (€)

Company description

Global Bioenergies specialises in the development, under exclusive licence, of a biological hydrocarbon production processes using renewable resources.

Price performance

%	1m	3m	12m
Actual	(3.7)	(10.9)	35.8
Relative*	(3.1)	(7.4)	25.7

* % Relative to local index

Analyst

Catharina Hillenbrand-Saponar

INVESTMENT SUMMARY

With the receipt of the fermentation unit at the Pomacle site in France in July, the group is on track to undergo mechanical and functional commissioning by the end of September. This begins the full industrial pilot phase with the second pilot, at the Leuna refinery, supported by the German Ministry of Education and Research and designed by the engineering division of Linde. Along with other programmes, the pilots are being funded by Global Bioenergies' (GBE) €23m capital raising in 2013, as well as €10m of public financing from the French and German States. In January GBE announced a collaboration agreement with Audi to develop isobutene-derived isooctane, which could see Audi take a stake of up to 2% in GBE. Patents were awarded by the Australian Intellectual Property Office in March and the USPTO in April, while a €3m standby distribution agreement (SEDA) was arranged in May with Yorkville Advisors. We are currently reviewing forecasts.

INDUSTRY OUTLOOK

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

Y/E Jun / Dec	Revenue (€m)	EBITDA (€m)	PBT (€m)	EPS (fd) (c)	P/E (x)	P/CF (x)
2012	0.3	(3.9)	(3.9)	(211.47)	N/A	N/A
2013	1.2	(6.6)	(6.5)	(237.74)	N/A	N/A
2014e	N/A	N/A	N/A	N/A	N/A	N/A
2015e	N/A	N/A	N/A	N/A	N/A	N/A

Grand City Properties (GYC)

Sector: Property

Price:	€9.35
Market cap:	€1079m
Forecast net debt (€m)	926.9
Forecast gearing ratio (%)	
Market	FRA

Share price graph (€)

Company description

GCP is a specialist turnaround company focused primarily on investing in and managing German residential properties. As of July2014, the group's real estate portfolio consisted of c 35,000 units offering 2.75m sqm of lettable space.

Price performance

%	1m	3m	12m
Actual	3.9	16.5	76.4
Relative*	6.2	20.2	55.4

* % Relative to local index

Analyst

Mark Thomas

INVESTMENT SUMMARY

Grand City Properties (GCP) is a German residential property specialist with a portfolio of c 35,000 units. It identifies undermanaged properties in selected urban areas using its multi-year relationships with introducers to buy them at good prices. It then applies better management and targeted investment to reduce vacancy and improve rents. While the vast majority of the portfolio is held long term for rental income, up to 10% of the portfolio will be sold for capital gains. For the rest of 2014 we expect further operational leverage and lower funding costs with further property acquisitions. In June GCP issued a further €125m of convertible bonds. Q114 fair value gains above forecasts and estimates were adjusted accordingly.

INDUSTRY OUTLOOK

GCP is not solely dependent on the German residential property market, which we expect to show moderate growth. It is dependent on a flow of poorly managed and underinvested properties giving it an element of counter-cyclicality to the market.

Y/E Dec	Revenue (€m)	EBITDA (€m)	PBT (€m)	EPS (c)	P/E (x)	P/CF (x)
2012	60.4	0.1	13.8	27.2	34.4	11.9
2013	169.6	0.3	51.8	50.6	18.5	11.6
2014e	235.8	0.3	85.5	66.4	14.1	9.0
2015e	326.9	0.3	122.5	95.9	9.7	7.2

Green Dragon Gas (GDG)

Sector: Oil & gas

Price:	467.5p
Market cap:	£665m
Forecast net debt (US$m)	135.9
Forecast gearing ratio (%)	10.0
Market	AIM

Share price graph (p)

Company description

Green Dragon Gas is a China-focused vertically integrated gas production and distribution company that also has significant pipeline and manufacturing interests. The upstream operations are based on six CBM projects in east-central and southern China.

Price performance

%	1m	3m	12m
Actual	(3.6)	(11.8)	110.6
Relative*	(4.5)	(11.6)	98.1

* % Relative to local index

Analyst

Ian McLelland

INVESTMENT SUMMARY

Green Dragon Gas (GDG) has made excellent progress in recent months to consolidate its position as a leading developer of CBM production in China. An end-2013 NSAI reserves update has hinted at the economic upside that will accrue to GDG from 1,300 third-party wells drilled on its PSCs. 2013 results have also started to demonstrate this with around half of $62m revenues coming from backdated production at GCZ, where a new partnership with PetroChina has now been confirmed. We also welcome the recent sale of c 2.3m shares that will increase the free float by c 1.6%. On a risked basis, our RENAV is £13.23, but with CUCBM and PetroChina investing heavily in infrastructure, we believe this could increase further in due course.

INDUSTRY OUTLOOK

The Chinese government is promoting the use of natural gas as a low-carbon fossil fuel. It is also attempting to reduce dependence on imported energy sources. The key objective is to raise the weighting of natural gas in the energy mix to 10% by 2020.

Y/E Dec	Revenue (US$m)	EBITDA (US$m)	PBT (US$m)	EPS (fd) (c)	P/E (x)	P/CF (x)
2012	8.1	(10.1)	(16.8)	(13.1)	N/A	N/A
2013	62.2	(9.3)	(21.5)	(15.4)	N/A	48.4
2014e	69.1	(20.9)	(35.2)	(25.8)	N/A	N/A
2015e	238.5	126.0	103.1	75.5	10.6	10.9

Sector: Oil & gas

Greka Drilling (GDL)

Price:	9.7p
Market cap:	£39m
Forecast net debt (US$m)	N/A
Forecast gearing ratio (%)	N/A
Market	AIM

Share price graph (p)

Company description

Greka Drilling (GDL), headquartered in Zhengzhou, provides specialised drilling services to the unconventional gas sector in China. Its largest customer is Green Dragon Gas, and its third-party customers include CNPC, Sinopec and Essar Oil.

Price performance

%	1m	3m	12m
Actual	(11.6)	(17.2)	(32.9)
Relative*	(12.4)	(17.0)	(36.9)

* % Relative to local index

Analyst

Ian McLelland

INVESTMENT SUMMARY

We expect to see an increase in activity at Greka Drilling (GDL) after 2013 results showed a dip due to factors beyond the company's control. This will include an anticipated increase at Green Dragon Gas (GDG), its largest customer, in H214 with drilling momentum re-established following the resolution of title issues and clarity around third-party wells. We also expect significant activity in India during H214, with five rigs recently arriving in North India to start a 100-well contract with Essar Oil in West Bengal. Drilling there is expected to start in September 2014 and will last approximately 12 months. Our forecasts are currently under review.

INDUSTRY OUTLOOK

The Chinese government is promoting the use of natural gas as a low-carbon fuel. It is also attempting to reduce dependence on imported energy. The key objective is to raise the weighting of natural gas in the energy mix from 4% presently to 10% by 2020. CBM is expected to account for about 10% of natural gas production.

Y/E Dec	Revenue (US$m)	EBITDA (US$m)	PBT (US$m)	EPS (fd) (c)	P/E (x)	P/CF (x)
2012	60.9	13.6	3.5	0.5	33.2	2.7
2013	30.5	5.3	1.1	0.1	165.8	32.0
2014e	N/A	N/A	N/A	N/A	N/A	N/A
2015e	N/A	N/A	N/A	N/A	N/A	N/A

Sector: Oil & gas

Gulf Keystone Petroleum (GKP)

Price:	85.0p
Market cap:	£756m
Forecast net debt (US$m)	221.3
Forecast gearing ratio (%)	40.0
Market	LSE

Share price graph (p)

Company description

Gulf Keystone Petroleum (GKP) is a Kurdistan-centred exploration and production company. It has interests in four blocks in Kurdistan including the Shaikan field, which has an estimated 13.7bnbbl of oil in place.

Price performance

%	1m	3m	12m
Actual	(1.2)	(6.3)	(53.9)
Relative*	(2.1)	(6.1)	(56.6)

* % Relative to local index

Analyst

Will Forbes

INVESTMENT SUMMARY

Much of recent trading in Kurdistan companies has been dominated by the IS situation. Operationally, Gulf Keystone (GKP) is continuing to progress at Shaikan with steady production from both PF-1 and PF-2. Barring external factors, the company is confident of hitting the 40mb/d year-end target, although much depends on the successful hook-up of Sh-10. The $250m bond issue provided financing for capex in 2014, although further funds will be required next year, especially if back-in rights are not exercised in the near term. Following the CPR, we downgraded our valuation due to lower reserves than expected, but this should act as the baseline for future increases over time. Our updated core NAV is 97p.

INDUSTRY OUTLOOK

The advance of IS in Iraq is making headlines and having a marked effect on oil price. Companies with exploration activities in the country have announced withdrawal, but production (Taq Taq/Tawke/Shaikan) is continuing.

Y/E Dec	Revenue (US$m)	EBITDA (US$m)	PBT (US$m)	EPS (c)	P/E (x)	P/CF (x)
2011	6.9	(69.8)	(69.6)	(8.0)	N/A	N/A
2012	32.2	(81.4)	(85.4)	(9.6)	N/A	N/A
2013e	16.2	(29.6)	(46.4)	(5.3)	N/A	N/A
2014e	225.3	138.4	81.3	9.2	15.8	8.1

EDISON

GVC Holdings (GVC)

Sector: Media & entertainment

Price:	436.0p
Market cap:	£267m
Forecast net cash (€m)	3.8
Forecast gearing ratio (%)	N/A
Market	AIM

Share price graph (p)

Company description

GVC Holdings is a leading provider of services to the online gaming industry in Europe and Latin America. Its core brands are Sportingbet, Betboo and Casino Club.

Price performance

%	1m	3m	12m
Actual	(0.7)	2.8	36.7
Relative*	(1.6)	3.1	28.6

* % Relative to local index

Analyst

Jane Anscombe

INVESTMENT SUMMARY

GVC released another positive update on 15 July and declared a higher than expected quarterly dividend of 12.5c. H114 revenues were 19% up on H213 and the World Cup has brought in a significant number of new customers. We increased our 2014e dividend to 50c (from 47c). The interim results will be announced in the w/c 22 September. Despite a strong share price performance, the rating remains well below the peer group and the high yield (circa 9%) is a key attraction.

INDUSTRY OUTLOOK

Online gambling is taking a growing share of the total gambling market driven by rising broadband, tablet and smartphone penetration. According to H2 Gambling Capital the European online sports betting market was worth €4.0bn in 2013, up 7.7%, with forecast five-year CAGR of 8.4%. Casino was worth €2.5bn, up 4.3% and forecast to grow at a CAGR of 5.4%. Land-based gambling is heavily regulated, but online gambling regulation in Europe is still in a state of flux, with ongoing uncertainty in markets such as Germany.

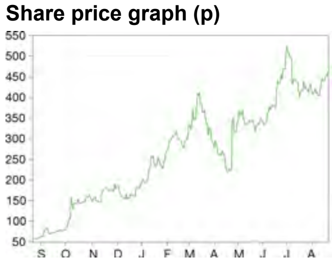
Y/E Dec	Revenue (€m)	EBITDA (€m)	PBT (€m)	EPS (fd) (c)	P/E (x)	P/CF (x)
2012	60.3	15.5	12.9	38.8	14.2	N/A
2013	168.4	38.3	35.1	61.5	8.9	N/A
2014e	205.0	47.0	43.0	63.6	8.6	N/A
2015e	210.0	49.0	45.0	64.9	8.5	N/A

GW Pharmaceuticals (GWP)

Sector: Pharma & healthcare

Price:	447.5p
Market cap:	£1051m
Forecast net cash (£m)	79.0
Forecast gearing ratio (%)	N/A
Market	AIM, NASDAQ

Share price graph (p)



Company description

GW Pharmaceuticals is a UK-based speciality pharma company focused on developing cannabinoid medicines. Lead product, Sativex, is marketed in a number of European countries for multiple sclerosis-associated spasticity.

Price performance

%	1m	3m	12m
Actual	7.8	35.4	699.1
Relative*	6.7	35.8	651.7

* % Relative to local index

Analyst

Lala Gregorek

INVESTMENT SUMMARY

GW Pharmaceuticals' pipeline should deliver important, potentially transformative clinical data during H214. Major inflection points include Phase III cancer pain data (Q414) and US Phase III start in MS spasticity (H214/H115) for lead programme Sativex, as well as further interim updates from the ongoing physician-led open-label studies of Epidiolex in refractory childhood epilepsies, ahead of a placebo-controlled Phase II/III trial in Dravet Syndrome in Q414. GW will also host an R&D day in New York on 14 October, which will provide a detailed review of the profile and progress of products in its cannabinoid pipeline. FY14 guidance was reiterated at Q314 results: strong double-digit growth in Sativex sales is expected, with increased GW-funded R&D spend, and closing cash of £150-155m. End-Q314 (June) cash and equivalents stood at £168.3m.

INDUSTRY OUTLOOK

GW is the leader in the field of cannabinoid medicines, which have the potential to become novel therapies for a broad range of diseases. Cannabinoids are diverse chemical compounds that GW extracts from different cannabis plant varieties (chemotypes) it has bred.

Y/E Sep	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (p)	P/E (x)	P/CF (x)
2012	33.1	2.8	2.2	2.6	172.1	433.5
2013	27.3	(8.9)	(9.7)	(2.6)	N/A	N/A
2014e	24.5	(19.4)	(19.6)	(7.6)	N/A	N/A
2015e	28.6	(11.6)	(12.0)	(3.7)	N/A	N/A

Sector: Pharma & healthcare

Price:	US$9.43
Market cap:	US$1182m
Forecast net cash (US$m)	86.3
Forecast gearing ratio (%)	N/A
Market	NASDAQ

Share price graph (US$)

Company description

Halozyme Therapeutics focuses on developing extracellular matrix-based drugs. Its rHuPH20-based delivery platform has been used by partners to develop SC injection of IV drugs such as Herceptin, Rituxan and GAMMAGARD.

Price performance

%	1m	3m	12m
Actual	3.9	29.7	29.9
Relative*	2.9	22.9	7.1

* % Relative to local index

Analyst

Jason Zhang

Halozyme Therapeutics (HALO)

INVESTMENT SUMMARY

The positive vote (15 to one) by the FDA's Blood Products Advisory Committee (BPAC) for HyQvia should pave the way for its US approval (Q3) and its launch by Baxter, the drug's commercial partner. Potential risk factors raised and extensively discussed by the FDA at the panel meeting could result in some label restrictions, which will be in line with the drug's restricted approval in EU. An FDA approval will remove one near-term risk for Halozyme. The panel vote, though positive, has a small impact on Halozyme's valuation, which is $1,448m, or $11.7 per basic share, vs previously $1,445m, or $11.6 per basic share.

INDUSTRY OUTLOOK

Halozyme is a biopharmaceutical company developing and commercialising products targeting the extracellular matrix for the oncology, diabetes, dermatology and drug delivery markets. Its ENHANZE technology has been used by companies including Roche, Pfizer and Baxter to develop subcutaneous (SC) forms of intravenously (IV) administered biological therapeutics, including Herceptin, MabThera and immunoglobulin (IgG). Its own proprietary pipeline drugs include Hylenex, PEGPH20 and HTI-501.

Y/E Dec	Revenue (US$m)	EBITDA (US$m)	PBT (US$m)	EPS (c)	P/E (x)	P/CF (x)
2012	42.3	(63.1)	(53.5)	(0.48)	N/A	N/A
2013	54.8	(91.2)	(83.5)	(0.74)	N/A	N/A
2014e	67.6	(81.4)	(68.4)	(0.55)	N/A	N/A
2015e	88.8	(65.7)	(55.7)	(0.44)	N/A	N/A

Sector: Oil & gas

Price:	A$0.01
Market cap:	A$4m
Forecast net debt (A$m)	N/A
Forecast gearing ratio (%)	N/A
Market	ASX

Share price graph (A$)

Company description

Hawkley Oil & Gas an ASX-listed oil and gas development company with 100% owned assets in the Dnieper-Donets Basin, the most prolific gas basin in Ukraine.

Price performance

%	1m	3m	12m
Actual	(23.5)	(13.3)	(56.7)
Relative*	(25.0)	(16.9)	(60.8)

* % Relative to local index

Analyst

Ian McLelland

Hawkley Oil & Gas (HOG)

INVESTMENT SUMMARY

Hawkley continues to consider deals as it looks to diversify away from being a pure Ukraine-focused E&P. This follows disappointing results from drilling the Sorochynska-202 well in 2012/13, which resulted in a downgrade in 2P reserves to c 5.5bcf, although the company has purchased its own gas plant (increasing revenue and earnings security) that should increase reserves following installation of gas compression in Q214. A temporary increase in Ukraine production taxes to 55% (expected to last until end 2014) has further marginalised economics in the short term. Hawkley is sensibly addressing this with further cost-cutting measures including freezing director fees and management salaries. Our forecasts are currently suspended.

INDUSTRY OUTLOOK

With considerable commercial and operational experience in the FSU, we expect Hawkley to maintain a focus on business development activities in this region.

Y/E Jun	Revenue (A$m)	EBITDA (A$m)	PBT (A$m)	EPS (fd) (c)	P/E (x)	P/CF (x)
2011	10.0	0.6	0.5	(1.2)	N/A	N/A
2012	27.4	10.9	9.4	2.3	0.4	0.2
2013e	N/A	N/A	N/A	N/A	N/A	N/A
2014e	N/A	N/A	N/A	N/A	N/A	N/A

Sector: Support services

Price:	60.5p
Market cap:	£196m
Forecast net debt (£m)	64.0
Forecast gearing ratio (%)	416.0
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	(16.0)	(16.3)	(19.9)
Relative*	(16.8)	(16.0)	(24.6)

* % Relative to local index

Analyst

Richard Finch

Hogg Robinson Group (HRG)

INVESTMENT SUMMARY

The recent IMS warning of a likely full-year profit shortfall is all the more disappointing, given the strong end to FY14 and Hogg Robinson's (HRG) hard-won reputation for earnings resilience. However, there have been exceptional contributory factors, notably absorption of the major new government of Canada contract and the buoyancy of sterling, while management has a proven ability to adjust costs effectively, which should benefit as early as H2. Hogg Robinson remains very well financed and committed to a progressive dividend.

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. After a slowdown in Q1, IATA expects further growth over the rest of the year. A structural move by clients to online channels and automated servicing tools to make their travel arrangements is viewed as positive 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)
2013	343.2	60.1	34.9	7.75	7.8	14.0
2014	340.8	60.2	35.8	7.79	7.8	3.6
2015e	330.0	55.6	30.3	6.51	9.3	6.1
2016e	337.0	58.9	33.0	7.10	8.5	5.2

Sector: Pharma & healthcare

Price:	1020.0p
Market cap:	£540m
Forecast net debt (US$m)	7.3
Forecast gearing ratio (%)	8.0
Market	AIM

Share price graph (p)

Company description

Hutchison China MediTech is the healthcare arm of Hutchison Whampoa (with 30% listed on AIM) that capitalises on the economic and demographic shifts in China with novel high-technology therapies, TCM drugs, organic foods and consumer products.

Price performance

%	1m	3m	12m
Actual	10.9	26.7	85.5
Relative*	9.8	27.1	74.5

* % Relative to local index

Analyst

Franc Gregori

Hutchison China MediTech (HCM)

INVESTMENT SUMMARY

Hutchison China MediTech's H114 results highlighted how the investment case is increasingly centred on its R&D unit, MediPharma. The loss of its lead compound, HMPL-004, as it failed an interim analysis of a Phase III trial for ulcerative colitis (UC) is disappointing but should be placed in the context of a deep product pipeline. The broad portfolio of small molecule tyrosine kinase inhibitors for oncology is advancing well. The next 12 months should be the defining period as MediPharma transitions from being a promising prospect to a fully fledged drug discovery business. Meanwhile, the China Healthcare division maintains its strong growth with operating profit up 18.1% in H114, underlining its attractive prospects as this business taps into one of the fastest-growing healthcare markets in the world.

INDUSTRY OUTLOOK

Favourable demand trends, coupled with the supportive environment for clinical research, mean the prospects for Chinese healthcare companies are compelling. Demographics and government support will continue to drive demand, while the clinical, regulatory and technological environments are highly conducive to novel drug development. Hutchison China MediTech is well placed to benefit from these rich seams of opportunity.

Y/E Dec	Revenue (US$m)	EBITDA (US$m)	PBT (US$m)	EPS (c)	P/E (x)	P/CF (x)
2012	22.4	4.6	1.9	1.7	1025.8	N/A
2013	46.0	13.5	11.0	17.0	102.6	223.2
2014e	80.6	9.6	7.8	5.8	300.7	601.3
2015e	102.0	18.2	16.7	17.4	100.2	380.0

EDISON

Sector: Pharma & healthcare

Price:	€1.60
Market cap:	€41m
Forecast net cash (€m)	6.7
Forecast gearing ratio (%)	N/A
Market	Alternext Paris

Share price graph (€)

Company description

Hybrigenics is a French biotech company. It provides protein-protein and small molecule analysis services and is conducting anti-cancer studies on lead drug inecalcitol, primarily in CLL and prostate cancer.

Price performance

%	1m	3m	12m
Actual	(6.4)	(39.8)	125.4
Relative*	(5.8)	(37.4)	108.6

* % Relative to local index

Analyst

Emma Ulker

Hybrigenics (ALHYG)

INVESTMENT SUMMARY

Hybrigenics' turnover increased 5% in H114 to €2.4m including a 10% increase in services revenue growth - weakness in the domestic market was offset by revenue from the newly acquired businesses. End-June cash stood at €7.4m, which will be used to fund two Phase II studies of inecalcitol in Chronic Myeloid Leukaemia (CML) and Acute Myeloid Leukaemia (AML) to start in H214 and H115. In the Phase II study of inecalcitol in Chronic Lymphocytic Leukaemia CLL, inecalcitol halted disease progression in 52% of patients. Two patients saw a respective 95% and 45% fall in their blood lymphocyte count. Hybrigenics is making preparations for ongoing studies in CLL.

INDUSTRY OUTLOOK

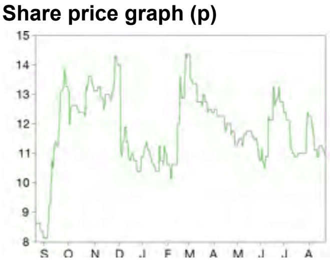
Inecalcitol is being developed in three major indications and faces competition from existing drugs and those in development. However, its good safety profile could give it an advantage. Preclinical models show that it has additional potential in both acute and chronic myeloid leukaemia. Hybrigenics is pushing into the innovative field of systems biology and genomics, applying its expertise for protein-gene analysis to better understand diseases and their therapies.

Y/E Dec	Revenue (€m)	EBITDA (€m)	PBT (€m)	EPS (c)	P/E (x)	P/CF (x)
2012	5.9	(2.3)	(2.4)	(13.2)	N/A	N/A
2013	6.1	(2.1)	(2.2)	(8.2)	N/A	N/A
2014e	7.5	(1.9)	(2.0)	(6.9)	N/A	N/A
2015e	7.2	(4.2)	(4.2)	(14.6)	N/A	N/A

Sector: Industrial support services

Price:	10.9p
Market cap:	£81m
Forecast net debt (US$m)	N/A
Forecast gearing ratio (%)	N/A
Market	AIM

Share price graph (p)



Company description

Hydrodec has proprietary technology for re-refining used oils with strong sustainability credentials. This has been proven commercially by re-refining used transformer oil, including that contaminated with polychlorinated biphenyls (PCBs).

Price performance

%	1m	3m	12m
Actual	(1.1)	(6.5)	27.0
Relative*	(2.1)	(6.2)	19.5

* % Relative to local index

Analyst

Anne Margaret Crow

Hydrodec Group (HYR)

INVESTMENT SUMMARY

Hydrodec has acquired an exclusive UK licence for CEP's established re-refining technology. It intends to deploy this in a new 75 million litre/year lubricant re-refinery, operational in 2016. This will be augmented by Hydrodec's proprietary process, when commercially available for industrial oils, potentially raising recovery levels from over 70% to over 85% and producing higher-grade oil. Our estimates and valuation remain under review until the outstanding insurance claim is completed, expected in Q314.

INDUSTRY OUTLOOK

The agreement removes the need for Hydrodec to construct first a pilot plant, then a sub-commercial plant, before being able to open a commercial-scale re-refining operation based entirely on Hydrodec's proprietary technology. This means it can start processing used industrial oil collected by OSS, Hydrodec's UK operation acquired in September 2013, into higher-margin re-refined oil more quickly and with substantially lower risk.

Y/E Dec	Revenue (US$m)	EBITDA (US$m)	PBT (US$m)	EPS (c)	P/E (x)	P/CF (x)
2012	26.1	(5.0)	(10.6)	(2.6)	N/A	N/A
2013	40.1	(3.1)	(10.2)	(2.2)	N/A	N/A
2014e	N/A	N/A	N/A	N/A	N/A	N/A
2015e	N/A	N/A	N/A	N/A	N/A	N/A

ifa systems (IS8)

Sector: Technology

Price:	€6.23
Market cap:	€16m
Forecast net cash (€m)	0.3
Forecast gearing ratio (%)	N/A
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	(5.3)	5.6	80.5
Relative*	(3.2)	9.0	59.1

* % Relative to local index

Analyst

Ian Robertson

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 and China. We forecast that after several years of heavy spend on market and product development, ifa should see strong growth in revenues and margins. In spite of this, its shares trade at material discounts to both European and US peer groups.

INDUSTRY OUTLOOK

The outlook for healthcare IT is strong and, although there may be some slippage in regulatory deadlines, the industry is set for continued solid growth - although 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)
2012	7.4	1.5	0.9	23.7	26.3	5.0
2013	7.8	2.6	1.5	41.7	14.9	4.1
2014e	8.4	2.8	1.7	47.8	13.0	5.9
2015e	9.1	3.2	2.1	59.1	10.5	5.0

IFG Group (IFG)

Sector: Financials

Price:	€1.66
Market cap:	€174m
Forecast net debt (£m)	N/A
Forecast gearing ratio (%)	N/A
Market	Irish Stock Exchange, LSE

Share price graph (€)

Company description

IFG provides financial services, comprising a pension administration and personal advisory business operating in the UK and Ireland. Through James Hay it is one of the largest UK SIPP providers.

Price performance

%	1m	3m	12m
Actual	0.6	1.5	23.9
Relative*	0.2	4.0	10.4

* % Relative to local index

Analyst

Mark Thomas

INVESTMENT SUMMARY

The announced sale of the small UK traditional IFA operation and the Irish businesses leaves IFG fully focused on UK SIPPs (James Hay Partnership) and a fee-based UK IFA operation (Saunderson House) with a new, reinvigorated management team in both. SIPP growth (new sales and lower attrition), as well as client growth at Saunderson House, have both accelerated. Management has expanded the James Hay platform offering ISAs and general investment accounts, with a comprehensive product range, very competitive pricing and broad broker execution capability. The balance sheet is strong. H114 results (28 August) showed continued upfront investment in both businesses. Our numbers are under review.

INDUSTRY OUTLOOK

The UK SIPP market is expected to deliver long-term double-digit growth, driven by an ageing population, greater self-provision and higher tax rates. In the short term we see evolving customer and regulatory requirements requiring investment and higher compliance costs.

Y/E Dec	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (p)	P/E (x)	P/CF (x)
2012	76.2	12.9	8.3	4.89	26.9	15.1
2013	79.6	11.4	9.1	6.92	19.0	22.8
2014e	N/A	N/A	N/A	N/A	N/A	N/A
2015e	N/A	N/A	N/A	N/A	N/A	N/A

Imperial Innovations (IVO)

Sector: Pharma & healthcare

Price:	462.4p
Market cap:	£634m
Forecast net cash (£m)	160.8
Forecast gearing ratio (%)	N/A
Market	LSE

Share price graph (p)

Company description

Imperial Innovations is a technology transfer, incubation and venture investment company. It invests in ventures from Imperial College London, Cambridge and Oxford Universities and UCL. The majority of its investments are bio/med tech.

Price performance

%	1m	3m	12m
Actual	2.4	21.7	75.1
Relative*	1.4	22.0	64.8

* % Relative to local index

Analyst

Christian Glennie

INVESTMENT SUMMARY

Innovations' recent £150m equity raise significantly enhances its strategic options and capacity to invest in, and generate greater upside from, its maturing company portfolio. Three IPOs so far in 2014 - Circassia, Oxford Immunotec and Abzena - have unlocked 'hidden' portfolio value and underscore the investment case. Meanwhile, a number of leading portfolio companies (eg Nexeon, Veryan, Cell Medica, PsiOxus) are seeking to raise £100m over the next 12 months to help reach their next valuation inflection points. The net portfolio value was £229.6m at 31 January 2014.

INDUSTRY OUTLOOK

The investment case rests on the real value of the portfolio and the success of investments in maturing companies. Portfolio companies are valued per International Private Equity and Venture Capital Valuation guidelines, hence there is potential for significant value creation if 'exits' (IPOs/M&A/license deals) are achieved at valuations in excess of these. This justifies IVO's share price premium to the historical portfolio value.

Y/E Jul	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (p)	P/E (x)	P/CF (x)
2012	4.3	(6.2)	(4.0)	(6.3)	N/A	N/A
2013	3.3	(6.9)	(5.9)	(7.3)	N/A	N/A
2014e	3.6	(6.3)	(6.1)	(5.9)	N/A	N/A
2015e	4.0	(6.4)	(5.1)	(3.7)	N/A	N/A

Innovation Group (TIG)

Sector: Technology

Price:	31.5p
Market cap:	£380m
Forecast net cash (£m)	60.0
Forecast gearing ratio (%)	N/A
Market	LSE

Share price graph (p)

Company description

Innovation Group provides outsourcing and software to the insurance industry and related sectors. The group's solutions help provide much-needed efficiencies and flexibility to insurance providers.

Price performance

%	1m	3m	12m
Actual	(3.8)	(2.3)	8.2
Relative*	(4.7)	(2.1)	1.8

* % Relative to local index

Analyst

Dan Ridsdale

INVESTMENT SUMMARY

The three key elements underpin Innovation's growth for the next few years: exploiting opportunities in the US; growing the technology business; and applying Innovation's fixed repair cost model to the LAS business to create an international wet claims property BPS business. Success on these fronts should delver an acceleration in growth and mid-teens margins. In this context, we see the current rating as attractive. A sum-of-the-parts analysis suggests a 40p fair value, but this could ratchet upwards if the company delivers on its ambition of doubling software revenues in three years.

INDUSTRY OUTLOOK

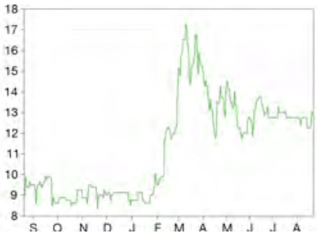
While the insurance industry is conservative, investment in technology is increasingly seen as key to remaining competitive. PWC's 2014 Insurance CEO survey supported this view, finding that 86% of insurance CEOs believe that technological advances will transform their businesses in the next three to five years – more than any other factor.

Y/E Sep	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (fd) (p)	P/E (x)	P/CF (x)
2012	193.7	25.0	18.5	1.14	27.6	14.2
2013	204.4	29.0	22.0	1.35	23.3	12.8
2014e	226.5	37.0	27.3	1.64	19.2	12.0
2015e	251.4	44.0	34.8	1.96	16.1	9.5

Sector: General industrials

Price: 13.1p
Market cap: £55m
Forecast net debt (£m) 2.0
Forecast gearing ratio (%) 48.0
Market LSE

Share price graph (p)



Company description

Inspired Energy is an energy (electricity and gas) procurement and management services company.

Price performance

%	1m	3m	12m
Actual	2.9	11.7	45.8
Relative*	2.0	12.0	37.2

* % Relative to local index

Analyst

Graeme Moyse

Inspired Energy (INSE)

INVESTMENT SUMMARY

The FY13 results demonstrated continued strong growth and since 2011 Inspired Energy (IE) has achieved a CAGR in revenue of 44%. Growth has continued into the current year and IE's AGM statement revealed that the corporate order book had risen from £11m at year end, to £12.2m at the end of May (Edison FY forecast of £12.7m). IE also revealed that corporate order book sales rose by 43% in the first five months of the year and sales in the SME division rose by 300% year-on-year. We expect this organic growth to be supplemented by acquisitions where they add to IE's service offering and geographical reach. Aligning Inspired Energy's PEG ratio to that of the All-Share Index produces a valuation of c 13.5p/share using base case forecasts, but c 22p/share using more aggressive assumptions for growth in corporate order book sales.

INDUSTRY OUTLOOK

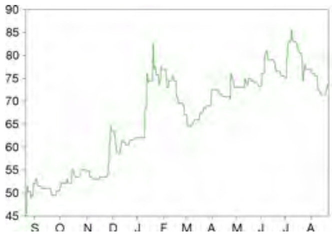
The fast-growing and fragmented third-party intermediary (TPI) market for energy procurement offers Inspired Energy significant opportunity for growth.

Y/E Dec	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (fd) (p)	P/E (x)	P/CF (x)
2012	5.3	2.6	2.3	0.51	25.7	42.5
2013	7.6	3.5	3.3	0.69	19.0	19.0
2014e	9.8	4.4	4.1	0.78	16.8	20.3
2015e	11.8	5.4	5.1	0.95	13.8	12.2

Sector: Consumer support services

Price: 73.0p
Market cap: £41m
Forecast net debt (£m) 36.0
Forecast gearing ratio (%) 64.0
Market AIM

Share price graph (p)



Company description

International Greetings is one of the world's leading designers, innovators and manufacturers of gift packaging and greetings, stationery and creative play products.

Price performance

%	1m	3m	12m
Actual	(8.2)	(2.0)	60.4
Relative*	(9.1)	(1.7)	50.9

* % Relative to local index

Analyst

Fiona Orford-Williams

International Greetings (IGR)

INVESTMENT SUMMARY

Final results (2 July) were a little ahead of market expectations despite the drags of currency translation and bad weather in the US in Q114. The investments made in manufacturing efficiency should now start to show in margins. Alongside reduced interest costs and a lower tax charge, this should drive earnings in spite of the lack of growth in underlying markets. The improved balance sheet gives International Greetings (IGR) the flexibility to make further bolt-on acquisitions without compromising commitments on leverage. The rating is at a substantial discount.

INDUSTRY OUTLOOK

The global 'social expressions' stationery market is estimated at c £3bn, giving IGR around a 7% share. There are a large number of small players, together with a few more substantial companies such as Hallmark and American Greetings, making the trading environment intensively competitive. With overall volumes unlikely to show any meaningful growth, the low unit cost, high-volume nature of the products makes maximising manufacturing efficiency the key to building both margins and market share. IGR's investment in China, the Netherlands and South Wales gives clear water over competitors on unit cost.

Y/E Mar	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (fd) (p)	P/E (x)	P/CF (x)
2013	225.2	15.0	7.8	8.7	8.4	5.4
2014	224.5	16.3	8.1	9.0	8.1	3.1
2015e	222.4	16.6	8.4	9.3	7.8	3.2
2016e	228.1	17.7	9.5	11.0	6.6	2.7

Sector: Technology

Price:	€47.23
Market cap:	€106m
Forecast net cash (€m)	0.4
Forecast gearing ratio (%)	N/A
Market	FRA

Share price graph (€)

Company description

InVision provides workforce management software and online training for contact centres on a software as a service platform. It is based in Germany and is focused on European and North American opportunities.

Price performance

%	1m	3m	12m
Actual	(16.4)	(15.2)	152.6
Relative*	(14.5)	(12.6)	122.7

* % Relative to local index

Analyst

Ian Robertson

InVision (IVX)

INVESTMENT SUMMARY

InVision offers a rare investment opportunity as a listed European software as a service (SaaS) company. It has seen the pain of making the move across to a SaaS platform and, as the H1 results showed, is gaining from the growth in the use of its injixo workforce management (WFM) software and online training offerings in call centres. Although valued at a premium to more traditional, smaller listed European software companies, it stands at a significant discount to other SaaS plays.

INDUSTRY OUTLOOK

The main driver to InVision's growth is expected to be the secular shift of contact centres towards wider use of workforce management software. The business case for using InVision's software remains attractive regardless of wider economic or sector concerns.

Y/E Dec	Revenue (€m)	EBITDA (€m)	PBT (€m)	EPS (c)	P/E (x)	P/CF (x)
2012	13.2	1.2	0.8	30.7	153.8	80.3
2013	13.6	2.1	1.8	80.5	58.7	32.8
2014e	13.5	4.5	4.0	169.7	27.8	27.7
2015e	15.5	6.2	5.7	240.9	19.6	17.6

Sector: Technology

Price:	18.8p
Market cap:	£122m
Forecast net debt (£m)	34.3
Forecast gearing ratio (%)	26.0
Market	AIM

Share price graph (p)

Company description

IQE has established itself as a one-stop shop for the compound semiconductor wafer needs of the world's leading semiconductor device manufacturers.

Price performance

%	1m	3m	12m
Actual	(18.5)	(14.8)	(35.3)
Relative*	(19.3)	(14.5)	(39.2)

* % Relative to local index

Analyst

Dan Ridsdale

IQE (IQE)

INVESTMENT SUMMARY

While weakness in wireless affected H1 trading by more than we expected, structurally IQE looks in much better shape, with encouraging progress being made in both diversifying the revenue profile and reducing costs. Photonics revenues grew by 20% y-o-y in H1, largely driven by VCSEL lasers and growth should be supplemented by CPV solar, where production volume shipments are expected to commence in H2. While the company has historically proved adept at reducing costs at times of trading weakness, the rationalisation programme adds structural cost efficiency. The current rating seems to ignore the structural progress IQE has made.

INDUSTRY OUTLOOK

The potential threat posed by silicon RF is unlikely to dissipate, but has not visibly advanced over the past 12 months. The growth of LTE and proliferation of wireless connectivity should support demand for GaAs. Management estimates the market for wafers in the CPV solar market could grow to $200-500m within the next three to five years.

Y/E Dec	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (fd) (p)	P/E (x)	P/CF (x)
2012	88.0	16.7	8.6	1.4	13.4	26.2
2013	126.8	24.9	13.0	2.0	9.4	9.5
2014e	117.2	27.1	15.1	2.2	8.5	13.6
2015e	121.6	30.1	17.0	2.5	7.5	6.1

Is Private Equity (ISGSY)

Sector: Financials

Price:	TRY2.22
Market cap:	TRY166m
Forecast net debt (TRYm)	N/A
Forecast gearing ratio (%)	N/A
Market	IS

Share price graph (TRY)

Company description

Is Private Equity (ISGSY) is a listed private equity fund, which invests directly in Turkey's growing mid-cap private companies.

Price performance

%	1m	3m	12m
Actual	0.0	(2.9)	(6.6)
Relative*	4.2	(6.0)	(17.5)

* % Relative to local index

Analyst

Peter Thorne

INVESTMENT SUMMARY

2013 consolidated net profit at Is Private Equity (ISGSY) was a record TRY66.9m (2012: TRY51.7m). ISGSY has been on target to produce a record consolidated net profit since it completed the sale of Aras Kargo in July 2013, its most profitable exit to date. This deal generated a TRY82.5m gain (US$42m at the time), an IRR of 165% and a 5.2x money multiple on a US$ basis. ISGSY has a liquid balance sheet that has supported a trailing 12-month dividend yield of c 9% and provides resources to take advantage of new investment opportunities that may emerge. No investment realisations were announced in H114.

INDUSTRY OUTLOOK

The role that private equity firms like ISGSY can play in the development of Turkey remains considerable. However, progress on portfolio disposals is likely to suffer from market uncertainties. These include the rate at which interest rates in the US are increased, the political instability in its neighbours in Ukraine, Iraq and Syria, as well as local domestic economic and political uncertainties arising from the desire to lower inflation without suppressing economic growth.

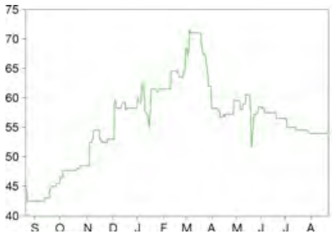
Y/E Dec	Revenue (TRYm)	EBITDA (TRYm)	PBT (TRYm)	EPS (Kr)	P/E (x)	P/CF (x)
2012	124.8	N/A	48.4	72.6	3.1	N/A
2013	282.5	N/A	71.3	107.0	2.1	N/A
2014e	N/A	N/A	N/A	N/A	N/A	N/A
2015e	N/A	N/A	N/A	N/A	N/A	N/A

IS Solutions (ISL)

Sector: Technology

Price:	54.0p
Market cap:	£14m
Forecast net cash (£m)	0.3
Forecast gearing ratio (%)	N/A
Market	AIM

Share price graph (p)



Company description

IS Solutions is a systems integrator focused on the internet. The group offers software products, specialist projects and managed services across three key areas – portals, content/document management and analytics.

Price performance

%	1m	3m	12m
Actual	(0.9)	0.5	21.4
Relative*	(1.9)	0.8	14.2

* % Relative to local index

Analyst

Richard Jeans

INVESTMENT SUMMARY

IS Solutions continues to benefit from strong demand for web/big data analytics, having established its position as a systems integrator and managed service provider in the web analytics market over the last c 20 years. FY13 numbers were broadly in line with our forecasts, supported by a strong H2 performance, which was expected. However, we eased our revenue and PBT forecasts, due to the declining US$/£, which reduces the group's day rates in sterling terms. The group has been improving efficiencies, largely by improving cross utilisation between employee groups. In our view, the c 13x FY15e P/E and 3.3% yield look attractive, due to the group's increasing focus on the web analytics space, which management is seeking to expand beyond customer experience analytics (CXA).

INDUSTRY OUTLOOK

IS Solutions (ISL) has carved a niche as a specialist systems integrator, offering software products, projects and managed services to support organisations' internet infrastructures. Demand is supported by the increasing complexity of IT infrastructure and the need to integrate many continually evolving technologies. ISL has established an interesting position in web analytics, used by organisations to better understand their online customers. In our view, the outlook for internet/e-commerce is strong vs the overall IT market.

Y/E Dec	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (p)	P/E (x)	P/CF (x)
2012	9.2	1.1	0.9	3.2	16.9	41.6
2013	9.8	1.1	0.9	3.0	18.0	17.0
2014e	10.4	1.3	1.1	3.6	15.0	11.1
2015e	11.4	1.5	1.3	4.1	13.2	9.8

Is Yatirim (ISMEN)

Sector: Investment companies

Price:	TRY1.27
Market cap:	TRY422m
Forecast net debt (TRYm)	0
Forecast gearing ratio (%)	N/A
Market	IS

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 advises on IPOs.

Price performance

%	1m	3m	12m
Actual	3.3	8.6	(3.7)
Relative*	7.6	5.2	(15.0)

* % Relative to local index

Analyst

Peter Thorne

INVESTMENT SUMMARY

Q2 revenue and profits from Is Yatirim (ISY) rebounded strongly from a weak Q1 thanks to good prop trading results, especially in bonds, which benefited from a 2% points decline in two-year bond yields during the quarter. ISY's portfolio of acquired non-performing loans, held in its 74%-owned Efes NPL Asset Management subsidiary, also made a good contribution to profits in the quarter. We have raised our 2014 attributable profit forecast by 13%. There is scope to raise the forecast more, but we will wait until the economic situation is clearer before doing so.

INDUSTRY OUTLOOK

The long-term potential for above-average growth in Turkish capital markets and ISY's place in those markets remains, but in the short term the markets will be affected by many uncertainties. These include the rate at which interest rates in the US are increased, the political instability in its neighbours in Ukraine, Iraq and Syria, as well as local domestic economic and political uncertainties arising from the desire to lower inflation without suppressing economic growth.

Y/E Dec	Revenue (TRYm)	EBITDA (TRYm)	PBT (TRYm)	EPS (fd) (Kr)	P/E (x)	P/CF (x)
2012	311.9	N/A	149.6	19.4	6.5	N/A
2013	344.7	N/A	137.2	21.3	6.0	N/A
2014e	314.0	N/A	132.9	21.2	6.0	N/A
2015e	336.9	N/A	147.2	23.2	5.5	N/A

Japan Residential Investment Co. (JRIC)

Sector: Financials

Price:	57.2p
Market cap:	£121m
Forecast net debt (£m)	N/A
Forecast gearing ratio (%)	N/A
Market	AIM

Share price graph (p)

Company description

JRIC is a specialist investor in rented Japanese residential property. It owns a freehold portfolio of over 2,700 apartments, comprising mainly newer buildings located in major metropolitan areas with ready access to train or subway stations.

Price performance

%	1m	3m	12m
Actual	(2.1)	(1.3)	(12.9)
Relative*	(3.1)	(1.0)	(18.1)

* % Relative to local index

Analyst

Martyn King

INVESTMENT SUMMARY

JRIC showed strong progress in H114, with portfolio growth of 34% and underlying profit growth of 36%, both in yen terms, as the proceeds of the October 2013 capital increase were quickly put to work, geared with additional low-cost borrowing. Despite a c 18% decline in the average value of the yen versus sterling, underlying sterling net profits were 15% higher and underlying sterling EPS was flat at 1.7p. As acquisitions contribute fully, on current exchange rates, we expect the forecast 3.6p full year dividend to be fully covered by underlying earnings. The development of the Japanese economy suggests that rental growth and continued valuation gains, not included in our forecasts, are a realistic prospect.

INDUSTRY OUTLOOK

JRIC's portfolio appears well placed in tightening rental markets in major cities; c 86% of its units are located in Japan's three largest markets and major population centres, Tokyo, Osaka and Nagoya. The outlook for letting markets, rental and investment returns is improving and JRIC will work its portfolio via sales, acquisitions and debt refinance to enhance EPS.

Y/E Nov	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (fd) (p)	P/E (x)	P/CF (x)
2012	19.9	11.4	8.0	4.0	14.3	N/A
2013	16.7	9.1	6.1	3.2	17.9	N/A
2014e	18.1	9.9	8.6	3.8	15.1	N/A
2015e	19.2	10.7	9.3	4.2	13.6	N/A

Sector: Technology

K3 Business Technology Group (KBT)

Price:	215.0p
Market cap:	£68m
Forecast net debt (£m)	12.3
Forecast gearing ratio (%)	23.0
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	(0.7)	2.1	73.4
Relative*	(1.7)	2.4	63.1

* % Relative to local index

Analyst

Katherine Thompson

INVESTMENT SUMMARY

On 28 July, K3 announced that it has acquired Retail Technology (RTL), a provider of Microsoft Dynamics EPOS solutions to smaller retailers; K3 is paying £0.61m in cash. For the year ending 31 May 2013, RTL generated revenues of £0.8m (69% recurring) and PBT of £0.14m, and current trading indicates an operating profit run rate of £0.2m. We would expect K3 to integrate this business with its existing Microsoft Dynamics POS business. We will update our forecasts when K3 reports FY14 preliminary results in mid-September.

INDUSTRY OUTLOOK

K3 is Microsoft's biggest Dynamics partner in the UK, supplying the retail, distribution and manufacturing sectors. The UK market has been tough, but demand appears to be recovering for Retail NAV (where K3 has an established offering) and orders have been received for K3's Retail AX solution (axis fashion), where it is investing in specialist product functionality.

Y/E Jun	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (fd) (p)	P/E (x)	P/CF (x)
2012	68.0	12.9	10.1	29.7	7.2	8.3
2013	63.5	7.3	4.4	14.1	15.2	7.8
2014e	72.3	9.6	6.4	15.3	14.1	8.7
2015e	74.7	12.2	8.5	21.0	10.2	8.3

Sector: General industrials

Kongsberg Automotive (KOA)

Price:	NOK7.31
Market cap:	NOK2973m
Forecast net debt (€m)	192.4
Forecast gearing ratio (%)	98.0
Market	Oslo

Share price graph (NOK)

Company description

Kongsberg Automotive is a global manufacturer of interior components (30% 2013 sales), driveline systems (28%), driver controls (25%) and fluid transfer products (17%), supplying the automotive and commercial vehicle markets.

Price performance

%	1m	3m	12m
Actual	7.8	16.0	145.3
Relative*	9.8	14.9	111.7

* % Relative to local index

Analyst

Roger Johnston

INVESTMENT SUMMARY

Kongsberg Automotive has evolved from a small Scandinavian player focused on truck components to an international provider of automotive equipment to global OEMs. While recent efforts were focused on rebuilding the balance sheet following the pre-financial crisis acquisition of GMS, the group is now in a position to drive a strategy of innovation, BRIC expansion and increasing electrification to deliver top- and bottom-line growth and reduce net debt. With net debt:EBITDA closer to target levels, the company can now invest in R&D at c 5% of revenue to deliver new technologies to capture market share gains and improved margins, with Q2 results demonstrating enhanced operational performance across most divisions. The recent award of a €29m Driveline contract highlights the group's value proposition.

INDUSTRY OUTLOOK

Kongsberg's exposure to the automotive and commercial vehicle markets is split 60% and 40% respectively. Following steady growth in 2012 and 2013, vehicle production is expected to accelerate as economic recovery takes hold.

Y/E Dec	Revenue (€m)	EBITDA (€m)	PBT (€m)	EPS (fd) (c)	P/E (x)	P/CF (x)
2012	1001.0	77.0	12.0	1.45	60.1	4.4
2013	990.9	97.1	12.8	1.65	52.8	4.0
2014e	994.2	104.5	47.3	8.43	10.3	3.5
2015e	1011.9	114.3	58.0	10.52	8.3	3.5

Sector: General industrials

Price:	€12.60
Market cap:	€76m
Forecast net debt (€m)	163.9
Forecast gearing ratio (%)	802.0
Market	FRA

Share price graph (€)

Company description

KTG Energie develops and operates biogas facilities. The output is sold under the German renewable energy law at subsidised rates.

Price performance

%	1m	3m	12m
Actual	(6.1)	7.7	(9.5)
Relative*	(4.0)	11.1	(20.3)

* % Relative to local index

Analyst

Catharina Hillenbrand-Saponar

KTG Energie (KB7)

INVESTMENT SUMMARY

In our recent initiation report we estimated that KTG Energie will multiply earnings almost threefold by the end of this decade, driven by a growing biogas asset base with high visibility and cash generation. It stands out as a result of unique competitive advantages on feedstock supply, which make it one of the few viable names in the sector. In addition, an attractive payout provides yield attraction. Its c 5% yield is at the high end of our peer universe. The company's value is driven by its mature cash flows from 2020.

INDUSTRY OUTLOOK

Biogas in Germany is regulated under the renewable energy law (EEG) of 2012 and 2014. The broader context is the target of renewable accounting for 80% of gross electricity consumption by 2050 and 40-45% by 2025. The legislation governs priority offtake for all renewable and feed-in tariffs, including biogas. It receives fixed feed-in tariffs for 20 years from commissioning. Output can also be fed directly into the gas grid or go into heating. Both are governed by the gas feed in and combined heat and power laws.

Y/E Dec	Revenue (€m)	EBITDA (€m)	PBT (€m)	EPS (fd) (c)	P/E (x)	P/CF (x)
2012	37.7	9.0	2.8	41.0	30.7	7.3
2013	54.3	13.2	2.7	26.5	47.5	12.9
2014e	69.4	19.6	4.1	48.9	25.8	6.5
2015e	84.6	25.1	7.0	84.5	14.9	5.2

Sector: Consumer support services

Price:	€6.01
Market cap:	€186m
Forecast net debt (€m)	97.8
Forecast gearing ratio (%)	57.0
Market	Borsa Italiana

Share price graph (€)

Company description

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

Price performance

%	1m	3m	12m
Actual	2.9	(1.8)	103.7
Relative*	5.1	1.2	71.8

* % Relative to local index

Analyst

Victoria Buxton

La Doria (LD)

INVESTMENT SUMMARY

With the tomato campaign now in process, the outlook continues to look favourable for the red line for the rest of FY14 and into FY15. With expected national production volumes of 4.9m tonnes, market equilibrium should be at least maintained, which together with already very low national stock levels, puts La Doria in a good position for the impending annual pricing rounds. Order volumes across all main categories and markets are at least level if not ahead of the previous year, and cost of goods sold and other operating expenses look to be flat to marginally down year-on-year. H1 results will be announced on 28 August.

INDUSTRY OUTLOOK

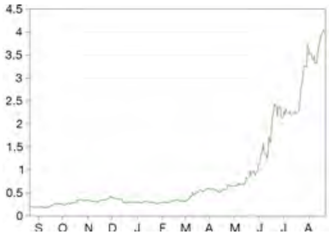
Structural changes in the Italian tomato market over the last couple of years mean the issues of overproduction and excess stock have been ameliorated. On the demand side private label continues to take share, and international demand for Italian-style products is growing. In combination this has resulted in improved forecast visibility and reduced volatility.

Y/E Dec	Revenue (€m)	EBITDA (€m)	PBT (€m)	EPS (fd) (c)	P/E (x)	P/CF (x)
2012	578.9	36.6	20.9	27.0	22.3	7.7
2013	604.4	43.4	29.2	45.1	13.3	7.3
2014e	643.7	52.6	35.0	56.6	10.6	5.5
2015e	669.4	57.4	39.5	64.8	9.3	5.3

Sector: Oil & gas

Price:	A$3.93
Market cap:	A$1813m
Forecast net cash (A$m)	50.9
Forecast gearing ratio (%)	N/A
Market	ASX, OTC Pink

Share price graph (A$)



Company description

LNG Ltd is an ASX-listed company devoted to the development of an LNG export terminal in the US, which is planned to reach financial close in mid-2015 and start production in 2018.

Price performance

%	1m	3m	12m
Actual	57.2	339.1	1968.4
Relative*	54.3	321.2	1768.8

* % Relative to local index

Analyst

Will Forbes

Liquefied Natural Gas Limited (LNGL)

INVESTMENT SUMMARY

Liquefied Natural Gas Limited (LNGL) has seen substantial share price appreciation on the back of continuing progress at its Magnolia LNG plant, the entry of key new shareholders and the recently proposed Bear Head acquisition site in Nova Scotia. With a current WI of 100% at Bear Head, the proposed 4mtpa LNG export site (converted from a partially developed import site) could double the size of the company in time, and the work done at Magnolia should reduce the time to first LNG vs Canadian peers.
Major milestones still need to be reached, but LNGL has made good progress and plans to reach financial close at Magnolia LNG in mid-2015. Our recent analysis shows that despite the share price appreciation, there is still value for long-term holders should the company hit its targets.

INDUSTRY OUTLOOK

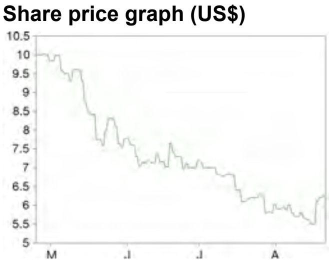
The US shale gas boom has provided US industry with a glut of cheap gas, enabling competitive advantage. LNGL is well placed to benefit from this cheap gas.

Y/E Jun	Revenue (A$m)	EBITDA (A$m)	PBT (A$m)	EPS (fd) (c)	P/E (x)	P/CF (x)
2012	0.0	(17.4)	(16.7)	(6.2)	N/A	N/A
2013	0.0	(13.5)	(13.4)	(5.0)	N/A	N/A
2014e	0.0	(14.2)	(14.1)	(3.2)	N/A	N/A
2015e	0.0	(21.1)	(20.9)	(4.5)	N/A	N/A

Sector: Pharma & healthcare

Price:	US$6.21
Market cap:	US$101m
Forecast net debt (US$m)	N/A
Forecast gearing ratio (%)	N/A
Market	NASDAQ

Share price graph (US$)



Company description

Lombard Medical Technologies is a manufacturer and supplier of cardiovascular implants. The lead product, Aorfix, a flexible endovascular stent graft for the treatment of AAA, is commercialised in Europe and recently received FDA approval.

Price performance

%	1m	3m	12m
Actual	0.6	(18.2)	N/A
Relative*	N/A	N/A	N/A

* % Relative to local index

Analyst

Emma Ulker

Lombard Medical (EVAR)

INVESTMENT SUMMARY

Global Aorfix commercial revenue increased 38% to $2.2m in Q214, and US sales increased to $0.6m from $0.3m in Q413. Lombard Medical has listed in the US to provide it with greater exposure to investors in Aorfix's key market (c $700m) and to increase liquidity. Lombard has a defined peer group in the US, including direct comparators Endologix and TriVascular. The company used part of the $55m IPO proceeds to more than double the size of its US sales force during Q214, bringing the total number of reps to 34. The remaining funds will be used to further increase the size of this sales force to around 50 reps by mid-2015, to develop a thoracic endovascular stent graft and for general working capital. Lombard Medical received approval for Aorfix from the Japanese regulator in July, and the device could be launched in Japan, the second-largest global market for endovascular aneurysm repair (EVAR), in 2014.

INDUSTRY OUTLOOK

Lombard will compete with larger US corporations to achieve further penetration in the $1.4bn global AAA market for Aorfix. The unique 0-90º label and clinical evidence provide a potential competitive edge for Aorfix in the EVAR-receptive US market.

Y/E Dec	Revenue (US$m)	EBITDA (US$m)	PBT (US$m)	EPS (c)	P/E (x)	P/CF (x)
2012	6.2	(13.0)	(13.7)	(65.3)	N/A	N/A
2013	7.0	(19.6)	(20.1)	(52.8)	N/A	N/A
2014e	N/A	N/A	N/A	N/A	N/A	N/A
2015e	N/A	N/A	N/A	N/A	N/A	N/A

Sector: Financials

Price:	2005.0p
Market cap:	£5466m
Forecast net debt (£bn)	0.9
Forecast gearing ratio (%)	43.0
Market	LSE

Share price graph (p)

Company description

London Stock Exchange is Europe's leading exchange group in cash equities with c 50% of the FTSEurofirst 100 by market cap and the most liquid order book by value and volume traded.

Price performance

%	1m	3m	12m
Actual	4.9	11.8	28.0
Relative*	3.9	12.1	20.4

* % Relative to local index

Analyst

Peter Thorne

London Stock Exchange Group (LSE)

INVESTMENT SUMMARY

The FY14 results (to March) show LSE has delivered on its promises. It has built a product set that brings both good near-term income diversity and a broad range of growth options (LSE delivered organic growth of c 10% with increases in all business segments). On 26 June it announced the acquisition of Frank Russell for $2.7bn funded by a rights issue and £0.7bn of debt. We believe the asset management business will be sold and will update forecasts when the deal concludes. Q1 revenues for the three months to 30 June 2014 were in line with expectations with total income, excluding unrealised gains, rising on an organic and constant currency basis by 7% y-o-y.

INDUSTRY OUTLOOK

Market activity has shown good growth on 2013 ytd. For instance, to the end of July 2014 the value traded on its UK order book was up 10% y-on-y, the Italian order book up 26%, the derivatives one 39% and MTS Cash (European government bonds)39%.This bodes well for the capital markets and settlement businesses. LCH.Clearnet is likely to benefit from ongoing appetite for risk management and the indices business from global expansion of ETFs.

Y/E Mar	Revenue (£bn)	EBITDA (£bn)	PBT (£bn)	EPS (p)	P/E (x)	P/CF (x)
2013	0.9	0.5	0.4	103.4	19.4	15.9
2014	1.2	0.6	0.4	104.4	19.2	16.4
2015e	1.3	0.6	0.5	112.7	17.8	11.9
2016e	1.4	0.6	0.5	122.6	16.4	11.4

Sector: General retailers

Price:	140.0p
Market cap:	£545m
Forecast net debt (£m)	48.2
Forecast gearing ratio (%)	18.0
Market	LSE

Share price graph (p)

Company description

Lookers is a leading motor vehicle and specialist parts distributor. It operates some 126 franchises, representing 32 marques spread across the UK. There is a strong regional presence in Northern Ireland and Northern England.

Price performance

%	1m	3m	12m
Actual	3.1	2.2	13.8
Relative*	2.1	2.5	7.1

* % Relative to local index

Analyst

Nigel Harrison

Lookers (LOOK)

INVESTMENT SUMMARY

Lookers has delivered again. Profits are well ahead of expectations, prompting a further rise in market estimates. While the share price has performed impressively over the past two years, it is fully justified by the strong trading performance and positive industry dynamics. We find it difficult to understand why the rating is below that of the other quoted motor dealership groups.

INDUSTRY OUTLOOK

City sentiment towards the motor distribution sector remains positive, with vehicle registration figures again running ahead of earlier industry estimates. The leading groups continue to gain market share in each of the key business segments (new cars, used cars, aftermarket), largely at the expense of the independent sector. The market dynamics remain favourable, with SMMT forecasts raised again last month.

Y/E Dec	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (fd) (p)	P/E (x)	P/CF (x)
2012	2057.0	60.0	38.0	7.56	18.5	11.2
2013	2465.0	70.9	48.1	10.16	13.8	9.7
2014e	2850.0	83.6	60.0	12.03	11.6	7.9
2015e	2950.0	86.0	63.0	12.71	11.0	7.6

Sector: Basic industries

Price:	83.0p
Market cap:	£272m
Forecast net debt (£m)	80.2
Forecast gearing ratio (%)	42.0
Market	LSE

Share price graph (p)

Company description

Low & Bonar produces yarns and fabrics for a variety of end markets by combining polymers with specialty additives and pigments. It reports as three divisions: Bonar (61% FY13 revenues), Technical Coated Fabrics (31%) and Yarns (8%).

Price performance

%	1m	3m	12m
Actual	(4.6)	2.8	15.7
Relative*	(5.5)	3.1	8.8

* % Relative to local index

Analyst

Toby Thorrington

Low & Bonar (LWB)

INVESTMENT SUMMARY

H1 results contained good underlying business momentum partly offset by adverse FX movements. Actions taken within Bonar to develop and invest in global sectors should increasingly come through in group results. Translating this to double-digit earnings growth will be a key influence on Low & Bonar's share price performance, in our view, and there is scope for rating expansion for FY15 and beyond.

INDUSTRY OUTLOOK

Key strategic medium-term financial targets are for 10% operating margins, 17%+ return on operating assets and an organic group revenue growth target of eurozone GDP +3%. While aiming to outperform in the eurozone itself, the onus is clearly on other territories to provide the growth engine. North America is flagged as having potential for regional expansion.

Y/E Nov	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (p)	P/E (x)	P/CF (x)
2012	380.5	43.8	24.5	6.3	13.2	6.6
2013	403.1	45.6	26.1	6.2	13.4	7.0
2014e	428.3	49.0	29.2	6.4	13.0	6.8
2015e	449.1	53.1	33.6	7.4	11.2	6.1

Sector: Property

Price:	367.0p
Market cap:	£382m
Forecast net cash (£m)	55.0
Forecast gearing ratio (%)	N/A
Market	LSE

Share price graph (p)

Company description

LSL Property Services is one of the UK's leading residential property services companies. It owns and operates the second-largest UK estate agency network, and a range of services for corporate (mortgage lender) and retail clients.

Price performance

%	1m	3m	12m
Actual	1.9	(9.4)	(20.5)
Relative*	0.9	(9.2)	(25.2)

* % Relative to local index

Analyst

Mark Thomas

LSL Property Services (LSL)

INVESTMENT SUMMARY

Marketwide housing transactions increased 25% H114 on H113 and the Halifax house price index was up 9%. LSL's historic investment in people saw it exploit this opportunity with 18% group revenue growth H114 on H113, well spread across the divisions. Income grew 27% in both exchange and financial services, 29% in agency other income, 12% in lettings and 10% in surveying. Cost growth (up 17%) was below revenue growth despite continued investment. Underlying operating profit grew 31% and adjusted EPS 39%. We continue to expect growth in the market in H2 albeit at a slower rate than H1. Zoopla proceeds will be returned to shareholders in September via a 16.5p special dividend.

INDUSTRY OUTLOOK

The market report indicates a relatively rapid bounce back after the tightening of mortgage approvals from 1 April 2014. However, we note that underlying affordability is worse than long-run averages and could affect near-term activity. Sentiment is likely to be sensitive to rate expectations and the election.

Y/E Dec	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (p)	P/E (x)	P/CF (x)
2012	243.8	16.2	32.5	23.84	15.4	11.6
2013	258.6	24.0	34.4	25.51	14.4	14.1
2014e	294.0	65.3	43.4	33.00	11.1	13.8
2015e	312.5	52.4	49.3	37.86	9.7	7.9

Sector: Property

Price:	161.0p
Market cap:	£20m
Forecast net cash (£m)	3.5
Forecast gearing ratio (%)	N/A
Market	AIM

Share price graph (p)

Company description

Winkworth is the franchisor of London's largest chain of residential estate agents (61 offices). It has a number of franchisees outside the capital (32 offices) and an international presence that includes Portugal and India.

Price performance

%	1m	3m	12m
Actual	2.2	(8.5)	(18.1)
Relative*	1.2	(8.3)	(22.9)

* % Relative to local index

Analyst

Mark Thomas

M Winkworth (WINK)

INVESTMENT SUMMARY

Winkworth is a franchised estate agency. It delivered good, steady profit growth in 2008-12 despite market transaction volumes being anaemic. 2013 saw strong positive leverage to the rising transaction volumes. Revenue growth nearly doubled on 2012 to 15% and normalised pre-tax profits were up 26%. The model limits risk, does not incur premises-related costs and provides the flexibility to manage underperforming branches. Winkworth is heavily weighted to the London property market, but has been expanding in areas outside London. It has also signed a master franchise agreement in India, where a first office was opened last year. A 1.5p dividend for Q214 was declared on 14 August.

INDUSTRY OUTLOOK

Four-fifths of revenue is generated from London franchises and there are signs that this market is stabilising. Following rapid house price increases some correction may be expected, but this may help ease supply bottlenecks. We expect national transactions to rise steadily in H214.

Y/E Dec	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (p)	P/E (x)	P/CF (x)
2012	4.3	1.6	1.3	8.1	19.9	0.0
2013	4.9	1.9	1.7	10.3	15.6	N/A
2014e	5.4	2.1	1.9	11.8	13.6	0.0
2015e	5.8	2.2	2.1	13.0	12.4	0.0

Sector: Oil & gas

Price:	13.4p
Market cap:	£71m
Forecast net cash (US$m)	5.0
Forecast gearing ratio (%)	N/A
Market	AIM

Share price graph (p)

Company description

Madagascar Oil holds the largest position in onshore exploration and development in Madagascar.

Price performance

%	1m	3m	12m
Actual	(18.3)	(22.5)	48.2
Relative*	(19.1)	(22.3)	39.4

* % Relative to local index

Analyst

Will Forbes

Madagascar Oil (MOIL)

INVESTMENT SUMMARY

The May 2014 declaration of commerciality paves the way for the phased development of the 1.7bnbbls OIP Tsimiroro resource. Such a development, although a long-term endeavour, has the potential to create very material upside for investors. The sheer size of the deposit could support production plateaux of up to 100mb/d over time, and steamflooding could see recovery factors of 50% or more. Development of the field will require more capital and we expect the company to raise funds in the near term to support the first phase (up to c 10mb/d). In our valuation, we assume a second phase of up to gross 50mb/d, while the upside to 100mb/d will be de-risked in time. Our NAV is 61p/share, although a full-scale development could eventually see a significant multiple of this value being realised.

INDUSTRY OUTLOOK

With Madagascar lying close to Africa's current 'hot' discoveries offshore Mozambique and Tanzania, we expect activity levels across the region to continue to grow.

Y/E Dec	Revenue (US$m)	EBITDA (US$m)	PBT (US$m)	EPS (c)	P/E (x)	P/CF (x)
2012	0.0	(13.5)	(13.6)	(5.5)	N/A	N/A
2013	0.0	(11.9)	(12.1)	(2.4)	N/A	N/A
2014e	3.5	(7.7)	(6.8)	(1.4)	N/A	N/A
2015e	22.4	0.8	6.7	0.7	32.7	11.2

EDISON

Sector: Pharma & healthcare

Price:	€6.40
Market cap:	€153m
Forecast net cash (€m)	3.3
Forecast gearing ratio (%)	N/A
Market	FRA

Share price graph (€)

Company description

MagForce is a German medtech firm with a European approved nanotechnology to treat brain cancers. NanoTherm therapy involves injecting NanoTherm particles with a magnetic core into the tumour.

Price performance

%	1m	3m	12m
Actual	19.4	7.6	155.5
Relative*	22.1	11.0	125.2

* % Relative to local index

Analyst

Dr Philippa Gardner

MagForce (MF6)

INVESTMENT SUMMARY

MagForce is aiming to accelerate uptake of its NanoTherm therapy, already approved in Europe for brain cancer. To increase physician acceptance and awareness of the therapy, MagForce has worked with a number of key opinion leaders to design a new glioblastoma study and the first patient was enrolled in March. Three NanoActivators are already in place, with additional installations planned in Germany; expansion across Europe is anticipated in the next few years. MagForce also intends to introduce NanoTherm therapy to the US, both in glioblastoma and prostate cancer, and could expand the current GBM study to this region; the FDA recently confirmed that NanoTherm will be designated as a medical device in the US.

INDUSTRY OUTLOOK

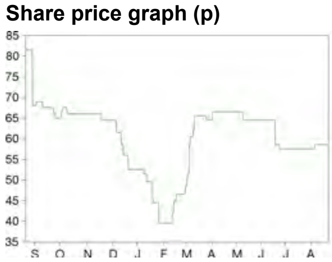
MagForce's NanoTherm therapy has been designed to directly affect tumours from within, while sparing surrounding healthy tissue. Nanoparticles are injected into a tumour and heated by an external magnetic field. This can destroy or sensitise the tumour for additional treatment.

Y/E Dec	Revenue (€m)	EBITDA (€m)	PBT (€m)	EPS (fd) (c)	P/E (x)	P/CF (x)
2012	0.0	(4.6)	(5.7)	(116.0)	N/A	N/A
2013	0.0	(1.5)	(1.6)	(8.1)	N/A	N/A
2014e	1.6	(4.9)	(5.6)	(23.2)	N/A	N/A
2015e	3.6	(7.1)	(8.2)	(34.1)	N/A	N/A

Sector: Financials

Price:	58.5p
Market cap:	£10m
Forecast net debt (€m)	N/A
Forecast gearing ratio (%)	N/A
Market	AIM

Share price graph (p)



Company description

MCB Finance Group is a leading online provider of short- and medium-term loans to customers in Finland, Estonia, Latvia and Lithuania using the Credit24 brand. A pilot in Australia began in July 2012.

Price performance

%	1m	3m	12m
Actual	1.7	(9.3)	(28.2)
Relative*	0.8	(9.1)	(32.5)

* % Relative to local index

Analyst

Mark Thomas

MCB Finance Group (MCRB)

INVESTMENT SUMMARY

MCB Finance Group (MCB), the Fenno-Baltic lender, has been affected by a transition in Finland (its largest market) from instalment loans to credit lines and by higher funding costs (partially pre-funding lending growth with medium-term bond issues). Additionally, MCB has invested heavily in new markets and in central control functions. In Q214 consolidated revenue grew by 3.6% over the previous year period. Consolidated impairment costs were 20.0% of revenue (Q213: 29.3%)and operating profit for the Established Markets was €2.5m (Q213: €2.2m). Group pro forma profit after tax was €0.2m after €0.4m operating losses from New Businesses (Q213: €1.1m loss). Our forecasts are under review.

INDUSTRY OUTLOOK

Economic growth is now forecast across the region. The financial crisis has led to more rational pricing, but the markets are seeing increasing regulation, which has required product redesign and disrupted operations. New businesses are being managed for profit rather than growth.

Y/E Dec	Revenue (€m)	EBITDA (€m)	PBT (€m)	EPS (fd) (c)	P/E (x)	P/CF (x)
2011	17.0	3.6	3.7	17.26	4.3	N/A
2012	23.5	2.5	2.5	9.72	7.6	N/A
2013e	N/A	N/A	N/A	N/A	N/A	N/A
2014e	N/A	N/A	N/A	N/A	N/A	N/A

Medcom Tech (MED)

Sector: Pharma & healthcare

Price:	€8.00
Market cap:	€80m
Forecast net debt (€m)	6.3
Forecast gearing ratio (%)	36.0
Market	MAB

Share price graph (€)

Company description

Medcom Tech distributes a wide range of innovative orthopaedic products across Spain, Portugal and Italy. Its portfolio includes knee and hip implants, plates and screws to repair bone and spine fractures, and advanced types of bone cement.

Price performance

%	1m	3m	12m
Actual	(8.0)	(8.6)	327.8
Relative*	(8.7)	(8.8)	242.9

* % Relative to local index

Analyst

Dr Mick Cooper

INVESTMENT SUMMARY

Medcom Tech is maintaining strong growth despite Spain's challenging trading conditions. Underlying sales grew by 16.2% in FY13 to €18.9m and EBITDA increased by 24.2% to €2.9m. The company is benefiting from the optimisation of its sales force and strengthening its balance sheet over the last year. Net debt was stable at €5.4m at FY13 and the working capital constraints have been removed. Medcom Tech is also expanding its sales operations beyond Iberia and Italy in Europe and into Latin America. It has also established a new subsidiary, Medcom Flow, which will launch an innovative video-laryngeal mask and intubation device, Totaltrack, in the coming months; the product will be sold directly by Medcom Tech where it has a salesforce, and elsewhere by distributors.

INDUSTRY OUTLOOK

The Spanish orthopaedic market is estimated to be worth €400m. The market was growing at c 5% pa before the implementation of austerity measures, but is now estimated to be declining by c 5%. The ageing population, political pressure and technical innovations partially offset budget constraints.

Y/E Dec	Revenue (€m)	EBITDA (€m)	PBT (€m)	EPS (c)	P/E (x)	P/CF (x)
2012	16.7	2.3	0.5	3.6	222.2	24.1
2013	18.4	2.9	1.1	7.7	103.9	28.2
2014e	21.9	4.1	2.9	20.1	39.8	27.0
2015e	25.6	5.6	4.0	28.2	28.4	18.6

MedicX Fund Limited (MXF)

Sector: Property

Price:	84.0p
Market cap:	£297m
Forecast net debt (£m)	277.1
Forecast gearing ratio (%)	124.0
Market	LSE

Share price graph (p)

Company description

MedicX Fund is a specialist investor in primary care infrastructure. It holds a portfolio of 134 properties (including those under construction), let mainly to government-funded (NHS) tenants (90%) and pharmacies on GP surgery sites (8%).

Price performance

%	1m	3m	12m
Actual	1.2	1.2	9.4
Relative*	0.2	1.5	2.9

* % Relative to local index

Analyst

Martyn King

INVESTMENT SUMMARY

MedicX Fund has reported steady portfolio and rental growth in Q3 with no surprises. The fund offers a good yield (c 7%) generated from a broad portfolio of long-dated leases in primary care infrastructure with quasi-government underlying risk. Earnings growth and cover on the progressive dividend are benefiting through the balance of this year and next from the deployment of equity raised in October 2013 and reduced debt costs. Octopus Capital's agreed acquisition (subject to regulatory approval) of MedicX Group, owner of the investment adviser to the fund, should have little impact on the fund; existing management will remain in the same roles.

INDUSTRY OUTLOOK

Rental growth is underpinned by underlying demand for new premises with relatively subdued new construction during the past three years of NHS reform, and new build cost inflation. There remains a need to upgrade the UK's primary care estate. Some estimates suggest that c 60% of GPs work from unsuitable premises.

Y/E Sep	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (fd) (p)	P/E (x)	P/CF (x)
2012	16.6	12.7	5.6	2.4	35.0	13.5
2013	25.5	20.6	9.7	3.7	22.7	12.0
2014e	29.4	23.5	10.1	3.0	28.0	13.1
2015e	34.4	27.7	13.4	3.8	22.1	10.7

Sector: Pharma & healthcare

Price:	€4.65
Market cap:	€65m
Forecast net cash (€m)	15.2
Forecast gearing ratio (%)	N/A
Market	FRA

Share price graph (€)

Company description

Medigene is a biotech company with a cancer immunotherapy platform (Trianta) focused on haematological malignancies. DC vaccines are in Phase I/II studies, while T-cell therapy (TCR) and anti-T cell MAbs are in preclinical development.

Price performance

%	1m	3m	12m
Actual	(8.9)	(10.6)	33.5
Relative*	(6.8)	(7.8)	17.7

* % Relative to local index

Analyst

Christian Glennie

Medigene (MDG1)

INVESTMENT SUMMARY

Medigene has raised €15.9m to fund the development of its cancer immunotherapy platform (Trianta) for haematological malignancies, with Phase I/IIa studies planned for its dendritic cell vaccines in acute myeloid leukaemia (Q414) and another cancer indication (2015). This will complement ongoing investigator-initiated trials in AML and prostate cancer (data in 2016). Trianta is also developing adoptive T-cell therapy (TCR) and T-cell specific antibody (TAB) technologies. Cash is now sufficient at least until end-2016. RhuDex and EndoTAG-1 have been out-licensed, to Dr Falk Pharma (Phase II in PBC planned) and SynCore (Phase III in breast cancer planned), respectively. H114 revenues from genital warts ointment Veregen (sold by global partners) grew 36% to €2.6m.

INDUSTRY OUTLOOK

Cancer immunotherapy is attracting huge biotech investor interest. Trianta's DC vaccine technology is third-generation, with multiple potential efficacy and manufacturing benefits over the forerunners (Provenge).

Y/E Dec	Revenue (€m)	EBITDA (€m)	PBT (€m)	EPS (c)	P/E (x)	P/CF (x)
2012	6.3	(9.3)	(10.3)	(111.99)	N/A	N/A
2013	7.6	(8.2)	(9.7)	(101.09)	N/A	N/A
2014e	10.9	(4.9)	(6.4)	(53.95)	N/A	N/A
2015e	11.8	(6.1)	(7.6)	(54.42)	N/A	N/A

Sector: Oil & gas

Price:	A$0.04
Market cap:	A$33m
Forecast net cash (A$m)	13.1
Forecast gearing ratio (%)	N/A
Market	ASX

Share price graph (A$)

Company description

MEO Australia is an oil and gas company engaged in operations in Oceania. It has a production/development project in New Zealand, as well as high-impact exploration potential in Australia.

Price performance

%	1m	3m	12m
Actual	29.4	131.6	(38.9)
Relative*	27.0	122.1	(44.8)

* % Relative to local index

Analyst

Tim Heeley

MEO Australia (MEO)

INVESTMENT SUMMARY

With its staged farm-in to the onshore New Zealand Puka field, MEO has repositioned itself away from the roller coaster of pure exploration risk and provided shareholders with an opportunity to be exposed to near-term development and cash flow. Drilling of the Puka-3 well is underway and results will be due soon, alongside newsflow from the recompletions of Puka 1 and 2. If successful, MEO will receive 30% of total Puka production. MEO has also announced an initiative to realise some value from its long-running Tassie Shoal project by actively marketing equity participation and has hired UBS as an adviser.

INDUSTRY OUTLOOK

New Zealand is underexplored with excellent potential for onshore and offshore discoveries. MEO has taken a location in the main production fairway and is thus well positioned to learn from activity around it. Although the exploration assets in Australia require substantial work to be undertaken to prove up value, they remain important parts of the portfolio.

Y/E Jun	Revenue (A$m)	EBITDA (A$m)	PBT (A$m)	EPS (c)	P/E (x)	P/CF (x)
2012	N/A	N/A	N/A	N/A	N/A	N/A
2013	0.0	(67.8)	(67.4)	(22.5)	N/A	N/A
2014e	0.0	(122.7)	(122.7)	(39.1)	N/A	N/A
2015e	2.6	(4.0)	(4.5)	(1.6)	N/A	N/A

Sector: Pharma & healthcare

Price:	A$4.21
Market cap:	A$1354m
Forecast net cash (A$m)	209.2
Forecast gearing ratio (%)	N/A
Market	ASX

Share price graph (A$)

Company description

Mesoblast is developing adult stem cell therapies based on its proprietary MPC and culture-expanded MSC platforms. It has six late-stage clinical trials across four areas.

Price performance

%	1m	3m	12m
Actual	(0.5)	(11.2)	(27.0)
Relative*	(2.3)	(14.8)	(34.1)

* % Relative to local index

Analyst

Jason Zhang

Mesoblast (MSB)

INVESTMENT SUMMARY

Mesoblast intends to initiate a Phase III trial of mesenchymal precursor cells (MPCs) in discogenic low back pain later this year, following the successful Phase II trial that reported in February. This will be the first MPC programme that Mesoblast has itself taken into a Phase III study, although it inherited an ongoing Phase III trial for Prochymal (remestemcel-L) for Crohn's disease as part of last year's acquisition of Osiris's mesenchymal stem cell (MSC) business. Partner Teva has Phase III studies underway with MPCs in congestive heart failure and in bone marrow transplantation. We value the company at A$2.85bn (A$8.58/diluted share).

INDUSTRY OUTLOOK

Mesoblast is the leading mesenchymal stem development company, with two technology platforms (MPCs, MSCs) and nine clinical candidates (four in Phase III, five in Phase II). Its three alliances – with Teva, JCR and Lonza – underpin the key late-stage programmes.

Y/E Jun	Revenue (A$m)	EBITDA (A$m)	PBT (A$m)	EPS (c)	P/E (x)	P/CF (x)
2012	27.8	(48.8)	(38.6)	(21.58)	N/A	N/A
2013	24.2	(58.7)	(48.8)	(17.21)	N/A	N/A
2014e	22.0	(76.0)	(66.3)	(20.78)	N/A	N/A
2015e	16.2	(82.9)	(76.9)	(23.95)	N/A	N/A

Sector: Mining

Price:	A$0.27
Market cap:	A$41m
Forecast net cash (A$m)	4.3
Forecast gearing ratio (%)	N/A
Market	ASX

Share price graph (A$)

Company description

Minotaur Exploration is an exploration company with a focus on copper, gold and nickel. Its main exploration areas are in Queensland and WA in areas close to successful discoveries.

Price performance

%	1m	3m	12m
Actual	100.0	214.0	68.8
Relative*	96.3	201.1	52.5

* % Relative to local index

Analyst

Peter Chilton

Minotaur Exploration (MEP)

INVESTMENT SUMMARY

Minotaur (MEP) has announced the discovery of significant polymetallic mineralisation at the Artemis exploration project (MEP 50%) in NW Queensland, 20km west of the Eloise mine (owned by FMR Investments). Assays from the first hole, part of a 10-hole programme at nine prioritised sites, included 22m at 3% Cu, 3.8g/t au, 112 g/t Ag and 6.6% Zn from a depth of 157m to 179m. A second hole assayed 21m at 5.06% Zn, 1.85% Pb, 69g/t Ag, 0.84% Cu and 0.73g/t Au. A third deeper drillhole is underway. A drill programme is to be designed to test for strike and down-plunge extensions. The Artemis discovery has a footprint approximately half the size of Eloise, where over 10Mt at 3.6% Cu and 1g/t gold have been mined to date.

INDUSTRY OUTLOOK

Copper is holding above US$3/lb and supply may be tightening. Gold has rallied and is back over US$1300/oz. Although off peak levels, nickel firmness continues within a US$8-9/lb range due to continuing export restrictions on laterite nickel ore exports from Indonesia.

Y/E Jun	Revenue (A$m)	EBITDA (A$m)	PBT (A$m)	EPS (fd) (c)	P/E (x)	P/CF (x)
2012	0.5	(0.6)	(0.6)	(0.6)	N/A	N/A
2013	0.1	(1.4)	(1.2)	(0.3)	N/A	N/A
2014e	0.5	(0.9)	(0.7)	0.2	135.0	N/A
2015e	0.5	(0.7)	(0.5)	(0.2)	N/A	138.8

EDISON

Sector: Mining

Price: HK$2.76
Market cap: HK$14599m
Forecast net debt (US$m) 1386.0
Forecast gearing ratio (%) 74.0
Market HKSE

Share price graph (HK$)

Company description

MMG is a mid-tier global resources company that explores, develops and mines base metal deposits. It is headquartered in Melbourne, Australia, and listed on the Hong Kong Stock Exchange.

Price performance

%	1m	3m	12m
Actual	1.8	32.1	46.8
Relative*	(4.7)	20.7	28.2

* % Relative to local index

Analyst

Andrey Litvin

MMG (1208)

INVESTMENT SUMMARY

On 1 August, MMG announced completion of the acquisition of the Las Bambas copper project from Glencore. Earlier, the company reported Q214 operating results, with zinc and lead production rising 2% q-o-q (136.3kt) and 44% (26.8kt), and copper output sliding 12% (43.4kt). At the project level, Kinsevere maintained record production levels, with H114 copper volumes rising 13% y-o-y to 33.6kt on the back of higher throughput and grades. MMG has also revised its FY14 production guidance from 173-186kt to 177-190kt for copper and from 600-625kt to 580-605kt for zinc. Based on the mid-point, this is a 2% improvement for copper and a 4% reduction for zinc. On the cost side, FY14 C1 cost guidance for Kinsevere and Sepon remains unchanged, while cost estimates for Century and Golden Grove were reduced by 3% for the former and 7% (copper)/21% (zinc) for the latter.

INDUSTRY OUTLOOK

Copper and zinc prices remain strong supported by the tight supply-demand fundamentals.

Y/E Dec	Revenue (US$m)	EBITDA (US$m)	PBT (US$m)	EPS (fd) (c)	P/E (x)	P/CF (x)
2012	2499.4	737.9	234.0	3.95	9.0	2.8
2013	2470.0	750.5	123.0	1.95	18.3	2.8
2014e	2422.6	687.4	113.0	1.80	19.8	2.7
2015e	2310.3	669.2	122.0	1.95	18.3	2.8

Sector: Pharma & healthcare

Price: €7.27
Market cap: €123m
Forecast net cash (€m) 15.5
Forecast gearing ratio (%) N/A
Market FRA

Share price graph (€)

Company description

Mologen's lead products are MGN1703 for metastatic colorectal cancer maintenance and MGN1601, an allogeneic renal cancer cell vaccine. Both use dSLIM and MIDGE.

Price performance

%	1m	3m	12m
Actual	(24.2)	(33.7)	(42.5)
Relative*	(22.5)	(31.6)	(49.4)

* % Relative to local index

Analyst

Christian Glennie

Mologen (MGN)

INVESTMENT SUMMARY

Mologen is developing cancer immunotherapies for the post-chemo maintenance setting, a unique position within this burgeoning field. Lead candidate MGN1703 (TLR9 agonist) is poised to enter a 540-patient Phase III study (IMPALA) in Q314, as a maintenance therapy after first-line chemotherapy in patients with metastatic colorectal cancer (mCRC). A 100-patient Phase II trial (IMPULSE) in small-cell lung cancer (SCLC) is also underway, and results in H116 could rekindle partnership discussions. A Phase II trial in renal cancer with cancer vaccine candidate MGN1601 is being planned. Mologen ended Q214 with €23m in cash, sufficient into early 2016, so fresh finance is likely to be required in 2015/16.

INDUSTRY OUTLOOK

IMPALA is scheduled to produce data by end-2017, implying possible launch in 2018. Final overall survival (OS) data from IMPACT (Phase II with MGN1703 in colorectal cancer, expected H115), and initial OS data from IMPULSE (in H116), may offer fresh financing/partnering opportunities.

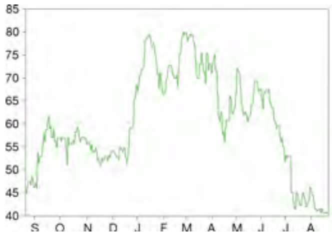
Y/E Dec	Revenue (€m)	EBITDA (€m)	PBT (€m)	EPS (c)	P/E (x)	P/CF (x)
2012	0.1	(7.7)	(7.7)	(55.54)	N/A	N/A
2013	0.2	(9.8)	(9.9)	(64.18)	N/A	N/A
2014e	0.1	(15.7)	(15.7)	(93.77)	N/A	N/A
2015e	0.1	(16.7)	(16.7)	(96.69)	N/A	N/A

EDISON

Sector: Technology

Price:	41.0p
Market cap:	£805m
Forecast net cash (£m)	144.2
Forecast gearing ratio (%)	N/A
Market	AIM

Share price graph (p)



Company description

Monitise provides a mass-market technology platform that enables banks, card schemes, telcos and other financial providers to offer mobile banking, payment and commerce services.

Price performance

%	1m	3m	12m
Actual	(6.8)	(36.2)	(8.9)
Relative*	(7.7)	(36.0)	(14.3)

* % Relative to local index

Analyst

Katherine Thompson

Monitise (MONI)

INVESTMENT SUMMARY

Monitise has announced a strategic global alliance with IBM, building on the existing relationship originally announced last year. The expanded alliance is for a wider global collaboration between Monitise and IBM on a multi-year basis targeting not only financial services institutions, but also other verticals that can make use of Monitise functionality via standard API connection. With the advantage of IBM's global sales force marketing Monitise's solutions, and greater technological integration between the two companies, we see scope for faster adoption of Monitise's technology by its financial services institution target market.

INDUSTRY OUTLOOK

With close to seven billion mobile phone connections globally, handset-based services such as mobile banking continue to show strong growth. For example, in the UK more than 20% of adults use their mobile phones for banking. Further growth is likely from the use of mobile phones for retail payments and as mobile wallets for those without bank accounts.

Y/E Jun	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (p)	P/E (x)	P/CF (x)
2012	36.1	(10.4)	(18.8)	(2.4)	N/A	N/A
2013	72.8	(19.3)	(32.5)	(2.4)	N/A	N/A
2014e	95.7	(34.1)	(49.1)	(2.9)	N/A	N/A
2015e	120.4	(30.7)	(50.4)	(2.6)	N/A	N/A

Sector: Pharma & healthcare

Price:	€70.48
Market cap:	€1859m
Forecast net cash (€m)	329.5
Forecast gearing ratio (%)	N/A
Market	FRA

Share price graph (€)

Company description

MorphoSys is a German biotechnology company that uses its proprietary antibody platforms to produce human antibodies for therapeutic use across a range of indications for partners and to develop its own pipeline.

Price performance

%	1m	3m	12m
Actual	6.6	7.8	23.6
Relative*	9.0	11.2	9.0

* % Relative to local index

Analyst

Dr Mick Cooper

MorphoSys (MOR)

INVESTMENT SUMMARY

MorphoSys has a broad portfolio of 20 antibodies in clinical studies, including three proprietary products with considerable potential. In 2013, two proprietary products, MOR103 and MOR202, were licensed to GSK in a €450m (c $590m) deal for development in all indications globally and to Celgene in an $818m (c €630m) co-development agreement for multiple myeloma and other haematological cancers, respectively. A Phase II study with MOR208 in non-Hodgkin's lymphoma and acute lymphoblastic leukaemia is ongoing, and another in chronic lymphocytic leukaemia (CLL) in combination with lenalidomide has also started. MOR208 recently achieved US and EU orphan status in CLL and small lymphocytic leukaemia (SLL). MorphoSys has just signed a co-development agreement with Emergent BioSolutions for MOR209/ES414, due to enter Phase I for prostate cancer during the next six months. It also formed a discovery collaboration with Temple University in April. MorphoSys had a cash position of €374m on 30 June.

INDUSTRY OUTLOOK

The pharmaceutical industry is out-licensing more drug discovery and developing more biological products, both trends that should benefit MorphoSys. Also, there is increasing demand for novel therapies, such as those in MorphoSys's proprietary pipeline.

Y/E Dec	Revenue (€m)	EBITDA (€m)	PBT (€m)	EPS (c)	P/E (x)	P/CF (x)
2012	51.9	8.8	7.1	27.9	252.6	780.5
2013	78.0	14.8	10.7	30.1	234.2	19.1
2014e	61.8	(7.0)	(5.4)	(10.2)	N/A	N/A
2015e	62.9	(13.2)	(11.6)	(26.9)	N/A	N/A

Sector: Mining

Mwana Africa (MWA)

Price:	2.8p
Market cap:	£39m
Forecast net debt (US$m)	16.7
Forecast gearing ratio (%)	12.0
Market	AIM

Share price graph (p)

Company description

Formed in 2003 and listed in 2005, Mwana Africa is an AIM-listed and African-managed resource company. Its scope is pan-African and multi-commodity, as it seeks to bring appropriate management skills to bear on a diverse range of assets.

Price performance

%	1m	3m	12m
Actual	(9.7)	57.8	138.3
Relative*	(10.6)	58.2	124.2

* % Relative to local index

Analyst

Charles Gibson

INVESTMENT SUMMARY

Mwana has announced that BNC plans to re-commission its smelter at Bindura in H115. The smelter will initially run at 67% capacity. However, in the longer term the restart positions BNC to open the Hunters Road mine and/or upgrade the smelter to treat third-party platinum group metals feedstocks in compliance with Zimbabwe's beneficiation requirements (worth at least 0.7c/share to Mwana as a result of lowered unit costs).

INDUSTRY OUTLOOK

Q1 operating performance at Trojan was generally better than our expectations (eg grade and cash costs), although Freda-Rebecca's performance was slightly worse (eg metallurgical recoveries). Although we have reduced our FY15 forecasts by 0.59c, all the decline can be attributed to a reduction in forecast gold and nickel prices. Our discounted dividend valuation of the company remains little changed at 14.3c (cf 14.7c), using a 10% discount rate. In the meantime, Mwana's market cap of US$63.3m compares to the value of its holding in BNC of US$64.8m.

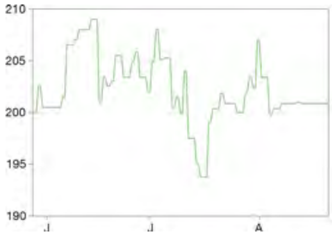
Y/E Mar	Revenue (US$m)	EBITDA (US$m)	PBT (US$m)	EPS (c)	P/E (x)	P/CF (x)
2013	109.2	16.5	11.5	1.38	3.5	3.7
2014	142.5	25.6	18.3	0.86	5.6	5.2
2015e	176.1	37.1	25.3	0.93	5.1	2.5
2016e	203.6	68.8	54.0	2.01	2.4	1.0

Sector: Media & entertainment

NAHL Group (NAH)

Price:	200.9p
Market cap:	£83m
Forecast net cash (£m)	0.1
Forecast gearing ratio (%)	N/A
Market	AIM

Share price graph (p)



Company description

NAHL Group is a leading UK consumer marketing business in the UK personal injury market. It generates consumer leads through direct response marketing. The group also provides selected legal process products to law firms.

Price performance

%	1m	3m	12m
Actual	(0.5)	N/A	N/A
Relative*	N/A	N/A	N/A

* % Relative to local index

Analyst

Martin Lister

INVESTMENT SUMMARY

NAHL's trading update covering H114 says that its business has traded comfortably in line with the board's expectations. This supports the positive view outlined in our June initiation note and provides comfort for our prospective estimates. With cash flow continuing to be strong, the board reiterated its intention to pay out c 66% of retained profits for the current year, based on which, NAHL is on a prospective c 7% yield. The legislative changes implemented in the UK personal injury (PI) market in 2013 are now fully embedded and the group continues to see opportunities to deliver further growth in revenue and profit from its established business, as well as potential new service offerings. FY14 interim results are due on 23 September and the first interim dividend is expected to be made in November 2014.

INDUSTRY OUTLOOK

While NAHL believes that it is the UK's largest outsourced lead generator in the PI market with c 4.4% share, many law firms generate their own leads either internally or through media marketing. However, many legal firms may not wish to focus on direct consumer marketing, preferring to leave lead generation to outsource marketing firms as this can often be more cost effective and efficient for them.

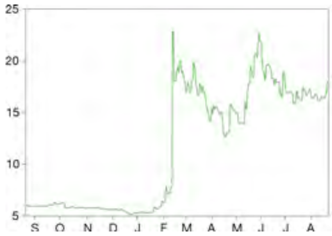
Y/E Dec	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (fd) (p)	P/E (x)	P/CF (x)
2012	39.2	7.0	4.4	8.0	25.1	8.3
2013	39.7	10.1	6.2	10.6	19.0	7.9
2014e	43.5	11.9	11.5	21.3	9.4	7.2
2015e	47.4	13.4	13.1	23.9	8.4	6.4

Sector: Pharma & healthcare

Nanobiotix (NANO)

Price:	€18.00
Market cap:	€241m
Forecast net cash (€m)	23.6
Forecast gearing ratio (%)	N/A
Market	Euronext Paris

Share price graph (€)



Company description

Nanobiotix is a French nanotechnology company developing radiotherapy enhancers for the treatment of cancer. Lead product NBTXR3 is currently in Phase I clinical development in Europe and is partnered with PharmaEngine in Asia-Pacific.

Price performance

%	1m	3m	12m
Actual	11.0	(2.5)	228.1
Relative*	11.7	1.4	203.7

* % Relative to local index

Analyst

Dr Philippa Gardner

INVESTMENT SUMMARY

Nanobiotix's nanotechnology products could enhance radiotherapy and be incorporated into current treatment without any changes to medical practice. Lead product NBTXR3 has completed a pilot soft tissue sarcoma trial and a locally advanced head and neck cancer pilot trial is ongoing in Europe. A €2.8m grant for liver cancer development has been awarded. The current plans in soft tissue sarcoma (STS) should allow for first CE-mark approval in Europe in late 2016; a pivotal trial is due to start by end 2014. NBTXR3 is partnered with PharmaEngine in Asia Pacific and an update on the US strategy is expected later in 2014. Follow-on products NBTX-IV and TOPO are both in preclinical development.

INDUSTRY OUTLOOK

Radiotherapy is a cornerstone cancer treatment used in around 50% of all cancer patients. NanoXray aims to improve the benefits of current radiotherapy without increasing the risks. The purely physical mechanism of action is supported by clinical data that have demonstrated encouraging efficacy with no serious adverse events.

Y/E Dec	Revenue (€m)	EBITDA (€m)	PBT (€m)	EPS (fd) (c)	P/E (x)	P/CF (x)
2012	1.0	(5.0)	(5.2)	(64.74)	N/A	N/A
2013	1.6	(7.9)	(8.1)	(75.49)	N/A	N/A
2014e	2.2	(9.9)	(9.8)	(81.34)	N/A	N/A
2015e	2.5	(26.4)	(26.4)	(196.53)	N/A	N/A

Sector: Pharma & healthcare

Neovacs (ALNEV)

Price:	€3.49
Market cap:	€69m
Forecast net debt (€m)	2.2
Forecast gearing ratio (%)	148.0
Market	Alternext Paris

Share price graph (€)

Company description

Neovacs is a biotech company focused on the development of targeted active immunotherapies for the treatment of severe chronic autoimmune and inflammatory diseases.

Price performance

%	1m	3m	12m
Actual	(2.0)	23.3	83.7
Relative*	(1.3)	28.3	70.0

* % Relative to local index

Analyst

Wang Chong

INVESTMENT SUMMARY

Neovacs has completed recruitment for its 140-patient Phase IIb trial with its lead product TNF-Kinoid in rheumatoid arthritis (RA). Data from the trial are due in Q414. The aim is to maintain momentum of the programme while it seeks a partner. The Kinoid approach has potentially significant commercial advantages versus existing anti-TNF products in this large, but highly competitive therapeutic area. A partnership would also allow further development of the IFN-Kinoid in lupus (Phase IIb study planned for 2015). Neovacs has relaunched four preclinical programmes to broaden its pipeline. It had cash of €4m at end-FY13 and can, if necessary, draw down up to 1.97m shares from a contingent equity line so it can complete the ongoing Phase IIb RA trial.

INDUSTRY OUTLOOK

Neovacs's kinoids are immunotherapeutic products. Its lead product, TNF-Kinoid, is being targeted at the anti-TNF market for the treatment of rheumatoid arthritis and Crohn's disease, which is worth over $20bn. For lupus, there are limited treatments available; the FDA recently approved the first new treatment for this indication in 50 years.

Y/E Dec	Revenue (€m)	EBITDA (€m)	PBT (€m)	EPS (c)	P/E (x)	P/CF (x)
2012	0.1	(8.2)	(8.4)	(45.6)	N/A	N/A
2013	0.0	(7.9)	(8.0)	(34.9)	N/A	N/A
2014e	0.0	(7.9)	(8.1)	(32.5)	N/A	N/A
2015e	0.0	(8.0)	(8.4)	(32.7)	N/A	N/A

Sector: Technology

Price:	66.0p
Market cap:	£26m
Forecast net cash (US$m)	4.8
Forecast gearing ratio (%)	N/A
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, enhance performance and manage compliance for employees, customers, partners and suppliers.

Price performance

%	1m	3m	12m
Actual	(4.4)	(9.6)	21.1
Relative*	(5.3)	(9.3)	13.9

* % Relative to local index

Analyst

Richard Jeans

NetDimensions (NETD)

INVESTMENT SUMMARY

In its H1 trading update, NetDimensions (AIM: NETD, OTCQX: NETDY) said that H114 revenues grew by 40% to $9.1m, and the Secure SaaS offering grew by 50% to $3.9m, representing 43% of revenues. The growth reflects the impact of the significantly expanded sales force. The average deal size continued to strengthen, given the increasing focus on direct sales and the group winning more large multinational customers – these deals typically have more complex services requirements. Consequently, the group has also announced plans to accelerate investment in services. We are conservatively maintaining our forecasts, which imply a more modest 12% growth in H2 over H213. We continue to believe there is significant upside potential in the shares if the growth strategy is successful, as its US peers trade at a significant EV/sales premiums.

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 has also launched Performance and Analytics modules. The global talent management software sector grew at 17% in 2013 to $5bn+ (Bersin by Deloitte) and is projected to grow by a further 17% in 2014 to $6bn+.

Y/E Dec	Revenue (US$m)	EBITDA (US$m)	PBT (US$m)	EPS (c)	P/E (x)	P/CF (x)
2012	13.8	0.5	0.4	1.3	86.8	25.5
2013	16.2	(4.0)	(4.1)	(12.1)	N/A	N/A
2014e	20.0	(3.8)	(4.0)	(7.5)	N/A	N/A
2015e	25.5	0.2	(0.1)	(0.2)	N/A	30.7

Sector: Oil & gas

Price:	A$0.12
Market cap:	A$44m
Forecast net cash (A$m)	8.3
Forecast gearing ratio (%)	N/A
Market	ASX

Share price graph (A$)

Company description

Perth-based New Standard Energy (NSE) has exploration and production assets in Australia. It recently acquired extensive additional Cooper Basin acreage in Australia and unconventional US shale assets in the Eagle Ford Basin.

Price performance

%	1m	3m	12m
Actual	(8.0)	(20.7)	(30.3)
Relative*	(9.7)	(23.9)	(37.0)

* % Relative to local index

Analyst

Tim Heeley

New Standard Energy (NSE)

INVESTMENT SUMMARY

New Standard Energy (NSE) has closed a debt funding agreement of up to US$45m (a size comparable to the current market capitalisation), with US$9m drawn down to complete the first two zipper-fracked wells, which have performed well and have 30-day IPs of 417boe/d and 374boe/d, in line with forecasts. With oil cut of 90%, above our initial expectations, results remain very positive and bode well for further wells. At the end of June more than 27,000boe were produced from the two wells, which were completed below budget. This is hugely positive news, which is yet to be reflected in the share price. Q2 production was 28,153boe net.

INDUSTRY OUTLOOK

Global oil and gas prices in Australia continue to support corporate level and asset level deals. MHR has recently entered into what is unfolding as a bidding war, with Drill Search, to acquire control of Ambassador Energy, partner of NSE in the Cooper asset. The Australian regulator has deferred activity during this period.

Y/E Jun	Revenue (A$m)	EBITDA (A$m)	PBT (A$m)	EPS (fd) (c)	P/E (x)	P/CF (x)
2012	0.8	(1.9)	(2.0)	0.066	181.8	N/A
2013	2.0	38.5	38.2	0.807	14.9	N/A
2014e	7.1	4.2	3.5	0.098	122.4	9507.7
2015e	34.7	31.1	11.0	0.253	47.4	1654.7

Sector: Support services

Price:	2.1p
Market cap:	£9m
Forecast net cash (£m)	2.4
Forecast gearing ratio (%)	N/A
Market	AIM

Share price graph (p)

Company description

Newmark Security provides electronic and physical security systems, which focus on the safety and security of a company's personnel and its assets.

Price performance

%	1m	3m	12m
Actual	18.3	23.5	33.3
Relative*	17.2	23.9	25.4

* % Relative to local index

Analyst

Anne Margaret Crow

Newmark Security (NWT)

INVESTMENT SUMMARY

Group revenues grew by 5% year-on-year in FY14 to £19.2m. Pre-exceptional pre-tax profit declined by 25% (£0.6m) to £1.8m because of the restructuring and re-location activities in the Electronic division. The dividend was increased by 125%. We leave our FY15 estimates unchanged.

INDUSTRY OUTLOOK

Access Control revenues rose by 8% to £4.0m as SATEON was installed in projects globally including Imperia Tower in Moscow, IFDS sites across Europe, Californian power stations and educational facilites in the UAE. Workforce management revenues increased by 11% to £3.2m. Delivery of terminals to a major UK supermarket retailer was delayed by the customer and only partly shipped during FY14 (the balance has now been delivered), but sales from the US operation more than doubled. Sales of products by the Asset Protection division were up by 5% at £8.7m, as £0.8m revenues from the CSI business acquired in November 2013 offset a slippage in the timing of orders for cash handling equipment from the Post Office.

Y/E Apr	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (fd) (p)	P/E (x)	P/CF (x)
2013	18.3	3.4	2.3	0.54	3.9	3.2
2014	19.2	2.9	1.8	0.34	6.2	4.1
2015e	20.3	3.1	2.0	0.35	6.0	2.9
2016e	N/A	N/A	N/A	N/A	N/A	N/A

Sector: Pharma & healthcare

Price:	CHF16.25
Market cap:	CHF212m
Forecast net cash (€m)	21.9
Forecast gearing ratio (%)	N/A
Market	Swiss Stock Exchange

Share price graph (CHF)

Company description

Newron Pharmaceuticals is an Italian biotechnology company focused on CNS diseases. Its most advanced drug, safinamide, has completed Phase III trials for Parkinson's disease and is partnered with Zambon and Meiji Seika.

Price performance

%	1m	3m	12m
Actual	(3.3)	3.5	86.8
Relative*	(3.9)	4.5	71.9

* % Relative to local index

Analyst

Dr Philippa Gardner

Newron Pharmaceuticals (NWRN)

INVESTMENT SUMMARY

Over the next 12-24 months, Newron could transition to a company with a marketed asset and a pipeline of orphan drugs in pivotal development, which it could commercialise alone. The lead product safinamide has been filed in Europe in both early and mid-late stage Parkinson’s disease (PD). Safinamide is partnered with Meiji Seika in Japan/Asia and with Zambon in the rest of the world; Zambon, working together with Newron, is aiming to sub-license safinamide in certain regions, including the US. Beyond safinamide is a pipeline of three Phase II orphan drugs for which further development is supported by CHF18.6m raised in April. These include sNN0031 for severe PD and sNN0029 for ALS/Lou Gehrig’s disease, both from the NeuroNova acquisition, and sarizotan for Rett syndrome.

INDUSTRY OUTLOOK

Safinamide could be the first add-on PD drug approved across all stages of disease, which combined with once-a-day dosing and a clean safety profile could position it uniquely in the growing PD market.

Y/E Dec	Revenue (€m)	EBITDA (€m)	PBT (€m)	EPS (fd) (c)	P/E (x)	P/CF (x)
2012	8.9	(2.8)	(2.5)	(29.27)	N/A	18.2
2013	3.5	(7.8)	(7.7)	(61.77)	N/A	N/A
2014e	0.8	(12.4)	(12.0)	(97.74)	N/A	N/A
2015e	0.0	(15.0)	(14.8)	(113.41)	N/A	N/A

Sector: Media & entertainment

Price:	117.5p
Market cap:	£71m
Forecast net debt (£m)	2.2
Forecast gearing ratio (%)	5.0
Market	AIM

Share price graph (p)

Company description

NFC is a worldwide digital marketing communications and public relations group serving clients in the technology and consumer sectors, with autonomous PR, research, digital, investor relations and policy communications subsidiaries.

Price performance

%	1m	3m	12m
Actual	3.5	5.9	27.7
Relative*	2.5	6.2	20.2

* % Relative to local index

Analyst

Martin Lister

Next Fifteen Communications (NFC)

INVESTMENT SUMMARY

Next Fifteen has reported that trading in the six months to 31 July 2014 has been a continuation of the positive growth trends seen in the previous half year. Revenue for the year to 31 July is expected to exceed £100m, with continued strong growth in the US plus an improvement in the UK. This is encouraging given the strength of sterling as c 80% of the group's revenues are outside the UK. The group has moved its financial year-end to January, and second interims to July 2014 are expected on 7 October. Meanwhile, we retain (until comparative data are released) annual FY14 and FY15 estimates, both of which we edged up by 0.1p following this trading update.

INDUSTRY OUTLOOK

Digital communications are increasingly becoming the focus of all forms of marketing as companies grapple with the shift away from traditional media towards social networks, social media and the growing consumption of web-based content. This is creating a great opportunity for agency groups like Next Fifteen that have developed expertise in this area.

Y/E Jul	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (fd) (p)	P/E (x)	P/CF (x)
2012	91.6	12.9	9.6	10.1	11.6	6.7
2013	96.1	11.3	7.7	6.6	17.8	6.2
2014e	100.5	13.8	10.4	9.5	12.4	6.9
2015e	105.5	15.0	11.5	10.1	11.6	5.1

Sector: Oil & gas

Price:	A$0.05
Market cap:	A$114m
Forecast net debt (A$m)	N/A
Forecast gearing ratio (%)	N/A
Market	ASX

Share price graph (A$)

Company description

Nido Petroleum is an oil and gas exploration and production company focused on the North-West Palawan Basin of the Philippines.

Price performance

%	1m	3m	12m
Actual	67.7	52.9	23.8
Relative*	64.6	46.7	11.9

* % Relative to local index

Analyst

Ian McLelland

Nido Petroleum (NDO)

INVESTMENT SUMMARY

Having drilled three exploration wells (including one side-track) in 2014 without commercial success, the near-term focus for Nido is likely to be on portfolio rationalisation and developments. This includes lower initial cost options for its West Linapacan-A re-development that had pushed back FID to H214. A fourth exploration well in 2014 on the Gurita PSC in Indonesia (Gobi-1) completes the drill programme for this year, while discussions for potential Philippines exploration drilling both on SC 58 and in the Galoc area remain under consideration in 2015. On 4 August 2014 Nido announced it was recommending an off-market offer from Thailand's BCPE of 5.5c per share. Our forecasts are currently under review.

INDUSTRY OUTLOOK

Nido holds one of the largest acreage positions of companies operating in the North-West Palawan Basin. Chinese sovereignty claims may affect plans for SC 58, but the remainder of its portfolio should be largely unaffected.

Y/E Dec	Revenue (A$m)	EBITDA (A$m)	PBT (A$m)	EPS (c)	P/E (x)	P/CF (x)
2012	36.3	10.1	10.0	1.1	4.5	24.7
2013	40.9	15.4	14.9	0.6	8.3	4.5
2014e	N/A	N/A	N/A	N/A	N/A	N/A
2015e	N/A	N/A	N/A	N/A	N/A	N/A

EDISON

Sector: Oil & gas

Price:	20.9p
Market cap:	£20m
Forecast net cash (€m)	10.4
Forecast gearing ratio (%)	N/A
Market	AIM

Share price graph (p)

Company description

Northern Petroleum is an oil and gas company that acquires low-cost exploration, production and development assets. It has exploration, appraisal and development assets in Canada, Italy, French Guiana, the UK and Australia.

Price performance

%	1m	3m	12m
Actual	(12.1)	(20.5)	(39.3)
Relative*	(13.0)	(20.3)	(42.9)

* % Relative to local index

Analyst

Ian McLelland

Northern Petroleum (NOP)

INVESTMENT SUMMARY

Northern's investment thesis has fundamentally strengthened over the last 12 months with a new board and a tangible development programme in north-west Alberta, while investors can still retain option value in Italy and further afield. Near-term funding is secure with US$22m of cash end H114 bolstered with a £1.5m sale of non-core UK assets. However, challenges remain, in particular funding Canada at a sensible rate beyond mid-2015. A potential farm-out and regulatory approvals to drill offshore Italy also need to be navigated, although a recent award of permits suggests this could be getting closer. With our core NAV of 29p the current share price is more than underpinned by only phase one of the Canada programme, meaning everything else is currently in for free.

INDUSTRY OUTLOOK

With established infrastructure and supportive legislation, investors can expect sustained newsflow from NOP's new focus in Canada, while retaining exposure to potentially company making upside in Italy and further afield.

Y/E Dec	Revenue (€m)	EBITDA (€m)	PBT (€m)	EPS (c)	P/E (x)	P/CF (x)
2012	0.7	(6.7)	(6.2)	(1.6)	N/A	N/A
2013	0.6	(8.0)	(9.6)	(11.4)	N/A	N/A
2014e	12.4	0.1	(3.3)	(4.1)	N/A	N/A
2015e	20.1	9.4	0.1	(1.1)	N/A	N/A

Sector: Oil & gas

Price:	A$0.01
Market cap:	A$10m
Forecast net debt (A$m)	2.5
Forecast gearing ratio (%)	40.0
Market	ASX

Share price graph (A$)

Company description

Norwest Energy is an explorer with interests in six permits in the onshore Perth Basin. It also holds early-stage interests in permits on and around the Isle of Wight in the English Channel and in the Timor Sea.

Price performance

%	1m	3m	12m
Actual	(10.0)	(18.2)	(70.0)
Relative*	(11.7)	(21.5)	(72.9)

* % Relative to local index

Analyst

Tim Heeley

Norwest Energy (NWE)

INVESTMENT SUMMARY

As operator, Norwest continues to lead the testing of the Arrowsmith-2 tight gas discovery in permit EP 413. The Caryngina and Irwin River Coal Measures are dominant zones for gas production following production logging and a location for a horizontal well will be tied down after the completion of an upcoming 3D survey. The well is planned for CY15. This work is further de-risking the commercialisation of shale gas in the Perth Basin, which could be hugely valuable, if successful. During Q214 Norwest has successfully converted native title negotiations on EPA-0064 and is seeking to convert into an exploration permit.

INDUSTRY OUTLOOK

The onshore Perth Basin belt is the subject of much current activity, with a particular focus on tight gas plays. With multiple operators having demonstrated the presence of stacked tight gas formations along the length of the basin belt, it appears increasingly possible the region could become Australia's next major development play.

Y/E Jun	Revenue (A$m)	EBITDA (A$m)	PBT (A$m)	EPS (fd) (c)	P/E (x)	P/CF (x)
2012	1.0	(2.7)	(2.6)	(0.3)	N/A	N/A
2013	0.9	(6.6)	(8.0)	(0.8)	N/A	N/A
2014e	0.4	(2.3)	(2.3)	(0.2)	N/A	N/A
2015e	0.4	(2.8)	(3.3)	(0.3)	N/A	N/A

Sector: Pharma & healthcare

Price:	US$0.78
Market cap:	US$40m
Forecast net cash (US$m)	9.7
Forecast gearing ratio (%)	N/A
Market	NYSE MKT

Share price graph (US$)

Company description

NovaBay is a US company developing and commercialising topical anti-infectives. Auriclosene is in Phase II development for UCBE. NeutroPhase, i-Lid Cleanser and CelleRx are commercially available in the US.

Price performance

%	1m	3m	12m
Actual	(17.0)	(14.3)	(42.6)
Relative*	(17.8)	(18.7)	(52.7)

* % Relative to local index

Analyst

Christian Glennie

NovaBay Pharmaceuticals (NBY)

INVESTMENT SUMMARY

A 500-patient Phase IIb study with auriclosene/NVC-422 (a topical anti-infective) in viral conjunctivitis did not meet the primary or secondary endpoints and further development in this indication is discontinued. Further trials with auriclosene are planned in H214, for urinary catheter irrigation (Phase II) and impetigo (new formulation study). NovaBay is also focused on the US commercial launch of i-Lid Cleanser, a pure hypochlorous acid product for cleaning eyelids in patients with dry eye and blepharitis. i-Lid is part of the NeutroPhase family of products (includes CelleRx), with FDA 510(k) clearances for multiple skin and wound-cleansing conditions, which are being commercialised through global partnerships. NovaBay held $11.5m in cash at end-Q214.

INDUSTRY OUTLOOK

Resistance to conventional antibiotics is a serious problem and the industry is seeking alternative methods of combating microbial infections. The NeutroPhase products have utility across multiple markets; there are no FDA-approved products for blepharitis.

Y/E Dec	Revenue (US$m)	EBITDA (US$m)	PBT (US$m)	EPS (c)	P/E (x)	P/CF (x)
2012	6.9	(8.8)	(8.5)	(28.74)	N/A	N/A
2013	3.5	(15.8)	(15.5)	(40.55)	N/A	N/A
2014e	2.0	(14.4)	(14.2)	(28.03)	N/A	N/A
2015e	4.3	(13.1)	(13.0)	(23.45)	N/A	N/A

Sector: Pharma & healthcare

Price:	18.5p
Market cap:	£20m
Forecast net cash (£m)	1.6
Forecast gearing ratio (%)	N/A
Market	AIM

Share price graph (p)

Company description

Omega is a UK-based company focused on developing and marketing in-vitro diagnostic products in food intolerance, allergy and infectious diseases. The major sales prospect is a PoC test, Visitect, for HIV monitoring.

Price performance

%	1m	3m	12m
Actual	5.7	(31.5)	23.3
Relative*	4.7	(31.3)	16.0

* % Relative to local index

Analyst

Dr John Savin

Omega Diagnostics (ODX)

INVESTMENT SUMMARY

The investment case for Omega is based on the Visitect Point of Care CD4 test for HIV patients and the launch with Immunodiagnostic Systems of the automated allergy iSYS. FY14 trading was up 2.9% over FY13 at £11.6m. Food intolerance was 18% up, but infectious disease fell by 10% and allergy and autoimmune by 5%. Adjusted FY14 PBT was £1.1m as expected.

INDUSTRY OUTLOOK

Visitect tests patients with HIV to establish if they require anti-retroviral therapy. Omega can produce seven million Visitect CD4 tests per year with a potential sales value of £21m. Initial data on small patient numbers in Kenya and India showed that some fine-tuning of the assay may be needed, particularly as blood taken from finger pricks was less accurate, which is a common observation noted in other test types. A smartphone reader was also tested. More extensive trials are expected over 2014 in India and Africa. The allergy iSYS launch menu is progressing. Eight tests (40 needed) are complete with 28 in earlier development stages.

Y/E Mar	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (p)	P/E (x)	P/CF (x)
2013	11.3	1.1	0.8	1.3	14.2	15.7
2014	11.6	1.3	1.1	1.2	15.4	11.7
2015e	12.5	1.6	1.3	1.2	15.4	18.0
2016e	14.3	2.0	1.7	1.6	11.6	37.6

Sector: Pharma & healthcare

Price:	C$1.41
Market cap:	C$124m
Forecast net cash (C$m)	2.3
Forecast gearing ratio (%)	N/A
Market	NASDAQ, TSX TP

Share price graph (C$)

Company description

Oncolytics Biotech is a Canadian company focused on developing Reolysin, a pharmaceutical formulation of the oncolytic reovirus, for the treatment of a wide variety of human cancers (Phase III trial in head and neck cancer).

Price performance

%	1m	3m	12m
Actual	(6.6)	2.2	(51.7)
Relative*	(8.5)	(3.8)	(61.0)

* % Relative to local index

Analyst

Wang Chong

Oncolytics Biotech (ONC)

INVESTMENT SUMMARY

Additional data from the restructured Phase II head and neck cancer (SCCHN) trial (REO 018) showed that in patients with loco-regional disease ± metastases, Reolysin, for five cycles of therapy, achieved a statistically significant improvement in progression-free survival (PFS) and overall survival (OS) after censoring patients for the key confounding factors, and a positive trend towards better tumour stabilisation or shrinkage. In the metastatic-only group, eight were still alive. Reolysin maintained a PFS benefit for five cycles of therapy and there was statistically significantly better tumour stabilisation or shrinkage. A new pivotal study is being planned. Reolysin is in seven ongoing randomised Phase II trials, which are expected to deliver results in 2014. We value the company at C$442m. At Q214 it had cash and equivalents of C$16.9m, and has a share purchase agreement for up to US$26m (US$1m already invested).

INDUSTRY OUTLOOK

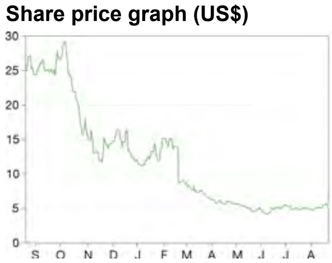
Oncolytics's rivals are the companies developing oncology products in the same therapeutic areas, but there are some interesting viral oncolytic companies, including SillaJen, Genelux and Viralytics, suggesting a new era in cancer treatment. Oncolytics is one of the two leaders in the area, with Amgen the other after its acquisition of BioVex for up to US$1bn.

Y/E Dec	Revenue (C$m)	EBITDA (C$m)	PBT (C$m)	EPS (c)	P/E (x)	P/CF (x)
2012	0.0	(36.6)	(36.3)	(47.3)	N/A	N/A
2013	0.0	(23.8)	(23.5)	(28.2)	N/A	N/A
2014e	0.0	(27.8)	(27.5)	(32.3)	N/A	N/A
2015e	0.0	(22.0)	(21.7)	(23.6)	N/A	N/A

Sector: Pharma & healthcare

Price:	US$5.12
Market cap:	US$111m
Forecast net debt (US$m)	N/A
Forecast gearing ratio (%)	N/A
Market	NASDAQ

Share price graph (US$)



Company description

Onconova Therapeutics is a clinical-stage bio-pharmaceutical company focused on discovering and developing novel small molecule drug candidates to treat cancer. It has a broad library of anti-cancer agents with a proprietary chemistry platform.

Price performance

%	1m	3m	12m
Actual	2.4	13.3	(79.5)
Relative*	1.4	7.3	(83.1)

* % Relative to local index

Analyst

Jason Zhang

Onconova Therapeutics (ONTX)

INVESTMENT SUMMARY

After meetings with the FDA and several European national regulatory agencies, Onconova has informed the investment community that the company will pursue an indication of rigosertib IV in patients who are primary hypomethylating agents (HMA) failures with the detailed pivotal trial design to be unveiled in Q414. We consider this a positive first step of rigosertib IV's comeback from the failure of meeting the primary end point in the Phase III ONTIME trial. We have adjusted our valuation based on new timelines of rigosertib IV and rigosertib oral (its pivotal trial is delayed until H115 from previously before the year end of 2014). Our current valuation is $288m, or $13.3 per basic share.

INDUSTRY OUTLOOK

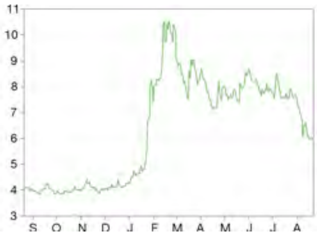
Using a proprietary chemistry platform, Onconova has created an extensive library of targeted anti-cancer agents, with three NCEs in the clinic. Upcoming catalysts include discussions of the ONTIME results with regulatory authorities in the US and EU; the start of a Phase III trial for oral rigosertib in lower-risk MDS; and updates from the Phase I/II trial of oral rigosertib in combination with azacitidine in first-line MDS.

Y/E Dec	Revenue (US$m)	EBITDA (US$m)	PBT (US$m)	EPS (fd) (c)	P/E (x)	P/CF (x)
2012	46.2	(44.7)	(30.3)	(1551.06)	N/A	7.1
2013	4.8	(71.0)	(62.2)	(604.53)	N/A	N/A
2014e	N/A	N/A	N/A	N/A	N/A	N/A
2015e	N/A	N/A	N/A	N/A	N/A	N/A

Sector: Pharma & healthcare

Price:	€5.99
Market cap:	€189m
Forecast net debt (€m)	2.7
Forecast gearing ratio (%)	41.0
Market	Euronext Paris

Share price graph (€)



Company description

Onxeo is an orphan oncology company from the BioAlliance/Topotarget merger. It has three late-stage assets it could commercialise alone: Beleodaq, approved for r/r PTCL in the US, Validive (Phase II, oral mucositis), and Livatag (Phase III, liver cancer).

Price performance

%	1m	3m	12m
Actual	(20.2)	(24.9)	46.5
Relative*	(19.7)	(21.9)	35.6

* % Relative to local index

Analyst

Dr Philippa Gardner

Onxeo (ONXEO)

INVESTMENT SUMMARY

The creation of Onxeo through the merger of BioAlliance and Topotarget brings together three late-stage assets focused on orphan oncology: Validive for oral mucositis where key proof-of-concept data from the large ongoing Phase II trial are expected by end 2014; Livatag, currently in Phase III development for liver cancer with headline data expected in H216; and Beleodaq (belinostat), which was recently launched by partner Spectrum in the US for relapsed/refractory peripheral T-cell lymphoma; a controlled Phase III trial will be required for European approval, which could be in 2019.

INDUSTRY OUTLOOK

The strategy is to commercialise the orphan oncology products alone in Europe, seeking efficiencies across the sales and marketing infrastructure to drive operating leverage. Livatag could potentially launch by end 2017 followed by Validive and Beleodaq in 2019.

Y/E Dec	Revenue (€m)	EBITDA (€m)	PBT (€m)	EPS (fd) (c)	P/E (x)	P/CF (x)
2012	4.0	(11.9)	(11.6)	(65.44)	N/A	N/A
2013	1.5	(15.8)	(15.3)	(74.12)	N/A	N/A
2014e	2.4	(14.8)	(14.3)	(69.32)	N/A	N/A
2015e	4.0	(14.5)	(15.6)	(75.43)	N/A	N/A

Sector: Technology

Price:	474.0p
Market cap:	£767m
Forecast net cash (US$m)	42.6
Forecast gearing ratio (%)	N/A
Market	AIM

Share price graph (p)

Company description

Optimal Payments is an independent alternative payments processor with two business lines: NETBANX provides payment processing services to merchants; and NETELLER provides stored value services including eWallets and pre-paid cards.

Price performance

%	1m	3m	12m
Actual	7.9	31.9	121.2
Relative*	6.9	32.3	108.1

* % Relative to local index

Analyst

Katherine Thompson

Optimal Payments (OPAY)

INVESTMENT SUMMARY

On 24 July, Optimal acquired two US-based payment processing businesses for up to $225m, funded by own cash and new $100m term/$50m revolving debt facilities. The deals should significantly strengthen Optimal's presence in the US and fit with the company's strategy of increasing the geographical coverage of its STP business. We estimate that the combined deals are earnings accretive (we upgraded EPS by 12.9% in 2014 and 19.1% in 2015), even without the inclusion of any cost synergies.

INDUSTRY OUTLOOK

Straight-through processing should continue to benefit from the growth in customer transactions. Online retail sales are forecast to continue to show strong growth; Forrester predicts e-commerce revenue CAGR of 9.9% for the US and 11.3% for Europe from 2012-17, as more retail sales shift from on premise, mail order or telephone to online. There has been a significant turnaround in the Stored Value business, which 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)
2012	179.1	28.3	18.8	12.0	67.5	32.7
2013	253.4	53.1	42.7	26.5	30.6	12.5
2014e	341.1	77.3	63.4	34.5	23.5	18.3
2015e	439.6	102.1	83.5	40.6	20.0	13.6

Sector: Pharma & healthcare

Price:	SEK140.00
Market cap:	SEK4613m
Forecast net debt (SEKm)	299.0
Forecast gearing ratio (%)	610.0
Market	NASDAQ OMX Mid Cap

Share price graph (SEK)

Company description

Orexo is a Swedish speciality pharma company, with expertise in drug delivery/reformulation technologies (in particular sublingual formulations) and a US commercial infrastructure (for Zubsolv).

Price performance

%	1m	3m	12m
Actual	4.1	44.3	78.9
Relative*	4.3	45.1	54.6

* % Relative to local index

Analyst

Lala Gregorek

Orexo (ORX)

INVESTMENT SUMMARY

Initiatives to drive Zubsolv sales include the new inVentiv sales structure, ongoing managed care coverage improvements (eg PBM Express Script's preferred formulary listing from 1 January 2015) and a Q414 FDA label expansion filing to include induction therapy. New clinical data should reinforce the marketing message and enable physician education, specifically of certified but inactive prescribers, to improve access to therapy and grow the market. Zubsolv sales by volume grew 64% in the last four weeks vs the last month of Q2; c 1000 new doctors have prescribed for the first time. Swedish operations restructuring to focus on development (new products, life cycle plans), with US partners manufacturing Zubsolv, will incur costs of SEK7m, saving SEK10-15m annually from 2015.

INDUSTRY OUTLOOK

The US buprenorphine/naloxone market was worth $1.9m at end-2013; addressing unmet patient need underpins continued double-digit growth expectations. Opioid dependence diagnosis/treatment rates are low due to many factors: social stigma, limited access to therapy in parts of the US and affordability. Competition includes Suboxone film (Reckitt Benckiser, c 60% market share) and three generic bup/nal tablets (Actavis, Amneal, Roxane, c 17% share). In Q314, a buccal film version, Bunavail (BDSI) will launch.

Y/E Dec	Revenue (SEKm)	EBITDA (SEKm)	PBT (SEKm)	EPS (öre)	P/E (x)	P/CF (x)
2012	326.0	(62.0)	(77.0)	(254.3)	N/A	121.1
2013	429.0	(45.0)	(110.0)	(360.0)	N/A	N/A
2014e	532.0	(65.0)	(105.0)	(328.7)	N/A	N/A
2015e	921.0	149.0	109.0	331.0	42.3	21.3

Sector: Mining

Price:	15.1p
Market cap:	£12m
Forecast net debt (US$m)	N/A
Forecast gearing ratio (%)	N/A
Market	AIM, TSX V

Share price graph (p)

Company description

Orosur Mining owns and operates its San Gregorio gold mine in Uruguay. It also explores for gold close to San Gregorio and further afield in Chile, where it owns the advanced-stage heap leach project Pantanillo Norte and the Anillo gold property.

Price performance

%	1m	3m	12m
Actual	(6.9)	27.4	26.0
Relative*	(7.8)	27.7	18.6

* % Relative to local index

Analyst

Tom Hayes

Orosur Mining (OMI)

INVESTMENT SUMMARY

Orosur's FY14 results show a considerable strengthening of its cash position, and beating its targets for production and costs. Further, its effective exploration spend has meant continued growth of San Gregorio's resource base extending its mine life, and its tight cost control allows for both continued exploration in Uruguay and investment in its newly acquired Colombian assets. In a depressed gold price environment Orosur managed to increase its cash position by c US$9m during FY14 (ie roughly half its current market cap of US$22m).

INDUSTRY OUTLOOK

Notwithstanding fluctuations in the gold price, the main sensitivity to our valuation is San Gregorio's mine life. OMI has delineated a further 75koz of gold resources, which has resulted in a net 10koz increase in its reserve base. Further delineation of reserves is critical to the mines longevity

Y/E May	Revenue (US$m)	EBITDA (US$m)	PBT (US$m)	EPS (c)	P/E (x)	P/CF (x)
2013	105.9	22.7	2.7	(19.0)	N/A	0.9
2014	80.4	23.9	4.5	6.6	3.9	0.9
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: Financials

Price:	US$12.25
Market cap:	US$135m
Forecast net cash (US$m)	23.1
Forecast gearing ratio (%)	N/A
Market	OTC QX

Share price graph (US$)

Company description

OTC Markets Group (OTCM) operates open, transparent and connected financial marketplaces for 10,000 US and global securities. OTC Link ATS is operated by OTC Link LLC, a FINRA/SIPC member and SEC-regulated ATS.

Price performance

%	1m	3m	12m
Actual	2.1	31.0	54.1
Relative*	1.1	24.2	27.1

* % Relative to local index

Analyst

Peter Thorne

OTC Markets Group (OTCM)

INVESTMENT SUMMARY

OTC Markets Group (OTCQX: OTCM) provides regulated marketplaces offering a cost-effective solution for targeting US investors. In Q214, Market Data Licensing revenues grew 41% on Q213 as OTCM increased fees for the first time since 2009. It also significantly grew its subscriber base. With recent strengthening in OTCQB requirements and the development of OTCQX Banks, OTCM now has options fitting companies in all stages of their equity market development. Corporate services fees should grow strongly in 2015 with the new premium services now on offer. In the Q2 announcement OTCM declared a 67% increase in its quarterly dividend to 10c per share, reflecting its confidence in its prospects.

INDUSTRY OUTLOOK

Regulatory trends have been positive for OTCM, easing regulations on international issuers in 2008 and prospectively on domestic issuers with the "JOBS" Act. Competition remains subdued. However, pressure on resource companies means it has seen fewer issuer renewals, some companies failing the OTCQX requirements and slower issuer acquisition.

Y/E Dec	Revenue (US$m)	EBITDA (US$m)	PBT (US$m)	EPS (c)	P/E (x)	P/CF (x)
2012	33.2	10.6	9.0	50.53	24.2	10.6
2013	33.6	9.9	8.3	50.78	24.1	12.3
2014e	38.7	13.7	11.9	64.82	18.9	11.5
2015e	46.3	19.8	17.9	96.43	12.7	6.9

Sector: Technology

Price:	21.0p
Market cap:	£7m
Forecast net debt (£m)	5.1
Forecast gearing ratio (%)	172.0
Market	AIM

Share price graph (p)

Company description

Outsourcery is a UK-based cloud services provider. From its proprietary O-Cloud platform, the company delivers cloud-based ICT applications and solutions on a subscription basis via a network of partners.

Price performance

%	1m	3m	12m
Actual	(33.3)	(65.0)	(82.9)
Relative*	(34.0)	(64.9)	(83.9)

* % Relative to local index

Analyst

Bridie Barrett

Outsourcery (OUT)

INVESTMENT SUMMARY

The activation of services by key strategic partners, in particular Vodafone and VBM, and the development of the IL3 platform will be key to driving growth in FY14 and beyond. Outsourcery has recently announced initial contract wins from a key strategic partner (the most recent worth £0.9m annually when at full run rate in FY15) and expects momentum to start to build in the second half of the year. Management has proposed a financing package worth £4.5m, including a £1.5m equity issue, £1.5m debt reschedule, £1m cost savings and £0.5m co-CEO salary sacrifice.

INDUSTRY OUTLOOK

The shift in corporate spending from on-premise to cloud-based software and infrastructure is well underway as businesses take advantage of the benefits they provide: flexibility, improved mobility and reduced capex requirements for software and infrastructure. Outsourcery is taking advantage of this shift, providing SaaS (software-as-a-service) and IaaS (infrastructure-as-a-service) solutions to SMEs and enterprise customers.

Y/E Dec	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (fd) (p)	P/E (x)	P/CF (x)
2012	3.6	(7.6)	(10.0)	(57.7)	N/A	N/A
2013	5.2	(7.2)	(8.8)	(34.1)	N/A	N/A
2014e	8.8	(4.5)	(6.2)	(17.9)	N/A	N/A
2015e	13.5	(1.2)	(2.4)	(7.0)	N/A	N/A

Sector: Pharma & healthcare

Price:	3.5p
Market cap:	£87m
Forecast net debt (£m)	6.7
Forecast gearing ratio (%)	1648.0
Market	LSE

Share price graph (p)

Company description

Oxford BioMedica has a leading position in gene-based therapy. The LentiVector technology is wide ranging and underpins much of the development pipeline, notably the ophthalmology projects (in collaboration with Sanofi).

Price performance

%	1m	3m	12m
Actual	33.3	72.8	148.2
Relative*	32.1	73.3	133.5

* % Relative to local index

Analyst

Franc Gregori

Oxford BioMedica (OXB)

INVESTMENT SUMMARY

The successful fund-raising (£21.6m gross) means that Oxford BioMedica's near-term outlook is now less dependant on striking a new partnership for the RetinoStat programme. The indicative results from the Phase I study in wet age-related macular degeneration are expected by end 2014 and management appears confident another partner will subsequently be signed up. Meanwhile, we expect the solid progress in developing the gene- and cell-based manufacturing capabilities will be recognised through additional material contracts. The solid cash position means Oxford BioMedica does not have to rush into striking sub-optimal deals for RetinoStat or other clinical assets. H114 results are due on 28 August.

INDUSTRY OUTLOOK

Gene therapy can correct dysfunctional cells and/or create endogenous therapeutic protein factories. The LentiVector platform is a flexible and efficient system that is particularly promising in ophthalmology indications, where a single administration could safely provide a sustained (or even permanent) effect.

Y/E Dec	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (p)	P/E (x)	P/CF (x)
2012	7.8	(9.1)	(9.5)	(0.7)	N/A	N/A
2013	5.4	(11.8)	(12.4)	(0.8)	N/A	N/A
2014e	2.7	(11.3)	(11.9)	(0.7)	N/A	N/A
2015e	1.2	(13.0)	(13.7)	(0.9)	N/A	N/A

Sector: Pharma & healthcare

Price:	€2.52
Market cap:	€128m
Forecast net cash (€m)	13.1
Forecast gearing ratio (%)	N/A
Market	FRA

Share price graph (€)

Company description

Paion is a specialty pharma company developing anaesthesia products. Its lead product, remimazolam, is partnered with Ono in Japan, Yichang in China, Hana Pharma in South Korea, R-Pharm in CIS, MENA & Turkey and Pendopharm in Canada.

Price performance

%	1m	3m	12m
Actual	(8.4)	(5.5)	246.9
Relative*	(6.3)	(2.5)	205.7

* % Relative to local index

Analyst

Emma Ulker

Paion (PA8)

INVESTMENT SUMMARY

Paion is entering a pivotal stage in the development of its short-acting anaesthetic remimazolam. The Phase II readout from the European general anaesthesia trial showed good efficacy and safety and satisfied the endpoint of cardiovascular stability in the experimental arms. The Phase III programme in the US (in procedural sedation)/EU (anaesthesia) is planned to start in H214, and could be sufficient for approval in each region. Paion recently concluded additional regional licence deals for remimazolam with R-Pharm for the MENA region and Pendopharm for Canada. Paion's end of June cash stood at €18.7m. Subsequently the company completed a €46m rights issue and raised a further €4m through a private placing. The proceeds will be used to fund the US and European pivotal studies of remimazolam and put towards premarketing costs.

INDUSTRY OUTLOOK

Remimazolam has important advantages over competing products, including fast onset and offset of action with lower risk of cardiopulmonary events than the standard of care propofol and a reversal agent exists if there is over sedation.

Y/E Dec	Revenue (€m)	EBITDA (€m)	PBT (€m)	EPS (c)	P/E (x)	P/CF (x)
2012	26.8	19.2	18.6	64.2	3.9	4.1
2013	4.2	(2.4)	(2.6)	(7.2)	N/A	N/A
2014e	2.5	(10.9)	(10.7)	(33.7)	N/A	N/A
2015e	1.0	(25.9)	(25.7)	(79.5)	N/A	N/A

EDISON

Pan African Resources (PAF)

Sector: Mining

Price:	14.8p
Market cap:	£270m
Forecast net cash (£m)	7.7
Forecast gearing ratio (%)	N/A
Market	AIM

Share price graph (p)

Company description

Pan African Resources has four major assets: Barberton Mines (target output 95koz Au pa), the Barberton Tailings Retreatment Project (20koz), Evander Gold Mines (95koz + 30koz from tailings) and Phoenix Platinum (12koz). All are located in South Africa.

Price performance

%	1m	3m	12m
Actual	0.0	0.0	7.3
Relative*	(1.0)	0.3	0.9

* % Relative to local index

Analyst

Charles Gibson

INVESTMENT SUMMARY

Having achieved annualised production of c 200koz pa, Pan African Resources (PAF) is now targeting 250,000oz pa. DFS results demonstrate the potential to produce 10koz pa from 2.16Mtpa of tailings material at Evander at a capital cost of ZAR200m and an operating cost of ZAR280,000/kg (c US$800/oz).

INDUSTRY OUTLOOK

We have recently updated our average gold price forecast for CY14 to US$1,295/oz and adjusted for a stronger rand. On this basis, our updated valuation of PAF is 39c, or 23p/share. Of arguably more significance, at c 15p, PAF trades at a 29% year two EV/EBITDA discount relative to the average of its South Africa-listed peers and a 73% year two P/E multiple discount (source: Bloomberg). By contrast, its dividend yield is 5x higher and offers investors an income return in excess of 4% on the forecast FY14 dividend alone. Even at a flat long-term gold price of US$1,300/oz, its year two EV/EBITDA multiple is still at a 25% discount and its P/E multiple at a 72% discount to its peers.

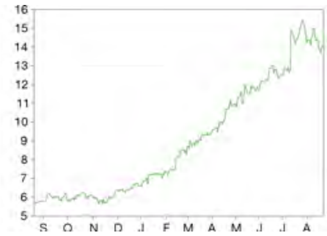
Y/E Jun	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (p)	P/E (x)	P/CF (x)
2012	100.9	45.0	42.3	2.03	7.3	5.2
2013	133.3	53.3	47.5	2.18	6.8	4.1
2014e	166.6	56.6	45.0	1.72	8.6	4.7
2015e	182.7	85.9	78.2	3.05	4.9	3.7

Parex Resources (PXT)

Sector: Oil & gas

Price:	C$14.10
Market cap:	C$1765m
Forecast net debt (US$m)	127.5
Forecast gearing ratio (%)	16.0
Market	CV, TSE

Share price graph (C$)



Company description

Parex Resources is engaged in oil and gas exploration and production in Colombia and Trinidad. It holds interests in 23 exploration blocks with assets in Llanos Basin and Middle Magdalena Basin, Colombia, and onshore Trinidad and Tobago.

Price performance

%	1m	3m	12m
Actual	(3.4)	18.1	146.9
Relative*	(5.3)	11.2	99.6

* % Relative to local index

Analyst

Xavier Grunauer

INVESTMENT SUMMARY

With Parex reporting a year-on-year doubling of 2P reserves in 2013, as well as an 80% increase to 58mmboe as of mid-year 2014, we are of the opinion that Parex can continue to add significant volumes of production and reserves over the medium term. Delivering on this trajectory will not be easy. However, with Parex's proven credentials as both an explorer and developer, along with recently announced acquisitions that include Verano Energy, and a busy exploration programme, we find investors have begun to gain more confidence that Parex can continue to deliver.

INDUSTRY OUTLOOK

A combination of well-selected operating partners, acquisitions, successful farm-ins and a consistent track record of reserve additions have all been core to Parex's rise over the past three years. We look to Parex to continue leveraging these strengths into 2015.

Y/E Dec	Revenue (US$m)	EBITDA (US$m)	PBT (US$m)	EPS (fd) (c)	P/E (x)	P/CF (x)
2012	523.5	258.4	100.0	60.83	21.6	4.9
2013	636.6	278.5	87.0	40.24	32.7	5.7
2014e	834.9	389.4	109.9	43.60	30.2	4.9
2015e	1069.5	508.4	202.8	76.46	17.2	3.2

Sector: Financials

Price:	56.4p
Market cap:	£103m
Forecast net cash (£m)	13.7
Forecast gearing ratio (%)	N/A
Market	AIM

Share price graph (p)

Company description

Park Group is a financial services business. It is the UK's leading multi-retailer gift voucher business and pre-paid cards business.,focused on the corporate and consumer markets. Sales are generated via e-commerce, a direct sales force and agents.

Price performance

%	1m	3m	12m
Actual	2.5	17.8	0.7
Relative*	1.5	18.1	(5.3)

* % Relative to local index

Analyst

Peter Thorne

Park Group (PKG)

INVESTMENT SUMMARY

FY14 results were largely in line with expectations, with only the 13% increase in the final dividend surprising us, an indication of management's confidence in the direction of the business. Sales fell 5% in FY14, reflecting changed behaviour among home collected credit customers (HCC) and weak consumer sentiment amid marketing for Christmas past. The decline in normalised PBT was held to 4% despite further pressure from low interest rates, supported by good cost control and a good performance from other business lines. Looking forward, orders for Christmas future (2014) are up 10%, and with HCC sales already reduced, the underlying growth in the corporate division and the online direct business should be more visible. The shares offer an attractive and well-supported yield and earnings will benefit when interest rates rise.

INDUSTRY OUTLOOK

Supported by e-commerce initiatives, Park continues to expand its Corporate and Consumer offering into a recovering market.

Y/E Mar	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (fd) (p)	P/E (x)	P/CF (x)
2013	279.0	9.6	10.4	4.60	12.3	13.1
2014	269.6	9.7	10.0	4.33	13.0	24.6
2015e	285.7	10.7	10.6	4.59	12.3	18.8
2016e	301.7	12.1	12.0	5.21	10.8	15.6

Sector: Oil & gas

Price:	A$0.15
Market cap:	A$65m
Forecast net cash (A$m)	2.8
Forecast gearing ratio (%)	N/A
Market	ASX

Share price graph (A$)

Company description

Petrel is a petroleum exploration, development and production company with projects in Uruguay, Spain and Canada. It is focused on appraising its Uruguayan unconventional assets and near-term drilling of its southern Spain gas discovery.

Price performance

%	1m	3m	12m
Actual	(6.3)	(6.3)	30.4
Relative*	(8.0)	(10.1)	17.8

* % Relative to local index

Analyst

Tim Heeley

Petrel Energy (PRL)

INVESTMENT SUMMARY

In Uruguay Petrel has a commanding land position of over 3.5m acres and the prospect of conventional and unconventional plays. The core programme to date indicates not only excellent organic content, permeability, porosity and source rock potential, but also live oil shows. The ongoing 580km 2D seismic survey will delineate potential well locations. Petrel has the option to acquire an additional 9% interest in SEI, the group through which it gained entry to Uruguay and Spain, by paying US$6m by September 2014.

INDUSTRY OUTLOOK

Petrel is actively farming out Spanish exploration drilling with P50 prospective resources of 524bcf net to Petrel and is seeking expressions of interest in its Canadian Lochend Cardium unconventional play. Uruguay is the focus, but developing plays from the ground floor is expensive and can take a long time. However, long-term upside could be substantial.

Y/E Dec	Revenue (A$m)	EBITDA (A$m)	PBT (A$m)	EPS (c)	P/E (x)	P/CF (x)
2012	(0.2)	(2.4)	(2.1)	(1.01)	N/A	N/A
2013	0.6	(6.9)	(7.0)	(2.34)	N/A	N/A
2014e	0.0	(2.7)	(2.7)	(0.61)	N/A	N/A
2015e	0.0	(2.5)	(2.5)	(0.56)	N/A	N/A

EDISON

Sector: Oil & gas

Price:	US$0.28
Market cap:	US$198m
Forecast net debt (US$m)	N/A
Forecast gearing ratio (%)	N/A
Market	TSX-V

Share price graph (US$)

Company description

Petromanas Energy (PMI) operates in Albania where it holds a 25% interest in Blocks 2 and 3, with Shell agreeing to farm-in to 75%. It also holds exploration assets in Aquitaine, France and Australia's Canning Basin.

Price performance

%	1m	3m	12m
Actual	(9.5)	(16.2)	235.3
Relative*	(11.3)	(21.1)	171.0

* % Relative to local index

Analyst

Kim Fustier

Petromanas Energy (PMI)

INVESTMENT SUMMARY

Following the Shpirag-2 discovery, Petromanas (25%) and Shell (75%) will complete two more wells on Albania's Berati thrust belt. Molisht-1 is currently drilling and expected to reach total depth in 4Q14 (delayed from Q3 after more drilling issues), followed by Shpirag-3. Well costs for Molisht-1 are exceeding $50m vs guidance of $62m, pointing to likely cost overruns. Blocks D-E have now been relinquished, with PMI taking a $23m impairment. Given the drilling delays and termination of the Blocks D-E licence, our forecasts and valuation are under review. Assuming both new wells are successful, we expect an upward revision to current prospective resource estimates of 375mmboe (gross) and therefore to our NAV.

INDUSTRY OUTLOOK

We see Petromanas as well positioned over our forecast period. Albania offers material oil potential in a stable environment with attractive fiscal terms. PMI currently holds US$26m in cash (as of Q214), down from $36m at end-2014. Amended farm-out terms with Shell are contributing to Petromanas' cashflow, with the Molisht-1 exploration cost carried to gross US$50m, and Shpirag-3 to a gross US$42.5m.

Y/E Dec	Revenue (US$m)	EBITDA (US$m)	PBT (US$m)	EPS (c)	P/E (x)	P/CF (x)
2012	0.0	(14.3)	(4.1)	(0.66)	N/A	N/A
2013	0.0	(27.4)	(5.2)	(0.75)	N/A	N/A
2014e	N/A	N/A	N/A	N/A	N/A	N/A
2015e	N/A	N/A	N/A	N/A	N/A	N/A

Sector: Pharma & healthcare

Price:	A$0.01
Market cap:	A$14m
Forecast net cash (A$m)	5.5
Forecast gearing ratio (%)	N/A
Market	ASX

Share price graph (A$)

Company description

Phylogica is a drug discovery company with a proprietary technology platform based on naturally derived Phylomer peptides. Its business model centres on drug discovery collaborations with pharma partners, including Roche, MedImmune, Pfizer and Janssen.

Price performance

%	1m	3m	12m
Actual	7.7	(6.7)	(18.4)
Relative*	5.7	(10.5)	(26.3)

* % Relative to local index

Analyst

Franc Gregori

Phylogica (PYC)

INVESTMENT SUMMARY

Phylogica's strategy is to use its Phylomer peptide drug discovery platform to form deals with pharmaceutical companies. The key point of differentiation is that some Phylomers are capable of penetrating cells (Functional Penetrating Peptides), which could enable drugs to be developed that target intracellular proteins with the specificity of antibodies. Deals would typically involve technology access fees, FTE-based service fees and milestone payments. Phylogica has recently converted the A$1.6m convertible notes into 140m shares and raised A$6m via an underwritten rights issue (400m shares). Tight cost control could enable the company to operate beyond the end of 2015.

INDUSTRY OUTLOOK

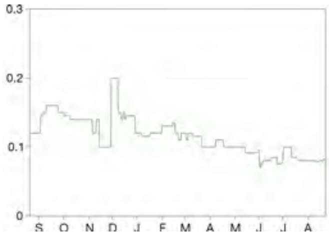
Peptides have some advantages of small molecules (stability, formulation flexibility and COGS) and the binding specificity of antibodies, but their key benefit is the ability to address intractable intracellular targets. Phylomer libraries are a source of novel peptide drug leads, which due to their diversity yield better quality and quantity hits vs random peptide libraries.

Y/E Jun	Revenue (A$m)	EBITDA (A$m)	PBT (A$m)	EPS (c)	P/E (x)	P/CF (x)
2012	1.9	(3.7)	(3.7)	(0.9)	N/A	N/A
2013	0.7	(4.8)	(5.0)	(0.7)	N/A	N/A
2014e	1.5	(4.0)	(4.1)	(0.3)	N/A	N/A
2015e	1.5	(4.1)	(4.4)	(0.3)	N/A	N/A

Sector: Oil & gas

Price:	A$0.08
Market cap:	A$10m
Forecast net debt (€m)	9.1
Forecast gearing ratio (%)	41.0
Market	ASX

Share price graph (A$)



Company description

Po Valley Energy is an ASX-listed oil and gas company with an operational focus on Italy and in particular the Po Valley region in the north of the country.

Price performance

%	1m	3m	12m
Actual	2.5	(9.9)	(31.7)
Relative*	0.6	(13.6)	(38.3)

* % Relative to local index

Analyst

Ian McLelland

Po Valley Energy (PVE)

INVESTMENT SUMMARY

Po Valley Energy (PVE) continues to make good progress across its asset base. Sillaro is generating strong cash flow following installation of a new three-phase separator and most recently a switch in production level. PVE's onshore development programme is fully funded. This includes Bezzecca-1, where we now expect production around end Q115 following the recent production concession award, and Sant'Alberto, where a preliminary production concession was also recently secured. Reflecting weaker gas prices, our core NAV has dropped to A$0.12, while the major offshore Teodorico project drives our upside valuation to A$0.33, although this remains subject to funding of Teodorico, most likely via a farm-out.

INDUSTRY OUTLOOK

PVE is one of the most active independent E&P companies in Italy, meaning it is well placed to benefit from a recent country proposal to double domestic oil and gas production by 2020 and develop an efficient gas market hub in Southern Europe.

Y/E Dec	Revenue (€m)	EBITDA (€m)	PBT (€m)	EPS (fd) (c)	P/E (x)	P/CF (x)
2012	8.2	4.5	0.2	2.2	2.5	1.5
2013	6.7	2.2	(0.8)	(0.6)	N/A	2.1
2014e	5.9	1.8	(1.2)	(1.0)	N/A	5.2
2015e	10.1	5.6	0.5	(1.0)	N/A	3.9

Sector: Mining

Price:	US$1.19
Market cap:	US$328m
Forecast net cash (US$m)	49.6
Forecast gearing ratio (%)	N/A
Market	NYSE

Share price graph (US$)

Company description

PolyMet is a junior mining company focused on developing the 100% owned copper-nickel-precious metals property in Minnesota. It should secure its environmental permit by mid-CY15 and complete construction by the third or fourth quarters of 2016.

Price performance

%	1m	3m	12m
Actual	9.2	(0.8)	48.4
Relative*	8.1	(6.0)	22.3

* % Relative to local index

Analyst

Andrey Litvin

PolyMet Mining (PLM)

INVESTMENT SUMMARY

PolyMet achieved a key milestone in its NorthMet environmental permitting process with the announcement in March 2014 that it had received a significantly improved EC-2 rating from the EPA. The required public meetings have been completed and the co-lead agencies are analysing feedback from the public consultation process to incorporate them into a final EIS, which should be issued late 2014. This will be addressed by management to conclude the environmental review process and put PolyMet on track to be granted its mining licences by mid-2015. Assuming a 15-18 month construction period, the project should be completed by late 2016. PolyMet reported Q115 cash at US$23.6m, which should be sufficient to fund it through final permitting.

INDUSTRY OUTLOOK

Both copper and nickel prices remain strong, trading at US$6,929/t and US$18,570/t respectively.

Y/E Jan	Revenue (US$m)	EBITDA (US$m)	PBT (US$m)	EPS (fd) (c)	P/E (x)	P/CF (x)
2013	0.0	(3.6)	(4.5)	(2.44)	N/A	N/A
2014	0.0	(4.9)	(6.4)	(2.70)	N/A	N/A
2015e	0.0	(4.8)	(10.0)	(3.49)	N/A	N/A
2016e	N/A	N/A	N/A	N/A	N/A	N/A

EDISON

Sector: General industrials

Price:	38.0p
Market cap:	£108m
Forecast net cash (€m)	10.9
Forecast gearing ratio (%)	N/A
Market	AIM

Share price graph (p)

Company description

Powerflute is a holding company established to acquire and improve underperforming businesses and assets in the broadly defined international paper and packaging sector. It operates a niche packaging papers producer based in Finland.

Price performance

%	1m	3m	12m
Actual	3.4	(2.9)	55.1
Relative*	2.4	(2.6)	45.9

* % Relative to local index

Analyst

Toby Thorrington

Powerflute (POWR)

INVESTMENT SUMMARY

Trading conditions were firm in the early stages of FY14 and the AGM noted a 5% underlying volume increase in Q1 with pricing comparable to Q413. At the pre-close stage, management confirmed that volume, revenue and profit were all ahead year-on-year (though not quantified) and that there was a healthy order book on hand at the beginning of H2.

INDUSTRY OUTLOOK

Powerflute aims to build a portfolio of niche paper and packaging businesses. It has demonstrated financial and operational judgement in transactions and now needs to take the group to the next level. Typical target companies will have turnover of €150-200m and/or produce in excess of 300,000 tonnes of product. At any one time, the portfolio is unlikely to exceed five businesses to maintain the operational focus overseen by the executive board.

Y/E Dec	Revenue (€m)	EBITDA (€m)	PBT (€m)	EPS (c)	P/E (x)	P/CF (x)
2012	113.1	13.0	7.0	1.8	26.6	9.2
2013	129.4	17.7	11.3	3.3	14.5	12.8
2014e	133.8	19.4	13.0	3.6	13.3	7.3
2015e	135.8	20.8	14.5	4.1	11.7	6.7

Sector: Travel & leisure

Price:	413.0p
Market cap:	£172m
Forecast net debt (€m)	515.0
Forecast gearing ratio (%)	168.0
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 and regional centres, predominantly in Europe.

Price performance

%	1m	3m	12m
Actual	5.0	7.6	36.3
Relative*	4.0	7.9	28.2

* % Relative to local index

Analyst

Richard Finch

PPHE Hotel Group (PPH)

INVESTMENT SUMMARY

Ahead of imminent half-year results, May's IMS-implied confirmation of buoyant London trading was unsurprising, in a positive market, but no less welcome. Not only was overall RevPAR gain in Q114 (like-for-like 8.3%) well ahead of our full-year estimate (admittedly in the least representative quarter and currency boosted), but its origination from higher room rate rather than occupancy should also allow PPHE to mitigate cost pressures. However, we are holding forecasts owing to the impact of significant renovations with full pay-off unlikely before 2016. The company's bold investment plans, facilitated by recent long-term refinancing, are reportedly on track.

INDUSTRY OUTLOOK

Despite a recent slowdown in London trading and the impact of new supply STR Global expects 4% RevPAR increase in 2014 as occupancy at almost 90% is facilitating rate rises and underlining the enhanced appeal of London after the Olympics. 2013 saw RevPAR gain, albeit marginal, which would not have been countenanced even mid-year owing to exceptional Olympic comparatives.

Y/E Dec	Revenue (€m)	EBITDA (€m)	PBT (€m)	EPS (fd) (c)	P/E (x)	P/CF (x)
2012	242.1	85.6	26.6	64.3	8.1	2.7
2013	245.0	82.9	24.4	58.8	8.8	2.5
2014e	248.0	84.5	25.2	60.7	8.6	2.6
2015e	256.0	88.0	27.0	65.1	8.0	2.5

EDISON

Sector: Pharma & healthcare

Price:	A$0.04
Market cap:	A$52m
Forecast net cash (A$m)	22.3
Forecast gearing ratio (%)	N/A
Market	ASX

Share price graph (A$)

Company description

Prima BioMed is a biotech company focused on cancer immunotherapy. Its lead product candidate, CVac, is a novel autologous dendritic cell immune therapy in development for ovarian cancer patients in remission after surgery and chemotherapy.

Price performance

%	1m	3m	12m
Actual	2.4	(12.5)	(51.2)
Relative*	0.5	(16.1)	(55.9)

* % Relative to local index

Analyst

Dr Mick Cooper

Prima BioMed (PRR)

INVESTMENT SUMMARY

Prima BioMed is focused on developing CVac, an autologous dendritic cell therapy, which induces an immune response against a widely expressed tumour antigen, MUC1. Fresh data from the CAN-003 trial in ovarian cancer with CVac were reported at ASCO, which confirmed the therapy's potential in the second-line setting with an impressive improvement in progression-free survival (PFS, >8 months benefit [median PFS not reached], HR=0.32) and promising initial overall survival (OS) data. The data also justified the amendments to the CAN-004 trial, which is now recruiting patients with second-line ovarian cancer, besides those already recruited in first remission, as no PFS benefit was seen in the first-line setting. More OS data from the CAN-003 trial should be reported in Q414 and interim data from the CAN-004b study are due from mid-2015. Prima BioMed has sufficient cash to operate into 2016. Marc Voigt was promoted from CFO to CEO in July.

INDUSTRY OUTLOOK

The potential of autologous dendritic cell immunotherapies has been indicated by Dendreon's Provenge (sipuleucel-T), but costly manufacturing and logistical issues have limited its potential. By contrast, CVac can be made in an easily reproducible process, with a single collection of white blood cells sufficient for a complete course of therapy.

Y/E Jun	Revenue (A$m)	EBITDA (A$m)	PBT (A$m)	EPS (c)	P/E (x)	P/CF (x)
2012	1.5	(19.6)	(19.7)	(1.9)	N/A	N/A
2013	1.6	(17.2)	(15.1)	(1.4)	N/A	N/A
2014e	1.7	(12.9)	(11.9)	(1.0)	N/A	N/A
2015e	1.3	(13.7)	(13.5)	(1.1)	N/A	N/A

Sector: Property

Price:	347.0p
Market cap:	£385m
Forecast net debt (£m)	691.7
Forecast gearing ratio (%)	227.0
Market	LSE

Share price graph (p)

Company description

Primary Health Properties is invested in 266 primary healthcare properties in the UK (258 completed), principally let to GPs and NHS organisations backed by the UK government. The tenant profile provides an exceptionally secure rental outlook.

Price performance

%	1m	3m	12m
Actual	0.6	0.0	3.6
Relative*	(0.4)	0.3	(2.6)

* % Relative to local index

Analyst

Martyn King

Primary Health Properties (PHP)

INVESTMENT SUMMARY

PHP offers a prospective yield of c 6%, driven off a broad portfolio of healthcare facilities on long government-backed leases. H1 saw strong progress towards returning to full dividend cover (a short-term priority). Cover increased to 76% from 58% a year earlier (and 55% in H213) despite a higher DPS and more shares in issue. Properties acquired in late FY13 (including the significant PPP acquisition), the refinancing of expensive acquired debt, and the restructuring of the management contract all contributed to increased adjusted earnings, up 92% y-o-y in H114. We will review our forecasts with an increased share of forward funded developments in portfolio growth likely to slightly slow near-term forecast revenue growth. Nevertheless we anticipate continued dividend growth and a return to full cover by the end of 2016.

INDUSTRY OUTLOOK

Acquisition and debt terms remain attractive for EPS-enhancing growth, and the bedding down of revised NHS management structures is gradually increasing the approval rate of new premises projects.

Y/E Jun / Dec	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (p)	P/E (x)	P/CF (x)
2012	33.2	27.6	7.4	10.2	34.0	7.1
2013	42.0	35.5	9.5	10.6	32.7	8.4
2014e	60.6	50.6	16.9	15.3	22.7	7.3
2015e	67.3	56.2	21.0	19.0	18.3	6.3

Sector: Technology

Price:	€7.87
Market cap:	€65m
Forecast net debt (€m)	N/A
Forecast gearing ratio (%)	N/A
Market	Alternext Paris

Share price graph (€)

Company description

Founded in 1989, Prodware specialises in the creation, integration and hosting of management software for businesses. It is a Gold Partner of Microsoft in the EMEA zone with almost 1,700 employees supporting 20,000 clients in 14 countries.

Price performance

%	1m	3m	12m
Actual	0.9	(16.2)	3.6
Relative*	1.5	(12.8)	(4.2)

* % Relative to local index

Analyst

Ian Robertson

Prodware (ALPRO)

INVESTMENT SUMMARY

The H1 revenues figures showed Prodware is making solid progress towards key goals and that the SaaS element of the business is going even better than expected. The restructuring and realignment of the former Qurius operations is delivering value and the move towards a greater proportion of sales from own software should deliver higher margins. However, the shares trade at marked multiples discounts to the European listed comparators. Our forecasts are under review.

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)
2012	143.5	22.6	8.5	164.7	4.8	1.7
2013	176.4	28.5	14.2	178.7	4.4	2.5
2014e	N/A	N/A	N/A	N/A	N/A	N/A
2015e	N/A	N/A	N/A	N/A	N/A	N/A

Sector: Pharma & healthcare

Price:	36.1p
Market cap:	£77m
Forecast net debt (£m)	3.1
Forecast gearing ratio (%)	144.0
Market	AIM

Share price graph (p)

Company description

Proteome Sciences is a protein biomarker contract research organisation. It has a broad patent portfolio covering isobaric mass-tagging in mass spectrometry and biomarkers for various neurological and oncology indications.

Price performance

%	1m	3m	12m
Actual	(9.7)	19.4	(13.5)
Relative*	(10.6)	19.8	(18.6)

* % Relative to local index

Analyst

Dr Mick Cooper

Proteome Sciences (PRM)

INVESTMENT SUMMARY

Proteome Sciences has a broad IP portfolio covering mass spectrometry techniques and biomarkers, which is being commercialised. The company earns royalties and manufacturing payments from Thermo Fisher Scientific, which sells Proteome's TMT products. PS Biomarker Services carries out protein assays and biomarker discovery for pharmaceutical companies, including Eisai and J&J. Proteome Sciences out-licenses its proprietary biomarkers non-exclusively to diagnostic companies as well. Its sales in FY13 increased by 86% to £2.1m, partly due to the second licensing deal with Thermo Fisher Scientific. Strong sales growth is expected to continue as pilot projects are converted into full programmes. Its recently published data on biomarkers for Alzheimer's disease could also lead to partnering in the coming months. To support its growth, Proteome Sciences raised £5m in February to provide additional working capital.

INDUSTRY OUTLOOK

Pharma companies are expanding their biomarker programmes due to pressure from regulators and to improve productivity. Protein biomarkers promise to be particularly useful as they provide a direct readout of changes occurring in a person.

Y/E Dec	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (p)	P/E (x)	P/CF (x)
2012	1.2	(4.8)	(5.2)	(2.2)	N/A	N/A
2013	2.1	(3.2)	(3.6)	(1.6)	N/A	N/A
2014e	5.6	0.1	(0.6)	0.1	361.0	N/A
2015e	8.3	1.8	1.3	0.9	40.1	54.4

EDISON

Sector: Technology

Price:	€12.43
Market cap:	€195m
Forecast net cash (€m)	16.9
Forecast gearing ratio (%)	N/A
Market	FRA

Share price graph (€)

Company description

PSI develops and integrates software solutions and complete systems for utilities, manufacturers and infrastructure providers.

Price performance

%	1m	3m	12m
Actual	(6.9)	(0.6)	(7.3)
Relative*	(4.8)	2.5	(18.3)

* % Relative to local index

Analyst

Dan Ridsdale

PSI (PSAN)

INVESTMENT SUMMARY

PSI's first half saw a contraction in order book and revenues. Underlying earnings moved ahead, but were affected by adjustments and restructuring charges in logistics. A recovery in order intake and growth is expected in H2, but geopolitical risk is increasing. Hence we have trimmed our earnings estimates for FY14 by 15% and for FY15 by 11%. The shares trade on recovery multiples with a relatively high P/E but low EV/sales. While patience will be needed, we feel the ingredients for a recovery are there. The unification of the product platform and shift towards a product-led model should give scope for operating margins to expand to the c 15% level over time.

INDUSTRY OUTLOOK

A recovery is now being anticipated in the German energy market, and prospects in the US are buoyed by renewed investment in the US metals industries. However, the outlook is less certain in some key overseas markets, with potential sanctions in Russia, martial rule in Thailand and the local debt build up in China clouding visibility.

Y/E Dec	Revenue (€m)	EBITDA (€m)	PBT (€m)	EPS (fd) (c)	P/E (x)	P/CF (x)
2012	180.9	17.0	11.9	63.6	19.5	35.8
2013	176.3	8.0	3.3	10.6	117.3	2.8
2014e	177.7	13.6	8.5	44.8	27.7	11.1
2015e	188.5	17.0	11.9	62.9	19.8	8.7

Sector: Aerospace & defence

Price:	212.1p
Market cap:	£1369m
Forecast net cash (£m)	138.5
Forecast gearing ratio (%)	N/A
Market	LSE

Share price graph (p)

Company description

QinetiQ provides technical support services to customers in the global aerospace, defence and security markets. Following the disposal of its US Services business, the group will operate through two divisions: EMEA Services and Global Products.

Price performance

%	1m	3m	12m
Actual	2.5	6.6	13.4
Relative*	1.5	6.9	6.6

* % Relative to local index

Analyst

Roger Johnston

QinetiQ Group (QQ)

INVESTMENT SUMMARY

QinetiQ's IMS indicates no change to expectations since full year results, with a promising start to the year in EMEA Services displaying continued high utilisation and market share wins, particularly in the group's weapons and maritime businesses. Global Products continues to be lumpy with the headwind of US drawdown having the expected negative impact on conflict-related sales, while commercial wins so far are not quite offsetting the decline. In addition, the previously flagged $5m separation cost from US Services continues to hold back profit in H1. The £150m share buyback is happening apace. We maintain our view that QinetiQ remains well positioned to continue its organic-plus strategy, capturing market share and generating good cash flows. Our services-based SOTP remains 230p/share.

INDUSTRY OUTLOOK

The UK business is underpinned by some good long-term contracts such as the LTPA. However, with MoD delays plaguing the wider business and the US suffering its own delays, the services businesses remain under pressure.

Y/E Mar	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (fd) (p)	P/E (x)	P/CF (x)
2013	1327.8	200.7	152.1	18.8	11.3	5.4
2014	1191.4	156.3	119.4	16.0	13.3	9.3
2015e	816.2	144.3	103.3	14.3	14.8	12.8
2016e	841.5	147.2	108.2	15.9	13.3	11.4

Quadrise Fuels Int. (QFI)

Sector: Basic industries

Price:	40.0p
Market cap:	£323m
Forecast net cash (£m)	11.4
Forecast gearing ratio (%)	N/A
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	3.9	25.0	226.5
Relative*	2.9	25.4	207.2

* % Relative to local index

Analyst

Anne Margaret Crow

INVESTMENT SUMMARY

In June Quadrise passed a major milestone on its route to commercialisation with Maersk advising that, following the final seaborne service test on a Wärtsilä engine, MSAR had satisfied its proof-of-concept requirements. This smooths the way for initial commercial usage by marine vessels in CY15.

INDUSTRY OUTLOOK

The next stage is the demonstration of extended use of Marine MSAR in Wärtsilä-powered and MAN-powered vessels so that the engine manufacturers can issue Letters of no Objection (LONO) validating the use of MSAR in these engine types. This validation is the last remaining precondition before commencing commercial use of MSAR during CY15, with progressive uptake across the Maersk fleet. Maersk and Quadrise have begun a joint exercise to identify candidate refineries close to major bunker hubs that will be able to produce the MSAR cost-effectively in the quantities required for the LONO and initial commercial phases, thus accelerating commercial adoption.

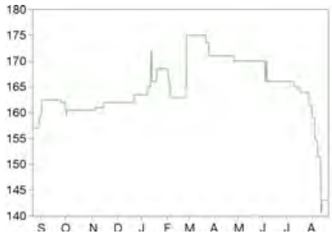
Y/E Jun	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (fd) (p)	P/E (x)	P/CF (x)
2012	0.0	(1.8)	(1.8)	(0.2)	N/A	N/A
2013	0.0	(1.8)	(1.8)	(0.2)	N/A	N/A
2014e	0.7	(2.1)	(2.1)	(0.2)	N/A	N/A
2015e	23.8	0.9	0.8	0.1	400.0	350.8

Quarto (QRT)

Sector: Media & entertainment

Price:	143.5p
Market cap:	£32m
Forecast net debt (US$m)	66.0
Forecast gearing ratio (%)	121.0
Market	LSE

Share price graph (p)



Company description

Quarto is an international publisher of books produced under its own imprints and licensed to other publishers.

Price performance

%	1m	3m	12m
Actual	(12.5)	(15.6)	(8.6)
Relative*	(13.3)	(15.4)	(14.0)

* % Relative to local index

Analyst

Fiona Orford-Williams

INVESTMENT SUMMARY

Quarto restructured and streamlined its business in 2013, but the work done on the product pipeline will take time to flow through. H114 normalised PBT was $1m lower at $0.7m, partly due to non-recurring items, with 2014 results expected to be more than usually H2 weighted. We have reduced our FY14 PBT estimate by $0.8m, but left FY15e unchanged, since the forecast strong H214 should give good positive momentum. Debt continues to decline, benefiting from the strong operating cash flows, and we expect further progress on this key target in H2. The share rating remains at a substantial discount to peers, with the price underpinned by an NAV of c 135p/share and attractive dividend yield of c 5.5%.

INDUSTRY OUTLOOK

Despite continuing upheavals in book distribution and the publishing industry, with very public pushback against the influence of Amazon, confidence has been showing some signs of improvement. US eBook sales were marginally down in Q114 (at 32.3% of the adult market), while the adult hardback sector was ahead by 3.0%. Distribution and discoverability remain the issues with which most publishers are struggling.

Y/E Dec	Revenue (US$m)	EBITDA (US$m)	PBT (US$m)	EPS (fd) (c)	P/E (x)	P/CF (x)
2012	180.9	36.5	11.4	43.6	5.6	1.5
2013	176.3	35.2	11.5	44.0	5.6	1.3
2014e	176.0	35.5	12.2	45.1	5.4	1.4
2015e	180.0	38.2	14.0	51.3	4.8	1.3

Sector: Mining

Price:	US$1.08
Market cap:	US$52m
Forecast net cash (US$m)	19.5
Forecast gearing ratio (%)	N/A
Market	NYSE, TSX TP

Share price graph (US$)

Company description

Rare Element Resources is a mineral resource company currently advancing the development of the Bear Lodge rare earth oxide project in Wyoming, US.

Price performance

%	1m	3m	12m
Actual	(12.9)	(8.5)	(49.1)
Relative*	(13.7)	(13.3)	(58.0)

* % Relative to local index

Analyst

Rob Kirtley

Rare Element Resources (REE)

INVESTMENT SUMMARY

Rare Element Resources (REE) is in the process of developing the Bear Lodge rare earth oxide (REO) project in Wyoming, US. REE has announced improved potential recoveries relating to its proprietary extraction technology, with a concentrate purity of 97% REOs. The project's measured and indicated resource has been increased by 10% as a result of additional drilling. The EIS process is underway and the initial scoping stage of the EIS has been completed. The project is large, with expected output of 10,400tpa of REOs over a potential 40-year life of mine. The ore body is enriched with heavy rare earth elements and REOs, considered critical by the US Energy and Defence departments. However, it has yet to sign up an offtake partner. Our DCF-based company valuation, at a 10% discount rate, is US$5.29/share.

INDUSTRY OUTLOOK

Rare Element Resources is well positioned to benefit from the global move to de-risk access to rare earth oxides by diversifying production away from China.

Y/E Jun / Dec	Revenue (US$m)	EBITDA (US$m)	PBT (US$m)	EPS (c)	P/E (x)	P/CF (x)
2012	0.0	(15.5)	(15.2)	(34.2)	N/A	N/A
2013	0.0	(19.4)	(19.3)	(45.1)	N/A	N/A
2014e	0.0	(18.1)	(18.2)	(39.0)	N/A	N/A
2015e	0.0	(19.5)	(19.6)	(37.4)	N/A	N/A

Sector: Financials

Price:	29.5p
Market cap:	£65m
Forecast net debt (£m)	N/A
Forecast gearing ratio (%)	N/A
Market	LSE

Share price graph (p)

Company description

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

Price performance

%	1m	3m	12m
Actual	(13.9)	(18.6)	(20.8)
Relative*	(14.7)	(18.4)	(25.5)

* % Relative to local index

Analyst

Peter Thorne

Record (REC)

INVESTMENT SUMMARY

Record announced fund inflows for Q115 of $0.4bn including the negative impact ($0.6m) of a previously announced termination of a dynamic hedging mandate. Including positive effects from exchange rates and the market movements on the underlying client assets being hedged, AUME (the company's equivalent of assets under management) increased $2.2bn to $54.1bn in the period, better than we have allowed for. In Record's base currency of sterling, much of the asset outperformance is eroded by sterling gains against the dollar, but with fee levels broadly in line with previous periods, this supports our full year forecasts. We will review as the year progresses.

INDUSTRY OUTLOOK

The emergence of a strengthening US dollar could provide a material opportunity for Record in the large US market. US investors holding assets denominated in foreign currencies have benefited from the weakness of the US dollar on a trade-weighted basis since 2001; hedging could protect these gains and improve portfolio efficiency by reducing volatility.

Y/E Mar	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (fd) (p)	P/E (x)	P/CF (x)
2013	18.3	5.9	5.8	2.0	14.8	N/A
2014	20.3	7.1	6.9	2.4	12.3	N/A
2015e	18.4	5.5	5.4	1.9	15.5	N/A
2016e	18.7	5.5	5.4	1.9	15.5	N/A

Red Rock Resources (RRR)

Sector: Mining

Price:	0.2p
Market cap:	£5m
Forecast net debt (£m)	2.9
Forecast gearing ratio (%)	19.0
Market	AIM

Share price graph (p)

Company description

Listed on AIM in July 2005, Red Rock Resources is now a combination of a junior gold explorer and a mining finance house, focused on the discovery and development of iron ore, gold, steel feed and uranium globally.

Price performance

%	1m	3m	12m
Actual	(7.8)	(4.1)	(63.6)
Relative*	(8.7)	(3.8)	(65.7)

* % Relative to local index

Analyst

Charles Gibson

INVESTMENT SUMMARY

The period of exclusivity for Red Rock to sell its 50.002% interest in FPM for US$5.0m has now been extended to 10 September. In the meantime, a preliminary economic assessment at Mikei has demonstrated the potential to develop a project with an NPV of US$7.0m at US$1,200/oz Au or US$21.7m at our long-term gold price projections; Resource Star has secured an option to provide cloud services to the tier 2 market in Australia.

INDUSTRY OUTLOOK

Valuing the Mt Ida royalty with regard to its sale of a portion of the royalty to Anglo Pacific in 2012, its interest in Jupiter at the latter's last quoted price before de-listing and its interest in Mikei with respect to the last price at which Kansai raised funds, we calculate a net asset value for Red Rock of 0.92p/share (before August placing and convertible conversion). This rises to 1.75p if Jupiter and Mikei re-rate to something close to fundamental value and Melville Bugt re-rates to the value implied by the US$17.75m November 2012 bid for a 51% stake in the company.

Y/E Jun	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (fd) (p)	P/E (x)	P/CF (x)
2012	0.0	(2.3)	(2.7)	(0.30)	N/A	N/A
2013	2.6	(3.5)	(5.1)	(0.03)	N/A	N/A
2014e	3.0	(0.5)	(1.4)	(0.09)	N/A	N/A
2015e	N/A	N/A	N/A	N/A	N/A	N/A

Regency Mines (RGM)

Sector: Mining

Price:	0.3p
Market cap:	£5m
Forecast net debt (£m)	0.1
Forecast gearing ratio (%)	1.0
Market	AIM

Share price graph (p)

Company description

Regency Mines is a multi-commodity exploration and investment company listed on AIM. Its flagship assets are the large-scale Mambare nickel laterite project in Papua New Guinea and an 11.4% interest in Red Rock Resources.

Price performance

%	1m	3m	12m
Actual	(19.7)	21.3	(43.6)
Relative*	(20.5)	21.6	(46.9)

* % Relative to local index

Analyst

Charles Gibson

INVESTMENT SUMMARY

The DNi process for treating nickel laterite ores has now been proven to work in continuous process at test-plant scale. The success of the programme paves the way for the process to be advanced to commercial scale at PT Antam's Buli operation, to which end a 10-20kt Ni in concentrate feasibility study has commenced. In the meantime, exploration in Sudan and at RAM are continuing positively; RGM has also taken a 5% direct and a 0.628% indirect interest in UK oil and gas company, Horse Hill Developments.

INDUSTRY OUTLOOK

Before its August placing, we calculated a value of 0.12p/share for cash and listed assets at RGM. This rose to 0.44p/share when other balance sheet items were taken into account and to 1.7p/share in the event that DNi develops a third-party project at US$2.71/lb Ni opex and US$12.84/lb capex. Finally, it increases to anything from 7.9-18.1p/share if it develops Mambare at 10-20ktpa, depending on the nickel price (NB excluding MgO and hematite by-product credits).

Y/E Jun	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (p)	P/E (x)	P/CF (x)
2012	0.2	(1.4)	(1.8)	(0.3)	N/A	7.7
2013	0.1	(1.9)	(4.7)	(0.6)	N/A	N/A
2014e	0.1	(1.8)	(2.2)	(0.2)	N/A	N/A
2015e	0.0	(1.3)	(1.8)	(0.1)	N/A	N/A

EDISON

Sector: Pharma & healthcare

Price:	A$0.27
Market cap:	A$39m
Forecast net cash (A$m)	1.4
Forecast gearing ratio (%)	N/A
Market	ASX

Share price graph (A$)

Company description

Regeneus is an Australian biotechnology company marketing and developing mesenchymal stem cell (MSC) products for musculoskeletal conditions in humans and animals.

Price performance

%	1m	3m	12m
Actual	(11.7)	(30.3)	N/A
Relative*	(13.3)	(33.1)	N/A

* % Relative to local index

Analyst

Christian Glennie

Regeneus (RGS)

INVESTMENT SUMMARY

Regeneus is developing and commercialising its adipose (fat) derived mesenchymal stem cell technology, particularly for musculoskeletal conditions in animals and humans. HiQCell (human) and CryoShot (vet) are available in Australia; FY14 revenues A$1m. A Phase I/II study for Progenza (allogeneic) in human osteoarthritis is planned for H115. Regeneus also holds global rights to an autologous cancer vaccine for human (Phase I due in Q115) and veterinary (Kvax - US marketing trial ongoing for osteosarcoma in dogs) applications. Net cash was A$2.6m at 30 June 2014, and Regeneus is currently seeking to raise A$6m in equity (A$2.8m raised in August).

INDUSTRY OUTLOOK

Adipose (fat) based stem cell products, either autologous (patient-derived) or allogeneic (off-the-shelf), are being developed and/or commercialised by a number of companies. The technology holds significant medical and commercial potential for the treatment of multiple conditions. Cancer immunotherapy, including cancer vaccines, is a biotech hotspot.

Y/E Jun	Revenue (A$m)	EBITDA (A$m)	PBT (A$m)	EPS (c)	P/E (x)	P/CF (x)
2013	1.8	(7.3)	(7.7)	(7.5)	N/A	N/A
2014	2.0	(10.8)	(11.3)	(6.8)	N/A	N/A
2015e	2.8	(10.6)	(11.1)	(5.4)	N/A	N/A
2016e	7.9	(7.9)	(8.5)	(4.1)	N/A	N/A

Sector: Travel & leisure

Price:	660.0p
Market cap:	£1324m
Forecast net debt (£m)	37.0
Forecast gearing ratio (%)	14.0
Market	LSE

Share price graph (p)

Company description

The Restaurant Group operates over 400 restaurants and pub restaurants. Its principal trading brands are Frankie & Benny's, Chiquito and Garfunkel's. It also operates a concessions division that trades on over 50 sites, principally at UK airports.

Price performance

%	1m	3m	12m
Actual	14.4	8.7	25.0
Relative*	13.3	9.0	17.6

* % Relative to local index

Analyst

Sohil Chotai

Restaurant Group (The) (RTN)

INVESTMENT SUMMARY

Trading for the 19 weeks to 15 May 2014 was robust with total sales growth of 11% and strong like-for-like growth of 4% compared to last year. Fifteen new restaurants were opened in the period and the store roll-out programme continues to provide defensive growth. Management expects to open 36-43 new units (half of which are expected to be Frankie & Benny's in FY14). The dividend was increased to 14p per share, up 19% compared to last year (not including a 3.45p per share special dividend – proceeds from the partial disposal of Living Ventures).

INDUSTRY OUTLOOK

The size of the total eating and drinking out market was c £76bn in 2013, with the eating out market estimated at c £50bn and the drinking out market valued at c £26bn. The total eating and drinking out market has increased by 26.7% over the last 10 years despite the financial crisis. The branded casual dining sector has been resilient with growth of 32% during 2008-11 compared to total eating and drinking out market growth of 5%.

Y/E Dec	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (fd) (p)	P/E (x)	P/CF (x)
2012	532.5	95.5	64.6	24.1	27.4	13.0
2013	579.6	107.8	72.7	28.0	23.6	11.3
2014e	639.5	119.1	80.9	30.7	21.5	10.4
2015e	713.5	130.6	91.4	34.5	19.1	9.5

EDISON

Sector: Mining

Price:	A$0.45
Market cap:	A$88m
Forecast net cash (A$m)	13.2
Forecast gearing ratio (%)	N/A
Market	ASX

Share price graph (A$)

Company description

Robust Resources is an Asia-based explorer seeking to develop low-cost mining operations. Its principal assets are the Lakuwahi gold and base metal project on Romang Island, Indonesia, and the Andash, Talas and Bashkol projects in the Kyrgyz Republic.

Price performance

%	1m	3m	12m
Actual	55.2	104.5	95.7
Relative*	52.3	96.2	76.8

* % Relative to local index

Analyst

Peter Chilton

Robust Resources (ROL)

INVESTMENT SUMMARY

ROL has released an updated Lakuwahi mineral resource of 81.7Mt at 0.40g/t Au, 25.8g/t Ag, 0.60% Zn, 0.58% Pb and 0.07% Cu at a 0.4g/t Au eq cutoff. It is a 'global' resource and includes four main deposits. On 15 August, a revised, higher takeover bid was announced, involving a potential joint (subject to ASIC exemption) bid by Stanhill Capital Partners and Droxford International at A$0.49 (from A$0.315). Droxford is wholly owned by Indonesia's Salim Group, which has a direct 29.5% interest in ROL's Romang Island assets. Currently the bidders have voting power over 46.6% of ROL's shares. ROL is recommending shareholders accept the new offer, conditional on the ASIC exemption, no higher offer and the recommendation of an independent expert.

INDUSTRY OUTLOOK

The ROL Manganese Scoping Study reported feedback from participants in the Indonesian mining industry, suggesting a possible progressive relaxation of conditions relating to the ban on the export of manganese ores, from late 2014 or early 2015.

Y/E Dec	Revenue (A$m)	EBITDA (A$m)	PBT (A$m)	EPS (fd) (c)	P/E (x)	P/CF (x)
2012	0.1	(7.4)	(7.1)	(8.2)	N/A	N/A
2013	0.4	(7.4)	(6.9)	(7.5)	N/A	N/A
2014e	0.6	(7.8)	(8.6)	(6.5)	N/A	N/A
2015e	N/A	N/A	N/A	N/A	N/A	N/A

Sector: Basic industries

Price:	566.0p
Market cap:	£1062m
Forecast net debt (£m)	N/A
Forecast gearing ratio (%)	N/A
Market	LSE

Share price graph (p)

Company description

RPC is Europe's leading supplier of rigid plastic packaging through its activities injection moulding (59% sales), blow moulding (17%) and thermoforming (24%).

Price performance

%	1m	3m	12m
Actual	(4.4)	(6.9)	21.0
Relative*	(5.3)	(6.7)	13.8

* % Relative to local index

Analyst

Toby Thorrington

RPC Group (RPC)

INVESTMENT SUMMARY

The ACE Corporation acquisition (establishing RPC in Asia) completed on 2 June and was followed by FY14 results the same week. The results showed a strong operational performance with EBIT, PBT and EPS all ahead of our estimates on in-line revenues. Most areas made some contribution to this, including a working capital inflow leaving lower than expected year-end debt. Management described Q1 trading as robust. RPC offers a number of sources of growth - above GDP markets, internal optimisation programmes and acquisition momentum.

INDUSTRY OUTLOOK

Plastic is the fastest growing high-volume packaging segment, owing to its innovation potential and substitution effects compared with other materials. Industry data suggest global polymer supply is coming online at the fastest rate in over five years, although oil price movements affect polymer input costs. However, RPC typically recovers raw material inflation with a three-month lag.

Y/E Mar	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (p)	P/E (x)	P/CF (x)
2013	982.2	139.4	76.3	34.8	16.3	8.6
2014	1046.9	146.7	86.3	41.1	13.8	7.2
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

Rubicon (RBC)

Sector: Industrial support services

Price:	NZ$0.37
Market cap:	NZ$151m
Forecast net debt (US$m)	N/A
Forecast gearing ratio (%)	N/A
Market	NZAX

Share price graph (NZ$)

Company description

Rubicon is a forestry investment company with holdings in Tenon (an NZ-listed, US-focused appearance wood product distributor) and ArborGen (an international developer and supplier of advanced forestry seedlings).

Price performance

%	1m	3m	12m
Actual	(9.8)	2.8	5.7
Relative*	(10.2)	2.3	(2.8)

* % Relative to local index

Analyst

Toby Thorrington

INVESTMENT SUMMARY

Tenon's FY14 results demonstrated progress in both North American and Australasian operations. ArborGen also delivered growth with an increasing proportion of advanced genetics seedlings. Both companies are expected to make further operational and strategic gains during FY15. Our estimates are under review.

INDUSTRY OUTLOOK

In the next 12 months, we expect to see confirmation that an increase in activity in US new-build housing is broadening out into the existing home market for Tenon, as well as greater clarity on the next stage of development for ArborGen as its next-generation and biotech seedlings gain greater market traction. A stronger (weaker) NZ$/US$ provides an earnings headwind (benefit).

Y/E Jun	Revenue (US$m)	EBITDA (US$m)	PBT (US$m)	EPS (c)	P/E (x)	P/CF (x)
2013	364.0	3.0	(6.0)	(1.3)	N/A	N/A
2014	396.0	8.0	0.0	(0.2)	N/A	31.6
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

Rurelec (RUR)

Sector: General industrials

Price:	6.2p
Market cap:	£35m
Forecast net debt (£m)	28.8
Forecast gearing ratio (%)	50.0
Market	AIM

Share price graph (p)

Company description

Rurelec owns, operates and develops power plants, mainly in Latin America, and sponsors new generating capacity in Bangladesh. It currently has 136MW of gas-fired plant operating in Argentina, and projects in Chile and Peru.

Price performance

%	1m	3m	12m
Actual	6.4	(7.4)	(39.8)
Relative*	5.4	(7.2)	(43.3)

* % Relative to local index

Analyst

Roger Johnston

INVESTMENT SUMMARY

Rurelec has emerged from four years of uncertainty as its arbitration claim against the Bolivian government for the forced nationalisation of its local power assets has concluded. Compensation of US$31.5m (£19.0m) has now been received, less than half the minimum management originally expected. Some of the proceeds will be used to fund the remaining equity for 296MW of new capacity in Chile and the first phases of 65MW of projects in Peru. Approximately US$25m will be employed to reduce short-term debt. Given the investment required in new capacity, the compensation is not quite the transformative event that was expected, but at least uncertainty has been removed, giving way to a focus on growth prospects.

INDUSTRY OUTLOOK

There are a variety of operational, financial and macroeconomic risks of operating in developing countries like Argentina, Chile and Peru. The main operational risks are power prices, raw material costs, the regulatory situation and technical plant operating issues.

Y/E Dec	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (p)	P/E (x)	P/CF (x)
2012	13.4	0.2	(2.5)	(0.75)	N/A	N/A
2013	15.1	1.7	(39.4)	(7.92)	N/A	N/A
2014e	7.1	1.5	(1.0)	(0.14)	N/A	2.2
2015e	9.0	3.0	(1.1)	(0.16)	N/A	9.9

Sector: Mining

Price:	A$0.19
Market cap:	A$15m
Forecast net debt (A$m)	31.0
Forecast gearing ratio (%)	1323.0
Market	ASX

Share price graph (A$)

Company description

Rutila Resources controls a 68% interest in the Balla Balla JV, which controls the Balla Balla export facility, the proposed integrated port and railway solution and the Balla Balla magnetite project in Pilbara, Western Australia.

Price performance

%	1m	3m	12m
Actual	(13.6)	15.2	15.2
Relative*	(15.3)	10.4	4.0

* % Relative to local index

Analyst

Andrey Litvin

Rutila Resources (RTA)

INVESTMENT SUMMARY

Through a JV with Todd, Rutila Resources owns a 65% interest in the Balla Balla export facility and a 68% interest in the Balla Balla magnetite project in Pilbara, Western Australia. The export facility is a greenfield multi-user transshipment operation c 100km from Port Hedland, which together with a new 200km railway line forms the company's Central Pilbara Infrastructure Project (CPIP). The proposed integrated port and railway solution, which is scalable to at least 45Mtpa at an attractive capital cost, aims to unlock the potential of the stranded mining projects in the Central Pilbara region. Rutila has already secured Flinders Mines as a foundation customer for CPIP. It should also benefit the company's Balla Balla iron ore project, which is expected to deliver 6-10Mtpa of sinter fines for blending to the seaborne market.

INDUSTRY OUTLOOK

Infrastructure bottlenecks in Pilbara underpin the attractiveness of CPIP. We value Rutila's projects at A$1.22bn on a 100%, unrisked basis.

Y/E Jun	Revenue (A$m)	EBITDA (A$m)	PBT (A$m)	EPS (fd) (c)	P/E (x)	P/CF (x)
2012	0.0	(5.6)	(5.8)	(7.5)	N/A	N/A
2013	0.0	(3.6)	(7.5)	(9.4)	N/A	N/A
2014e	0.0	(3.1)	(8.6)	(10.7)	N/A	N/A
2015e	0.0	(3.1)	(8.6)	(10.7)	N/A	N/A

Sector: Financials

Price:	1800.0p
Market cap:	£213m
Forecast net debt (£m)	N/A
Forecast gearing ratio (%)	N/A
Market	LSE

Share price graph (p)

Company description

S&U is a niche consumer and motor finance provider to the non-standard UK market. It distributes the former through agents to customers' homes and the latter through brokers. It has over 140,000 customers and over 800 employees and home credit agents.

Price performance

%	1m	3m	12m
Actual	(1.4)	(4.0)	36.3
Relative*	(2.3)	(3.7)	28.2

* % Relative to local index

Analyst

Mark Thomas

S&U (SUS)

INVESTMENT SUMMARY

S&U has consistently delivered strong profitably from non-standard, UK personal lending. It has seen strong growth from its broker-originated auto-finance business (the 5 August trading statement indicated record levels of trading - advances up £18m+ on 2013 comparables and credit quality is the best ever). The agent home collect business is highly profitable and cash generative and is showing growth (three new branches have been opened, representative numbers up 10%, more than matched by increases in both advances and collections). The group is managed conservatively (debt gearing now c 70% vs 3x for many peers). There are discussions with regulators over a deposit taking licence.

INDUSTRY OUTLOOK

Home Collect is expected to show modest growth as blue collar workers see modestly increased hours worked and increased confidence. It is clearly differentiated from pay-day lenders and the regulatory threats to that market. The non-standard auto market is likely to remain strong for some years.

Y/E Jan	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (fd) (p)	P/E (x)	P/CF (x)
2013	55.0	15.3	14.2	91.46	19.7	55.7
2014	60.8	18.6	17.3	112.04	16.1	N/A
2015e	66.5	21.7	19.9	131.46	13.7	N/A
2016e	72.2	23.5	21.6	144.22	12.5	20.7

Sector: General industrials

Price:	186.5p
Market cap:	£145m
Forecast net cash (£m)	10.9
Forecast gearing ratio (%)	N/A
Market	AIM

Share price graph (p)

Company description

Safestyle UK is a manufacturer and supplier of replacement uPVC windows and doors to the UK homeowner market.

Price performance

%	1m	3m	12m
Actual	6.3	0.5	N/A
Relative*	N/A	N/A	N/A

* % Relative to local index

Analyst

Toby Thorrington

Safestyle UK (SFE)

INVESTMENT SUMMARY

Safestyle's model continues to deliver outperformance in a growing market. Good progress has been achieved in H1 and we expect the company to at least match our existing FY14 estimates. Investor sentiment has cooled towards housing market exposure in recent months, but we believe that the RMI sector has good momentum. A 4.9% yield and c 11x P/E offer good growth and income value. H1 results are due to be announced on 18 September.

INDUSTRY OUTLOOK

After an extended period of austerity, the UK economy has returned to growth, and within it, the housing sector is beginning to normalise. Housing transactions are considered to be a positive lead indicator for house improvement spend in the two years or so following a move. In a longer-term context, transactions are currently running up to one-third below the pre-crash 30-year average level, so the recovery potential is clear.

Y/E Dec	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (fd) (p)	P/E (x)	P/CF (x)
2012	110.2	10.4	9.5	9.1	20.5	16.7
2013	124.8	15.8	15.0	14.8	12.6	9.6
2014e	132.5	18.4	17.1	15.7	11.9	7.9
2015e	139.1	20.1	18.7	17.4	10.7	7.2

Sector: Technology

Price:	92.5p
Market cap:	£27m
Forecast net cash (£m)	1.8
Forecast gearing ratio (%)	N/A
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, primarily in the space, environment, government and defence and media/broadcast sectors.

Price performance

%	1m	3m	12m
Actual	2.2	2.2	25.0
Relative*	1.2	2.5	17.6

* % Relative to local index

Analyst

Richard Jeans

SCISYS (SSY)

INVESTMENT SUMMARY

In an relatively upbeat H1 trading update, SCISYS said that H1 finished positively and the group has a robust order book. The company said that H1 trading is expected be in line with management expectations, with H1 sales in line with H113, while margin growth and operational efficiencies continue to be delivered. We are maintaining our forecasts and will review them with the interims on 24 September. As we noted in March, the group has surpassed its 7% margin target, and management is now targeting double-digit margins by FY18, with an increasing emphasis on stronger top-line growth. Hence the stock looks attractive trading on c 10x our maintained FY15 EPS while our DCF values the stock at 122p, or 32% above the current level.

INDUSTRY OUTLOOK

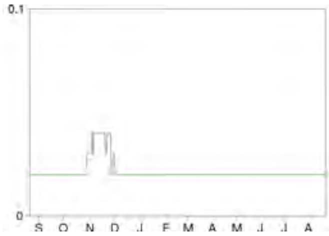
SCISYS is a specialist provider of high-value IT solutions, focusing on specialist markets of space and media and broadcast along with the broader ESD division (largely UK public and private sector enterprises). The space and defence areas have been performing well, while it has been challenging to find new projects in other areas. Further, customers in the UK public sector and public sector broadcasters generally have been breaking up larger projects into smaller ones to spread out costs.

Y/E Dec	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (p)	P/E (x)	P/CF (x)
2012	39.5	3.6	2.4	7.1	13.0	5.2
2013	42.6	4.2	3.0	9.3	9.9	N/A
2014e	44.1	4.5	3.2	9.1	10.2	4.1
2015e	45.6	4.8	3.6	9.6	9.6	6.1

Sector: Food & drink

Price:	NZ$0.02
Market cap:	NZ$38m
Forecast net debt (NZ$m)	7.5
Forecast gearing ratio (%)	72.0
Market	NZSX

Share price graph (NZ$)



Company description

SeaDragon Marine Oils produces specialist fish oils including squalene and omega-3, which are supplied to manufacturers and marketers of dietary supplements in Australasia and worldwide.

Price performance

%	1m	3m	12m
Actual	17.7	11.1	(13.0)
Relative*	17.1	10.6	(20.0)

* % Relative to local index

Analyst

Neil Shah

SeaDragon (SEAZ)

INVESTMENT SUMMARY

SeaDragon recently held its AGM where the company reinforced its strategy and near-term focus on the new DSSLO/squalene contract and construction of the new refined fish oils plant. Construction is timed to being in the New Zealand spring, although this is dependent on the timely issuance of resource and building consents by the local council.

INDUSTRY OUTLOOK

New Zealand-sourced fish oils are expected to occupy a high-value niche with demand for squalene and omega-3 oils remaining strong. Worldwide omega-3 production is c 110,000 tonnes, with market growth averaging 5-10% globally. New market opportunities for SeaDragon include the functional and fortified foods, beverages, cosmetics and pharmaceutical markets. SeaDragon is well placed with its focus on sustainable fisheries and New Zealand sourced products.

Y/E Jun / Mar	Revenue (NZ$m)	EBITDA (NZ$m)	PBT (NZ$m)	EPS (fd) (c)	P/E (x)	P/CF (x)
2013	9.0	0.0	(0.3)	(0.04)	N/A	N/A
2014	3.1	(1.1)	(1.9)	(0.12)	N/A	41.7
2015e	10.3	0.4	(0.3)	(0.02)	N/A	N/A
2016e	27.5	6.7	5.6	0.24	8.3	4.7

Sector: Alternative energy

Price:	35.0p
Market cap:	£20m
Forecast net debt (£m)	N/A
Forecast gearing ratio (%)	N/A
Market	AIM

Share price graph (p)

Company description

SeaEnergy is an offshore energy services business, working in oil and gas and renewables. Its services include visual asset management, consulting and offshore operations and maintenance and support.

Price performance

%	1m	3m	12m
Actual	2.9	(5.4)	49.7
Relative*	2.0	(5.1)	40.9

* % Relative to local index

Analyst

Graeme Moyse

SeaEnergy (SEA)

INVESTMENT SUMMARY

SeaEnergy's FY13 results demonstrated that progress has been made in building a business capable of delivering sustainable profits. Positive announcements made since the year end confirm our view that SeaEnergy will move into profitability in 2014. SeaEnergy recently stated that the ship management business has won two additional contracts which should ensure that this recently established business (June 2014) begins to trade profitably. SeaEnergy also announced that the visual asset management business has won a contract for the provision of a system to Petroleos Mexicanos, worth an estimated $1m. We believe the market is now including R2S in SeaEnergy's valuation at market multiples rather than at acquisition cost, but is still valuing the business at a c 20% discount to support service sector averages. Our forecasts remain under review.

INDUSTRY OUTLOOK

Analysis carried out by Arup, for DECC, suggests that installed capacity of offshore wind could reach 23.5GW by 2020 and 52GW by 2030.

Y/E Dec	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (fd) (p)	P/E (x)	P/CF (x)
2012	0.9	(2.5)	(1.1)	(1.7)	N/A	N/A
2013	5.1	(0.1)	(0.3)	(0.6)	N/A	N/A
2014e	N/A	N/A	N/A	N/A	N/A	N/A
2015e	N/A	N/A	N/A	N/A	N/A	N/A

Sector: Basic industries

Price:	NZ$0.10
Market cap:	NZ$13m
Forecast net debt (NZ$m)	N/A
Forecast gearing ratio (%)	N/A
Market	NZSX

Share price graph (NZ$)

Company description

Sealegs Corporation is a manufacturer of amphibious craft and amphibious marine systems. The company is based in Auckland, New Zealand, and sells its products worldwide.

Price performance

%	1m	3m	12m
Actual	(16.7)	(28.6)	(37.5)
Relative*	(17.1)	(28.9)	(42.5)

* % Relative to local index

Analyst

Roger Johnston

Sealegs Corporation (SLG)

INVESTMENT SUMMARY

Sealegs Corporation is expecting to see steady demand for its current line-up of boats, although it is seeing increasing demand for its kit-set products from a number of countries, with good demand coming from the Middle East and increasing interest from South America. The company has just announced a new distribution and manufacturing deal with a Brazilian company for the marketing and production of boats/kit-sets for the South American market. Development of the trial SLG-100 boat is progressing and is on target for display at the US Workboat Conference in December. We are reviewing our model for 2014 results and updating our forecasts.

INDUSTRY OUTLOOK

Both recreational and professional boat markets are significant, although estimates of the addressable market for Sealegs' boats and technology kits are complicated by the lack of reliable market data for both the recreational and professional market. It is a truism of the marine sector that the smaller the vessel, the more opaque market data and information become.

Y/E Mar	Revenue (NZ$m)	EBITDA (NZ$m)	PBT (NZ$m)	EPS (fd) (c)	P/E (x)	P/CF (x)
2012	13.8	(1.2)	(1.6)	(1.3)	N/A	N/A
2013	16.4	0.8	0.5	0.4	25.0	13.5
2014e	N/A	N/A	N/A	N/A	N/A	N/A
2015e	N/A	N/A	N/A	N/A	N/A	N/A

Sector: Consumer support services

Price:	62.0p
Market cap:	£18m
Forecast net debt (US$m)	46.7
Forecast gearing ratio (%)	86.0
Market	AIM

Share price graph (p)

Company description

Secure Property is a Central and South-East Europe-focused property investor and developer. Its portfolio comprises a logistics park (Kiev), four development projects in Ukraine and a recently acquired logistics park in Bucharest.

Price performance

%	1m	3m	12m
Actual	0.0	(4.6)	(8.2)
Relative*	(1.0)	(4.4)	(13.6)

* % Relative to local index

Analyst

Martyn King

Secure Property (SPDI)

INVESTMENT SUMMARY

Secure Property (SPDI) is focused on growing operating cash flow by acquiring commercial and industrial properties in South-East and Eastern Europe, with strong tenants and at attractive prices. Future capital gains are a prospect if current high rental yields compress. The May acquisition of a logistics centre in Romania, the recent binding agreement to acquire a warehouse property in Greece (71% let to Kuehne + Nagel), and additional acquisitions expected by management in the near term are leveraging equity raised in 2013 with new debt; a full-year contribution from these should significantly increase 2015 cash flow. The discount to NAV reflects current uncertainty about the Ukraine assets, although the pegging of rents to the US dollar provides protection to cash flows and acquisitions are decreasing the Ukrainian assets share.

INDUSTRY OUTLOOK

The acquisitions focus is Romania, Greece and Bulgaria, where management identifies favourable demand-supply dynamics for modern property driven by favourable macro fundamentals and constrained supply. Prime real estate continues to offer attractive yields (ungeared net initial yields of c 10%) and risk-adjusted return potential (supported by good-quality tenants and capital appreciation potential).

Y/E Dec	Revenue (US$m)	EBITDA (US$m)	PBT (US$m)	EPS (fd) (c)	P/E (x)	P/CF (x)
2012	2.1	N/A	0.1	(32.8)	N/A	N/A
2013	3.6	N/A	0.0	(5.9)	N/A	N/A
2014e	5.8	N/A	(0.2)	(0.5)	N/A	N/A
2015e	9.2	N/A	1.4	3.3	32.1	N/A

Sector: Financials

Price: 2260.0p
Market cap: £401m
Forecast net debt (£m) 0.0
Forecast gearing ratio (%) N/A
Market AIM

Share price graph (p)

Company description

Secure Trust Bank is a well funded, strongly capitalised bank. Its lending is focused on several niches in the UK personal market. It is also building non-interest income from budget accounts and current accounts.

Price performance

%	1m	3m	12m
Actual	(1.1)	(14.7)	5.8
Relative*	(2.1)	(14.5)	(0.5)

* % Relative to local index

Analyst

Mark Thomas

Secure Trust Bank (STB)

INVESTMENT SUMMARY

STB is well capitalised (over 30% core tier 1 post recent placement), well funded (loans to deposits 94% H114) and has an experienced management team. It is exploiting the vacuum created by the financial crisis. STB H114 results confirmed the expected growth across all the product lines (loans up 22%, deposits up 23%). The company recently nearly doubled its capital base with a well received equity placement. The opportunities from the SME business were further detailed, especially the strong demand for property financing. We expect the newly raised capital to be rapidly deployed at good margins and our 2015 EPS estimates are unchanged despite the increased shares in issue.

INDUSTRY OUTLOOK

Many banks facing challenges in funding, capitalisation and regulation are withdrawing into core business, with limited appetite to lend. A number of product lines remain underserved. Banks with strong capital and funding can grow strongly and profitably, both organically and by acquisition.

Y/E Dec	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (p)	P/E (x)	P/CF (x)
2012	47.0	N/A	15.1	76.0	29.7	N/A
2013	79.0	N/A	24.7	115.5	19.6	N/A
2014e	96.7	N/A	30.3	134.9	16.8	N/A
2015e	125.0	N/A	39.8	160.2	14.1	N/A

Sector: Technology

Price: 5.2p
Market cap: £43m
Forecast net debt (A$m) N/A
Forecast gearing ratio (%) N/A
Market AIM, ISDX

Share price graph (p)

Company description

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

Price performance

%	1m	3m	12m
Actual	20.0	(6.7)	27.3
Relative*	18.9	(6.4)	19.7

* % Relative to local index

Analyst

Richard Jeans

Seeing Machines (SEE)

INVESTMENT SUMMARY

In an announcement outlining where the group intends to invest its recently raised £16m, Seeing Machines (SM) said it expects to report FY14 revenue growth of c 40%. There was a record number of DSS units sold, with sales to both mining and road transport customers, and the company generated revenues in providing engineering services to the automotive sector. SM said it plans to invest the money from its fund-raising in six sectors: mining, automotive, commercial road transport, rail, simulators (including aviation) and consumer electronics. The process of signing up CAT dealers is advanced, and Finning International, the world's largest Caterpillar dealer, has now signed up. A joint venture has been established with GTD to cover Latin America. Meanwhile, EyeTracking Inc has been named as distributor of SM's latest eye-tracking platform, FOVIO. Our forecasts are under review.

INDUSTRY OUTLOOK

SM has exposure to a number of industry sectors, including commercial road transport, rail, automotive and mining (DSS), healthcare (TrueField Analyzer), research (FOVIO) and potentially in consumer electronics via licensing deals. The recent surge in DSS mining sector deals has diversified the opportunity and we note the market size in both global road transport and mining operations is substantial.

Y/E Jun	Revenue (A$m)	EBITDA (A$m)	PBT (A$m)	EPS (c)	P/E (x)	P/CF (x)
2012	7.0	(1.6)	(1.7)	(0.4)	N/A	N/A
2013	11.7	0.8	0.6	0.1	94.6	N/A
2014e	N/A	N/A	N/A	N/A	N/A	N/A
2015e	N/A	N/A	N/A	N/A	N/A	N/A

Sector: Technology

Price:	€3.35
Market cap:	€14m
Forecast net debt (€m)	N/A
Forecast gearing ratio (%)	N/A
Market	FRA

Share price graph (€)

Company description

Seven Principles (7P) is a leading mid-sized German IT consulting and services group. Headquartered in Cologne, 85% of revenues comes from Germany, with a presence in the UK and Austria.

Price performance

%	1m	3m	12m
Actual	(14.7)	(17.5)	(12.0)
Relative*	(12.8)	(14.9)	(22.4)

* % Relative to local index

Analyst

Bridie Barrett

Seven Principles (T3T)

INVESTMENT SUMMARY

A weak trading environment and overruns on fixed-price contracts resulted in Q2 revenues down 6% and EBITDA below our expectations. Management has reduced its guidance and now expects revenues in the region of €96m and EBITDA of €1.5m. We are reviewing our forecasts. To return the group to a growth position, management is recruiting additional sales personnel and is considering acquisitions. It plans a €4m equity placing to give it more flexibility to do so. With current sub-optimal consultant utilisation, revenue growth should quickly result in expanding EBITA margins, key to improving the low EV/sales valuation.

INDUSTRY OUTLOOK

The German IT consulting market is the largest in Europe and has grown annually in absolute terms and as a share of GDP over the last 10 years. Seven Principles enjoys a number of positive competitive differentiators, particularly its expertise in enterprise mobility solutions.

Y/E Dec	Revenue (€m)	EBITDA (€m)	PBT (€m)	EPS (fd) (c)	P/E (x)	P/CF (x)
2012	97.5	0.7	(0.3)	(4.58)	N/A	4.1
2013	98.7	0.6	(0.6)	(22.15)	N/A	11.7
2014e	N/A	N/A	N/A	N/A	N/A	N/A
2015e	N/A	N/A	N/A	N/A	N/A	N/A

Sector: Engineering

Price:	60.5p
Market cap:	£180m
Forecast net cash (£m)	7.0
Forecast gearing ratio (%)	N/A
Market	LSE

Share price graph (p)

Company description

Severfield is a leading UK structural steelwork fabricator operating across a broad range of market sectors. The first phase of a new Indian facility undertaking structural steelwork projects for the local market is now fully operational.

Price performance

%	1m	3m	12m
Actual	6.1	9.0	7.1
Relative*	5.1	9.3	0.7

* % Relative to local index

Analyst

Toby Thorrington

Severfield (SFR)

INVESTMENT SUMMARY

An IMS on 12 August described year-to-date trading as satisfactory with no change to full year guidance or estimates. Severfield's rating is very much set for recovery and the new management team is positioned to deliver this, we believe. The current rating reflects our conservative stance on top-line progress. Improving market confidence and activity levels would provide an opportunity to potentially deliver further margin gains. The company's AGM will be on 2 September.

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 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)
2013	318.3	(13.6)	(21.5)	(9.45)	N/A	17.4
2014	231.3	12.0	4.0	0.88	68.8	85.2
2015e	236.4	14.5	8.1	2.07	29.2	14.2
2016e	244.1	17.2	11.4	3.00	20.2	11.9

EDISON

Sector: Industrial support services

Price:	104.0p
Market cap:	£414m
Forecast net debt (£m)	189.0
Forecast gearing ratio (%)	75.0
Market	LSE

Share price graph (p)

Company description

Shanks Group provides integrated waste management, recycling and disposal services. The business operates in four divisions: solid, hazardous, organic and municipal waste.

Price performance

%	1m	3m	12m
Actual	(2.6)	4.0	13.0
Relative*	(3.5)	4.3	6.3

* % Relative to local index

Analyst

Graeme Moyse

Shanks Group (SKS)

INVESTMENT SUMMARY

FY14 profits met expectations for EBITDA and underlying PBT, but core net debt, at £156m, was better than expected (Edison £194m). However, Shanks's recent IMS stated that the start to FY15 has been mixed, with the growth divsions (Hazardous Waste, Organics and UK Municipal) performing well, but Solid Waste Benelux suffering from a reduction in volume and prices of key recyclates and aggressive market pricing. Shanks believes that the Benelux solid waste market is likely to remain "challenging" and that this will result in pressure on financial performance in H115. To reflect the market conditions we have trimmed our forecasts for normalised profit from £30m to £27m for FY15 and from £34m to £31m for FY16. We note that the recent fire at the Frog Island MBT facility is not expected to have a material affect on the financial performance.

INDUSTRY OUTLOOK

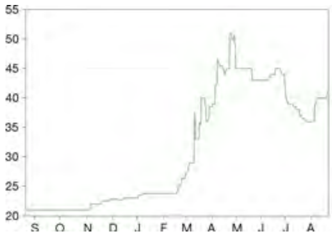
Macro market drivers and legislative factors should help underpin growth in the market for the sorting and production of valuable products from waste streams.

Y/E Mar	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (p)	P/E (x)	P/CF (x)
2013	615.0	87.0	30.0	5.6	18.6	6.1
2014	636.0	88.0	30.0	5.7	18.2	5.8
2015e	606.0	91.0	27.0	5.3	19.6	5.6
2016e	645.0	98.0	31.0	5.8	17.9	4.4

Sector: Financials

Price:	41.0p
Market cap:	£59m
Forecast net cash (£m)	14.8
Forecast gearing ratio (%)	N/A
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	12.3	(4.7)	95.2
Relative*	11.3	(4.4)	83.7

* % Relative to local index

Analyst

Mark Thomas

Share plc (SHRE)

INVESTMENT SUMMARY

Share plc adopted a fixed-price account fee in the summer of 2013 and has been one of the lowest-cost execution-only internet stockbrokers. This market positioning has delivered a record market share of revenue in Q214 (8.15%, Q213 6.95%). Dealing commissions were up 16% on H113 (peers down 7%) driven by some increased activity in the market and by Share’s market positioning to attract active investors. Account fees rose 8% (peers 2%). With operational leverage, underlying pre-tax profits grew 28% on H113. However, interest income could be under pressure in H214/2015 with regulatory changes and we have reduced estimates to reflect this. A rising interest rate environment may mitigate this effect.

INDUSTRY OUTLOOK

We expect long-term market growth from demographic, economic and social changes. The retail market may also see a huge step change when the government 'popularises' its holdings in banks. Share has consistently taken market share. Stamp duty on buying AIM stocks was abolished in Q214.

Y/E Dec	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (p)	P/E (x)	P/CF (x)
2012	13.9	1.0	1.7	0.92	44.6	62.9
2013	15.0	1.5	2.3	1.29	31.8	41.7
2014e	16.2	1.6	2.6	1.50	27.3	40.4
2015e	17.5	2.1	3.2	1.81	22.7	29.5

EDISON

Sector: Financials

Price:	67.0p
Market cap:	£41m
Forecast net cash (£m)	9.3
Forecast gearing ratio (%)	N/A
Market	AIM

Share price graph (p)

Company description

Sigma provides urban regeneration, property development, financing and asset management services to a contracted private and public-sector client base, the latter in Liverpool, Salford and Solihull.

Price performance

%	1m	3m	12m
Actual	(6.9)	8.9	206.3
Relative*	(7.8)	9.3	188.1

* % Relative to local index

Analyst

Martyn King

Sigma Capital (SGM)

INVESTMENT SUMMARY

By the time of the interim results, expected in September, we hope for an update on the bank financing that will kick off Sigma's new institutional funding model for rolling out large-scale portfolios of new rental homes in the UK. The first phase, the joint venture with Kuwait's Gatehouse Bank, will deliver c 2,000 units over a two-year period. Gatehouse has provided the equity and Sigma will earn fees on the project with a carried interest until the assets are sold. The scale of the project is likely to materially affect our existing 2014 estimates, unchanged after in line 2013 results, other than adjustment for the £8m raised by way of a share placement to support the group's initiatives in the rented residential sector. We will revisit our numbers when financing is agreed.

INDUSTRY OUTLOOK

With existing projects with a potential £3bn gross development value over a 10-15 year period, Sigma is poised to deliver large-scale urban-regeneration projects, mainly in partnership with public sector (and one private sector) clients.

Y/E Dec	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (fd) (p)	P/E (x)	P/CF (x)
2012	2.3	(0.2)	(0.3)	(0.7)	N/A	N/A
2013	5.8	(0.4)	(0.5)	(1.0)	N/A	N/A
2014e	2.5	0.2	0.2	0.3	223.3	10.1
2015e	N/A	N/A	N/A	N/A	N/A	N/A

Sector: Mining

Price:	C$27.18
Market cap:	C$9732m
Forecast net debt (US$m)	809.2
Forecast gearing ratio (%)	23.0
Market	NYSE, TSE

Share price graph (C$)

Company description

Silver Wheaton is the world's pre-eminent precious metal streaming company with 24 precious metals' 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	(5.2)	15.4	(1.8)
Relative*	(7.0)	8.7	(20.6)

* % Relative to local index

Analyst

Charles Gibson

Silver Wheaton (SLW)

INVESTMENT SUMMARY

Q2 EPS declined 11% y-o-y, despite a 14% decline in the AgE price. Silver production was close to plan at 6.3Moz; however, gold production was 13.8% lower cf Q213. Nevertheless, production guidance was maintained at 36Moz AgE, suggesting a relatively strong Q3 and Q4. While superficially analogous to both miners and royalty companies, Silver Wheaton's (SLW) streaming business plan is almost unique, as it offers exposure to exploration success and production expansion without exposure to cost inflation. It also pays a dividend and has geared exposure to precious metals prices.

INDUSTRY OUTLOOK

Taking into account likely future streaming agreements, we conservatively forecast a share price of US$37.02 (C$40.37) in FY19. In the meantime, SLW trades on multiples that are consistently cheaper than its royalty 'peers' and more akin to (and sometimes cheaper than) its operating contemporaries, despite being associated with materially less risk. NB forecasts currently exclude San Dimas's planned expansion to 3ktpd in 2016.

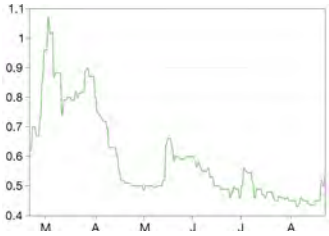
Y/E Dec	Revenue (US$m)	EBITDA (US$m)	PBT (US$m)	EPS (c)	P/E (x)	P/CF (x)
2012	849.6	701.2	600.0	166.0	15.3	12.5
2013	706.5	531.8	381.6	106.0	23.9	16.7
2014e	684.9	484.5	314.4	88.0	28.8	17.2
2015e	884.3	637.8	424.4	119.0	21.3	14.1

EDISON

Sector: Pharma & healthcare

Price:	A$0.54
Market cap:	A$40m
Forecast net cash (A$m)	3.5
Forecast gearing ratio (%)	N/A
Market	ASX

Share price graph (A$)



Company description

Simavita's SIM platform technology is an integrated assessment device that helps manage urinary incontinence. The devices are used in residential and nursing home settings to better optimise incontinence care.

Price performance

%	1m	3m	12m
Actual	17.4	(10.0)	N/A
Relative*	N/A	N/A	N/A

* % Relative to local index

Analyst

Franc Gregori

Simavita (SVA)

INVESTMENT SUMMARY

Simavita is pioneering the use of its proprietary SIM (Smart Incontinence Management) platform to improve the outcomes and costs associated with urinary incontinence in residential care settings. The improvements in clinical outcomes are well documented and include fewer urinary tract infections, fewer pressure ulcers, a reduced number of falls and less depression and anxiety. The US market is particularly attractive, with a supportive regulatory and legislative environment underscoring the revenue potential. Simavita has joined up with Medline, a leader in US disposable incontinence products, which will integrate the SIM platform into its existing continence management programmes.

INDUSTRY OUTLOOK

Urinary incontinence is a major and growing issue in aged care, with around a quarter of a nursing home's labour costs devoted to it, yet when managed properly sizeable improvements can be made. Assessment is the first step in identifying the type of incontinence, the resident's risk factors and the appropriate toileting programme. The SIM platform simplifies the process and creates a personalised continence care plan for each resident.

Y/E Jun	Revenue (A$m)	EBITDA (A$m)	PBT (A$m)	EPS (fd) (c)	P/E (x)	P/CF (x)
2012	0.7	(7.7)	(8.0)	N/A	N/A	N/A
2013	0.3	(7.3)	(8.5)	N/A	N/A	N/A
2014e	0.5	(9.4)	(9.7)	(12.4)	N/A	N/A
2015e	6.0	(5.4)	(5.6)	(6.4)	N/A	N/A

Sector: Technology

Price:	US$0.39
Market cap:	US$58m
Forecast net debt (US$m)	N/A
Forecast gearing ratio (%)	N/A
Market	OTC

Share price graph (US$)

Company description

Single Touch Systems (SITO) is a technology driven mobile media marketing company specialising in push notifications, abbreviated dial codes, loyalty rewards and location-based marketing. It also pursues a strategy of IP exploitation.

Price performance

%	1m	3m	12m
Actual	(4.9)	(8.3)	(35.8)
Relative*	(5.8)	(13.1)	(47.1)

* % Relative to local index

Analyst

Bridie Barrett

Single Touch Systems (SITO)

INVESTMENT SUMMARY

Single Touch Systems' (SITO) mobile media services got off to a very promising start and the recently announced DoubleVision acquisition is key to helping diversify revenues. This, together with a proposed stock split and the recent appointment of Betsy Bernard as a third independent director, demonstrate the group's commitment to up-listing to NASDAQ. We are reviewing our forecasts in light of the acquisition, which the group expects to be earnings accretive once integrated. We estimate the value of the operating division at 23-39c per share, which implies the market is attributing little value to its IP division.

INDUSTRY OUTLOOK

SITO is operational in the dynamic market for mobile marketing and media. Although competition is fierce, the market remains fragmented and opportunities remain for small companies to have an impact. Streaming media is a complex, but huge market. The recent deal with a major US broadcaster provides some validation that there is value in its streaming media patents. If SITO can establish a track record in licensing its patents, they could prove a significant asset.

Y/E Sep	Revenue (US$m)	EBITDA (US$m)	PBT (US$m)	EPS (fd) (c)	P/E (x)	P/CF (x)
2012	6.3	(1.6)	(2.8)	(2.1)	N/A	N/A
2013	7.8	(1.1)	(3.0)	(2.2)	N/A	N/A
2014e	N/A	N/A	N/A	N/A	N/A	N/A
2015e	N/A	N/A	N/A	N/A	N/A	N/A

EDISON

Sector: Technology

Price:	€3.24
Market cap:	€37m
Forecast net cash (€m)	5.8
Forecast gearing ratio (%)	N/A
Market	FRA, NYSE Euronext

Share price graph (€)

Company description

SinnerSchrader is one of the largest independent digital agencies in Germany, with 515 employees. Its emphasis is the use of the internet for e-commerce, marketing, communications and acquisition, and retention of customers.

Price performance

%	1m	3m	12m
Actual	(5.6)	(1.9)	115.9
Relative*	(3.5)	1.2	90.3

* % Relative to local index

Analyst

Bridie Barrett

SinnerSchrader (SZZ)

INVESTMENT SUMMARY

Trading in the agency business continues to be exceptionally strong (revenues +44% in Q3 to May). The surge in new business has resulted in the increased use of freelancers, and project management challenges weighed the margin down in Q3 (9% vs 15% in H1). These issues are being addressed and we expect the agency margin to start to recover in Q4. However, the commercial launch of the Next Audience (NA) platform has been delayed to the end of the year and, consequently, despite very strong trading in the agency business (+44% in Q3), we reduced our EBITA forecasts. The shares trade on a 2015 P/E of c 15x broadly in line with its digital agency peers. Excluding the NA losses, it trades on 11.5x. Evidence of ongoing strong momentum in the agency business and that management can bring NA to break-even are key to driving the rating from here.

INDUSTRY OUTLOOK

Increasing use of the internet for e-commerce and media has underpinned demand for SinnerSchrader's services over the last decade (CAGR of 12%) and should continue to drive structural growth. SinnerSchrader has a strong franchise and is well positioned to capture its share. Its diversification into the advertising technology market takes it into an emerging but potentially massive sector and adds a degree of option value to the share.

Y/E Aug	Revenue (€m)	EBITDA (€m)	PBT (€m)	EPS (fd) (c)	P/E (x)	P/CF (x)
2012	36.0	2.9	1.7	10.1	32.1	14.0
2013	36.4	1.7	0.7	2.4	135.0	12.6
2014e	48.1	4.0	3.0	14.3	22.7	11.5
2015e	51.7	5.0	4.0	21.9	14.8	7.7

Sector: Pharma & healthcare

Price:	249.2p
Market cap:	£261m
Forecast net cash (£m)	9.9
Forecast gearing ratio (%)	N/A
Market	LSE

Share price graph (p)

Company description

Skyepharma is an expert oral and inhalation drug-delivery company. It combines proven scientific expertise with validated proprietary drug-delivery technologies to develop innovative oral and inhalation pharmaceutical products.

Price performance

%	1m	3m	12m
Actual	(4.1)	7.9	230.3
Relative*	(5.1)	8.2	210.8

* % Relative to local index

Analyst

Franc Gregori

Skyepharma (SKP)

INVESTMENT SUMMARY

The successful restructuring of the balance sheet was a precursor to focusing on operating functions once more, with rebuilding the pipeline a key objective. Skyepharma has acquired the rights to a novel inhaled therapy platform from Pulmagen Therapeutics, with the aim of developing a first product (SKP-2075) for COPD. A phase II proof of concept trial, sized to produce clinically significant data, will be completed before out-licensing. Further such deals, for both inhaled product development and oral drug delivery, are expected and should underpin the next phases of growth. In the near and medium term the investment case rests on the success of recent product launches, including flutiform, Exparel and the new GSK respiratory products. Pacira have also recently stated they expect Exparel, in which Skyepharma earns a 3% share of net sales and up to $44m of potential future contingent milestones, to become a blockbuster product.

INDUSTRY OUTLOOK

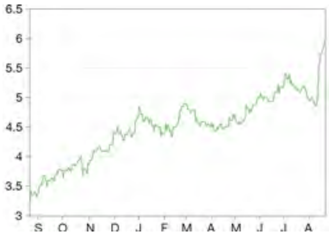
flutiform is an inhaled combination of fluticasone and formoterol for treating asthma. flutiform has been launched in 18 European countries (including France in Q114), as well as Australia, Hong Kong, Israel, Japan and South Korea. There are approvals in a further eight countries.

Y/E Dec	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (p)	P/E (x)	P/CF (x)
2012	49.9	15.6	(14.2)	(27.8)	N/A	4.0
2013	62.6	17.9	(0.1)	3.7	67.4	8.0
2014e	72.7	23.0	14.0	16.0	15.6	10.0
2015e	92.3	25.1	20.2	19.0	13.1	12.1

Sector: Financials

Price:	A$6.00
Market cap:	A$1226m
Forecast net cash (A$m)	112.6
Forecast gearing ratio (%)	N/A
Market	ASX

Share price graph (A$)



Company description

Slater & Gordon is the leading consumer law firm in Australia, also active in family law and large project litigation. Established in 1935, it was the first law firm anywhere in the world to list on the stock market (2007).

Price performance

%	1m	3m	12m
Actual	17.6	26.3	84.6
Relative*	15.4	21.2	66.8

* % Relative to local index

Analyst

Mark Thomas

Slater & Gordon (SGH)

INVESTMENT SUMMARY

Slater & Gordon (SGH) is the leading consumer law firm in Australia (market share in Australian personal injury cases of c 20%) and has been expanding into the much larger UK market, which we reviewed in detail in our recent note. The group's differentiating features include economies of scale, work process engineering and using its brand to market directly to clients. Management guidance is for UK revenues to be 45% of the group in 2015 (after two Australian acquisitions announced in August 2014). SGH is less exposed than the market to UK regulatory and judicial announcements. SGH's FY14 results were ahead of expectations (a beat in UK revenue) and we have upgraded 2015/16 estimates by 6-7%.

INDUSTRY OUTLOOK

The Australian consumer law market continues to grow and we expect further concentration in the much larger UK market, where Slater & Gordon's market share of PI is just 5-6%. Direct to consumer advertising commenced in September 2013, opening a new source of clients. Initial feedback is positive.

Y/E Jun	Revenue (A$m)	EBITDA (A$m)	PBT (A$m)	EPS (fd) (c)	P/E (x)	P/CF (x)
2013	298.0	74.3	63.4	24.12	24.9	27.3
2014	418.5	102.0	89.8	31.67	18.9	18.1
2015e	515.8	122.7	112.8	38.06	15.8	17.4
2016e	581.2	140.2	129.7	42.78	14.0	14.7

Sector: Technology

Price:	NZ$1.35
Market cap:	NZ$82m
Forecast net debt (NZ$m)	N/A
Forecast gearing ratio (%)	N/A
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	(0.7)	(25.8)	(33.2)
Relative*	(1.2)	(26.2)	(38.5)

* % Relative to local index

Analyst

Tom Grady

SLI Systems (SLI)

INVESTMENT SUMMARY

SLI Systems' FY14 results were broadly in line with expectations although ARR was slightly (3.8%) lower than forecast due to the delays in hiring sales and marketing staff as described in the trading update at the end of July. We do not see this as material and do not feel it affects the investment case. Earnings were NZ$1.2m (16.5%) better than forecast due to the lower than expected expenditure on sales and marketing. Management has signalled that it is willing to grow via acquisition following approaches from a number of companies. We will shortly be publishing an update note with further analysis of the results.

INDUSTRY OUTLOOK

E-commerce site search is a growth market, thanks to the overall growth in e-commerce and the importance of effective search in converting website visits to sales. SLI Systems' cloud-based product minimises the initial set-up costs for its customers, resulting in a high ROI in a short time frame. Global e-commerce sales are expected to grow by 20.2% in FY14.

Y/E Jun	Revenue (NZ$m)	EBITDA (NZ$m)	PBT (NZ$m)	EPS (c)	P/E (x)	P/CF (x)
2013	19.0	(1.4)	(1.6)	(2.9)	N/A	N/A
2014	22.4	(5.4)	(5.4)	(8.9)	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: Media & entertainment

Price:	NZ$0.07
Market cap:	NZ$20m
Forecast net cash (NZ$m)	5.3
Forecast gearing ratio (%)	N/A
Market	NZAX

Share price graph (NZ$)

Company description

Snakk Media helps brands find and reach consumers using apps, games and social media on their smartphones, tablets and other smart screens, generating revenue every time that it successfully targets and delivers an ad across its networks.

Price performance

%	1m	3m	12m
Actual	(6.3)	(24.2)	(35.3)
Relative*	(6.7)	(24.6)	(40.5)

* % Relative to local index

Analyst

Fiona Orford-Williams

Snakk Media (SNK)

INVESTMENT SUMMARY

Snakk is rapidly building its revenues in the fast-growing mobile advertising market first in Australasia and now in Singapore. Revenues to the March year-end were ahead by 92% (117% adjusted for currency movements). The group is very much in the investment phase of scaling up, opening new local offices and extending its customer base, with a number of new senior hires building both management and technical capability. Higher levels of investment mean break-even has been pushed out, but the potential returns are higher. The shares are priced below global peers as investors wait for clearer indications that those returns will be realised.

INDUSTRY OUTLOOK

Rapid global smart screen adoption has been prompting large shifts in consumption of media, not yet fully reflected in the allocation of marketing spend. Mobile is one of the fastest growing sectors, 'rules' for SEO-focused ad spend are being recalibrated and market fragmentation is opening opportunities. Constant technological advances allow brands to nurture closer consumer relationships, increasingly in real time, offering value-added, tangible benefits (eg coupons, vouchers), prompting greater interactivity and engagement.

Y/E Mar	Revenue (NZ$m)	EBITDA (NZ$m)	PBT (NZ$m)	EPS (fd) (c)	P/E (x)	P/CF (x)
2013	3.7	(0.9)	(0.9)	(0.4)	N/A	N/A
2014	7.1	(1.7)	(1.4)	(0.5)	N/A	N/A
2015e	11.4	(1.0)	(0.7)	(0.2)	N/A	N/A
2016e	N/A	N/A	N/A	N/A	N/A	N/A

Sector: Technology

Price:	US$65.74
Market cap:	US$4523m
Forecast net debt (US$m)	938.7
Forecast gearing ratio (%)	84.0
Market	NYSE

Share price graph (US$)

Company description

Solera provides software and data solutions to the automotive repair industry. Its solutions are used by insurance companies, collision repair facilities and independent assessors to improve claims processing efficiency and reduce overall repair costs.

Price performance

%	1m	3m	12m
Actual	0.4	(0.8)	20.6
Relative*	(0.5)	(6.0)	(0.6)

* % Relative to local index

Analyst

Dan Ridsdale

Solera (SLH)

INVESTMENT SUMMARY

Solera's investment in Mission 2020 has stepped up of late with the acquisitions of the SRS stake and I&S substantially expanding the company's platform for growth and cross-selling. Meanwhile, organic revenue growth has ticked up to 5.6% in Q3 and we believe that this level should be sustainable as investment in growth and higher-growth acquisitions contribute to the mix. Adjusted EBITDA margins remain strong at 42.1% in Q3 despite increased investment in growth. A DCF suggests the current valuation factors in more modest performance (5% growth, 40% EBITDA margins), which we believe can be exceeded.

INDUSTRY OUTLOOK

The headwind of declining automotive claims volumes in Europe appears to be reversing. Insurers are also becoming increasingly receptive to investing in technology. PWC's January 2014 Insurance CEO survey found that 86% of insurance CEOs believe technological advances will transform their businesses in the next three to five years.

Y/E Jun	Revenue (US$m)	EBITDA (US$m)	PBT (US$m)	EPS (fd) (c)	P/E (x)	P/CF (x)
2012	790.2	356.9	265.0	270.50	24.3	14.3
2013	838.1	370.6	261.9	272.72	24.1	13.8
2014e	989.0	418.5	270.7	289.54	22.7	10.3
2015e	1147.3	478.5	307.8	334.82	19.6	10.8

Sector: Oil & gas

Price:	11.8p
Market cap:	£49m
Forecast net cash (£m)	3.9
Forecast gearing ratio (%)	N/A
Market	AIM

Share price graph (p)

Company description

Sound Oil is an Italy-focused E&P company with two fields in production, three fields scheduled for further appraisal and two sizeable, drill-ready exploration prospects.

Price performance

%	1m	3m	12m
Actual	5.6	44.6	(0.4)
Relative*	4.6	45.0	(6.3)

* % Relative to local index

Analyst

Peter Lynch

Sound Oil (SOU)

INVESTMENT SUMMARY

Sound has attracted a farm-in partner and strategic investor in 2014 (Niche Group and Continental Investment Partners) and we foresee a period of high activity, with a rejuvenated balance sheet and five material exploration/appraisal prospects scheduled for drilling in the coming 18-24 months. Of these, exploration prospect Badile (scheduled to spud late 2014 pending a farm-out agreement) has 'company maker' potential, while continued appraisal of existing discoveries Nervesa, Laura and SMG offers lower-risk incremental value to shareholders.

INDUSTRY OUTLOOK

The pace of permitting activity in Italy remains highly environmentally sensitive. Consequently, we highlight delays to permitting as a risk to the company's expected pace of activity. In mitigation, we note the group's success in alleviating this risk to date, both in acquiring a portfolio of assets pre-engaged in the permitting process and hiring experienced personnel adept at dealing with the challenges that operating onshore Italy presents.

Y/E Dec	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (p)	P/E (x)	P/CF (x)
2012	0.0	(4.6)	(4.6)	(2.0)	N/A	N/A
2013	0.5	(6.3)	(6.6)	(2.4)	N/A	N/A
2014e	0.8	(2.6)	(2.5)	(0.6)	N/A	N/A
2015e	4.2	0.7	0.5	0.1	118.0	55.4

Sector: Media & entertainment

Price:	56.5p
Market cap:	£11m
Forecast net cash (£m)	1.1
Forecast gearing ratio (%)	N/A
Market	AIM

Share price graph (p)

Company description

SpaceandPeople is the market leader in the UK and Germany for the commercialisation of high-footfall retail space through experiential brand promotions and mobile retailing units. The group also has a presence in Russia and India.

Price performance

%	1m	3m	12m
Actual	(13.7)	(8.1)	(55.2)
Relative*	(14.6)	(7.9)	(57.8)

* % Relative to local index

Analyst

Fiona Orford-Williams

SpaceandPeople (SAL)

INVESTMENT SUMMARY

SpaceandPeople's (SAL) share price has continued to be depressed since April's profit warning (when pre-tax guidance moved to around half the level at the time of March's finals). Interim results are due in September and will provide a further update on the group's progress. In the meantime, SAL added Brindleyplace in Birmingham to its venue portfolio in May and strengthened its board in June with the appointment of a new non-executive director, Steven Curtis, who has over 30 years' experience in the media industry.

INDUSTRY OUTLOOK

There have been much higher activity levels in the UK shopping centre real estate market in H114, culminating in Lend Lease's 30% stake in Bluewater being bought by Land Securities. This deal is reported to have been at £696m on a sub 4% net initial yield, much lower than DTZ's estimate of the prime market at 5.25%. Retail venues increasingly acknowledge that shopping is a leisure activity competing for consumer time and having a vibrant offer is an important part of the draw.

Y/E Dec	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (p)	P/E (x)	P/CF (x)
2012	13.1	2.7	2.3	8.7	6.5	3.7
2013	14.6	2.7	2.5	10.2	5.5	4.4
2014e	19.4	2.0	1.6	5.9	9.6	10.9
2015e	20.7	2.7	2.3	7.6	7.4	4.4

Sector: Pharma & healthcare

Price:	C$0.32
Market cap:	C$18m
Forecast net debt (C$m)	N/A
Forecast gearing ratio (%)	N/A
Market	TSX-V

Share price graph (C$)

Company description

SQI Diagnostics is a Canadian diagnostics company, which develops and sells multiplexed research diagnostics to pharmaceutical companies, and in vitro diagnostic tests to centralised diagnostic laboratories.

Price performance

%	1m	3m	12m
Actual	(11.1)	(33.3)	(31.9)
Relative*	(12.9)	(37.2)	(45.0)

* % Relative to local index

Analyst

Christian Glennie

SQI Diagnostics (SQD)

INVESTMENT SUMMARY

SQI secured its fifth customer (a top 10 pharma company) in fiscal Q314 and reported revenues of C$32,000 (C$50,000 ytd) for its immunological diagnostics technology Ig_PLEX, lower than our C$430,000 estimate. Pharma customer contracts are progressing well, although the phasing of project work is out of SQI's control - revenues should therefore accelerate once multiple partnerships enter full commercial terms. Our FY14 and FY15 sales forecasts are under review. Ig_PLEX provides research diagnostic tools that can be sold to pharma companies/CROs, and in vitro diagnostic tests sold to diagnostics laboratories (eg coeliac test with Health Canada approval). Cash of C$3m at 30 June 2014 (C$4.2m equity issue in April) is sufficient to Q115.

INDUSTRY OUTLOOK

Ig_PLEX is a multiplexed (many samples analysed at the same time) immunological diagnostics tool. The diagnostics field is competitive, but the speed, accuracy, sensitivity and cost-effectiveness of SQI's technology may offer a significant commercial advantage.

Y/E Sep	Revenue (C$m)	EBITDA (C$m)	PBT (C$m)	EPS (c)	P/E (x)	P/CF (x)
2012	0.0	(6.7)	(6.2)	(16.54)	N/A	N/A
2013	0.0	(6.7)	(6.1)	(14.55)	N/A	N/A
2014e	N/A	N/A	N/A	N/A	N/A	N/A
2015e	N/A	N/A	N/A	N/A	N/A	N/A

Sector: Technology

Price:	84.0p
Market cap:	£57m
Forecast net cash (£m)	2.0
Forecast gearing ratio (%)	N/A
Market	AIM

Share price graph (p)

Company description

StatPro Group provides asset management software and asset pricing to the global investment industry.

Price performance

%	1m	3m	12m
Actual	(1.8)	0.6	4.4
Relative*	(2.7)	0.9	(1.8)

* % Relative to local index

Analyst

Richard Jeans

StatPro Group (SOG)

INVESTMENT SUMMARY

H114 constant currency revenues grew by 4% over H113, in line with the recent trading update, which reflected a 28% jump in cloud-related revenues and a 6% decline in non-cloud revenues. StatPro Revolution, the new cloud analytics reporting tool, saw its recurring revenue run rate jump by 85% over 12 months to £4m, and now represents 14% of the total recurring revenue book. StatPro R+, the cloud replacement for the traditional StatPro Seven product suite, remains on target for launch in H115 and we believe customers will gain a significant reduction in the total cost of ownership from R+, eg, as a cloud product there are no hardware costs and fewer IT support requirements. We continue to see significant upside potential, if the group can successfully transition to a pure cloud play, as US stocks with SaaS business models typically trade on punchy EV/sales multiples.

INDUSTRY OUTLOOK

StatPro's products are targeted at the global wealth management industry. There has been an improving outlook for fund managers with assets under management up 11% at a record $68.7tn in 2013 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)
2012	32.0	6.7	5.0	5.9	14.2	5.7
2013	32.5	5.5	4.1	4.5	18.7	6.0
2014e	31.8	4.0	2.7	2.8	30.0	7.4
2015e	32.9	4.9	3.3	3.5	24.0	6.8

EDISON

Stobart Group (STOB)

Sector: Support services

Price:	119.2p
Market cap:	£391m
Forecast net debt (£m)	N/A
Forecast gearing ratio (%)	N/A
Market	LSE

Share price graph (p)

Company description

Stobart Group incorporates transport and distribution (93% FY12 sales – Eddie Stobart/Ports/Rail), Stobart Air (2%), Stobart Biomass (2%), Infrastructure and Civil Engineering (2%) and Stobart Estates (1%).

Price performance

%	1m	3m	12m
Actual	(3.8)	(12.6)	8.7
Relative*	(4.8)	(12.4)	2.2

* % Relative to local index

Analyst

Roger Johnston

INVESTMENT SUMMARY

Stobart's partial disposal of the T&D division to DBay provided a key inflection point for the group, allowing debt to be reduced and freeing up capital, and management focus to invest in its growth divisions. The deal followed the strategy to realise shareholder value from the group's mature businesses, which has delivered a c £175m net increase from the division since listing in 2007 after a 51% sale for a transaction value of £280.8m. The continuing business will be structured around infrastructure and support services with management now clearly judged on delivering growth. FY14 results only partially reflect this transition with T&D included as discontinued and the balance sheet transformation not yet fully reflected; good underlying progress was seen across the retained businesses.

INDUSTRY OUTLOOK

After disposing of the interest in Eddie Stobart Logistics, the group will be an infrastructure and support service firm operating in the Energy (Biomass and Anaerobic Digestion), Air and Rail sectors.

Y/E Feb	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (p)	P/E (x)	P/CF (x)
2013	76.8	22.1	6.3	2.0	59.6	12.8
2014	99.2	23.0	5.4	1.4	85.1	12.1
2015e	114.8	17.6	10.6	3.0	39.7	46.5
2016e	127.6	24.3	17.5	5.0	23.8	32.6

Store Electronic Systems (SESL)

Sector: Technology

Price:	€13.80
Market cap:	€160m
Forecast net cash (€m)	22.9
Forecast gearing ratio (%)	N/A
Market	NYSE Euronext

Share price graph (€)

Company description

Store Electronic Systems (SES) is the leading provider of electronic shelf labels for the retail industry. Its labels enable automated price changes, thereby reducing labelling costs and pricing errors.

Price performance

%	1m	3m	12m
Actual	(6.3)	(13.3)	21.6
Relative*	(5.7)	(9.8)	12.5

* % Relative to local index

Analyst

Tom Grady

INVESTMENT SUMMARY

Store Electronic Systems (SES) reported H1 results at the end of July. Domestic revenue was up 5% and international up 32% year-on-year in another strong half. This is despite international growth being held back by delays in project roll-outs and currency restrictions in Argentina slowing the Wal-Mart deployment. The return to growth in France is particularly important given its maturity and 52% share of revenue. SES's mid-/long-term investment case remains strong; it is a leader in a growth market with new innovative products (3D digital mock-up, graphic NFC labels) with an FY14e PEG ratio of only 0.69x.

INDUSTRY OUTLOOK

Electronic shelf labels have been used for over 20 years in some markets, such as France and Japan, but uptake internationally has been relatively limited until recently. However, interest in the industry has been growing and management views key markets such as the US, UK and Germany as being close to the tipping point where adoption will start to accelerate.

Y/E Dec	Revenue (€m)	EBITDA (€m)	PBT (€m)	EPS (fd) (c)	P/E (x)	P/CF (x)
2012	63.0	8.2	6.4	35.3	39.1	26.1
2013	82.3	9.1	6.6	38.8	35.6	24.6
2014e	100.2	12.0	9.5	57.0	24.2	14.7
2015e	119.4	17.4	14.8	88.9	15.5	9.0

Sector: Pharma & healthcare

Price:	€38.77
Market cap:	€457m
Forecast net cash (€m)	7.3
Forecast gearing ratio (%)	N/A
Market	Deutsche Börse

Share price graph (€)

Company description

Stratec designs and manufactures OEM diagnostic instruments. Design and assembly of systems from modules is in Germany and Switzerland. There is a US subsidiary, a UK middleware company and a Berlin business.

Price performance

%	1m	3m	12m
Actual	0.4	18.0	25.9
Relative*	2.7	21.7	10.9

* % Relative to local index

Analyst

Dr John Savin

Stratec Biomedical (SBS)

INVESTMENT SUMMARY

Stratec designs and manufactures sophisticated automated instruments and software for global companies like DiaSorin and Siemens. H114 sales were very strong at €69.1m, up 14.9% with an adjusted $11.2m EBIT of 16.3% (16.15% before a compensation payment of c €200k in Q2). Service part sales showed a solid, less volatile H1, helping EBIT. The order book for H2 appears strong. Revenue growth was led by sales of advanced systems launched in 2011 and 2012. The tax rate will rise to 20-22%.

INDUSTRY OUTLOOK

Guidance (unchanged for now) is for sales to rise to between €174m and €201m by FY17 led by newer system sales; H114 growth is at the top end of this range. FY13 sales were €128m, up 4.6% on FY12. Stratec signed a major deal in Q413 offering major revenues from 2016. This product will be manufactured in China to supply a sophisticated and robust product at an affordable price into Chinese, Asian and Western markets. Another, smaller deal was signed in January; two other 2014 deals are possible.

Y/E Dec	Revenue (€m)	EBITDA (€m)	PBT (€m)	EPS (c)	P/E (x)	P/CF (x)
2012	122.7	22.1	19.2	139.2	27.9	29.6
2013	128.0	28.0	25.3	182.8	21.2	16.6
2014e	140.9	30.1	27.3	183.5	21.1	20.5
2015e	155.3	33.8	31.0	207.8	18.7	18.0

Sector: Media & entertainment

Price:	370.0p
Market cap:	£145m
Forecast net debt (£m)	29.5
Forecast gearing ratio (%)	211.0
Market	LSE

Share price graph (p)

Company description

STV is Scotland's digital media company. It holds the Channel 3 (ITV) commercial television licences for Scotland and creates and distributes programmes across all platforms, including broadcast and catch-up TV, online, mobile and connected devices.

Price performance

%	1m	3m	12m
Actual	1.2	8.8	100.5
Relative*	0.2	9.1	88.7

* % Relative to local index

Analyst

Jane Anscombe

STV Group (STVG)

INVESTMENT SUMMARY

STV is capitalising on a favourable advertising backdrop, strong brand identity and a high level of interest in Scotland. It is launching new local and digital products and making good progress towards its goal of deriving a third of EBIT from non-broadcast activities by the end of 2015 (see our Outlook report dated 9 July). Interim results are due on 28 August, after this goes to press, and despite a good performance the shares remain at a discount to the peer group.

INDUSTRY OUTLOOK

The Advertising Association (AA)/Warc forecasts 6.6% growth in UK television advertising expenditure in 2014 and 7.3% in 2015, up from 3.6% in 2013. ITV recently reported that ITV Family NAR rose 7% in by H114 and is expected to rise by 4-5% in Q314 (to give c 6% for the nine months). Broadcaster video on demand (VOD) is forecast by the AA/Warc to grow by 27%, but still only accounts for 3% of total TV spend due to TV's ability to reach mass audiences - Channel 3 delivers 99% of UK commercial audiences over five million.

Y/E Dec	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (fd) (p)	P/E (x)	P/CF (x)
2012	102.7	19.5	13.1	29.2	12.7	12.3
2013	112.1	20.1	15.2	33.2	11.1	7.9
2014e	121.5	21.7	17.1	36.8	10.1	7.2
2015e	129.0	23.9	20.0	42.2	8.8	6.2

EDISON

Sumatra Copper & Gold (SUM)

Sector: Mining

Price:	A$0.07
Market cap:	A$27m
Forecast net debt (US$m)	N/A
Forecast gearing ratio (%)	N/A
Market	ASX

Share price graph (A$)

Company description

Sumatra Copper & Gold is an emerging producer and explorer located on the island of Sumatra in Indonesia. It owns seven mining business permits (IUPs) covering 3,219km sq.

Price performance

%	1m	3m	12m
Actual	13.8	15.8	(56.0)
Relative*	11.7	11.1	(60.2)

* % Relative to local index

Analyst

Tom Hayes

INVESTMENT SUMMARY

Sumatra published its quarterly activities report for the period ending 30 June 2014, on 31 July. During the quarter, Sumatra continued to advance negotiations for a complete funding package to underpin the re-commencement of production at the Tembang Gold-Silver project. On 31 July, Sumatra announced it had signed a variation of the Convertible Loan Facility Agreement (dated 4 December 2013) with Provident Minerals, to increase the facility by $500k to $5.6m. The additional $0.5m is expected to be drawn down for the purpose of providing Sumatra with working capital through funding of the Tembang project. Alongside this, the company has made progress in seeking approval for a senior secured debt facility. This approval from the credit committee is expected to be received in August and full funding of the Tembang development project is anticipated by the end of August.

INDUSTRY OUTLOOK

Gold trades at c US$1,300/oz with upside largely geared to Eastern European and Middle Eastern tensions.

Y/E Dec	Revenue (US$m)	EBITDA (US$m)	PBT (US$m)	EPS (fd) (c)	P/E (x)	P/CF (x)
2012	0.0	(4.2)	(5.3)	(2.0)	N/A	N/A
2013	0.0	(17.8)	(18.7)	(4.3)	N/A	N/A
2014e	N/A	N/A	N/A	N/A	N/A	N/A
2015e	N/A	N/A	N/A	N/A	N/A	N/A

Sygnis (LIOK)

Sector: Pharma & healthcare

Price:	€2.51
Market cap:	€27m
Forecast net debt (€m)	N/A
Forecast gearing ratio (%)	N/A
Market	FRA

Share price graph (€)

Company description

Sygnis is a Spanish/German company developing tools for molecular biologists. Its main focus is in the field of polymerases for the amplification and sequencing of DNA. Its lead product, QualiPhi, is partnered with Qiagen.

Price performance

%	1m	3m	12m
Actual	(33.9)	(52.6)	(21.7)
Relative*	(32.4)	(51.1)	(31.0)

* % Relative to local index

Analyst

Dr John Savin

INVESTMENT SUMMARY

Sygnis develops molecular biology chemistry products for the fast-growing DNA analysis and sequencing markets. The core IP is a range of engineered DNA polymerase enzymes, a specialist area where it has leading scientific expertise. In Q114, Qiagen, the global leader in DNA preparation, launched two single-cell DNA amplification kits using SensiPhi, Sygnis's novel enzyme. Management expects a licensing deal by early 2015 on PrimPol, a novel DNA sequencing enzyme; we assume a significant upfront of €1m. Its revenues in H114 were €0.2m with modest sales of SensiPhi kits so far, despite a strong demand for the kits, resulting in an operating loss of €1.5m, compared to €2.0m in H113, due to operating costs being reduced by 29%. Sygnis had a cash position of €0.8m at 30 June 2014 (vs €2.2m at year end 2013) after raising an additional €0.8m in H114 through equity drawdown. Assuming a PrimPol deal, Sygnis should have cash well into FY15. Our forecasts are under review.

INDUSTRY OUTLOOK

The overall DNA sequencing market is estimated at over $1.5bn and is estimated by management to be growing at c 20% per year.

Y/E Dec	Revenue (€m)	EBITDA (€m)	PBT (€m)	EPS (c)	P/E (x)	P/CF (x)
2012	0.2	(1.3)	(1.4)	(19.1)	N/A	N/A
2013	0.5	(3.6)	(3.9)	(40.7)	N/A	N/A
2014e	N/A	N/A	N/A	N/A	N/A	N/A
2015e	N/A	N/A	N/A	N/A	N/A	N/A

Sector: Oil & gas

Price:	2.4p
Market cap:	£6m
Forecast net cash (A$m)	4.4
Forecast gearing ratio (%)	N/A
Market	AIM, ASX

Share price graph (p)

Company description

Tangiers Petroleum is an ASX and AIM-listed, Perth-based E&P with a 25% working interest in the Tarfaya Offshore Block, Morocco.

Price performance

%	1m	3m	12m
Actual	(80.4)	(80.2)	(84.0)
Relative*	(80.6)	(80.2)	(85.0)

* % Relative to local index

Analyst

Will Forbes

Tangiers Petroleum (TPT)

INVESTMENT SUMMARY

Tangiers Petroleum's well with GALP was announced as a dry well in early August and the stock has been suspended pending a review of well costs. We will review our valuation when more information is available.

INDUSTRY OUTLOOK

Y/E Dec	Revenue (A$m)	EBITDA (A$m)	PBT (A$m)	EPS (fd) (c)	P/E (x)	P/CF (x)
2012	0.0	(4.8)	(4.8)	(4.5)	N/A	N/A
2013	0.0	(7.4)	(7.3)	(4.5)	N/A	N/A
2014e	0.0	(5.0)	(21.3)	(9.8)	N/A	N/A
2015e	0.0	(5.0)	(41.5)	(18.0)	N/A	N/A

Sector: General retailers

Price:	1818.0p
Market cap:	£794m
Forecast net cash (£m)	4.8
Forecast gearing ratio (%)	N/A
Market	LSE

Share price graph (p)

Company description

Ted Baker is a leading designer brand, which operates through retail, wholesale and licensing channels. The brand is distributed through its own and licensed retail outlets, leading department stores and selected independent stores.

Price performance

%	1m	3m	12m
Actual	6.9	1.3	(5.8)
Relative*	5.9	1.6	(11.3)

* % Relative to local index

Analyst

Sohil Chotai

Ted Baker (TED)

INVESTMENT SUMMARY

Ted Baker (Ted) has fallen 23% ytd and we believe its attractive growth profile is now being mispriced by the market. Ted has a long runway for expansion in North America and Asia, as well as growth in Europe. There is potential for meaningful margin expansion, and we believe management has made good capital allocation decisions with a long-term mind-set. We initiate with a fair value of 2,200p, implying 25% upside.

INDUSTRY OUTLOOK

The size of the UK clothing and footwear market was c £61.8bn in 2013. In nominal terms, the market has grown by 109% since 1997. The global clothing market was valued at $1,170bn in 2010 and is expected to reach $1,725bn by 2020, primarily driven by demand in emerging markets.

Y/E Jan	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (fd) (p)	P/E (x)	P/CF (x)
2013	254.5	41.4	31.8	56.5	32.2	29.9
2014	321.9	52.1	40.6	70.1	25.9	18.9
2015e	369.1	61.7	47.2	80.4	22.6	11.7
2016e	425.2	73.0	56.9	98.7	18.4	13.1

Sector: Industrial support services

Price:	NZ$1.56
Market cap:	NZ$102m
Forecast net debt (US$m)	N/A
Forecast gearing ratio (%)	N/A
Market	NZAX

Share price graph (NZ$)

Company description

Tenon is a timber products supplier to the North American housing market. It sources products and materials globally, including from its traditional New Zealand base, which also serves the Asia-Pacific region. It has particular strengths in retail channels.

Price performance

%	1m	3m	12m
Actual	1.3	5.4	15.6
Relative*	0.8	4.9	6.3

* % Relative to local index

Analyst

Toby Thorrington

Tenon (TEN)

INVESTMENT SUMMARY

Tenon's FY14 results (announced 21 August) demonstrated progress from its North American and Australasian operations, with both making a positive PBT contribution. The year was not without its challenges and FX is less favourable again thus far in FY15. Nevertheless, further progress is anticipated in this financial year. 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 are still below historic 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)
2013	364.0	5.0	(3.0)	(4.8)	N/A	N/A
2014	396.0	11.0	4.0	4.2	32.4	12.8
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: Pharma & healthcare

Price:	US$29.05
Market cap:	US$1047m
Forecast net cash (US$m)	84.1
Forecast gearing ratio (%)	N/A
Market	NASDAQ

Share price graph (US$)

Company description

TESARO is an oncology focused bio-pharmaceutical company engaged in developing and commercialising innovative drugs worldwide. Its pipeline includes rolapitant, niraparib and TSR-011.

Price performance

%	1m	3m	12m
Actual	5.3	17.2	(9.1)
Relative*	4.3	11.0	(25.1)

* % Relative to local index

Analyst

Jason Zhang

TESARO (TSRO)

INVESTMENT SUMMARY

TESARO presented detailed data of three Phase III trials of rolapitant (one for patients receiving moderately emetogenic chemotherapy [MEC] and two for highly emetogenic chemotherapy [HEC]), which reinforced the differentiated attributes of the product compared to other products in the same class. The company also announced two planned Phase III trials of Niraparib, bringing the total Phase III programmes to four for this drug. One of these Phase III trials, NOVA, will complete patient enrolment in non-gBRCA mutant patients by year end 2014. TESARO ended Q214 with cash and cash equivalents of $151m.

INDUSTRY OUTLOOK

TESARO is an oncology focused company with a balanced pipeline consisting of one NDA-ready, one Phase III- and one Phase I-stage drug candidate. Its lead drug candidate, rolapitant, could reach the $1.5bn US CINV market by 2015, pending a filing in mid-2014 and FDA approval in early 2015. Niraparib, a PARP inhibitor, could be one of the first among seven competitors to finish Phase III trials and reach the market, pending positive Phase III results, in 2016.

Y/E Dec	Revenue (US$m)	EBITDA (US$m)	PBT (US$m)	EPS (c)	P/E (x)	P/CF (x)
2012	0.0	(71.8)	(69.8)	(509.37)	N/A	N/A
2013	0.0	(102.6)	(94.3)	(298.81)	N/A	N/A
2014e	0.0	(186.4)	(176.1)	(498.68)	N/A	N/A
2015e	23.0	(185.3)	(172.6)	(472.85)	N/A	N/A

EDISON

Sector: Oil & gas

Price:	0.3p
Market cap:	£56m
Forecast net cash (US$m)	54.5
Forecast gearing ratio (%)	N/A
Market	TSX V

Share price graph (p)

Company description

Tethys Petroleum is an E&P with production and exploration assets in Kazakhstan. It also holds potentially significant interests in Tajikistan and Georgia. It is relinquishing its assets in Uzbekistan.

Price performance

%	1m	3m	12m
Actual	(9.0)	(23.2)	(57.7)
Relative*	(9.9)	(23.0)	(60.2)

* % Relative to local index

Analyst

Will Forbes

Tethys Petroleum (TPL)

INVESTMENT SUMMARY

Tethys Petroleum (TPL) should interest investors who want exposure to significant exploration in Central Asia. Tethys holds interests with gross prospective resources of over 30bnboe in Tajikistan (where it counts Total and CNPC as partners) and Georgia, as well as material, lower-risk oil exploration in Kazakhstan. Fiscal terms are attractive in all its countries; both oil and gas are valuable due to ever-increasing export capacities to Europe and China. The company has existing producing assets in Kazakhstan, which provide useful cash flow and a valuation of 34p/share. The addition of 2014 exploration, including Klymene and a maiden well in Georgia, gives a RENAV of 85p/share. Optional inclusion of the longer-term exploration in Tajikistan would add a further 15p/share, based on our illustrative modelling. Success in drilling Klymene, Georgia or Tajikistan would transform the company.

INDUSTRY OUTLOOK

Many investors attribute overly harsh risk factors to the countries to which TPL is exposed.

Y/E Dec	Revenue (US$m)	EBITDA (US$m)	PBT (US$m)	EPS (c)	P/E (x)	P/CF (x)
2012	38.1	(0.4)	(19.9)	(7.3)	N/A	1.1
2013	36.9	6.6	(7.5)	(3.1)	N/A	N/A
2014e	36.6	(5.8)	(21.5)	(5.9)	N/A	N/A
2015e	37.1	(6.7)	(20.8)	(6.4)	N/A	N/A

Sector: Technology

Price:	NOK4.70
Market cap:	NOK2242m
Forecast net cash (NOKm)	83.1
Forecast gearing ratio (%)	N/A
Market	Oslo

Share price graph (NOK)

Company description

Thin Film Electronics (Thinfilm) owns key patents for the printing of rewritable, non-volatile memory and licenses technology from others to develop complete printed systems.

Price performance

%	1m	3m	12m
Actual	(7.7)	(2.3)	85.8
Relative*	(5.9)	(3.2)	60.3

* % Relative to local index

Analyst

Tom Grady

Thin Film Electronics (THIN)

INVESTMENT SUMMARY

Thinfilm has had a strong half with a number of positive announcements across all areas including technical development, partnership agreements and commercial orders. Importantly, management also reports strong progress in forming agreements with scale-up partners. Revenue for the half was slightly lower than we expected due to lower project and technology access fees, and product sales are still a small component of total revenue so we have lowered our forecasts accordingly. Our new forecasts also reflect an increase in the proportion of outsourced production in FY15 given the progress on signing up licensing partners.

INDUSTRY OUTLOOK

Many companies are developing printed electronic (PE) components, but relatively few are integrating components into systems. Thinfilm is currently focusing on three areas: memory products, which it has delivered to customers, sensor and display labels, where it has developed prototypes, and NFC labels, where it has acquired important IP from Kovio. In addition, 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 (NOKm)	EBITDA (NOKm)	PBT (NOKm)	EPS (fd) (öre)	P/E (x)	P/CF (x)
2012	3.8	(41.8)	(42.0)	(12.7)	N/A	N/A
2013	11.5	(63.4)	(63.3)	(15.3)	N/A	N/A
2014e	29.3	(122.8)	(126.7)	(26.6)	N/A	N/A
2015e	145.1	(109.0)	(121.1)	(25.1)	N/A	N/A

Sector: Consumer support services

Price:	US$0.60
Market cap:	US$14m
Forecast net debt (US$m)	32.5
Forecast gearing ratio (%)	135.0
Market	NYSE Euronext

Share price graph (US$)

Company description

Thunderbird Resorts is an international provider of branded casino and hospitality services, focused on Latin America. It has operations in Peru, Costa Rica and Nicaragua and its casinos and slot parlours have over 3,100 gaming positions.

Price performance

%	1m	3m	12m
Actual	(16.7)	(31.0)	(30.2)
Relative*	(17.1)	(31.5)	(36.8)

* % Relative to local index

Analyst

Jane Anscombe

Thunderbird Resorts (TBIRD)

INVESTMENT SUMMARY

Interim results are due to be reported as this goes to press. June monthly data suggest that H114 revenues declined by c 5-6%, mainly due to the removal of loss-making gaming positions in Costa Rica last autumn and adverse forex. A new Fiesta casino has just opened in Costa Rica and this, plus selective expansion projects in Peru, should produce an improving trend in EBITDA as the year progresses. Any news on the debt refinancing will be a positive catalyst.

INDUSTRY OUTLOOK

PWC estimates that Latin American gaming revenues will grow at an average 8.1% CAGR, rising from $3.8bn in 2010 to $5.6bn in 2015. Thunderbird's greatest potential is in Peru (population 30 million), where it has only a 2% share of a vibrant land-based gaming market of 14 casinos, 684 slot parlours and c 75,000 gaming machines. We believe it is already a leading operator (by revenue) in Costa Rica, where there are c 40 legal casinos, and in Nicaragua, which has c 47 casinos (mainly very small).

Y/E Dec	Revenue (US$m)	EBITDA (US$m)	PBT (US$m)	EPS (c)	P/E (x)	P/CF (x)
2012	58.2	4.4	(9.6)	(0.42)	N/A	2.3
2013	59.3	6.1	(6.6)	(0.40)	N/A	1.8
2014e	62.0	8.0	(2.4)	(0.17)	N/A	1.6
2015e	68.0	10.5	1.0	(0.02)	N/A	N/A

Sector: Pharma & healthcare

Price:	€0.54
Market cap:	€86m
Forecast net debt (€m)	1.9
Forecast gearing ratio (%)	6.0
Market	Euronext Brussels

Share price graph (€)

Company description

TiGenix produces cell therapeutics. Its lead Phase III development candidate, Cx601, treats perianal fistulas in Crohn's disease. Cx611 is being developed for autoimmune disease. The EU approved product, ChondroCelect, is licensed to Sobi.

Price performance

%	1m	3m	12m
Actual	(3.9)	(18.9)	133.5
Relative*	(5.4)	(20.2)	102.5

* % Relative to local index

Analyst

Dr John Savin

TiGenix NV (TIGB)

INVESTMENT SUMMARY

TiGenix has refocused on the Phase III Cx601 study in fistulising Crohn's disease and the potential of Cx611 (expanded adipose stem cell eASC therapy) in RA and sepsis. ChondroCelect was licensed to Sobi from 1 June 2014. The production facility has been sold (€3.5m cash, €0.75m deferred cash, €1.5m cost savings). The 2013 cash position of €15.6m has been augmented by a loan of up to €10m, giving cash to H215. If Cx601 is successful, EU sales could develop from H216, but more working capital will be required.

INDUSTRY OUTLOOK

Cx601 Phase III data in perianal fistulising Crohn's disease are due in Q315. A US Phase III is required and could be funded and run if the EU trial is positive. TiGenix is now developing Cx611 in rheumatoid arthritis and sepsis. A pilot volunteer sepsis study should start in early 2015 with data in Q315. The Phase II RA study from Q315 will focus on achieving minimal disease activity in patients who fail to respond to initial treatment with standard agents. This study may conclude in H117, but requires funding.

Y/E Dec	Revenue (€m)	EBITDA (€m)	PBT (€m)	EPS (c)	P/E (x)	P/CF (x)
2012	4.1	(13.2)	(13.5)	(14.5)	N/A	N/A
2013	4.3	(12.4)	(12.7)	(10.8)	N/A	N/A
2014e	4.5	(11.3)	(12.4)	(7.7)	N/A	N/A
2015e	1.2	(13.9)	(15.1)	(9.4)	N/A	N/A

Sector: Oil & gas

Price:	C$0.87
Market cap:	C$72m
Forecast net debt (C$m)	6.7
Forecast gearing ratio (%)	6.0
Market	TSX V

Share price graph (C$)

Company description

Touchstone Exploration's primary business entails acquisitions of prospective onshore oil and gas properties in Trinidad, as well as drilling and recompletion of existing wells, making use of advanced technology.

Price performance

%	1m	3m	12m
Actual	(6.5)	(15.5)	1.2
Relative*	(8.3)	(20.5)	(18.2)

* % Relative to local index

Analyst

Xavier Grunauer

Touchstone Exploration (TXP)

INVESTMENT SUMMARY

Touchstone is moving forward with a focused recompletion, reactivation and infill drilling programme in Trinidad, which we find relatively low risk and well positioned. We are expecting the company to drill 21 vertical wells in this financial year, followed by a 30-well programme in 2015, with our models pointing to a near doubling of production to a resulting average of 3.0mb/d in FY15. Recently reported positive cash flow from Canadian operations of 0.5mb/d is also seen in a positive light.

INDUSTRY OUTLOOK

Currently in the fourth year of operations in Trinidad, Touchstone has continued to deliver growth from a low-risk development drilling programme, successful recompletion drilling and well-timed acquisitions. Production has increased to a current 1.77mb/d (Trinidad only) and proposed tax changes presented to parliament in 2013 are seen as likely to increase netbacks by 10-15% into 2015. Recent completion of an all-share combination with Petrobank (TSX: PBG) is expected to allow Touchstone to grow into a larger and better capitalised oil-focused company.

Y/E Dec	Revenue (C$m)	EBITDA (C$m)	PBT (C$m)	EPS (fd) (c)	P/E (x)	P/CF (x)
2012	N/A	N/A	N/A	N/A	N/A	N/A
2013	0.0	(60.8)	(61.1)	(54.2)	N/A	20.2
2014e	47.3	3.3	(4.1)	(8.4)	N/A	1.7
2015e	112.7	41.1	19.9	12.0	7.3	N/A

Sector: Oil & gas

Price:	US$10.92
Market cap:	US$409m
Forecast net debt (US$m)	118.0
Forecast gearing ratio (%)	47.0
Market	NYSE MKT

Share price graph (US$)

Company description

TransAtlantic Petroleum is engaged in the acquisition, exploration, and production of oil and gas assets. It uses North American horizontal drilling and fracking technology to enhance production. Its main interests lie in Turkey and Bulgaria.

Price performance

%	1m	3m	12m
Actual	(6.5)	34.2	14.9
Relative*	(7.4)	27.1	(5.2)

* % Relative to local index

Analyst

Xavier Grunauer

TransAtlantic Petroleum (TAT)

INVESTMENT SUMMARY

TransAtlantic production applies North American oil and gas technology to Turkish and Bulgarian oil and gas basins. Having successfully tested both horizontal drilling and fracking methods on Turkish assets in FY13, we expect the current drilling programme to continue current successes, potentially increasing production from c 5.4mboe/d to 6.3mboe/d by YE14, and over 8.0mboe/d by YE15.

INDUSTRY OUTLOOK

TransAtlantic is pioneering North American drilling and fracking technology in Turkey and applying unconventional methods to new shale plays, as well as to existing conventional assets. We believe that markets have yet to fully price in the potential production boost and upside from the successful application of North American horizontal drilling and fracking techniques to Turkey's oil and gas basins.

Y/E Dec	Revenue (US$m)	EBITDA (US$m)	PBT (US$m)	EPS (fd) (c)	P/E (x)	P/CF (x)
2012	134.1	38.7	4.6	(5.2)	N/A	6.9
2013	127.3	44.1	0.2	(2.5)	N/A	5.8
2014e	186.1	78.8	28.0	54.1	20.2	8.7
2015e	241.0	117.1	51.2	83.6	13.1	4.1

EDISON

Transgene (TNG)

Sector: Pharma & healthcare

Price:	€8.19
Market cap:	€315m
Forecast net cash (€m)	14.0
Forecast gearing ratio (%)	N/A
Market	Euronext Paris

Share price graph (€)

Company description

Transgene is a French drug discovery and development company focused on the treatment of cancer and infectious diseases with immunotherapies. It has four products in Phase II development.

Price performance

%	1m	3m	12m
Actual	(2.3)	(7.1)	(17.7)
Relative*	(1.6)	(3.4)	(23.8)

* % Relative to local index

Analyst

Dr Mick Cooper

INVESTMENT SUMMARY

Interim data from the first stage of the Phase II/III TIME trial with TG4010 in non-small cell lung cancer (NSCLC) support continuation of the trial into Phase III. The results from the study in NSCLC validate the use of the triple-positive activated lymphocytes (TrPAL) biomarker. There was a clinically meaningful improvement in progression-free survival in patients with lower TrPAL levels (HR<0.75) and in all patients with non-squamous NSCLC (HR=0.71, p=0.02). Unfortunately, Novartis has decided not to exercise its option on TG4010, but Transgene remains confident of finding a new partner by year-end. Its second drug Pexa-Vec (an oncolytic virus) should advance into Phase III next year following the acquisition of partner Jennerex by SillaJen. TG4040 is in Phase II for HCV and TG4001 is due to enter a Phase IIb study in HPV-related head and neck cancers, while TG6002 is due to enter Phase I in solid tumours in 2015. A rights issue and private placement in March raised €65.5m, which could allow it to operate into 2016.

INDUSTRY OUTLOOK

There is considerable interest in immunotherapies - both therapeutic vaccines and oncolytic viruses, especially for the treatment of cancers - after the approval of Provenge and Yervoy. They are generally well tolerated and are showing promising levels of efficacy.

Y/E Dec	Revenue (€m)	EBITDA (€m)	PBT (€m)	EPS (c)	P/E (x)	P/CF (x)
2012	13.1	(39.4)	(42.4)	(136.4)	N/A	N/A
2013	15.7	(38.3)	(41.5)	(136.2)	N/A	N/A
2014e	12.1	(52.5)	(55.0)	(155.8)	N/A	N/A
2015e	12.3	(55.6)	(58.1)	(159.4)	N/A	N/A

Treatt (TET)

Sector: Industrial support services

Price:	149.5p
Market cap:	£77m
Forecast net debt (£m)	10.2
Forecast gearing ratio (%)	35.0
Market	LSE

Share price graph (p)

Company description

From its manufacturing bases in Europe, North America and Africa, Treatt supplies innovative ingredient solutions to the flavours and fragrance industry and multinational consumer goods companies, with a particular emphasis on the beverage sector.

Price performance

%	1m	3m	12m
Actual	(7.4)	(5.7)	20.6
Relative*	(8.3)	(5.4)	13.4

* % Relative to local index

Analyst

Victoria Buxton

INVESTMENT SUMMARY

In its IMS published on 28 July, Treatt confirmed that it had performed well through Q3, which was particularly pleasing given a very strong previous year comparator. The long-term strategic emphasis on value-added ingredient solutions, particularly focused on the fast expanding beverage sector, continues to progress well, although with the raw material cost of a number of key ingredients at historic highs, combined with the impact of sterling strength against the US dollar, maintaining margins over the coming year is starting to look increasingly challenging. For the year to 30 September 2014, the board remains confident that the group is on course to meet expectations.

INDUSTRY OUTLOOK

Annual growth rates for the global flavours, fragrance and ingredients sector are expected to be mid-single digits in 2013-15 (source: IAL Consultants). In line with the accelerated growth highlighted in the Treattarome range, Datamonitor identified vegetable-based drinks as one of the top 10 consumer packaged goods trends to watch in 2014.

Y/E Sep	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (p)	P/E (x)	P/CF (x)
2012	74.0	6.9	5.2	7.5	19.9	51.5
2013	74.1	8.3	6.5	9.4	15.9	8.3
2014e	78.5	8.5	7.0	9.8	15.3	21.0
2015e	81.7	9.3	7.4	10.5	14.2	9.9

EDISON

Sector: Engineering

Price:	114.0p
Market cap:	£129m
Forecast net debt (£m)	16.8
Forecast gearing ratio (%)	24.0
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 and South-East Asia, but there is a growing presence in Continental Europe and North America.

Price performance

%	1m	3m	12m
Actual	(10.2)	5.9	93.6
Relative*	(11.1)	6.2	82.2

* % Relative to local index

Analyst

Nigel Harrison

Trifast (TRI)

INVESTMENT SUMMARY

Trifast has an impressive record since management restructuring five years ago, having restored confidence both internally and across its supplier and customer base, while re-establishing a clear strategy for growth. Organic progress is being delivered without conceding margin, while acquisitions extend the product, geographical and customer spread, providing cross-selling opportunities. Last year's results demonstrate the effect, showing strong earnings growth and a positive cash performance. The recent Italian acquisition has further extended the overall potential.

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 or supply routes. They have also created effective logistical services and shifted the emphasis towards more complex products to increase value, but consolidation opportunities remain for stronger businesses.

Y/E Mar	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (fd) (p)	P/E (x)	P/CF (x)
2013	121.5	9.2	7.3	4.73	24.1	15.5
2014	129.8	10.8	9.2	5.96	19.1	10.5
2015e	150.0	15.0	12.4	7.53	15.1	9.5
2016e	163.0	16.3	13.5	8.09	14.1	9.9

Sector: Technology

Price:	€8.26
Market cap:	€98m
Forecast net cash (€m)	10.8
Forecast gearing ratio (%)	N/A
Market	Borsa Italiana STAR

Share price graph (€)

Company description

TXT e-solutions operates through TXT Perform, providing software solutions to the international retail and consumer-driven industrial sectors; and TXT Next, providing IT, consulting and R&D services to Italian aerospace, manufacturing, banking and finance.

Price performance

%	1m	3m	12m
Actual	5.8	(8.5)	58.4
Relative*	8.1	(5.7)	33.5

* % Relative to local index

Analyst

Katherine Thompson

TXT e-solutions (TXT)

INVESTMENT SUMMARY

TXT saw 4.7% revenue growth in H114 (TXT Perform +8.1%, TXT Next -0.1%), with international revenues growing to 58% of the total from 54% in 2013. TXT Perform felt the impact of a slowdown in the luxury and fashion market in Q2. We have revised our forecasts to reflect lower Perform licence revenues in FY14; this drives EPS cuts of 13.0% in FY14 and 4.8% in FY15. The company continues to invest in product development and recent initiatives in North America should support further growth in international revenues.

INDUSTRY OUTLOOK

The supply chain management software market is growing at more than 9% 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 $3.4bn in 2013 (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)
2012	46.5	5.3	4.2	37.0	22.3	29.9
2013	52.6	6.3	4.8	45.0	18.4	11.4
2014e	54.9	6.0	4.8	37.0	22.3	12.8
2015e	60.3	7.7	6.8	50.0	16.5	12.0

EDISON

Sector: Construction & blding mat.

Price:	263.0p
Market cap:	£446m
Forecast net debt (£m)	85.0
Forecast gearing ratio (%)	29.0
Market	LSE

Share price graph (p)

Company description

Tyman's product portfolio now solely addresses the residential RMI and building markets. It manufactures and sources window and door hardware and seals, largely for the North American (52% FY12 revenue) and UK (32%) markets.

Price performance

%	1m	3m	12m
Actual	(5.3)	(9.9)	11.7
Relative*	(6.2)	(9.6)	5.1

* % Relative to local index

Analyst

Toby Thorrington

Tyman (TYMN)

INVESTMENT SUMMARY

Good headline and underlying progress from Tyman in H1 was the net effect of two acquisitions (the most material of which was Truth Hardware in July 2013), decent trading and adverse currency translation effects. CC LFL revenue rose by 8.2% with EBIT +21.1% on the same basis (or +35% and +79.3% headline) with a 290bp improvement in underlying EBIT margin (to 11.6%). Tyman also announced a 33% dividend increase (to 2p).

INDUSTRY OUTLOOK

US new-build growth has continued and rising housing transactions appear to be starting to feed into RMI spend now. A similar scenario is playing out in the UK, Tyman's second-largest market.

Y/E Dec	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (fd) (p)	P/E (x)	P/CF (x)
2012	228.8	28.5	21.3	10.2	25.8	14.5
2013	298.1	39.4	28.6	13.5	19.5	10.3
2014e	345.5	52.4	38.9	16.7	15.7	12.3
2015e	358.7	55.5	41.5	17.6	14.9	8.4

Sector: Technology

Price:	175.0p
Market cap:	£44m
Forecast net debt (£m)	0.0
Forecast gearing ratio (%)	0.0
Market	AIM

Share price graph (p)

Company description

Ubisense provides end-to-end real-time location systems for companies to track people and assets with a high degree of accuracy. Its solutions bring visibility and control to business processes using the data generated from tracking such assets.

Price performance

%	1m	3m	12m
Actual	0.0	(22.9)	(24.9)
Relative*	(1.0)	(22.7)	(29.4)

* % Relative to local index

Analyst

Katherine Thompson

Ubisense Group (UBI)

INVESTMENT SUMMARY

Ubisense's trading update confirmed that it achieved revenues of £17m in H114 (+40% y-o-y) and ended H114 with an order book of £16m (down from £17.9m at the end of FY13). The Geoplan acquisition has been integrated and has won some early-stage Smart Factory System and myWorld deployments with Japanese and Korean customers. The company expects to deliver results in line with the board's expectations. At the end of H114, the company had a net cash position of £0.7m (cash of £5.5m/drawn debt of £4.8m). Interim results are scheduled for 16 September.

INDUSTRY OUTLOOK

The RTLS market is forecast to show a CAGR of 30% from 2012-22, to reach c $4bn in annual revenues (source: IDTechEx). Ubisense is well positioned to benefit as RTLS solutions are adopted in the manufacturing sector. The geospatial software and services market was worth $3bn in 2011 and is forecast to reach $5bn by 2018, a CAGR of 7.6% (source: DARATECH). Ubisense has a strong position in the utilities and telecoms segment of this market.

Y/E Dec	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (fd) (p)	P/E (x)	P/CF (x)
2011	23.8	1.4	0.6	2.6	67.3	N/A
2012	24.3	1.2	0.0	0.0	N/A	N/A
2013e	28.0	1.2	(0.6)	(2.2)	N/A	N/A
2014e	37.1	2.5	0.0	(0.1)	N/A	2695.0

Ultra Electronics (ULE)

Sector: Aerospace & defence

Price:	1824.0p
Market cap:	£1275m
Forecast net debt (£m)	133.1
Forecast gearing ratio (%)	41.0
Market	LSE

Share price graph (p)

Company description

Ultra Electronics is a global aerospace and defence electronics company, with operations across three divisions: tactical and sonar systems (39% of 2012 sales); aircraft and vehicle systems (19%); and information and power systems (42%).

Price performance

%	1m	3m	12m
Actual	2.6	1.7	(5.9)
Relative*	1.6	2.0	(11.5)

* % Relative to local index

Analyst

Roger Johnston

INVESTMENT SUMMARY

Ultra Electronics' interims were largely as expected, with a forecast H2 weighting. Recent orders highlight a more stable environment, while the acquisitions and ongoing restructuring measures provide a visible route to full-year profit forecasts. We have eased these by c 2% to reflect the potential headwind induced by an expected US continuing resolution (CR) from October. With current order cover of 82% and usual additions due to come from service and support contracts and IDIQ call offs, we believe the expected strong H2 performance is achievable (56% of PBT).

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. 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 (fd) (p)	P/E (x)	P/CF (x)
2012	760.8	132.7	116.5	125.1	14.6	11.2
2013	745.2	133.1	116.8	126.7	14.4	13.6
2014e	751.3	132.8	115.3	123.9	14.7	12.3
2015e	781.7	140.3	122.3	130.6	14.0	11.4

Utilitywise (UTW)

Sector: Industrial support services

Price:	279.8p
Market cap:	£208m
Forecast net cash (£m)	9.6
Forecast gearing ratio (%)	N/A
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	3.5	(9.8)	104.2
Relative*	2.5	(9.5)	92.1

* % Relative to local index

Analyst

Graeme Moyse

INVESTMENT SUMMARY

The interim results demonstrated the strong momentum of the business, with revenue of £21m (+105% vs H113) and EBITDA of £5.4m (+135% vs H113; like-for-like EBITDA of £4.1m +78%). The recent year-end trading update, which revealed that revenue secured but not yet recognised had risen to £28.2m versus £16.6m a year previously, confirmed the positive trend. Recently signed partnership agreements and the potential for growth based on the new targeted increases in consultants (c 720 by 2016) provide an attractive growth outlook for Utilitywise. We have significantly increased our medium-term forecasts to reflect this growth. Aligning the PEG ratio for Utilitywise with that of the All-Share would indicate a share price of c 500p and c 380p when benchmarked against the support services sector.

INDUSTRY OUTLOOK

We expect a backdrop of rising energy prices to provide a favourable market for TPIs like Utilitywise that can realise energy cost savings for their clients through procurement and additional services.

Y/E Jul	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (fd) (p)	P/E (x)	P/CF (x)
2012	14.7	4.4	4.2	6.0	46.6	21.9
2013	25.3	7.9	7.3	8.7	32.2	60.9
2014e	45.0	14.1	13.2	13.0	21.5	16.5
2015e	62.1	18.7	17.6	18.0	15.5	27.8

Sector: Technology

Price:	US$14.19
Market cap:	US$563m
Forecast net cash (US$m)	118.5
Forecast gearing ratio (%)	N/A
Market	NASDAQ

Share price graph (US$)

Company description

VASCO is a global internet security company with a leading position in strong authentication and e-signature solutions. The DIGIPASS family of hardware and software products is used by more than 10,000 companies.

Price performance

%	1m	3m	12m
Actual	21.3	33.2	79.2
Relative*	20.1	26.3	47.7

* % Relative to local index

Analyst

Bridie Barrett

VASCO Data Security (VDSI)

INVESTMENT SUMMARY

VASCO's Q2 revenues were reported up 28% y-o-y, giving VASCO its best quarter yet with strength in both EA (+14%) and banking (+31%). With three quarters of year-on-year growth and a strong pipeline reported, growth has been firmly re-established across both divisions. We have raised our earnings forecasts by 31% this year and 21% next year. The current share price, while at a P/E premium to peers in 2015, does not fully capture the cyclical recovery being experienced and the structural growth possibilities available.

INDUSTRY OUTLOOK

The fundamentals for strong growth from the robust authentication market are in place: increased online banking and e-commerce, coupled with more and increasingly sophisticated cyber crime and regulatory requirements in some industries. However, growth can be volatile depending on the roll-out schedule of major clients and competition is growing, particularly in the enterprise and application markets.

Y/E Dec	Revenue (US$m)	EBITDA (US$m)	PBT (US$m)	EPS (fd) (c)	P/E (x)	P/CF (x)
2012	154.0	30.3	27.3	56.5	25.1	23.8
2013	155.0	24.7	20.0	43.1	32.9	53.8
2014e	178.3	34.9	28.8	64.0	22.2	27.1
2015e	189.5	39.4	33.8	69.3	20.5	18.8

Sector: Natural resources

Price:	223.8p
Market cap:	£264m
Forecast net cash (£m)	11.6
Forecast gearing ratio (%)	N/A
Market	AIM

Share price graph (p)

Company description

Velocys (formerly Oxford Catalysts) enables modular small scale gas to liquids plants to convert unconventional, stranded and associated or flared gas into valuable liquid fuel. These gas fields represent a 25mbopd opportunity.

Price performance

%	1m	3m	12m
Actual	(4.4)	26.3	58.7
Relative*	(5.3)	26.7	49.3

* % Relative to local index

Analyst

Neil Shah

Velocys (VLS)

INVESTMENT SUMMARY

A significant milestone was announced with go-ahead to proceed with the construction of a GTL plant using Velocys technology at Waste Management's East Oak, Oklahoma land fill site. The significance of this announcement has yet to be reflected in the share price. New technologies often fail to overcome the FID stage of a project and the decision to proceed is a huge validation of Velocy's technology and should go on to derisk small scale GTL projects for Velocy's and the industry as a whole.

INDUSTRY OUTLOOK

A successful small-scale GTL offering is attracting plenty of interest, particularly in onshore US, where shale gas technology has allowed the exploitation of a significant reserve base, while a high oil price creates an arbitrage opportunity for GTL technologies.

Y/E Dec	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (p)	P/E (x)	P/CF (x)
2012	7.6	(8.4)	(9.3)	(9.8)	N/A	N/A
2013	4.8	(14.0)	(15.1)	(12.1)	N/A	N/A
2014e	11.1	(11.7)	(12.6)	(10.2)	N/A	N/A
2015e	35.0	2.1	1.1	1.0	223.8	126.8

Verastem (VSTM)

Sector: Pharma & healthcare

Price:	US$8.59
Market cap:	US$222m
Forecast net debt (US$m)	N/A
Forecast gearing ratio (%)	N/A
Market	NASDAQ

Share price graph (US$)

Company description

Verastem is a biopharmaceutical company focused on discovering and developing novel drugs that selectively target cancer stem cells (CSCs). Its lead drug is VS-6063, a FAK inhibitor, currently in Phase II testing.

Price performance

%	1m	3m	12m
Actual	2.4	5.1	(39.4)
Relative*	1.4	(0.4)	(50.1)

* % Relative to local index

Analyst

Jason Zhang

INVESTMENT SUMMARY

Verastem ended Q214 with cash of $104.4m, enough to support the company's operation into 2016. We expect to see several clinical readouts in 2014, including Phase I/Ib combination of VS-6063 and paclitaxel in patients with ovarian cancer, and Phase II VS-6063 in Kras-mutated NSCLC. However, the company's investment thesis continues to rest on the progress of COMMAND, the pivotal trial of defactinib (VS-6063) in second-line mesothelioma, with a planned interim analysis of COMMAND for mid-year 2015. Verastem recently presented additional preclinical data on VS-6063, VS-4718 and VS-5584, which gave added insight into the mechanism of action of these products.

INDUSTRY OUTLOOK

Verastem is a leader in the discovery and development of drugs that selectively target CSCs. It established a proprietary screening and assay platform and through it discovered CSC-specific targets and compounds. Its pipeline includes VS-6063 and VS-4718, two FAK inhibitors, and VS-5584, a PI3K/mTOR dual inhibitor.

Y/E Dec	Revenue (US$m)	EBITDA (US$m)	PBT (US$m)	EPS (fd) (c)	P/E (x)	P/CF (x)
2012	0.0	(32.2)	(32.0)	(0.68)	N/A	N/A
2013	0.0	(41.4)	(41.6)	(1.64)	N/A	N/A
2014e	N/A	N/A	N/A	N/A	N/A	N/A
2015e	N/A	N/A	N/A	N/A	N/A	N/A

Verisante Technology (VRS)

Sector: Pharma & healthcare

Price:	C$0.16
Market cap:	C$13m
Forecast net debt (C$m)	1.6
Forecast gearing ratio (%)	88.0
Market	Toronto Stock Exchange

Share price graph (C$)

Company description

Verisante is a Canadian medical device company developing and commercialising its laser Raman spectroscopy (LRS) technology to detect multiple cancer types (Aura for skin cancer and Core for internal cancers are key devices).

Price performance

%	1m	3m	12m
Actual	(5.9)	(8.6)	(56.2)
Relative*	(7.7)	(13.9)	(64.6)

* % Relative to local index

Analyst

Christian Glennie

INVESTMENT SUMMARY

Verisante is focused on the commercialisation of its laser Raman spectroscopy (LRS) technology, initially through Aura, a skin cancer diagnostic probe with global regulatory approvals. Aura is a rapid, easy-to-use, non-invasive test that can distinguish between benign and malignant skin lesions in one second with high accuracy. Verisante will commercialise Aura itself, initially in Canada, Germany and the US (subject to approval). Core also applies LRS to aid the diagnosis of internal cancers, such as lung cancer: results from a 300-patient study are due in H214, and a letter of intent was recently signed with a partner in China to develop Core. A C$2.5m private placement is planned in September 2014.

INDUSTRY OUTLOOK

Aura is highly complementary to existing diagnostic techniques, still largely based on visual assessment (followed by biopsy of suspicious lesions) by a dermatologist. This can be highly variable depending on the clinician's experience and the patient's profile; Aura should help improve diagnosis and reduce unnecessary biopsies.

Y/E Dec	Revenue (C$m)	EBITDA (C$m)	PBT (C$m)	EPS (c)	P/E (x)	P/CF (x)
2012	0.0	(2.7)	(2.6)	(4.04)	N/A	N/A
2013	0.8	(3.5)	(3.4)	(4.73)	N/A	N/A
2014e	0.6	(3.0)	(3.0)	(3.62)	N/A	N/A
2015e	3.0	(1.9)	(1.9)	(2.26)	N/A	N/A

Vernalis (VER)

Sector: Pharma & healthcare

Price:	43.5p
Market cap:	£192m
Forecast net cash (£m)	57.2
Forecast gearing ratio (%)	N/A
Market	AIM

Share price graph (p)

Company description

Vernalis is a UK development-stage pharma company with a late-stage US cough cold pipeline, and an early to mid-stage R&D pipeline of CNS and cancer projects. Its primary focus now is to build a US-based commercial business for the former.

Price performance

%	1m	3m	12m
Actual	35.9	37.0	75.8
Relative*	34.6	37.4	65.3

* % Relative to local index

Analyst

Lala Gregorek

INVESTMENT SUMMARY

Vernalis is well positioned to continue advancing all three elements of its business (commercial, development, research) during 2014. The NDA for Tuzistra XR (CCP-01), the first US Rx cough cold product under the Tris collaboration, was filed in June; FDA acceptance is expected within 60 days (ie September) and would trigger a milestone to Tris. Tuzistra XR approval in Q214 (assuming a 10-month review) would come ahead of the 2015/16 winter cough cold season. Following confirmation of proof of concept (PoC) for CCP-08 and CCP-07, three of the five products currently in development are progressing smoothly. The remaining two should achieve PoC by end-2014, with further NDA filings in 2015 onwards. Elsewhere, key data on two in-house novel chemical entities may result in new licence deals - Phase Ib/II PoC for V81444 in ADHD has been achieved - and further progress in existing research collaborations is expected.

INDUSTRY OUTLOOK

Vernalis is pursuing a strategy that aims to create value directly from its legacy R&D portfolio and research expertise, as well as through M&A/in-licensing that should enable it to achieve financial self-sustainability over the medium term.

Y/E Dec	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (p)	P/E (x)	P/CF (x)
2012	14.6	(2.6)	(4.7)	(0.8)	N/A	N/A
2013	14.1	(4.7)	(5.7)	(0.8)	N/A	N/A
2014e	9.5	(11.9)	(12.0)	(2.2)	N/A	N/A
2015e	16.2	(16.6)	(16.7)	(3.4)	N/A	N/A

Vertu Motors (VTU)

Sector: General retailers

Price:	59.0p
Market cap:	£201m
Forecast net cash (£m)	49.3
Forecast gearing ratio (%)	N/A
Market	AIM

Share price graph (p)

Company description

Vertu was established to build a major motor vehicle distribution group. This is being achieved through the completion and subsequent improved performance of a series of acquisitions.

Price performance

%	1m	3m	12m
Actual	7.3	0.0	13.5
Relative*	6.2	0.3	6.7

* % Relative to local index

Analyst

Nigel Harrison

INVESTMENT SUMMARY

In just seven years, Vertu has established itself as the sixth-largest motor dealership group in the UK. Having initially specialised in volume cars, it has recently built a strong position with Jaguar/Land Rover. Increasing returns from a series of acquisitions are supplementing the impact of positive underlying market conditions. There is a strong balance sheet with substantial net funds to support continuing acquisition plans. Last month's AGM statement indicated like-for-like new and used vehicle sales up by 13.5%, comfortably ahead of the market.

INDUSTRY OUTLOOK

City sentiment towards the motor distribution sector remains positive, with vehicle registration figures again running ahead of earlier industry estimates. The leading groups continue to gain market share in each of the key business segments (new cars, used cars, aftermarket), largely at the expense of the independent sector. The market dynamics remain favourable, with SMMT forecasts raised again last month.

Y/E Feb	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (fd) (p)	P/E (x)	P/CF (x)
2013	1259.3	13.3	8.1	3.14	18.8	9.1
2014	1684.5	23.6	17.5	4.64	12.7	3.7
2015e	2000.0	28.4	21.8	5.10	11.6	6.2
2016e	2100.0	30.6	24.0	5.59	10.6	6.2

Sector: Pharma & healthcare

Price:	A$0.28
Market cap:	A$51m
Forecast net debt (A$m)	N/A
Forecast gearing ratio (%)	N/A
Market	ASX, OTC QX

Share price graph (A$)

Company description

Viralytics is an ASX-listed biopharmaceutical company developing virus applications using a common cold-producing virus to target late-stage melanoma. The Phase II CALM trial is evaluating administration of lead candidate, Cavatak.

Price performance

%	1m	3m	12m
Actual	(3.5)	(5.2)	(9.3)
Relative*	(5.3)	(9.0)	(18.1)

* % Relative to local index

Analyst

Lala Gregorek

Viralytics (VLA)

INVESTMENT SUMMARY

Viralytics's next catalyst is updated interim data from the CALM Phase II Cavatak melanoma study. The most recent efficacy data presented at ASCO 2014 confirmed irPFS at six months had been achieved by 19 of 51 (37%) evaluable patients, with 21/33 (63%) alive at one year and a preliminary overall response rate of 26.3% (15/57). Preclinical data has shown synergies with anti-PD-1 immunotherapy. These features, coupled with the potential of further near-term data and wider interest in oncolytic virotherapy, suggest partnering prospects remain promising. Cavatak's benign safety profile is a significant advantage for a potential combination regimen given the high side effect burden of existing melanoma therapies. The combination approach may form part of the design for a planned US multi-centre Phase II randomised advanced melanoma study due to start late in 2014.

INDUSTRY OUTLOOK

The emergence of targeted and immunotherapy agents in recent years is redefining the treatment paradigm in metastatic melanoma. Recent positive mid- to late-stage clinical data for oncolytic virotherapy (including Viralytics' Cavatak) are raising hopes of regulatory approvals and commercial reality for this class of anti-cancer agents.

Y/E Jun	Revenue (A$m)	EBITDA (A$m)	PBT (A$m)	EPS (fd) (c)	P/E (x)	P/CF (x)
2013	2.5	(3.9)	(3.7)	(4.5)	N/A	N/A
2014	2.5	(4.9)	(4.7)	(3.9)	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: Technology

Price:	US$0.98
Market cap:	US$115m
Forecast net debt (US$m)	N/A
Forecast gearing ratio (%)	N/A
Market	OTC QB

Share price graph (US$)

Company description

Virtual Piggy provides an online payments and security platform that allows merchants to cater to the under-18 youth market.

Price performance

%	1m	3m	12m
Actual	(3.0)	8.9	(51.0)
Relative*	(3.9)	3.2	(59.6)

* % Relative to local index

Analyst

Katherine Thompson

Virtual Piggy (VPIG)

INVESTMENT SUMMARY

Virtual Piggy (VPIG) is increasing its presence in the online gaming market, as games publishers start to recognise that the Oink service provides a safe and regulated way for under-18s to make purchases of content. VPIG recently signed partnership agreements with several online gaming companies including Ubisoft, Woozworld, OnNet, Wargaming, Crytek and Fantage. We expect these partnerships to lead to an uptick in transaction volumes from Q3. The launch of the Discover pre-paid card (targeted for September) has the potential to drive incremental in-store transaction volumes on top of existing online transactions.

INDUSTRY OUTLOOK

E-commerce continues to make up an increasing proportion of retail sales, with purchases made on mobile devices contributing to the growth. Children spend a significant amount of time online, but do not have the means to make purchases online. VPIG has the opportunity to service this market, starting with the 40 million 8-17 year-olds in the US, and expanding into Europe.

Y/E Dec	Revenue (US$m)	EBITDA (US$m)	PBT (US$m)	EPS (fd) (c)	P/E (x)	P/CF (x)
2012	0.0	(7.4)	(7.5)	(8.78)	N/A	N/A
2013	0.0	(14.3)	(14.3)	(13.32)	N/A	N/A
2014e	N/A	N/A	N/A	N/A	N/A	N/A
2015e	N/A	N/A	N/A	N/A	N/A	N/A

Sector: Technology

Price:	43.0p
Market cap:	£51m
Forecast net debt (£m)	0.0
Forecast gearing ratio (%)	0.0
Market	AIM

Share price graph (p)

Company description

Vislink is a global technology business specialising in solutions for the collection and delivery of high-quality video and associated data from the field to point of usage. These are used in the broadcast and surveillance markets.

Price performance

%	1m	3m	12m
Actual	(2.6)	(4.4)	12.4
Relative*	(3.5)	(4.2)	5.8

* % Relative to local index

Analyst

Anne Margaret Crow

Vislink (VLK)

INVESTMENT SUMMARY

Vislink appears on track to achieve management's stated short-term target of £80m annualised revenues and £8m adjusted operating profit by 2014. The group is now entering the next phase of its development, taking share in a total available market of £680m spanning traditional broadcast, surveillance, cellular broadcast and playout automation. We see fair value at 70p.

INDUSTRY OUTLOOK

Having successfully supplied on-board cameras to cover MotoGP motorcycle racing for several years, Vislink's Gigawave brand cameras are now being deployed to provide on-board race footage from Formula E racing cars. Bespoke designs have been created to house the cameras for the racing cars, with a minimum of six positions being available on every chassis. These include a unique roll hoop mounted T-piece design, which has the forward and rear cameras positioned directly over the centre line of the car.

Y/E Dec	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (fd) (p)	P/E (x)	P/CF (x)
2012	57.2	6.8	3.3	2.7	15.9	12.5
2013	59.9	7.5	4.5	3.2	13.4	11.1
2014e	70.9	10.4	7.0	4.6	9.3	5.2
2015e	75.3	11.6	8.1	5.4	8.0	4.6

Sector: Electronics & elec. eqpt.

Price:	80.2p
Market cap:	£72m
Forecast net debt (US$m)	4.4
Forecast gearing ratio (%)	7.0
Market	LSE

Share price graph (p)

Company description

Volex is a leading global provider of power products and interconnect cable assemblies. It supplies to large OEMs of consumer electrical and electronic devices, data and telecom equipment and healthcare and industrial products.

Price performance

%	1m	3m	12m
Actual	(0.6)	(13.7)	(24.1)
Relative*	(1.6)	(13.5)	(28.6)

* % Relative to local index

Analyst

Toby Thorrington

Volex (VLX)

INVESTMENT SUMMARY

Early indications of progress under new strategic direction were seen in FY14 results (which should represent trough earnings). Volex raised c $30m new equity and the associated interest benefit and EPS dilution were the primary changes to estimates. The valuation acknowledges a short-term recovery, but we consider medium-term upside is somewhat greater (PBT in 2012 was $28m) and this is still to be reflected in the share price. The AGM noted a good start to FY15.

INDUSTRY OUTLOOK

Volex's core markets of power cords and data cables are considered to have annual market growth rates of 4% and 12% respectively. Overlaying this with an objective of gaining market share, healthy group revenue growth rates and retained margins could deliver a significant profit uplift if the new management's strategy is executed successfully.

Y/E Mar	Revenue (US$m)	EBITDA (US$m)	PBT (US$m)	EPS (fd) (c)	P/E (x)	P/CF (x)
2013	473.2	18.3	10.1	11.1	12.4	6.5
2014	400.2	12.5	1.4	(8.6)	N/A	N/A
2015e	417.5	18.5	8.2	5.4	25.4	9.0
2016e	430.5	19.5	9.7	6.8	20.2	8.2

Sector: Mining

Price:	0.8p
Market cap:	£19m
Forecast net cash (£m)	0.6
Forecast gearing ratio (%)	N/A
Market	AIM

Share price graph (p)

Company description

W Resources (WRES) is an AIM-listed tungsten exploration and development company. Its flagship project is the La Parrilla tailings and mine asset in south-west Spain.

Price performance

%	1m	3m	12m
Actual	(13.9)	(0.6)	(19.9)
Relative*	(14.7)	(0.3)	(24.7)

* % Relative to local index

Analyst

Andrey Litvin

W Resources (WRES)

INVESTMENT SUMMARY

W Resources announced the first shipment of tungsten concentrate from the La Parrilla tungsten tailings project in Spain, with the respective sales proceeds received on 8 August. However, the size of the shipment and the amount of revenue received were not specified. The company has also reported that July production at La Parrilla doubled from June reaching 17 tonnes (1,700mtu) of tungsten concentrate. As was previously guided, the ramp up of the project to the nominal capacity of 28kmtu per annum is expected to be completed by October 2014. Earlier, the company reported positive initial drilling results at the Tarouca tungsten deposit, demonstrating a number of high-grade mineralised intersections. It has also completed a £1.23m equity raising to be spent on exploration and the upcoming La Parrilla mine payment.

INDUSTRY OUTLOOK

Despite slowing growth in China, the tungsten price remains well supported by tight supply-demand fundamentals.

Y/E Dec	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (fd) (p)	P/E (x)	P/CF (x)
2012	0.0	(0.3)	(0.3)	(0.03)	N/A	N/A
2013	0.0	(0.2)	(0.3)	(0.01)	N/A	N/A
2014e	1.6	0.4	0.2	0.0	N/A	45.2
2015e	4.9	1.5	0.8	0.03	26.7	11.4

Sector: Pcare and household prd

Price:	200.0p
Market cap:	£120m
Forecast net cash (£m)	2.1
Forecast gearing ratio (%)	N/A
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 and Zoffany.

Price performance

%	1m	3m	12m
Actual	(3.4)	9.3	47.6
Relative*	(4.3)	9.6	38.9

* % Relative to local index

Analyst

Nigel Harrison

Walker Greenbank (WGB)

INVESTMENT SUMMARY

Management continues to invest in new collections for its brands and extend its manufacturing skill base, notably in high-quality printing. The Scion and Sanderson Home brands extended the group's UK customer base in 2012, while the new exciting Anthology brand is designed specifically for certain overseas markets. The recent AGM statement confirmed strong progress in the current year, reinforcing market estimates and drawing attention to the potential into the future. Interim results are to be announced on 1 October.

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 manufacturing capacity has been closed down, with manufacture for the volume segment largely moved overseas. Success continues to be delivered by businesses 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)
2013	75.7	8.6	6.4	9.41	21.3	19.1
2014	78.4	9.7	7.3	10.66	18.8	19.0
2015e	82.5	10.3	7.7	10.32	19.4	17.9
2016e	85.5	11.0	8.3	11.05	18.1	14.7

WANdisco (WAND)

Sector: Technology

Price:	420.0p
Market cap:	£102m
Forecast net cash (US$m)	5.8
Forecast gearing ratio (%)	N/A
Market	AIM

Share price graph (p)

Company description

WANdisco is a distributed computing company. It has applied its proprietary replication technology to open-source tools to claim a strong position in the software version control market. It is now targeting the big data infrastructure market.

Price performance

%	1m	3m	12m
Actual	(18.5)	(22.2)	(54.7)
Relative*	(19.2)	(22.0)	(57.4)

* % Relative to local index

Analyst

Dan Ridsdale

INVESTMENT SUMMARY

The securing of a $10m debt facility with HSBC at an attractive 1.2% above Libor provides a meaningful endorsement the quality of WANdisco's growth potential and substantially improves options for investing in growth. The acquisition of OhmData has strengthened WANdisco's Apache HBase capability, a key component of the Hadoop stack, which enables processing of large data sets in real time. Clearly very substantial growth and margin expansion is being priced in, but with a very large addressable market and a strengthening indirect sales platform, we still believe WANdisco has the ingredients to rapidly develop into a business of significantly larger scale. Our estimates are below consensus, but good progress in big data in H2 could prompt upside.

INDUSTRY OUTLOOK

Hadoop has cemented its position with the core technology on which big data implementations will run. The opportunity to provide high-availability solutions is significant, through enabling implementation of Hadoop in transactional environments.

Y/E Dec	Revenue (US$m)	EBITDA (US$m)	PBT (US$m)	EPS (fd) (c)	P/E (x)	P/CF (x)
2012	6.0	(3.0)	(5.3)	(32.3)	N/A	N/A
2013	8.0	(7.8)	(13.1)	(58.5)	N/A	N/A
2014e	11.7	(16.0)	(22.8)	(94.1)	N/A	N/A
2015e	19.9	(15.5)	(23.5)	(94.6)	N/A	N/A

WILEX (WL6)

Sector: Pharma & healthcare

Price:	€2.23
Market cap:	€17m
Forecast net cash (€m)	2.4
Forecast gearing ratio (%)	N/A
Market	FRA

Share price graph (€)

Company description

Wilex develops therapeutic and diagnostic products for cancer. Lead development programmes are Redectane, Rencarex and Mesupron. Its Heidelberg subsidiary has licensed its novel antibody drug conjugate technology to Roche.

Price performance

%	1m	3m	12m
Actual	(30.5)	(31.3)	(50.8)
Relative*	(28.9)	(29.2)	(56.6)

* % Relative to local index

Analyst

Emma Ulker

INVESTMENT SUMMARY

Wilex has stabilised its position after a challenging period of restructuring and has succeeded in arranging licence deals for Mesupron in oncology across all geographies. It is now focusing on securing new deals using its ADC technology, and on identifying new candidates in house or through the Roche collaboration. Wilex is also seeking a partner for Redectane (Phase III ready), as a diagnostic for clear cell renal cell cancer (ccRCC). The company also looks to out-license Rencarex to confirm its potential to prevent relapse in ccRCC patients post-surgery. After a series of cost-cutting initiatives, expenses are forecast to fall by c 60% in FY14; end-May cash and equivalents of €2.8m are estimated to provide a cash reach into Q315.

INDUSTRY OUTLOOK

Services subsidiary Heidelberg Pharma is developing its proprietary toxin-linker technology based on a-Amanitin, which has been shown to enhance the anti-tumour activity of antibodies. It has licensed use of the technology to Roche for upfront and milestone payments and aims to form new alliances.

Y/E Nov	Revenue (€m)	EBITDA (€m)	PBT (€m)	EPS (c)	P/E (x)	P/CF (x)
2012	17.8	(8.2)	(9.4)	(36.2)	N/A	N/A
2013	19.1	(3.2)	(5.0)	(16.1)	N/A	N/A
2014e	4.0	(4.5)	(5.0)	(64.1)	N/A	N/A
2015e	2.0	(3.7)	(4.0)	(51.2)	N/A	N/A

![EDISON]

Sector: Industrial support services

Price:	104.0p
Market cap:	£67m
Forecast net cash (£m)	13.8
Forecast gearing ratio (%)	N/A
Market	LSE

Share price graph (p)

Company description

WYG is a multi-discipline, international project management and management service consultancy with over half of revenues generated in the UK and the remainder in a spread of international markets.

Price performance

%	1m	3m	12m
Actual	(0.5)	(5.2)	3.0
Relative*	(1.4)	(5.0)	(3.1)

* % Relative to local index

Analyst

Toby Thorrington

WYG (WYG)

INVESTMENT SUMMARY

FY14 results were slightly ahead of expectations raised through the year and this included the final dividend, ending a five-year zero payout. WYG is more clearly in growth mode – as reflected in raised FY16 estimates – with scope for this to build further. Order book and pipeline momentum is positive - with several contract wins announced since results - and can drive further earnings and share price progress. WYG's AGM will be on 23 Sept.

INDUSTRY OUTLOOK

Management is clearly focused on margin improvement predicated on the efficient delivery of high-quality consultancy services and rigorous operational and financial control. Extending the multi-discipline service offering along seven identified sector lines, particularly in international markets, is a key component of this process. Market diversity offers both challenges and opportunities requiring proactive and reactive approaches to business development.

Y/E Mar	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (fd) (p)	P/E (x)	P/CF (x)
2013	125.7	2.8	0.7	0.8	130.0	N/A
2014	126.9	6.0	4.3	6.4	16.3	N/A
2015e	133.0	6.6	5.3	6.5	16.0	17.7
2016e	141.0	8.3	7.0	8.5	12.2	14.0

Sector: Electronics & elec. eqpt.

Price:	559.0p
Market cap:	£427m
Forecast net cash (£m)	53.1
Forecast gearing ratio (%)	N/A
Market	LSE

Share price graph (p)

Company description

Xaar designs and manufactures inkjet printheads. Its Platform 1 products are used primarily for outdoor advertising. Platform 3 widens the addressable market to include industrial, labelling and other applications.

Price performance

%	1m	3m	12m
Actual	2.3	(29.7)	(32.8)
Relative*	1.3	(29.5)	(36.8)

* % Relative to local index

Analyst

Dan Ridsdale

Xaar (XAR)

INVESTMENT SUMMARY

Xaar's in line trading update was only a month after the profit warning, so hardly a new data point. However, if Xaar continues to deliver to revised estimates, we would expect the shares to return above the 600p level, with potential to return to much higher levels if initiatives in areas such as direct to shape and Thin Film come to fruition. The rating is a discount to high-tech electronics peers, and a broadened product portfolio puts the company in a strong position to continue benefiting from a structural trend towards digital printing.

INDUSTRY OUTLOOK

The emergence of competitive offerings has reduced pricing power in ceramics, but price reductions have been made to protect share with key OEMs, not recover it. New products extend the addressable market in ceramics to include intense colour, glaze and relief application. Confidence in 'direct to shape', a significant opportunity for Xaar, is building. In the longer term, Thin Film should open much larger opportunities in commercial printing.

Y/E Dec	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (fd) (p)	P/E (x)	P/CF (x)
2012	86.3	25.6	18.4	20.1	27.8	17.4
2013	134.1	49.0	41.1	43.2	12.9	8.1
2014e	129.5	49.1	36.6	37.0	15.1	9.2
2015e	135.9	53.6	38.9	39.2	14.3	7.9

Sector: Oil & gas

Price:	64.0p
Market cap:	£198m
Forecast net debt (£m)	35.6
Forecast gearing ratio (%)	16.0
Market	AIM

Share price graph (p)

Company description

Xcite Energy is an oil appraisal and development company focused on heavy oil resources in the UK sector of the North Sea. It has one project, the Bentley field, in which it has 100% working interest.

Price performance

%	1m	3m	12m
Actual	2.0	(10.5)	(38.8)
Relative*	1.0	(10.2)	(42.4)

* % Relative to local index

Analyst

Ian McLelland

Xcite Energy (XEL)

INVESTMENT SUMMARY

Xcite continues to build its consortium of potential service providers with the most recent announcement of an MoU with Aibel as EPC partner for the proposed Bentley platform. This complements previous MoUs with AMEC and Teekay. Xcite is well funded for its current phase of operations, having announced a $140m financing package in June, mainly in the form of two-year senior secured bonds. We consider FDP approval in 2015 as a reasonable target and first oil in 2018. As a result of the bond issue, our core NAV is increased to 146p/share, with further upside if a farm-out can be secured.

INDUSTRY OUTLOOK

Xcite is unusual in still retaining a 100% interest up to FDP. This makes it one of the largest independents in the North Sea based on reserves and puts it in a strong negotiating position for ongoing farm-out discussions.

Y/E Dec	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (p)	P/E (x)	P/CF (x)
2012	13.3	(1.6)	(1.6)	(0.6)	N/A	N/A
2013	0.0	(2.4)	(1.4)	2.4	26.7	N/A
2014e	0.0	(2.2)	(6.6)	(2.1)	N/A	114.3
2015e	0.0	(2.7)	(11.1)	(3.5)	N/A	N/A

Sector: Electronics & elec. eqpt.

Price:	1555.0p
Market cap:	£295m
Forecast net cash (£m)	1.7
Forecast gearing ratio (%)	N/A
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	3.2	2.0	11.9
Relative*	2.2	2.3	5.2

* % Relative to local index

Analyst

Katherine Thompson

XP Power (XPP)

INVESTMENT SUMMARY

XP reported strong underlying revenue growth in H114 (+9% constant currency), although the weaker dollar had a negative translation effect (+2% reported). Despite this, higher factory loading and good cost control resulted in gross and operating margin expansion (to 49.8% and 24.5% respectively) and 21% EPS growth y-o-y. XP continues to generate cash, with net debt falling to £1.5m at the end of H114 versus £8.5m at the end of H113 and £3.5m at the end of FY13. Management continues to forecast revenue growth for 2014 and we leave our forecasts unchanged (9.1% constant currency, 0.9% reported revenue growth).

INDUSTRY OUTLOOK

The three end-markets supplied by XP are growing at different rates. Healthcare equipment manufacturers are reporting relatively stable bookings and revenue growth and XP continues to win share in this market. Technology customers returned to growth in H213, with an encouraging outlook for 2014. The industrial sector has shown a gradual recovery that should continue through 2014.

Y/E Dec	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (fd) (p)	P/E (x)	P/CF (x)
2012	93.9	23.3	20.2	81.3	19.1	10.6
2013	101.1	26.0	22.9	95.1	16.4	11.7
2014e	102.0	27.8	24.4	99.8	15.6	10.7
2015e	107.6	29.9	26.5	108.5	14.3	10.3

EDISON

Sector: Media & entertainment

Price:	114.0p
Market cap:	£113m
Forecast net cash (£m)	8.5
Forecast gearing ratio (%)	N/A
Market	AIM

Share price graph (p)

Company description

YouGov is a professional research and consulting organisation, pioneering the use of the internet and information technology to collect high-quality, in-depth data for market research and stakeholder consultation.

Price performance

%	1m	3m	12m
Actual	(2.2)	(6.9)	71.4
Relative*	(3.1)	(6.7)	61.3

* % Relative to local index

Analyst

Fiona Orford-Williams

YouGov (YOU)

INVESTMENT SUMMARY

The recent year-end update indicated that results to July should be in line with management expectations. As at the interims, particularly strong growth is reported in data products and services (DP&S). This element of the group's offer had built to 32% of total H1 revenues and should continue to drive revenue growth ahead of that of the market research sector, as well as enhancing margins. YouGov has appointed its first COO - Sundip Chahal, who joined in 2005, and most recently has been CEO of MENA, as well as being responsible for the new APAC activities. This appointment gives greater management bandwidth to scale up internationally while delivering consistent processes and service levels across the group.

INDUSTRY OUTLOOK

Client acceptance of online methodologies is now clearly established, with the latest MRS member survey showing 44% of all quant research spend is now internet-based. UK members grew their revenues 1.1%, but internal revenue growth strongly outstripped this, up 15.8%. The latest Bellwether Survey shows MR to be the only category of marketing where budgets are not being revised up, but this may reflect more traditional MR and surveys. The increasing ability to manipulate 'big data' into a value-adding and granular form, particularly on a real-time basis, presents a substantial industry opportunity.

Y/E Jul	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (fd) (p)	P/E (x)	P/CF (x)
2012	58.1	6.2	6.1	4.6	24.8	22.2
2013	62.6	6.5	6.7	5.1	22.4	15.5
2014e	68.0	7.8	7.8	5.7	20.0	13.9
2015e	75.0	8.7	9.0	6.4	17.8	13.2

Sector: General industrials

Price:	23.8p
Market cap:	£59m
Forecast net debt (US$m)	122.1
Forecast gearing ratio (%)	N/A
Market	AIM

Share price graph (p)

Company description

Zambeef Products is a producer, processor, distributor and retailer of beef, pork, chicken, eggs, milk, dairy products, edible oils, stock feed, flour and bread. It also carries out row cropping, leather and shoe manufacture.

Price performance

%	1m	3m	12m
Actual	0.5	28.4	(42.1)
Relative*	(0.4)	28.7	(45.5)

* % Relative to local index

Analyst

Anne Margaret Crow

Zambeef Products (ZAM)

INVESTMENT SUMMARY

H114 revenues declined by 9% to $140.2m (2% in local currency), the first drop in 20 years of operation. Pork sales were affected by an outbreak of swine fever elsewhere in Zambia and beef sales by promotional activity to recapture market share. Revenues in both divisions have already picked up. Significant depreciation of the kwacha resulted in a big rise in dollar-denominated costs. Operating profits (adjusted for unrealised forex differences) dropped from $16.0m to $6.0m and the group reported an adjusted pre-tax loss of $3.2m compared with $9.6m profit in H113. Our estimates look for a return to profitability in FY15 and support a valuation range of 16-36p.

INDUSTRY OUTLOOK

Zambeef continues to make progress towards becoming one of the leading food producers in sub-Saharan Africa rather than solely Zambia. It almost trebled milk processing capacity in November, Zamhatch is expected to become fully operational in the next 12 months and Shoprite has recently opened two new stores in Nigeria.

Y/E Sep	Revenue (US$m)	EBITDA (US$m)	PBT (US$m)	EPS (fd) (c)	P/E (x)	P/CF (x)
2012	255.1	27.0	13.5	5.4	7.5	N/A
2013	300.4	24.4	7.2	2.3	17.7	4.5
2014e	284.2	17.1	(4.6)	(1.3)	N/A	6.6
2015e	336.0	28.4	7.6	2.2	18.5	4.7

Sector: Mining

Price:	18.9p
Market cap:	£53m
Forecast net cash (US$m)	12.0
Forecast gearing ratio (%)	N/A
Market	LSE

Share price graph (p)

Company description

Zanaga Iron Ore (ZIOC) manages its 50% less one share in the Zanaga iron ore project in Congo Brazzaville, which has JORC resources of 4.3bn tonnes at 33% Fe, is expected to deliver first production in 2017 and is managed by Glencore Xstrata.

Price performance

%	1m	3m	12m
Actual	4.9	3.4	45.2
Relative*	3.9	3.7	36.6

* % Relative to local index

Analyst

Andrey Litvin

Zanaga Iron Ore (ZIOC)

INVESTMENT SUMMARY

On 15 August ZIOC announced that the Zanaga project has been granted a mining licence and that the mining convention for the project has also been signed by the government of RoC. The key highlight of the agreed fiscal regime is a very attractive corporate tax rate, which is significantly below market expectations, as well as a tax holiday. At the same time, both the government free-carry interest and royalty are in line with expectations. The mining licence covers the staged development of the project and is effective for 25 years from the issue date. It can be renewed for further periods of 15 years. The mining convention stipulates a five-year tax holiday, a 15% corporate tax rate, a 3% royalty and a 10% non-dilutory government participation. The mining convention now has to be approved as a law by the Congolese parliament, which is expected by the end of the year.

INDUSTRY OUTLOOK

Increasing supply from Australia, coupled with slowing growth in China, is weighing on iron ore pricing.

Y/E Dec	Revenue (US$m)	EBITDA (US$m)	PBT (US$m)	EPS (c)	P/E (x)	P/CF (x)
2012	0.0	(6.8)	(6.6)	(2.41)	N/A	N/A
2013	0.0	(6.4)	(6.3)	(2.28)	N/A	N/A
2014e	0.0	(5.0)	(4.9)	(1.80)	N/A	N/A
2015e	0.0	(4.0)	(4.0)	(1.45)	N/A	N/A

Sector: Pharma & healthcare

Price:	€2.85
Market cap:	€633m
Forecast net debt (€m)	52.3
Forecast gearing ratio (%)	79.0
Market	Madrid Stock Exchange

Share price graph (€)

Company description

Zeltia is a Spanish biopharmaceutical group with a core focus on the development of marine-based drugs for cancer. Its only marketed product, Yondelis, is approved in the EU and partnered with Janssen (J&J) in the US/RoW and Taiho in Japan.

Price performance

%	1m	3m	12m
Actual	(2.4)	6.7	19.7
Relative*	(3.1)	6.5	(4.0)

* % Relative to local index

Analyst

Lala Gregorek

Zeltia (ZEL)

INVESTMENT SUMMARY

Spanish holding company Zeltia is increasingly focused on the potentially high-growth world-leading marine oncology activities of PharmaMar. This subsidiary has a unique business model and has built a pipeline of first-in-class cancer drugs for development with strategic partners. Yondelis, its first product, sold in Europe since 2007, is approaching regulatory catalysts in the US and Japan. Other catalysts include Phase III for Aplidin data (expected in 2015), which was recently partnered with Chugai for eight European territories, and deal potential for PM01183 (shortly to begin pivotal trials in three indications). Approval(s), data and/or deal news should increase our €904m valuation.

INDUSTRY OUTLOOK

PharmaMar's pipeline targets niche, albeit lucrative, cancer indications where therapeutic options are limited. Thus its products should enjoy favourable competitive dynamics and market access, with potential for premium pricing.

Y/E Dec	Revenue (€m)	EBITDA (€m)	PBT (€m)	EPS (c)	P/E (x)	P/CF (x)
2012	138.2	20.5	10.8	8.50	33.5	109.4
2013	141.8	23.8	15.6	6.27	45.5	40.5
2014e	158.9	35.2	23.3	10.01	28.5	32.7
2015e	173.8	49.2	36.3	15.62	18.2	38.2

Edison dividend list

Company name	FY0 period end	Currency	DPSFY0	DPSFY1	DPSFY2
4imprint Group PLC	2013/12	GBP	17	18.5	20.5
Abcam PLC	2013/06	GBP	7	6.7	7.4
Aberdeen Asset Management PLC	2013/09	GBP	16	16.6	18.1
Acal PLC	2014/03	GBP	6.8	7.5	8
ACM Shipping Group PLC	2013/03	GBP	10.2		
African Barrick Gold PLC	2013/12	USD	3	4.1	10.6
Albioma PLC	2013/12	EUR	60	62.53	63.11
Alliance Pharma PLC	2009/12	GBP	0.3		
Allocate Software PLC	2014/05	GBP	1.4	1.5	
Animalcare Group PLC	2013/06	GBP	5.3	5.3	5.3
Antofagasta PLC	2012/12	USD	98.5	30.7	29.5
Aquarius Platinum LTD	2011/06	USD	8	10	12
Arbuthnot Banking Group PLC	2013/12	GBP	44	27	28
Ashmore Group PLC	2013/06	GBP	16.1	16.2	16.8
Augean PLC	2013/12	GBP	0.4	0.5	0.6
Avesco PLC	2013/09	GBP	5	6	7
Babcock International Group PLC	2012/03	GBP	22		
BAE Systems PLC	2013/12	GBP	20.2	20.7	21.2
Banca IFIS S.p.A.	2013/12	EUR	57	65	70
Borussia Dortmund PLC	2014/06	EUR	10	10	
Brady PLC	2013/12	GBP	1.7	1.8	1.9
BrainJuicer PLC	2013/12	GBP	3.9	4.3	4.7
British Polythene Industries PLC	2013/12	GBP	14.5	15.2	15.8
Caledonia Mining Corp	2013/12	CAD	11.4	6	7.7
Carr's Milling Industries PLC	2013/08	GBP	32	34	36
CENIT AG	2013/12	EUR	0.35	0.35	0.36
Cenkos Securities PLC	2013/12	GBP	12		
Central Asia Metals PLC	2013/12	USD	14.2	17	6.3
Chemring Group PLC	2011/10	GBP	14.8		
Clinigen Group PLC	2013/06	GBP	2.6	2.8	3.1
CML Microsystems PLC	2014/03	GBP	6.3	6.3	6.3
Cobham PLC	2013/12	GBP	9.7	10.6	11.7
Cohort PLC	2013/04	GBP	3.5	4.2	5
Comptel PLC	2013/12	EUR	1	1	1
Consort Medical PLC	2014/04	GBP	20.7	20.7	20.7
Creston PLC	2014/03	GBP	3.9	4.1	4.4
Cupid PLC	2013/12	GBP	3		
Cytec Industries INC	2013/12	USD	0.5		
Dechra Pharmaceuticals PLC	2013/06	GBP	14	14.8	16
Eckoh PLC	2014/03	GBP	0.31	0.37	0.4
Entertainment One PLC	2014/03	GBP	1	1.5	2
Epwin Group PLC	2013/12	GBP	0	4.2	6.4
Euromoney Institutional Investor PLC	2013/09	GBP	22.8	22.8	25

Fair Value REIT AG	2013/12	EUR	25	25	28
Firstextile AG	2013/12	EUR	0	0.45	0.51
Flowtech Fluidpower PLC	2013/12	GBP	0	5	5.3
Fusionex International PLC	2013/09	MYR	9.9	10.37	11.03
GB Group PLC	2014/03	GBP	1.65	1.8	2
GFT Group AG	2013/12	EUR	20	22.5	25
GLI Finance LTD	2013/12	GBP	5	5.3	5.5
Henderson Group PLC	2012/12	GBP	7.2	7.5	8.3
Hogg Robinson Group PLC	2014/03	GBP	2.2	2.3	2.4
ifa systems PLC	2013/12	EUR	8	10	12
IFG Group PLC	2013/12	GBP	4.04	4.04	4.44
Immunodiagnostic Systems Holdings LTD	2008/03	GBP	1.5		
Innovation Group PLC	2013/09	GBP	0	0.3	0.4
Inspired Energy PLC	2013/12	GBP	0.17	0.2	0.23
International Greetings PLC	2014/03	GBP	0	0	1
Is Private Equity PLC	2013/12	TRY	50.2		
IS Solutions PLC	2013/12	GBP	1.6	1.7	1.8
Is Yatirim Menkul Degerler PLC	2013/12	TRY	6.9	6.9	7.5
Jupiter Fund Management PLC	2012/12	GBP	8.8	11.6	12.9
K3 Business Technology Group PLC	2013/06	GBP	1	1.05	1.1
KTG Energie AG	2013/12	EUR	40	40	60
La Doria PLC	2013/12	EUR	12	16	17
London Stock Exchange Group PLC	2014/03	GBP	30.8	32	33.3
Lookers PLC	2013/12	GBP	2.6	2.8	3
Low & Bonar PLC	2013/11	GBP	2.6	3	3.3
LSL Property Services PLC	2013/12	GBP	10.5	28.05	12.1
M Winkworth PLC	2013/12	GBP	5.4	5.94	6.83
MedicX Fund Limited LTD	2013/09	GBP	5.7	5.8	5.9
Meggitt PLC	2013/12	GBP	12.8	13.6	14.6
MMG PLC	2013/12	USD	1	0.4	0.4
NAHL Group PLC	2013/12	GBP	0	14.4	16.8
NetDimensions LTD	2013/12	USD	1	1.1	1.2
Newmark Security PLC	2014/04	GBP	0.08	0.08	
Next Fifteen Communications PLC	2013/07	GBP	2.55	2.8	3
Ocean Wilsons Holdings PLC	2013/12	USD	60	61.2	66.7
OTC Markets Group INC	2013/12	USD	24	27.6	31.74
Pan African Resources PLC	2013/06	GBP	0.83	0.66	1.17
Park Group PLC	2014/03	GBP	2.3	2.4	2.55
Petropavlovsk PLC	2011/12	USD	12.9		
Powerflute LTD	2013/12	EUR	1.4	1.4	1.5
Primary Health Properties PLC	2013/12	GBP	19	19.5	20
PSI AG	2013/12	EUR	0	13	30.8
QinetiQ Group PLC	2014/03	GBP	4.6	4.8	5.2
Restaurant Group (The) PLC	2013/12	GBP	14	15.1	17.2
Rolls-Royce PLC	2013/12	GBP	22	23.5	25.3
RPC Group PLC	2014/03	GBP	15.5		
S&U PLC	2014/01	GBP	54	60	65

Safestyle UK PLC	2013/12	GBP	5.5	8.7	9.7
Schroders PLC	2012/12	GBP	43	51.6	60.8
SCISYS PLC	2013/12	GBP	1.46	1.6	1.7
Severfield PLC	2014/03	GBP	0	0.3	0.4
Share plc PLC	2013/12	GBP	0.52	0.62	0.75
Silver Wheaton PLC	2013/12	USD	45	29	36
Slater & Gordon LTD	2013/06	AUD	6.6	7.5	8.5
Smiths Group PLC	2013/07	GBP	69.5	40	41.5
SpaceandPeople PLC	2013/12	GBP	4.1	4.1	4.1
Spirent PLC	2008/12	GBP	1.1	1.25	1.5
StatPro Group PLC	2013/12	GBP	2.8	2.9	2.9
Stobart Group LTD	2014/02	GBP	6	6	6
Stratec Biomedical AG	2013/12	EUR	60	60	62
STV Group PLC	2013/12	GBP	2	3	4
Ted Baker PLC	2014/01	GBP	33.7	38.8	44.6
Treatt PLC	2013/09	GBP	3.7	4.1	4.4
Trifast PLC	2014/03	GBP	1.4	1.6	1.8
TXT e-solutions S.p.A.	2013/12	EUR	25	26	27
Tyman PLC	2013/12	GBP	6	7	7.8
Ultra Electronics Holdings PLC	2013/12	GBP	42.2	43.5	46
Utilitywise PLC	2013/07	GBP	2.6	3.4	4.9
Vertu Motors PLC	2014/02	GBP	0.8	0.9	1
Vislink PLC	2013/12	GBP	1.25	1.25	1.25
Volex PLC	2014/03	USD	0	0.5	1
Walker Greenbank PLC	2014/01	GBP	1.85	2	2.2
WYG PLC	2014/03	GBP	0.5	1	1.2
Xaar PLC	2013/12	GBP	8	9	10
XP Power LTD	2013/12	GBP	55	59	63
YouGov PLC	2013/07	GBP	0.6	0.8	0.9

Events diary

Listed below are the expected dates of forthcoming events from Friday 29 August.

Date	Company	Event
Friday 29 August	Avation	Finals
	Afren Avengardco Investments Public BBGI SICAV Berendsen Biofrontera British Polythene Industries Bwin.party Digital Entertainment Cathay International Holdings Charles Taylor Chesnara Computacenter Exova Group Headlam Group Joint Stock Company Rosseti JSC RusHydro Lavendon Group Nord Gold NV OSJC Center for Cargo Container Traffic Transcontainer Perform Group Restaurant Group TCS Group Holding	Interims
Tuesday 2 September	Alumasc Group CPL Resources IMImobile Kofax Limited Mattioli Woods Redrow	Finals
	Globaltrans Investment Hydro International Johnson Service Group Smart Metering Systems Total Produce	Interims
Wednesday 3 September	A&J Mucklow Group Hargreaves Lansdown	Finals
	Belgravium Technologies Biome Technologies Goals Soccer Centres Marimedia Petards Group SQS Software Quality Systems	Interims
Thursday 4 September	Frontier Developments Go-Ahead Group Redde	Finals
	Burford Capital Empresaria Group River and Mercantile Group	Interims
Friday 5 September	EMIS Group	Interims

Date	Company	Event
Monday 8 September	Dechra Pharmaceuticals Green Reit	Finals
	Deltex Medical Group Escher Group Holdings Somero Enterprises	Interims
Tuesday 9 September	Hargreaves Services ISG Kalibrate Technologies	Finals
	Brady Corac Group HaloSource Inc. Hilton Food Group JQW SafeCharge International Group Limited Stadium Group Synety Group	Interims
Wednesday 10 September	Barratt Developments Mcbride	Finals
	Accesso Technology Group Alkane Energy Alliance Pharma Anpario Belvoir Lettings Corero Network Security Electrical Geodesics Inc Kingfisher Optimal Payments Restore	Interims
Thursday 11 September	Ashmore Group Dunelm Group Ricardo	Finals
	Cambridge Cognition Holdings Elektron Technology Fairpoint Group Futura Medical Morrison (Wm) Supermarkets Netplay TV Next SeaEnergy	Interims
Friday 12 September	Wetherspoon	Interims
	MyCelx Technologies Corporation	Finals
Monday 15 September	Avanti Communications Group City of London Investment Group Monitise Purecircle Limited	Finals
	Bushveld Minerals Limited Cdialogues EKF Diagnostics Holdings Global Ports Investments GDR (REG S) M. P. Evans Group Nasstar Paragon Entertainment Ltd (DI) SimiGon Ltd. (DI) Telit Communications	Interims

Date	Company	Event
Tuesday 16 September	Craneware	Finals
	Galliford Try	
	Charlemagne Capital	Interims
	LiDCO Group	
	Silence Therapeutics	
	Ubisense Group	
Wednesday 17 September	Brooks Macdonald Group	Finals
	IndigoVision Group	
	Kier Group	
	Smiths Group	
	Cello Group	Interims
	JD Sports Fashion	
	ServicePower Technologies	
Thursday 18 September	Just Retirement Group	Finals
	Kier Group	
	Swallowfield	
	Wilmington Group	
	Card Factory	Interims
	Premier Farnell	
	Safestyle UK	
	Summit Germany Limited	
Friday 19 September	CVS Group	Finals
	BrainJuicer Group	Interims
	Songbird Estates	
Monday 22 September	Allergy Therapeutics	Finals
	Eagle Eye Solutions Group	
	Finsbury Food Group	
	Petra Diamonds	
	China Chaintek United Co. Limited	Interims
	GVC Holdings	
	Metal Tiger	
	Moss Bros Group	
	Sprue Aegis	
	Waterlogic	
Tuesday 23 September	Close Brothers Group	Finals
	Netcall	
	Regenersis	
	Air Partner	Interims
	Augean	
	Barr	
	Cupid	
	Highland Gold Mining	
	Horizon Discovery Group	
	NAHL Group	
Wednesday 24 September	Clinigen Group	Finals
	32Red	Interims
	S&U	
	Scisys	
Thursday 25 September	Hansard Global	Finals
	Inditherm	Interims
	Manx Telecom	
	Miton Group	
	Northbridge Industrial Services	
	Toumaz Limited	

Date	Company	Event
Friday 26 September	Digital Globe Services	Finals
Monday 29 September	DX Gleeson (M J) Group	Finals
Tuesday 30 September	Eclectic Bar Group Wolseley	Finals
	Harvey Nash Group InternetQ Life Scientific Inc. Saga Snoozebox Holdings	Interims

Company	Sector	Most recent note	Date published
4imprint Group	Media	Update	07/03/13
4SC	Pharma & biotech	Update	12/06/14
aap Implantate AG	Pharma & biotech	Update	03/03/14
Aastrom Biosciences	Pharma & biotech	Update	23/05/13
Aberdeen New Thai Investment Trust	Investment companies	Investment trust review	25/06/14
Ablon Group	Property	Update	01/11/12
Ablynx	Pharma & biotech	Update	12/03/13
Acal	Technology	Flash	30/07/14
accesso Technology Group	Technology	Update	02/04/14
Acencia Debt Strategies	Investment trusts	Investment trust review	22/07/14
ACM Shipping Group	Industrial Support Services	Update	29/11/13
Acorn Income Fund	Investment trusts	Update	12/06/14
ADVA Optical Networking	Technology	Outlook	09/12/13
ADX Energy	Oil & gas	Update	26/09/13
Afferro Mining	Mining	Flash	20/09/13
AFH Financial Group	Financials	Outlook	21/07/14
African Barrick Gold	Mining	Update	21/01/13
African Eagle Resources	Mining	Flash	16/05/13
Albioma	Alternative Energy	Update	06/05/014
Alexza Pharmaceuticals	Pharma & biotech	Update	02/06/14
Alkane Resources	Mining	Outlook	13/08/14
Allergy Therapeutics	Pharma & biotech	Update	14/04/14
Allocate Software	Technology	Update	16/06/14
All Star Minerals	Mining	Update	04/09/12
Amur Minerals	Mining	Outlook	08/10/13
Anglesey Mining	Mining	Update	04/12/13
Animalcare Group	Pharma & biotech	Outlook	23/04/14
Antofagasta	Mining	Update	11/11/13
Arbuthnot Banking Group	Financials	Update	31/07/14
Ariana Resources	Mining	Update	07/08/14
Arian Silver	Mining	Update	07/04/14
Armour Group	Electronics & electrical Equipment	Update	07/12/11
ArQule	Pharma & biotech	Update	13/06/14
Arrowhead Research	Pharma & biotech	Update	03/07/14
artnet	Media	Update	16/05/14
Ashley House	Property	Update	27/07/12
Aspermont	Media	Update	11/04/14
Athersys	Pharma & biotech	Update	06/05/14
Atlantic Gold	Mining	Outlook	21/11/12
Augean	Industrial Support Services	Update	24/07/14
Aurcana Corporation	Mining	Flash	17/12/12
Aureus Mining	Mining	Flash	11/09/12
Aurizon Mines	Mining	Update	15/03/13
Avalon Rare Metals	Mining	Update	16/06/14
Avesco Group	Media	Update	17/06/14
Avingtrans	Industrial engineering	Update	18/09/12
Avnel Gold Mining	Mining	Initiation	29/04/14
Avon Rubber	Aerospace & defence	Update	23/07/14
Azonto Petroleum	Oil & gas	Initiation	06/06/14
Banca IFIS	Financials	Update	05/08/14
Baobab Resources	Mining	Flash	04/03/13
Bavarian Nordic	Pharma & biotech	Update	27/03/14
BB Biotech	Investment companies	Review	21/07/14
Bellus Health	Pharma & biotech	Update	17/01/14
Bezant Resources	Mining	Update	15/12/11
BioAlliance Pharma	Pharma & biotech	Outlook	23/07/14
BioInvent	Pharma & biotech	Update	26/02/14

Company	Sector	Most recent note	Date published
BioLineRx	Pharma & biotech	Update	18/08/14
Bionomics	Pharma & biotech	Update	10/03/14
Bionor Pharma	Pharma & biotech	Update	26/08/14
Biotech Growth Trust (The)	Investment trusts	Review	25/06/14
Biotie Therapies Corp	Pharma & biotech	Update	15/07/14
BlackRock Hedge Selector	Investment Companies	Initiation	19/03/14
BlackRock Latin American Inv. Trust	Investment companies	Review	21/08/14
blur Group	Technology	Update	16/07/14
Borussia Dortmund	Travel and leisure	Update	22/08/14
Bowleven	Oil & gas	Initiation	18/07/14
BrainJuicer	Media	Update	16/07/14
Brewin Dolphin	Asset management	Outlook	12/12/12
Brady	Technology	Flash	22/07/14
Bridge Energy	Oil & gas	Update	11/09/13
Brightside Group	Financials	Update	16/12/13
British Polythene Industries	Basic industrial	Update	14/07/14
Brunner Investment Trust	Investment companies	Investment company review	04/06/14
BTG	Pharma & biotech	Update	17/07/14
Bushveld Minerals	Mining	Update	29/07/14
Byotrol	Basic Industries	Update	01/02/12
Canadian General Investments	Investment companies	Investment trust review	03/06/14
Canadian Overseas Petroleum Limited	Oil & Gas	Update	06/05/14
Caledonia Mining	Mining	Update	22/08/14
Can-Fite BioPharma	Pharma & biotech	Update	01/07/14
Cap Energy	Oil & Gas	Initiation	30/04/14
Carador Income Fund	Investment companies	Update	17/06/13
Carbon Energy	Oil & gas	Initiation	02/06/14
Cardio3 BioSciences	Pharma & biotech	Update	23/06/14
CARMAT	Pharma & biotech	Initiation	11/08/14
Carr’s Milling Industries	Food & Drink	Update	16/07/14
Cenkos Securities	Financials	Update	17/04/14
Celamin Holdings	Mining	Update	15/11/12
CENIT	Technology	Initiation	21/05/14
Central Asia Metals	Mining	Update	01/05/14
Central Petroleum	Oil & gas	Update	03/05/13
Champion Iron	Mining	Initiation	18/08/14
Chatham Rock Phosphate	Mining	Update	29/05/14
Circadian Technologies	Pharma & biotech	Update	05/09/13
Circle Holdings	Pharma & biotech	Update	27/02/14
City Natural Resources	Investment companies	Investment trust review	05/06/14
City of London Group	Investment companies	Update	01/04/14
ClearStream Technologies Group	Pharma & biotech	Update	22/06/11
Cleveland BioLabs	Pharma & biotech	Update	19/11/13
Clinigen	Pharma & biotech	Update	25/07/14
CloudTag	Electronics & electrical Equipment	Update	24/04/14
CML Microsystems	Technology	Update	10/06/14
Communisis	Consumer support services	Outlook	29/01/13
Comptel	Technology	Update	18/02/14
Condor Gold	Mining	Flash	04/04/14
Consort Medical	Pharma & biotech	Outlook	21/07/14
Conviviality Retail	General retailers	Update	21/07/14
CQS Rig Finance	Investment companies	Investment company review	14/06/12
Creston	Media	Update	31/07/14
Cupid	Media	Update	19/07/13
Cyan Holdings	Technology	Flash	17/05/12
Cytec Industries	Aerospace and defence	Update	27/03/14
Cytori Therapeutics	Pharma & biotech	Update	20/03/14

Company	Sector	Most recent note	Date published
CytRx Corporation	Pharma & biotech	Update	12/06/14
DBV Technologies	Pharma & biotech	Update	27/05/14
DDD Group	Technology	Update	24/09/13
Dechra Pharmaceuticals	Pharma & biotech	Update	22/05/14
Deinove	Alternative Energy	Update	03/06/14
Deltex Medical	Pharma & biotech	Update	18/02/14
Derma Sciences	Pharma & biotech	Update	22/05/14
Deutsche Beteiligungs	Investment companies	Update	19/02/14
Diaxonhit	Pharma & biotech	Update	04/03/14
Dillistone Group	Technology	Update	26/09/12
Diverse Income Trust (The)	Investment companies	Investment company review	19/08/14
DRDGOLD	Mining	Update	28/10/13
Duluth Metals	Mining	Update	22/08/14
Dunedin Enterprise Investment Trust	Investment companies	Update	19/05/14
DX Group	Industrials	Initiation	28/02/14
Ebiquity	Media	Flash	06/02/14
Eckoh	Technology	Flash	13/08/14
Egdon Resources	Oil & gas	Update	30/05/14
EMED Mining	Mining	Update	23/09/13
Emulex	Technology	Update	12/02/14
Endace	Technology	Update	09/10/12
Entertainment One	Media	Update	23/07/14
EnWave Corporation	Technology	Update	11/07/13
Epwin Group	Industrials	Update	24/07/14
Erytech Pharma	Pharma & biotech	Update	31/07/14
Esker	Technology	Flash	16/07/14
Esko Bionics	Technology	Initiation	30/07/14
e-Therapeutics	Pharma & biotech	Outlook	30/06/14
Euromax Resources	Mining	Update	19/06/14
Euromoney Institutional Investor	Media	Update	24/07/14
European Assets Trust	Investment companies	Investment company review	01/04/14
European Investment Trust (The)	Investment companies	Investment trust review	03/04/14
Evolva	Pharma & biotech	Update	10/03/14
Evolving Systems	Technology	Update	22/08/13
Evotec	Pharma & biotech	Outlook	04/02/14
Fair Value REIT	Property	Update	05/08/14
Falkland Oil and Gas	Oil & gas	Outlook	06/12/13
Fastnet Oil & Gas	Oil & gas	Update	10/04/14
Fidelity European Values	Investment companies	Investment company review	06/02/14
Firstextile	General Retailers	Flash	22/05/14
Finsbury Growth & Income Trust	Investment trusts	Investment trust review	12/06/14
Flowtech Fluidpower	Industrial Support Services	Update	08/08/14
Foreign & Colonial Investment Trust	Investment trusts	Investment trust review	12/03/14
Forterra Trust	Property	Update	14/08/14
Forum Energy	Oil & gas	Update	01/05/12
Frontline Gold	Mining	Flash	08/11/11
Fulcrum Utility Services	Specialty finance	Update	03/12/12
Fusionex International	Technology	Initiation	16/06/14
Futura Medical	Pharma & biotech	Update	13/03/14
Gable Holdings	Financials	Update	21/05/14
Gaming Realms	Gaming	Flash	16/06/14
Gasol	Oil & gas	Update	29/10/12
GB Group	Technology	Update	02/07/14
Geiger Counter	Investment trusts	Investment trust review	30/07/14
Gemfields	Mining	Update	24/04/13
GFT Group	Technology	Update	11/08/14
GLG Life Tech	Pharma & biotech	Update	20/08/14

Company	Sector	Most recent note	Date published
Global Bioenergies	Alternative Energy	Update	14/02/14
Global Resources Investment Trust	Investments trusts	Initiation	06/05/14
Gold One	Mining	Update	08/11/13
Golden Prospect Precious Metals	Investment companies	Investment company review	13/03/14
Gold Road Resources	Mining	Update	03/10/13
Grand City Properties	Property	Update	20/08/14
Green Dragon Gas	Oil & gas	Update	20/05/14
GLI Finance	Financials	Update	27/03/14
Greka Drilling	Oil & gas	Update	17/12/13
Gulf Keystone Petroleum	Oil & gas	Outlook	13/03/14
Gunson Resources	Mining	Update	13/03/13
GVC Holdings	Travel & Leisure	Update	15/07/14
GW Pharmaceuticals	Pharmaceuticals & biotech	Update	19/05/14
Halozyme Therapeutics	Pharmaceutical & Healthcare	Update	20/08/14
Hambledon Mining	Metals & Mining	Flash	31/10/13
Hansa Trust	Investment companies	Investment trust review	09/06/14
HarbourVest Global Private Equity	Listed private equity	Update	22/01/13
Hawkley Oil & gas	Oil & gas	Outlook	06/07/12
Helius Energy	Electricity	Outlook	21/06/12
Henderson Far East Income Limited	Investment trusts	Outlook	13/02/14
Henderson Fledgling Trust	Investment trusts	Investment trust review	28/09/11
Henderson Global Trust	Investment trusts	Investment trust review	10/03/14
Henderson Group	Asset managers	Institutional update	04/03/13
Henderson International Income Trust	Investment trusts	Investment trust review	09/12/11
Hogg Robinson Group	Consumer Support services	Update	25/07/14
H R Owen	Automotive Retailers	Update	01/04/14
HSBC	Financials	Update	11/08/14
Hutchison China Meditech	Pharma & biotech	Update	04/08/14
Hybrigenics	Pharma & biotech	Outlook	16/06/14
Hydrodec Group	Oil & gas	Flash	01/08/14
i-design	Media	Outlook	20/12/12
ifa systems	Software & comp services	Initiation	16/06/14
Infrastructure India	Investment companies	Update	11/02/14
IFG Group	Financials	Outlook	09/06/14
Ilika	Alternative energy	Review	10/01/12
Imperial Innovations	Financials	Update	10/07/14
Innate Pharma	Pharma & biotech	Update	21/03/14
Innovation Group	Technology	Update	06/06/14
Inspired Energy	Industrial Support Services	Initiation	08/05/14
International Biotechnology Trust	Investment trusts	Investment trust review	20/12/13
International Greetings	Consumer Support Services	Outlook	02/07/14
Invesco Asia Trust	Investment trusts	Update	26/06/14
InVision	Technology	Update	13/05/14
IPB Petroleum	Oil & Gas	Outlook	17/02/14
IQE	Electronics & electrical equipment	Update	29/07/14
Is Private Equity	Investment companies	Update	07/03/14
IS Solutions	Technology	Outlook	12/06/14
Is Yatirim Menkul Degerler	General financial	Update	15/08/14
Japan Residential Investment Company	Real estate	Update	11/08/14
JP Morgan European Smaller Comps	Investment companies	Investment trust review	13/06/14
JP Morgan Gbl Convertibles Inc Fund	Investment companies	Investment trust review	01/08/14
JP Morgan Indian Investment Trust	Investment trusts	Investment trust review	06/01/14
JP Morgan Private Equity	Investment Companies	Initiation	23/04/14
K3 Business Technology Group	Technology	Update	14/07/14
KTG Energie	Industrials	Initiation	28/07/14
Konsberg Automotive	Industrials	Update	14/07/14
La Doria	Food & Drink	Flash	15/05/14

Company	Sector	Most recent note	Date published
Leaf Clean Energy Company	Investment companies	Outlook	28/10/13
LeMaitre Vascular	Pharma & biotech	Update	21/05/14
Liquefied Natural Gas Ltd	Oil & Gas	Update	20/08/14
Lochard Energy Group	Oil & gas	Outlook	20/05/11
Lok'nStore Group	Support services	Outlook	19/06/12
Lookers	General retailers	Outlook	21/08/14
Lombard Medical Technologies	Pharma & biotech	Update	20/01/14
London Stock Exchange Group	Financials	Outlook	28/05/14
Low & Bonar	Basic Industries	Update	25/07/14
LSL Property Services	Property	Update	13/08/14
Lupus Capital	Construction & materials	Update	14/12/12
Madagascar Oil	Oil & gas	Outlook	03/06/14
MagForce	Pharma & biotech	Flash	10/07/14
Management Consulting Group	Support services	QuickView	06/08/12
Marti Otel Isletmeleri	Hotels and Restaurants	Update	30/03/12
Marti REIT	Real estate	Update	26/07/12
Martin Currie Global Portfolio Trust	Investment companies	Investment company review	08/05/14
Mast Therapeutics	Pharma & biotech	Outlook	03/07/13
MCB Finance Group	Financials	Flash	07/05/13
MDM Engineering Group	Mining	Outlook	14/09/12
Medcom Tech	Pharma & biotech	Update	01/07/14
MedicX Fund	Property	Update	01/08/14
Medigene	Pharma & biotech	Outlook	31/07/14
MEO Australia	Oil & gas	Initiation	24/04/14
Merchants Trust (The)	Investment trusts	Investment trust review	04/06/14
Meridian Energy	Industrials	Update	07/03/14
Mesoblast	Pharma & biotech	Update	27/05/14
Midas Income & Growth Trust	Investment trusts	Review	05/06/14
Minera IRL	Mining	Update	26/11/12
Minotaur Exploration	Mining	Update	13/08/14
Miton Income Opportunities Trust	Investment trusts	Investment trust review	10/07/13
Miton Worldwide Growth Inv. Trust	Investment companies	Update	29/04/14
MMG	Mining	Flash	14/07/14
Mologen AG	Pharma & biotech	Update	23/07/14
Monitise	Technology	Flash	29/07/14
MorphoSys	Pharma & biotech	Update	11/06/14
Motive Television	Media	Outlook	23/08/12
Mwana Africa	Mining	Update	26/08/14
M Winkworth	Financial services	Initiation	29/04/14
NAHL Group	Financial services	Flash	17/07/14
Nanobiotix	Pharma & biotech	Outlook	19/06/14
Nautical Petroleum	Oil & gas	Update	30/03/12
Ncondezi Coal	Mining	Update	29/04/13
NetDimensions	Technology	Update	17/07/14
Neovacs	Pharma & biotech	Outlook	02/07/14
Newmark Security	Support Services	Outlook	09/09/13
Newron Pharmaceuticals	Pharma & biotech	Update	03/06/14
New City Energy	Investment trusts	Investment trust review	04/06/14
NewRiver Retail	Property	Update	23/08/13
New Standard Energy	Oil & gas	Update	11/06/14
Next Fifteen Communications	Media	Update	05/08/14
Nido Petroleum	Oil & gas	Update	28/01/14
Nordgold	Mining	Flash	27/01/14
North Sea Energy	Oil & gas	Update	07/02/13
Northern Dynasty Minerals	Mining	Update	03/01/14
Northern Petroleum	Oil & gas	Re-initiation	17/07/14
Norwest Energy	Oil & gas	Update	30/04/14

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Ocean Wilsons Holdings	Investment companies	Update	14/05/14
Omega Diagnostics Group	Pharma & biotech	Update	02/07/14
Oncolytics Biotech	Pharma & biotech	Update	11/06/14
Onconova Therapeutics	Pharma & biotech	Update	12/03/14
Optimal Payments	Technology	Update	09/07/14
Oracle Coalfields	Mining	Update	08/07/11
Orexo	Pharma & biotech	Update	08/08/14
Ormonde Mining	Mining	Update	24/10/12
Orosur Mining	Metals & Mining	Initiation	30/05/14
OTC Markets Group	Financial services	Update	19/05/14
Outsourcery	Technology	Update	25/07/14
Oxford BioMedica	Pharma & biotech	Outlook	17/04/14
Oxford Catalysts	Chemicals	Update	19/11/12
Pacific Assets Trust	Investment trusts	Investment trust review	05/03/14
Paion	Pharma & biotech	Outlook	04/07/14
Pan African Resources	Mining	Update	23/04/14
Pan American Goldfields	Mining	Update	24/04/13
Parex Resources	Oil & gas	Update	11/08/14
Park Group	Financial services	Outlook	23/06/14
Petrel Energy	Oil & gas	Initiation	10/07/14
Petromanas Energy	Oil & gas	Initiation	28/04/14
Phaunos Timber Fund	Investment companies	Update	04/07/14
Phylogica	Pharma & biotech	Outlook	23/01/13
Polymet Mining	Mining	Update	15/04/14
Po Valley Energy	Oil & gas	Update	25/04/14
Powerflute	Basic industries	Flash	10/04/14
PPHE Hotel Group	Travel & leisure	Flash	14/05/14
President Energy	Oil & gas	Update	24/07/14
Prima BioMed	Pharma & biotech	Update	11/06/14
Primary Health Properties	Property	Update	10/04/14
Prodware	Technology	Update	18/02/14
Proteome Sciences	Pharma & biotech	Update	26/03/14
PSI	Technology	Update	18/08/14
Psion	Technology	Update	08/05/12
Public Service Properties Investments	Property	Update	03/01/13
PXP Vietnam Fund	Investment trusts	Investment trust review	12/12/12
QinetiQ Group	Aerospace & Defence	Update	28/05/14
Quadrise Fuels International	Oil & gas	Update	07/07/14
Quarto Group (The)	Media	Update	14/08/14
Quercus Publishing	Media	Update	01/10/13
Quintain Estates & Development	Property	Update	16/08/13
Quixant	Electronics & electrical equipment	Update	25/03/14
Range Resources	Oil & gas	Update	06/06/13
Rare Element Resources	Metals & mining	Update	03/06/14
Record	Financials	Update	24/06/14
Red Rock Resources	Mining	Update	24/06/14
Regency Mines	Mining	Update	09/05/14
Regeneus	Pharma & biotech	Initiation	22/07/14
Robust Resources	Metals & mining	Initiation	23/04/14
Rockhopper Exploration	Oil & gas	Outlook	08/11/11
Rolls-Royce	Aerospace & defence	Update	14/11/13
RPC Group	Basic industries	Update	21/01/14
Rubicon	Construction & building materials	Update	12/03/14
Rurelec	Alternative energy	Initiation	12/06/14
Rutila Resources	Metals & mining	Initiation	15/06/14
S&U	Financials	Update	28/03/14

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SacOil Holdings	Oil & gas	Update	18/09/12
Safestyle UK	Construction & Building Materials	Update	31/03/14
Schroder AsiaPacific Fund	Investment trusts	Initiation	09/07/14
SCISYS	Technology	Flash	23/05/14
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SeaDragon	Food & Drink	Outlook	06/08/14
SeaEnergy	Alternative energy	Flash	11/12/13
Sealegs Corporation	Engineering	Update	21/01/14
Secure Trust Bank	Financials	Update	31/07/14
Securities Trust of Scotland	Investment companies	Investment trust review	04/04/14
Seeing Machines	Technology	Update	07/01/14
Sefton Resources	Oil & gas	Outlook	12/04/12
Seven Principles	Technology	Update	27/08/14
Secure Property	Property	Initiation	31/07/14
Severfield-Rowen	Industrial engineering	Update	19/08/14
Shanks Group	Industrial support services	Update	16/05/14
Share plc	Financials	Update	06/08/14
Sigma Capital Group	Investment companies	Update	19/12/13
Silver Wheaton	Metals & mining	Update	21/08/14
Simavita	Pharmaceutical & Healthcare	Initiation	01/05/14
Simba Energy	Oil & gas	Update	16/10/13
Single Touch Systems	Technology	Flash	30/07/14
SinnerSchrader	Technology	Update	24/07/14
SkyePharma	Pharma & biotech	Outlook	31/03/14
Slater & Gordon	Financial services	Update	26/08/14
SLI Systems	Technology	Flash	29/07/14
Smiths City Group	General Retailers	Initiation	26/08/14
Snakk Media	Media	Update	17/06/14
Snoozebox	Travel & leisure	Initiation	26/08/14
Solera	Technology	Outlook	04/08/14
Sound Oil	Oil & gas	Initiation	27/06/14
South American Silver	Metals & mining	Update	17/05/12
SpaceandPeople	Media	Update	23/04/14
Sportingbet	Travel & leisure	Update	04/10/12
SQI Diagnostics	Pharma & biotech	Update	10/04/14
StatPro Group	Technology	Update	06/08/14
Stobart Group	Support services	Outlook	11/06/14
Store Electronic Systems	Technology	Flash	06/08/14
Stratec Biomedical	Pharma & biotech	Update	10/01/14
Strategic Equity Capital	Investment Companies	Investment trust review	04/03/14
STV Group	Media	Outlook	09/07/14
Sucampo Pharmaceuticals	Pharma & biotech	Update	10/09/13
Sumatra Copper & Gold	Metals & mining	Update	01/10/13
Sunesis Pharmaceuticals	Biotechnology	Update	03/04/13
Sygnis Pharma	Pharma & biotech	Update	06/06/14
Syndicated Metals	Mining	Outlook	09/01/13
Synta Pharmaceuticals	Pharma & biotech	Update	27/06/13
Taiwan Fund (The)	Investment companies	Outlook	02/08/13
Tangiers Petroleum	Oil & gas	Initiation	30/05/14
Templeton Emerging Markets	Investment trusts	Investment trust review	07/07/14
Tenon	Building materials	Update	26/02/14
TESARO	Pharma & biotech	Update	10/06/14
Tethys Petroleum	Oil & gas	Initiation	07/07/14
Thin Film Electronics	Technology	Flash	26/08/14
Thunderbird Resorts	Travel & Leisure	Flash	15/05/14
TiGenix	Pharma & biotech	Update	11/07/14
TopoTarget	Pharma & biotech	Update	10/02/14

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Tourism Holdings	Travel & leisure	Initiation	28/08/14
TransAtlantic Petroleum	Oil & gas	Update	11/0814
Transgene	Pharma & biotech	Update	02/06/14
Treatt	Basic Industries	Update	20/05/14
Trifast	Engineering	Outlook	18/06/14
TXT e-solutions	Technology	Update	11/08/14
Tyman	Construction & materials	Update	31/03/14
Ubisense Group	Technology	Flash	23/01/14
Ultra Electronics	Aerospace & defence	Update	11/08/14
Utilico Emerging Markets	Investment Companies	Update	10/07/14
Utilitywise	Industrial Support Services	Outlook	22/08/14
VASCO Data Security	Technology	Update	31/07/14
Vectura	Pharma & biotech	Update	28/11/12
Velocys	Oil equipment & services	Update	30/06/14
Verastem	Pharma & biotech	Update	19/07/13
Verisante Technology	Healthcare equipment & services	Initiation	02/06/14
Veris Gold	Mining	Outlook	10/09/13
Vernalis	Pharma & biotech	Update	14/04/14
Vertu Motors	Automotive retailers	Update	12/05/14
Victoria Oil & gas	Oil & gas	Update	15/02/13
Vietnam Infrastructure Fund	Investment companies	Update	22/04/13
VinaCapital Vietnam Opportunity Fund	Investment companies	Update	22/04/13
Viralytics	Pharma & biotech	Update	05/06/14
Virtual Piggy	Technology	Update	30/06/14
Vislink	Tech hardware & equipment	Outlook	06/05/14
VinaLand	Investment companies	Investment trust review	27/01/14
Volex	Electronics & electrical equipment	Update	17/06/14
W Resources	Mining	Flash	04/08/14
Walker Greenbank	General Industrials	Update	05/08/14
WAM Active	Investment companies	Initiation	22/04/14
WAM Capital	Investment companies	Initiation	22/04/14
WAM Research	Investment companies	Initiation	14/04/14
WANdisco	Technology	Update	25/07/14
WestSide Corporation	Oil & gas	Initiation	05/06/14
Wilex	Pharma & biotech	Update	24/07/14
Witan Investment Trust	Investment Trusts	Investment trust review	28/07/14
Witan Pacific Investment Trust	Investment Trusts	Investment trust review	15/07/14
Worldwide Healthcare Trust	Investment companies	Investment trust review	17/03/14
Woulfe Mining	Mining	Outlook	27/03/12
WYG	Industrial support services	Update	16/06/14
Xaar	Electronics & electrical equipment	Update	23/06/14
Xcite Energy	Oil & gas	Update	25/06/14
XP Power	Electronic & electrical equipment	Update	28/07/14
YouGov	Media	Update	03/04/14
Zambeef Products	Food & Drink	Update	26/06/14
Zanaga Iron Ore Company	Mining	Update	18/08/14
Zeltia	Pharma & biotech	Initiation	30/07/14
Zetar	Food producers	Outlook	26/07/12

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