

Numis

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Investor presentation

Full Year Results 2019

Income statement

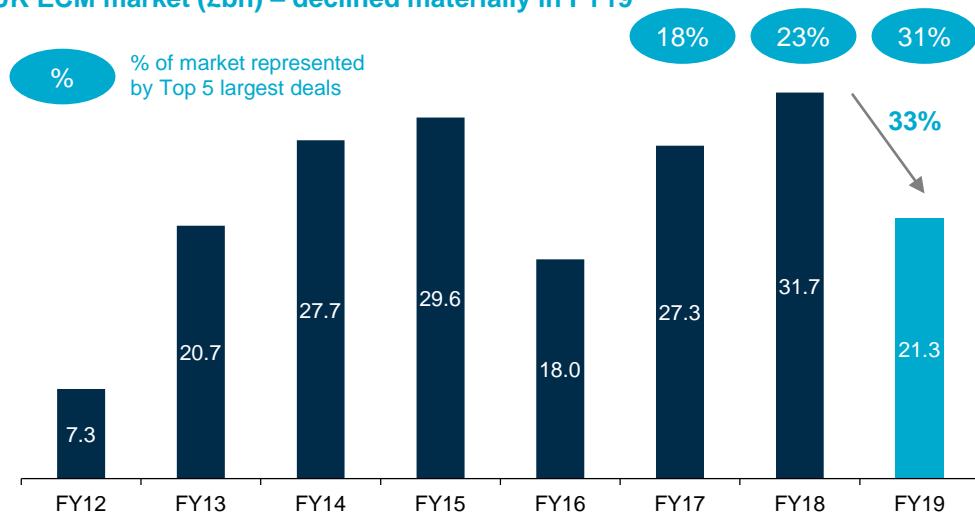
£'000	2019	2018	Change (%)
Revenue ⁽¹⁾	111,610	136,047	(18.0%)
Investment Income	(2,210)	1,733	(227.5%)
Staff costs ⁽²⁾	64,543	75,326	(14.3%)
Non-staff costs	32,971	31,022	6.3%
Operating profit	11,886	31,432	(62.2%)
Underlying Operating profit	14,096	29,698	(52.5%)
PBT	12,436	31,644	(60.7%)
Net income	9,326	26,677	(65.0%)
EPS (pence) ⁽³⁾	8.8p	25.1p	(64.9%)
Dividend (pence)	12.0p	12.0p	0.0%
Net Assets	138,154	143,136	(3.5%)
Cash and cash equivalents	84,202	111,673	(24.6%)
Underlying Operating profit margin	12.6%	21.8%	(9.2ppts)

FY 19 Highlights

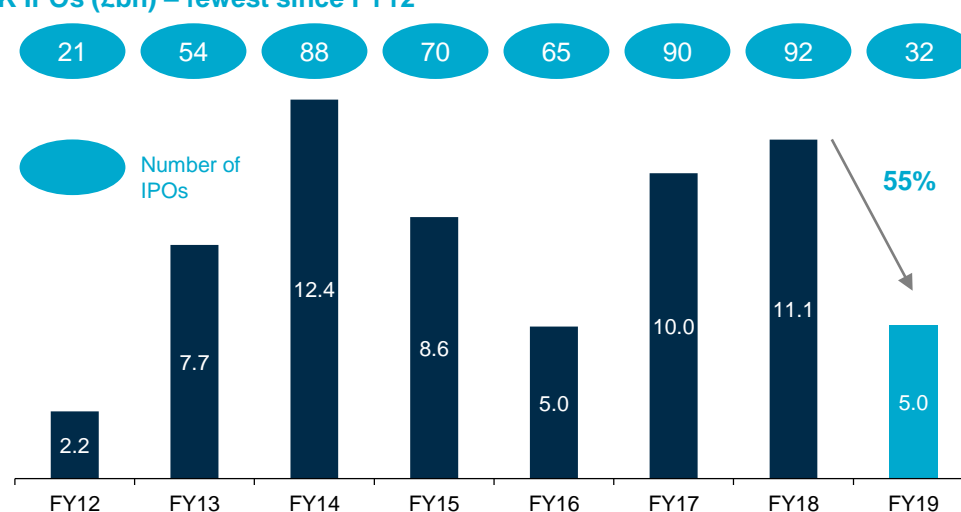
- Challenging market backdrop. Revenue performance -18.0% vs a record revenue comparative FY 2018
 - IB revenues -16.1%
 - Equities revenue -21.4%
- Operating margin of 12.6% (FY 18: 21.8%)
- Full year dividend maintained at 12.0p for 4th consecutive year
- Cash spend on share repurchases in the period total £12.0m (FY18: £16.3m)
- Continued development of the corporate franchise – 217 clients (54 FTSE350), with an average market cap of £888m
- Improved contribution from Private market deals
- Encouraging start to FY20

Market backdrop

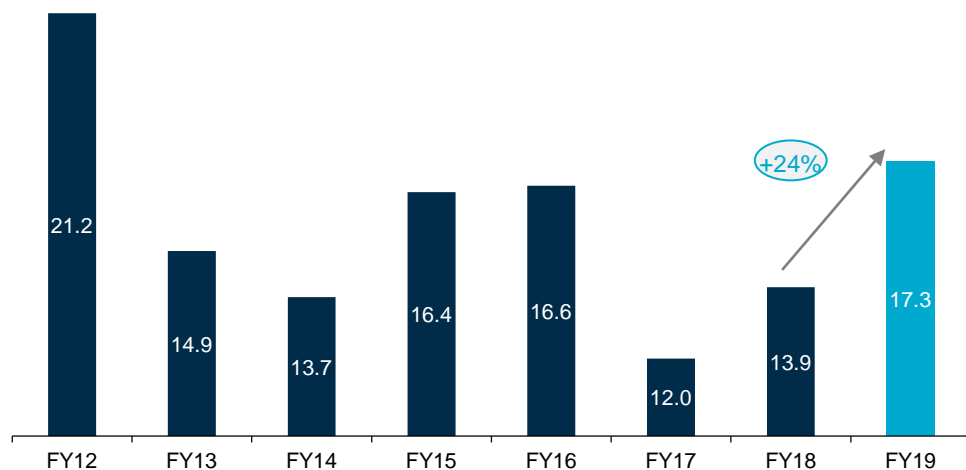
UK ECM market (£bn) – declined materially in FY19



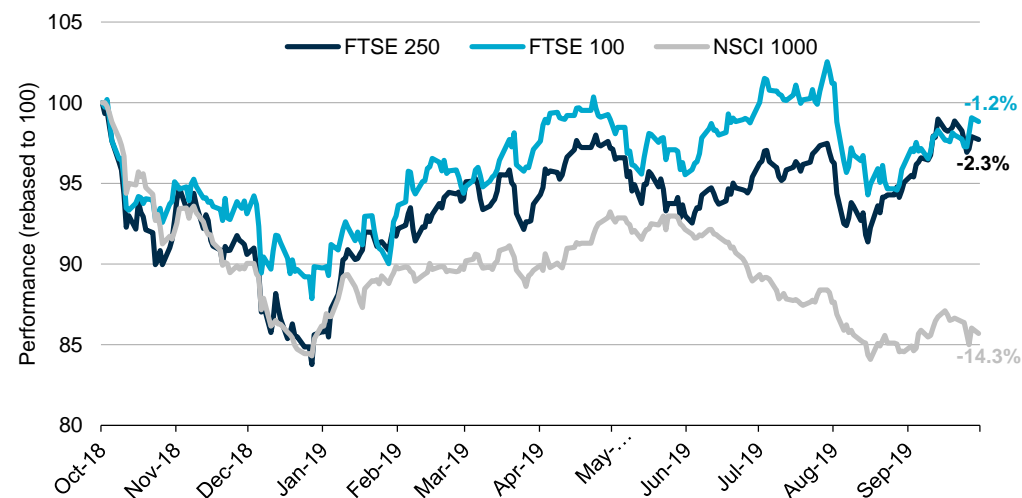
UK IPOs (£bn) – fewest since FY12



UK Market volatility - highest since FY12

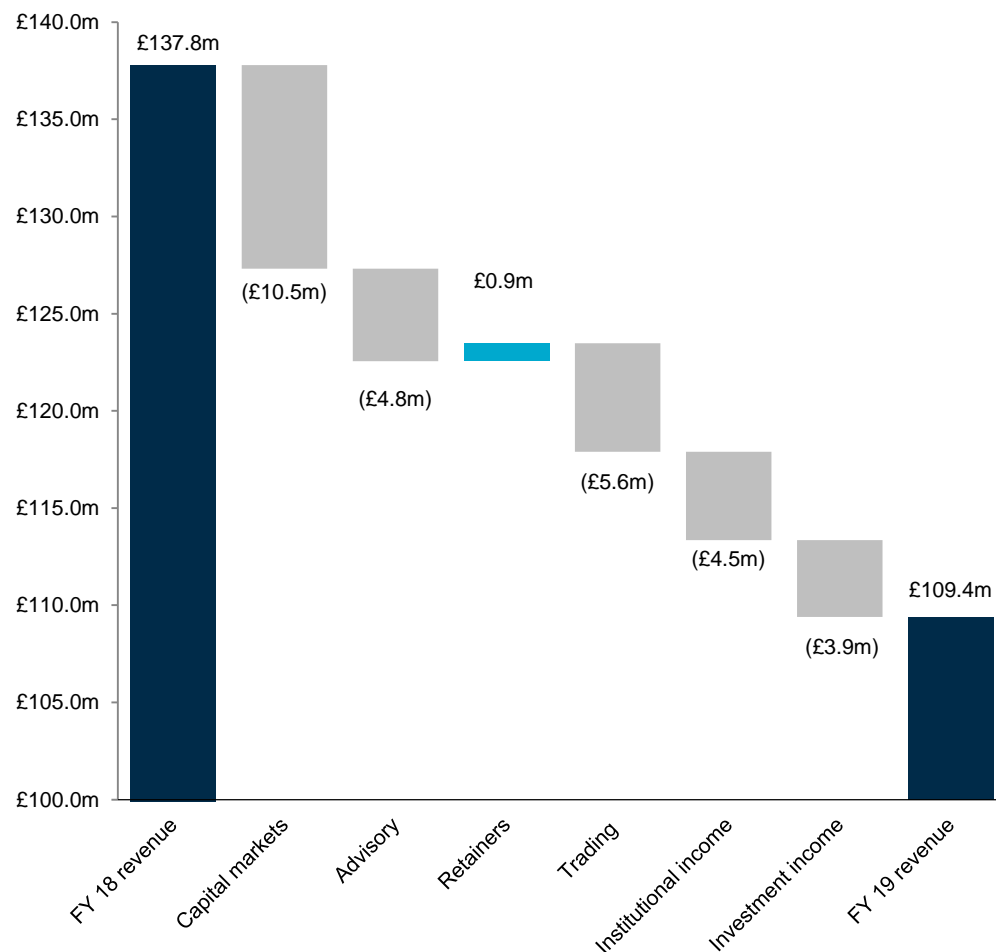


Equity Market Performance – small caps underperformed



Revenue analysis

Revenue bridge FY 18 – FY 19



FY 19 Revenue analysis

£m	FY19	FY18	Change
Total revenue	109.4	137.8	(20.6%)
Capital markets	48.4	58.8	(17.8%)
Advisory	12.6	17.3	(27.5%)
Retainers	13.4	12.4	7.5%
IB Revenue	74.3	88.6	(16.1%)
Trading	4.0	9.6	(58.2%)
Institutional income	33.3	37.9	(12.0%)
Equities Revenue	37.3	47.5	(21.4%)
Investment income	(2.2)	1.7	(227.5%)

- Market conditions impacted all revenue lines
- IB impacted by weaker deal volumes and lower average deal fees
- Equities decline over the period reflective of lower volumes and increased volatility
- Lower investment income due to unfavourable valuation movements of portfolio investments

Cost base controlled

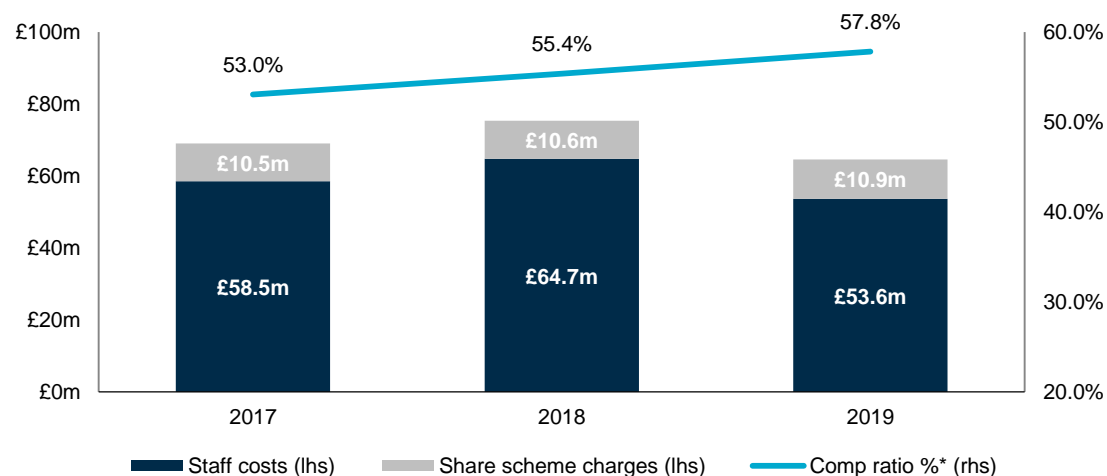
Costs analysis

Total costs £m	FY19	FY18	Change
Staff costs	64.5	75.3	(14.3%)
Non-staff costs	33.0	31.0	6.3%
Operating Margin %	12.6%	21.8%	(9.2ppts)

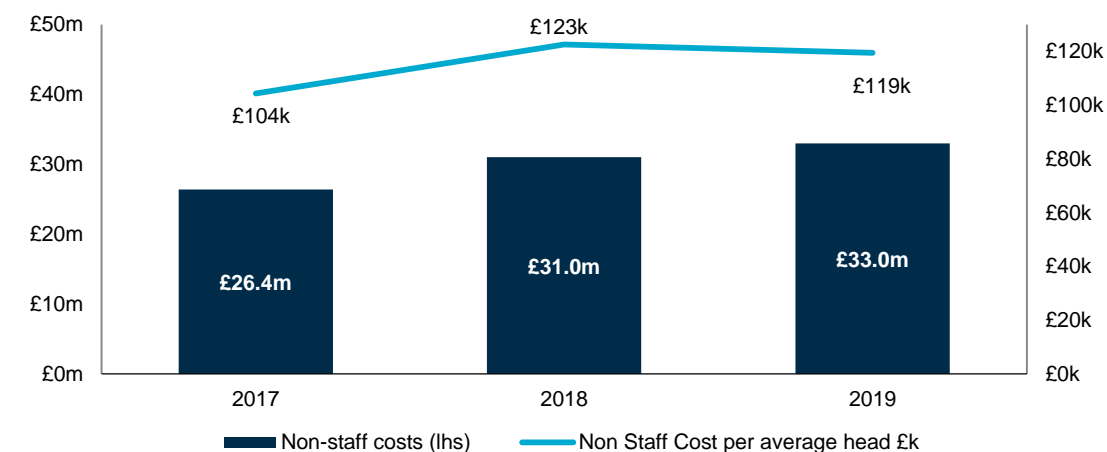
Headcount	FY19	FY18	Change
Period End	277	273	4
Average over 12 month period	276	253	23

- Average headcount increased by 9% reflecting hiring activity at the end of FY18
- Hiring activity reduced in FY19 due to market conditions – commitment graduate programme (9 hires in FY19)
- Staff costs decrease attributable to lower variable compensation provision due to the weaker revenue performance
- Non-staff costs reflect higher information and data costs, partly attributable to higher headcount
- Office move planned for FY21 – new lease commences end of FY20

Staff costs

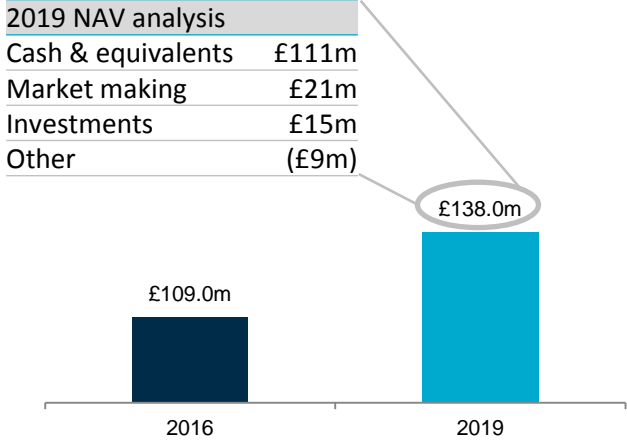


Non-staff costs

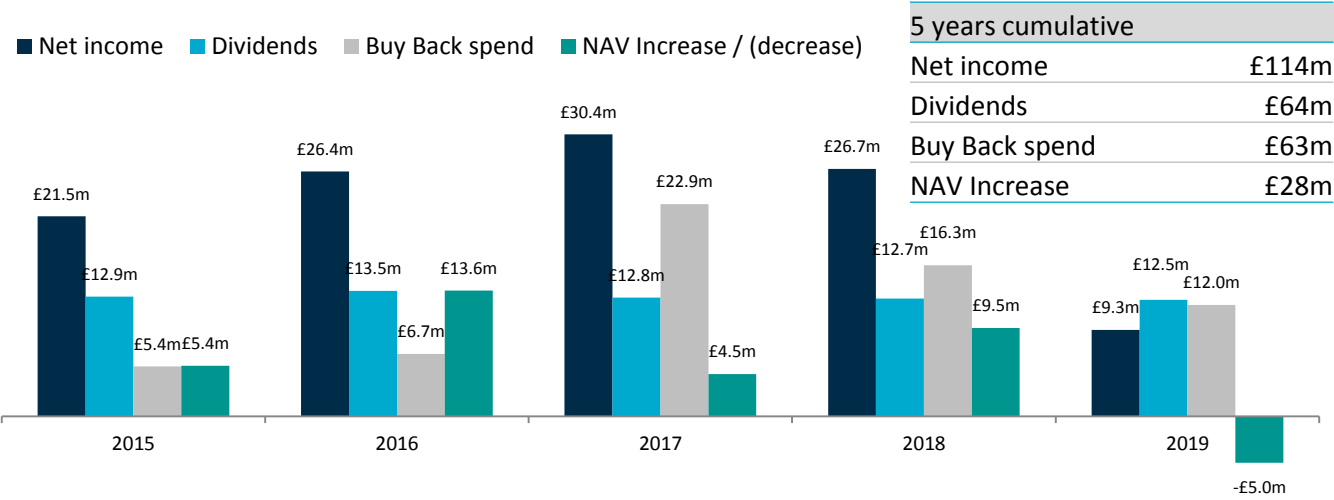


Balance sheet and returns

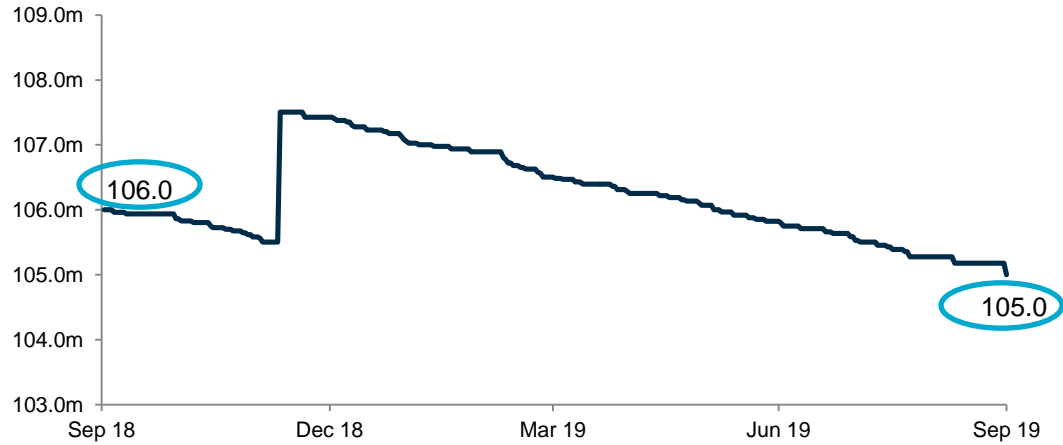
Balance sheet underpinned by cash



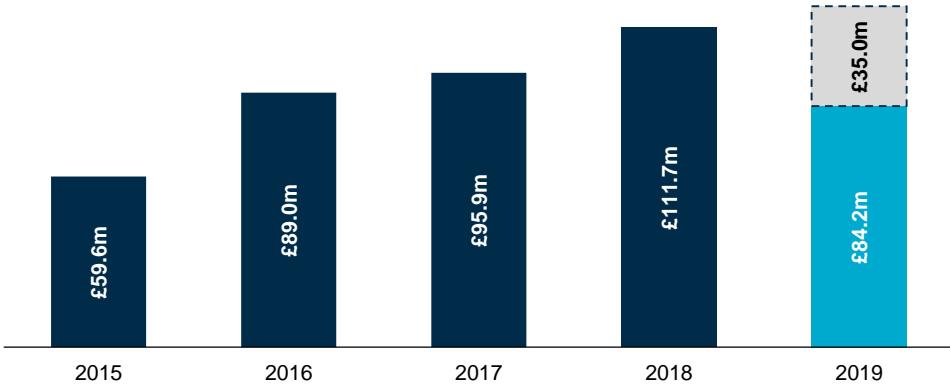
Strong capital position established materially in excess of regulatory requirements



Share count (ISC net of treasury, inclusive of EBT)

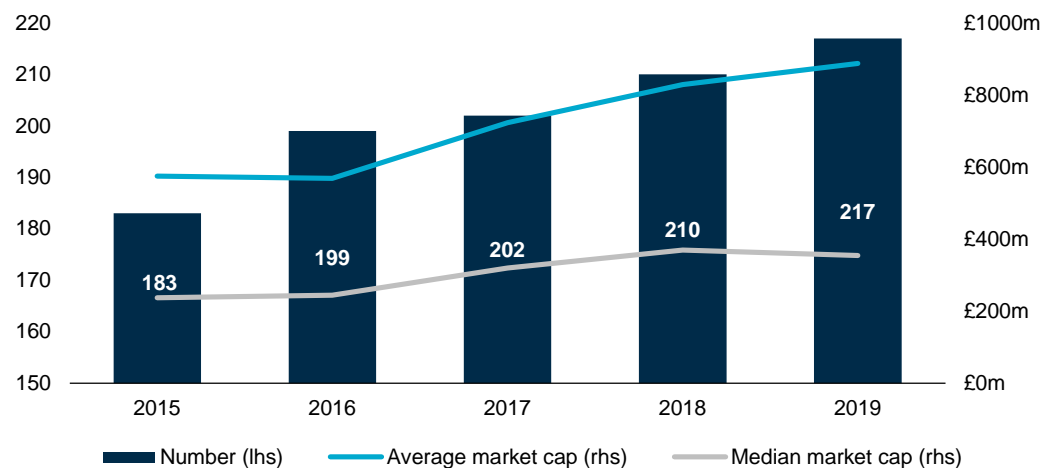


Liquidity position remains strong – enhanced by new RCF

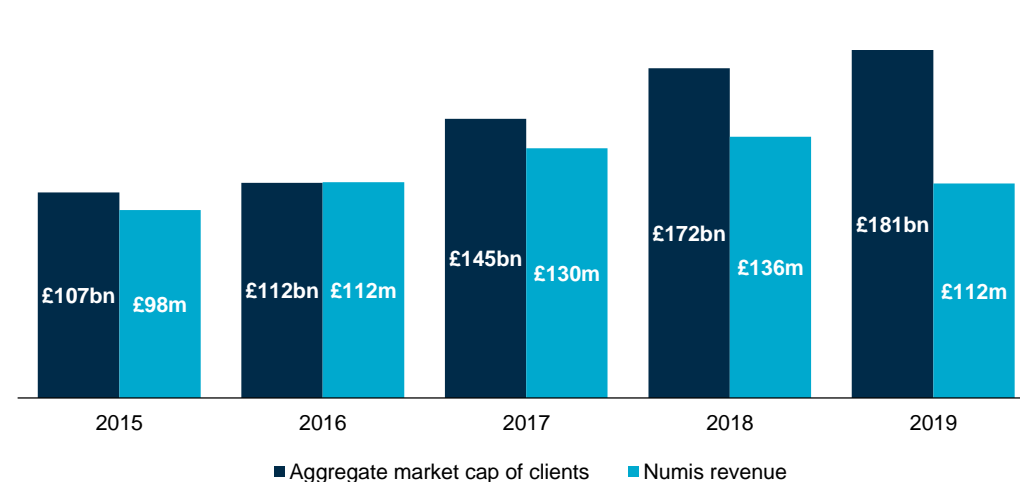


Corporate client base growth

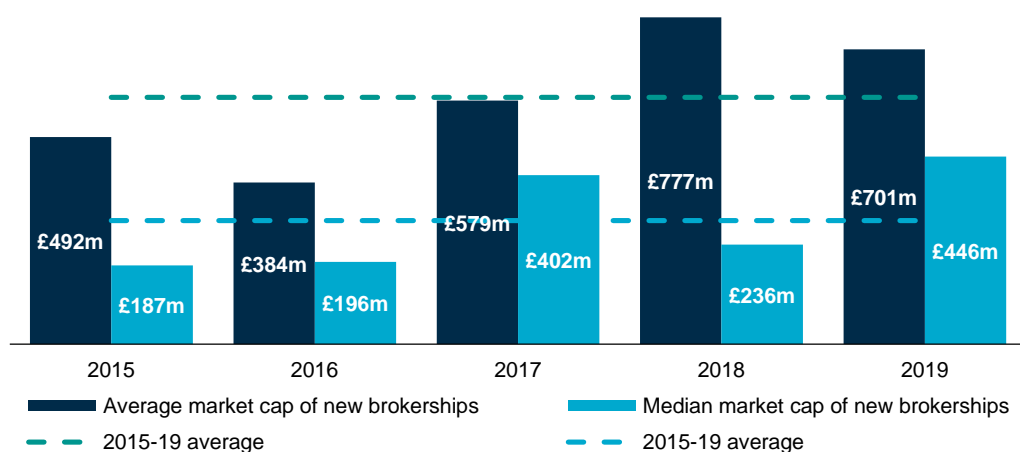
Growth in number and size of client base



Aggregate market cap of clients vs Numis revenue



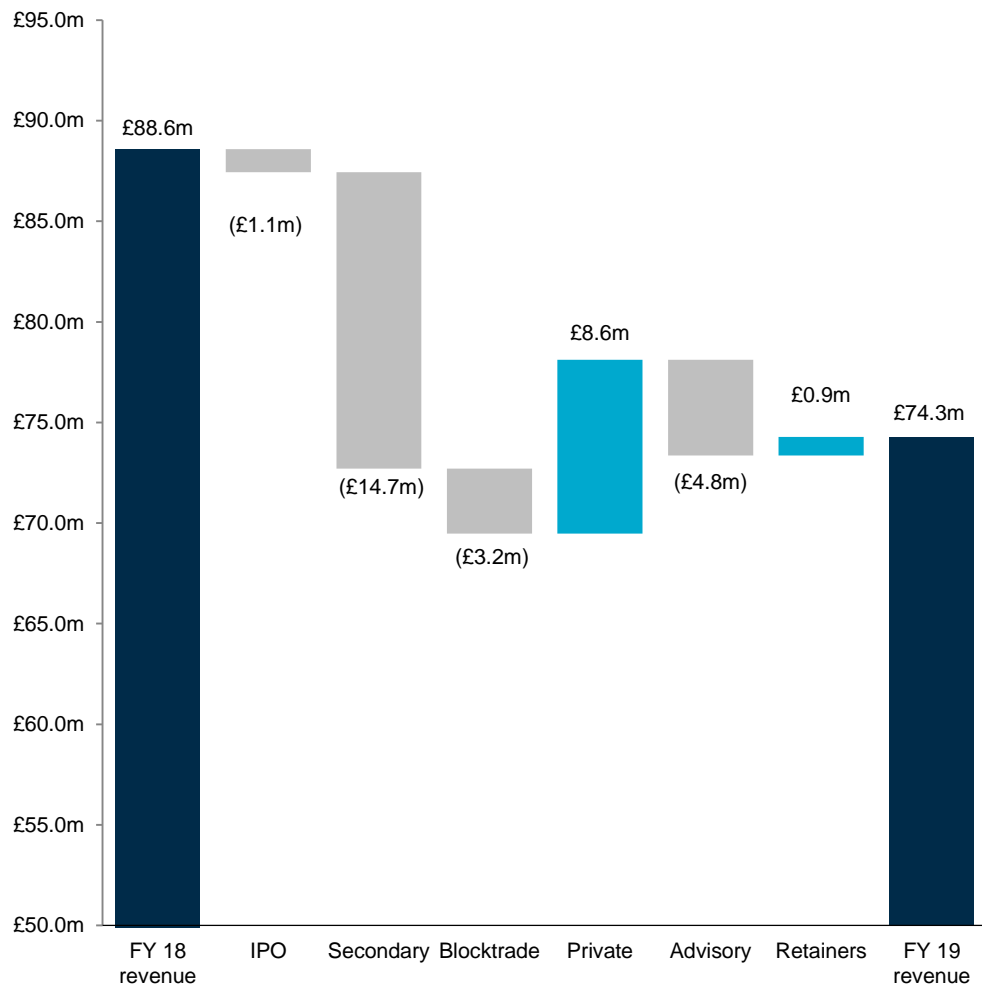
Average and median market cap of new corporate clients



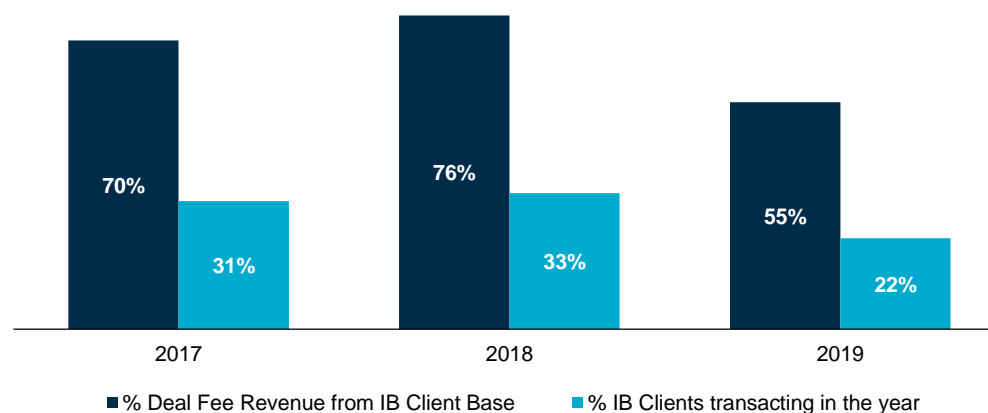
- Market volatility has prompted opportunities to develop the client base
- Wins in the period include Fever-Tree, Euromoney and Elementis – further wins expected before end of 2019
- Diversity of client base by sector and size limits concentration risk in deal pipeline

Investment Banking performance

IB revenue bridge FY 19 vs FY 18



Decline in client activity levels



- Enhanced quality of the corporate client base increases the resilience of our business
- Significant decline in client activity throughout FY19
- Lower volume of deals and skewed to lower value deals impacting average deal fees
- Limited bid activity amongst corporate client base in FY19
- Improvement in private markets performance – an area of structural growth

Growth opportunities

Leveraging our existing client base to diversify revenue and deliver growth

M&A

Market opportunity for Numis

- UK M&A market is significantly larger than UK ECM market
- Embedded fee opportunity from retained client base and non-client opportunities

Our strategy to execute

- Evolve from broker, to trusted adviser across more corporate clients
- Leverage corporate client list and captive M&A pipeline – as well as debt advisory capabilities
- IB hiring focused on M&A skillsets and strategic advisory capability
- Build out M&A track record beyond bid defence to capture more PTPs and buyside

The Numis advantage

- Unrivalled connectivity with institutional shareholders
- Strong execution capabilities
- Broad network of Executive and NED relationships

FY19 Revenue

- £13m

Private markets

Market opportunity for Numis

- European private fund raising market has grown >2x in last 3 years
- Continued allocation of institutional capital to private markets in UK and globally

Our strategy to execute

- Focus on late stage primary capital raisings for high quality private companies – globally
- Facilitate meaningful secondary transactions
- Leverage sector knowledge across IB and Research combined with execution capability
- Continue to enhance coverage of the leading global investors

The Numis advantage

- Track record being established
- No established players in this new market
- Significant investment in key investor relationships already made

FY19 Revenue

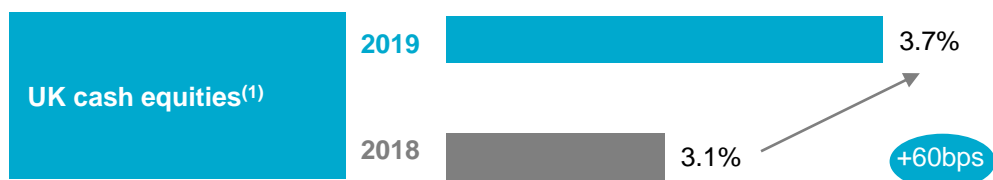
- £9m

Equities

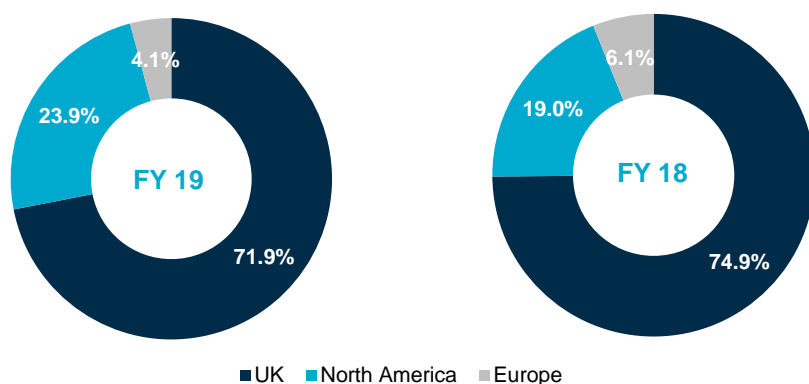
Institutional income (incl. research) and trading gains

£m	H1 19	H2 19	FY 19	FY 18	Change
Institutional income	15.8	17.5	33.3	37.9	(12.0%)
Trading gains	1.1	2.9	4.0	9.6	(58.2%)
Equities Revenue	16.9	20.4	37.3	47.5	(21.4%)

Numis market share



Institutional income by region



- Institutional income 12.0% lower than FY 18 reflecting lower volumes in the UK and lower activity levels from UK long only accounts
- Research payments remain robust with Cal. 2019 expected to be in line with 2018 despite widespread budget cuts – won Extel survey for 7th consecutive year
- Market share growth in UK equities
- Increase number of leading institutional clients recognise Numis as their number 1 UK broker
- Trading performance below prior year but includes loss associated with underwriting of Kier rights issue. Strong start to FY20









Electronic trading – new product for FY20

- Experienced team with proven track record
- Targeting launch during Jan/ Feb
- Access to a structural growth market currently not served by Numis – c. 2/3 of UK market by volume is now Electronic
- Complements our strong high-touch offering and market position
- Opportunity to establish trading relationships with new clients – particularly outside the UK

Strategic progress

Building a stronger platform to capture greater market share and revenue in adjacent markets

Platform progress

	2016	2019
Staff	213	276
Clients (Average mkt cap £569m vs £888m)	199	217
FTSE350 clients	45	54
Sector focused Investment Banking		
M&A prioritised		
Event driven		
Electronic trading		

Commitment to employees

Recruitment

- ✓ Lateral recruitment mainly being replacements or investment in new product areas
- ✓ 5 internal moves to new departments / roles
- ✓ Diversity in recruitment focus – 36% of new hires in 2019 have been female

Retention

- ✓ 3% regrettable attrition
- ✓ 22% of employees have been with Numis for greater than 10 years

Promoting values

- ✓ Released our corporate values this year and integrated them into the way we reward employees
- ✓ Continued investment in high value / initiatives such as the diversity and inclusion speaker series

Investing junior talent

- ✓ Continued focus on our headcount pyramid
- ✓ 9 Graduates hired in the year
- ✓ 16 summer interns
- ✓ +500 applicants
- ✓ 8 interns offered and accepted to FY20 intake
- ✓ 15 dedicated days of bespoke learning, development and integration programme

Learning and development

- ✓ Management focus talent planning
- ✓ Continued investment in high impact, bespoke training per department
- ✓ 33 Professional accreditations sponsored
- ✓ Leveraging internal knowledge base with Leader as coach series

Wellness and community

- ✓ Updated our maternity policy and released new benefits such as group income protection and Best Doctors
- ✓ FY19 focus on mental health, wellness and personal resilience including partnership with the Charlie Waller Memorial Trust and Wellness London

Numis' high performance culture is an attractive home for motivated and ambitious individuals...



...employees are engaged, and committed to working collaboratively and creatively to achieve success...



...and we continue to distinguish ourselves through our partnership focused culture and long-term relationships of trust





















Current trading and outlook

- Good start to FY20 with revenue ahead of the comparative period
 - Future and Bovis Homes capital raises completed
 - Private markets deal flow has continued
 - Equities revenue significantly ahead of comparative period
- Political uncertainty remains - we would expect a material improvement in corporate and institutional client activity once greater clarity is established
- We will support our clients, focus on delivering market share gains, and ensure we are well positioned to take advantage of market opportunities

Strategy overview



Selected Transactions

IPOS	 <p>ARGENTEX</p> <p>£120m IPO on AIM, raising £46.5m via a placing</p> <p>NOMAD and sole Broker</p> <p>June 2019</p>	 <p>c. £951m placing and £1.7bn Admission to the Official list of the LSE</p> <p>Joint Bookrunner</p> <p>June 2019</p>	 <p>Aquila Capital</p> <p>€154.3m placing and Admission to the official list</p> <p>Sole Bookrunner and Financial Adviser</p> <p>May 2019</p>	 <p>Finabl</p> <p>£306m placing and £1.2bn Admission to the Official List</p> <p>Joint Bookrunner</p> <p>May 2019</p>	 <p>AJBell</p> <p>£173m placing and £651m Admission to the Official list</p> <p>Sole Global Coordinator, Sponsor and Bookrunner</p> <p>December 2018</p>
Capital raises	 <p>INTERNATIONAL PUBLIC PARTNERSHIPS</p> <p>£116.5m placing</p> <p>Sole Bookrunner and Financial Adviser</p> <p>September 2019</p>	 <p>PHP Primary Health Properties</p> <p>£100m placing via ABB</p> <p>Joint Bookrunner and Joint Broker</p> <p>September 2019</p>	 <p>Klarna.</p> <p>\$460m private growth round</p> <p>Exclusive Adviser</p> <p>August 2019</p>	 <p>Hg Capital Trust plc</p> <p>£63.7m placing</p> <p>Sole Bookrunner and Financial Adviser</p> <p>June 2019</p>	 <p>PetroTal</p> <p>£20m placing via ABB</p> <p>Joint Bookrunner</p> <p>May 2019</p>
Sell downs	 <p>ipgroup</p> <p>£76m ABB on behalf of Invesco</p> <p>Co-Lead Manager</p> <p>September 2019</p>	 <p>m m&orphan COUK</p> <p>£22m ABB on behalf of the founder, David Shelton</p> <p>Sole Bookrunner</p> <p>September 2019</p>	 <p>AJBell</p> <p>£144.4m ABB on behalf of Invesco</p> <p>Sole Bookrunner</p> <p>April 2019</p>	 <p>pphe HOTEL GROUP</p> <p>£149m secondary sell down on behalf of Euro Plaza, Walford and Aroundtown</p> <p>Joint Bookrunner</p> <p>March 2019</p>	 <p>Syncona</p> <p>£141m ABB in Syncona on behalf of the Wellcome Trust</p> <p>Co-Lead Manager</p> <p>March 2019</p>
M&A	 <p>allied GOLD CORP</p> <p>\$34m acquisition of Afrique Gold and Orion Mine Finance's \$75m investment in the enlarged group</p> <p>Introducer Agent</p> <p>October 2019</p>	 <p>Premier Asset Management</p> <p>Recommended All-Share Merger of Premier Asset Management and Miton Group plc</p> <p>Joint Financial Adviser, Nomad and Broker</p> <p>September 2019</p>	 <p>CAMELOT PARTNERS SYNOVIA</p> <p>£48.8m recommended cash offer for Synnovia plc by Camelot Capital Partners</p> <p>Sole Financial Adviser and Sole Broker</p> <p>September 2019</p>	 <p>UNITE STUDENTS</p> <p>£1.4bn acquisition of Liberty Living and £260m equity fundraise</p> <p>Sole Sponsor, Joint Financial Adviser and Joint Bookrunner</p> <p>July 2019</p>	 <p>PTSG PREMIER TECHNICAL SERVICES GROUP PLC</p> <p>Recommended cash acquisition by Bernard Bibco</p> <p>Joint Financial Adviser, Nomad and Broker</p> <p>June 2019</p>

Our corporate client list

Building & Construction	Healthcare (cont'd)	Investment Funds (cont'd)	Media	Oil & Gas (cont'd)	Specialty & Other Finance (cont'd)	Technology (cont'd)
Accsys Technologies	Alliance Pharma	Jupiter UK Growth	Ascential	Serinus Energy	Liontrust Asset Management	Satellite Solutions
Balfour Beatty	Benchmark Holdings	Keystone Investment Trust	Auto Trader Group	Velocys	Mortgage Advice Bureau	ULS Technology
Bellway	Circassia Pharmaceuticals	Kubera Cross Boarder	Centaur Holdings	Real Estate	Polar Capital Holdings	
Bovis Homes	Clinigen	Menhaden Capital	Ebiquity	Capital & Regional	Premier Asset Management	Travel & Leisure
Breedon	e-Therapeutics	Miton Global Opportunities	Euromoney Institutional Investor	Grainger	River & Mercantile	Domino's Pizza
Countryside Properties	Ergomed	NB Global Floating Rate Income Fund	Future	Helical	Sagicor	Ei Group
Forterra	Georgia Healthcare	Phoenix Spree Deutschland	Huntsworth	Palace Capital		Fuller Smith & Turner
Foxtons	Horizon Discovery	Primary Health Properties	ITE Group	St Modwen	Support Services	The Gym Group
Grafton	hVIVO	Princess Private Equity	Kin + Carta	Unite	BCA Marketplace	Hostelworld
Henry Boot	Induction Healthcare	Raven Property	Learning Technologies	Retail	Biffa	Marston's
Howden Joinery	IP Group	Riverstone Energy Limited	M&C Saatchi	AO World	Clipper Logistics	On The Beach
Kier Group	MaxCyte	RIT Capital Partners	Mirriad Advertising	ASOS	Diploma	Restaurant Group
LSL Property Services	Scapa	Schroder Asia Pacific Fund	Next15	B&M Europe	Electrocomponents	Elementis
Marshalls	Spire Healthcare	Schroder European REIT	Ocean Outdoor	French Connection	HSS Hire	Savannah Petroleum
Morgan Sindall	Vectura	Schroder Oriental Income Fund	Reach	H&T	Keywords Studios	Mycelx Technologies
Nexus Infrastructure	Investment Funds	Schroder REIT	Rightmove	Lookers	Knights plc	
Norcros	Aberdeen New Thai	Sherborne Investors B Ltd	Wilmington	McColl's Retail Group	Menzies (John)	
Polypipe	Acorn Income Fund	Sherborne Investors C Ltd	YouGov	Mothercare	Northgate	
Renew Holdings	Aberdeen Frontier Markets	SME Credit Realisation Fund Limited	Metals & Mining	Motorpoint	Origin Enterprises	
Savills	Baker Steel Resources Trust	Stenprop	Base Resources	Ocado	RPS Group	
Stirling Industries	Better Capital	Symphony International	Chaarat Gold	Pets at Home	RWS	
Tyman	Bluefield Solar Income Fund	Syncona	Condor Gold	Superdry	Safe Harbour Holdings	
	Catco Reinsurance	Third Point Offshore Investors	Danakali		Wincanton	
Capital Goods	Custodian REIT	Trian Investors 1	Greatland Gold	Specialty & Other Finance		
Luceco	Edinburgh Worldwide	Troy Income & Growth	Gold Road Resources	3i Group plc		
TT Electronics	EJF Investments	TwentyFour Income Fund	Highland Gold Mining	AJ Bell		
	EPE Special Opportunities	TwentyFour Select Monthly Income Fund	Horizonte Minerals	Arbuthnot	Technology	
Chemicals	Fair Oaks Income Limited	UK Mortgages Limited	Pan African Resources	Argentex	Accesso Technology	
Wilmcote Holdings	Georgia Capital Plc	VinaCapital Vietnam Opportunity	Peninsula Energy	Arrow Global	Alfa Financial Software	
	Henderson Smaller Companies		Shanta Gold	Bank of Georgia	Allied Minds	
FMCG	HG Capital		Yellow Cake	Burford Capital	Aveva	
Fever-Tree	ICG Enterprise Trust	Insurance		Funding Circle Holdings	Draper Esprit	
Hilton Food Group	International Public Partnerships	Beazley	Oil & Gas	Hargreaves Lansdown	Emis	
PureCircle	JPMorgan Brazil Inv. Trust	Just Group	ADES International	IG Group	LoopUp	
Stock Spirits	JPMorgan Claverhouse Inv. Trust	Lancashire Holdings	Genel Energy	Intermediate Capital Group	Micro Focus International	
	JPMorgan Indian	Randall & Quilter	Lekoil	International Personal Finance	Redcentric	
Healthcare	JPMorgan Russian Securities	Saga	Nostrum Oil & Gas	JTC	Softcat	
Abcam	JPMorgan US Smaller Cos	Sabre Insurance	PetroTal	Jupiter Fund Management		