

Numis

www.numis.com

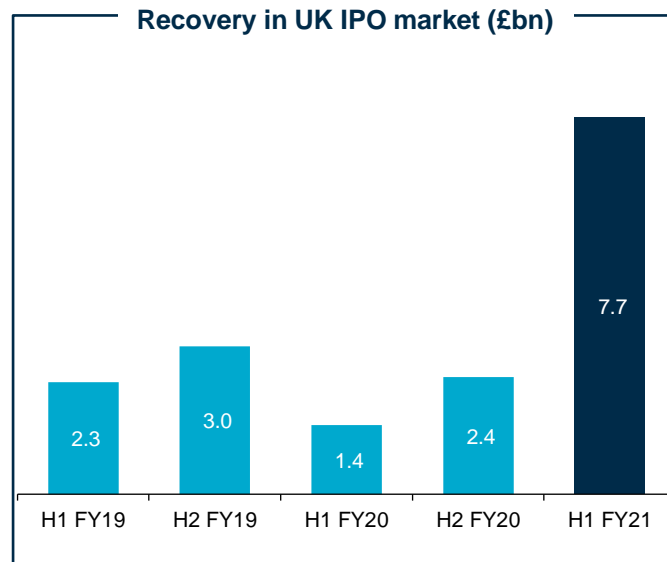
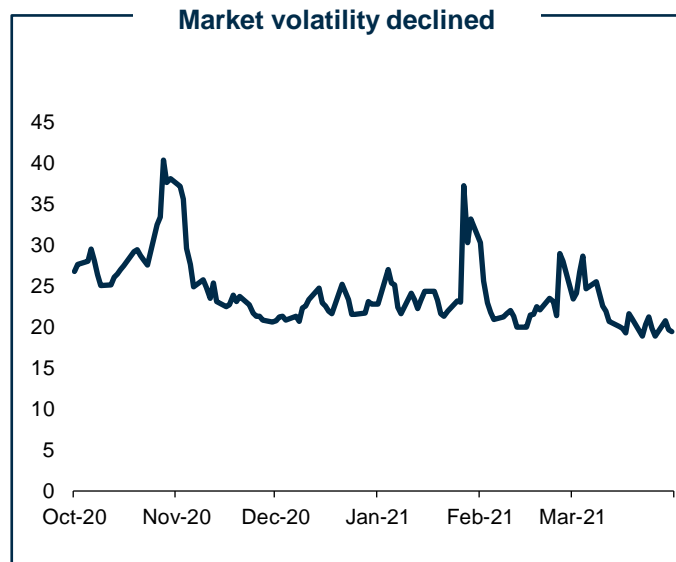
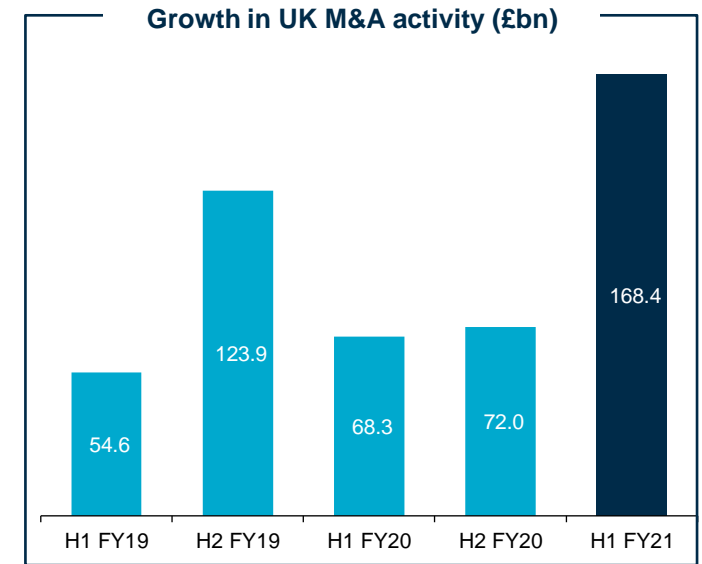
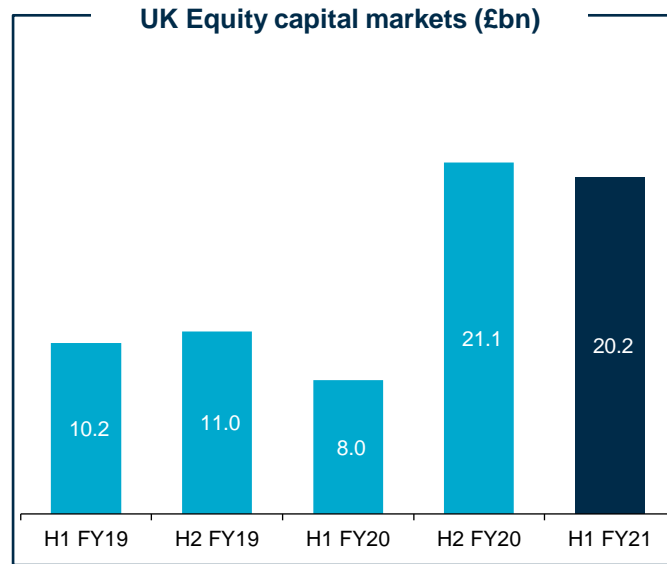
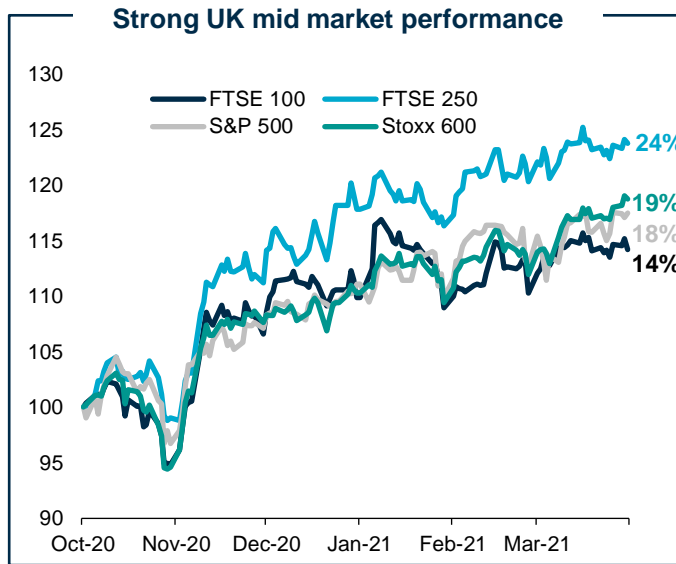
Investor presentation

Interim results 2021

H1 2021 highlights

- 1 Strong performance across all business areas - a record 6 month performance
 - Revenue +82.9% vs H1 2020
 - IB revenues +122.5%
 - Equities revenue +27.3%
- 2 Favourable market conditions supported an increase in IPO and M&A activity leading to a more diversified IB revenue performance
- 3 Strong performance by Equities benefiting from market share gains and increased activity levels as indices recovered
- 4 Operating margin increased to 33.6% (H1 2020: 14.5%) – fixed costs controlled facilitating positive operational gearing
- 5 Interim dividend maintained at 5.5p, higher cash spend on share repurchases in the period £11.5m (H1 2020: £5.5m). Strong liquidity position sustained
- 6 EU office plans provide opportunity to expand Capital Markets offering
- 7 Strong pipeline with further IPO and M&A activity anticipated and strong near term traction within private markets

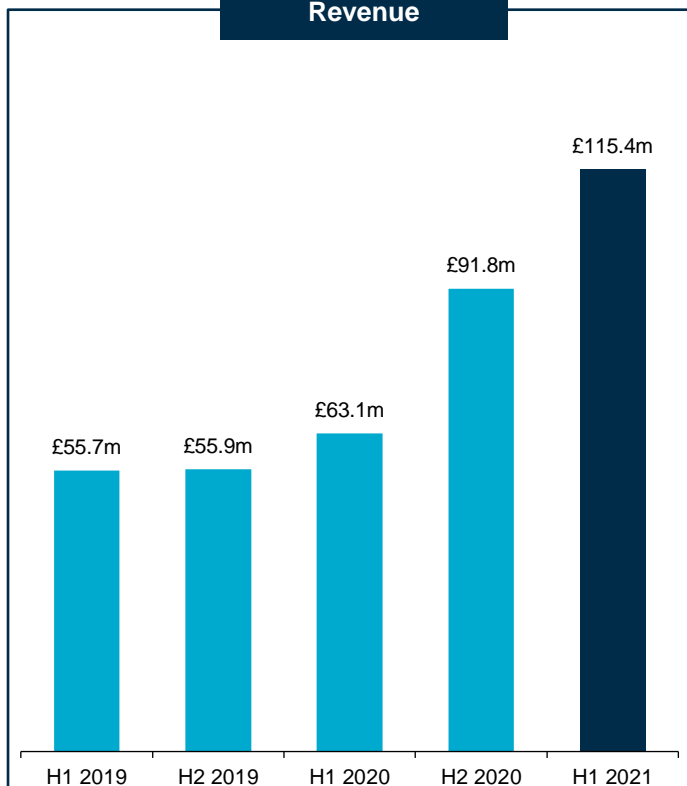
Positive market backdrop with recovery in IPO and M&A activity



- Recovery in market indices with UK mid caps outperforming
- Downward trend in volatility supporting IPOs
- UK ECM market size in line with H2 but shift to IPOs rather than secondary issuance
- M&A activity trending upwards
- Supportive market conditions have continued in H2

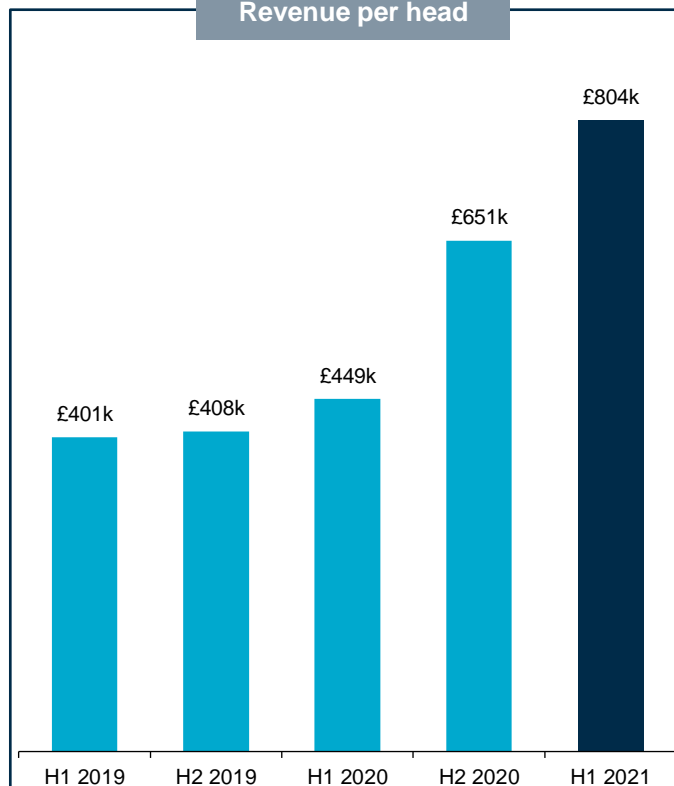
Financial performance progression

Revenue



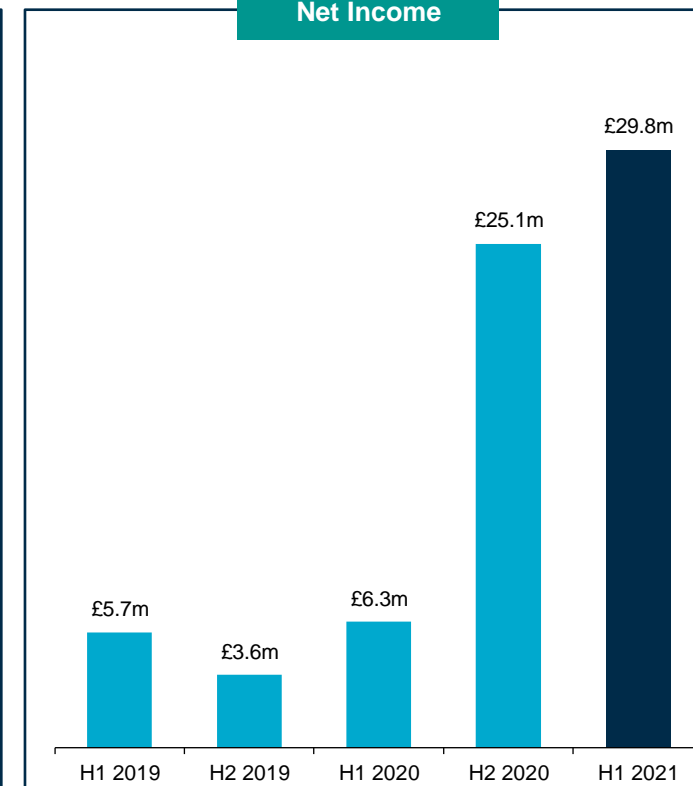
- 26% revenue growth vs H2 FY20 – the COVID-19 issuance period
- LTM revenue +£200m
- Strong momentum – 5th successive period of growth

Revenue per head



- 79% growth in Revenue per head
- Headcount flat – benefit of strong operational leverage in H1
- Targeted recruitment in H2 to support future growth

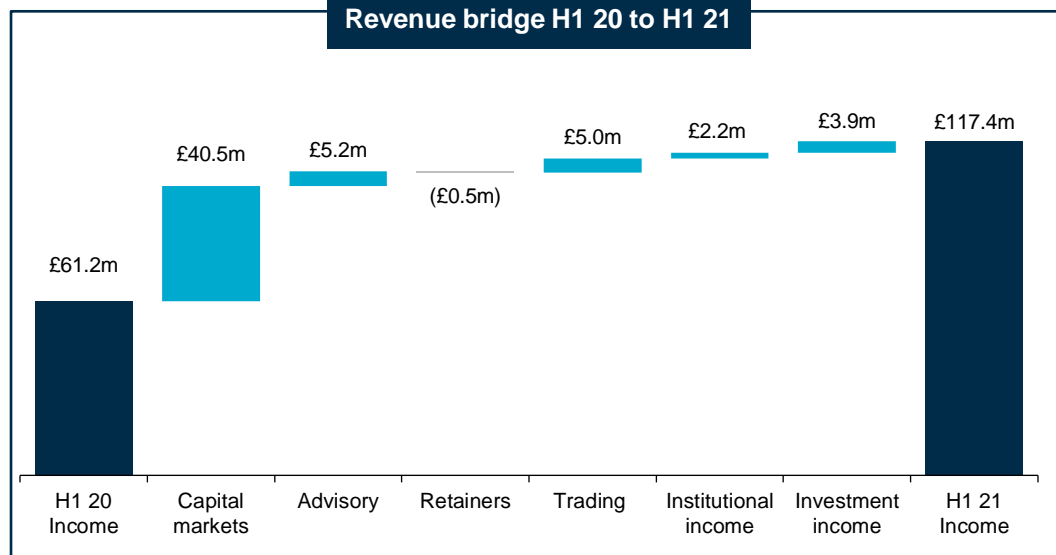
Net Income



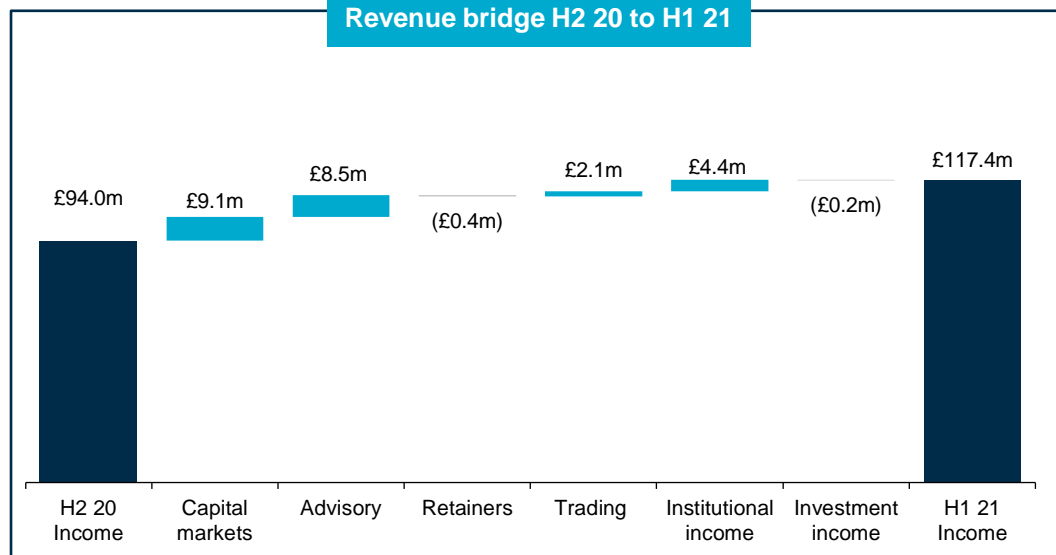
- LTM Net income +£50m
- Capital generated to fund near term investment, longer term growth initiatives and consistent returns

Revenue growth across all business areas

Revenue bridge H1 20 to H1 21



Revenue bridge H2 20 to H1 21



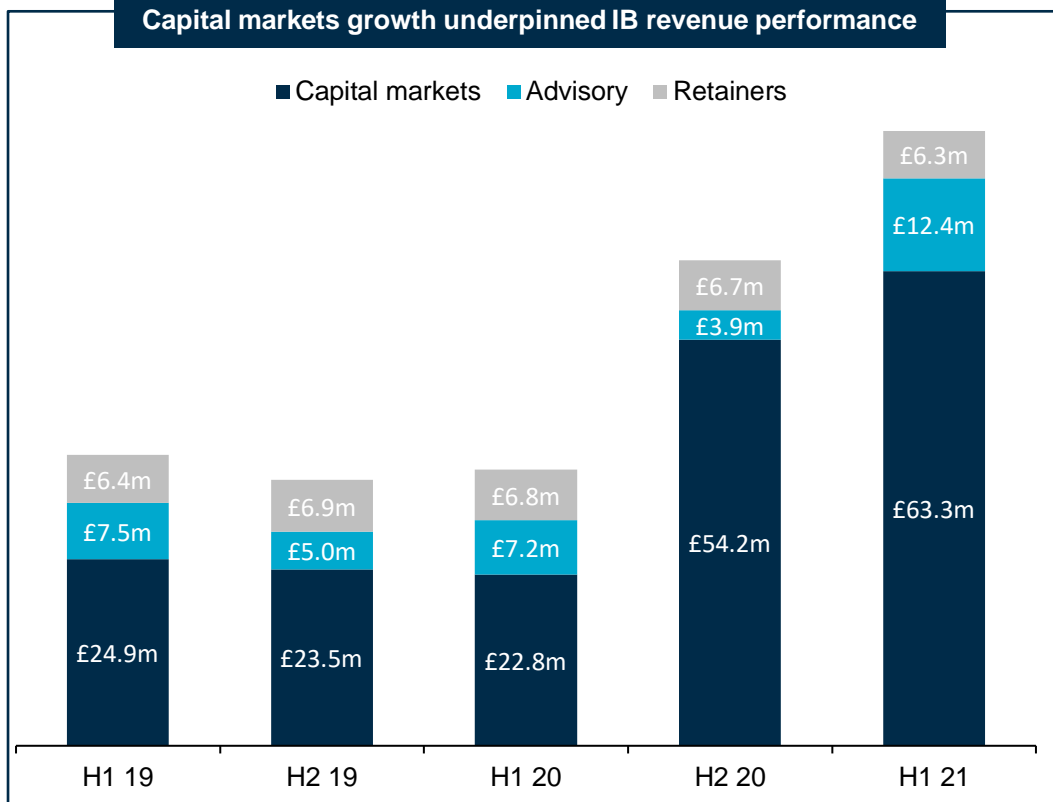
Revenue analysis

£m	FY 21 H1	FY 20 H1	FY 20 H2	Change vs FY20 H1	Change vs FY20 H2
Total revenue	117.4	61.2	94.0	91.8%	24.9%
Capital markets	63.3	22.8	54.2	177.3%	16.9%
Advisory	12.4	7.2	3.9	72.0%	217.0%
Retainers	6.3	6.8	6.7	(7.6%)	(6.4%)
IB Revenue	82.0	36.9	64.8	122.5%	26.5%
Trading	11.5	6.5	9.5	75.7%	21.7%
Institutional income	21.9	19.7	17.5	11.1%	25.0%
Equities Revenue	33.4	26.2	27.0	27.3%	23.8%
Investment income	2.0	(1.9)	2.2	203.7%	(10.8%)

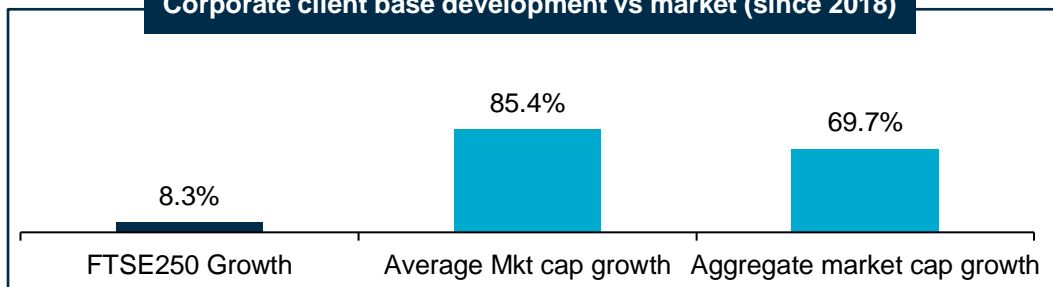
- Benefits of strategic focus on building a broader investment banking business
- Market share gains in core products
- Strong momentum across all business lines continues
- Exceptional capital markets performance – exceeding the strong H2 FY20 performance
- Good investment return for the period

Investment Banking performance

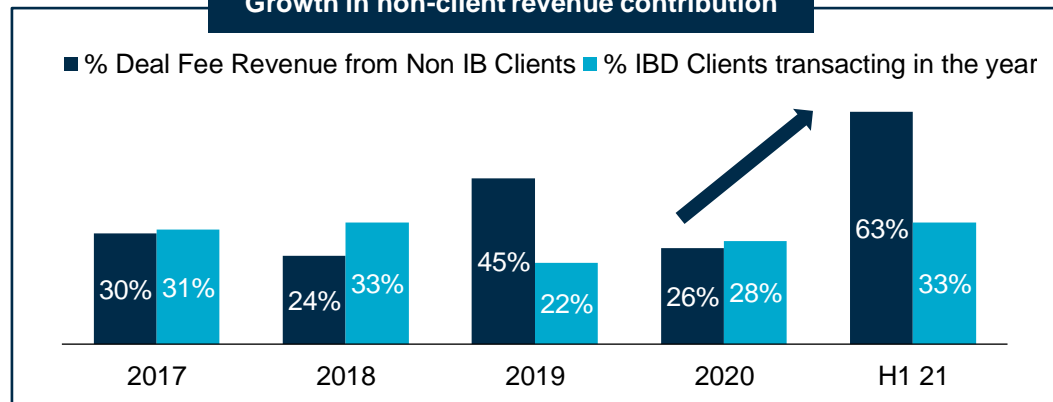
Capital markets growth underpinned IB revenue performance



Corporate client base development vs market (since 2018)



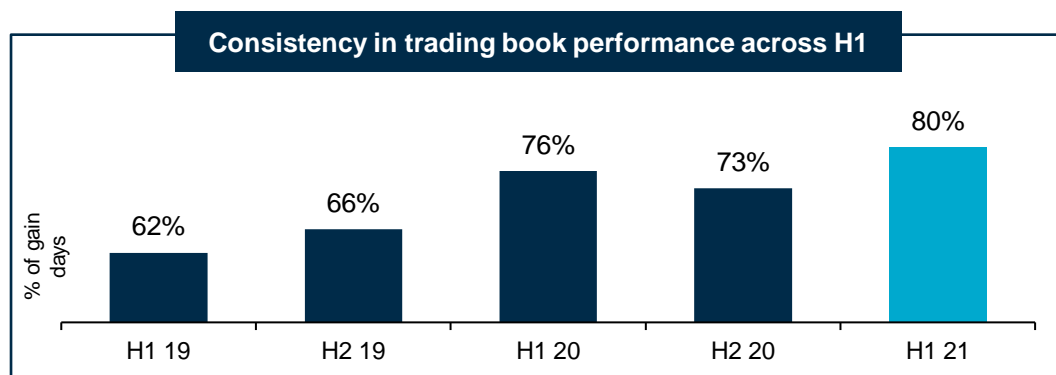
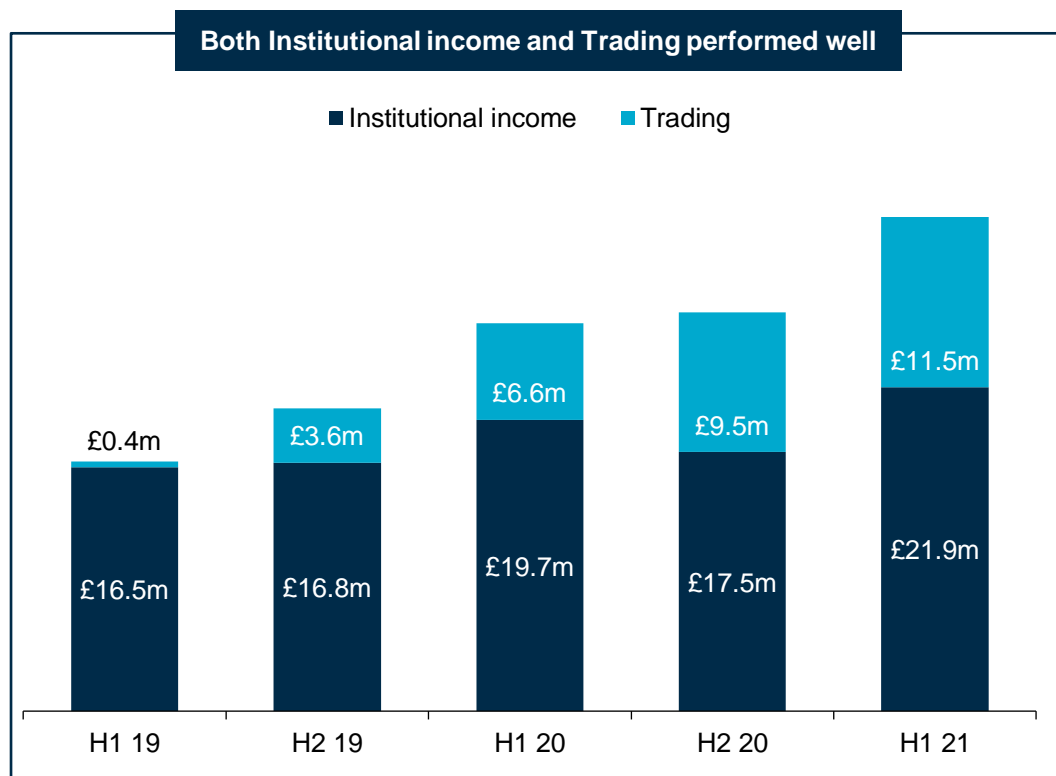
Growth in non-client revenue contribution



- Increase in deal volumes and average deal fees reflects sustained investment in our IB capabilities
 - Corporate client base development
 - Increasing seniority of roles including M&A mandates
 - Emergence of GCS deals
- Continued development of client list - average market cap £1.3bn
- Material contribution in H1 from non-clients reflecting IPO revenues, GCS, and international mandates

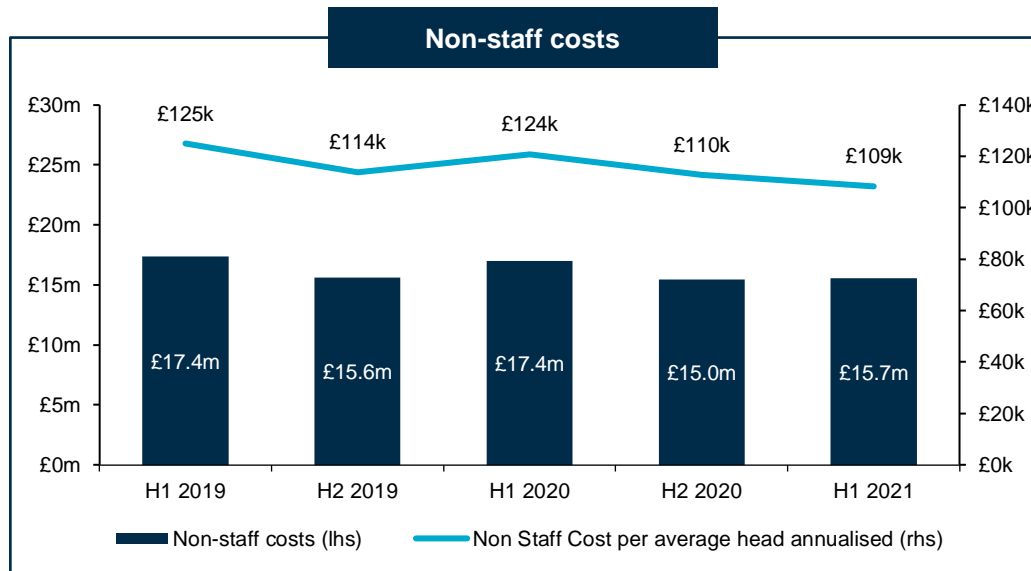
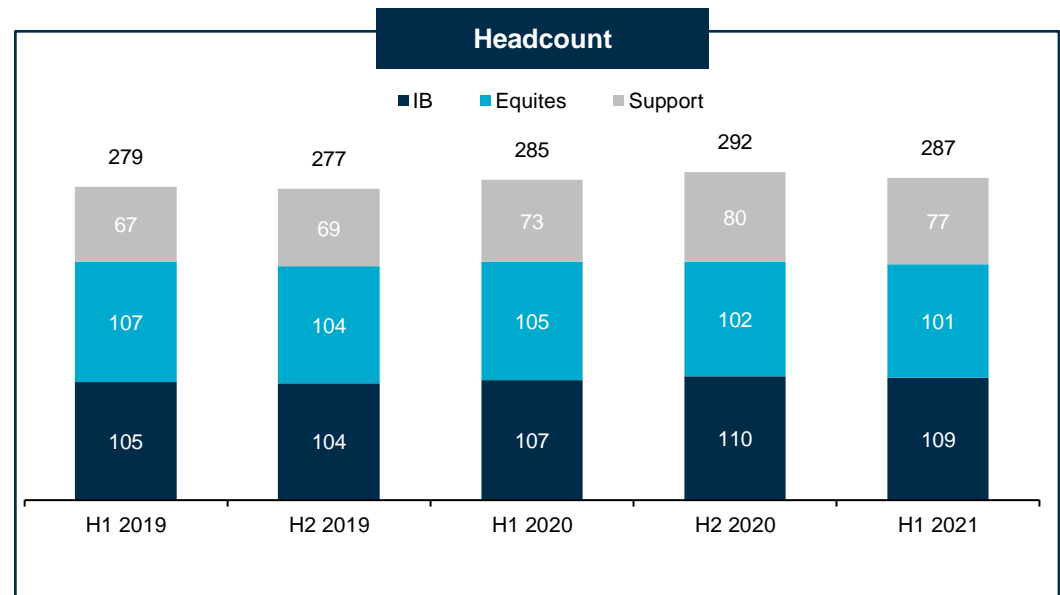
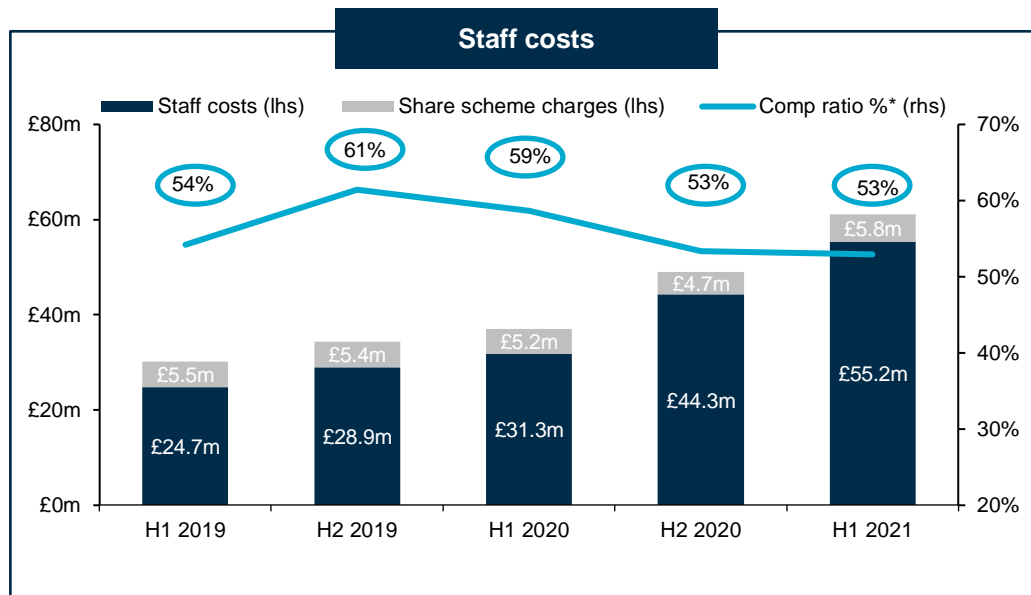
- Capital markets outlook continues to be strong
 - Near term GCS pipeline of deal completions
 - IPO pipeline continues to grow
- Advisory momentum should continue
- Consumer / Digital / Technology sectors continue to be most active but other sectors are now benefiting from recovery

Equities performance



- Record half year equities performance
- Institutional income 11.1% higher than H1 20 – the comparative period benefitted from COVID related volatility
- Market share gains in high-touch execution with UK and US clients
- Electronic trading product launched last year achieving good growth and performing in line with expectations
- Research fees broadly flat – market continues to consolidate
- Consistently strong trading book performance benefitting from increased institutional appetite for small and mid caps
- Minimal impact from Brexit – decline in revenues from EU based clients more than offset by increase in revenues from US based clients
- H2 has started in line with H1 performance

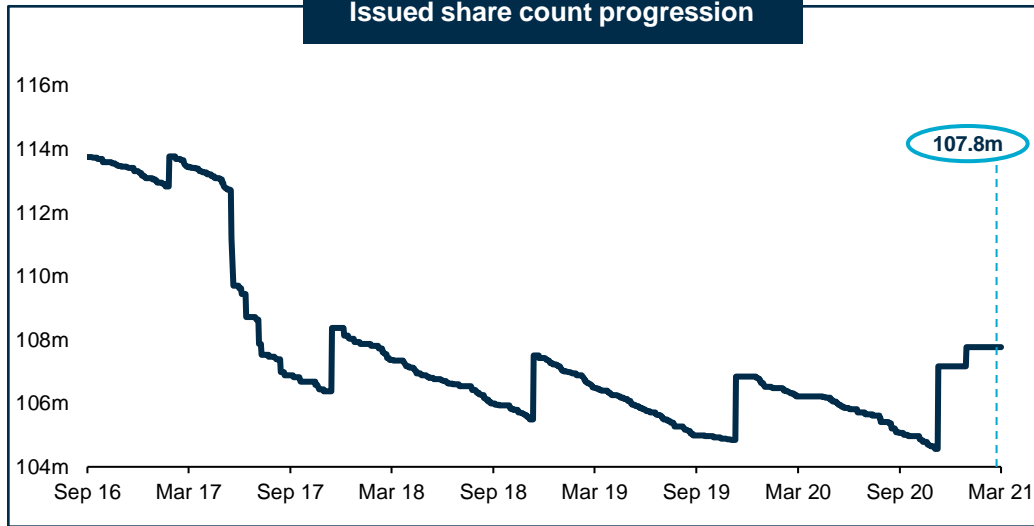
Operating costs controlled, increase attributable to variable compensation



- Staff cost increase attributable to higher variable compensation but comp ratio at lower end of recent range
- Headcount marginally down on FY20. Growth expected in H2 to increase IB capacity - an increasingly competitive market for talent
- Non-staff costs controlled ahead of HQ relocation related cost increase in H2 - total FY21 impact £4m increase in occupancy costs (£0.7m incurred in H1) and £1m exceptionals
- Investment spend on EU office in H2

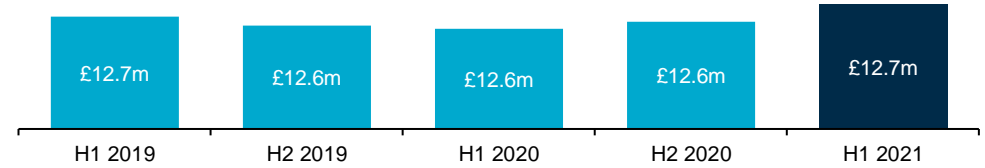
Balance sheet and returns

Issued share count progression

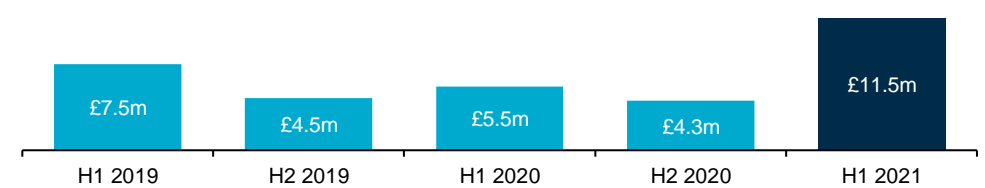


Returns

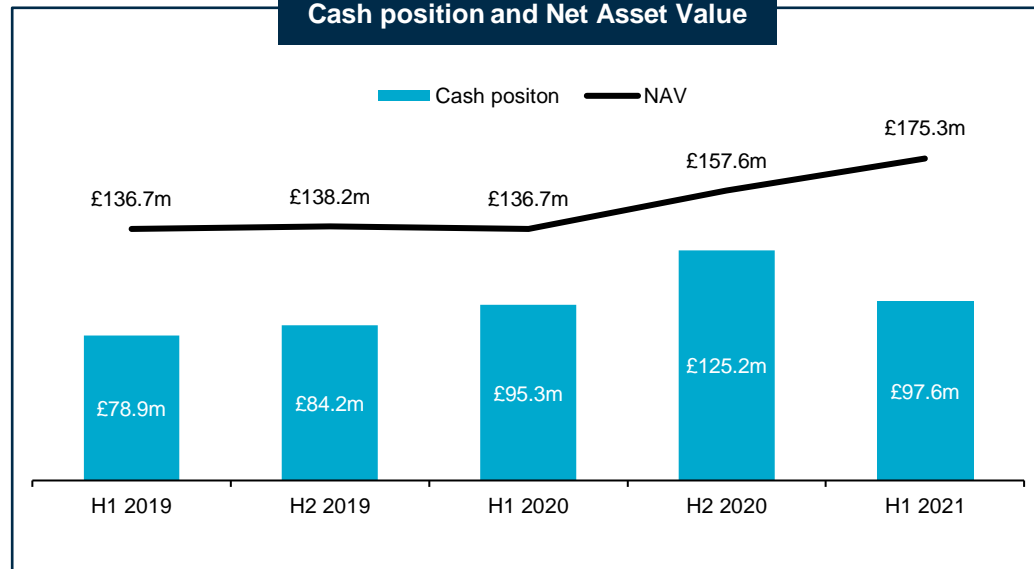
Dividends (LTM)



Cash spend on share repurchases



Cash position and Net Asset Value



- Dividend maintained in line with policy
- £11.5m spent on share repurchase during the period – higher than previous periods driven by EBT purchases
- Share count expected to increase at end of FY21 due to one-off share award vestings
- Surplus capital likely to be deployed into growth initiatives in H2, shareholder return position to be considered at year end

EU office plans

1

Location

- Dublin selected has most appropriate location – alignment with UK and availability of relevant talent
- Regulatory application underway with CBI
- Targeting to open in first half of FY22

2

Equities

- Restore EU institutional relationships impacted by Brexit
- Focus on execution and distribution of UK based research product
- Expand EU institutional client base

3

Investment Banking

- Enhance interaction with EU based shareholders of corporate broking clients
- Leverage growing capital markets reputation to originate and execute EU ECM transactions
- Expand reach of GCS across Europe

4

Platform

- Sufficiently capitalised to support growth potential
- Target a cost base proportionate to EU revenue
- Phased approach to EU growth strategy

Strategy overview



Income statement

£'000	H1 2021	H1 2020	Change (%)
Revenue ⁽¹⁾	115,426	63,104	82.9%
Investment Income	1,974	(1,904)	204%
Staff costs ⁽²⁾	61,002	36,586	66.7%
Non-staff costs	15,650	17,387	(10.0%)
Operating profit	40,748	7,227	464%
Underlying Operating profit	38,774	9,131	325%
PBT	39,327	7,257	442%
Net income	29,778	6,254	376%
EPS (pence) ⁽³⁾	25.7p	5.5p	365%
Dividend (pence)	5.5p	5.5p	0.0%
Net Assets	175,277	136,672	28.2%
Cash and cash equivalents	97,619	95,332	2.4%
Underlying Operating profit margin	33.6%	14.5%	19.1pp

Corporate Client Base

FIG	TMT	Travel and Leisure	Building, Construction	Support Services	Investment Funds	Investment Funds (cont'd)
3i Group plc	Accesso Technology	Domino's Pizza	Accsys Technologies	Biffa	Aberdeen New Thai	Schroder Oriental Income Fund
AJ Bell	Allied Minds	Devro	Balfour Beatty	Clipper Logistics	Aquila European Renewables Income Fund	Scottish Mortgage Investment Trust
Arbutnot	Ascential	Electra Private Equity	Bellway	Clarkson	Baker Steel Resources Trust	Sherborne Investors B Ltd
Argentex	Auction Technology Group	Fuller Smith & Turner	Breedon	Diploma	Bluefield Solar Income Fund	Sherborne Investors C Ltd
Arrow Global	Auto Trader Group	gamesys group	Cairn Homes	De La Rue	Catco Reinsurance	SME Credit Realisation Fund
Bank of Georgia	AVEVA	The Gym Group	Countryside Properties	Electrocomponents	Chrysalis Investments	Stenprop
Beazley	Bytes Technology	Hostelworld	Forterra	HSS Hire	Custodian REIT	Third Point Offshore Investors
Burford Capital	Draper Esprit	On The Beach	Foxtons	Keywords Studios	Edinburgh Worldwide	Trian Investors 1
Funding Circle Holdings	Ebiquity		Grafton	Knights plc	EJF Investments	Troy Income & Growth
Hargreaves Lansdown	EMIS		Henry Boot	JTC	EPE Special Opportunities	TwentyFour Income Fund
IG Group	Euro money Institutional Investor		Howden Joinery	No rthgate	Fair Oaks Income Limited	TwentyFour Select Monthly Income Fund
Intermediate Capital Group	Future		Kier Group	Origin Enterprises	Georgia Capital Plc	UK Mortgages Limited
International Personal Finance	ITE Group		LSL Property Services	RPS Group	Henderson Smaller Companies	VinaCapital Vietnam Opportunity
Jupiter Fund Management	Kin + Carta		Marshalls	RWS	HG Capital	VH Global Sustainable Energy Opportunities
Just Group	Learning Technologies		Morgan Sindall	Wincanton	ICG Enterprise Trust	
Mortgage Advice Bureau	M&C Saatchi		Nexus Infrastructure		International Biotechnology Trust	
Polar Capital Holdings	Micro Focus International	Healthcare	Norcros	Retail	International Public Partnerships	Capital Goods
Premier Miton Group	Next 15	Abcam	Polypipe	AO World	JPMorgan Claverhouse Inv. Trust	Luceco
Provident Financial Group	Ocean Outdoor	Alliance Pharma	Renew Holdings	ASOS	JPMorgan Indian	Qinetiq
Randall & Quilter	Oxford Metrics	Benchmark Holdings	Savills	B&M Europe	JPMorgan Russian Securities	TT Electronics
River & Mercantile	Reach	CareTech Holdings	Tyman	H&T	JPMorgan US Smaller Cos	Ultra Electronics
Sabre Insurance	Rightmove	Clinigen	Vistry Group	Lookers	Keystone Positive Change	
Saga	Softcat	Ergomed		Mothercare	Menhaden Capital	
	Telecom Plus	IP Group		Motorpoint	Miton Global Opportunities	
	ULS Technology	MaxCyte	Real Estate	Ocado	NB Global Floating Rate Income Fund	
	Wilmington	Novacyt	Capital & Regional	Pets at Home	Phoenix Spree Deutschland	
Consumer	YouGov	Primary Health Properties	Grainger	Superdry	Princess Private Equity	
C&C Group		Scapa	Helical		Raven Property	
Fever-Tree		Spire Healthcare	Palace Capital	Chemicals	RIT Capital Partners	
Hilton Food Group		Synairgen	St Modwen	Elementis	Riverstone Energy Limited	
Stock Spirits		Syncona	Unite	Synthomer	Schroder Asia Pacific Fund	
Vivo Energy		Vectura		Wilmco te Holdings	Schroder European REIT	

Office Addresses

- [Numis Securities Limited](#)
The London Stock Exchange Building
10 Paternoster Square
London EC4M 7LT

+44 (0)20 7260 1000
- [Numis Securities Inc](#)
575 Fifth Avenue
25th Floor
New York
NY 10017

+(1) 212 277 7300

Email: mail@numis.com

Website: www.numis.com

Important Notice

This document is a summary of an oral presentation made by Numis Securities Limited, a wholly owned subsidiary of Numis Corporation Plc, and sets out certain information relating to Numis Securities Limited with a view to explaining certain services provided by Numis Securities Limited. This document is communicated by Numis Securities Limited and is, for the purposes of the Financial Services and Markets Act 2000 and the rules of the Financial Conduct Authority, a financial promotion of Numis' services but not of any particular investment. Whilst it contains certain information in relation to Numis and to certain clients of Numis, this is intended to promote Numis' professional services only and is not intended to promote investment in Numis', clients' or any other securities or any other investments.

This document does not constitute or form part of any offer or invitation to sell, or any solicitation of any offer to purchase or subscribe for, any shares in Numis Corporation Plc nor shall it or any part of it form the basis of or be relied on in connection with any contract therefore.