

1 April 2022

Numis Corporation Plc Trading Update

Numis Corporation Plc ("Numis"), a leading independent investment banking group, today issues a trading update in respect of the six month period ended 31 March 2022

Key Highlights

- Overall, revenue for first half is expected to be in the region of £74m, approximately 36% below the record six month performance achieved in the comparative period.
- M&A and Growth Capital Solutions delivered strong revenues in line with H121 performance, but this was offset by a decline in equity capital markets activity across the industry which impacted our Investment Banking performance.
- Within our Equities division, Institutional income delivered a robust performance in line with the second half of FY21, whilst the challenging market conditions in recent weeks adversely impacted the profitability of our trading book. In aggregate, Equities revenues for the first half are expected to be around 20% below the record H121 performance.
- Outlook:
 - M&A continues to be positive with a large number of announced but ongoing transactions, and a strong pipeline of future business
 - The outlook for capital markets is less certain, however, markets have regained some stability and activity is expected to recover to some extent during the second half.

Summary review

Investment Banking

Our strategic focus on diversifying the Investment Banking business in recent years has mitigated the impact of the difficult market backdrop. M&A advisory revenues in the first half are in line with the record performance achieved in the prior year and Growth Capital Solutions, our private markets business, has delivered an equally resilient performance in line with the prior year.

More broadly however, Investment Banking revenues for the half have been impacted by a deterioration in market conditions for equity issuance and in particular, over the last three months concerns related to the acceleration and persistence of inflation. This has been overlaid with the recent geo-political, economic and capital markets impacts of the war in Ukraine and together have suppressed UK equity capital markets in our second quarter to activity levels approaching a 10 year low.

Equities

Whilst Institutional income, and Research payments in particular, delivered a robust performance, our trading profit has been negatively impacted by the extreme market volatility of the last eight weeks of the period. We have seen high levels of interactions with our institutional clients during the last few weeks, which demonstrates that investors turn to Numis for advice and guidance when there are periods of heightened uncertainty.

Outlook

Notwithstanding market volatility, the outlook for M&A in the second half continues to be positive. We have good visibility of upcoming advisory fees from transactions already announced and our overall M&A pipeline for the second half is strong. The outlook for capital markets is less certain, however, markets have mostly recovered to levels apparent before the war in Ukraine, which gives us some confidence that market activity will recover to some extent during the second half. Whilst we do not anticipate IPOs to feature prominently in the near term, the current pipeline reflects the ambition of our broad corporate client base to finance their inorganic growth strategies.

We have a strong balance sheet and a long track record of delivering growth and consistent returns across market cycles. Challenging market conditions typically present opportunities for market share gains across our core products, where we believe our integrated model offers clients access to high quality, experienced and insightful advice. Similarly, we will continue to diversify the business through selective investment in our strategic growth products. This includes the development of our European capability from our Dublin office which we anticipate will commence trading during the second half.

Numis will announce half year results for the six month period ended 31 March 2022 on 6 May 2022.

This announcement contains inside information for the purposes of Article 7 of Regulation (EU) No 596/2014 as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018

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Notes for Editors

Numis is a leading independent investment banking group offering a full range of research, execution, corporate broking and advisory services to companies and their investors. Numis is listed on AIM, and has offices in London and New York.