



New thinking. New opportunities.

## 2023 Interim Results

**5 May 2023:** Numis Corporation Plc (Numis) today announces unaudited interim results for the period ended 31 March 2023.

### **Alex Ham and Ross Mitchinson, Co-Chief Executive Officers at Numis, said:**

*"We are pleased that our business continues to perform resiliently despite the persistence of the unfavourable market conditions that have been a feature of the investment banking sector for the past 12 months or so. Diversification has been the foundation of our comparative resilience throughout this down cycle and this has been demonstrated by record revenues in our advisory business. This diversity also allows for us to maintain a focus on total shareholder returns through cycles with the interim dividend maintained at 6.0p per share."*

*"Whilst capital markets volumes are likely to remain relatively low over the near term, we have started to see emerging indications that the second half may see relatively better conditions. Irrespective of the market environment, the financial position of the Group remains resilient and our capital position strong."*

## Financial Highlights

- Revenue of £63.8m, down 14% compared to prior period as market activity remained subdued
- Profit Before Tax (PBT) of £6.0m, down 55%, due to the operational gearing in the business
- Investment banking revenues declined 12% as low capital markets activity was partially offset by record performance in our advisory business
  - Advisory revenues up 40% year-on-year, with average fees up 204% compared to H1 FY22 and we are starting to build a broader pipeline of M&A transactions
  - Capital markets revenues down 52% as UK ECM volumes dropped to a 10-year low
- Equities revenues down 17% as weak Q2 trading performance offset market share gains
- Resilient shareholder returns; interim dividend of 6.0p consistent with the prior year, and a further £4.4m spent on share repurchases
- Balance sheet position remains robust; strong liquidity and capital positions maintained despite prolonged period of unfavourable conditions

## Strategic Highlights

- On 28 April the Board of Numis and the Management Board of Deutsche Bank AG announced that they have reached agreement on the terms of a recommended all-cash offer by Deutsche Bank AG for the entire issued and to be issued share capital of Numis. Further details relating to the timetable of the Offer will be announced in due course.

## Outlook

General macro-economic sentiment continues to weigh on the outlook for the investment banking industry. Against that backdrop, our advisory business continues to perform well and has good pipeline of both buy-side and sell-side mandates for a range of clients reflecting our growing reputation in M&A and our progress in creating a proposition that delivers through market cyclicality. Capital markets volumes are likely to remain relatively low. However, there are some emerging indications that the historic lows we have recently experienced may give way to better conditions in the second half.

## Key statistics

<b>Financial highlights</b>	<b>H1 2023</b>	<b>H1 2022</b>	<b>Change</b>
Revenue	£63.8m	£74.2m	(14)%
Underlying operating profit	£5.6m	£14.0m	(60)%
Profit before tax	£6.0m	£13.4m	(55)%
Diluted EPS	4.3p	14.6p	(71)%
Cash	£99.7m	£111.5m	(11)%
Net assets	£179.6m	£190.8m	(6)%
<b>Operating highlights</b>			
Corporate clients	166	183	(9)%
Average market cap of clients	£1.0bn	£1.2bn	(18)%
Revenue per head	£381k	£457k	(17)%
Operating margin	8.8%	18.9%	(10.1)ppts
Spend on share repurchases	£4.4m	£6.5m	(33)%

Note: Revenue, underlying operating profit, operating margin and revenue per head all exclude investment gains and losses.

## Contacts

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## Notes for editors

Numis (LON: NUM) is an international investment bank that partners with some of the most ambitious companies and investors, offering strategic advice, unique insights and connectivity to the capital markets.

Already a leader in the UK market, Numis is the adviser of choice for many listed companies, including one-fifth of the FTSE 350 index<sup>1</sup>, with an average market capitalisation of £1.0bn<sup>2</sup>, and has acted on the most UK IPOs over the past decade.

Since 2016, Numis has diversified its strategy to grow its UK M&A franchise, expand internationally and develop its private markets business, which combined now represent more than half of Numis' investment banking revenues<sup>3</sup>.

Numis is listed on London's AIM and has offices in London, New York and Dublin.

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

### Forward-looking statements

This announcement contains forward-looking statements. Forward-looking statements sometimes use words such as 'may', 'will', 'could', 'seek', 'continue', 'aim', 'anticipate', 'target', 'project', 'expect', 'estimate', 'intend', 'plan', 'goal', 'believe', 'achieve' or other words of similar meaning. Past performance is no guide to future performance and any forward-looking statements and forecasts are based on current expectations and assumptions but relate to events and depend upon circumstances in the future and you should not place reliance on them. These statements and forecasts are subject to various risks and uncertainties and there are a number of factors that could cause actual results or developments to differ materially from those expressed or implied by forward-looking statements and forecasts.

The forward-looking statements contained in this document speak only as of the date of this announcement and (except as required by applicable regulations or by law) Numis does not undertake to publicly update or review any forward-looking statements, whether as a result of new information, future events or otherwise.

Nothing in this announcement constitutes or should be construed as constituting a profit forecast.

### No offer of securities

The information, statements and opinions contained in this announcement do not constitute or form part of, and should not be construed as, any public offer under any applicable legislation, or an offer, or solicitation of an offer, to buy or sell any securities or financial instruments in any jurisdiction, or any advice or recommendation with respect to any securities or financial instruments.

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<sup>1</sup> Corporate client base includes 64 companies out of the FTSE 350. – Numis data (31 March 2023).

<sup>2</sup> Average market capitalisation of corporate client base £1.0bn. – Numis data (31 March 2023).

<sup>3</sup> As at half year end 2023. – Numis data (31 March 2023).

## Business review

The first half of our financial year has seen a continuation of the unfavourable market backdrop and, in the case of capital markets, we have experienced a deterioration in deal volumes relative to the comparative period. Consequently, our revenues for the half decreased 14% to £63.8m (2022: £74.2m) and Underlying operating profit decreased 60% to £5.6m (2022: £14.0m). Profit before tax was £6.0m (2022: £13.4m) and included £0.5m of gains recognised on investments held outside of our market making business (2022: £0.4m gain). Our net assets decreased 6% over the period to £179.6m, and similarly our liquidity position was marginally lower but remains strong; cash balances were £99.7m (2022: £111.5m).

### Market conditions

Throughout the first half equity markets remained fragile. Inflation concerns and rising interest rates remained firmly in focus for both our institutional and corporate clients. Investor sentiment toward the UK generally remained weak with domestic focused institutional investors experiencing persistent fund outflows. Despite the challenging backdrop, UK markets optically performed relatively well with the FTSE 100 and FTSE 250 up 11% and 10% respectively.

However, the improved performance of UK indices was not matched by a corresponding increase in ECM activity. UK ECM volumes remained at 10 year lows, declining 62% against a weak comparative period. The IPO market remains effectively closed although there are some early indications of potential recovery in activity toward the end of 2023. Private markets have also been impacted by the broader slowdown in capital markets; however, there remains a significant amount of dry powder among venture and growth equity investors globally.

Whilst M&A volumes also declined across the period, activity levels have been generally more resilient compared to capital markets, particularly in the UK mid-market where valuations of listed companies remain attractive notwithstanding some recovery in market levels.

### Investment banking

	H1 2023 £m	H1 2022 £m	% change
Capital markets	11.9	24.7	(52)%
Advisory	24.2	17.2	40%
Corporate retainers	6.1	6.1	0.0%
Investment banking revenue	42.2	48.0	(12)%

The investment banking division delivered revenue of £42.2m (2022: £48.0m) for the first half, representing a decline of 12% relative to H1 FY22 which benefitted from the tail end of the post-COVID recovery.

During the first half we continued to build on the successful diversification of our investment banking business, delivering a record first half advisory revenue performance. M&A revenues have benefited from continued momentum in securing financial adviser mandates from our corporate broking client base. The strength of our offering has been demonstrated by further progress in growing our average M&A deal fee. Average M&A fees were up 204% compared to H1 FY22 and we are starting to build a broader pipeline of M&A transactions beyond bid defence for our corporate broking clients.

The strong advisory performance was offset by a weaker capital markets performance where revenues were down more than 50%. Whilst our ECM market share in the UK has increased relative to the comparative period, overall market levels of issuance declined further during the half. For example, the first half of FY23 featured no IPOs whereas we completed 4 IPOs in the comparative period last year.

Growth capital solutions, our private markets business, has experienced a pick-up in deal activity and pipeline development. Whilst revenues were lower than the first half of FY22, the performance represented an improvement on the subdued H2 FY22 performance. Our track record in this structural growth market leaves us well positioned to capitalise on a further recovery in activity.

Our International ECM strategy continues to advance. We are now distributing UK deals to EU institutional clients across both public and private markets, and we have completed ECM transactions for EU issuers in the period.

The decline in corporate clients to 166 was attributable to elevated levels of mid-market takeovers. During the half, 9 clients were lost due to transactions which more than offset the wins in the period. Retainer fee income stayed consistent at £6.1m (2022: £6.1m).

Growing the corporate client list is a strategic priority. We will remain disciplined, and focused on those opportunities where we can leverage the combined strength of our investment banking and equities platforms. Whilst activity levels amongst our corporate client base, across all products, was near the lower end of our long-term historic range, corporate clients generated 88% of investment banking deal fee revenues in the period demonstrating the embedded value of the franchise.

## Equities

	<b>H1 2023</b> <b>£m</b>	<b>H1 2022</b> <b>£m</b>	<b>% change</b>
Institutional income	17.4	19.6	(11)%
Trading	4.2	6.5	(36)%
Equities revenue	21.6	26.1	(17)%

Equities delivered revenue of £21.6m for the first half, representing a decline of 17% relative to the comparative period. Following a good start to the year, revenues were impacted by a materially weaker trading performance in the second quarter which led to a 36% decline in trading gains for the first half.

Institutional income was down 11% compared to H1 FY22 and in line with the second half of FY22. The research payment component of this revenue line remains consistent with prior periods demonstrating the continued strength of our research offering and stability of our institutional relationships.

Whilst investor sentiment remained cautious we continued to offer high levels of service and proactive engagement to our institutional clients. We expanded our European client base during the period, in line with the strategy to enhance our distribution capability beyond the UK and support our EU ECM marketing efforts.

## Investment portfolio

Overall, the portfolio achieved a gain of £0.5m and is now valued at £17.7m representing approximately 10% of group net assets. The portfolio faced valuation headwinds as the higher interest rate environment led to continued pressure on the ratings of listed growth businesses. In addition the weakening of the US Dollar over the period adversely impacted valuations. As a result, the majority of the holdings incurred write downs during the half. However, the aggregate write down was more than offset by the upward re-valuation of Wiz following completion of their funding round in February 2023. This transaction was led by our growth capital solutions team and demonstrates the strategic benefit of aligning our investment portfolio with our private markets activities.

## Administrative expenses

	H1 2023 £m	H1 2022 £m	% change
Staff costs	33.3	36.0	(8)%
Share-based payments	3.2	3.0	6%
Non-staff costs	21.7	21.1	3%
Total administrative costs	58.2	60.1	(3)%
Half-Year headcount	338	325	4%
Average headcount	335	324	3%
Compensation ratio	57.2%	52.6%	4.6ppts

Total costs for the period reduced by 3% to £58.2m (2022: £60.1m) due to lower variable compensation reflecting the lower operating performance in the period. During the first half we made a small number of headcount reductions in certain areas of the business whilst maintaining our focus on investing in strategic growth areas. Post the period end we also closed our Electronic Trading business reflecting our assessment that this product was not core to our long term strategy.

Our share based payment charge increased 6% due to a slightly higher equity component to the prior year variable compensation round. The compensation ratio increased as a function of the lower revenue performance but remains well within our through the cycle target range. New regulations governing the remuneration of certain senior staff came into effect on 1 January requiring a greater proportion of variable compensation to be delivered in the form of equity.

Non-staff costs increased 3% due to higher technology and market data costs as well as investment in our international strategy.

## Capital and liquidity

The financial position of the Group remains extremely resilient notwithstanding the prolonged weakness in capital markets activity. We continue to operate significantly in excess of our regulatory capital and liquidity requirements with sufficient capacity to support our long term shareholder return strategy. During such periods of market uncertainty, our balance sheet position enables sustained investment in the platform as well as providing reassurance and stability to our clients and employees.

The business has operated IFPR since 1 January 2022 and we remain in a transition period, whereby our overall capital requirement will remain consistent with the previous regime until the FCA completes its review of our internal assessment.

Our liquidity position remains robust with cash balances of £99.7m, 11% lower than the position at the end of FY22. The decline was attributable to variable compensation payments related to the prior year, which were partially offset by short-term cash movements associated with trading and settlement activities.

### **Dividends and shareholder returns**

In accordance with the dividend policy the Board has declared an interim dividend of 6.0p per share. The dividend will be paid on 23 June 2023 to shareholders on the register on 19 May 2023.

The share count remains broadly in line with the comparative period end pursuant to our strategy to offset the dilutive impact of share awards through buybacks. During the half, on-market purchases of shares totalling £2.6m have been executed. This is supplemented by tax offset purchases by the EBT upon the vesting of share awards which totalled £1.8m during the period.

On this occasion, the Company will not be offering shareholders the option to participate in the dividend reinvestment plan ("DRIP").

### **Current trading and outlook**

Whilst capital markets volumes are likely to remain relatively low over the near term, we have started to see emerging indications that the second half will see relatively better conditions. Irrespective of the market environment, the financial position of the Group remains resilient and our capital position strong.

## Consolidated income statement

### Unaudited for the 6 months ended 31 March 2023

		6 months ended 31 March 2023	6 months ended 31 March 2022	Year ended 30 September 2022
		Unaudited	Unaudited	Audited
	Note	£'000	£'000	£'000
Revenue	3	63,788	74,153	144,229
Other operating income/loss	4	543	442	(1,432)
<b>Total income</b>		<b>64,331</b>	<b>74,595</b>	<b>142,797</b>
Administrative expenses	5	(58,205)	(60,146)	(123,716)
<b>Operating profit</b>		<b>6,126</b>	<b>14,449</b>	<b>19,081</b>
Finance income	6	2,047	8	3,906
Finance costs	6	(2,157)	(1,032)	(2,131)
<b>Profit before tax</b>		<b>6,016</b>	<b>13,425</b>	<b>20,856</b>
Taxation		(1,118)	3,357	(7,153)
<b>Profit for the period</b>		<b>4,898</b>	<b>16,782</b>	<b>13,703</b>
<b>Attributable to:</b>				
Owners of the parent		4,898	16,782	13,703
<b>Earnings per share</b>				
Basic	7	4.5p	15.1p	12.4p
Diluted	7	4.3p	14.6p	11.9p



## Consolidated statement of comprehensive income

### Unaudited for the 6 months ended 31 March 2023

	6 months ended 31 March 2023	6 months ended 31 March 2022	Year ended 30 September 2022
	Unaudited	Unaudited	Audited
	£'000	£'000	£'000
Profit for the period	4,898	16,782	13,703
Items that may be reclassified to the Income Statement on fulfilment of specific conditions:			
Exchange differences on translation of foreign operations	(1,227)	85	1,051
Items that will not be reclassified to the Income Statement:			
Excess of tax deduction over cumulative share scheme charges			5,058
<b>Other comprehensive income for the period, net of tax</b>	<b>(1,227)</b>	<b>85</b>	<b>6,109</b>
Total comprehensive income for the period, net of tax, attributable to owners of the parent	3,671	16,867	19,812

## Consolidated balance sheet

Unaudited as at 31 March 2023

		31 March 2023	31 March 2022	30 September 2022
		Unaudited	Unaudited	Audited
	Note	£'000	£'000	£'000
<b>Non-current assets</b>				
Property, plant and equipment		8,780	10,086	9,458
Intangible assets		199	442	275
Right-of-use assets		33,592	36,515	35,400
Deferred tax	9a	1,711	2,987	1,354
		44,281	50,030	46,487
<b>Current assets</b>				
Trade and other receivables	9b	373,219	280,226	403,416
Trading investments	9c	61,964	55,512	36,071
Stock borrowing collateral	9d	23,834	26,378	20,354
Current income tax receivable		4,657	10,185	10,792
Derivative financial instruments		-	216	22
Cash and cash equivalents	9f	99,724	111,513	105,653
		563,399	484,031	576,309
<b>Current liabilities</b>				
Trade and other payables	9b	(354,560)	(267,616)	(385,720)
Trading instruments	9e	(31,782)	(35,031)	(10,340)
Lease liabilities		(1,434)	(504)	(605)
		(387,776)	(303,151)	(396,665)
Net current assets		175,622	180,880	179,644
<b>Non-current liabilities</b>				
Lease liabilities		(40,264)	(40,091)	(40,910)
Net assets		179,639	190,819	185,221
<b>Equity</b>				
Share capital		5,718	5,718	5,718
Capital redemption reserve		534	534	534
Other reserves		7,127	6,683	10,641
Retained earnings		166,260	177,884	168,328
Total equity		179,639	190,819	185,221

## Consolidated statement of changes in equity

Unaudited for the 6 months ended 31 March 2023

	<b>Share Capital £'000</b>	<b>Capital redemption reserve £'000</b>	<b>Other reserves £'000</b>	<b>Retained earnings £'000</b>	<b>Total equity £'000</b>
Balance at 1 October 2022	5,718	534	10,641	168,328	185,221
Comprehensive income for the period	-	-	(1,227)	4,898	3,671
Dividends paid	-	-	-	(8,206)	(8,206)
Net movement in Treasury shares	-	-	-	(2,618)	(2,618)
Movement in respect of employee share plans	-	-	(2,288)	3,717	1,429
Deferred tax related to share-based payments	-	-	-	142	142
Transactions with shareholders	-	-	(2,288)	(6,966)	(9,253)
<b>Balance at 31 March 2023</b>	<b>5,718</b>	<b>534</b>	<b>7,127</b>	<b>166,260</b>	<b>179,639</b>
	<b>Share capital £'000</b>	<b>Capital redemption reserve £'000</b>	<b>Other reserves £'000</b>	<b>Retained earnings £'000</b>	<b>Total equity £'000</b>
Balance at 1 October 2021	6,252	-	9,037	171,437	186,726
Comprehensive income for the period	-	-	85	16,782	16,867
Treasury shares cancelled	(534)	534	-	-	-
Dividends paid	-	-	-	(8,943)	(8,943)
Net movement in Treasury shares	-	-	-	(3,183)	(3,183)
Movement in respect of employee share plans	-	-	(2,439)	2,353	(86)
Deferred tax related to share-based payments	-	-	-	(562)	(562)
Transactions with shareholders	(534)	534	(2,439)	(10,335)	(12,774)
<b>Balance at 31 March 2022</b>	<b>5,718</b>	<b>534</b>	<b>6,683</b>	<b>177,884</b>	<b>190,819</b>

**For the year ended 30 September 2022**

	<b>Share capital £'000</b>	<b>Capital redemption reserve £'000</b>	<b>Other reserves £'000</b>	<b>Retained earnings £'000</b>	<b>Total equity £'000</b>
Balance at 1 October 2021	6,252	-	9,037	171,437	186,726
Comprehensive income for the year	-	-	1,051	18,761	19,812
Treasury shares cancelled	(534)	534	-	-	-
Dividends paid	-	-	-	(15,580)	(15,580)
Net movement in Treasury shares	-	-	-	(8,183)	(8,183)
Movement in respect of employee share plans	-	-	553	2,442	2,995
Deferred tax related to share-based payments	-	-	-	(549)	(549)
Transactions with shareholders	(534)	534	553	(21,870)	(21,317)
<b>Balance at 30 September 2022</b>	<b>5,718</b>	<b>534</b>	<b>10,641</b>	<b>168,328</b>	<b>185,221</b>

## Consolidated statement of cash flows

### Unaudited for the 6 months ended 31 March 2023

		6 months ended	6 months ended	Year ended
		31 March 2023	31 March 2022	30 September 2022
		Unaudited	Unaudited	Audited
	Note	£'000	£'000	£'000
Cash flows generated from operating activities	10	1,577	(2,794)	7,902
Taxation recovered/(paid)		4,800	(3,200)	(7,164)
Interest received in relation to operating activities		1,959	8	436
<b>Net cash generated from operating activities</b>		<b>8,336</b>	<b>(5,986)</b>	<b>1,174</b>
<b>Investing activities</b>				
Purchase of property, plant and equipment		(274)	(910)	(1,114)
Purchase of intangible assets		-	(13)	(19)
<b>Net cash used in investing activities</b>		<b>(274)</b>	<b>(923)</b>	<b>(1,133)</b>
<b>Financing activities</b>				
Purchases of own shares – Treasury		(2,619)	(3,183)	(8,183)
Purchases of own shares – Employee Benefit Trust		(1,776)	(3,359)	(3,385)
Cash paid in respect of lease arrangements – principal		(308)	(263)	(555)
Interest paid		(718)	(287)	(537)
Dividends paid		(8,206)	(8,943)	(15,580)
<b>Net cash used in financing activities</b>		<b>(13,626)</b>	<b>(16,035)</b>	<b>(28,240)</b>
<b>Net movement in cash and cash equivalents</b>		<b>(5,564)</b>	<b>(22,944)</b>	<b>(28,199)</b>
Opening cash and cash equivalents		105,653	134,125	134,125
Net movement in cash and cash equivalents		(5,564)	(22,944)	(28,199)
Exchange movements		(365)	332	(273)
<b>Closing cash and cash equivalents</b>		<b>99,724</b>	<b>111,513</b>	<b>105,653</b>

## Notes to the Financial Statements

### 1. Basis of preparation and accounting policies

#### *Basis of preparation*

The consolidated financial information contained within these financial statements is unaudited and does not constitute statutory accounts within the meaning of Section 434 of the Companies Act 2006.

The preparation of these interim financial statements requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. The significant judgements and estimates applied by the Group in these results have been applied on a consistent basis with the statutory accounts for the year ended 30 September 2022. Although such estimates are based on management's best knowledge of the amount, event or actions, actual results ultimately may differ from those of estimates.

The interim consolidated financial information contained within these financial statements has been prepared on the historical cost basis, except for the revaluation of certain financial instruments.

The interim consolidated financial information contained within these financial statements has been prepared on a going concern basis as the Directors have satisfied themselves that, at the time of approving the financial information and having taken into consideration the strength of the Group balance sheet and cash balances, the Group has adequate resources to continue in operational existence for at least the next twelve months.

#### *Accounting policies*

On 31 December 2020, IFRS as adopted by the European Union at that date was brought into UK law and became UK-adopted International Accounting Standards, with future changes being subject to endorsement by the UK Endorsement Board. Numis Corporation Plc transitioned to UK-adopted International Accounting Standards in its consolidated financial statements on 1 October 2021. This change constitutes a change in accounting framework. However, there is no impact on recognition, measurement or disclosure in the period reported as a result of the change in framework.

The consolidated financial information contained within these financial statements has been prepared in accordance with UK-adopted International Accounting Standards with the requirements of the Companies Act 2006 as applicable to companies reporting under those standards and are in accordance with the accounting policies that were applied in the Group's statutory accounts for the year ended 30 September 2022.

There are no new mandatory standards, amendments or interpretations for the Group's and the Company's interim accounting period ended 31 March 2023.

As at the date of authorisation of the financial statements, there were no relevant standards, amendments or interpretations to existing standards not yet effective, which have been early adopted by the Group.

## 2. Segmental Reporting

### *Geographical information*

The Group earns its revenue in the following geographical locations:

	<b>6 months ended</b>	<b>6 months ended</b>	<b>Year ended</b>
	<b>31 March 2023</b>	<b>31 March 2022</b>	<b>30 September 2022</b>
	<b>Unaudited</b>	<b>Unaudited</b>	<b>Audited</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
United Kingdom	57,967	69,892	137,056
United States of America	4,303	4,261	7,141
Republic of Ireland	1,518	-	32
Revenue (see note 3)	63,788	74,153	144,229

The following is an analysis of the carrying amount of non-current assets (excluding deferred tax assets) by the geographical area in which the assets are located:

	<b>6 months ended</b>	<b>6 months ended</b>	<b>Year ended</b>
	<b>31 March 2023</b>	<b>31 March 2022</b>	<b>30 September 2022</b>
	<b>Unaudited</b>	<b>Unaudited</b>	<b>Audited</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
United Kingdom	40,299	44,682	42,225
United States of America	2,107	1,999	2,584
Republic of Ireland	164	361	323
Total non-current assets	42,570	47,043	45,132

Geographical information is based on the location of the contracting legal entity.

### 3. Revenue

	6 months ended 31 March 2023	6 months ended 31 March 2022	Year ended 30 September 2022
	Unaudited	Unaudited	Audited
	£'000	£'000	£'000
Net trading gains	4,161	6,478	12,764
Institutional income	17,444	19,633	37,314
Equities income	21,605	26,111	50,078
Corporate retainers	6,116	6,111	12,395
Advisory fees	24,204	17,246	39,023
Capital markets fees	11,863	24,685	42,733
Investment banking revenue	42,183	48,042	94,151
Total revenue	63,788	74,153	144,229

### 4. Other operating income/(loss)

Other operating income represents net gains/losses made on investments which are held outside of the market-making portfolio, which are disclosed within Trading Investments.

	6 months ended 31 March 2023	6 months ended 31 March 2022	Year ended 30 September 2022
	Unaudited	Unaudited	Audited
	£'000	£'000	£'000
Investment activity net gains/(losses)	543	442	(1,432)



## 5. Administrative expenses

	<b>6 months ended</b>	<b>6 months ended</b>	<b>Year ended</b>
	<b>31 March 2023</b>	<b>31 March 2022</b>	<b>30 September 2022</b>
	<b>Unaudited</b>	<b>Unaudited</b>	<b>Audited</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Wages and salaries	27,327	29,901	62,089
Social security costs	3,654	4,668	9,204
Pension costs	1,072	986	2,106
Share-based payments	3,206	3,025	6,345
Other staff costs	1,228	456	1,547
<b>Total staff costs</b>	<b>36,488</b>	<b>39,036</b>	<b>81,290</b>
Depreciation of property, plant and equipment	927	873	1,731
Depreciation of right-of-use assets	1,609	1,554	3,063
Amortisation of intangible assets	76	129	302
Other non-staff costs	19,104	18,554	37,330
<b>Total non-staff costs</b>	<b>21,717</b>	<b>21,110</b>	<b>42,426</b>
<b>Total administrative expenses</b>	<b>58,205</b>	<b>60,146</b>	<b>123,716</b>

The average number of employees during the period increased to 335 (31 March 2022: 324). Compensation costs as a percentage of revenue increased to 57% (30 September 2022: 56%).

Other non-staff costs comprise expenses incurred in the normal course of business, the most significant of which relate to technology, information systems, market data, brokerage, clearing and exchange fees.

## 6. Finance income / Finance costs

Finance income	6 months ended	6 months ended	Year ended
	31 March 2023	31 March 2022	30 September 2022
	Unaudited	Unaudited	Audited
	£'000	£'000	£'000
Interest income	2,047	8	477
Net foreign exchange gains	-	-	3,429
<b>Total finance income</b>	<b>2,047</b>	<b>8</b>	<b>3,906</b>
Finance costs	6 months ended	6 months ended	Year ended
	31 March 2023	31 March 2022	30 September 2022
	Unaudited	Unaudited	Audited
	£'000	£'000	£'000
Interest expense	277	174	495
Interest expense on lease liabilities	776	791	1,636
Net foreign exchange losses	1,105	67	-
<b>Total finance costs</b>	<b>2,157</b>	<b>1,032</b>	<b>2,131</b>

Interest income comprises interest on cash balances. Net foreign exchange gains/losses relate to activities in the normal course of business and investments held in foreign currencies.

Interest expense comprises amounts paid on overdrawn balances with clearing institutions and costs associated with the stand-by RCF facility. Interest expense on lease liabilities relates to leases accounted for under IFRS 16.

## 7. Earnings per share

Basic earnings per share is calculated on a profit after tax of £4,898,000 (31 March 2022: £16,782,000) and 108,950,605 (31 March 2022: 111,295,087) ordinary shares being the weighted average number of ordinary shares in issue during the year. Diluted earnings per share takes account of contingently issuable shares arising from share scheme award arrangements where their impact would be dilutive. In accordance with IAS 33, potential ordinary shares are only considered dilutive when their conversion would decrease the profit or loss per share from continuing operations attributable to the equity holders.

The calculations exclude shares held by the Employee Benefit Trust on behalf of the Group and shares held in Treasury.

	<b>6 months ended</b>	<b>6 months ended</b>	<b>Year ended</b>
	<b>31 March 2023</b>	<b>31 March 2022</b>	<b>30 September 2022</b>
	<b>Unaudited</b>	<b>Unaudited</b>	<b>Audited</b>
	<b>Number</b>	<b>Number</b>	<b>Number</b>
	<b>Thousands</b>	<b>Thousands</b>	<b>Thousands</b>
Weighted average number of ordinary shares in issue during the year – basic	108,951	111,295	110,730
Dilutive effect of share awards	3,690	3,529	4,233
Diluted number of ordinary shares	112,641	114,824	114,963

## 8. Dividends

	6 months ended 31 March 2023 Unaudited £'000	6 months ended 31 March 2022 Unaudited £'000	Year ended 30 September 2022 Audited £'000
Final dividend for year ended 30 September 2021 (8.00p)	-	8,943	8,943
Interim dividend for year ended 30 September 2022 (6.00p)	-	-	6,637
Final dividend for year ended 30 September 2022 (7.5p)	8,206	-	-
Distribution to equity holders of Numis Corporation Plc	8,206	8,943	15,580

The Board has approved an interim dividend of 6.0p per share (2022: interim 6.0p per share). This dividend will be payable on 23 June 2023 to shareholders on the register of members at the close of business on 19 May 2023. These results do not reflect this dividend payable.

## 9. Balance sheet items

### (a) *Deferred tax*

As at 31 March 2023 deferred tax assets totalling £1.7m (30 September 2022: £1.4m) have been recognised reflecting management's confidence that there will be sufficient levels of future taxable gains against which the deferred tax asset can be utilised. The deferred tax asset principally comprises amounts in respect of share-based payments, unutilised trading losses of overseas affiliates and unrealised losses on the investment portfolio.

### (b) *Trade and other receivables and Trade and other payables*

Trade and other receivables and Trade and other payables principally comprise amounts due from and due to clients, brokers and other counterparties. Such amounts represent unsettled sold and unsettled purchased securities transactions and are stated gross. The magnitude of such balances varies with the level of business being transacted around the reporting date. Included within Trade and other receivables are cash collateral balances held with securities clearing houses of £12.7m (30 September 2022: £18.9m).

*(c) Trading investments*

Included within trading investments is £17.7m (30 September 2022: £18.4) of unlisted investments held outside of the market making portfolio. During the interim period there were no new investment purchases or disposals with the fair value net decrease of £(0.7)m attributable as FX losses of £(1.2)m and net portfolio revaluation £0.5m.

As at 31 March 2023 no trading investments had been pledged to institutions under stock borrowing arrangements (30 September 2022: nil).

*(d) Stock borrowing collateral*

The Group enters stock borrowing arrangements with certain institutions which are entered into on a collateralised basis with cash advanced as collateral. Under such arrangements a security is purchased with a commitment to return it at a future date at an agreed price.

The securities purchased are not recognised on the balance sheet. An asset is recorded on the balance sheet as stock borrowing collateral at the amount of cash collateral advanced.

*(e) Trading instruments*

Trading instruments comprise short positions in quoted securities arising through the normal course of business in facilitating client order flow and form part of the market making portfolio.

*(f) Cash and cash equivalents*

Cash balances reflect movement in market making positions, the operating performance of the business offset by dividend distributions (£8.2m cash outflow) and share buy-backs through the repurchase of shares into Treasury and the Employee Benefit Trust (£4.4m cash outflow).

At 31 March 2023, the Group had a £50m unsecured Revolving Credit Facility ('RCF') with Barclays and AIB. The facility was undrawn at reporting date.

## 10. Reconciliation of profit before tax to cash flows from operating activities

	6 months ended 31 March 2023	6 months ended 31 March 2022	Year ended 30 September 2022
	Unaudited £000	Unaudited £000	Audited £000
Profit before tax	6,016	13,425	20,856
Net finance costs/(income)	110	1,024	(1,775)
Disposals of property, plant and equipment	-	-	11
Depreciation charges on property, plant and equipment	927	873	1,731
Depreciation charges on right-of-use assets	1,561	1,554	3,063
Amortisation charges on intangible assets	76	129	302
Share scheme charges	3,205	3,025	6,345
(Increase)/decrease in trading investments	(6,109)	3,460	7,050
Decrease in trade and other receivables	25,166	187,573	72,571
(Increase) in stock borrowing collateral	(3,526)	(7,755)	(1,731)
(Decrease) in trade and other payables	(25,871)	(206,516)	(101,129)
Decrease in derivatives	22	413	606
Cash flows from operating activities	1,577	(2,794)	7,902