THE SMALL COMPANY

SHARE WATCH

April 2024

MARKET COMMENT

You will recall that a range of markets, both equities and bonds, ended 2023 on a high and then fell away a bit.

The FTSE-250 index, the litmus test for UK plc, bounced from mid-January and has regained the Christmas highs. Gilts have recently stabilised but have still got ground to make up, which will be dictated by UK inflation numbers in the next few months.

The more globally focussed FTSE-100 has been a feature of recent weeks. US investors have begun to more actively look overseas. In particular, they have begun to realise that, relative to US stocks, there are much cheaper dollar earners quoted in stock markets outside the US, and the FTSE-100 index is home to a good few of these.

A new peak for the FTSE-100 is a few points ahead, and textbook technical analysis implies a peak around 8200, only 3% above the price as we write.

Of the three UK indices it is the FTSE-Small Cap ex Inv Cos which is lagging, remaining below the Christmas high, and not gathering as much momentum as the other two since bouncing off the January lows.

That certainly isn't damming for small caps. Once a market enjoys increased attention from overseas buyers, you would expect large caps to enjoy the greatest momentum initially, with smaller companies catching up later if the new enthusiasm for the UK holds.

To a very large extent that "if" is reliant on the US markets not breaking lower. In contrast, concern over a Labour Government has subsided. The shadow Chancellor, Rachel Reeves, has been much more visible recently, revealing her inner-Thatcher. Major financial institutions have been banging on the prospective Labour administrations' door for some time, and apparently the waiting list for an audience is about 3 months. (In case you are wondering, there is no queue to have a chat with Conservative ministers.)

Returning to the charts, if the FTSE-100 breaks to new highs, and holds, the excitement could certainly trickle down. Nonetheless, should something go wrong, keep an eye on key support for the FTSE-Small Cap ex Inv Cos. The index is 5254 at time of writing, and a strong line of support has been built at 5100, just 3% below. If that breaks do check the stop-losses on your individual stocks. On the other hand, it will be very positive if it breaks above 5400.

ADVANCEDADVT (ADVT)

Sector :	AIM, Software
Latest Price :	122.5p
High/Low :	132p - 69p
Market Cap. :	£163.2m
Shares in issue:	133.2m
end2/2024* EPS/PER est	Awaiting forecasts
end2/2025 EPS/PER est	
end2/2026 EPS/PER est	
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CALENDAR	
Int/Fins/AGM	MAR/JUL/JUN
* 8 months	

I met with Vin Murria, one of the shrewder dealmakers on the London software scene, again this month. She is an old friend to *SCSW*. The last time I met her was probably 10 years ago when she was still running her previous company, Advanced Computer Software (then in her late forties), with the remit of building a business in primary care - software systems for those at the frontline such as doctors, pharmacists and nurses.

There is never much hubris with Murria. I still remember her driving me in her not-so-new green Datsun to Carluccio's for lunch and me remarking on her modest choice of vehicle given the huge success she had already enjoyed in the City. The time before, I had met her at Elderstreet VC in Buckingham Palace Road, where she was a partner. That day she told me how her father had died young. She had been brought up over a shop with her siblings by her mother in the West Midlands. From there she had gone on to study Computer Science at university and then cut her teeth at Kewill Systems, where for 16 years she headed a program of European acquisitions.

After that, Murria went on to establish Computer Software Group, which supplied accounting, back office and document management systems to the UK legal sector and also CRM software for the charity sector before carrying out a management buy out and selling it; then, subsequently, she moved on to establish Advanced Computer Software. Eventually, the latter (which bought bits of the former) was sold to Vista Private Equity for £763m. Shareholders did

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2023 WINNER Journalist of the Year

very well out of the deal. *SCSW* readers booked a 724% gain in six years and we also bagged 88% on the previous vehicle, Computer Software Group.

Genesis as a cash shell

I am confident that anyone who invests in her latest AIM-listed vehicle, AdvancedAdvT, is going to enjoy just as profitable an investment. The reason I have so little doubt is because Murria, now 62, is following a pretty well-established Murria-blueprint - to buy and build a software business with mission-critical products that result in high client retention, lots of recurring revenue and predictable cash flow. Typically across all her past endeavours she has targeted fragmented industries with opportunities for consolidation.

AdvancedAdvT was a former cash "shell" (effectively dormant) that had been floated in 2020 by fund manager Marwyn Investments. Marwyn had put up virtually all of the £0.7m raised and controlled most of the equity. It was, therefore, easy for it to push through a number of changes a year later in 2021, including giving a new executive team control and Murria became chair at the time. Simultaneously with Murria's appointment, the company changed its name and announced a new strategy "to acquire software businesses in sectors characterized by long-term trends in AI, digital transformation, data analytics and business intelligence."

A very unusual performance ratchet was also put in place (details of which are in the prospectus on the company's website), which will give Murria, Marwyn and other management 20% of any "shareholder value" crystallized from the float price of 100p by the ultimate sale of the company. So if the company were to be sold at 200p, they receive 20p of the uplift. A similar blueprint had been used at her previous vehicle, Advanced Computer Software Group. But that said, as part of the fund raise for £128.5m, both the sponsor, Marwyn, and Murria did stump up serious hard cash, with each investing £17.5m, giving them a 15.4% and 13.1% holding, respectively. Business Growth Fund also became a cornerstone investor, investing £20m for 15%.

Initial opportune bid for M&C Saatchi

As Murria says, things didn't take off immediately; valuations for software businesses were just too frothy at the time. Instead there was a bit of an opportunistic tangent when ADVT acquired 12m shares in advertising company **M&C Saatchi** (SAA; 181p) for £24m in January '22, where Murria was a non executive director and also personally owned 15.3m shares.

Combined, the 27.3m shares that Murria and ADVT owned represented a 23% stake, and this was used as a launchpad for a bid, the final one valuing M&C Saatchi at £250m. "I obviously knew the business well; alongside the advertising agency, which was losing money in a cyclical downturn, it also had a very successful digital business providing consultancy and analytics with lots of technology that was making money. The business was valued at £130m by the market versus £1.3bn for rival Next15," says Murria.

Murria's bid, however, failed, with acceptances of only 37% as M&C gained some swagger from improved trading and since then, another female titan has been installed on its board, Zillah Byng-Thorne, the former CEO of **Future** (FUTR; 623p). Next15 even threw a bid in but that too failed as Murria voted against it.

As it stands, ADVT still owns 12m M&C shares, which are currently worth £21.7m, and still has £82.2m of the cash it had raised.

Buys five businesses from Capita for £33m

But with tech valuations now having receded, the "Queen of tech" Murria has returned to her roots in software, and ADVT has recently concluded its first acquisition of five software businesses from **Capita** (CPI; 13p) for approximately £33m cash. As I am learning, there were two other interested buyers wanting these assets at the time but they were overseas private equity firms and circumscribed in their ability to act fast enough for Capita, which had promised its own investors it would sell the five businesses as a single job lot.

When building up her previous businesses, Murria has often targeted retirement sales. She has previously recounted to me, "You get an entrepreneur who might have had great success building up their software business but they've paid the school fees, paid the mortgage and then it often becomes a bit of a lifestyle and they are looking for an exit. In most cases, being run by absent managers as lifestyle businesses leaves them neglected and going nowhere fast." Capita's situation was in some ways similar. It had been providing a range of services for the NHS, including support services for health providers and commissioners, clinical performance management services, finance and accounting solutions and health informatics services. But since 2017, the group had become too heavily indebted, which meant it had to sell several businesses to reduce debt. Covid then came along and several software businesses were put into a holding state to be disposed of; management weren't incentivised on new business, and consultant utilisation also fell. This is why Murria paid a low price.

Paid 5.5x EBITDA

Having bought the five businesses, one loss-maker, Synaptic, which provided software for IFAs, was deemed non-core and has since been sold for £3.5m, leaving ADVT with four remaining software businesses. In their last reported year (2022), these businesses generated sales of £32.4m (with approximately 74% of the annual revenue recurring (ARR) or coming from Software-as-a-Service) and £5.3m in EBITDA. The price paid of just 5.5x EBITDA looks like a steal.

But Murria obviously knows what businesses of this ilk are capable of achieving and what needs to be done to fix them. As she notes, "EBITDA margin was 16% but for a business of this type investors should expect it to be 25-30%." She adds some colour to this by adding, "Thankfully, three of the management team have now retired, shaving £0.5m off the wage bill. I never knew what they were supposed to be doing anyway and so I have used the savings there to revamp the team and have persuaded new people to join me once again from my past company. Many of them are there on a one or two-day-a-week basis."

As she has worked with most of her team before, she thinks ADVT will hit the ground running. She says there have already been early wins. One of the new appointments has started trawling every customer contract and checking for "compliance" i.e are users paying for the services they actually consume - for example, do they have a license for 35 users but 50 are using it? Murria says ensuring proper adherence to contract terms could add £1m to ARR.

Clinical benchmarking

So what are the first businesses? As I am learning, there are basically two elements to the Capita acquisition. Bigger of the two is a Business Solutions & Healthcare Compliance side, which has sales of £22.1m and EBITDA of £3.4m.

Here, *Centros* is an accounting back office system for use by healthcare and other public sector organisations. Its software products include account-

ing and budgeting, procurement, receivables, payables and project accounting, and the current customer base is said to include 45 NHS trusts and several other public sector organisations. Such systems are typically used by a finance director and Murria says the reason for buying this is simple: the nature of its activities means it provides direct engagement with senior decision makers, and via acquisitions she plans to fill the "white space" with the addition of new modules that can be sold to them (e.g. document management, payroll, HR).

The other divisional software activity is perhaps more interesting. *CHKS* is a leading provider of healthcare intelligence and benchmarking software to address the governance, risk and compliance needs of its healthcare customers. It is being used by 150 public, health and private organisations.

Jeremy Hunt's latest Budget is on TV in the background as I write, and owning CHKS seems to be coming at such a perfect socio and political time for ADVT. I can recall that a few years ago, there was The Bristol Royal Infirmary inquiry, which was set up to investigate the deaths of 29 babies. The report called for a new culture of "openness about clinical performance," allowing patients to access information about the relative performance of hospitals, services and consultant units and the creation of national standards of care, both in clinical care and for hospitals.

The Chief Executive of a Trust these days might, for example, feel a need to provide assurance of high-quality safe services for patients and value for money for commissioners. Accessing this data and making sense of it is challenging. This is where CHKS comes in. Its system ingests 2.5 billion patient data records, which are supplied on an anonymised basis from the Department of Health, individual trusts and doctors. This data is ingested by sophisticated tools alongside other variables such as age, sex, length of hospital stay, method of admission and case mix, and enables healthcare organisations to better understand potential quality performance issues and identify inefficiencies within a health economy.

As Murria notes, there are others also doing this. For instance, a business I have come across called Doctor Fosters, which has been set up by a team of journalists, is very similar. But Murria aims to do things better; for example, by using AI, Murria plans to build a new platform to provide data that the chief executive of an NHS Trust might need to allow him or her to investigate risk-adjusted quality, performance, patient safety and clinical outcomes data (including mortality), to benchmark against other healthcare organisations, and identify areas for improvement and efficiency savings. This data can, for instance, then be used to identify outlier hospitals that are particularly above or below average.

As well as NHS hospital benchmarking to compare how one hospital is performing versus another, CHKS can also be used as an aid to support accreditation and as a compliance and control mechanism eg. before a check by the CQC (Care Quality Commission), the independent regulator of health and social care, a care home operator might want to use such data to compare against their actual own service level, to ensure its data meets adequate levels to pass the assessment.

ADVT's latest cloud-based system of this emerged 18 months ago after an £8m spend but under Capita, only 43 customers moved across. Murria intends to accelerate this and says 25-30 more will transfer over this year and a similar number next year. Not only does moving them to a hosted environment immediately produce a 30% ARR uplift but she can then add new services for users to plug in such as business intelligence. To better understand the opportunity of what customers might want, she highlights that when she did a user conference (the first for three years), 144 of the 150 customers showed up, demonstrating just how vital they saw the software was for their business. Her plan is to make small acquisitions at, say, £3m-£5m apiece to bring new functionality into the fold.

Human Capital Management side

One such cross-selling opportunity already exists within the Human Capital Management (HCM) software acquired, which is the other side of the business. This comprises two workforce management systems, *Retain* and *WFM*.

As Murria explains, there is an opportunity to bundle some of these in with the Business Solutions & Healthcare Compliance side - such cross selling was never undertaken by Capita. As she explains, the present HCM solutions integrate with leading enterprise resource planning systems and are trusted by some of the largest global consultancies to deliver effective management of resources; optimise utilisation and productivity; and enable efficient cost management, financial and staff planning tasks. For instance, PWC uses the Retain system across 477,000 users, E&Y across 270,000, another for 400,000, and so on. Murria says there are 2.4m users in all. "If you have a consultant being paid £300,000, you want to ensure his work is being correctly billed and scheduled," she adds. Despite these firms managing such expensive talent using the system, Murria is pretty forthright in saying that these customers aren't paying anything near what they should given the value they receive from it. She adds that some users have historically been paying as little as £1 per user per month and there is scope to lift this by 400%-500%.

Alongside Retain, the other owned software is WFM. This is a time and attendance system for lower paid, high volume workers with multiple shift patterns, so it needs to cater for complex overtime rules, varied shift premiums and other pay adjustments. The software handles highly complex payroll calculations whilst its comprehensive time and attendance and access control solutions provide real-time employee tracking with tangible efficiency benefits.

Murria's plan is to change the year end to February - most public sector year ends are March and this reduces the risk of contract slippage from one year to the next. ADVT has therefore just reported interims for the 6 months to end December. There will be an 8 month (shortened) full year statement in May. *Nobody has written anything on this and the house broker has yet to initiate coverage. I am a buyer before the thundering herd arrives.*

UPDATES

Luceco (LUCE) 136.5p

Sector: Electronic & Electrical Equipment

Luceco has made a nice eps enhancing bolt-on of D-Line (Europe) for an initial £8.6m. D-Line supplies cable management solutions, including decorative cable trunking and accessories, fire-rated cable supports, floor cable protectors and cable organisers, which are a natural fit to sell alongside Luceco's existing ranges. The deal also gives Luceco a distribution facility in the US. For the year to 30 November, D-Line made £1.4m operating profit on sales of £17m. A further £3.8m is largely contingent subject to achieving a "transformational new business win."

Separately, following a stronger than expected Q4, Luceco has delivered FY23 results that are at the upper end of guidance, with pretax profit of £21.2m (+9.3%), eps of 11.1p and a dividend of 10.6p. The previously highlighted H2 cost dynamics supported a blistering H2 gross margin of 39.4% and an H2 23 operating margin of 12.2%. Debt is just 0.6x ebitda. Everyone approach the runway: Liberum's eps forecasts are for eps of 12.1p, 14.5p and 16.6p over the next three years. *Buy.*

McBride (MCB) 99p

Sector: Personal Care

McBride has just released its H1 results to end December and at the same time said favourable market condition trends for private label are expected to continue - so much so that it expects to exceed full year expectations by 10-15%.

Private label share in the overall household cleaning products market in Europe is estimated to have risen to c.35% by volume as consumers continue to turn to supermarket own brands to reduce grocery spend, and by partnering with 90% of all European supermarkets, McBride continues to take share. Its private label volumes grew 10.1% in the latest period (whilst total volumes grew 6.4%) making it the largest private label producer in Europe with a 50% share, >3x its nearest rival.

Gross margin continued to recover as a result of pricing increases implemented in the last financial year, helping to offset the input cost inflation in previous periods. Consequently, H1 sales were up 10% to £468m but adjusted operating profit twanged back from £1.3m to £30.5m. Pretax profit was £22.4m for eps of 9.5p.

It is shaping up exactly as I had anticipated for McBride in my recent main write up with own brand volumes being driven by Household, Laundry and Dishwasher, each growing 11-17% and McBride is seeing market share gains in three of the top five European economies. The Transformation programme is on track to deliver £50m savings over five years. *A Capital Markets day was well received. Buy on a PE of still only 5x.*

Tristel (TSTL) 447.5p

Sector: AIM, Healthcare

Tristel has reported its H1, albeit the period included relatively little of the royalty income from Parker Laboratories, which is manufacturing and distributing *Tristel ULT* for high-end disinfection of ultrasound probes in North America. As finance director Liz Dixon explains, it was only once the FDA had approved ULT that labelling could be finalised and Parker undertook the first production run in October. Consequently, there was only 10 weeks of actual sales activity, which generated a 24% royalty.

As it was, H1 sales were +20% to £20.9m driven by volume (c.8%) and price increases (12%) but only included £46k royalty. Medical device sales of ULT in France, Germany and the UK were +25% to £18.3m, growing in line with more diagnostic procedures as hospitals continue to tackle backlogs post Covid whilst the surface disinfectant, *Cache,* saw sales decreasing by £0.1m to £1.7m.

Turning to the US, as Parker educates the markets, there is scope to displace its rival, Nanosonics, although it is taking a softly softly approach by initially targeting customers who have relatively low level requirements and who can't afford a Nanosonics machine. Interestingly, Dixon says Nanosonics threw in the towel in Germany after ULT entered the market.

Tristel recently submitted 510(k) application to FDA to approve *Tristel OPH*, a high level disinfectant for ophthalmic devices, and Dixon expects approval by the end of FY24, by which time Tristel also expects to announce a distributor. This is a market where there is no rival so it could be a big money spinner.

Tipped at 400p in November '23. Strong hold.

DotDigital (DOTD) 85p

Sector: AIM, Marketing

DOTD has the spring back in its step with H1 marking a return to mid-teens sales growth, driven by geographical expansion and new product functionality. Revenues were +15% to £38.7m (11% organic), and EBITDA +13% to £12.4m. After buying Fresh Relevance in September for £18.8m, net cash was £37.1m.

There are two keynotes to the results. First, international revenue now makes up 33% of the group and grew 12%. There was strong growth in EMEA +9% and the US +8%, but APAC was the star, growing +33%.

Second, DOTD continues to squeeze more revenue from existing customers by adding additional functionality, which in H1 contributed £13.2m. Average revenue per customer grew 9% to £1,709, with a boost from Fresh Relevance.

CXDP (Customer Experience Data Platform) is the evolution of DOTD's Engagement Platform and now offers several advantages for marketers, including time-saving benefits by streamlining the content creation process, including predictive analytics and real-time automation to drive conversion. The future is in AI-assisted marketing and CXDP now incorporates DOTD's marketing intelligence engine, *WinstonAI*, which includes an email campaign assistant that provides feedback and improvements to the content of an email campaign and can rewrite, rephrase for tone or change the length of content.

But DOTD's system is also now omnichannel. Fresh Relevance has enhanced cross-channel personalisation and tailors a customer's experience across the web, email, mobile app and SMS. A recent development, "one-click email to SMS" for instance, automatically adjusts the email campaign message to a concise 160-character count, optimising it for SMS. Other capabilities added to DOTD's roster include triggered email alerts, product recommendations, onsite popovers, dynamic content, social proof (ratings and popularity messaging), and behavioural, social and geo-targeting. DOTD said bookings are ahead of last year with particular strength in new customers responding to the broader platform. *Strong hold*.

Sanderson (SDG) 103p

Sector: AIM, Household Goods

Ahead of reporting results for the year to end January on 24 April, Sanderson said sales were 3% below the previous year at £108.5m but there is a better mix with high-margin licensing contributing £10.9m to sales, up from £6.5m.

Brand sales in the UK, its largest market, are still subdued, however (-11% at £37.9m), as was Europe (-8% to £9.9m) but the targeted growth market of North America performed strongly (+7.1% in reported currency at £21.2m). The latter was driven by Kravet Inc., the US distributor of the *Clarke & Clarke* brand. Third-party manufacturing, at £18.9m, was down 14.5% and meanwhile digital printing continues to grow at both Standfast & Barracks and Anstey, where a review of the cost base is ongoing.

A keynote is that this is the first year licensing sales exceeded £10m and consequently, pretax profit for the year is expected to be £12m (FY23: £12.6m) whilst some licence agreements signed during the year with NEXT and Sainsbury's have yet to contribute.

Separately, Sanderson has launched a dedicated online store for its Arts & Crafts brand, *Morris & Co*. This marks a major step-up for the group in terms of direct-to-consumer (DTC) where its presence to date has been limited to its smaller *Scion* brand with *www.scionliving.com*.

Net cash at the period end stood at £16.2m or 22p a share. Based on expected profit of £12m/eps of 13.2p, the shares look very cheap on an ex-cash PE of just over 6. *Buy.*

Alfa Financial (ALFA) 166.5p

Sector: Software & Computer Services

Alfa, which supplies category killer software that has been adopted by even the biggest asset finance companies, has just reported its FY23 results with sales up 9% to £102m, within which was strong growth in subscription revenues, including from recurring revenue for subscription licences to its hosted *Alfa Cloud* solution; sales of its business-in-a-box, *Alfa Start* (functions come pre-set so that it requires less integration work and customers are up and running within weeks rather than years); and maintenance, which climbed by 16% to £31.8m. Operating profit was £30.1m (2022: £29.6m) despite a further 34 (8%) additions to headcount. Eps decreased 3% to 8.4p on a higher tax charge.

Although Alfa continues to invest, the rising proportion of income from repeating areas meant EBITDA margin recovered to 29.5%. Even after paying dividends of £19.7m and share purchases of £4.8m, it finished the year with net cash of £21.8m. It has announced a 2p special dividend (£6m) on top of the 1.3p.

The business has clearly come a long way since its IPO in 2016. Back then it was selling very large systems and sure, it did make more money the year before its float (profit £35.6m) but it was selling software under the old model of a once-off licensing fee and a 20% annual maintenance charge - so performance in any one year came down to success in 'shooting elephants.' Now chief executive Andrew Denton has introduced more leverage into the business. The software runs on a cloud infrastructure rather than on-premise and increasingly sales are on a subscription-licensing model so it's not reliant on one or two go-live events to underpin its future revenues. Last year saw seven go-live events: two UK Alfa Start projects, three automotive finance projects across three continents and two v4 to v5 upgrades in the UK for equipment finance. Alfa now has 13 customers using Alfa Cloud for their live production environments and has another three customers taking hosting services during the design and implementation phase.

In the process, the business has also become better spread with 19 customers contributing sales of £2m vs 7 in 2019. *Alfa Systems 6*, the sixth major version of its software, now has 10 more chargeable modules than v5, which was launched in 2009 and will further drive incremental sales.

Total Contract Value (TCV) has grown 16% to £165m, which includes £119.5m from subscriptions at 31 December 2023. The late-stage pipeline is stuffed with 11 prospects, of which 10 are at preferred supplier status, with almost all looking to use Alfa Cloud. *Strong hold for more*.

Yu Group (YU.) 1750p

Sector: AIM, Gas and Water

A pretty astonishing set of results from Yü once again. Sales were up 65% to £460m, albeit it was during a period of elevated energy prices. Pretax profit and earnings each soared six-fold to £39.7m and 182p, respectively. The tax charge was 22% as it has used up past tax losses.

Net cash at the period end was £81.9m. The big news, which had come a few days earlier, was that Yü has signed a landmark hedging deal with Shell, which replaces the Smartest agreement and means Yü no longer needs to post collateral. Although the Smartest deal, which was signed in 2019, had a built-in credit line, a higher than anticipated volume of new customers (average monthly bookings £55.5m up from £24.5m) and the high energy price eventually required Yü to post £50m collateral to cover forward potential credit exposure.

The new deal means the collateral has now been returned to Yü, although brokers have left their interest estimates unchanged, since Yü was receiving interest from Smartest Energy anyway. But Yü doesn't have much need for the cash and has therefore declared a dividend of 37p or £6.2m. It still has 449p in cash per share it could pay out.

A couple of other keynotes from the results themselves were that operating costs as a percentage of revenue increased by only 0.4% to 5.7% demonstrating the fixed cost nature of its digital by default strategy. Underlying EBITDA improved by 439% to £42.6m, for an EBITDA margin increased from

Editorial shareholdings of companies covered in this issue: Luceco, McBride, AdvT, Yu, Reach, XLMedia, Revolution Beauty

2.8% to 9.3%, showing the increasing efficiency in the business.

Bad debt provisions were also down to 3.1% and have fallen as energy prices have fallen and the group continued roll-out of smart meters (8.5k of 53.4k meter points now covered), which helps it manage credit risk (as it gives actual rather than estimated usage and an ability to remotely turn meters into PAYG). Liberum has lifted its eps forecast by 8% to 185.8p, which looks assured given its revenue estimate of £680m, of which £520m is already contracted. But as contracts roll off onto lower prices, there is some risk of the shine coming off gross and operating margins. *Tipped at 380p in December '22, Liberum has just buy rated with a sizzling 2050p target. Some profit should have been taken; hold the rest.*

TClarke (CTO) 124p

Sector: Construction

2023 was far from a straightforward year, with the turbulence of the construction sector causing one main supplier to became insolvent and TClarke had to re-procure the work across a number of smaller suppliers mid-contract. Having done that it was able to deliver on its project schedule, albeit at a greater cost. These measures restricted the operating margin to 1.9%, below the previous year's 2.7%. Consequently, sales were up 15% to £491m, a new record, but pretax profit was down 26% to £7.6m.

Meanwhile, TClarke continued to win new work at a rate of knots with the order book ballooning by 70% to £943m of which data centres are £346m. Having raised £10.7m cash via a placing at 122p last July to avail of the more complex and bigger opportunities being seen, net cash now stands at £19.3m. Brokers suggest margins will bounce back in FY24 towards the 3% target, with Cavendish forecasting a record £600m sales, pretax profit of £17.1m and eps of 24.1p. *The shares have meanwhile retraced to last July's placing price. It's now pretty much the last chance saloon for management to prove they can deliver. Buy.*

Reach (RCH) 78p

Sector: AIM, Media

Reach's latest full year results made reference to three positive developments that will remove long-term uncertainties and improve cashflows. First it has agreed with the trustees that cash pension top-ups will from FY28 be chopped from £60m to £20m. Adding £40m cashflow to the £65m in FY23 is clearly transformational.

The other impacts are smaller but nonetheless worthy as from FY26 no further claims for phone hacking can be brought to court (£4.6m was paid last year) and the provisions against future settlements have reduced by £20m to £18m. Thirdly, the last £7m deferred consideration for the Express & Star acquisition has been paid.

FY23 revenue declined by £34m to £568.6m but was mitigated by a £23.1m or 5% decrease in operating costs to £470m. This meant that adjusted operating margin decreased by 0.6 percentage points to 17%. Consequently, adjusted operating profit was down 9% to £96.5m for eps of 21.8p. The dividend was maintained at 7.34p.

For some time, Reach has been transitioning from 'dead tree' print newspapers to a digital proposition by building online communities with a keen interest in sport, royalty and UK celebrity culture. The paper titles continue to generate the cash for digital expansion but still account for c. 75% of group sales (with sales down £10m to £438.8m), with circulation revenue growing 2% to £312m (due to cover price rises) and print advertising down 12%, but the latter is small at only £76.6m and well spread across a variety of sectors including food retail, travel, government, entertainment and media.

The "cuckoo in the nest," which is expected to begin crowding out the rest of the group, is digital advertising income. Reach has continued to build out its communities (increasing engagement and ARPU) and expand its digital capabilities (investment into Mantis), and it has launched into the bigger US market including the launch of Mirror and Express websites - all of which suggest room for sustained high growth rates. Even the Yanks just couldn't get enough of the royal family news and #whereiskate over the month.

Shareholders didn't get to see the fruits last year, in part due to newsprint inflation and then Facebook throwing a curveball at the whole online sector when it deprioritised news and consequently reduced the amount of traffic going to newspaper sites. This caused a £22m downdraft in digital advertising income for Reach to £127.4m. Most of the impact was felt by programmatically driven advertising (ie. ads sold via an auction process), which declined by 24% to £72m but the comps get much easier from Q2. Data-driven digital revenues (sold directly to advertisers), making use of first party data that Reach has gathered (from 12.8m registered users), was only down 4% to £55m (43% of the total) and is set to grow very rapidly. Not only do registered users consume more pages but advertisers pay 8x more for targeted advertising.

Year to date (Jan/Feb), digital revenue is robust and whilst revenue is down 5.8% overall, this is offset by Reach's plan to reduce full-year operating costs of 5-6% in 2024. But what is set to galvanize data driven digital revenues is Google's Chrome browser, which has begun to disable third-party cookies (small files stored on your device to collect analytic data and personalise online ads), which will increase the value of data driven revenues from Reach's registered users. *The shares have bottomed. With Reach able to support the 7.5p dividend and cashflow transforming, I think the shares will find a second wind. Buy.*

XLMedia (XLM) 12.5p

Sector: AIM, Media

XLMedia's shares shot ahead by 99% in one day after it sold its Europe and Canada sports and gaming assets including Freebets.com, PonturiBune, WhichBingo and Kasinot.com, to Gambling.com for a total US$42.5m (US$37.5m fixed, US$5m earnout). Considering it had a market cap of £16m before the news emerged, this demonstrates just how badly the market is valuing small caps at present.

The proceeds will be used to settle deferred payments on past acquisitions (US$4m), tax (US$5m) and provide capital for the US business and then to return significant sums to shareholders. Following the completion of the deal, net cash is c.US$35m (£27m) or 10p a share, leaving the US business in for free. *Await developments.*

Nexteq (Quixant) (NXQ) 153p

Sector: AIM, IT

I spoke to CEO Jon Jayal shortly after Nexteq's FY23 results, which were just ahead of the upgrade that followed its January trading update. Sales were -5% to US$114.3m, with Quixant -6% at US$69.3m and Densitron -2% at US$45.1m. Pretax profit was US$14.7 for eps of 18.1 cents. Effective supply-chain management and increased sales of higher-margin products drove FY23 gross margin to 36% vs 32% in FY22. *The outlook highlights confidence in achieving FY24 market expectations, which are for broadly similar results but with net cash of US$27.9m. I suspect an eps enhancing deal will come along before long.*

MPAC (MPAC) 456p

Sector: Personal Care, Drug & Grocery Stores

MPAC's shares have made further headway since my last update, with the company introducing its new "Going for Growth" five-year roadmap, aiming to broadly double revenue and improve margins (adj. EBIT margin approximately 10%) in five years. This follows strong FY23 results, which also reported a stuffed closing order book of £72m.

Having stalled in the early part of the year, revenues improved as the year progressed, going from +4% in H1 to +30% in H2, resulting in a full-year outturn of +17% to £114.2m (a major milestone, exceeding £100m), while pretax profit increased by 103% to £7.1m, with eps up 94% to 25.9p.

The Food & Beverage sector accounted for 40% of revenue, with Healthcare at 36% and clean energy contributing only 8%. However, MPAC continues to work collaboratively with FREYR, 24M, Ilika and others in the development of battery cell production capability. All territories performed well, with Americas revenue growing by 7.4%, EMEA by 27.5% and Asia Pacific revenue by 31.1%.

Services revenue (i.e. spares/parts and Mpac Cube) grew by 28% compared to 24% in FY22, resulting in a positive "mix" effect, with gross margin +2.7% to 27.7%, while positive operational gearing led to a 2.8% increase in EBIT margin to 6.8%. The strong order book supports Shore Cap's forecast for sales of £120m, pretax profit of £10.5m and eps of 38.7p for this year. *Hold.*

Revolution Beauty (REVB) 30p

Sector: AIM, Personal Goods

Revolutions's trading update confirms FY24 profitability will be above the top end of the previously guided range, and expects to report EBITDA of "at least £12.5m," a massive £20m improvement on the £7.5m EBITDA loss reported in FY23. Adj. pretax profit is upgraded to £3.7m, +13% vs Zeus' previous estimate. CEO Lauren Brindley has restated her confidence in its ability to become a top five mass beauty player and triple its retail sales to £1bn. *Buy.*

INSPIRED ENERGY (INSE)

Sector :	AIM, Energy	
Latest Price :	63p	
High/Low :	107.5p - 9.2p	
Market Cap. :	£63.6m	
Shares in issue:	100.9m	
end12/2024 EPS/PER est	13.8p	4.6
end12/2025 EPS/PER est	14.8p	4.3
end12/2026 EPS/PER est	17.6p	3.6
Contact	01772 689 250	
Registrars	01214 157 082	
CALENDAR		
Int/Fins/AGM	SEP/MAR/JUN	

Energy supplier **Yü** (YU.; 1750p) is a business that very few had heard of when *SCSW* first recommended it a year ago, and the energy sector continues to present other promising investment opportunities. One I have been looking at recently is Inspired Energy, the subject of this article. Based on Shore Capital's forecast of a pretax profit of £18m and eps of 13.8p for this year, rising to £20.6m and 14.8p next, the prospective PE is just 4.6, dropping to 4.3.

Historically, Inspired has operated as a 'middle-man' or what is known in the jargon as a third-party intermediary (TPI). Energy suppliers such as British Gas, E.ON, EDF, Yu and NPower target business customers directly through their own brand marketing. However, there is a large and active TPI sector, which acquires business customers for these suppliers and, more importantly, partners with these customers and advises them on the procurement, management, and compliance of their usage. One out of four large companies engages a TPI to procure their energy and Inspired is one of only two quoted companies servicing some of the largest and highest-quality UK businesses (the other being **eEnergy**, 6.8p).

During the past six years, chief executive Mark Dickinson, a veteran of the energy sector, sold a part of the business that acted as a TPI for SMEs for £10m, to leave Inspired focusing on energy procurement for large customers only, and he has also spent over £70m on buying other assurance, advisory and procurement businesses (including energy optimisation and software businesses).

Given Inspired's interaction with large customers is often on a weekly basis once a supply contract has gone live, and with high energy prices having promoted energy to a board-level agenda item, conditions couldn't be much better for Inspired to cross sell its range of newer energy consultancy services, which help large companies reduce their energy consumption and hence save money. It also assists with Environmental, Social and Governance (ESG) disclosures to deliver on net-zero carbon targets.

Assurance Services

Assurance Services is now what remains of Inspired's original TPI business. 10 years ago, a TPI, especially one dealing with SMEs, was a dirty word as such firms typically operated with highly commissioned telemarketing-based sales consultants who would approach customers with deals for their gas and electricity supply. They would make their money from the margin between what they paid the energy company and what they could get away with charging customers. In its new slimmed down form, Dickinson now limits Inspired's target market to perhaps only 40,000 estate-intensive industrial and commercial customers, most with at least 30 operating locations. They are high energy consumers and are clearly the ones most likely to want additional services.

Corporate energy contracts tend to be very different from consumer or SME agreements: marketing isn't by telesales but on a face-to-face basis as the sale is often more technical. Contracts are typically fixed-price over three to five years and can be highly complex (based on number of locations, meters etc.). This makes procuring energy challenging (wide range of tariffs across different time periods), while the needs for auditing, reporting and usage reduction are becoming more in demand, given the regulatory drivers.

First deal was to buy SystemsLink

As a notional example, a customer such as high street retailer Boots might engage with Inspired to manage the energy supply contracts for its store portfolio. Inspired's consultants will determine when its present contract expires and then take over the whole process from reviewing, analysing and negotiating its gas and electricity contracts all the way through to ensuring that each of the stores gets correctly switched over to the new supplier at the contract start date. Sometimes water is also added to the tender.

There is technology covering the entire process. One of the first acquisitions under Dickinson was that of SystemsLink, a software company that allowed him to streamline the process of presenting Inspired's clients with a full range of tariff and pricing options (by months, quarters, seasons, etc.), dynamically adding their own commissions and then providing the tools they need to analyse and manage client spend. This product seems to have since been extended and enhanced beyond quoting, forecasting and budgeting through to invoice checking, forensic auditing and business intelligence reporting.

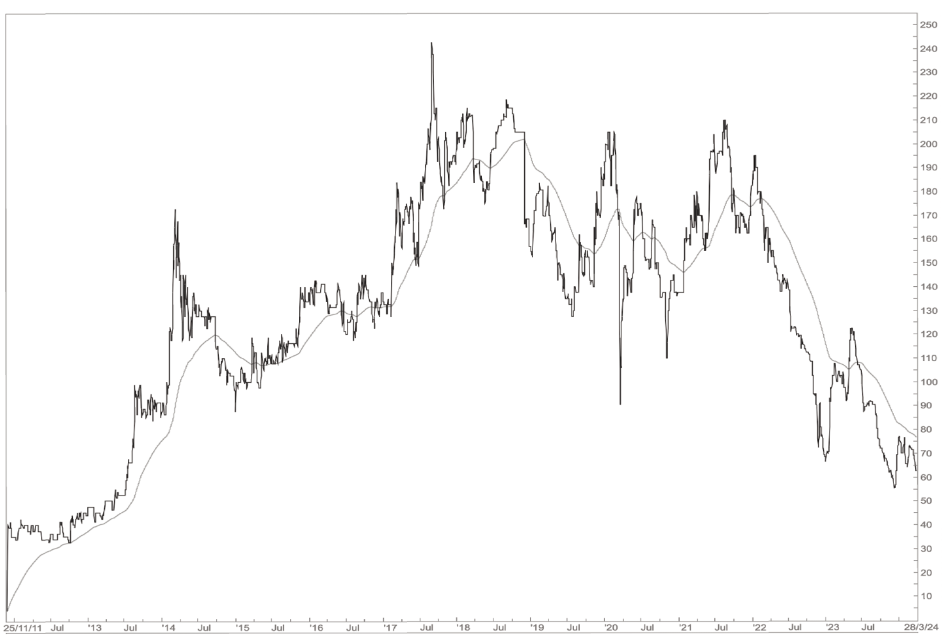
Technology-enabled services provider

I can see why he bought it. The system is a backbone to the Assurance operations, and consultants use it to find the right contracts and pricing options for their customers. Turning to the Boots example again it might have been charged a £100,000 flat fee for its Energy Assurance service and in such a case where a fee is received directly from customers, the revenue is recognized on a straight-line basis over the life of the contract. But more often than not, customers prefer the fee to be spread over the life of the contract (typically a 3 or 4 year term) and the fee gets bundled into the monthly charges from the energy company by adding it to a customer's kWh rate - known as a "Take or Pay" setup. On such occasions, Inspired's fees will be split over the number of anticipated units of energy consumed by each of the customer's locations. Boots, for example, has 2,200 sites and so this process of calculating will be carried out across the entire estate. Dickinson says that 60% of its Energy Assurance fees are indirectly billed by the utility customer in this way and the keynote is that Energy Assurance revenue is only recognized when the contract goes live.

Overall, in the year to end December, the Energy Assurance business recorded only 0.9% growth in fees and commissions to £36m and made an EBITDA down from £16.2m to £15m. The EBITDA margin fell from 45% to 41% due to Dickinson scaling up headcount to improve service levels and to allow it to cross-sell its other services. "There is a flight to quality by customers going on, so we have to increase service levels, plus it enhances cross selling."

As I am learning, Inspired's Energy Assurance fees typically represent 2% of consumers' energy spend but it will often deliver cost savings or cost avoidance that benefits consumers by more than five times its fees annually. This is because Inspired's software has access to all data from its customers' water, gas and electricity meters and uses it to bundle other service into the basic service.

For instance, Dickinson says that it can now offer bill validation as a bolt-on. In fact, another of the group's acquisitions, Ignite, has developed in-house solutions that sit on top of leading bill validation software and will gather and analyse data and identify discrepancies. "Large businesses need to audit and validate energy bills constantly to ensure they are only paying for energy that they have used. With many sites,



and meters in various buildings, energy bills get complicated and errors occur. Energy companies have largely underinvested in their billing systems and 6% of energy bills have errors."

By now, I hope it becomes apparent that Inspired isn't just your bog standard energy provider but a technology-enabled service provider with considerable competence in dealing with unstructured data and turning it into actionable insights. With some quirky genius, Dickinson very early spotted the potential to use the data from the meters under management to do other things for the customers who it was already assisting with energy procurement: ESG disclosures and energy optimisation services.

ESG doubles its sales

These days there is a rising tide of ESG disclosure requirements that large companies have to adhere to. Exactly what is required depends on the size and type of company. An example is mandatory reporting by large companies on their UK energy usage and carbon emissions within their Directors' Report known as Streamlined Energy & Carbon Reporting (SECR). Other regulations are TFCD and ISSB. By pulling out all the data from those meters under management, Inspired is able to provide these customers with the ESG balance sheet required to fulfil their obligations.

ESG is still small but fast-growing with sales of £2.6m in FY22 doubling to £5.5m last year, with a £1.5m EBITDA contribution. As it scales further, margins should take off.

Optimisation is big swing factor

Whilst ESG Services were developed organically, buying Ignite is what accelerated Inspired's move into optimisation and proved to be an overwhelmingly successful deal. Inspired initially bought a 40% interest in 2019 for £5m but a year later exercised a call option to gobble up the rest for £11m. An incentivisation package with the management of Ignite was then put in place and provides a maximum additional consideration of £9.25m, or £2.3m p.a. from 2024-27. But Dickinson says the deal is going to pay for itself as Ignite has already returned >£30m cumulative profit.

Operating in Oxford, Ignite uses online site-by-site monitoring to identify energy efficiency projects and make recommendations to customers. For example, for B&Q, it might have suggested a range of changes to reduce electricity consumption such as incorporating energy-efficient LED lighting and display sensors, solar panels and the implementation of building management systems to control the store temperature throughout the days' changing outside conditions. Initially, it might make changes to a pilot store to measure the savings and if it gets the go ahead, it will then employ a turn-key contractor and arrange installation across the entire estate. Most accounts pay Inspired on a turn-key basis, although some pay a share of savings.

Dickinson tells me that last year there were 370 customers being supported with optimisation projects, up 37% on the year before. Last year, Optimisation sales were up 13% to £54m as several customers brought forward capex spend relating to this, as high energy prices meant a shorter payback on investment but the growth is also down to the fact that improvements are an iterative process and it is often "layering" more changes to existing customer sites. This is a high-growth area and last year Energy Optimisation Services' EBITDA increased from £10m to £15.2m, with margin up from 21% to 28% due to economies of scale.

All about maximising CLV

But looking at divisional performance in isolation perhaps misses the point that the number of clients taking services from more than one part of the group is rising and has lifted the number of clients generating >£50k income annually to 159 versus 49 in FY20. "With Nuffield Health, for example, Inspired started providing procurement services in 2018, before adding additional Assurance Services, like Bill Validation and ESG services in FY21, and then provided expanded ESG services and more Optimisation Services in FY23. Inspired has saved Nuffield > £3m on utilities." By extrapolating the growth in lifetime value to more clients, Dickinson expects he will have been able to triple revenue and double EBITDA between 2022-27.

Software sold to other TPIs

The final bit of the mix has been to make the same SystemsLink software that runs the Assurance side available to a client base of 60 competing TPIs. SystemsLink has been bundled into a SaaS product and Inspired sells it for a minimum annual fee (for a small TPI) of around £2.5k for 50 meters and c. £10 per meter after that. Dickinson doesn't mind rivals using the product as not only is it a valuable high-quality income of £3m (+18%) with underlying EBITDA of £1.8m but it also allows him to keep tabs on rivals and look for acquisition opportunities.

I have struggled to see why investors have fallen out of love with Inspired. Despite its insalubrious early history, it's now a very different thing. Net debt is £49m and higher interest costs (up from £3.1m to £4.5m in FY23) might have put some investors off but now that rates are falling, I am happy to put that to one side. There is also a fantastic institutional shareholder register. *I am a buyer.*

<< Continued from page 8

customers redeem their loans, on average, in 95-97 days rather than running it for the permitted six months. A pawnbroker's skill is to underprice the pledge to a level that ensures it is attractive enough for a customer to come back and redeem the item, and last year 85% of loans were redeemed - which is what you want to see as the customers will often return to re-pawn the same item again weeks later.

Unredeemed pledges are displayed in the shop window and put up for sale and those that are not of suitable retail quality are processed for scrap. Last year's pawnbroking scrap gross profit increased to £4.7m, +34%, whilst lending gross profit before allowing for c.£20m bad debts was £90.2m, up 42%.

Interestingly for the first time in a decade, H&T is lifting the interest rates on its loans. The most expensive, for instance, rises by 0.5% from 9.9% a month to 10.4%. The cheapest loan rises to 3% a month. Some of this is down to the fact that H&T borrows the money that it lends out and its own borrowing costs have risen: H&T's net debt is £32m, up from £3m a year earlier, due to continued growth in the pledge book as well as investment in the store base, and it recently increased headroom by £30m by borrowing from the private equity arm of the US Prudential (at a smidge over 8%, which Gillespie says is very keen for a lending business of this type).

And it makes sense, as even 8% p.a. isn't a bad rate if you are lending at 10% a month. I feel that given the small size of any individual loan overall there will be little resistance to it and widening of the net interest margin could lead to a profit beat.

A second boost to the pawnbroking side is likely to come from the recent acquisition of Maxcroft, a single-site pawnbroker in Ilford, for £11.3m. As Gillespie says, it has a ridiculously large pledge book of £6.1m because Maxcroft has built its operations by providing collateral backed, larger pawnbroking loans to business customers who typically use the loan as working capital in their business. Its mean ticket size is 8x bigger at £4,063 and will provide expertise to roll bigger loans into other locations.

In every other service line at H&T, short-term reasons can also be provided for why performance will improve. Within Retail, for instance, H&T sells pre-owned jewellery and watches from unredeemed pledges, supplemented with new jewellery. Last year, it was impacted by more cost-conscious consumers. "A shift towards lower-priced items during the holiday season caused us to miss our sales and margin targets. The price of watches, particularly, was highly volatile, prompting us to liquidate a significant portion of our watch inventory through auctions to manage stock levels. Furthermore, customers seemed to be purchasing less expensive new jewellery over pre-owned pieces, opting, for instance, to spend £70 instead of £200. Additionally, there was a rise in customers purchasing physical gold such as Sovereigns, Krugerands and gold bars, which yield lower margins." Historically, H&T has achieved a gross margin of over 39% on jewellery retailing but the mix change reduced margins to 30%.

Gillespie says he is now repositioning to sell pre-owned jewellery at lower price points. There is an opportunity to scrap less and resell it in store. Sales of pre-owned items generate a 45% gross margin, rather than 30% for new. Meanwhile, watches are down to just 15% of the pledge book. Prices have stabilised and are moving back to the historical 25% gross margin.

There is also less of an inventory risk with selling pre-owned jewellery because if something is slow to shift, you do still have the option to melt it down, especially with the gold price high. In fact, H&T buys poor quality items from customers to do just that and this side also grew gross profit by 27% to £8.6m.

The final bit in H&T's mix is providing travel money where gross profit was +11% to £6.3m. It has a c. 2% share. Demand for holidays has been high and transactions were up 18% but there has historically been a reluctance for some customers to cross the threshold of a pawnbroker store for their travel money. But Gillespie says the Horizon scandal has put the public off the Post Office for holiday money. H&T has also introduced online 'click-and-collect,' and broadened currencies available, lifting the average spend. *With profits recovering in every business area, I am a buyer.*

UPDATES & IDEAS

• An investment strategy that can generate substantial long-term rewards is to buy shares in leading growth stocks when they are out of favour. The basic logic is simple - they always come back into favour at some point in the future. Evidence of current investor disenchantment can be found when looking at the latest share ratings for H&T (HAT; 379p), for instance. Based on forecasts for 2024 (pretax profit of £33.4m and earnings of 57.2p), the PE for the UK's largest pawnbroking group (when measured either by the number of outlets or the amount lent) is 6.6x.

H&T's shares have suffered unduly since its peak in November, because its FY23 pretax profit (pretax profit +39% to £26.4m and eps +31% to 48.7p) had initially been guided even higher. Another part of the reason for the low rating is that pawnbroking is perceived to be a grubby business, even if it does provide a much needed service to local communities. Chief executive Chris Gillespie, who I spoke to during the month, notes that H&T opened 11 new stores last year, taking its total to 278 and he plans to add 8-12 this year.

H&T's stores offer a range of services, not just pawnbroking (71% of gross profit) but also jewellery retailing (13%), buying unwanted gold from customers for scrap (8%) and providing travel money (6%). Right now the core pawnbroking operation is seeing increased demand and saw an influx of new customers wanting short term loans but it was the jewellery side that underperformed, although even that is now coming back strongly.

Pawnbroking is an activity consolidated into the Consumer Credit Act, and H&T provides short-term loans to its customers for periods of one month up to a maximum of six, secured against gold rings, chains, gemstone rings or watches ("the pledge"). Lending decisions are based on an assessment of the value of the item and a consideration of the customer's lending history. The high cost of living combined with the fact that online lenders find it too expensive to service small loans of £200 or so means supply has become restricted, so much so that January 2024 was a new record month for lending volume.

Many of its customers might use it to tide themselves over until their next payday, whilst others work for gig economies. But an atypical, more affluent customer base is also emerging. In fact, continuing an earlier trend, customer volumes in 2023 were up 17% and drove a year end pledge book up 28% to £128.9m.

The book comprises lots of very small ticket loans. "Customers sometimes turn up with a single item of value, but just as often arrive with a bag of gold items. The median loan value is only £201 and the average is £428." Interest is charged daily and although there is heightened demand for pawn loans,

>> *Continues on page 7*

THE GROWTH PORTFOLIO 3

PERFORMANCE TABLE		Change on One Month	Since Start
Growth Portfolio		+5.11%	+326.46%
FTSE-100	7931.98	+2.93%	+21.14%
FTSE-All Share	4325.93	+2.93%	+22.75%

It's been four years since the UK entered its first coronavirus lockdown. What then followed was two years of strong share price performances followed by two challenging years for small-cap stocks due to high inflation and interest rates. GP3 is up 5.1% this month but reviewing performance since the beginning, it's unsatisfying to see many so far adrift such as Reach, which had peaked at £4.10, Victoria at £12 and Future at nearly £40. Neither is it satisfying to observe companies on PEs of 3 and 4 (eg. Future on a prospective PE of 4.4, TClarke on 5.1 and Reach on 3.5).

But with inflation finally falling, the Fed is reassessing its potential to cut rates, and UK traders have begun to factor in approximately 75 basis points of cuts for UK interest rates this year. The noise from companies is improving and we have begun to witness some reratings. For instance, MPAC has surged to 456p from 195p only six months ago, while XLM doubled in a single day after selling a division for more than 2.5x its market cap. Volex reports this month and is due a rerating. Microlise has just won a £10m contract.

There are two delicious treats I want to buy for GP3 before the thundering herd arrives. It's been a while since I have written on what I would call an 'inevitable' and I think Vin Murria's latest venture, AdvancedAdvT, could be one. If my late friend Jim Slater was around, I know he would be writing to me, insisting it's where I should invest the crown jewels, echoing one of his favourite lines when he spotted something promising in *SCSW*. This month's main write-up is an excellent starting point, as even the broker hasn't written on it yet.

Another similar unknown story is Inspired Energy. Each of its 200,000 customer meters is a "unit of cross selling opportunity" and the prospective PE of 4.6 looks undeserved.

		Shares Bought	Date Bought	Buying Price (p)	Total Cost (£)	Present Price (p)	Value Now (£)
1000	^*	Softcat	7/12/15	229.2	2337	1577	15770
1000	*	Alpha Group	27/7/17	470	4745	1835	18350
1000	#*	Future	9/4/18	329.5	3340	623	6230
15000	*	Ultimate Products	31/1/19	59.9	9075	145	21750
25500	*	Luceco	31/1/19	90	22837	136.5	34808
60000	•	XLMedia	8/7/19	43.7	26330	12.5	7500
10000		Volex	9/12/19	133	13345	283	28300
10000	•	Mpac	3/2/20	259	25990	456	45600
26069	•∞	Reach	3/2/20	98.8	26019	78	20334
3000		Victoria	13/11/20	450	13545	237.5	7125
7000		Supreme	5/3/21	189	13275	123	8610
16000	•	On the Beach	5/7/21	199	32065	163	26080
25000		Staffline	7/8/21	65.4	16395	25.5	6375
10000		TClarke	6/9/21	147	14745	124.25	12425
32000	•	Boohoo	24/5/22	66	21410	36	11520
1500	*	Yu	12/12/22	426	6435	1750	26250
50000		musicMagpie	12/12/22	24.5	12295	7	3500
30000		THG	1/3/23	60	18135	68	20400
7000		GB Group	3/7/23	228	16005	268	18760
10000		Dr. Martens	14/8/23	152	15321	89	8900
20000		McBride	11/12/23	77	15522	99	19800
25000		Inspecs	5/2/24	59.7	14925	47.5	11875
10000		Microlise	12/2/24	131	13145	133	13300
						Cash £	32897
						Total £	426458

Transactions take full account of dealing charges and bid offer spreads. Income from dividends is ignored. Current holdings in the portfolio are valued at mid prices and include all buying costs. Starting cap £100,000 (2 Jan '15). * Part profits taken • Averaged down. ^Adj for special divs. # Adj. for rights issue ∞ Adj. for bonus share issue

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