THE SMALL COMPANY

SHARE WATCH

April 2025

MARKET COMMENT

Last time we said that Trump "has now met the criteria of doing something very stupid, but hasn't (yet) blown up the planet." Well, he has now blown up the global trading infrastructure. The uncertainty is extreme, and this is unprecedented territory. As Bloomberg's John Authers puts it: "It's hard to see how things get significantly better without getting much worse first."

It is now a decent working assumption that the US stock market bubble has been pricked. Yet it is early days. The bottom will be evidenced by despair and panic, and we are nowhere near to that as the embers of the investor mania still burn bright.

For example, on Friday 4th April, one ETF tracking semiconductor stocks was one of the most traded features on the Fidelity platform in the US, and buyers outpaced sellers by 3-to-1. In itself that isn't the most extreme behaviour… until you realise that it had just fallen about 50% in three days, and was 3 times geared to moves in the semiconductors.

When markets hit bottom, these investors will be wiped out. That is probably some time off, as a bear market worthy of the name in the S&P 500 will very possibly go into 2026, at least.

For smaller companies to outperform their larger brethren, the single most important ingredient is confidence, as we said last time. Clearly confidence is very fragile as we go to print, whether globally or closer to home. In addition, only a month ago most economists gave little credence to the possibility of recession. Now the odds are 50%+ in the US, and rising sharply globally.

This is obviously an unhelpful environment for smaller companies. Nonetheless, as UK rates are cut in the weeks and months ahead it will be important to observe any relative strength from smallers.

Daily price falls of 10% and more have been seen in many individual stocks, from Apple down. As the downtrend unfolds you should expect falls of this magnitude at index levels. If these occur overnight (US or Asia), panicky selling in UK and Europe will trigger liquidity issues, and smaller companies are not very liquid in such an environment i.e. they will not necessarily be easy to sell.

Bear this in mind as you think about risks with which you are comfortable e.g. what losses are acceptable to you; are you prepared to wait months or even years for them to rebound? Keep some cash for the opportunities that are emerging. Hopefully cooler heads will return in coming weeks.

WATKIN JONES (WJG)

Sector :	AIM, Household Goods	
Latest Price :	24.5p	
High/Low :	56p - 18p	
Market Cap. :	£62.9m	
Shares in issue:	256.7m	
end9/2025 EPS/PER est	1.2p	20.4
end9/2026 EPS/PER est	4.9p	5.0
end9/2027 EPS/PER est	7.7p	3.2
Telephone	0330 912 4000	
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CALENDAR		
Int/Fins/AGM	MAY/JAN/MAR	

Watkin Jones, which was admitted to AIM in 2016, is a UK-based developer specialising in purpose-built accommodation for the student and private rented sector markets. In both cases, the company buys land, builds accommodation blocks and then sells the whole development to pension fund investors who like the long-term visibility of the rental income. What differentiates the business is that not only is it the developer and contractor but it's also the end-operator, taking on project management responsibilities for 5-7 years after completion.

Over the last two years, market activity has been slower than anticipated, affecting transaction closures. This slowdown has largely been attributed to interest rates/gilt yields rising materially, which has resulted in less demand from institutional investors. However, as chief executive Alex Pease notes, during the global financial crisis - the last major property downturn - the sector subsequently emerged as one of the strongest performers in commercial property.

After a prolonged period of sluggishness, conditions are turning positive as investors begin to ponder the downward trajectory of interest rates in coming months. With the company's share price having fallen by £2 over the past four years to 24.5p, there has been director buying in recent months, signalling confidence.

Established in 1791

Watkin Jones was established in 1791 and until seven years ago was still being run by the family - the ninth generation in fact! It had started life as a modest joinery workshop before moving into the

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• Next issue on Saturday 10 May

construction of commercial buildings (eg. Premier Inns) and housebuilding, and then onto student accommodation blocks. It developed its first purpose built student accommodation in 1999 and PBSA subsequently became its bread-and-butter.

During the month I met with Pease, who took the reins in 2023 (having been investment director since 2013). As he explains, most universities (with the notable exceptions of Oxford and Cambridge, which have vast amounts of property and art) are brassic. In 2024, 41% of 18-year olds in the UK applied to go to university (the second highest number) but the problem has been that since 2017, undergraduate tuition fees in England have been capped at £9,000 with only a small increase put through this year; these fees have been eroded in value by high inflation, forcing universities to rely on uncapped tuition fees from international students to balance their books. But a notable drop in international applications caused by increased UK visa fees, restrictions introduced by the UK government and weakening currencies in countries including India and China, have created funding problems for many universities.

Whilst most universities provide first year accommodation on campus, many have been circumscribed for years to invest in accommodation and are therefore open to privately provided PBSA for subsequent years of the type built by Watkin Jones, where the facilities have ensuites, internet connectivity, good communal space and security.

In the early years of building student accommodation blocks, Watkin Jones would speculatively build a block using development finance and find a buyer post completion but the banking crisis in 2008-9 brought a near death experience when seemingly overnight it couldn't find any buyers for its sites and HBOS demanded repayment of its £150m loan.

A fabulous silver lining to that dark cloud emerged when Watkin Jones adopted a new business model - "a forward sales model" - where Pease turns to investors to forward fund its student developments.

Once a suitable site is found, the company purchases the land outright or secures an option (e.g. for a 500-bed scheme, it might pay £5m for the land or spend £500,000 on a refundable option). However, acquiring land alone is not enough - obtaining planning permission, which is done in-house, is a crucial step that determines whether the development can move forward.

Working-capital-light model

Upon receipt of planning permission, Watkin Jones forward-sells the bare land to a blue-chip institutional investor, so if it has spent £5m on the site and a further £0.3m on the planning application process, it might then sell the site for, say, £7m for a £1.7m gain - this "land margin" is the first part of its profit. The institutional investor then funds construction through monthly payments as development progresses.

Unlike a traditional housebuilder, which recognises profits when it finishes building a house and hands over the keys, Watkin Jones will have agreed contractual terms, and bills the customer monthly on an as-completed basis to maintain cash flow.

Developments usually take 18-24 months to be completed, however revenue starts to be recognised at the start of development. It doesn't actually do the blue collar stuff like laying bricks but uses a well developed supply chain, which keeps margins high. A bullet payment, typically 10%, is retained by the customer until the project reaches completion, ensuring accountability.

In my notional example of 500 beds, say the build cost was £22m. Watkin Jones might expect to make a £5m construction profit and so this "build margin" is the second part of its income.

It is worth highlighting that the profitability and margins on projects largely depend on land costs and different rental dynamics in a given location. For instance, whereas a 400-bed scheme in Liverpool might have a £180 rent per week and deliver a c£32m development value, working out at c£80,000 per room, the same scheme in London, where gross rents are £300 per week but yields lower, could give a capitalised value of c£60m, working out at c£150,000 per room.

Asset management teams

The buyers for its accommodation blocks are typically institutional investors and large pension and insurance funds. They have the capital to develop large blocks and they like the stable, long-term income stream. But Watkin Jones' involvement often continues after the final brick is laid. A development requires expert management and Watkin Jones also has an asset management arm (Fresh) that will oversee maintenance and the tenancy, ensuring the development remains profitable and well-maintained. Fresh might receive c£300 per bed for ongoing management annually, so a 500 bed scheme, for instance, will generate £150,000 annually for it, which repeats each year. The work is self delivered with 350 of the group's 700-strong headcount accounted for by Fresh.

Fresh is the third largest managing agent for PBSA assets in the UK and contracts typically run for 3-7 years. Contracted beds under management fell last year to c6,800 beds due to a portfolio moving back in house but it still has 18,656 beds under management across 58 sites currently, generating £8.1m sales last year.

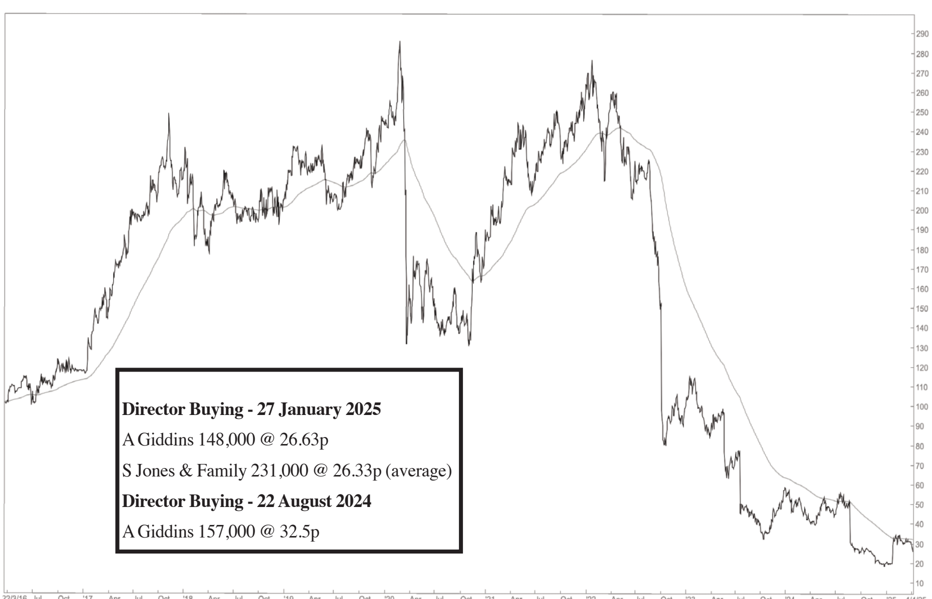
Last year Watkin Jones also introduced a brand new service (Refresh) to refurbish residential assets in accommodation blocks and it has identified over 500,000 PBSA beds that were built a decade ago, as well as a lot of university-owned blocks. Work can vary from fire improvement works to the refurbishment of bedrooms, bathrooms and kitchens.

As Pease says, this type of work is not subject to planning and is intended to complement newbuild. He anticipates good growth in FY25 with a £100m tracked revenue pipeline. But it isn't all plain sailing: some of the work is also mandatory and Watkin Jones has given an undertaking to fix fire cladding on five of its past builds, which will cost £48m (costs for this were fully provided for in the 2023 accounts); this isn't Pease being altruistic - like all contractors Watkin Jones is required to do so under the Building Safety Act, which kicked in during 2022 and has extended the limitation period to 30 years for those putting up new buildings.

Finding another way to grow

In FY24, PBSA developments contributed revenue (including Fresh and Refresh) of £128.5m. This was down a third year-on-year but doesn't tell the full story: turnover included new contracts in the year (a 260 bed scheme forward sold in Bristol) and also ongoing profit recognition on contracts exchanged in previous years as the build programme spans a number of years (Nottingham, Bristol and Bath). However, it excluded a 397-bed development in Stratford, East London, which was sold to a new joint venture (25% WJG share) created with the Housing Growth Partnership (HGP), a social investor. This transaction was accounted for as the disposal of a subsidiary rather than a land sale, so it wasn't included in the turnover figure; if it had been, it would have added c£25m to divisional turnover.

Pease says the JV was partly a reaction to the slower markets, adding that the JV is expected to sell the completed scheme once it is stabilised, which could give it greater upside as the market improves. Overall, however, this resulted in a FY24 divisional gross margin of 11.6% (FY23: 6.5%) and adjusting



Editorial shareholdings of companies covered in this issue: Bloomsbury, Tracsis, ADF, XP Power, Reach, Brave Bison, Big Technologies, Inspired Energy and Luceco

for the fact that build margins of certain in-year schemes are lower than typical land margins, this "reflects a recovery towards the margins we have historically earned in this sector," he adds.

….BTR makes the running

Since 2017, Watkin Jones has been applying the same set of skills (site sourcing, planning, transaction funding, construction and delivery, and asset management) to the build to rent (BTR) sector, with similar investors to those in student accommodation.

In FY24, revenues from BTR rose by 1.7% to £211m, generated by the build-out of three forward sold developments (Hove, Lewisham and Birmingham) although again a lack of land sales resulted in a lower gross margin of 8.5% (FY23: 9.5%).

Watkin Jones' increasing focus on BTR is underpinned by several factors: significant investor demand for its expertise, growing rental demand and an increasing preference from renters for a new and better class of accommodation. I was surprised to learn that the sector is still small with only 123k completed flats and houses UK-wide but there are 285k at some stage of planning and there is strong tenant demand from those who seek to rent these newer living spaces with better amenities, greater security, longer tenancy options and responsive professional management that is synonymous with BTR - many features that are often hard to find in the private sector. The number of traditional private landlords is shrinking; most I know presently have a haunted look of despair on their faces due to rising taxes and duty burdens and are quitting the buy to let market. At the same time, supply remains constrained by planning bottlenecks, so rents have been rising across the board.

At any one time, Watkin Jones may have a dozen developments ongoing but the forward sales structure reduces capital tie-up in any one and significantly de-risks development, with Pease targeting a c20% gross margin hurdle for PBSA and 15% for BTR for new developments (the difference is accounted for by greater build density with more units per acre for PBSA, says Pease).

A strong indicator that the BTR market remains alive and well is the recent entry of new players, such as Goldman Sachs (after a period of absence) and an Australian investment vehicle, even before the trajectory of interest rates becomes clearer.

Total pipeline of £2bn

Latest full year results saw revenue dropping c12% to c£362m, with gross profit down 3% at £33.8m, while pretax profit moved from a loss of c£3m last year to a profit of £9.8m, with EPS of c3.7p.

Watkin Jones entered FY25 with a substantial pipeline of £2bn across 24 schemes in various stages of undress. Contracted revenue from sites sold is £292m covering 2,600 beds, with a three-year delivery profile (£232m in BTR and c.£60m in Student). Pease has four developments with planning on the market which, should they complete, will give some land profits this year. Broker Peel Hunt forecasts a lower pretax profit of £3.5m and EPS of 1.2p for this year to end September, climbing to £14m and 4.9p, respectively, next year.

And the shares are clearly starting to look ahead. Changes to planning laws, set to take effect in early April, should aid the supply of development pipeline projects, and further rate cuts will likely lead to competitive bidding on its developments on the market. Greater competition will in turn result in yield compression and stronger margins. Meanwhile, Watkin Jones has availed of the slowdown to acquire land at reduced prices. With net cash of approximately £83m, it has already gone under offer on four sites since the year end. *I am a buyer.*

TRACSIS (TRCS)

Sector :	AIM, S'ware & Computing	
Latest Price :	297p	
High/Low :	970p - 305p	
Market Cap. :	£90.3m	
Shares in issue:	30.4m	
end7/2024 EPS/PER	25.1p	11.8
end7/2025 EPS/PER est	28.2p	10.5
end7/2026 EPS/PER est	32.9p	9.0
Telephone	0845 125 9162	
Registrars	0121 585 1131	
CALENDAR		
Int/Fins/AGM	APR/NOV/JAN	

Ring your stockbroker for an investment tip, and the rail sector is probably the last thing they'll suggest. For the past three decades, Britain's railways have been split between 28 Train Operating Companies (TOCs) - including Virgin Rail, FirstGroup and Go-Ahead - running services under franchise agreements, while Network Rail has managed the tracks, signalling and infrastructure.

But cracks in the system started showing during the pandemic, when lockdowns forced some contracts back into government hands, replaced by direct awards. Then came the real bombshell: the government's plan to bring all TOCs and Network Rail under Great British Railways, a new state-owned operator, within the next two to three years. The market took fright - when Trainline warned last month that public ownership could mean a government-run ticketing app, its shares tumbled.

Adding to the sector's woes, Network Rail's sluggish spending in its £45bn Control Period 7 (CP7) cycle to boost safety, reliability and other metrics has put pressure on virtually everyone supplying the rail industry. Shares in companies like Tracsis (which provides railway asset data loggers), **Renew** (rail maintenance), **Speedy Hire** (plant hire) and **Vanelle** (piling services) have taken a hit. However, as I explain below, investing in many of these companies could, in fact, be a smart move.

What looks like a blow could actually be the start of a bull run. As Tracsis' CEO Chris Barnes and finance director Andy Kelly explained to me this month, CP7 had always been expected to start slowly (first-year spending was 14% lower than in CP6) with investment set to ramp up in years two to four. With the second year kicking off on 1 April, a rebound could therefore be just around the corner. And I wouldn't be surprised if the interim results on 25 April flag a nadir in the group's fortunes.

Digitisation of Rail

Tracsis began life in 2004 as a Leeds University spinout, commercialising a game-changing algorithm called *TrainTRACS*. Originally developed to tackle the complexities of train scheduling and driver management - especially given labour shortages and mandatory rest break requirements - the software quickly proved its worth. Imagine trying to coordinate 300 drivers across 2,500 daily services and 400 stations using pen and paper. That's the challenge TrainTRACS was built to solve.

Since joining AIM in 2007, Tracsis has expanded through a series of strategic acquisitions, transforming itself into a sine qua non of rail technology. Some of its landmark deals include businesses that supply remote condition monitoring (RCM) data loggers for Network Rail (which track signal performance), software for analysing delay causes, software for automating passenger reimbursements, Pay As You Go smart ticketing systems and a transport consultancy.

For some investors, Tracsis might seem like a complex beast but at its core, its software falls into three clear "clusters": Operations (scheduling, planning, and crew management), Infrastructure and Customer Experience. The consultancy side is non-core.

Mission critical software

Three things make this a compelling business. First is that all the software is mission critical for its rail customers - so much so that contracts are written as "umbrella direct agreements," whereby if a rail operator fails, the government will essentially step in and pick up the tab.

Second, most of the software is sold under a SAAS or "application rental" model and so the income repeats every year. Rail Technology & Services, which represents the software interests, saw flat sales of £37.6m and EBITDA down by £0.6m to £9.8m last year. However, repeat revenue increased by 10% to £25.5m.

Third, there is a helpful tailwind from the fact that the railway service is not fit for the 21st century and is in need of modernisation with ongoing digitisation taking place for which Tracsis' present mix of activities fits the bill perfectly.

Operations cluster high market share

To showcase the massive reach of Tracsis within the Operations cluster, Barnes paints a vivid picture: imagine a grid with the 28 train operators on one axis and 11 of Tracsis' software products on the other. The result? Nearly 70% of the grid is filled with Tracsis contracts, underscoring just how embedded Tracsis is across the rail industry.

But here's where it gets really exciting: by moving all the software a train operating company needs - scheduling, planning, crew management -

into the cloud with his new *TRAC Enterprise* solution, Barnes is transforming the way rail operators run their business. The cloud-based joined-up solution not only streamlines operations but delivers rapid payback for TOCs by driving efficiency and cutting costs, like reducing overtime. And with everything in the cloud, Tracsis can seamlessly cross-sell additional modules, unlocking more revenue streams. Plus it makes money by hosting the entire system, creating an even bigger revenue opportunity.

TAP Converter contract - gravy in FY26

A second strand of the digitisation journey is PAYG (Pay-As-You-Go) software and auto delay-repay, both of which fall under the Customer Experience cluster. If you live in London, chances are you will have used TfL's Oyster card, which is a smart card that commuters load with cash and then tap in/out using the card readers at the stations at the start and end of their journey. The system can be used on buses and includes post travel fare calculations to find the cheapest journey optimisation.

However, there is currently no equivalent system for other regions and Tracsis has been contracted by the government (The Rail Delivery Group) to support the national implementation of PAYG with the award of a "*Tap Convert*er" contract.

Under this, Tracsis will provide the back-office algorithm for the British Isles outside London. The system determines the best fare available and submits settlement records for a TOC; Tracsis is presently working with six of the 28 TOCs, who are each paying a development fee (approximately £1m for the larger ones) but the real gravy will come in H1 26 when the system goes live, at which point Tracsis will begin generating transactional income by taking a small cut of each PAYG journey.

Under its contract, Tracsis is contracted only for the back end and does not supply the front-end system; each TOC can decide which payment methods to offer customers, including contactless credit/debit cards, smart cards or a mobile app. Regardless of the method used, the keynote is that each transaction will generate a fee for Tracsis.

Ball park figures using publicly available data from the Office of Rail and Road - and assuming a 25% adoption rate in major cities outside London - indicates his system could process 150-200 million transactions annually, says Barnes. Could rail nationalisation jeopardize the project? Probably not, he says, given that the contract has already been approved by the Treasury. At the same time, tenders for the front-end system will soon be released, and Barnes also plans to bid for these, likely competing against Uber and Trainline. Notably, Tracsis has already developed its own Hoppa app in collaboration with one TOC, ScotRail.

Turning to delay-repay, since 2016 TOCs have been required to pay 25% compensation for trains delayed by more than 15 minutes, increasing to 100% if the delay reaches 60 minutes. The delay-repay system validates claims and can handle multi-leg journeys. According to Barnes, Tracsis holds a 90% market share.

Infrastructure Cluster – RCM Set to Recover

Tracsis' third business cluster is infrastructure. One of its key offerings is *Rail Hub*, a platform with 45,000 users in the infrastructure space. This software provides all the tools needed for rail maintenance, including information on tracks, working practices, electronic track diagramming solutions and digital workflows. Within it, the company owns a variety of annuity software assets such as the National Hazard Directory, a database of risks and hazards across the UK rail infrastructure, to which Network Rail subscribes.

However, the biggest swing factor is its *Centrix* software for data acquisition, which is sold alongside its family of remote condition monitoring (RCM) hardware to Network Rail. This includes a range of devices that record mechanical force or electrical current, and others that track digital activities like relay operations. By measuring voltage fluctuations throughout the day and continuously transmitting data to Network Rail, these loggers can identify signals at risk of failure - allowing Network Rail to detect faults early.

Traditionally, engineers were required to manually test equipment, such as signals, every six months. However, Centrix allows Network Rail to detect issues early based on signal performance, enhancing punctuality, reducing delays and lowering penalty costs.

Despite growing pressure on TOCs to minimise delays - suggesting a strong market outlook - the sector has, however, been heavily impacted by spending cuts by Network Rail in Control Period 7 (CP7). Typically, RCM generates annual sales of around £5-6 million, but these delays have seen year-to-date volumes down around 60%. With high operational gearing and 70% gross margins, this decline has significantly affected the group's profitability.

US Expansion

Initial expectations were that RCM would also have a significant sales opportunity in the US. For example, the US has over 500 operators managing more than 200,000 miles of track and over 320,000 barrier crossings where RCM could be applicable. This compares to 28 passenger and seven freight operators in the UK, covering 10,000 miles of track and 2,500 barrier crossings.

With that in mind, five years ago Barnes acquired New York-based RailComm to establish a US footprint. However, there have been several false starts. A key problem has been that there is no equivalent to the UK's delay-repay system in the US. As a result, the key motivation to buy the system is not on avoiding delay-repay fines but rather on removing the labor-intensive process of manually checking that signals and level crossings are operational every three months.

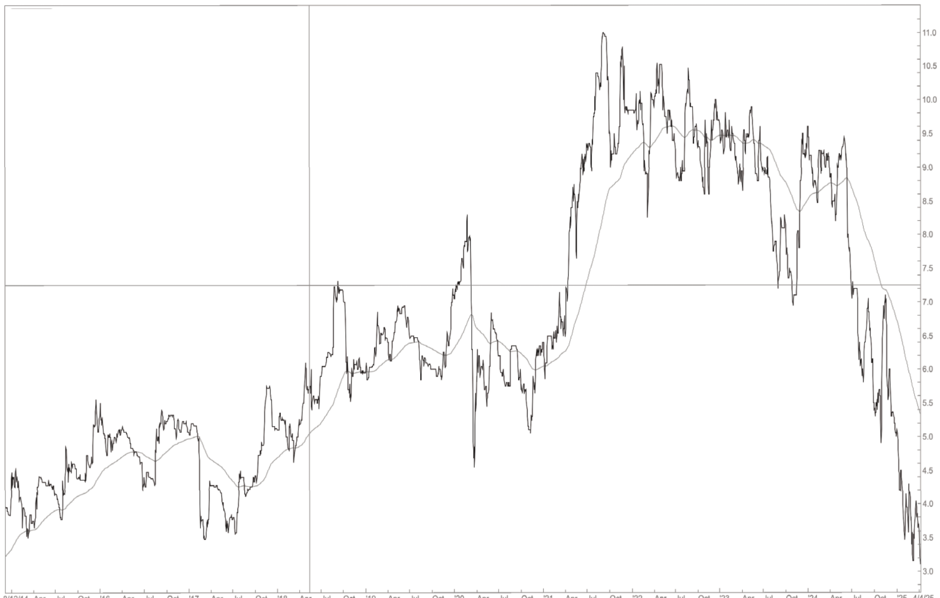
A new US team has been appointed, a US subcontract manufacturer is in place and Barnes is hopeful that the first reference customer, currently piloting the RCM units, will begin a broader rollout soon.

Meanwhile, last September the company launched a new software product in the US called *Train Dispatch*. This system functions in a similar fashion to air traffic control but for trains, ensuring that when a train departs a station, the driver has a clear and safe route for the journey. The system went live in September 2024 and is currently being trialled with one operator, opening up the prospect of winning US$5-US$10m size deals from the other five commuter rail operators.

Ravaged but on the way back

While Tracsis is best known for its rail business, its Data, Analytics, Consultancy and Events (DACE) division plays a fascinating role beyond the tracks. DACE specialises in cutting-edge people-counting technology, using cameras to anonymously track crowd movements across trains but also across events and urban spaces. It also houses a professional services arm offering high-level rail consultancy.

Last year was a mixed bag for DACE. While revenue from the people-counting activity grew 5% to £30.3m, the professional services side dipped 14% to £13.1m. Overall sales were down 2% to £43.3m, and EBITDA took a hit, halving to £2.9m, largely due to rising labour costs that weren't fully passed onto customers; these pressures have persisted into the latest H1. In response, Tracsis has undertaken a major restructuring, shedding 90 roles and exiting



low-margin contracts (like providing substitute staff for journey planning). The shake-up also saw the closure of four offices, leaving just six.

But this isn't just about cost-cutting. Tracsis has strategically reinvested, hiring 40 specialists in key areas such as higher-value strategic consulting and also three new sales staff in the US, signalling an ambitious international push.

Despite near-term headwinds, including the impact of Network Rail's CP7 funding cycle on RCM sales and lower profits in traffic and events, analysts see brighter days ahead. A weaker H1 is anticipated but broker Panmure Liberum predicts pretax profit to climb from £10.6m to £11.2m this year, and to then jump to £13.1m next year. EPS is forecast at 28.2p and 32.9p, respectively.

Meanwhile, Tracsis sits on a cash pile of £22.1m (72p per share), giving it firepower for acquisitions. The cash could also be used for a small acquisition programme, with Barnes saying he is inundated with businesses he could buy. *I am a buyer.*

UPDATES

Bloomsbury Publishing (BMY) 531p

Sector: Media

Bloomsbury has once again said it expects full year results to beat expectations. Its Consumer side has seen bestsellers across a range of categories whilst Non Consumer is boosted by the acquisition of Rowan & Littlefield last May. Bloomsbury Digital Resources is set for growth despite some budget pressures in academic publishing. Ahead of results on 22 May, Investec has lifted its EPS forecast to 37.7p, with the current year's unchanged at 40.8p. *Tipped at 234p in June '18, strong hold*.

Facilities by ADF (ADF) 17.5p

Sector: AIM, Industrial Transportation

ADF, which rents out vehicles to film and television productions, said following the industrial action that affected Hollywood studios, FY24 was in-line with sales of £35.2m, EBITDA of £7.2m and breakeven at the pretax level.

However, H1 25 hasn't yet seen the anticipated pickup, with production companies keeping a closer eye on budgets and shortening lead times. This has lowered its fleet utilisation although ADF says H2 has the potential to see a bounceback with a high number of scheduled blockbusters (e.g. *Avengers* and *Fantastic Four*) and large HETV productions (e.g. *Harry Potter* and a new series of *Slow Horses*).

At this stage, FY25 pretax profit is therefore ahead of FY24 but below earlier expectations. In the light of the statement, Cavendish has cut its sales expectation to £42.6m, with a £10m EBITDA, pretax profit of £2.1m and EPS of 1.8p.

The Chairman has walked the plank, presumably under pressure from Harwood Capital, which has added and now holds 16%. *A bid seems likely; await developments*.

Argentex (AGFX) 44.5p

Sector: AIM, Brokerage Services

FY24 results showed sales of £50.3m, reflecting a "game of two halves." As CEO Jim Ormonde explains, higher FX volatility generally benefits Argentex's revenues, given that 85% of its trades involve the British pound and the U.S. dollar. The first half of the year saw a 4% decline, followed by 6% growth in H2 when Trump-induced volatility returned to currency markets.

The year was marked by business transformation, including a new commission structure for salespeople, replacing lifetime commissions with a three-year scheme. Argentex also opened new offices in Australia and Dubai and made significant investments in its alternative banking product, the Argentex Global Platform (AGP). Due to transformation costs/one-off expenses, EBITDA came in at £4m, with an operating loss of £0.2m.

The number of clients increased by 550 (450 in the UK, 90 in the Netherlands and 10 in Dubai) bringing the total to 2,100. Looking ahead, AGP is set to launch in H2, introducing virtual IBANs, which will enable customers to rapidly onboard and process payments across 15+ currencies. Virtual IBANs function like traditional IBANs but don't require separate physical accounts, allowing businesses to manage cross-border transactions more efficiently, and Argentex has completed development of APIs so that payments made to a virtual IBAN are automatically routed to a linked master account, offering benefits such as faster reconciliation and multi-currency support. This innovation is expected to drive high-quality revenues for Argentex from account fees, transaction fees from spot conversions and most importantly interest from customer deposits.

FY25 remains a year of investment but Ormonde expects a return to growth, with FY26 including 12 months from AGP, forecast to deliver 15-20% revenue growth and EBITDA margins in the mid teens. *Singer sets a 70p share price target; keep buying*.

PCI-Pal (PCIP) 43p

Sector: AIM, Software and Computing

PCI-Pal (which supplies a cloud-based call centre system for secure payments and data) has released its H1 results, which show sales +13% to £10.6m. But PCI-Pal works on an application rental model where the gravy keeps coming year after year and within the mix, recurring revenue grew +28% to £9.6m and has already led to better than expected EBITDA of £0.95m and marks the platform's first H1 of EBITDA profitability. Pretax profit was £0.2m.

Even better, it has seen a record six months for new business comprised of small-to-mid-size contracts of c£10k to c£100k, and several larger enterprise wins, including a FTSE-250 utility leaving run rate Annualised Recurring Revenue +21% to £16.8m. Additionally, there is £2.9m of projects in deployment where customers are integrating the system set to convert to ARR in the near future.

Most of the growth came via indirect sales in the US; Ringcentral, a major vendor of UCaaS/CCaas systems, has signed up as a reseller this month, following Zoom, which became a

UPDATES & IDEAS

• On *SCSW* I had a great run with **Nexteq** (NXQ; 60p), then known as Quixant, between April '16 and May '19, during which time the shares went from the tip price of 209p to over £4. Now back down to 60p, a new era is underway driven by a newly appointed leadership team (Chair, CEO, and CFO) whose arrival has set the stage for an ambitious three-year plan.

Nexteq's mainstay is still its Quixant division, a key supplier of cutting-edge logic boxes and ultra-high-definition screens for casino video slots and sports betting terminals. The other side of Quixant's business, Densitron, is involved in the sale of electronic displays and associated electronic components and has evolved into owned IP-ranges, notably products for the broadcasting sector.

Those familiar with the company's journey know that FY22 and FY23 were anything but ordinary. First, Nexteq had to contend with a shortage of chips and extended component lead times. Then came a period of "false demand," as customers became fearful that they would not have enough supply and over ordered.

FY24 has seen the hangover from that over ordering, as customers on both sides of its business began destocking and high interest rates impacted confidence compounding the problem. This was particularly acute outside the US where revenue was -40% year-on-year in FY24, while US revenue was -8%, which mirrored the two largest gaming customers' performances in the US market. Overall this caused full year sales to drop 24% to US$86.7m, with Quixant -21% to US$54.8m driven by a 20% drop in unit sales to 43.6k platforms; and Densitron -29% to US$31.9m, largely due to the loss of one major display customer (US$12m). Overall adjusted profit before tax reduced 67% to US$4.8m (EPS of 0.5 cents).

New CEO Duncan Faithfull, who joined in September, says his plan now is to grow sales back towards US$108-120m within three years and achieve gross margins of 35-38% and EBITDA margins of 10-15%.

Faithfull talks about new products set to emerge. On the casino side he says confidence is returning. Growth will also be supplemented by cross selling a new "gaming software player," which is expected to launch at G2E in Las Vegas in October, and growth from Brazil, where state lotteries are now legal in multiple states, and the legalisation of land-based casinos continues to progress, with a vote on the bill expected before June.

On Densitron, there are new products to complement *Tactila* - a physical rotary dial that can be bonded onto a touch screen to give broadcasters and medical users a better control over whatever they might be doing- eg. controlling volumes or changing settings on a medical device. With an 18 month sales cycle, these will benefit FY26 onwards.

Perhaps most interesting is the plan for the cash pile, which still stands at US$29.1m or 48.5 cents (37.3p) a share, having also spent US$6.2m on share buybacks last year. Faithful says three acquisitions are planned with at least one this year; one is a designer of medical equipment for OEMS with its own software IP. These deals are obviously not included in the present forecast but even so, Cavendish forecasts EPS doubling between FY25-27 from 4.5 cents to 9 cents. *The shares look a buy.*

reseller last year and chief executive James Barham says Ringcentral will imminently launch it into Europe. *Buy*.

Yu Group (YU.) **1342p**

Sector: AIM, Gas and Water

Total volume of energy sold in the year increased by 78% to 2.21 TWh but with the average price of energy sold falling by 21% from £371/MWh to £292, this held back revenue growth at 40% to £645.5m. Pretax profit increased 12% to £44.5m with EPS up 21% to 210p. A final dividend of 41p makes 60p, +50%.

Despite rising dividends and investment in its fleet of smart meters (£8m), net cash ballooned from £32.1m to £80.2m, helped by the return of £50m of collateral following the new energy supply agreement with Shell.

In the same way that a fixed rate mortgage customer moving to their bank's SVR can boost a bank's profitability, the normalisation of energy prices has seen more people fixing at lower prices and the gross margin fell from 18.1% to 14.5%. But CEO Bobby Kalar continues to manage the business well with a digital by default operation, where customer onboarding and management is being automated. Overheads as a percentage of sales are down from 5.4% in FY23 to 4.9%. The number of smart meters also continues to rise (now 27.2k) leading to improved bad debt management. Consequently, EBITDA margin increased from 9.3% to 9.5%.

Kalar tells me he has contracted revenue of £566m and guides to FY25 sales of £730-760m. However, if energy prices fall by, say, 9% to £266/MWh, it basically needs to sell 24% more energy to hit this sales target. Monthly average bookings have fallen 23% since FY23 to £42.6m, reflecting the price effect. With a pincer effect on EBITDA margins, which are expected to revert to c6%, this is why EPS are forecast at 213p this year. *Tipped at 380p in December '22, the shares peaked at 1970p, with GP3 taking some profits at 1275p. Strong hold*.

H&T (HAT) **358p**

Sector: AIM, Financials

H&T's full year results to December showed sales up 20% to £265.4m. Pretax profit was up 10% to £29.1m and EPS were up 5% to 50.9p, both setting new records. DPS were 18p, up 8%.

H&T's stores provide a range of services with overall gross profit up 22% to £155.4m. Within that, the biggest swing factor was the Pawnbroking gross profit, +18% to £111.8m.

The pawnbroking pledgebook ended up +22% at £158m, which is head and shoulders over anyone else in the sector - rival **Ramsdens'** (RFX; 204.5p) pledge book has been virtually flat over the period. CEO Chris Gillespie says this is mainly down to Ramsden's focus on FX and for small independents it is the lack of access to capital that circumscribes their ability to lend. H&T's net debt at the period end was £54m, which still leaves c£30m headroom.

H&T's pawnbroking gross profit was driven by a combination of factors (a) a widening of its net interest margin (the difference between what it borrows at and what it lends at), which grew by 50 basis points from 7.8% to 8.3% a month; (b) a record number of new customers in Q4 (12% of pawnbroking loans were to new borrowers); (c) a larger average loan (£460 up from £428), which was boosted by the small business lending offer (which typically lends £5,000 and after the Maxcroft acquisition grew its contribution to 18% of the pledge book); and also the rising gold price, which boosted profits from unredeemed pledges that were scrapped.

H&T's other segments also went well. Retail gross profit +34% to £19.3m, FX +12% to £7m and Gold purchasing +72% to £14.8m. The latter, says Gillespie, could have been even better given the very strong gold price but he consciously decided not to chase the gold price higher - ultimately, he says a customer can only sell their gold ring once whereas they can pawn the ring multiple times - a very different strategy to Ramsdens, which has recently been maximising the gold buying.

The year end is changing to September, and in the period since October it has opened a further three stores (total 285) with two or three more still to come, albeit it is fewer than stated in earlier expectations due to the hike in NIC in April. Nevertheless, with stores opened in the last 12-18 months maturing and welfare cuts set to boost business, Canaccord forecasts £32.2m pretax profit this year for EPS of 55.3p. *Buy*.

Xaar (XAR). **74.5p**

Sector: Personal Care, Drug & Grocery Stores

Xaar's FY24 results show sales down 13% to £61.4m, primarily due to delays by OEMs in launching new products and a faster-than-anticipated decline in ceramics. Operating expenses fell 16% to £21.6m. Pretax profit came in at £0.3m from £2.9m. However, net cash increased by 23% to £8.7m, driven by improvements in working capital.

Within the mix, the Printhead segment (industrial inkjet printheads) saw revenue decline by 10% to £33.5m. This was mainly due to a 50% drop in ceramic revenues to £7.5m, which has overshadowed developments in other areas, including Coding & Marking, Direct-to-Shape and the Packaging and Textiles sectors. Whilst ceramics' cyclical downturn has troughed and is 17% of sales, Xaar said New Printhead business - defined as revenue from products launched since 2019 - delivered year-on-year sales growth of 23% to £18.9m, with compound annual growth of 24%.

However, newer applications present a chance to accelerate this especially as unlike rivals, Xaar's R&D efforts centre on jetting high-viscosity fluids - up to 3x thicker than standard inks. These advancements improve print consistency while also offering quicker drying times and reduced water usage. Xaar has secured contracts with various OEMs, and its partners are beginning to launch new machines incorporating its printheads.

New applications are also emerging in EV battery coating, automotive coating and desktop 3D printing - in particular, Xaar has collaborated with Shifang and Omijia to develop a new generation of EV battery coatings that can withstand significantly higher temperatures.

Additionally, Xaar has started providing turnkey solutions to help OEMs bring products to market faster. The first example is M&R in the textiles market where Xaar reduced the time from concept to first customer sales from three years to six months. *Buy*.

Reach (RCH) **65.5p**

Sector: AIM, Media

CEO Jim Mullen is shortly to join the Jockey Club as its CEO. However, he leaves Reach in a good place with FY24 results comfortably ahead of expectations. Notable is that Reach confirmed it is getting closer to the end of significant pension cash payments (£61m of cash paid into the pension in FY25 and expected to fall to only £15m in 2028). Once that happens it will support a virtuous 'flywheel' effect with Reach able to accelerate its digital journey and/or raise dividends.

Overall, FY24 sales were down 4% on a like-for-like basis to £538.6m but pretax profit rose 4.5% to £97.2m helped by a 6.5% reduction in operating costs. EPS were 25.3p with a same again dividend of 7.3p. Net debt was £14.2m.

The year saw print revenues of £406.7m (down 6%). Within the mix, cover price increases saw circulation revenue decline only 3% like-for-like despite the decline in newspaper sales, whilst advertising, which is now very small, was down 13.5%.

Digital is, however, back in the running and has returned to growth, up 2% year-on-year (+5.1% in H2) driven by a 19% increase in yield per page, and page views moving back into growth in the final quarter (Q1 -33%, Q2 -16%, Q3 -5% and Q4 +6%) helped by improved content creation.

In the past Reach was mostly selling impressions via an open auction but sales based on "first-party data," where Reach collects data directly about its own customers, now represents a 45% share of its digital revenues. For instance, it looks at what products a customer buys, searches for and views in order to analyse purchasing patterns and can recommend related products. Reach's data driven sales achieve 9x the value of non-data driven, according to Liberum. Additionally, Ecommerce revenues rose 39% and affiliate revenues by 51%.

This year sees more of the same: an 8-10% growth in digital and costs being cut by 4-5% to give rise to EPS of 23.6p and a dividend of 7.3p for a yield of 11%. *Strong hold*.

Luceco (LUCE) **114.5p**

Sector: Electronic & Electrical Equipment

Luceco has reported a strong start to FY25, continuing the acceleration seen in Q4. This was down to a combination of particularly strong sales growth in residential RMI, the EV charging business performing exceptionally well and of course, the two acquisitions also completed in the year (D-Line in Feb and CMD in Sept). Overall sales for FY24 were up 16% to £242.5m. Strip out the acquisitions and like-for-like revenue was up 5.8% against a market decline of 2.4%.

Operating profit grew 21% to £29m reflecting strong revenue growth and operating leverage. Margins expanded by 50bps to 12%, helped by better volume, positive mix shifts and efficiencies. EPS grew 13% to 12.5p from 11.1p.

A standout was Portable Power, which grew sales by 17% to £55.2m, with operating profit up by 35% to £5.8m and strong performance in the Americas and UK regions. The business mix contains cable reels sold under the Masterplug brand but now does a line of EV chargers sold under the *SyncEnergy* brand - EV sales had been averaging £0.6m in the first month of the year but ended at £1m. New products include EV Chargers for Commercial Premises (*Pro Charge EV*) and also its own Home Energy Management system, which will launch shortly. The latter allows customers to store excess electricity from solar panels in modular batteries, which can then be used when the sun isn't shining i.e. overnight or on days with poor weather - so a natural extension for EV chargers.

Wiring accessories was bolstered by the two acquisitions, which complemented its Hybrid and Retail channels with a range of cable management solutions and wiring accessories for commercial premises. Sales grew 32% to £109m and operating profit was up 27% to £19.1m.

LED lighting was flattish at £78m with operating profit of £4.1m, down 12% as a result of the headwinds it has faced in the Infrastructure channel. However, this was nearly all offset by gains in the international businesses and a recovery in residential RMI and in professional projects.

Strong growth from residential RMI has lifted net debt to 1.6x EBITDA but is still within its target range of 1-2x.

With brokers forecasting EPS of 14.3p this year, continue to buy.

Fisher (James) (FSJ) 307p

Sector: AIM, Industrial Transportation

When I wrote on the shares in October, I talked about the major transformation programme undertaken by CEO Jean Vernet to refocus as an asset-light engineering services company. At the time, it had already started divestment of non-core businesses, the sale of non-productive assets and simplification of the portfolio. By the year end, £80m proceeds had reduced net debt to £61m for a debt/EBITDA ratio of 1.4x. FY24 results show sales declined 12% to £437.7m but when you strip out disposals and closures, sales were up 9%. Operating profit was unchanged at £29.5m but pretax profit was £11.9m (+43%) and EPS rose by 61% to 16.5p, helped by lower interest payments.

Energy has continued to perform well with strong demand for its niche equipment such as well services, compressor rentals, bubble curtains and artificial lift well services, and around £15m was invested on a new fleet of compressors and compressor upgrades.

Defence has seen sales up 10% and a significant uplift in the order book from £223m to £306m. The increased deployment of submarines could drive demand for submarine rescue vessels and/or long-term service contracts. Increased global tensions are likely to create significant opportunities in the coming years.

Maritime Transport was mixed with mid-single digit revenue growth in Tankers (which distributes clean petroleum products and petrochemicals) offset by a decline in the ship-to-ship transfer division (Fendercare).

Attention now turns to the second half of Vernet's strategy, which is to hit a 10%+ operating profit margin and 15%+ ROCE (currently 6.7% and 9.6%, respectively). Investec forecasts EPS of 16.2p this year and 25.2p next. *Buy.*

Brave Bison (BBSN) 2.2p

Sector: AIM, Software & Computing

Brave Bison has announced its second acquisition of the year. It is buying Builtvisible for up to £3.5m (£1.5m upfront, £1m deferred and £0.5m based on future performance). Builtvisible is a performance marketing agency with a specialism in Search Engine Optimisation (SEO). Clients include Aviva, Avis, Icelandair, Specsavers and Very. In FY24, it achieved net revenues of £4.1m and adj EBITDA of £0.3m. This small deal is EPS enhancing from day one. *Buy.*

XP Power (XPP) 627p

Sector: Electronic & Electrical Equipment

Alongside its FY24 results, XPP announced a £41m placing. Sales declined by 20% to £247.3m, with an order intake of £182m (-10%). Operating profit fell by 33% to £25.1m, implying a margin of 10.1% versus 12%. EPS halved to 42.9p while cost-saving measures and inventory management helped reduce net debt to £93.5m, bringing leverage down to 2.3x.

FY24 was affected by a combination of channel destocking in Industrial Technology and Healthcare segments whilst recovery in Semiconductor Equipment Manufacturing has remained elusive. Additionally, headwinds from US-China trade policy changes restricted the export of products to certain customers within China's semiconductor equipment manufacturing sector and there were also additional legal costs incurred from the Comet case.

Despite the market conditions, gross margins declined by only 50bps to 41%, supported by £20m in cost savings already achieved. However, in view of the prevailing uncertainties, XPP has taken the decision to raise £41m (representing 17.7% of the equity) to reduce leverage to 2x.

Given the further tightening of US trade policies under Trump, XPP has exited the China semiconductor manufacturing equipment market to refocus on other growth opportunities in Asia.

During FY24, XPP also accelerated its pace of new product development. It launched 13 new product families, with a strong pipeline of 25 scheduled new products set to launch in FY25.

Adjusting for the new shares in issue, the broker forecasts a pretax profit of £22.4m and EPS of 60.5p, rising to £28.5m and 76.2p next year. *Having rejected the bid at 1950p in May '24 (when the price was £11), management are now in the last chance saloon. Buy.*

Inspired Energy (INSE) 52p

Sector: AIM, Industrial Services

In FY24, INSE's Optimisation Services division, which implements energy reduction and "net zero" measures for clients (e.g. solar panels and LED luminaires), saw three large contracts shift into H1 25. As a result, the FY24 gross margin on materials purchased (almost all of which was to drop through to profit) was deferred into the first half of this year, while the division faced higher costs as it had grown its headcount to support expected growth. Net debt at the year-end also rose by 21% to £59.2m.

Due to this negative impact from Optimisation, group sales declined by 5% to £94m, pretax profit fell from £15.8m to £11.9m, with EPS dropping from 13.4p to 8.5p.

INSE's other three divisions - Assurance, Software and ESG - continued to demonstrate strong visibility and robust EBITDA margins of 41%, 62% and 22%, respectively. Retention rates for recurring revenue services remained around 90%.

In January, INSE raised £26.7m to reduce its net debt/EBITDA ratio to 1.5x. It is now well placed to fund growth in Optimisation and all earnouts on past acquisitions are paid, so the expectation is the business will become debt-free by FY27.

Inspired has started FY25 strongly with Liberum forecasting EPS of 9.7p this year and 11.8p next, adjusting for the new shares in issue. *Buy.*

Big Technologies (BIG) 64.5p

Sector: AIM, Software & Computing

Big Technologies, a market leader in electronic monitoring technologies that help authorities contend with prison overcrowding, has secured a new £20m contract with the Department of Justice in Northern Ireland to provide electronic tagging services. However, the news that overshadowed it and that no one was expecting was that the board had suspended CEO Sara Murray and reported her to the Takeover Panel, after discovering she had failed to disclose her ties to a group of shareholders acting in concert at the time of its 2021 listing. With net cash of >£100m, annualised sales of £50m and a 45% operating margin, this is left looking dirt cheap. Zeus forecasts EPS of 6.9p for a PE of 9.3. *Buy.*

<< Continued from page 8

businesses for a song. Galliford's water business had been mostly about renewal of clean and wastewater networks, in particular addressing storm overflow challenges but the two deals took it into higher margin maintenance, optimisation work and engineered products (such as chemical design and motor control equipment).

The latest H1 showed revenues increased by 25% to £452m with water the key swing factor. The H1 divisional operating margin increased from 2.5% to 2.7% and is expected to improve as bid margins increase and specialist work becomes a larger portion of the business mix.

Given the pressing challenges in the water industry - including water security, droughts and pollution - significant growth has since emerged from the latest five year regulatory spending cycle, AMP8, with total spending to reach at least £104bn, double that of AMP7. Galliford has secured positions on key frameworks including Southern Water and Yorkshire Water for non-infrastructure works and with Wessex Water for capital delivery. All of these are negotiated in nature and have good margin/risks.

On Roads, the latest H1 saw two major road schemes and the Labour government is cutting regulation to accelerate construction and infrastructure projects and so prospects are also starting to brighten.

Overall, Hocking is targeting at least £2.2bn in sales and a 4% divisional margin (pre-central costs) by FY30. Assuming overheads remain at c0.5% of sales, this indicates he will continue knocking the ball out of the park. *Keep buying.*

UPDATES & IDEAS

• Galliford Try is a top 10 construction contractor operating under the brands of *Try, Galliford* and *Miller Construction* and has been an electrifying investment in the past few months, with work selectivity allowing it to sidestep most of the problems in the sector. For instance, the latest monthly survey of industry purchasing managers indicated a decline in UK construction output last month, the same day I was speaking to Bill Hocking, chief executive of **Galliford Try** (GFRD; 310p). But as he says, this headline data isn't entirely relevant to his business because since taking the helm in 2020, he has sold off its house-building arm and exited rail, sidestepping the problems that hit those sectors whilst increasing its presence in water, which is strong.

To validate this point, in light of the H1 results, Panmure Liberum has raised its FY25 and FY26 pretax profit estimates by £3m for each year, following the three upgrades last year. EPS estimates now climb by 12% and 10% to 31.2p and 33.7p, respectively. The broker is also bold enough to suggest that its scenario analysis points to a FY30 EPS at 50-65p.

Proceeds from housebuilding transformed prospects. Not only did the disposal strengthen the balance sheet, giving Galliford an average cash position of £176m in H1, but it has given Hocking flexibility to be selective and say "no" to unattractive work whilst building up an order book of £3.9 billion. Even the imminent increase in Employers' National Insurance, effective from April, is not expected to derail it with only 1% of its contracts being fixed price.

Within Galliford's Building division (H1 sales £446m), there is presently strong demand to repair a crumbling portfolio of Ministry of Defence properties and barracks; custodial facilities (at a time of a huge shortage of prison spaces); schools and NHS properties, which are reaching the ends of their intended operational lives, while concerns over reinforced autoclaved aerated concrete (RAAC) and fire remediation are also fuelling growth prospects. With newer contracts being won at better rates, divisional margins have widened from 2.4% to 2.7%.

But it isn't always plain sailing and Hocking says he is constantly monitoring the financial strength of its 400 largest sub-contractors that do the work. So, for instance, by the time contractor ISG collapsed, its exposure was limited. Asked whether he took some of the work left by the collapse, he said, "It's framework positions and stuff that's not in the ground yet. We're not too keen on taking anything halfway through."

But collapses of rivals have thrown up big-wins for Galliford Try's Infrastructure arm, which carries out civil engineering projects, primarily in highways and water, and went on to buy two distressed water

>> Continues on page 7

THE GROWTH PORTFOLIO 3

PERFORMANCE TABLE		**Change on One Month**	**Since Start**
Growth Portfolio		-18.51%	+268.27%
FTSE-100	7656.67	+13.09%	+16.94%
FTSE-All Share	4127.66	+13.18%	+17.13%

The month had started pretty quietly with Rachel Reeves continuing her sixth form project of trying to fix the economy and Kier Starmer getting his belly rubbed by Donald Trump. But Trump then launched economic nuclear war by placing disproportionate tariffs to friend and foe alike, seemingly intent on destroying everyone's confidence. China is facing total duties of 54% and the EU 20%. Deutsche Bank economists estimate the average tariff rate on US imports will rise to 25-30% from 9% currently. No business can pass these kinds of costs onto customers and who knows how this will impact trade flows in weeks ahead with goods that can't be sold in the US likely to be dumped in Europe.

I had said last month when writing on Naked Wines it was becoming apparent that fatigue had set in amongst UK investors; interest in small caps was at a low ebb and mergers among brokerages had seen reduced analyst coverage so it was no surprise to see the shares jump 28% on its capital markets day. Now confidence has disappeared and created new opportunities.

Watkin Jones is down from 266p to 24.5p in four years. Since 2022 gilt yields have risen significantly and spiked following October's budget, which has put downward pressure on valuations of the accommodation blocks WJ builds. This is reversing as trade tariff fears have caused investors to start buying gilts. Look at the boroughs of Manchester, where the highest density (19,000) of BTR units have sprung up, to see the demand.

I also cover Tracsis, the transport technology provider, down from 900p, buffeted by a decline in sales of remote condition monitoring hardware at the start of the latest CP7 period. I like the embedded customer relationships, which will mitigate trade volatility whilst H2 will see PAYG contracts go live generating revenue-per-journey. A thin market - the shares could recover furiously. Results due 24 April.

		Shares Bought	Date Bought	Buying Price (p)	Total Cost (£)	Present Price (p)	Value Now (£)
500	*	Alpha Group	27/7/17	470	2395	2165	10825
1000	#*	Future	9/4/18	329.5	3340	660	6600
15000	*	Ultimate Products	31/1/19	59.9	9075	62	9300
25500	*	Luceco	31/1/19	90	22837	114.5	29198
10000		Volex	9/12/19	133	13345	217	21700
10000	•	Mpac	3/2/20	259	25990	351	35100
26069	•∞	Reach	3/2/20	98.8	26019	65.5	17075
3000		Victoria	13/11/20	450	13545	69	2070
7000		Supreme	5/3/21	189	13275	132	9240
16000	•	On the Beach	5/7/21	199	32065	201.5	32240
25000		Staffline	7/8/21	65.4	16395	30	7500
32000	•	Boohoo	24/5/22	66	21410	26	8320
1500	*	Yu	12/12/22	426	6435	1342	20130
30000		THG	1/3/23	60	18135	26.5	7950
7000		GB Group	3/7/23	228	16005	247.5	17325
10000		Dr. Martens	14/8/23	152	15321	45.9	4590
10000	*	McBride	11/12/23	77	7784	130	13000
50000	•	Inspecs	5/2/24	50.9	25540	37	18500
10000		Microlise	12/2/24	131	13145	99.5	9950
12000		AdvancedAdvT	8/4/24	132.5	15945	131.5	15780
40000	•	Inspired Energy	8/4/24	51	20490	52	20800
1400		XP Power	9/5/24	1152	16254	627	8778
4000		Nexxen (Nasdaq)	24/7/24	496	19885	601	24040
						Cash £	18258
						Total £	368269

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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