

# The role of the Nomad & Broker

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# Agenda

- The roles of the Nomad and Broker
- What to look for in a Nomad and Broker
- What investors are looking for
- Overview of Cenkos
- Cenkos in Asia

## The role of the Nomad

- Long term relationship
- Dual role – adviser and regulator
- Gatekeeper
- Three criteria for suitability: won't damage AIM's reputation; long term value to external shareholders; timing
- Manage the flotation
- Help with the appointment of advisers

## What to look for in a Nomad

- Understand your business – shared vision
- Sector expertise
- Prepared to say no
- Commitment – to your business and to the region

## The role of the Broker

- Long term relationship
- Develop the investment proposition (Admission Document)
- Test marketing
- Writing research
- Placing stock
- Market making – providing liquidity
- Your bridge to the market

## What to look for in a Broker

- Placing power – relationships with investment institutions
- Research – analysts that understand your business
- Market making – providing liquidity
- Commitment – to your business and to the region

## Valuation

- Determined by the market
- Risk versus reward
- Everything is relative
- PERs are simplistic and limited
- Leave something on the table

## What Investors are looking for

- A clear growth path
- Strong investment case
- Logical and defensible financial forecasts
- Good corporate governance
- Strong and trustworthy management
- Rationale for choosing London
- Delivery



# Cenkos - Overview

Independent UK, specialist institutional securities firm

- AIM quoted, established in 2005
- Over 110 employees based in London, Edinburgh, Liverpool and Singapore
- Adviser and/or broker to over 120 companies and investment trusts
- Unrivalled placing power

Partnership model

- Significant owners of the business
- Performance driven culture
- Interests of staff and clients fully aligned

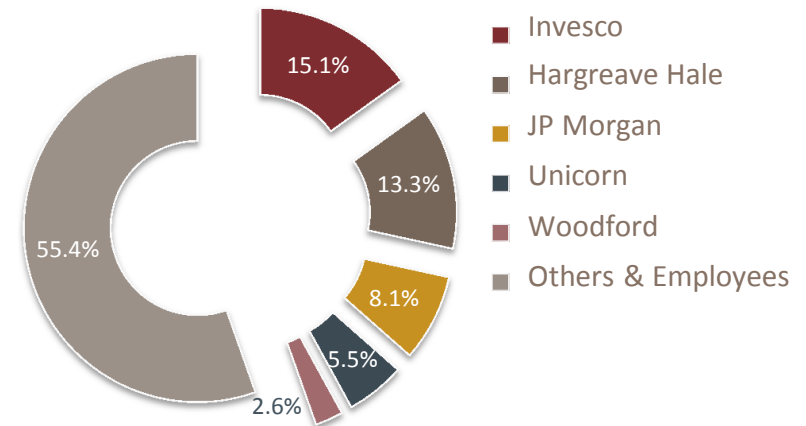
Focus on clients and their needs

- High service level
- Low client to staff ratio

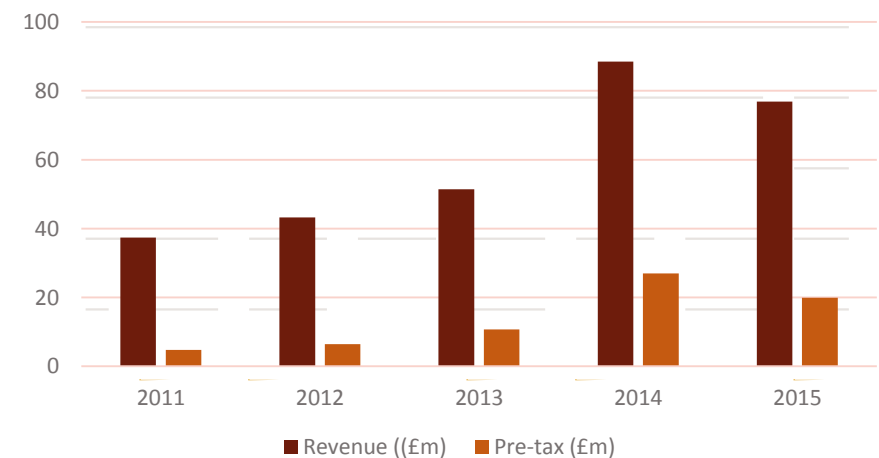
Clear differential from peer group

- **Stability** – extremely low turnover in both clients and staff
- **Profitability** – profitable every year since inception
- **Structure** – integrated corporate finance, sales and research teams

## Ownership



## Financial Performance



# Cenkos services

## A fully integrated offering

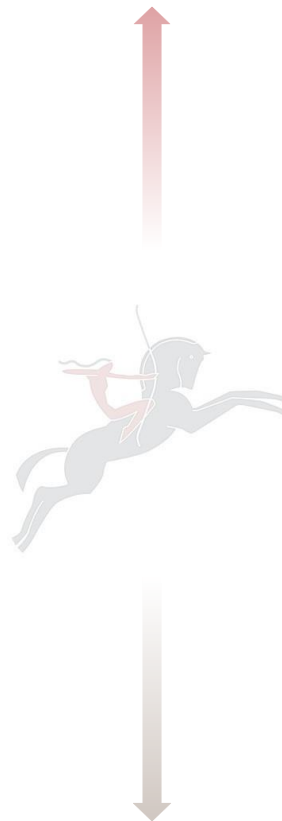
- High level impartial advice
- Strategic and general corporate advice
- M&A for listed and private companies
- Private equity and leveraged buy outs
- Valuations and fairness opinions
- Equity finance and IPOs
- Debt finance and capital reorganisations
- Sponsor and nominated adviser services

### Corporate Finance



### Corporate Broking

- Communications and market intelligence
- Equity issuance and fundraising
- Advising on the impact of corporate actions
- Investor targeting and register optimisation
- Positioning clients favourably with investors
- Impacting on management's ability to create value by maximising rating and providing access to capital
- Coordination of investor roadshows, including conferences and institutional lunches



- Clear, informed research from analysts with extensive industry and capital markets experience
- Supplemented by in-depth, themed research
- Briefings on major events and results
- Research widely distributed and read - delivery to over 300 fund management houses
- Helps drive secondary trading and increased liquidity
- Clear correlation between well-regarded research and ongoing, demonstrable ability to raise significant equity

### Equity Research



### Sales, Trading and Market Making

- Distribution and briefings on major events and results
- Providing liquidity and an orderly market in covered stocks
- Daily contact with the right institutions
- Market-making is an integral part of our offering – we make markets in over 300 mid /small cap stocks on the LSE main market and AIM
- Utilise the Retail Service Provider (RSP) service, providing access to major retail brokers, and all major Multi Trading Facilities (MTFs) and dark pool technology to execute trades

## Cenkos fundraisings

### Market leading placing power

Cenkos has market-leading placing power

- Over **£14 billion** raised since inception in 2005
- Over **£3 billion** raised in 2015 alone
- 17% of all fund-raisings on AIM in 2015

Adviser and broker to over 120 companies and investment trusts

- Natural resources and energy
- Growth companies
- Large cap
- Investment funds

124

Corporate clients  
as a 31 Dec 2015

32

Fundraisings  
in 2015

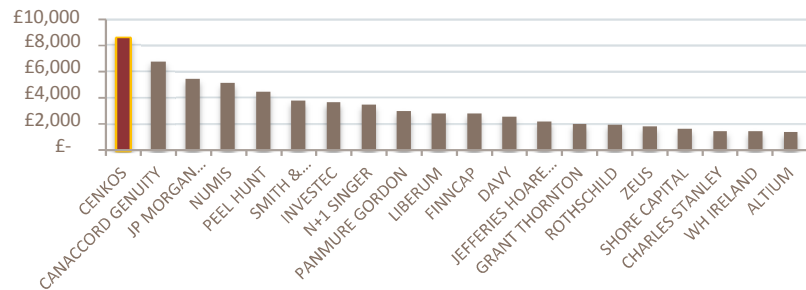
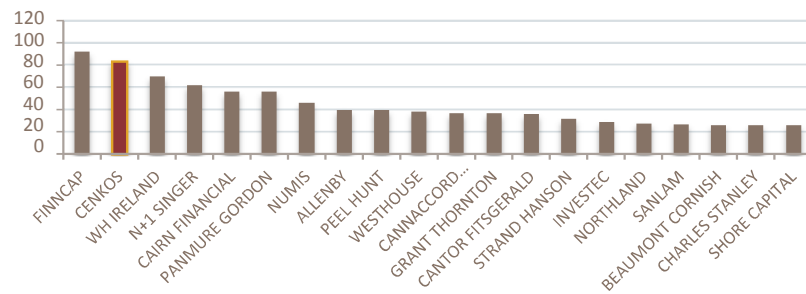
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M&A transactions  
in 2015

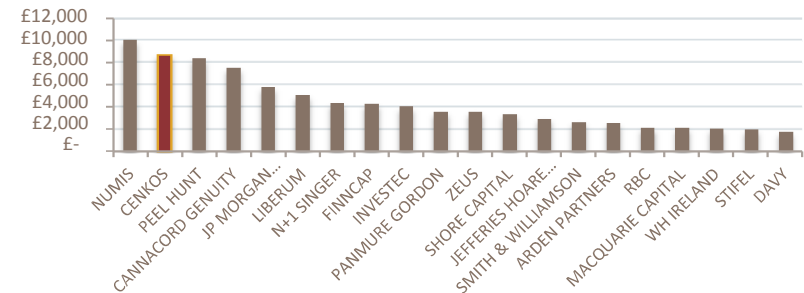
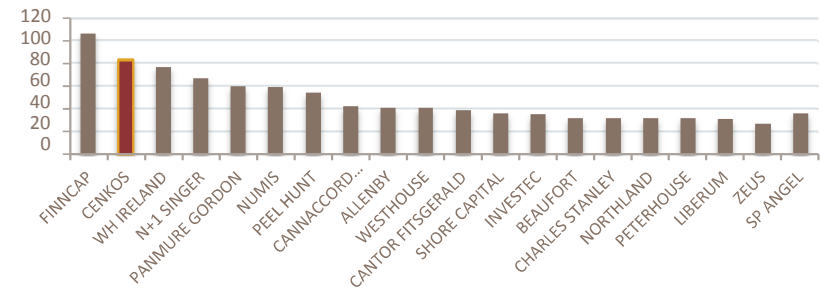
# Cenkos expertise

## A market-leading position

### Financial Adviser



### Broker



## Cenkos in Asia

- Cenkos Asia established in January 2015
- Singapore office opened in April 2015
- CMS licences in Singapore
- Highly experienced team: average of more than 25 years in the investment industry
- Close to Asian clients
- Building long term relationships in the region

## Summary

- The relationship with your Nomad is a long term one – think beyond the deal. Choose a Nomad that:
  - understands your business
  - has placing power
  - is prepared to deploy resources
  - has commitment to you and the region

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