

# The role of the Nomad & Broker

September 2016

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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
- Sample transactions
- 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

- Established in 2005, AIM quoted
- Circa 120 employees based in London, Edinburgh, Liverpool and Singapore
- Adviser and/or broker to over 110 companies and investment trusts
- Market leader in raising capital for growth companies

## High level of staff ownership

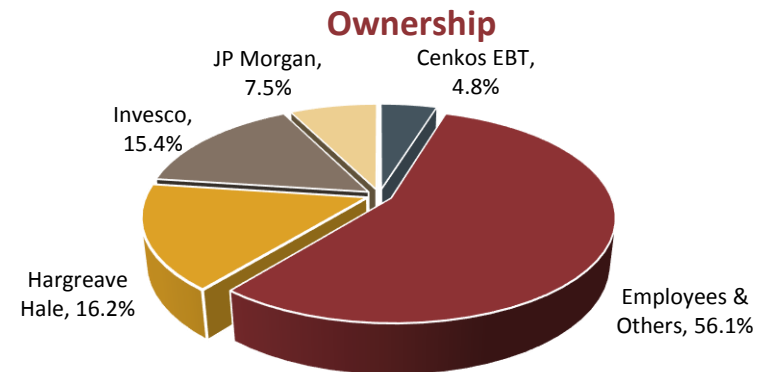
- Directors/staff are significant owners of the business
- Performance driven culture
- Long-term approach

## Focus on clients and their needs

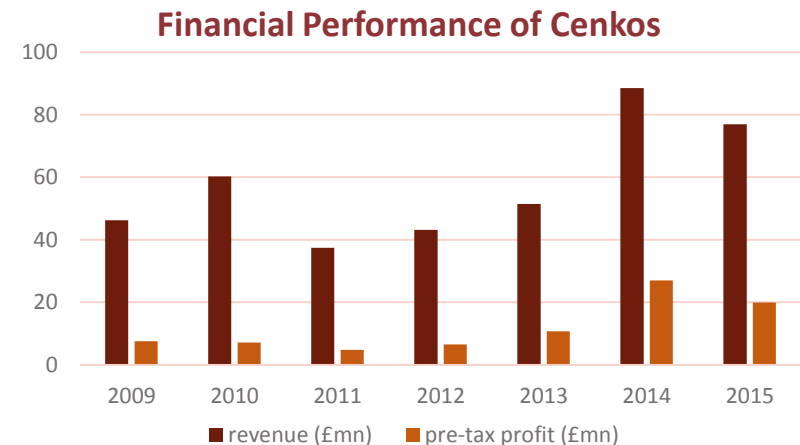
- High service level
- Low client to staff ratio
- Relationship based stockbroker

## Clear differential from peer group

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



Source: Cenkos Securities, May 2016



Source: Cenkos Securities

# Cenkos services

## A fully integrated offering



## Cenkos fundraisings - Market leading placing power

- Over £11.6 billion raised since inception in 2005
- Over £2.8 billion raised in 2014
- Over £3.0 billion raised in 2015

### FY13

No. of corporate transactions

**47**

(7 M&A)

Total funds raised

**£ 1.2bn**

Deal size

**£ 0.9mn to £ 210mn**

Average fundraising size

**£ 24mn**

### FY14

No. of corporate transactions

**38**

(7 M&A)

Total funds raised

**£ 2.8bn**

Deal size

**£ 2.3mn to £ 1.4bn**

Average fundraising size

**£ 74mn  
(ex AA £38mn)**

### FY15

No. of corporate transactions

**32**

(9 M&A)

Total funds raised

**£ 3.1bn**

Deal size

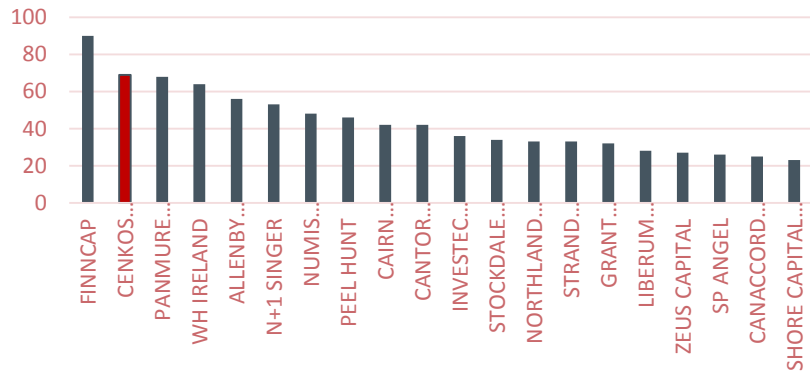
**£ 0.3mn to £ 1.0bn**

Average fundraising size

**£ 97mn  
(ex BCA £66mn)**

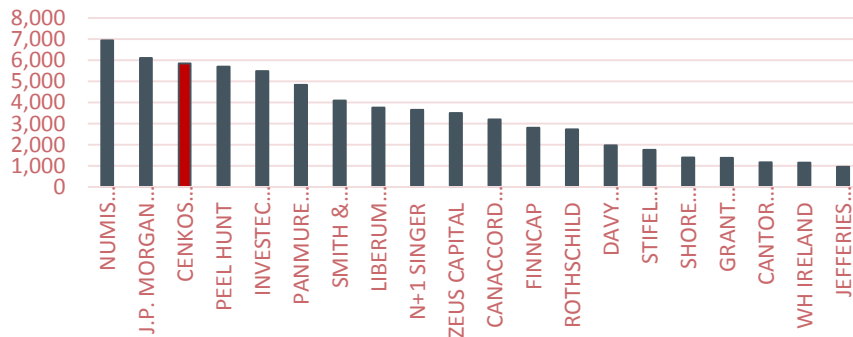
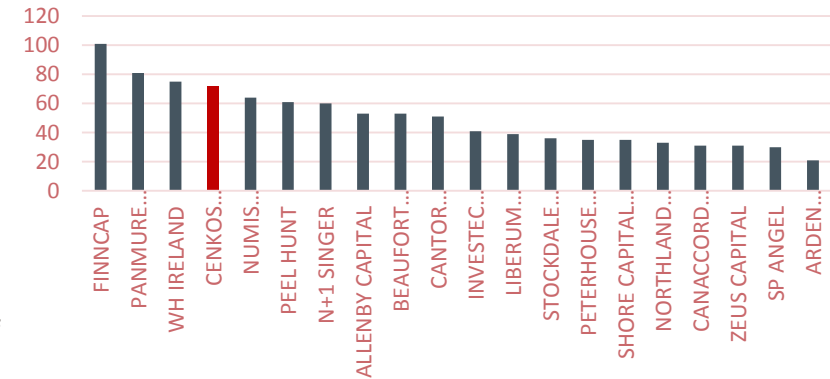
# Cenkos expertise - A market-leading position

## Financial Adviser

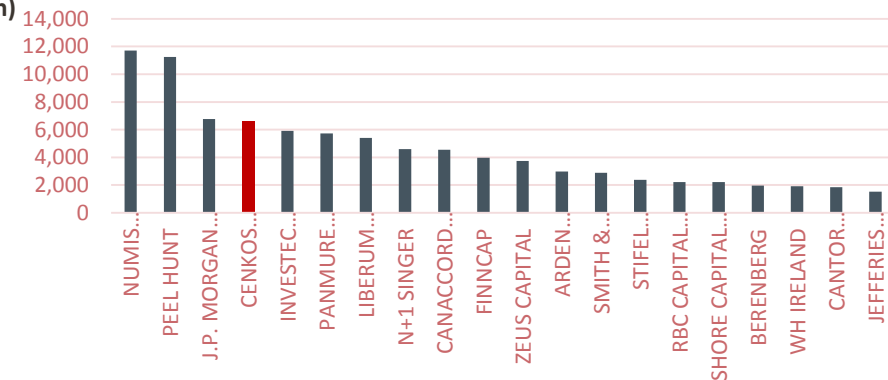


## Broker

### Number of AIM Clients



### Market Cap of AIM Clients (£ mn)



Source: Corporate Advisers Ranking Guide, July 2016

Cenkos raised 17% of the capital raised on AIM in 2015

# Cenkos sample transactions



## The AA plc

Market Cap: £2,503m  
Revenue: £983m  
Roadside Assistance

The country's largest breakdown cover organisation, representing over 40% of the market.

Number of employees: 7,000+

Year company formed: 1908

Date of IPO: June 2014

Most recent corporate transaction with Cenkos: **Placing to raise £200m to refinance debt – March 2015**



## Restore plc

Market Cap: £220m  
Revenue: £54m  
Support Services

Support services company focussed on document management and relocations.

Number of employees: c. 550

Year company formed: 1996

Date of IPO: November 2004

Most recent corporate transaction with Cenkos: **Placing to raise £15m to fund an acquisition – Oct 2014**



## Science in Sport plc

Market Cap: £17m  
Revenue: £7m  
Nutritional Foods

Sports nutrition company that develops, manufactures and markets sports nutrition products.

Number of employees: c. 65

Year company formed: 2013

Date of IPO: August 2013

Most recent corporate transaction with Cenkos: **Placing to raise £2.3m to fund working capital – April 2014**



## Client size

Growth companies team:

- Market cap focus: £5m - £200m

Large cap team:

- Market cap focus: £200m +

## Current client sectors

- Clean Energy
- Consumer/Leisure
- Financial Services
- Healthcare
- Investment
- Investment Funds
- Manufacturing/Engineering
- Media/Marketing
- Real Estate
- Resources
- Support Services
- Software & Computer Services
- Technology
- Utilities

## Fund raise size

Smallest fund raise in 2014:

- Science in Sport; Placing; £2.3m

Largest fund raise in 2014:

- AA plc; IPO; £1.375 bn

## Cenkos in Asia

- Incorporated in Singapore in 2015.
- Capital Markets Services licence issued by the Monetary Authority of Singapore.
  - dealing in securities
  - corporate finance advisory
- Leveraging Cenkos Securities plc's strengths – a UK leader in raising capital for growth companies.
- Building long term relationships in the region.
  - introducing unique equity opportunities to Asian investors
  - raising public and private equity capital for growth companies
- Highly experienced team: average of more than 25 years in the investment industry.

## 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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