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## Breakfast News - AIM Breakfast : Avation PLC, Gulfsands Petroleum plc, Quiz Plc, Scapa Group plc, Silence Therapeutics plc, Shearwater Group plc, Telford Homes plc, Veltco Group plc, Zoltav Resources

### What's cooking in the IPO kitchen?

#### AIM

**Totally (TLY)** - Sch 1 for £11m RTO of Vocare, a provider of integrated urgent care services to the NHS throughout the UK. £76.8 million rev in the year ended 31 March 2017. Totally to address Care Quality Commission concerns. Due 24 Oct.

**Central Asia Metals (CAML)** - RTO of Lynx Resources. Anticipated market capitalisation at Admission: £404.8m. Raising £113m at 230p. Acquiring the SASA zinc-lead mine in Macedonia from Solway Industries. Due 15 Dec.

**Springfield Properties** —Scottish housebuilder. "Our turnover exceeded £100 million for the first time this year and now we employ around 500 people. This IPO is the next step in our growth." Expected Mid October. Offer TBA.

**OnTheMarket** —Intention to float on AIM to raise c.£50m which will be used to fund the growth of the OnTheMarket.com portal, already the third biggest UK residential property portal provider. Expected valuation £200m to £250m.

Orogen plc, to be renamed Sosandar plc on Admission. Sosander is an online womenswear brand specifically targeted at a generation of women who have graduated from younger online and high street brands, and are looking for affordable clothing with a premium, trend-led aesthetic. Offer to raise £5.3m with market cap of £16.1m, expected 2 November 2017

OG Graphite, brownfield development-stage graphite company focused on the reactivation of its wholly-owned Kearney natural flake graphite mine and mill located 280 km north of Toronto, Canada. Offer TBA, expected late October.

#### Main Market Standard Listing

**SolGold** —Publication of prospectus regarding transfer from AIM. Due 6 Oct

#### Main Market Premium Listing

**TI Fluid Systems** —Maybe second time lucky? Pulled last October. global manufacturer of automotive fluid storage, carrying and delivery systems seeking to raise €425m to reduce financial leverage (to approximately 2.0x net debt to Adjusted EBITDA by the end of FY 2017). Possible partial sale by Bain. Revenue for FY 2016 was €3.3 billion and Adjusted EBIT was €362.1 million

**M7 Multi-Let REIT**—Intends to raise up to £300m at 100p. Aims to acquire and hold a portfolio of UK regional light industrial and regional office assets diversified by geography, asset type and tenants that is expected to generate stable income returns and, where appropriate, offer the potential to leverage and enhance returns through active asset management initiatives. Due 13 Nov.

**Bakkavor Group** - Provider of fresh prepared food intends to float in November. FY 16 Revenue: £1,763.6 million FY

16 Adjusted EBITDA: £146.4 million (13.7% CAGR FY 14-FY 16). Part vendor sale and primary raise of c. £100m. Price TBA.

Russia's En+, owned by Russian aluminium tycoon Oleg Deripaska, has assets in metals and energy, including hydropower. reported to be seeking dual London and Moscow listing raising \$1.5bn

TMF Group , which provides tax, admin and legal support services, reported to be seeking London IPO to raise c. £200m.

People's Investment Trust—Objective of sustainable wealth creation. Also to list on the Social Stock Exchange. Targeting £125m raise on 17 Oct. No performance fees or executive bonuses in order to focus on long term rather than short term performance.

**ContourGlobal LP**—Report on Bloomberg that the thermal energy power generator is considering a London listing.

## Breakfast buffet

### **Shearwater Group (LON:SWG) 4.13p £39.78m**

"The digital resilience group, is pleased to announce that its portfolio company, SecurEnvoy, has been awarded its first Business-to-Consumer ("B-2-C") contract under its new growth strategy. Acquired by the Group in May 2017, SecurEnvoy is a leading provider of award-winning multifactor authentication ("MFA") software solutions, which utilise a user's mobile device as the 'something you own' component of MFA. The business has enabled over 1,000 organisations across the world to bolster their identity and access management security with innovative and easy to deploy authentication solutions, which maximise the value of a customer's existing technology infrastructure." Whilst the terms of the contract are confidential, it is expected to generate income for the Company for a minimum period of the next three years. We could see no forecasts.

### **Quiz (LON:QUIZ) 190p £232.3m**

Pre-close trading update from the omni-channel fast fashion womenswear brand for HY Sep 17. 35% increase in Group revenue to £56.1m (H1 2016: £41.5m). Gross margins remain in-line with expectations.

QUIZ's strong growth in H1 2017 reflects the brand's continued expansion in the UK and targeted international markets across the Group's omni-channel model. The QUIZ brand has continued to grow rapidly online with Group online revenue increasing by 204% to £13.8m in H1 2017 (H1 2016: £4.5m) reflecting the benefit of opening the new 180,000 sq. ft. Distribution Centre in the summer 2016, increased and effective marketing spend, particularly through digital channels, and the broadening of the product ranges available to customers.

FYMar18E Rev £116m and PBT £10.3m.

### **SDX Energy (LON:SDX) 55.25p £108.77m**

Further to the spud announcement on 18 September 2017, SDX Energy Inc. (TSXV, AIM: SDX), the North Africa focused oil and gas company, is pleased to announce that a gas discovery has been made at its KSR-14 development well on the Sebou permit in Morocco (SDX 75% Working Interest).

The KSR-14 well was drilled to a total depth of 1830 meters and encountered 20 meters of net conventional natural gas pay in the Guebbas and Hoot formations over 4 intervals. The initial results have exceeded pre-drill estimates, and work is currently underway to further evaluate the well's accurate recoverable volume estimate.

Once the drilling rig has left the location, the Company expects that the well will be connected to the existing infrastructure and produced. The well is anticipated to be on production in approximately 30 days. FYDec17E rev C\$64.49m and \$2.7m PBT.

### **Gulfsands Petroleum (LON:GPX) 5.25p £27.3m**

"The oil and gas company with activities in Syria, Colombia and Morocco, is pleased to announce a significant reset of its Putumayo-14 Licence ("PUT-14 Licence") in Colombia.

#### Highlights

- Significant reset secured for PUT-14 Licence, such that the time to complete Phase 1 exploration will run to at least mid-2021.
- "Phase 0" reinstated to allow time to continue and complete indigenous community consultation work ("Consulta Previa") before a full 3-year Phase 1 exploration period commences.
- This reset relieves any immediate time constraints for Gulfsands and any incoming partners.
- Commercial terms remain attractive with only a 5% X Factor.
- The Company continues to seek a partner to progress the seismic and drilling programme, now unencumbered by licence term."

### **Zoltav Resources (LON:ZOL) 13.5p £19.16m**

Update on the Borotovy Licence, Saratov. First side track well due to be operational during Q4 2017, was drilled and has been unsuccessful. Management believes this is due the geology becoming more difficult than previously thought, with reservoir thickness varying significantly and the ability to rely only upon low-quality historic 3D seismic data. The result of Zhdanovskoye Well 30 has caused management to re-evaluate further the risk profiles of the proposed Permian Basin well programme and postpone all planned drilling on this structure until the interpretation of higher quality 3D seismic is completed, and additional 3D seismic is acquired, throughout 2018. Short term: Management expects gas production in 2018 to be between 20% and 35% lower than 2017. ""We continue to believe there are substantial additional reserves in the Permian Basin that can deliver gas production volumes that will keep the Western Gas Processing Plant at full capacity for at least a decade."

### **Veltyco Group (LON:VLTY) 88p £65.4m**

"The online marketing company for the gaming industry, is pleased to announce that the Group has entered into a partnership agreement with Esports Radar Ltd ("Esports"), a newly incorporated company in Malta, focusing on rolling out a new esports business.

Esports' wholly owned subsidiary Esports.com Ltd ("Esports.com") is a company incorporated by gamers who see the huge potential of the esports industry in relation to gaming, a view shared by the Board of Veltyco. The domain name www.esports.com is owned by Esports.com and will be used as the platform to build the business."

Veltyco has subscribed for a minor interest in the share capital of Esports for a nominal consideration. Veltyco will use the Bet90 brand as the platform for the future operations of the partnership and for the marketing of Esports.com's gaming products.

FYDec17E rev £11.44m and £5,98m PBT.

**Silence Therapeutics(LON:SLN) 210p £146.98m**

The "leader in the discovery, delivery, and development of novel RNA therapeutics for the treatment of serious diseases with unmet medical need, announces that the US Patent and Trade Mark Office yesterday granted US patent application 15/594,349 as US Patent 9,783,802.

Silence previously reported issuance of a notice of allowance for US patent application 15/594,349 on 15 August 2017 and that relevant grant fees had been paid.

The allowed claims of US Patent 9,783,802 will provide Silence with further protection for its innovative chemical modification technology in the US. Silence believes that these newly granted claims are relevant to third-party RNAi medicines including Alnylam Pharmaceuticals' Patisiran, which has recently demonstrated positive phase 3 trial results for the treatment of TTR-mediated Amyloidosis."

**Scapa Group (LON:SCPA) 452.5p £694.62m**

HYSep17 update from the global supplier of bonding solutions and manufacturer of adhesive based products for the Healthcare and Industrial markets. "Group revenue, trading profits and margins are all ahead of last year. Results include the benefit from currency against the equivalent period last year, and a full contribution from Euromed, acquired in May 2016.

Healthcare sales grew 7.9%, or 2.1% at constant exchange rates, with improvement in both trading profit and margins. Industrial continues to benefit from the margin improvement programs. During the period the Group successfully completed the sale of the Rorschach property in Switzerland for CHF17.1m (£13.6m), and acquired Markel Industries for US\$10m (£7.8m).

We remain confident of strong progress for the year, and we anticipate the profit for the year will be ahead of current expectations." FYMar18E rev £294.06m and £31.81m PBT.

**Telford Homes (LON:TEF) 401.5p £302.49m**

HYSep17 trading update from the London focused residential property developer. The ongoing acute need for more homes to buy and rent in non-prime areas of London continues to underpin the Group's longer term growth plans

- Existing pipeline of over 4,000 new homes to be delivered across London
- Average expected price of open market homes in the Group's pipeline is £530,000. • Increasing emergence of institutional build to rent investment in the London housing market
- As anticipated, due to programmed timing of development completions, pre-tax profit for H1 2018 expected to be significantly lower than H2 2018 and lower than last year .

On track to exceed £40 million of profit before tax for the year to 31 March 2018 in accordance with market expectations. PE C. 8.5X, yield 4.2%.

**Avation (LON:AVAP) 231p £141.9m**

Two aircraft acquisitions from the commercial passenger aircraft leasing company.

A twin aisle Boeing 777-300ER (Extended Range) scheduled for delivery to Philippine Airlines.

And an Airbus A330-300. The Company has entered into a conditional agreement with another lessor to purchase the aircraft currently on long-term lease to EVA Air of Taiwan. This is the Company's second twin-aisle aircraft, an important part of Avation's evolution into a full-service commercial aircraft lessor.

FY June 18E rev £66.74m and PBT £12.36m. PE c.13x, yield c.2%.

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