

Chairman's Update

Welcome to Dowgate Digest, our new news and information quarterly!

We will issue this in Spring (April), Summer (July), Autumn (October) and Winter (January) telling you about our business, from client developments to colleague hires and events and conferences.

Corporate Broking & Advisory

Recent Transactions



Franchise Brands PLC

£114m placing

Joint Advisor & Broker

April 2023



Belluscura plc

£4.7m CLN

Advisor & Broker

February 2023



Shetland Space Centre Limited

£2.2m Private Placing

Advisor & Broker

January 2023



Stubben Edge Group Limited

£5.6m Private Placing

Advisor & Broker

January 2023

Despite volatile equity markets and the continued scarcity of ECM transactions across the UK market, Dowgate Corporate Broking & Advisory have been busy!

We recently completed the acquisition of HAI, the owner of Pirtek Europe, for Franchise Brands Plc for a total consideration of £200m. We raised £114m of new equity from new and existing shareholders.

In addition, Dowgate acted as sole advisor and broker to SaxaVord and Stubben Edge raising c.£8m in the private capital markets and a further c.£5m by way of a Convertible Loan Note for Belluscura Plc.

APRIL, 2023

We're growing

We are pleased to welcome 5 new members to the Dowgate Group bringing the Group's total number of employees to 68.

Research

We are delighted to welcome [Mark Howson](#) to Dowgate Capital, where he joins as a Director of Equity Research. Following a short career break, Mark joins us having worked at ABN AMRO/Hoare Govett for over a decade followed by spells at Oriel (now Stifel), Canaccord and most recently HSBC. He has primarily covered the Building & Construction sector, where he was the no. 1 ranked analyst in the Extel Survey for a decade, and has also covered the Support Services sector.

Wealth management

We have seen the momentum in the business increase considerably with the arrival of [William Bonner Davies](#), [Poppy Mitchell](#), [Ian Amiee](#) and [Brian Ikin](#) who are a welcome addition to Dowgate.

William started his broking career in the City in 1984. He has previously worked at Brewin Dolphin, County Natwest, NCL Smith & Williamson and Charles Stanley, before progressing to Dowgate Capital in 2022. William is a Chartered Wealth Manager and uses his extensive knowledge and skill to look after families, trusts and charities. Poppy joins alongside William as his Executive Assistant.

Ian is a City veteran becoming a Private Client fund manager in 1972. Immediately before joining Dowgate Capital, Ian had worked for eight years at Walker Crips and prior to that over 30 years at J M Finn. Ian's speciality is investing in smaller companies in the medical and technology sectors.

Brian Ikin joins us on the Dowgate Wealth team. He began his financial career at Coutts & Co private bank in the late 80s, before moving to Merrill Lynch almost a decade later. Following the sale of the international private client business to Julius Baer, he joined Sanlam Private Wealth, where he provided execution, advisory and discretionary portfolio services to both corporate and private clients.

Market News

In the first quarter of 2023 investors' primary concern shifted from inflation to financial stability. The demise of Silicon Valley Bank galvanised markets as stress among US regional banks stoked contagion fears. Despite this the UK was for once not the centre of financial market attention.

UK regulators dealt with Silicon Valley Bank's UK subsidiary swiftly; gilt yields moderated and Sterling has strengthened significantly being the best performing currency year to date. Compared to the US, with its 4000 regional banks, the UK is better equipped to regulate its small number of national lenders. A stronger pound with more stable energy costs is conducive to lower inflation, particularly if wage pressures moderate. While we can't predict exactly when this bear market will end, we continue to favour long-term exposure to quality UK companies, which remain historically very cheap and increasingly attractive to overseas buyers.

US & Overseas Shareholder Solutions

Along with providing bespoke post vesting and custody solutions, our Equity Solutions team at Dowgate Capital can now provide custody and trading solutions for US Shareholders of UK Listed Shares.

As an example of how we can accommodate overseas shareholders, the Equity Solutions team successfully facilitated all employee participation in the Franchise Brands placing which included Dutch, French, German, Swedish and UK residents.

If you would like further information, please contact the team on es@dowgate.co.uk

Wimbledon Debentures

Dowgate Capital is the chosen partner of the AELTC and offers a platform to buy and sell Wimbledon Debentures for Centre and no 1 court. Dowgate holds a weekly auction which takes place at 11am on a Thursday.

The last auction that will include tickets for the 2023 Championships will take place on the 27th April.

Please note that we do not participate in the buying or selling of individual day tickets, and the auction is solely for the purpose of trading debentures.

Latest trades: **Centre Court: £115,000 Court 1: £37,000**



Onward Opportunities (ONWD.L)

Third Fund launch for Dowgate Wealth

Raising Capital for an investment company with a specialist approach to UK smaller companies in current market conditions has been challenging. But it becomes possible when those involved have a demonstrable record in the space and are prepared to invest their own capital alongside that of outside investors.

Our philosophy of having skin in the game has helped us to launch the largest AIM IPO this year which opened at 4% premium on its first day of dealing. The Team have invested over £2.5m as individuals at launch.

The aim of the fund is to bring together the three core ingredients to generate capital growth:

1. An identified market opportunity - A structural 'gap in the market' caused by rising costs and regulation on both the buy and sell side reducing flow of information. This inefficient market creates mispriced and misunderstood smaller companies in the UK (<£250m)
2. A bespoke & proven strategy - High conviction investors using an in-depth and active approach to generate >15% IRR on investments. A Relationship-based activist strategy focused on making returns rather than noise
3. Depth of experience to execute - The team has a history of value creation with over c.160 years of combined experience as small cap specialists and team members that have worked together before



Fund Manager: Laurence Hulse
www.onwardopportunities.co.uk