

DOWGATE DIGEST




OCTOBER 2023

CHAIRMAN'S NOTE

September proved to be a busy results season. We had the pleasure of hosting 11 roadshows for a number of our public and private advisory clients. Our Investment Managers were also busy, having met with 59 company management teams in September alone (30 AIM, 6 FTSE 100, 8 FTSE 250, 13 All Share & 2 Private companies). We're looking forward to helping our many new joiners settle into their new roles.

CORPORATE BROKING & ADVISORY

Despite continuing challenging markets, we are pleased to announce three recent transactions which include:

		
Belluscura plc	Venterra	Onward Opportunities Limited
\$4m Convertible Loan Note	£85m Placing	£3.5m Follow-on placing
Advisor & Broker	Placing Agent	Joint Broker
October 2023	October 2023	October 2023

MARKET NEWS

Nothing sums up the gloomy market background more than the London IPO statistics for Q3. The third quarter saw just 5 IPOs raising a grand total of £359m. Within these numbers, there were just 3 IPOs on AIM raising a pitiful £13.3m. This came after an equally depressing first half of 2023 when 18 issuers raised just £593m. It is not just overseas investors and UK pension funds that are abandoning UK equities - retail investors are doing the same with 24 consecutive months of withdrawals from UK equity funds.

Any hope of a pre-Christmas rally appears to have evaporated thanks to the recent turmoil in global bond markets and if there was just one nail missing from the coffin of recovery, Hamas provided it by attacking Israel with upsetting brutality. All we need now is for China to invade Taiwan to complete the geopolitical nightmare that 2023 has become.

DOWGATE IN THE NEWS

[Executive Chair, Lorna Tilbian, FTAdviser](#)
[Dowgate Wealth, Citywire](#)
[Investment Manager, Josh Davis, The Times](#)
[Onward Opportunities Limited, Citywire](#)
[Investment Director, Laurence Hulse, Capital Employed](#)
[Dowgate Wealth, Portfolio Adviser](#)

NEW JOINER ANNOUCEMENTS:



Robert Regan
Investment Manager



Clifford Garcka
Investment Manager



Edward Richards
Graduate Trainee



Martim Moniz
Associate



Adam Rackley, CFA
Fund Manager



Anders Jegers, CFA
Research Advisor

We continue to strengthen the Dowgate Capital Asset Management team with the arrival of **Robert Regan** and **Clifford Garcka**, who both have over 25 years' experience in the industry. They re-join former Walker Crips colleagues, Stuart Parkinson and his team, having worked together for many years up until 2018. We also welcomed **Edward Richards** as a Graduate Trainee, after completing his degree in History at Exeter University. He will be joining the Asset Management department following his initial Graduate Trainee rotation.

Martim Moniz joined the Dowgate Capital Corporate Broking & Advisory team as an Associate after completing his degree in Economics at Warwick University.

Adam Rackley, CFA and **Anders Jegers, CFA** joined the Dowgate Wealth Fund Management Division bringing a wealth of experience. They have both been delivering market leading investment performance in the UK with their [CapeWrath Focus Fund](#) since its launch in 2015. Adam is a top-rated Fund Manager (3 Crown-Rating from FEfundinfo) and they have partnered up with us to take both their fund and our own investment capabilities to the next level. Previously, Adam worked at the Alliance Trust and Montanaro Asset Management before managing equity research teams for CRISIL in Mumbai. Anders started in equities in 1997, working at ABG Sundal Collier and Montanaro Asset Management. We are delighted to welcome everybody on board.

FOLLOW US ON LINKEDIN

Dowgate Capital:



Dowgate Wealth:



OUR NEW PROVEN ANALYSTS' PRODUCT



8 September 2023

We recently met **Speedy Hire** and think it's worth a look.

Description: UK and Ireland's leading provider of tools, specialist equipment and services
SKU cap: £150m
EV: £200m
2023 ADW: £100,000
Sector: Support Services
Listing: Main Market

Why we think this is interesting:

At their recent CAM, management convinced us how they grow through the cycle through their 'flexible' strategy, and not just by growing the number of locations, machinery or overall staff levels, or increasing leverage above a sustainable 1.1 - 1.5x ratio.

Reasons:

- Management target organic growth of c.£50m/10c. c.8% CADR over next 5 years - delivered through internally funded sources, even in flat economic markets
- They also expect EBITDA margins to rise from 24% to 28% which would increase EBITDA by 20%
- Growth comes from working smarter with what they have and rolling out bespoke carbon products that larger customers are demanding
- Plans to roll-out high in-demand products like electric and particularly hydrogen fuelled machines
- Telematics/A.I. plans will deliver faster and more accurate and economical distribution decisions

We have expanded our offering to include, on a very selective basis, companies that we think look particularly interesting either from a technical point of view or from a fundamental basis. Our research team has expanded significantly this year and includes highly rated analysts who have seen several market cycles. If you would like to

periodically receive ideas on stocks outside our corporate universe which we think are worth your consideration, email ir@dowgate.co.uk to be added to the distribution list. The first idea from our proven analysts was Speedy Hire. These emails will include, if you like, the best ideas of our proven analysts.

ONWARD OPPORTUNITIES LIMITED (ONWD)

Laurence Hulse, Lead Fund Manager of [Onward Opportunities](#), is pleased to announce the fund continued its positive start to investment performance, with the Company's NAV growing +4.1% for Q3 to 100.4p. The portfolio of equities and gilts has delivered a 43.1% IRR since launch in March 2023 and materially outperformed comparator equity markets, as shown in the table in the factsheet [here](#).

SAFEGUARD YOUR FUTURE: THE SIGNIFICANCE OF A LASTING POWER OF ATTORNEY

Have you contemplated the outcome if you're no longer able to manage your financial matters or make crucial decisions about your well-being?

A Lasting Power of Attorney (LPA) is a legal mechanism that permits you to appoint a trusted individual – a spouse, partner, relative, or friend – to oversee your affairs when you can't.

By taking action now, you ensure that your interests are protected and your wishes are respected, even in challenging circumstances.

If you would like some help in setting up a POA do please let us know and we can refer you to [NSS Legal Ltd](#) who provide a full range of private client services. Powers of Attorney are not regulated by the Financial Conduct Authority. Email hello@dowgate.co.uk for more information.

DIGITAL TRANSFORMATION CONFERENCE

We were thrilled to have a record attendance on Tuesday 12th September at our Third Digital Annual conference with FTI Consulting, where we showcased a selection of our public and private advisory clients. Our fabulous guest speakers shared valuable insights into how their organisations are challenging the status quo.

- [Franchise Brands plc](#) **Stephen Hemsley**, Executive Chairman & **Colin Rees**, Chief Information Officer
- [Belluscura](#) **Robert Rauker**, CEO & **Adam Reynolds**, Non-Executive Chairman
- [S4 Capital Group](#) **Sir Martin Sorrell**, Founder and Executive Chairman in conversation with **Rory Cellan-Jones**, former BBC News technology correspondent
- [GlobalData Plc](#) **Mike Danson**, CEO
- [Stubben Edge](#) **Chris Kenning**, CEO & **Sam Tucker**, FD
- [SaxaVord Spaceport UK](#) **Frank Strang**, CEO

Dowgate Capital's research note on the key themes from each presentation can be found [here](#).



Top right: Lorna Tilbian, (Chairman) opening the event. Bottom left: Sir Martin Sorrell's fireside chat with Rory Cellan-Jones. Bottom right: Our record audience enjoying the event!

DOWGATE GROUP SOCIAL

On Thursday 21st September, we hosted an all-staff BBQ in our office courtyard. It was a chance for us all to get together to enjoy a drink & a BBQ to round off summer!



Left to right: Martim Moniz & Ed Richards building the BBQ. Our chef for the evening, David Poutney (CEO). Group picture: Paul Richards, Stuart Parkinson, Mark Bareham, James Bicknell-Found, Tarik Abu-Zalaf, Josh Davis, Jackson Wray, Bridey Clifton & Phoebe Watts