

Research Highlights

20 September 2018

N+1 Singer early morning thoughts and extracts from all research published in the last 24 hours

THIS IS AN ABBREVIATED AND REDACTED NOTIFICATION OF N+1 SINGER DAILY RESEARCH NOTE HEADLINES PUBLISHED IN THE LAST 24 HOURS AND WHICH WE BELIEVE TO BE A MINOR NON-MONETARY BENEFIT FOR THE PURPOSES OF MIFID II. TO RECEIVE FURTHER DETAILS AND ACCESS TO THE FULL NOTES, EMAIL MIFIDI@N1SINGER.COM TO EXPLORE UPGRADING TO FULL RESEARCH ACCESS ENTITLEMENT OR CONTACT YOUR SALES REPRESENTATIVE.

Adept4 (AD4 LN)

Company Update



Adept4 has announced the successful settlement of its legal dispute with the vendors of Adept4 Managed IT Limited. The deferred consideration of £1.0m, which was included in the stated net debt at the June interim results, will not be paid to the vendors. This allows the management team to focus on delivering improved growth and profitability going forwards along with recent management appointments in place, further strengthening of the sales team and continuing resizing of the cost base.

Company description

adept4 Plc provides information technology and communications solutions. Its managed solutions include managed support services, IT security, voice, broadband, unified communications and collaboration, communications and mobility, software as a service and infrastructure services. The company operates its business through the following segments: IT services, IT Security Solutions, Cloud Services, and Data Connectivity, Telecommunications Services and Mobility Solutions. The company was founded on October 14, 2004 and is headquartered in London, the United Kingdom.

Software & IT Services

Brooks Macdonald Group (BRK LN)

Full Year Results



Brooks Macdonald has reported finals showing 118p EPS (consensus 108.5p, N1S 120p) with help from the tax charge. The board has declared a 30p final dividend. The finals provide an update on the Spearpoint legacy issues. 75% of all clients have accepted the goodwill proposal (66% by value). The £12m provision is unchanged and we will review our forecasts in due course.

Company description

Brooks Macdonald is discretionary wealth manager with >£10bn AuM/A. It leverages more than 1,000 intermediary relationships to source new clients. Investment solutions are highly efficient and use a centralised investment process.

Asset Managers

IndigoVision Group (IND LN)

Interim Results



In today's interims, FY18 is expected to be a year of stabilisation and management has reiterated guidance of a break even position in the current year. Significant Board, leadership and strategic changes were made in H2'17, and in H1'18 the Company launched a number of new products and services. The benefits of these actions are starting to come through, with losses narrowing in H1'18 vs. H2'17 and revenue continuing to grow. We therefore retain our revenue and profits forecasts for FY18.

Company description

IndigoVision is a leading manufacturer of complete end-to-end IP video and alarm management solutions. IndigoVision is widely chosen for applications in airports, city centres, ports, mines, road and rail systems, education, banking, casinos, prisons, government and military.

Safestyle UK (SFE LN)

Company Update



H1 losses highlight the significance of the various disruptive issues the group has been facing, including not just the difficult backdrop (market installations -6% FENSA) and higher digital lead generation costs, but also the impact of SafeGlaze. Guidance is for full year losses to be £3-4m worse than currently assumed by consensus given these factors. However, having announced settlement of litigation against SafeGlaze 2 weeks and given progress on the new management team's turnaround plan, order intake has now been through an inflection point and on an improved trajectory. We change our recommendation today.

Company description

Safestyle UK Plc is a specialist manufacturer and retailer of double glazed PVCu windows and doors for the homeowner replacement market, where it has a leading market position with c9.5% share.

Retail

Sigma Capital Group (SGM LN)

Company Update



Sigma has announced that it has sold a completed PRS site to The PRS REIT for £10.3m. It has also acquired an additional two development sites, including a maiden site in Southern England, on which The PRS REIT has signed forward purchase agreements which will lead to it acquiring both on their completion. Homes are being built by Sigma's lead construction partner, Countryside Properties. This update represents continued delivery of assets for The PRS REIT under forward purchase agreements. In addition to these three sites, Sigma is actively developing a further five sites which will be delivered by the end of 2019.

Company description

Sigma Capital engages in property development and management specialising in PRS; sourcing development opportunities from partners, deploying funding from 3rd parties and from balance sheet resources to accelerate development, and managing assets post-completion.

General Financials

The PRS REIT (PRSR LN)

Company Update



The PRS REIT has added five sites totalling 380 homes with £4.3m (estimated) rental income: acquiring a completed site from Sigma and a development site as well as entering into forward purchase contracts on a further three sites. Including these, The PRS REIT will have active delivery on 30 sites comprising c.2,130 homes with £20.5m estimated annual rental income representing £330m capital deployment.

Company description

The PRS REIT Plc is a holding company, which operates as a real estate investment trust. It acquires, develops, and sells residential properties. Its portfolio includes Woodbine Road, Coral Mill, Durban Mill, Park Grange House, Galton Lock, Hamilton Square, Silkin Park, Our Lady's, and Baytree projects. The company founded by Graham Fleming Barnett on February 24, 2017 and is headquartered in Manchester, the United Kingdom.

Real Estate Investment Funds