

# **Numis Corporation Plc (“Numis”)**

## **Trading Update**

**Embargoed for release 7.00 am, 27 September 2019**

**Friday 27 September 2019 at 7.00am:** Numis Corporation Plc ("Numis") is today issuing a trading update in respect of the year ending 30 September 2019.

The political uncertainty and challenging market conditions which impacted our first half performance have persisted throughout the second half of the financial year. UK equity capital markets volumes and trading activity in UK equities have both declined significantly compared to the prior year. Against this unfavourable market backdrop, Numis expects to report a reasonable second half performance delivering revenues in line with the first half and slightly behind the comparable period. This will result in reported revenues for the full year showing a mid to high teens percentage decline compared to the prior year, and a somewhat greater fall in profit given the operational gearing inherent in the business.

Investment Banking revenues have been impacted by lower deal volumes, particularly at the larger end of the transaction size range. Challenging market conditions often present opportunities to expand our corporate client base and we continue to add high quality companies to our list. We currently have 217 corporate clients, up from 210 at the start of the year.

Whilst public market deal flow has been subdued we have made good progress growing our private markets presence, including raising \$460m for Swedish fintech business Klarna at a valuation of \$5.5bn. The increase in revenue attributable to private markets transactions has partially offset the significant decline in UK listed capital markets activities. We will continue to target the revenue opportunities generated by the growing allocation of institutional capital to private markets activity.

Equities has reported an improved second half performance predominantly due to a better trading book performance. Execution revenues and research payments have remained consistent with the levels achieved in the first half, which suggests we have gained market share against a market which contracted over the period.

Our headcount is broadly flat compared to the prior year-end as we responded to the prevailing market uncertainty by focusing on efficiency and productivity gains, however, our longer term growth plans and strategy remain unchanged. We are pleased to confirm we have entered into a lease for new office space given the upcoming expiry of our current lease. We intend to relocate during the second half of FY21 and expect the new office will give rise to an increase of approximately £3m to our ongoing property costs, including the impact of IFRS 16, commencing FY21.

Numis will announce preliminary results for the year ending 30 September 2019 on Wednesday 4 December 2019.

**Alex Ham and Ross Mitchinson, Co-Chief Executive Officers said:**

“2019 was a challenging year, characterised by market share gains but depressed activity levels across both Investment Banking and Equities. The office move is indicative of our long term ambitions for the business. Over the past 13 years in our existing office we have doubled headcount, doubled the corporate client list and seen the average market capitalisation of that client base increase by a multiple of five. Whilst prevailing market conditions are difficult, we have a very strong balance sheet and exceptional people serving an enviable list of retained corporate clients and high quality institutions. We are well positioned to continue to capture greater market share and we will continue to focus on executing our long term strategy to build a more diversified investment banking business.”

**27 September 2019**

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**Notes for Editors**

Numis is a leading independent investment banking group offering a full range of research, execution, corporate broking and advisory services to companies and their investors.