

Numis Corporation Plc

Trading Update

3 April 2023

Numis Corporation Plc (Numis), the independent investment banking group, today issues a trading update in respect of the six-month period ended 31 March 2023.

Key highlights:

- Our diversified business model continues to deliver a resilient performance through the market cycle with revenue for first half of FY23 expected to be in the region of £64m, approximately 14% below the comparative period, despite weaker overall investment banking markets.
- The outlook for M&A remains encouraging, with a record first half for advisory.
- Continued scarcity of UK ECM transactions across the market has resulted in lower investment banking revenues.
- Following a good start to the year, equities revenues will be lower than the comparative period, due to both institutional income and trading businesses experiencing a weaker end to the half year.
- Our balance sheet remains strong with both liquidity and capital positions enabling the capacity to deliver shareholder returns and continued investment in our strategy to deliver growth through the market cycle.

Summary review

Investment banking

In the first half we have continued to build on the successful diversification of our UK investment banking business, delivering another strong advisory performance. M&A revenues have benefited from continued momentum in securing financial adviser mandates from our corporate broking client base.

In line with the broader industry, capital markets revenues will be materially lower than the comparative period. Whilst our ECM market share in the UK has increased relative to FY22, overall market levels of issuance remain at historic lows. Engagement with our corporate clients remains strong and we are encouraged by the investor support achieved in recent capital raising transactions. Growth capital solutions, our private markets business, has experienced a pick up in deal activity and pipeline development, following reduced market activity levels in H2 FY22. We are well positioned to advise the most ambitious growth companies globally and remain excited by the potential for this business as activity levels recover.

Equities

We continued to build our European client base during the period, in line with the strategy to enhance our distribution capability beyond the UK and support our EU ECM marketing efforts. Investor sentiment toward the UK remains relatively weak with domestic focused institutional investors experiencing persistent fund outflows during the period. As a result, institutional income was lower than the comparative period and our trading profit was flat over the last two months of the half year as market conditions remained challenging.

Outlook

The outlook for our advisory business remains positive with a good pipeline of both buy-side and sell-side mandates, reflecting both continued activity in the UK mid-market and the strength of our corporate relationships. Our strong corporate broking franchise ensures we are well positioned to benefit from a recovery in capital markets volumes, however, we do not envisage a meaningful change in market conditions in the short term. As a consequence, we believe that it is unlikely that the IPO market will see any meaningful pick-up during the remainder of our financial year to 30 September 2023.

Our balance sheet remains strong with both liquidity and capital positions providing the group with capacity to deliver shareholder returns and invest in our strategy to deliver growth through the market cycle. During the first half we enhanced our product offerings across investment banking and equities, and we will continue to selectively assess growth opportunities as they emerge during this period of ongoing market uncertainty.

This announcement contains inside information for the purposes of Article 7 of Regulation (EU) No 596/2014 as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018.

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Notes for Editors

Numis (LON: NUM) is an independent, international investment bank that partners with the most ambitious companies and investors, offering strategic advice, unique insights and connectivity to the capital markets.

Already a leader in the UK market, Numis is the adviser of choice for listed companies, including one-fifth of the FTSE 350 index, with an average market capitalisation of £1bn, and has acted on the most UK IPOs over the past decade.

Since 2016, Numis has diversified its strategy to grow its UK M&A franchise, expand internationally and develop its private markets business, which combined now account for almost half of investment banking revenues.

Numis is listed on London's AIM and has offices in London, New York and Dublin.