

## SmartSpace Software (SMRT LN)

Technology

Current price\* 143.0p

Corporate

### Essential Tools for the Hybrid Work World

10 May 2021

**Highlights of FY21 are 43% c/c ARR growth at SwipedOn, routes to market for Space Connect signed and delivering, and significantly reduced burn. Q1 trading looks promising, with SwipedOn ARR 9% since year-end and Space Connect's pipeline doubling to £1.2m. Looking forward, SMRT's desk and meeting room booking tools are ideally suited to the emerging hybrid workplace (more employees than desks). We also note initiatives to narrow the price discount with competitors and target customers with more locations. No forecast changes today but we analyse how these measures could drive ARR significantly higher than modelled. In short there are several factors that mean our forecasts are strongly underpinned.**

#### FY21 saw continued strong growth in core propositions

Numbers in line. Revs £4.6m (PY £5.1m), with reselling (A+K) impacted by CV19/lockdowns. Within this recurring revs £2.4m (+23% yoy) with exit ARR £3m (+50% yoy). Adj. LBITDA £2.1m (PY £1.7m), FCF neg £2.2m (PY neg £7.7m). Net cash £4.5m (currently £4.1m).

#### SwipedOn

While SwipedOn did suffer some drag from lockdowns, ARR of NZ\$5.2m was still up a very respectable 43% c/c yoy driven by customer numbers up 22% yoy to 4,735 and ARPU up 18% yoy to NZ\$92. Since SwipedOn constitutes the vast majority of group ARR at present we dig deeper into progress, scenarios and expectations in this note.

#### Space Connect and Evoko

Space Connect continues in the early stages of ramping with 22 partners now signed, including Softcat, which has already delivered "significant ARR" and is promoting SMRT as part of its "Return to Work" offerings (as is ProAV). The partnership to embed Space Connect into Evoko's Naso panel has now recognised its first revenues and has a number of "significant deals" with blue-chip intl. brands in the pipeline.

#### Q1 trading looks promising

SwipedOn has seen a further 8% increase in ARPU (to NZ\$99) driving ARR up 9% to NZ\$5.7m. New customer ARPU is a remarkable NZ\$140. Space Connect's pipeline has gone from £0.6m to £1.2m and Evoko revenues continue to ramp, and this during a period beset by lockdowns, leaving SMRT optimistic about FY22 and beyond. No changes to forecasts, but we analyse potential upside to SwipedOn ARR as lockdowns end, price hikes come through, and SMRT targets more locations per customer. While just a scenario, success could mean ARR 30-40% ahead of our current forecast, providing significant earnings support. We also consider our forecasts for Space Connect/Evoko and A+K strongly underpinned in the event of the type of recovery being predicted by e.g. the BoE.

#### Financials and valuations\*\*

Year end January	2019A	2020A	2021A	2022E	2023E
Revenue (£m)	3.0	5.1	4.6	6.8	10.5
Adjusted EBITDA (£m)	-1.8	-1.7	-2.1	-0.7	1.2
Adjusted EBITDA (£m) (pre-IFRS 16)	-1.8	-1.8	-2.2	-0.8	1.1
Adjusted PBT (£m)	-1.9	-1.8	-2.4	-1.1	0.9
Adjusted EPS (FD) (p)	-3.8	-5.7	-6.3	-3.8	3.1
DPS (p)	0.00	0.00	0.00	0.00	0.00
Net cash/(debt) (£m)	7.6	2.0	3.9	4.4	6.3
Net cash/(debt) exc. IFRS 16 leases (£m)	7.6	2.2	4.1	4.5	6.4
EV/EBITDA (x) (pre-IFRS 16)	n.a.	n.a.	n.a.	n.a.	31.4
P/E (x)	n.a.	n.a.	n.a.	n.a.	46.8
Free cash flow yield (%)	-18.5	-23.1	-5.6	0.1	4.7
Dividend yield (%)	0.0	0.0	0.0	0.0	0.0

\* Price as at COB 07/05/2021 \*\* Sources: N+1 Singer estimates, Company accounts, FactSet

#### Key data

2022E Dividend (%)	0.0
Market cap (£m)	41.4
Enterprise Value (£m)	37.0
Shares in issue (m)	28.9
Free Float (%)	70.4
Avg. daily volume (000)	60.6
Next Event:	August 2021 H1 trading update

	1m	3m	12m
Absolute %	11.3	13.5	410.7
Rel. market %	6.6	3.1	314.2

#### Share price chart



#### Contributing Analysts



**Kevin Ashton**

+44 20 7496 3082

Kevin.Ashton@n1singer.com

**Caspar Erskine**

+44 20 7496 3080

Caspar.Erskine@n1singer.com

**Harold Evans**

+44 20 7496 3068

Harold.Evans@n1singer.com

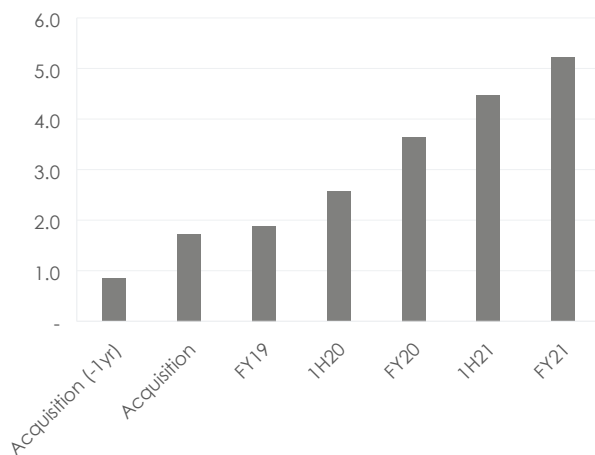
## SwipedOn – adapts well for the post CV19 world

SwipedOn had another good year despite the impact of the pandemic on its major markets. While initially Q1 trading was affected by Covid/lockdown (resulting in a decline in new customer sign-ups and higher churn) SwipedOn quickly adapted its product strategy - adding visitor pre-screening and contactless entry functionality, enabling customers to rapidly introduce 'Covid secure strategies' for their reception areas. This functionality resonated strongly with prospective customers, particularly in Australia and New Zealand and new customer sign-ups returning to pre-Covid levels as businesses prepared to return to the office. Meanwhile, a second and third lockdown in the UK resulted in a slightly quieter last quarter.

We think such strong and robust trading in such a challenging year is remarkable and highlights both the agility of the company to adapt its value proposition and also the high growth market in which it operates. Looking forward we continue to see the backdrop as highly favourable as more businesses return to the office coupled with an increased requirement for businesses to maintain contact details for all visitors to their premises. Looking longer-term, we see the market for electronic and contactless visitor management solutions as far from mature with the market expected to grow at +15-16% pa. until 2026 according to our research. This provides a highly favourable backdrop for SwipedOn, whose prospects will benefit further still from a more international and indirect approach as it increasingly expands beyond its core markets and direct sales model.

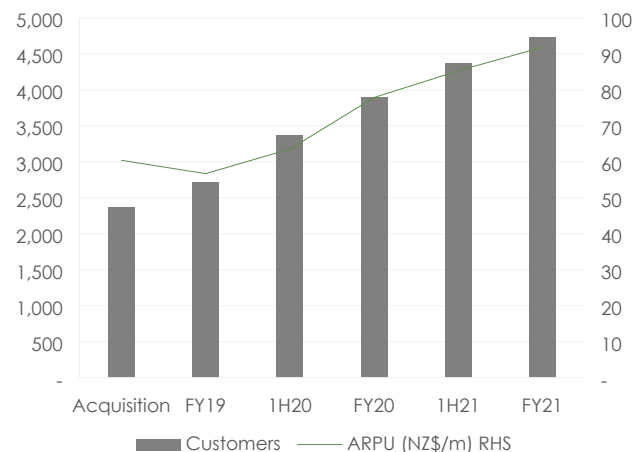
Below we show SwipedOn's historic ARR growth and its constituent parts and then discuss ongoing initiatives to generate meaningful growth going forwards.

**Figure 1: SwipedOn ARR (NZ\$): FY21 +43% y/y growth**



Source: Company data, N+1 Singer estimates

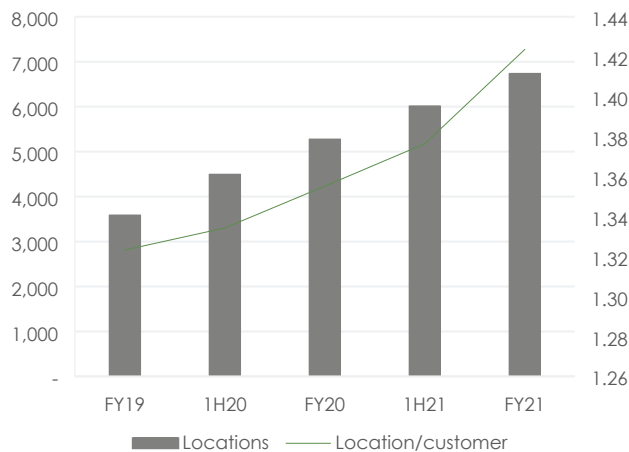
**Figure 2: ARR growth drivers: customers numbers & ARPU**



Source: Company data, N+1 Singer estimates

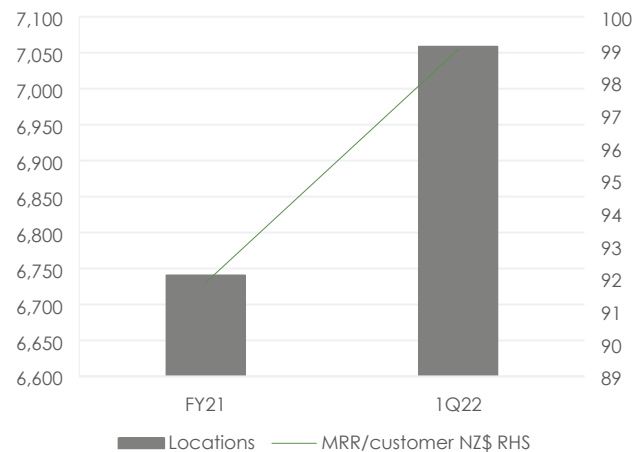
- **Retaining and growing 'larger customers' (fig 2):** In FY21 SwipedOn added 1,354 new customers (or 839 net +22% y/y vs. prior year +1,183). This difference between 'gross' and 'net' implies meaningful churn, though in monetary terms customer retention was actually far stronger as SwipedOn achieved gross revenue retention of 93%. Considering the pandemic, this is a strong performance and in-turn can be attributed to SwipedOn's excellent customer satisfaction, as demonstrated by an upper end NPS score of c.60. Looking forward, this 'customer growth' should be viewed in conjunction with ARPU as SMRT is increasingly winning multi-site (and therefore more valuable) customers.
- **FY21 18% ARR/customer growth (fig 2): offering more functionality across more locations.** Augmenting the 22% y/y increase in customer numbers, SwipedOn also achieved +18% growth in ARR/customer (NZ\$92/month at y/e). It achieved this by upselling 'optional/paid for extras' e.g. 'SMS notifications' and 'contactless deliveries and courier scan'. Furthermore, it continued to execute on its 'land and expand' strategy. Such progress is shown in Fig 3, as location/per customer grew 5% to 1.42, resulting in a 28% increase in locations to 6,741. Looking forward this strategy will be augmented by a greater focus on (initial) multi-location deals. Indeed SwipedOn has already been successful, for instance by winning three customers, with c. 50 locations each.
  - **'Land and expand'** is a very efficient sales strategy (i.e. requiring very little additional sales resource). This is a key reason behind the company's efficient sales model, whereby the 'payback period' (CAC/ARPU) is just 1.5 years. Considering how revenue churn is just 7%, we can see how SwipedOn could become highly profitable over time.

**Figure 3: 'Upsell' & bigger customer driving larger deals**



Source: Company data, N+1 Singer estimates

**Figure 4: Post period-end progress**



Source: Company data, N+1 Singer estimates

### Strong Q1

- **ARR +9% to \$5.7m in Q1** – also today, SMRT references post period-end trading which highlights a positive start to FY22. For instance, ARR is up +9% in Q1 alone, now NZ\$5.7m. **Fig 4** highlights the key drivers behind this performance, see below also:
  - SwipedOn has added a **further 180 new customers across 318 locations** i.e. 1.8 locations/customer – so tracking well above FY21 (1.42) highlighting how SwipedOn is winning bigger/more valuable customers
  - **MRR/customer has increased from NZ\$92 to \$99**, so an 8% increase in Q1. This is a blended average (of new and existing customers). New customers are generating c.\$140/month, making our forecasts (**Fig. 5**) look quite conservative. As well as larger customers (across more locations) being a key input to MRR growth, we also note the importance of a current pricing initiative designed to bring its pricing more into line with its competitors, both with respect to new and existing customers. Here it's encouraging to note that of the existing accounts where pricing has been reviewed, SwipedOn has encountered minimal churn.

### FY22 initiatives – further strong ARR growth expected

Price reviews have not yet been fully implemented and so the majority of this 'ARR step-up' is yet to come. To provide an estimate of how this could benefit this year's ARR, alongside another key initiative cross-selling 'desk management' (a capability originally developed by Space Connect) see **Fig 5** below. The key takeaway from this is shown on the bottom row. If SwipedOn is successful with these initiatives we see meaningful upside potential relative to existing forecasts. Further to this – and looking into H2 and FY22, we also note how expanding into non-English speaking territories represents a major opportunity. To address such new markets, SMRT plans to launch a local language version of SwipedOn in at least one new geography and, in due course, across several.

**Figure 5: We see upside potential to SwipedOn ARR forecasts**

		FY19	FY20	FY21	FY22E	FY23E
Net 'locations' increase			1,690	1,461	1,600	1,800
y/e locations		3,590	5,280	6,741	8,341	10,141
% price increase			31%	12%	40%	15%
MRR/location		44	57	65	90	104
<b>ARR (before cross-selling)</b>	<b>NZ \$'m</b>				<b>9.0</b>	<b>12.6</b>
<u>Cross-sell (desk management)</u>						
Target penetration					2%	5%
Potential locations					167	507
Target desk/location					100	100
Price/desk	NZ \$				8	8
<b>Cross-sell ARR</b>	<b>NZ \$'m</b>				<b>1.6</b>	<b>4.9</b>
<b>Total 'potential' ARR</b>	<b>NZ \$'m</b>				<b>10.6</b>	<b>17.5</b>
'Formal' forecasts	NZ \$'m		3.6	5.2	8.2	12.3
y/y growth				43%	57%	50%
Upside potential	NZ \$'m				30%	42%

Source: Company data, N+1 Singer estimates

**Figure 6: Headline forecasts – no change to either FY22/23 today**

	FY19	FY20	FY21	FY22E	FY23E
<u>SwipedOn</u>					
ARR (NZ\$'m)	1.9	3.6	5.2	8.2	12.3
y/y growth %		93%	43%	57%	50%
ARR (£'m)	1.0	1.9	2.6	4.3	6.4
<u>Sales (£'m)</u>					
SwipedOn	0.3	1.4	2.2	3.2	5.4
Space Connect		0.0	0.2	1.2	2.6
A&K	2.7	3.7	2.3	2.4	2.5
<b>Group Revenue</b>	<b>3.0</b>	<b>5.1</b>	<b>4.6</b>	<b>6.8</b>	<b>10.5</b>
Software GP		1.1	2.3	4.2	7.5
A&K GP		0.9	0.5	0.6	0.6
Group GP	1.1	2.1	2.7	4.8	8.1
Adj cash opex	- 2.9	- 3.7	- 4.8	- 5.5	- 6.9
<b>EBITDA</b>	<b>- 1.8</b>	<b>- 1.7</b>	<b>- 2.1</b>	<b>- 0.7</b>	<b>- 1.2</b>
Working cap change	0.3	0.2	0.5	1.4	1.3
CFO	- 3.5	- 5.9	- 1.5	0.6	2.2
Capex	- 1.9	- 1.7	- 0.7	- 0.5	- 0.3
<b>FCF</b>	<b>- 5.6</b>	<b>- 7.8</b>	<b>- 2.3</b>	<b>0.0</b>	<b>1.9</b>
Closing net cash (non-IFRS)	7.6	2.2	4.1	4.5	6.4

Source: Company data, N+1 Singer estimates

## Summary financials & key data

Income statement (£m)						
Year end January	2018A	2019A	2020A	2021A	2022E	2023E
Revenue	6.0	3.0	5.1	4.6	6.8	10.5
Gross profit	4.5	1.1	2.1	2.7	4.8	8.1
Adjusted EBITDA	0.2	-1.8	-1.7	-2.1	-0.7	1.2
Adjusted EBIT	0.0	-1.8	-1.8	-2.4	-1.0	0.9
Net interest - other	-0.1	-0.1	0.0	0.0	0.0	0.0
Net interest - lease liabilities	0.0	0.0	0.0	0.0	-0.1	-0.1
Adjusted PBT	-0.1	-1.9	-1.8	-2.4	-1.1	0.9
Exceptional items	-0.5	-0.2	-0.5	-0.2	-0.1	-0.1
Amortisation of acquired intangibles	-0.1	0.0	-0.1	-0.1	-0.2	-0.2
Reported PBT	-0.7	-2.1	-2.4	-2.7	-1.4	0.5
Reported tax	0.4	1.1	0.5	0.6	0.0	0.0
Adjusted tax rate (%)	n.a.	n.a.	n.a.	n.a.	n.a.	0.0
Reported PAT	-0.4	-1.0	-1.9	-2.1	-1.4	0.5
Discontinued operations	1.9	0.4	0.0	-0.1	0.0	0.0
Reported earnings attributable to shareholders	1.5	-0.6	-1.9	-2.3	-1.4	0.5
Avg no. of shares - diluted (m)	19.6	21.2	23.7	28.3	28.3	28.3
Adjusted EPS (FD) (p)	1.3	-3.8	-5.7	-6.3	-3.8	3.1
Reported EPS (FD) (p)	7.7	-2.8	-8.1	-8.0	-5.1	1.8
DPS (p)	0.00	0.00	0.00	0.00	0.00	0.00

\* Sources: N+1 Singer, Company accounts

Performance metrics						
Year end January	2018A	2019A	2020A	2021A	2022E	2023E
<b>Growth rates:</b>						
Revenue growth (%)	309.9	-50.8	71.7	-8.9	47.5	53.3
Gross profit growth (%)	215.4	-75.3	86.1	28.2	79.7	70.4
<b>Margins and returns:</b>						
Gross margin (%)	74.8	37.5	40.7	57.3	69.7	77.5
Adjusted EBITDA margin (%)	3.6	-59.1	-32.9	-45.8	-10.8	11.6
Adjusted EBIT margin (%)	-0.2	-61.6	-35.7	-51.0	-15.2	8.7
Adjusted PBT margin (%)	-2.2	-63.9	-35.9	-51.5	-15.9	8.3
Return on average equity (%)	1.3	-3.5	-6.6	-10.4	-7.0	5.7
Return on average capital employed (%)	0.0	0.0	-0.1	-0.1	-0.1	9.3
<b>Ratios:</b>						
Interest cover (x)	n.a.	n.a.	n.a.	n.a.	n.a.	18.3
Net working capital/revenue (%)	53.8	49.2	-15.9	-24.0	-36.8	-36.6
Operating cash flow conversion (%)	n.a.	n.a.	n.a.	n.a.	n.a.	184.1
Free cash flow conversion (%)	n.a.	n.a.	n.a.	n.a.	n.a.	155.7

\* Sources: N+1 Singer, Company accounts

Valuation metrics						
Year end January	2018A	2019A	2020A	2021A	2022E	2023E
EV/Revenue (x)	6.7	11.4	7.7	8.1	5.4	3.3
EV/Adjusted EBITDA (x)	n.a.	n.a.	n.a.	n.a.	n.a.	28.9
EV/Adjusted EBIT (x)	n.a.	n.a.	n.a.	n.a.	n.a.	38.3
P/E (x)	n.a.	n.a.	n.a.	n.a.	n.a.	46.8
Dividend yield (%)	0.0	0.0	0.0	0.0	0.0	0.0
Free cash flow yield (%)	-15.7	-18.5	-23.1	-5.6	0.1	4.7
Net asset value per share (p)	114.2	110.5	75.0	57.6	53.0	54.7
P/B (x)	1.3	1.3	1.9	2.5	2.7	2.6

\* Price as at COB 07/05/2021 \*\* Sources: N+1 Singer estimates, Company accounts

### Pre-IFRS 16 performance & valuation metrics

Year end January	2018A	2019A	2020A	2021A	2022E	2023E
N+1 Singer adjustment - Cash rental cost of op. leases (£m)	0.0	0.0	-0.1	-0.1	-0.1	-0.1
Adjusted EBITDA (£m)	0.2	-1.8	-1.8	-2.2	-0.8	1.1
Net cash/(debt) excluding IFRS 16 lease liabilities (£m)	1.2	7.6	2.2	4.1	4.5	6.4
Enterprise value (£m)	40.2	33.7	39.2	37.3	36.8	35.0
Adjusted EBITDA margin (%)	3.6	-59.1	-34.6	-47.9	-12.3	10.6
Return on capital employed (%)	2.1	-4.0	-8.6	-12.6	-9.6	8.9
EV/Revenue (x)	6.7	11.4	7.7	8.1	5.4	3.3
EV/Adjusted EBITDA (x)	n.a.	n.a.	n.a.	n.a.	n.a.	31.4

\* Price as at COB 07/05/2021 \*\* Sources: N+1 Singer estimates, Company accounts

### Cash flow statement (£m)

Year end January	2018A	2019A	2020A	2021A	2022E	2023E
<b>Adjusted EBIT</b>	<b>0.0</b>	<b>-1.8</b>	<b>-1.8</b>	<b>-2.4</b>	<b>-1.0</b>	<b>0.9</b>
Amortisation of other intangibles	-0.2	0.0	-0.1	-0.1	-0.2	-0.2
Depreciation - owned assets	0.4	0.1	0.0	0.0	0.1	0.1
Depreciation - right of use assets	0.0	0.0	0.1	0.1	0.1	0.1
N+1 Singer adjustment - Cash rental cost of op. leases	0.0	0.0	-0.1	-0.1	-0.1	-0.1
Change in working capital	-5.1	0.3	0.2	0.5	1.4	1.3
Exceptional items	-0.4	-0.3	-0.4	-0.1	0.0	0.0
Other cash and non-cash movements	2.8	-1.7	-3.9	0.1	0.4	0.4
<b>Operating cash flow</b>	<b>-2.4</b>	<b>-3.5</b>	<b>-6.0</b>	<b>-1.9</b>	<b>0.6</b>	<b>2.4</b>
Net interest - other	-0.1	-0.1	0.0	0.0	0.0	0.0
Tax	-0.1	0.0	0.1	0.4	0.0	-0.2
<b>Cash flow from operations</b>	<b>-2.6</b>	<b>-3.5</b>	<b>-5.9</b>	<b>-1.5</b>	<b>0.6</b>	<b>2.2</b>
Net capital expenditure	-1.8	-2.1	-2.0	-0.7	-0.5	-0.3
<b>Free cash flow</b>	<b>-4.4</b>	<b>-5.6</b>	<b>-7.8</b>	<b>-2.3</b>	<b>0.0</b>	<b>1.9</b>
Acquisitions/disposals	-1.2	12.0	-0.8	4.2	0.4	0.0
Net share issues	6.2	0.0	3.2	0.0	0.0	0.0
Dividends	0.0	0.0	0.0	0.0	0.0	0.0
N+1 Singer adjustment - Cash rental cost of op. leases	0.0	0.0	0.1	0.1	0.1	0.1
Other (including lease adjustment)	-0.1	0.0	-0.3	-0.1	-0.1	-0.1
<b>Movement in net cash/(debt)</b>	<b>0.4</b>	<b>6.4</b>	<b>-5.6</b>	<b>1.9</b>	<b>0.5</b>	<b>1.9</b>
<b>Net cash/(debt)</b>	<b>1.2</b>	<b>7.6</b>	<b>2.0</b>	<b>3.9</b>	<b>4.4</b>	<b>6.3</b>
IFRS16 lease liabilities	0.0	0.0	-0.2	-0.2	-0.1	-0.1
<b>Net cash/(debt) excluding IFRS 16 lease liabilities</b>	<b>1.2</b>	<b>7.6</b>	<b>2.2</b>	<b>4.1</b>	<b>4.5</b>	<b>6.4</b>

\* Sources: N+1 Singer, Company accounts

### Balance sheet (£m)

Year end January	2018A	2019A	2020A	2021A	2022E	2023E
Goodwill	12.2	7.4	0.0	0.0	0.0	0.0
Other intangible assets	4.2	3.9	10.5	11.2	11.3	11.2
Property, plant & equipment	1.6	0.8	0.7	0.7	0.7	0.7
Right of use assets	0.0	0.0	0.2	0.2	0.1	0.1
Net working capital	3.2	1.5	-0.8	-1.1	-2.5	-3.8
Investments, JVs & other non-current assets	0.0	1.6	0.0	0.0	-0.4	-0.4
<b>Assets employed</b>	<b>21.3</b>	<b>15.1</b>	<b>10.6</b>	<b>11.0</b>	<b>9.2</b>	<b>7.7</b>
Net cash/(debt)	1.2	7.6	2.0	3.9	4.4	6.3
Deferred tax	0.0	0.7	0.8	1.4	1.4	1.4
Other assets/liabilities (incl provisions)	-0.1	0.0	4.4	0.0	0.0	0.0
<b>Net assets</b>	<b>22.4</b>	<b>23.4</b>	<b>17.8</b>	<b>16.3</b>	<b>15.0</b>	<b>15.4</b>
<b>Shareholders' equity</b>	<b>22.4</b>	<b>23.4</b>	<b>17.8</b>	<b>16.3</b>	<b>15.0</b>	<b>15.4</b>

\* Sources: N+1 Singer, Company accounts

## Important disclosures

### Analyst certification

The analyst(s) responsible for preparing this research report or sections of this report, in whole or in part, hereby certify/ies that, with respect to any and all of the securities or issuers that the analyst(s) cover(s) in this report, the views expressed in this report accurately reflect the individual research analyst's personal views. In addition, no part of the research analyst's compensation was, is, or will be directly or indirectly, related to the specific recommendations or view expressed in this report or summary.

### Stock ratings

#### Recommendation/Target price

##### SmartSpace Software (GBP)

Date	Rec	TP
11-Mar-21	Corporate	Corporate
21-Jan-21	Corporate	Corporate
04-Dec-20	Corporate	Corporate
06-Oct-20	Corporate	Corporate
13-Aug-20	Corporate	Corporate
03-Aug-20	Corporate	Corporate

### Conflicts of interest disclosures

NB: please note that any companies mentioned in this report but not listed in the following table are not included in N+1's database and therefore no disclosures have been made. Please follow link for full description of all Conflicts of Interest Disclosures

<http://www.n1singer.com/terms-conditions/>

Disclosure	Applicable
1. The analyst, connected person, or person involved in the preparation of this report has a position in securities issued by this company.	
2. N+1 S has created this research as a paid for service, and as such it is classified as issuer sponsored research.	
3. N+1 S acts as a market maker or liquidity provider in relation to securities issued by this company.	Yes
4. N+1 S has a proprietary holding of 5% or more of the securities issued by this company.	
5. The company to which this research relates owns 5% or more of the share capital in N+1 S.	
6. N+1 S owns a net long or short position exceeding the threshold of 0.5% of the total issued share capital of the issuer.	
7. N+1 S has received compensation from this company for the provision of investment banking or financial advisory services within the previous twelve months.	
8. N+1 S acts as NOMAD/ broker/ Sponsor or financial advisor to the company.	Yes
9. The analyst, connected person, or person involved in the preparation of this report is an officer, director or advisory board member of the company.	
10. An employee or director of N+1 S serves on the board of directors of this company.	

### Other important disclosures

Please follow the link below for full Further Disclosures, Analyst Certification, Allocation of Equity Ratings, Ratings System, Valuation Methods & Risk Disclosure, Fundamental View & Planned Frequency of Updates.

<http://www.n1singer.com/legalandreg/Further-Research-Disclosures.pdf>

### Disclaimer

**N+1 Singer** is a trading name of **Nplus1 Singer Capital Markets Limited** ("N+1SCM") and **Nplus1 Singer Advisory LLP** ("N+1 SA"). This communication is issued in the UK by **N+1SCM**, which is authorised and regulated by the Financial Conduct Authority ("FCA") and is a member of The London Stock Exchange. It is intended for the sole use of the person to whom it is addressed and is not intended for private individuals or those classified as Retail Clients.

**This is a marketing communication under the FCA Conduct of Business rules. It has not been prepared in accordance with legal requirements designed to promote the independence of investment research and it is not subject to any regulatory prohibition on dealing ahead of the dissemination of investment research.**

This document is for persons who are Eligible Counterparties or Professional Clients only and is exempt from the general restriction in section 21 of the Financial Services and Markets Act 2000 on the communication of invitations or inducements to engage in investment activity on the grounds that it is being distributed in the United Kingdom only to persons of a kind described in Articles 19(5) (Investment professionals) and 49(2) (High net worth companies, unincorporated associations etc), of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (as amended). It is not intended to be distributed or passed on, directly or indirectly, to any other class of persons. Laws and regulations of other countries may also restrict the distribution of this report. Persons in possession of this document should inform themselves about possible legal restrictions and observe them accordingly.

N+1SCM may distribute research in reliance on Rule 15a-6(a)(2) of the Securities and Exchange Act 1934 to persons that are Major US Institutional Investors, however, transactions in any securities must be effected through a US registered broker-dealer.

This document has been prepared and issued by **N+1SCM** on the basis of publicly available information, internally developed data and other sources believed to be reliable. All share price performance graphs are sourced from FactSet. The information contained in this publication was obtained from various sources believed to be reliable, but has not been independently verified by **N+1SCM**. **N+1SCM** does not warrant the completeness or accuracy of such information and does not accept any liability with respect to the accuracy or completeness of such information, except to the extent required by applicable law. Any opinions, projections, forecasts or estimates in this report are those of the author only, who has acted with a high degree of expertise. They reflect only the current views of the author at the date of this report and are subject to change without notice. **N+1SCM** has no obligation to update, modify or amend this publication or to otherwise notify a reader or recipient of this publication in the event that any matter, opinion, projection, forecast or estimate contained herein, changes or subsequently becomes inaccurate, or if research on the subject company is withdrawn. The analysis, opinions, projections, forecasts and estimates expressed in this report were in no way affected or influenced by the issuer. The author of this publication benefits financially from the overall success of **N+1SCM**.

This publication is a brief summary and does not purport to contain all available information on the subjects covered. Further information may be available on request. This report may not be reproduced for further publication without the prior written permission of **N+1SCM**. This publication is for information purposes only and shall not be construed as an offer or solicitation for the subscription or purchase or sale of any securities, or as an invitation, inducement or intermediation for the sale, subscription or purchase of any securities, or for engaging in any other transaction.

The investments referred to in this publication may not be suitable for all recipients. Recipients are urged to base their investment decisions upon their own appropriate investigations that they deem necessary. Any loss or other consequence arising from the use of the material contained in this publication shall be the sole and exclusive responsibility of the investor and **N+1SCM** accepts no liability for any such loss or consequence. In the event of any doubt about any investment, recipients should contact their own investment, legal and/or tax advisers to seek advice regarding the appropriateness of investing. Some of the investments mentioned in this publication may not be readily liquid investments. Certain transactions, including those involving futures, options, and high yield securities, give rise to substantial risk and are not suitable for all investors. Investors should be aware of the additional and special risks associated with securities and investments in emerging markets. Consequently it may be difficult to sell or realise such investments. The past is not necessarily a guide to future performance of an investment. The value of investments and the income derived from them may fall as well as rise and investors may not get back the amount invested. Some investments discussed in this publication may have a high level of volatility. High volatility investments may experience sudden and large falls in their value which may cause losses. International investing includes risks related to political and economic uncertainties of foreign countries, as well as currency risk. To the extent permitted by applicable law, no liability whatsoever is accepted for any direct or consequential loss, damages, costs or prejudices whatsoever arising from the use of this publication or its contents.

**N+1SCM** may act as market maker in the securities of companies discussed in this communication (or in any related investments) and may provide investment banking services to such companies in respect of which it receives compensation.

Notwithstanding the above, N+1 Singer makes every effort to ensure the impartiality of N+1 Singer research and strives to ensure that the research it produces is clear fair and not misleading.

To manage any potential conflicts of interest that arise in connection with its research business, N+1 Singer has in place a Conflicts of Interest policy which is available on the N+1 Singer website at <http://www.n1singer.com/regulatory/>

Any qualifying person or institution receiving this document requiring information or seeking to effect a transaction in the securities or investments should contact Sales Trading 020 7496 3023.

The content may include data provided by **FTSE International Limited** ('FTSE') © FTSE 2017. 'FTSE®' is a trade mark of the London Stock Exchange Group companies and is used by FTSE International Limited under licence. All rights in the FTSE indices and/ or FTSE ratings vest in FTSE and/or its licensors. Neither FTSE nor its licensors accept any liability for any errors or omissions in the FTSE indices and/or FTSE ratings or underlying data. No further distribution of FTSE Data is permitted without FTSE's express written consent.

**Copyright © N+1SCM, 2021. All rights reserved.**

**N+1SCM** research is disseminated and available in printed or electronic form.

Additional information on recommended securities is available on request.

Nplus1 Singer Capital Markets Limited, One Bartholomew Lane, London, EC2N 2AX

Telephone: +44(0)20 7496 3000 <http://www.n1singer.com/>

Registered in England No.5792780