

Investec Market Review

April 2024



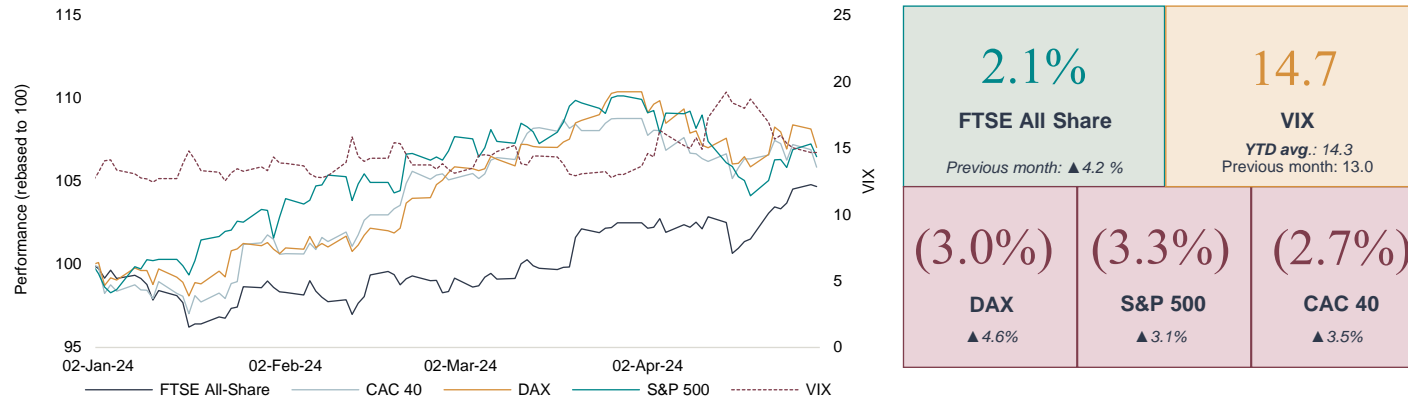
Executive summary

- April was another positive month for UK equities, which outperformed global markets to narrow the performance gap year-to-date – UK blue-chips led the way with the FTSE 100 gaining 2.4% to hit a record high whilst the FTSE 250 and FTSE All-Share added 0.4% and 2.1% respectively. Meanwhile, global markets were weaker across the board with the S&P 500, DAX and CAC 40 declining by (3.3%), (3.0%) and (2.7%) respectively
- Sector performance was mixed in April with just 8 out of 23 sectors delivering gains this month. Performance continued to reverse in some sectors in April relative to year-to-date, with Mining stocks continuing to outperform the wider market amid surging copper prices and significant M&A activity in the sector
- UK ECM activity was muted this month as the total funds raised declined by 97% vs March. Secondary issuance continued to dominate, however, with notable sell-downs from Moonpig and MITIE
- UK public M&A activity continued to run hot in April – the total enterprise value of offers announced year-to-date increased by £42.1bn to £59.7bn, predominately due to BHP Group's £31.1bn proposed offer for Anglo American
- Please contact your usual Investec contact if you would like to discuss the contents of this pack

Market drivers in April

UK markets continued last month's momentum, delivering gains to narrow the performance gap with global indices

UK markets outperform global peers



Economics headlines in April

Headline UK CPI inflation for March eased to 3.2% YoY, its lowest since September 2021 but slightly above consensus of 3.1%

UK GDP data for February rose by 0.1%, in line with consensus forecasts. This follows a 0.3% increase in January, revised up from +0.2%

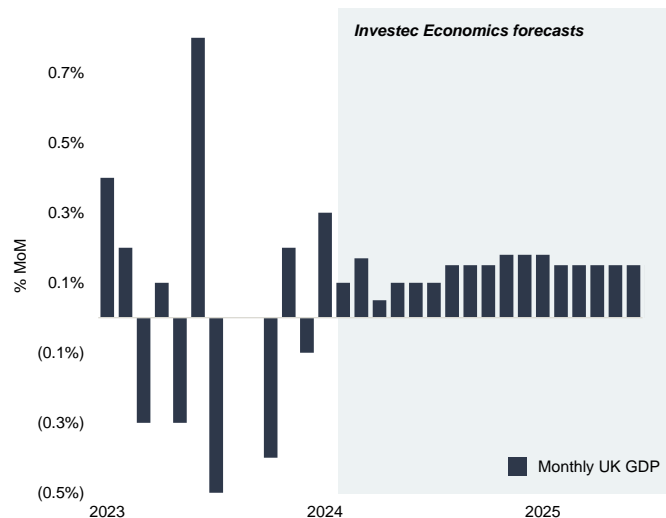
UK GfK consumer confidence increased in April, gaining two points to -19, a joint two-year high, and ahead of consensus

Eurozone Composite PMIs rose 1.1pts to 51.4, an 11-month high. The reading was better than expected, with the market consensus standing at 50.7

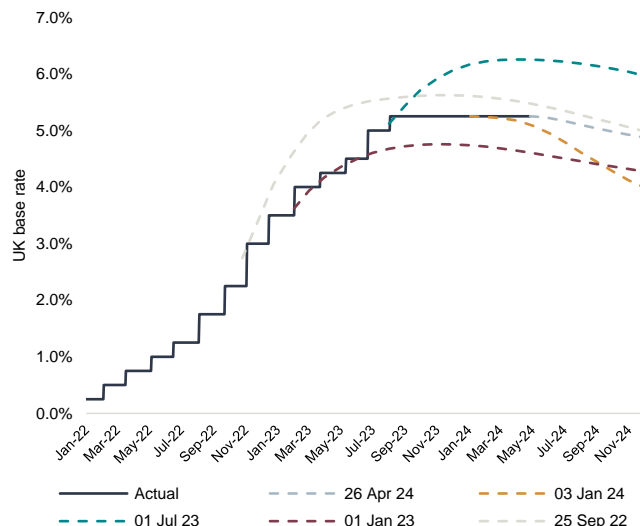
US CPI inflation rose by a stronger-than-expected 3.5% YoY in March, driven by higher energy and shelter costs

US non-farm payrolls climbed by 303k in March, above consensus estimates of a 214k gain, meanwhile unemployment edged down to 3.8% from 3.9%, in line with expectations

Recession fears abate; UK economy returning to growth



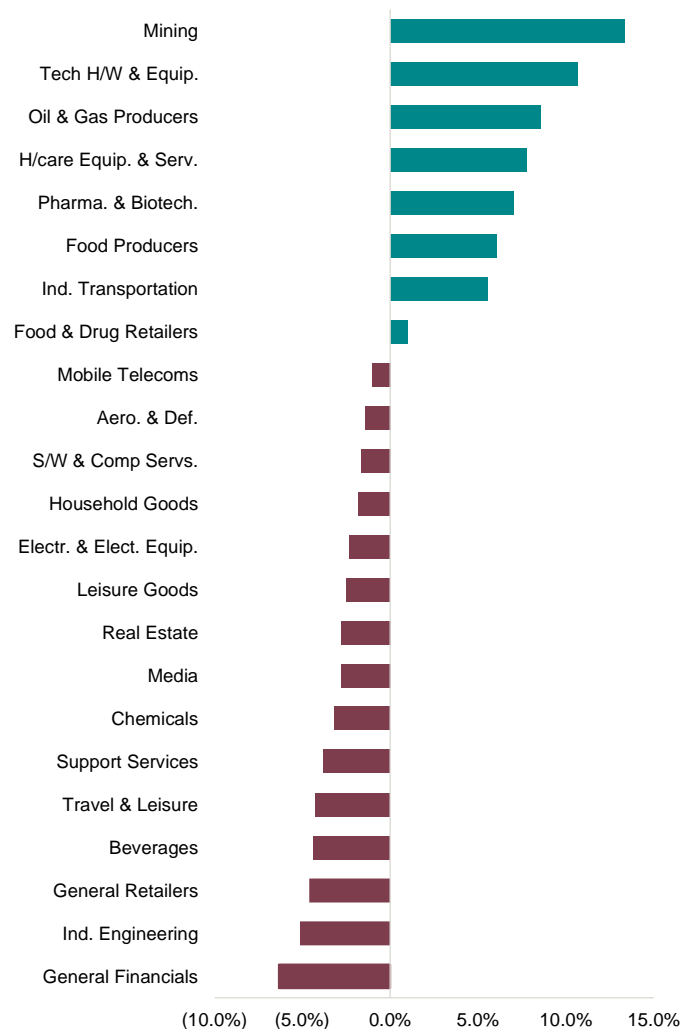
Expectations for UK interest rate cuts shift out to the right



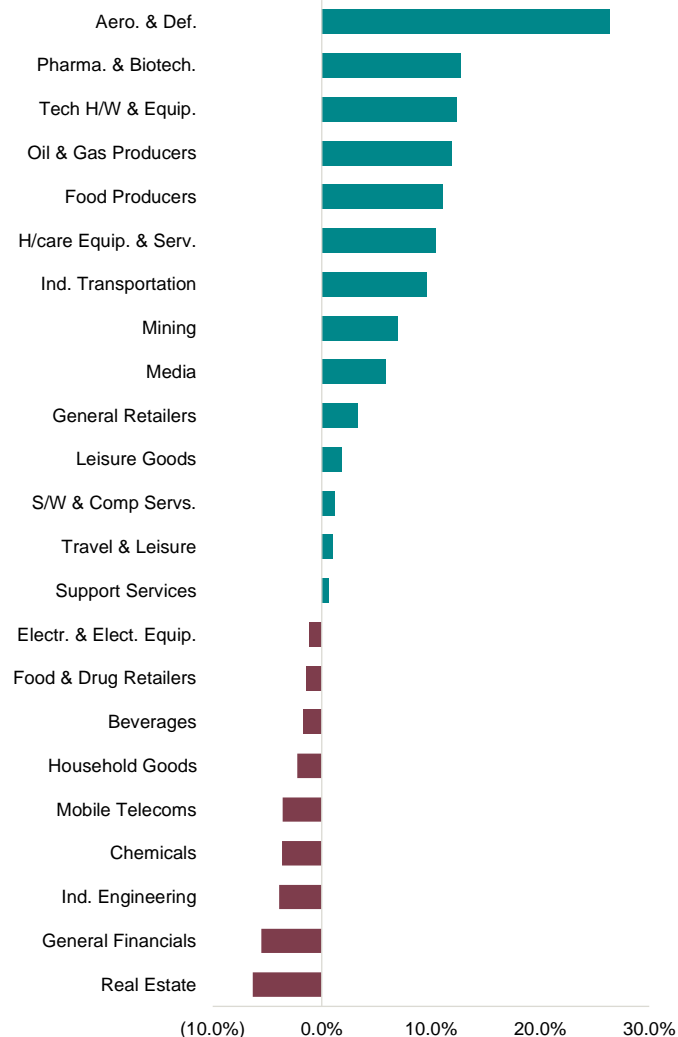
Sector performance in April

Mining stocks continued to outperform to reverse a slow start to the year, whilst overall sector performance was weaker vs March

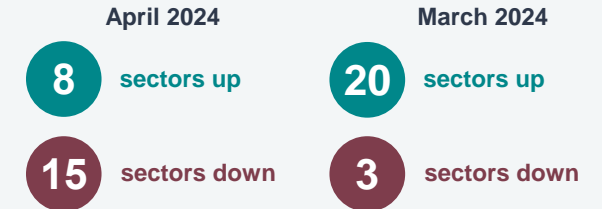
Sector performance – April 2024



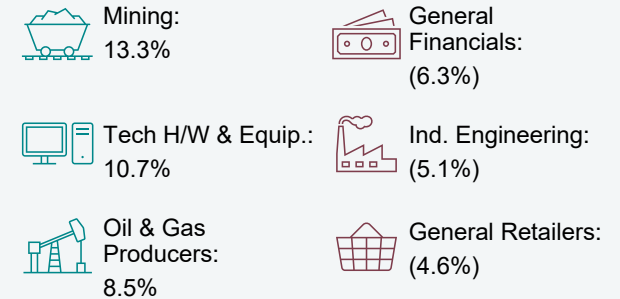
YTD Sector performance



Monthly sector snapshot



Monthly winners and losers



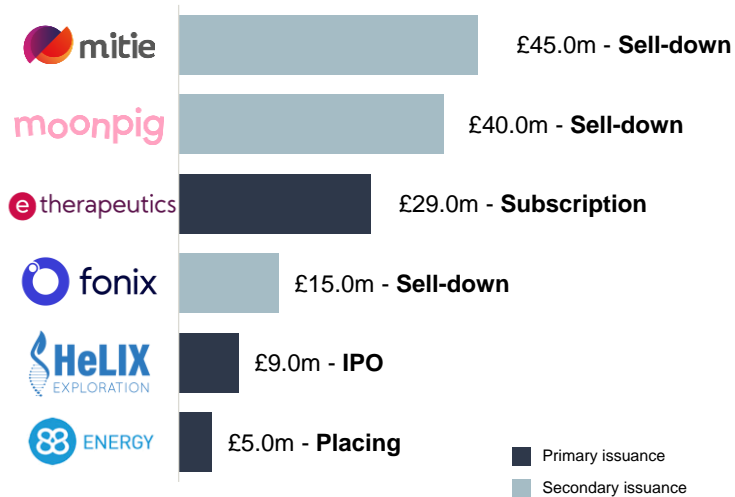
Drivers of sector performance in April

- Mining** stocks were the top performers again this month as the sector continued to rebound following a slow start to the year. This came amidst rising copper prices and M&A activity, which brought the sector into focus. BHP Group's £31bn offer for Anglo American, which has been rejected, sent its shares soaring 35.0% for the month, boosting sector performance
- Oil & Gas Producers** also enjoyed a strong April as escalating conflict in the Middle East pushed Brent crude oil prices higher, touching a 6-month high of over \$91 per barrel
- At the other end of the spectrum, **Travel & Leisure** stocks underperformed this month as the latest consumer data indicated cost of living pressures have impacted Leisure spending. The latest Deloitte survey showed sentiment in 'eating out' and 'drinking in pubs and bars' had declined by c. 6% vs the previous quarter

UK ECM activity in April

Following a spike in transaction values in March, UK ECM activity declined sharply in April; sell-downs continued to dominate

ECM issuance across the deal size spectrum in April



European IPO market opens up in Q1 2024

Selected transactions

Company	Deal size £bn	Market cap £bn	Discount to listed comp	After-market performance
CVC	c. 1.7	c. 11.9	c. 30% IEQT	+20%
GALDERMA	c. 2.0	c. 10.9	c. 25% L'ORÉAL	(11%)
PUIG	c. 2.2	c. 11.8	c. 28% L'ORÉAL	n/a

ECM activity snapshot

Total funds raised

£142m

Prior month: £4,473m
97% decrease

Total no. transactions

6 deals

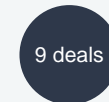
Prior month: 11 deals
46% decrease

Activity in April 2023

Funds raised



Deal count



Sell-downs in April 2024



Alchemy Partners

Exponent LLP, Abrdn, LGT Capital, GoldPoint Partners

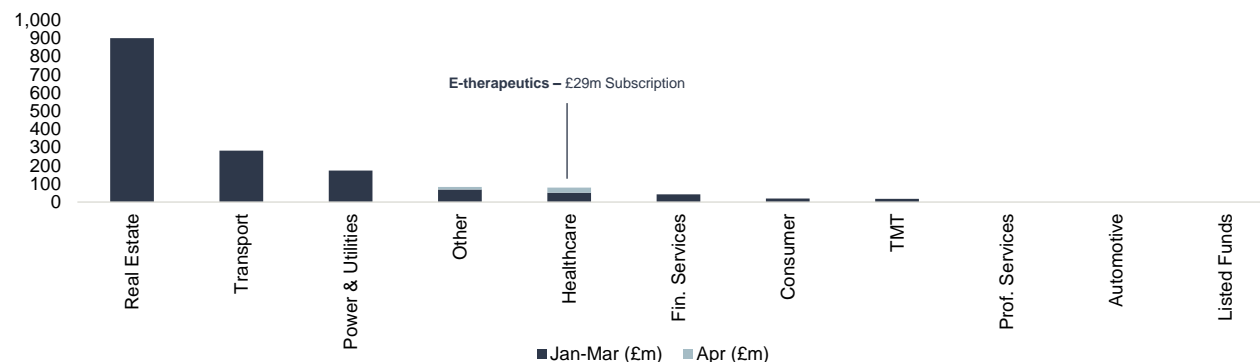
Management

Announced IPOs in April 2024

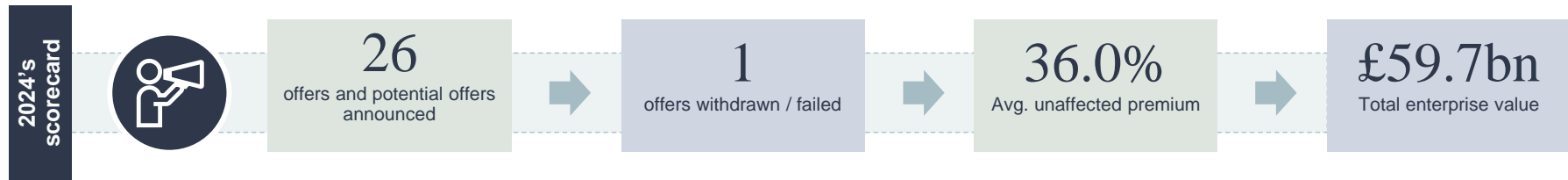


No notable announcements in April

Public equity fund-raises by sector and highlighted deals YTD

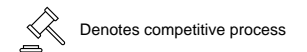


UK Public M&A activity in April



Selected deals

Offer Type	Date	Acquirer	Target	Offer Description	Offer Price	Premium	Offer Value	Highlights
Firm offer	11th Apr	SHURGARD SELF-STORAGE	LOK'n STORE Self Storage	A UK-based provider of self-storage space	1,110 Pence per share	15.9% Premium	£378m Offer value	<p>Highlights</p> <ul style="list-style-type: none"> Recommended cash offer by Shurgard Self Storage Ltd ("Shurgard") for the entire issued and to be issued share capital of Lok'n Store Group plc ("Lok'nStore") Shurgard believes the acquisition will allow Shurgard to increase its footprint in the two most attractive target markets outside of London (the South-East and Manchester) Shurgard believes the acquisition will create value through broader platform effects, applying Shurgard's operating model to Lok'nStore. It expects the acquisition to deliver total synergies of c. €4-5 million in the first full year, with incremental tax savings as the business grows Post-acquisition, Shurgard expects accretion on its adjusted EPRA earnings per share to be mid-single digit dilutive in 2024, neutral in 2025 and accretive from 2026 onwards
Firm offer	18th – 29th Apr	Blackstone concord	HIPGNOSIS	UK music IP and song rights investment company	104 Pence per share	48.1% Premium	\$1.6bn Offer value	<p>Highlights</p> <ul style="list-style-type: none"> On 18 April 2024, Concord Chorus Limited ("Concord") announced a recommended cash offer for the entire issued and to be issued share capital of Hipgnosis Songs Fund Limited ("Hipgnosis") at an offer price of \$1.16 per share On 20 April 2024, Blackstone Europe LLP ("Blackstone") confirmed that it had made a proposal regarding a possible cash offer to acquire the entire issued and to be issued share capital of Hipgnosis at an offer price of \$1.24 per share. Hipgnosis noted it was minded to recommend this improved offer Despite Concord increasing its initial offer to \$1.25 per share, Hipgnosis announced a recommended cash offer by Blackstone at an improved \$1.30 per share offer on 29 April 2024
Rejected offer	25th Apr	BHP	ANGLO AMERICAN	A British multinational mining company with a portfolio that spans diamonds, platinum, copper, iron ore & more	0.7097 New BHP shares	n/a Premium	£31.1bn Offer value	<p>Highlights</p> <ul style="list-style-type: none"> On 25 April 2024, Anglo American confirmed that it had received an unsolicited, non-binding and highly conditional combination proposal from BHP Group Limited ("BHP") BHP confirmed the proposal, stating that it believes the combination would bring together the strengths of BHP and Anglo American in an optimal structure and deliver meaningful synergies, which would enhance profitability and value for Anglo American shareholders On 26 April 2024, Anglo American confirmed that it had unanimously rejected the proposal stating that it significantly undervalues Anglo American and its future prospects, whilst citing complexity and execution risk
Firm offer	26th Apr	THOMABRAVO	DARKTRACE	A British cybersecurity and artificial intelligence company	620 Pence per share	20.0% Premium	£4.3bn Offer value	<p>Highlights</p> <ul style="list-style-type: none"> Recommended cash offer by Thoma Bravo, L.P. ("Thoma Bravo") for the entire issued and to be issued share capital of Darktrace plc ("Darktrace") Thoma Bravo believes that private ownership can facilitate Darktrace's development by 1) continuing Darktrace's strong organic growth momentum with help from Thoma Bravo's sector expertise and learnings from its software portfolio, 2) utilising Thoma Bravo's M&A expertise to grow the Darktrace platform in the highly fragmented cybersecurity market, 3) leveraging Thoma Bravo's proprietary operational best practices



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