

Investec Market Review

May 2023

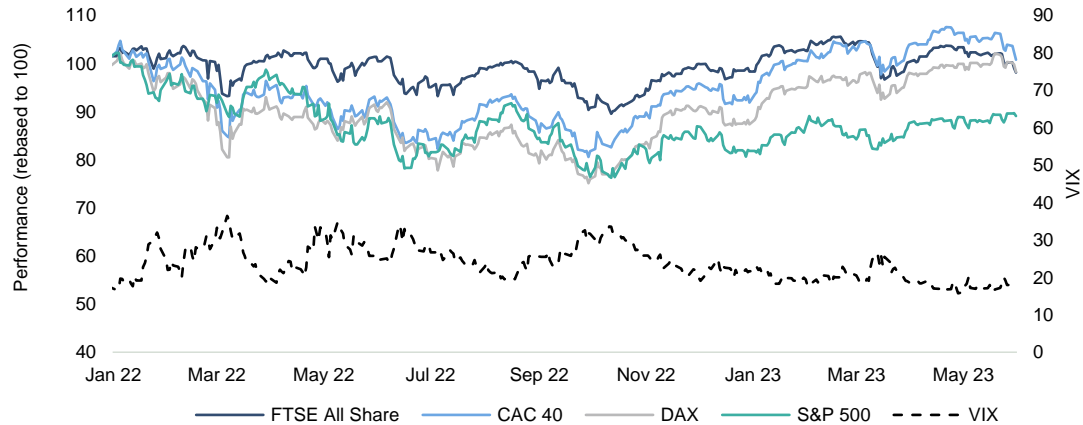


Executive summary

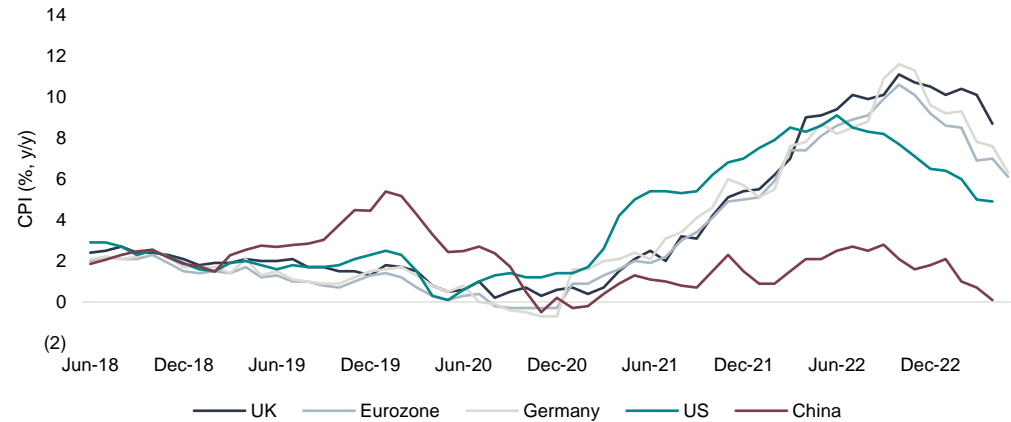
- Global indices lost ground over May as investors expectations regarding the economic outlook worsened
- Overall, UK macro-economic data continues to show signs of improvement. UK Consumer confidence rose to its highest level since February 2022 in May and retail sales beats expectation as volumes rose by 0.5% between March and April
- UK ECM activity gathered significant pace in May as c.£3.5bn were raised for selling shareholders
- UK public M&A activity slowed down significantly in May with only five transactions announced
- Please contact your usual Investec contact if you would like to discuss the contents of this pack

Market backdrop

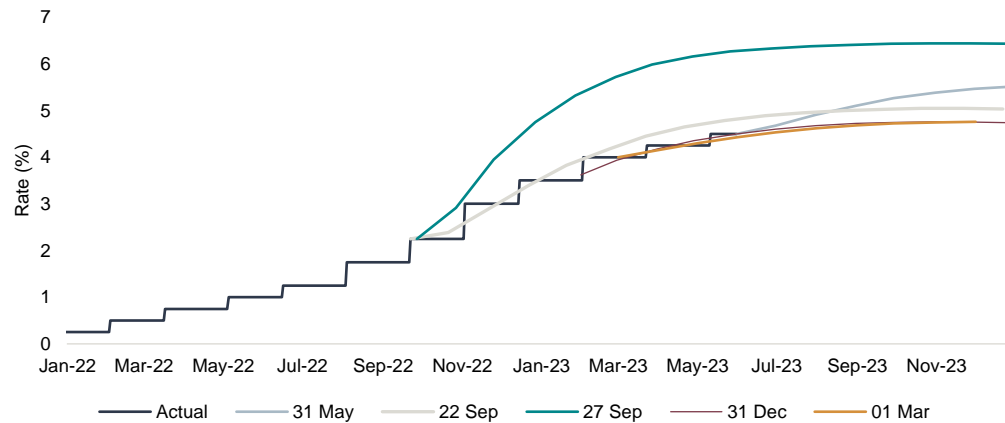
Global equity market performance & equity market volatility



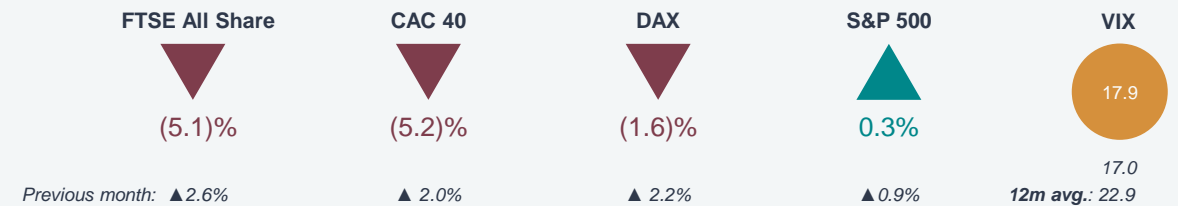
Inflation slows down significantly across key geographies



UK interest rate projections show signs of stabilising in the near-term



Monthly market snapshot

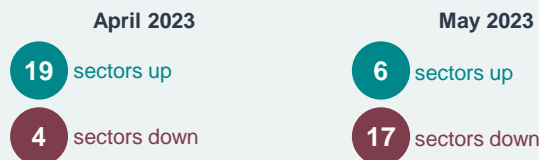


May's market drivers

UK inflation decreased from 10.1% (Y/Y) in March to 8.7% (Y/Y) in April, significantly above BoE's estimate of 8.4%	BoE raised interest rates by 25bps to 4.5%	UK public sector net borrowing rose from £21.5bn in March to £25.6bn	UK consumer confidence rose from -30 in April to -27 in April, reaching the highest level since February 2022
Fed raised its benchmark interest rate by 25bps to a new target range of 5.0%-5.25%	US Congress passed the bill to suspend the US\$31.4 trillion debt ceiling	Eurozone composite PMI fell from 54.1 in April to 53.3 in May	The German economy contracted by 0.3% in Q1 23, the second consecutive quarterly decline since Q3 22

UK sector performance

Monthly sector snapshot



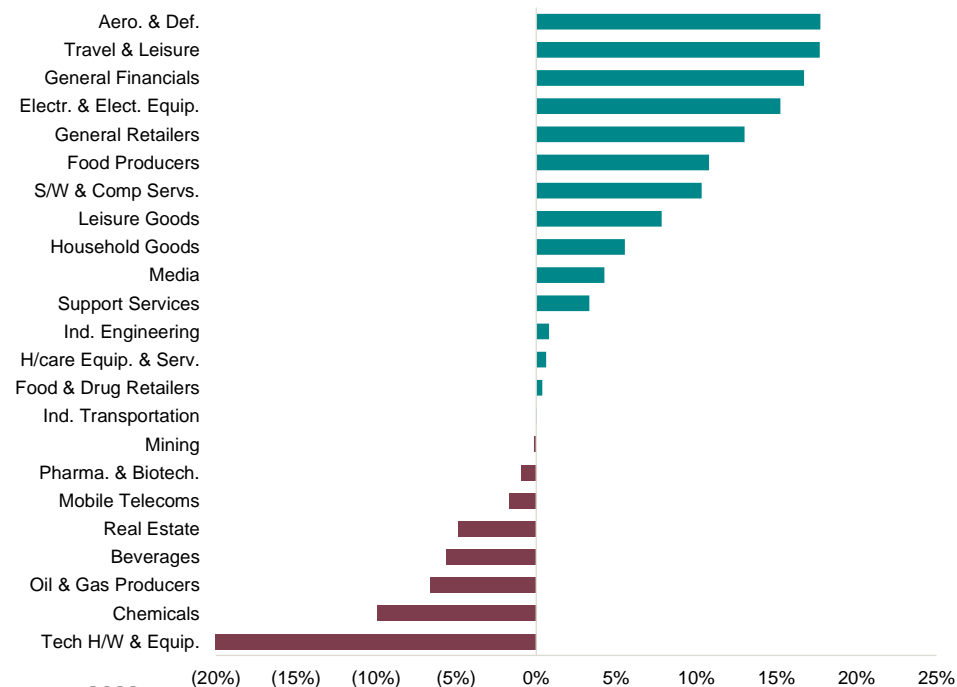
Monthly winners and losers:

Winners	Losers
General Retailers: 5.0%	Mobile Telecoms: (15.6%)
Industrial transportation: 4.2%	Oil & Gas Producers: (11.6%)
General Financials 2.1%	Chemicals: (11.1%)

Sector performance drivers and outlook commentary

- **General Retailers** was the best performing sector in May aided by the improvement in UK consumer confidence and retail sales as they rose from 0.5% between March and April, 0.3% higher than the figure forecasted by economists polled by Reuters
- **Mobile Telecoms** was the worst performing sector in May. Vodafone was the main decliner in the sector as shares slid by 18.5% over the course of the month as it unveiled plans to cut c.11,000 jobs and its FY23 results were slightly below the guided range
- Worth noting that despite a small loss in May, the **Travel & Leisure** sector has posted strong gains year-to-date. The sector benefits from better than expected economic data and UK consumers pending on holidays has increased by 18% (Y/Y)

Sector performance (Year to date)



Sector performance (May 2023)



UK ECM activity remains stable in May

Deal value improved significantly in May as sell-down activity gathered pace

Total funds raised




Total no. transactions



Prior year period



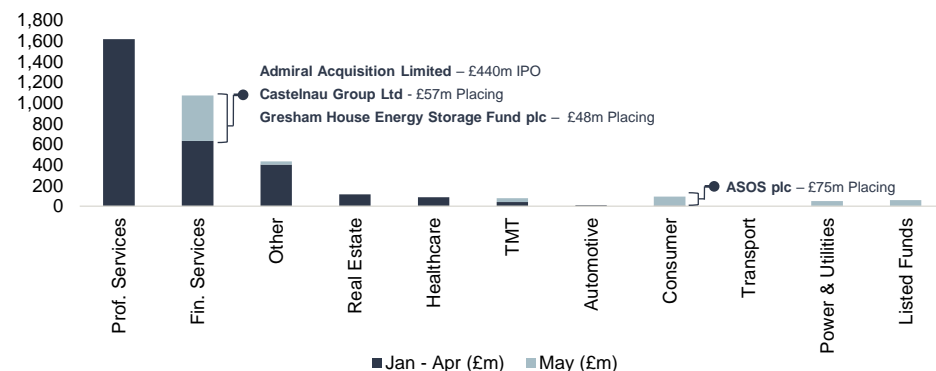
Selected deal commentary



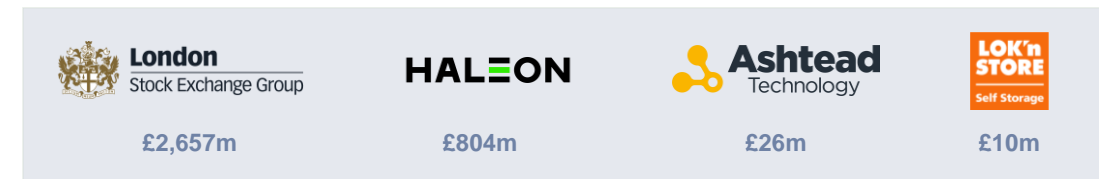
ASOS raises £75m to ensure it return the business to sustainable profitability and cash generation

- ASOS is an online retailer focussed on young adults. ASOS is available in over 200 markets.
- Placing was announced alongside a new long-term £275m financing facility structured as £200 senior term loan and a £75 super senior revolving facility at an average interest rate of c.11%
- Placing raised £75m of which £37.4m represented the participation from the two largest shareholders, Aktieselskabet Af 5.5.2010 and Camelot Capital Partners
- Pricing at 418.1p, implying a 4.0% discount to the previous day's closing price of 436p
- The placing was done alongside a retail offer that raised c.£4.8m

Public equity fund-raises by sector and highlighted deals



Sell-down activity over May



ECM issuance across the deal size spectrum in May



The UK IPO pipeline





A snapshot of the current UK public M&A market

UK public M&A activity slowed significantly in May

 Firm offer

 Possible offer

Commercial stage pharmaceutical company

Announcement date: 4 May 2023

Offeror: Shield Therapeutics plc



Offer type: Acquisition

Offer price: 6.2 pence in cash per Shield Therapeutics share

Share price prem. / (disc.): (13.3)%

Transaction highlights

- Non-recommended mandatory cash offer by AOP following the conversion of a convertible shareholder facility between Shield and AOP
- The mandatory offer is at a discount to the current share price and AOP recognises that the offer may not succeed
- The offer values Industrials at approximately £46.1m

UK's leading care-based and healthcare REIT

Announcement date: 13 April 2023 / 21 April 2023

Offeror: CK Asset Holdings Limited



Offer type: Acquisition

Offer price: 80 pence in cash for each Civitas share

Share price prem. / (disc.): 44.4%

Transaction highlights

- Recommended cash offer by CK Asset Holdings Ltd, a Hong Kong listed leading multinational corporation. CKA already has strong experience in the UK specialist social housing sector with existing ownership of a substantial property portfolio
- CKA believes that its strong financial standing will be beneficial to Civitas in sourcing future financing commitments at an operational level given the current market backdrop
- The offer values Civitas at approximately £485.0m

UK focused energy company

Announcement date: 17 May 2023

Offeror: HEYCO Energy Group


Offer type: Acquisition

Offer price: 4.5 pence per each Egdon Share

Share price prem. / (disc.): 96.0%

Transaction highlights

- Recommended cash offer by Petrichor Partners, LP (Petrichor), a wholly owned subsidiary of HEYCO Energy Group. HEYCO Group is an upstream energy portfolio group that delivers strategy, sophisticated technology, and capital to oil and gas exploration projects in the United States and Europe
- HEYCO Group believes that the public market continues to undervalue its assets, particularly the Wressle development
- The offer values Egdon at approximately £26.6m



Owner of Hotter Shoes, a footwear company focussed on the over 55 age demographic

Announcement date: 19 May 2023

Offeror: n/a



Offer type: Formal sale process

Offer price: n/a

Share price prem. / (disc.): n/a

Transaction highlights

- The trading position in the second half of 2022 outlined in the trading update of 17 January 2023 has left the Company with cash constraints. The Board continues to seek additional funding to provide the working capital necessary to complete the Group's restructuring and ensure its long-term profitability, stability and resilience
- As such, the board of Unbound initiated a formal review of strategic options available with a view to maximise shareholder value

UK-REIT that invests in the UK commercial property sector

Announcement date: 24 May 2023

Offeror: LondonMetric Property plc

Offer type: Acquisition

Offer price: 0.455 new LondonMetric shares for each CTPT share

Share price prem. / (disc.): 34.3%

Transaction highlights

- Recommended cash offer by LondonMetric, a FTSE 250 listed internally managed "UK-REIT" that owns one of the UK's leading listed logistics platforms alongside a grocery-led long income portfolio Pan-European
- The acquisition will address the issues of CTPT's scale and liquidity whilst offering CTPT Shareholders continued exposure to a complementary and high quality property portfolio via a large UK-REIT
- The offer values Sureserve at approximately £214.1m

This document and any attachments (including any e-mail that accompanies it) (together, “this document”) is for general information only and is the property of Investec Bank plc (“Investec”). Investec is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority. Investec is registered in England and Wales (Reg. no. 489604) with its registered office at 30 Gresham Street, London EC2V 7QP. Whilst all reasonable care has been taken to ensure that the information stated herein is accurate and opinions fair and reasonable, neither Investec nor any of its affiliates or subsidiaries or any of its or their directors, officers, employees or agents (“Affiliates”) shall be held responsible in any way for the contents of this document. This document is produced solely for your information and may not be copied, reproduced, further distributed (in whole or in part) to any other person or published (in whole or in part) for any purpose without the prior written consent of Investec. Making this document available in no circumstances whatsoever implies the existence of an offer or commitment or contract with Investec or any of its Affiliates for any purpose.

No representation or warranty, express or implied, is or will be made and no responsibility or liability is or will be accepted by Investec or its Affiliates in relation to the accuracy, reliability, suitability or completeness of any information contained in this document and any such liability is expressly disclaimed. This document does not purport to be all inclusive or to contain all the information that you may need. Investec gives no undertaking to provide the recipient with access to any additional information or to update this document or any additional information, or to correct any inaccuracies in it which may become apparent.

This document does not take into account the specific investment objectives, financial circumstances or particular needs of any recipient and it should not be regarded as a substitute for the

exercise of the recipient’s own judgement and due diligence. Investec does not offer investment advice or make any investment recommendations. Recipients of this document should seek independent financial advice regarding the appropriateness or otherwise of investing in any investment strategies discussed or recommended in this document and should understand that past performance is not a guide to future performance, and the value of any investments may fall as well as rise.

Investec expressly reserves the right, without giving reasons therefore, at any time and in any respect, to amend or terminate discussions with the recipient of this document without prior notice and hereby expressly disclaims any liability for any losses, costs or expenses incurred by such recipient.

