

INDEPENDENT EQUITY RESEARCH



Independent Equity Research What is and why is it important?

Independent equity research is an analytical assessment of a company's business operations, management as well as financials. Such research often represents a key element as to why investors look to buy or sell in publically traded securities.

The presentation of properly researched descriptive, strategic and financial information is fundamental to market transparency. Whether investors have bought shares in a primary issue such as an IPO or in the secondary market the fundamental issue is that an exit strategy is central to investors' interests when considering growth companies.

The ability to deliver an exit for investors through the market is dependent on liquidity driven by demand from buyers, such demand in growth companies can only be achieved through the flow of information that demonstrates the possibility of

future returns.

Credible, consistent and reliable equity research will often provide information that is not always readily available to investors, making a company a more attractive investment candidate, accelerating the opportunities for exit strategies.

Such research should be viewed as an important investment indicator for a company, irrespective of whether the securities being traded are equities or debt instruments.

Independent Equity Research What does it achieve?

Growth companies often overlook the need for equity research considering it an add-on service rather than as an integral part of their market offering. However, it is worth remembering that it is such smaller companies that often struggle to gain recognition from the investment community whether private investors or institutional.

Equity research brings visibility to companies in the market and helps them stand out from the competition. It gives growth companies a tangible and reliable source of information that can assist market professionals, brokers, corporate financiers, and portfolio managers with a better

understanding of why such companies are deserving of their attention.

A strategy of providing research over a prolonged period helps companies build confidence with investors through increased levels transparency and along-side improved liquidity can often lead to wider access to all types of capital (not just equity) at lower cost.

Independent Equity Research Who provides it and at what cost ?

Whilst some corporate advisors are able to produce research notes for corporate clients, Exchanges are increasingly establishing relationships with a number of different equity research providers who between them are able to cater for a wide range of different budgets and distribution requirements.

Options for secondary trading and primary listings can range from one or two page pre and post results notes, compact valuations of usually 10-12 pages, right the way through to full initiation and

annual strategic review valuations (also pre-IPO/ and IPO initiation notes) running at 20-30 pages with other notes and investor engagement throughout the year.

Prices vary and like much in life and most of the time you should hope to get what you pay for. Prices generally range from GBP 20k to 50k (*USD 30k to 75k; **EUR 25k to 60k) and upwards p.a.

(FX rate *GBP/USD 1.5 and **GBP/EUR 1.15)

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Should you be interested in finding out more about how equity research can help your company, please contact our business development team below.

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