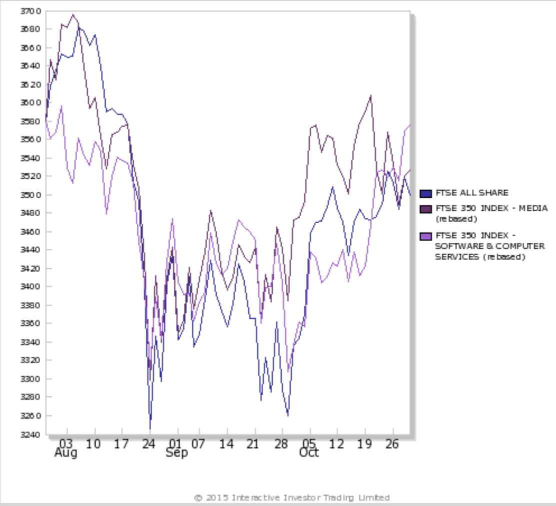
Media Sector Review

10 November 2015

HYBRIDAN

Putting the M in TMT



Source: www.iii.co.uk

FTSE All Share	**CY2015**	**CY2016**
PE	16.1	14.9
P/Book	1.9	1.8
EV/Sales	1.5	1.4
EV/EBITDA	9.2	8.6
FTSE 350 Media	**CY2015**	**CY2016**
PE	16.5	15.7
P/Book	3.5	3.2
EV/Sales	2.8	2.7
EV/EBITDA	12.3	11.8
FTSE 350 Software & Computer Services	**CY2015**	**CY2016**
PE	20.9	19.1
P/Book	5.8	5.3
EV/Sales	3.1	3.0
EV/EBITDA	13.8	13.0

Source: Bloomberg

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When certain investor groups focus on 'tech' stocks it is easy to forget that Media forms part of the wider TMT sector. Media (mass communication) companies have a wide range of activities. But as the public consumes media through an ever broader choice of devices and channels, media and technology have become inextricably linked. This can be related to how we consume media, with innovative music streaming platforms from the likes of **7digital (7DIG),** to how corporates monitor the efficacy of their marketing dollar with Big Data analytics platforms such as that provided by **Ebiquity (EBQ).**

Fund raising this year has been muted although not as much as some other sectors. According to the LSE statistics, in the year to August 2015, AIM listed companies classified under Media raised circa £27m of which £22m were from IPOs. However our review of transactions revealed the number may be higher with Adgorithms raising £27m in the June IPO and Gloo Networks raising £30m in August, also a new issue.

Adgorithms' 'Albert' platform automates marketing campaign management and seeks to drive maximum value from customers' marketing budgets. **Adgorithms (ADGO)** came to market at 133p and as tracked in our risers and fallers is now well under water following a profits warning referring to 'severe disruption' in the online advertising market. Although not specifically referred to, this is widely touted to be the emergence of ad-blocking software allowing consumers to browse the web advertisement free.

Gloo Networks (GLOO) appears to have no operating business at present but was established as a technology company established to acquire and operate companies in the media sector exploiting opportunities arising from the convergence of the internet and media sectors. The placing was at 120p, the shares reached 126p on day 1 and have not moved since nor have there been any acquisitions.

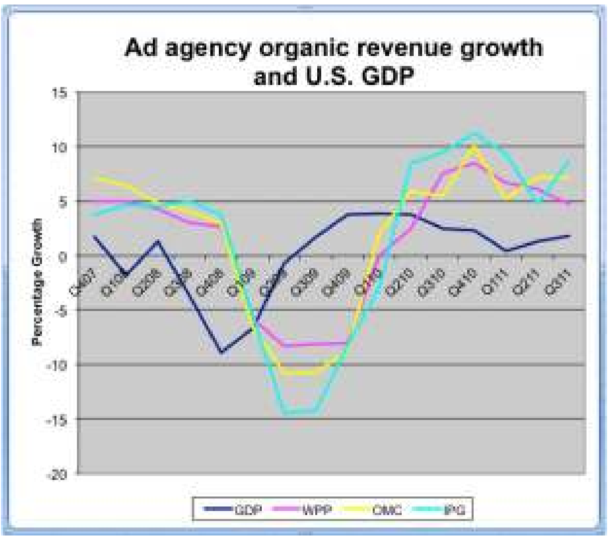
The main market has been even quieter for Media issuances, with zero funds raised up until and including August during 2015 compared to circa £390m raised in 2014 dominated by the £352m raised by **Zoopla Property Group (ZPLA),** the property focussed digital media company whose share price has only recently climbed back above the 220p issue price following a sell off late this Summer.

M&A activity has been intense on both sides of the Atlantic. In the US consolidation at the top end has been rife. As part of its strategy to diversify away from its wireless business **AT&T (NYSE:T)** has purchased DirecTV for $49bn to form the country's largest pay TV company. Earlier in the year **Charter Communications** (**NASDAQ:CHTR)** acquired Time Warner Cable for $55bn. Elsewhere **Verizon (NYSE:VZ)** purchased AOL for $4.4bn who had just acquired mobile ad tech firm Millennial Media for $238m. Whilst we have not seen such scale in the UK, last month saw **Trinity Mirror (LON:TNI)** take out the remaining 80% of leading regional newspaper publisher Local World, valuing the entity at £220m. AIM listed **UTV (LON:UTV)** has agreed the sale of its television assets to **ITV (LON:ITV)** for £100m including the most watched channel in Northern Ireland.

Contents

1. Sector Overview

Traditionally Media spend is a lagging indicator of GDP growth but being seen (perhaps wrongly) as a discretionary corporate outlay has a more pronounced in both directions.



Source:www.businessinsider.com

Global economic growth has been enjoying a stuttering recovery at best yet in the UK H1 advertising spend reached a record high in H1 2015 of £9.4bn according to Advertising Association/Warc Expenditure Report.

Highlights included internet spend for H1 increased 13.3 per cent to £3,975m, with mobile accounting for 79 per cent of this growth. Mobile ad spend grew 52.1 per cent to break the billion pound barrier in a half-year period for the first time. TV advertising continues to perform well with a 7.1 per cent growth forecast for FY2015, and the bright spot within that is Video on Demand advertising forecast to grow 17.2 per cent . Print continues to suffer with spending at national news brands forecast to slide 7.7 per cent in 2015, although within that digital is forecast to grow 8.7 per cent. This split is more pronounced with regional news brands forecast to drop -4.2 per cent in total but grow 20.4 per cent on the digital side. Should a more robust economic recovery emerge over the medium term we could see an acceleration of these trends with structural changes seeing certain media prosper considerably more than others.

Furthermore advertising gets a boost ahead of and during major sporting events, notably the FIFA World Cup and the Summer Olympics. With the omission of either event in 2015, the above numbers suggest a strong underlying state of health for the industry, and ahead of the Rio Olympic next year things could be lining up nicely for the industry overall.

WPP (LON:WPP) the world's largest communications services group, recently updated on Q3 trading with constant currency revenue up 7.9 per cent (4.6 per cent on a like-for-like basis) suggesting a healthy level of underlying demand. The shares are up 7.6 per cent over the last month and 20% year on year.

We highlight some of the prominent subsectors where smaller companies can flourish. Media is an industry where human capital is particularly valuable. Therefore small teams of capable creative and well connected individuals can carve out specialisms where they can compete with larger more commoditised organisations. The London Stock

Exchange provides three broad subsectors of the industry, namely **Media Agencies, Publishing and Broadcasting** although within these groupings there is still a wide spread of assets and activities.

1.1. Media Agencies

Creston (LON:CRE) is a marketing communications business that has been carving out a name amongst its Blue Chip clients through the nurturing of start-up businesses and selective acquisitions. The shares are on 10.8x current year earnings and a 3 per cent dividend yield. 55 per cent of revenues are now derived from online and digital service. Interim results are due on 24 November.

Ebiquity (LON:EBQ) is an independent marketing performance specialist, helping its clients across 70 countries monitor and maximise the Return on Investment of their marketing dollars through the company's powerful analytics platform, for example helping Wickes to increase profit by £10m by optimising its media plan. The shares trade at circa 13x and having just joined the dividend list offer a small but growing yield of 0.3 per cent .

Next Fifteen Communications (LON:NFC) is a pure play digital communications group that has pulled together specialist agencies from around the globe. Whilst North America continues to progress with revenue up 10.3 per cent in H1, the markets where it is less mature are showing a faster acceleration of contribution with profits doubling in the UK and Asia in the same period. The shares are trading on 15x current year earnings with a yield of 1.8 per cent following a 20 per cent hike in the interim dividend.

Certain agencies have prospered through the offering of specialist services such as **Cello Group (LON:CLL),** the healthcare focused strategic marketing group. The shares are down 18.5 per cent on a three month view but those who came in three years ago have doubled their money and the company is now a leader in its field. The company is investing heavily in internal resource so whilst profit growth may be muted in the short term the outlook remains favourable. The sector is rapidly consolidating and last year drug approvals by the FDA hit record levels. Social Media cannot be ignored by Big Pharma but in such a tightly regulated industry is somewhat of a minefield presenting opportunities for those such as Cello. The shares are on 10x earnings and a 3.3 per cent yield.

Public Relations or PR can mean different things to different people. **Porta Communications (LON:PTCM)** is becoming well known in investor circles due to several acquisitions in the 'Financial PR' and investor access space, including Newgate, Redleaf Communications and most recently a stake in Broker Profile. However the international marketing and communications business has a number of other brands and services across PR, Marketing and Advertising including Publicasity with its 'Reputation Reading' Service. Recently appointed Group FD Steffan Williams has a good record of creating value in the space. The company is profitable at the EBITDA level recording headline EBITDA of £1.3m in H1 although is below breakeven at the bottom line. Based on current year consensus revenue forecasts of revenues have trebled to £33m since 2013.

4imprint Group (LON:FOUR) has performed phenomenally both in terms of financial and share price performance on a consistent basis, and the shares have quintupled over the last five years. The company is the number one provider of customised promotional goods in the United States and yet has no more than a 2 per cent share of this highly fragmented market. Its well-oiled marketing machine and unparalleled range of goods (more than 37,000) should enable it to drive organic growth through market share expansion for some time to come. For FY2015 the company expects high teen's revenue growth at constant margins.

Mediazest* (LON:MDZ) is a creative media agency specialising in audio visual systems. The group is an industry leader in the field of providing innovating marketing solutions to some of the most technically demanding retailers in the world such as Samsung, Diesel, CocaCola and Adidas to name but a few. The company has spent significant resource in in developing its product offering such as the retail analytics platform which allows customers to better understand consumer spending behaviour. It is these product enhancements that are shaping MediaZest's business model from one dependent on large one off contracts to one built on sustainable recurring revenues.

BrainJuicer (LON:BJU) is a marketing and brand consultancy, with proprietary market research solutions grounded in the principles of behavioural science, which help clients achieve business advantage. The company is profitable and cash generative although suffers in terms of revenue visibility. The company is in a transitional phase moving from a predominantly qualitative brand strategy service to a more scalable and predictive quantitative service. BrainJuicer trades on a 14x PE ratio and a 1.3 per cent yield. The balance sheet is strong with £5.3m net cash as at June 2015.

TLA Worldwide (LON:TLA) is an athlete representation and sports marketing business, making particular headway in baseball with some 78 Major League clients on its books, up 20 per cent during H1. The acquisition of Elite Sports Properties for up to A$25.5m in March significantly increases the Group's reach into Australia. In July the Sports Marketing division delivered the inaugural ICC football event in July 2015, with 225,000 spectators attending three football games at the Melbourne Cricket Ground between Manchester City, Real Madrid and AS Roma. The shares trade at 10.5x current year earnings with a yield of 2.2 per cent . Net debt of $22.4m has been built up to fund the successful acquisition strategy.

1.2. Broadcasting

Gfinity (LON:GFIN) is a company that transcends both the leisure and media sector positioning itself as an early mover in the eSports sector through its offering of both online and offline eSporting events to a global audience. At the recent finals the company revealed 163% revenue growth to £560k and an expansion of losses to £3.6m. Its G3 event at the Copperbox in London's Olympic Park was the largest eSports event ever staged in the UK - almost 4,000 spectators attended and 8.7 million online views from 25 countries over a single weekend. The company has recently raised £1m in part for further product development.

Mirada (LON:MIRA) the audio-visual interaction specialist has a strong pipeline of Tier 1 and Tier 2 TV companies capitalising upon the endorsement implied by the roll out of its multiscreen Iris product for Cablevisión Monterrey in Mexico to an initial 500,000 subscribers. The company has suffered from delays with its key client and as a response has launched a cloud based solution to meet demand from smaller Tier 2 and 3 customers. The company is now well funded following a recent £1.5m placing.

Pinewood Group (LON:PWS) is a name synonymous with classic British movies. However the Group operates 68 stages over five territories worldwide and has hosted 43 blockbuster films with budgets > $100m in the last 7 years including the soon to be released Star Wars: Episode VII – The Force Awakens. The Balance Sheet is asset heavy with NAV of £91.5m. Under the Pinewood Studios Development Framework the flagship site is undergoing a demand led expansion programme with three phases of planned development adding a total of 1m sq ft of new facilities.

7Digital (LON:7DIG) was created from the merger of UBC Media and 7digital, and is well positioned to benefit from the rapid changes in the online music and radio marketplace. Whilst not seeking to directly compete with the behemoths of music streaming such as Spotify, 7digital provides business to business services or the likes of Jazz FM, Sainsburys and Panasonic over its unique plug and play platform. Recently 7digital has been announced as a supplier to Electric Jukebox, a hardware light dongle that simply plugs into the back of one’s TV. Revenue at the recent interims shows only marginal growth from £5.1m to £5.2m but this doesn’t tell the whole story as the market transitions from downloads as a delivery mechanism. Licensing revenue was up 26 per cent . Recurring revenue is on the up as is gross profit which rose 34 per cent to £3.3m due to a favourable change in mix.

1.3. Publishing

Bloomsbury Publishing (LON:BMY) continues to sweat its magical Harry Potter assets with the publication of new covers and illustrated versions. Authors of note in its stable include Sarah J. Maas, Khaled Hosseini and celebrity Chef Hugh Fearnley-Whittingstall. The company has been consolidating its sites. The recent interims saw H1 Aug 2015 revenue rise 13 per cent and within that digital was up 26 per cent to £7.1m now making up 17 per cent of the total. With six acquisitions in five years the publisher now has a broad spread of fiction and non-fiction fields. The shares are on an 11.8x PE multiple and yield 3.8 per cent .

In the light of the full takeover of Local World by Trinity Mirror, **Johnston Press (LON:JPR)** has come into our focus as an interesting listed play on local publishing. Revenues in H1 were down 4.6 per cent reflecting the continued decline of print but digital is growing fast with revenues up 17.5 per cent to £16.5m and audience numbers up 20 per cent to £19.9m. The continued focus on cost cutting and debt reduction and the benefits of the 2014 refinancing allowed underlying PBT to rise 114 per cent to £9.5m. The shares are on just a 3.2x PE ratio based on current year forecasts.

Electric Word (LON:ELE) is a specialist information business with divisions operating in the Sport and Gaming, Education and Health sectors. Despite an overall flat revenue performance from continuing operations at the recent interims, this belies some bright spots and a refocussing of the business. Following the disposal of non-core assets the company now has a small net cash position which will have been supplemented by the £0.9m post period end receipt of disposal proceeds. Central costs are being managed down, the company is generating cash, and is now looking for a return on its investment in digital. Sports & Gaming is performing particularly well up 16 per cent in H1. The shares are on less than 1x revenues and looking ahead to 2016 are on a 12x PE ratio.

Haynes Publishing Group (LON:HYNS) is famous for its iconic Automobile manuals. The Group also publishes an extensive range of practical and DIY titles covering a wide variety of subjects, as well as a range of light entertainment manuals styled in this vein. Haynes is facing challenging trading conditions with revenues and EBITDA down 11 per cent and 20 per cent respectively in the year to May 2015. However the dividend for the year as a whole was maintained at 7.5p. A cost and operational review is underway, but HaynesPro which is a subscription based digital service to the professional auto repair market, is doing well and has been upgraded. Having undergone significant management change we expect the company to make a further push into digital.

1.4. Other

Blinkx (LON: BLNX) is an internet media company that connects consumers and brands through premium content online. The group's recent trading update confirms guidance for H1 revenues of US$90m. The past two years have been a turbulent time for the company since they were edging towards a valuation of £1bn two years ago, now standing at c£105m. The scrutiny came from a widely published US research note questioning how Blinkx generated its web traffic. The company is now focusing on developing its core mobile, video and programmatic offerings in the wake of increasing pressure on ad blocking from giants such as Apple.

TMT Investments (LON:TMT) offers investors access to earlier stage non-public investments in the TMT space and has established a strong track record over the last four years with six profitable exits to the likes of Yahoo and Aol. Media Investments include anews, a Global news reading service which has seen its audience grow fourfold to circa 3m downloads under TMT's stewardship. TMT's stake in VIROOL, a self-service advertising platform was recently revalued up by 161 per cent following the completion of the investee company's latest equity financing.

2. Fund Manager Interview – Guy Feld of Hargreave Hale

Our guest contributor in this edition is Guy Feld of Hargreave Hale. Guy is one of the UK's most active small cap investors and has a particular focus on the tech sector and other "New Economy" and growth companies. Guy co-manages the Marlborough UK-Micro-Cap Growth fund which has consistently outperformed its benchmark over the last five years.

Marlborough UK-Micro-Cap Growth fund

	3m	6m	1yr	3yrs	5yrs
Marlborough UK Micro Cap Growth A	+0.0	+8.5	+15.8	+64.4	+123.2
UK Smaller Companies	-0.6	+5.3	+15.3	+55.1	+82.5

Source: www.trustnet.com

We sought out Guy's thoughts on the quoted Media sector and his answers to our questions below suggest that the only constant we will see in Media for the foreseeable future, is change.

HYBRIDAN: As a house you are deeply supportive of the media sector with over £100m spread across various pools and some 40 companies. Why do you think the Media sector is of such appeal to growth investors?

GUY FELD: The internet/digitisation and mobile devices have completely disrupted 'old' media and still underpin substantial growth going forward. The shift in ad dollars to new media still isn't finished. The current generation of so-called 'millennials' barely watch free-to-air TV on schedule and consume the great majority of their media hours on their mobile devices.

This is underlined by statements and actions from traditional media agency players, e.g. **WPP** and **Publicis,** who are scrambling to port themselves into the new digital age with acquisitions and investments. Traditional print businesses have had to scrabble to build online presences and the traditional TV broadcasters have been blasted by cable and satellite in the first wave….and now these themselves are being disrupted by 'over the top' players such as **Netflix.** The competitive scenario has been turned upside down and the tech giants, **Apple,**

Microsoft, and Google are also trying to storm in on audio and video consumption both at home and on the move. This is not to mention other powerful claims on consumers' media time: social media, predominantly **Facebook,** and the explosion of the digital games market across multiple platforms (pc, console, mobile). To sum, disruption right across the media space continues apace – offering both substantial risk and opportunity to investors.

HYBRIDAN: Media is a big sector, are there any sub-sectors or individual companies that you think are particularly interesting in terms of growth potential or maybe value potential?

GUY FELD: One of if not our biggest media winners has been **Next Fifteen,** [£148m at 223p] which we first purchased at 70p in 2010 for the Marlborough UK micro-cap fund. Today **Next Fifteen** is 223p and we remain keen holders. **Next Fifteen,** is a technology-focussed international public relations company with increasing digital advisory and consultancy capabilities, including its own account based marketing software company, agent3. **Next Fifteen** acts for **Apple, Facebook and Google in the US –** you can't ask for better validation of their work. Despite the run, we remain holders.

Another situation worthy of mention is **YouGov**, [£149m at 144p], the online market research group, which has strong brand equity in its market but which is also creating more of its own IP and productising its offering, thus driving the outlook for earnings growth internationally.

HYBRIDAN: It's a very rapidly evolving sector. Clearly Boards have to be nimble to adapt to, or perhaps even pre-empt trends in consumer and corporate activity. Are there any examples in your portfolio of early adopters who you think will benefit from changes to the way we consume media?

GUY FELD: Television has been shaken to pieces by technology: firstly the old terrestrial and free-to-air broadcasters were hit by the advent of the cable and satellite TV operators, now all of these have themselves been disrupted by the internet in the form of the 'over the top' upstarts such as **Netflix, Hulu** and **Amazon**. 'OTT' continues to have a disruptive impact on more mature western markets but is now taking off in emerging markets too. **Amino Technologies** has a portfolio of set top boxes for tier 2 pay TV operators and offers the OTT functionality [and mobile 'on-the-go' TV technology] they increasingly need. A riskier play in the same area is **Mirada,** which focusses on the South American market mainly, and has won a key account in the form of South American pay TV giant, **Televisa.**

HYBRIDAN: There are a number of publishers in your portfolio ranging from car manuals to fiction to regional newspapers. To what extent is it important not to overlook print whilst still following a digital strategy?

GUY FELD: My colleagues tell me we hold few 'legacy print' media companies….**St Ives** is an example of one, which has a large share of the black and white printed book market, but I am told it has transitioned a large part of its activities to online and digital strategic marketing. Some of these companies could be regarded at least partially as 'cash cows'.

HYBRIDAN: Similarly marketing agencies are all making a land grab for the digital dollar. However US advertisers still spend $70.6bn on TV advertising vs US$7.8bn for digital video. Where do you think the biggest growth in digital advertising is going to come from?

GUY FELD: Your statistics underline the continuing growth opportunity in new wave digital media – as discussed above re **Amino**, more and more TV is being consumed not through traditional/cable/satellite means, but over internet protocol ('cord cutting'). The segments presenting the highest growth potential are primarily **video** and **mobile**, given continually improving network speeds and capacities and the increasing amount of media hours spent consuming video, often on mobile devices. Facebook's successful strategic transition to a mobile-centric advertising model has underpinned a c.4x share price run from its post-IPO low.

HYBRIDAN: How is the rise of ad-blocking software going to affect companies operating in this space?

GUY FELD: Yes, ad-blocking is certainly compounding growing pains in the online advertising industry. There is a lot of low quality display ad inventory which is the fault both of the brands/advertisers demanding more bang for their bucks on the one hand, and of the publishers/websites who are desperate to generate compensating income on the other.

But the central fact is that the content that consumers most want to see usually costs money to make and must ultimately be paid for. The ad-blockers have been and will to a large degree be neutralised by online and mobile platforms such as **Google/YouTube** and **Facebook**, which are nodal points in the online content value chain: after all, they make their money from the advertisers. Ads may also become more like content: going 'native' or becoming 'advertorial' and thus not be recognised as ads *per se.*

Note too that ad-blocking is not considered a viable threat 'in-app', in a world where apps continue to feature strongly in mobile content consumption. Given the aforementioned pressures on online advertising spend, we have also seen **WPP** supremo Sir Martin Sorrell and several of his peers pushing for increasing use of 'paywalls' to bolster content producers' revenue streams. Expect more of this going forward.

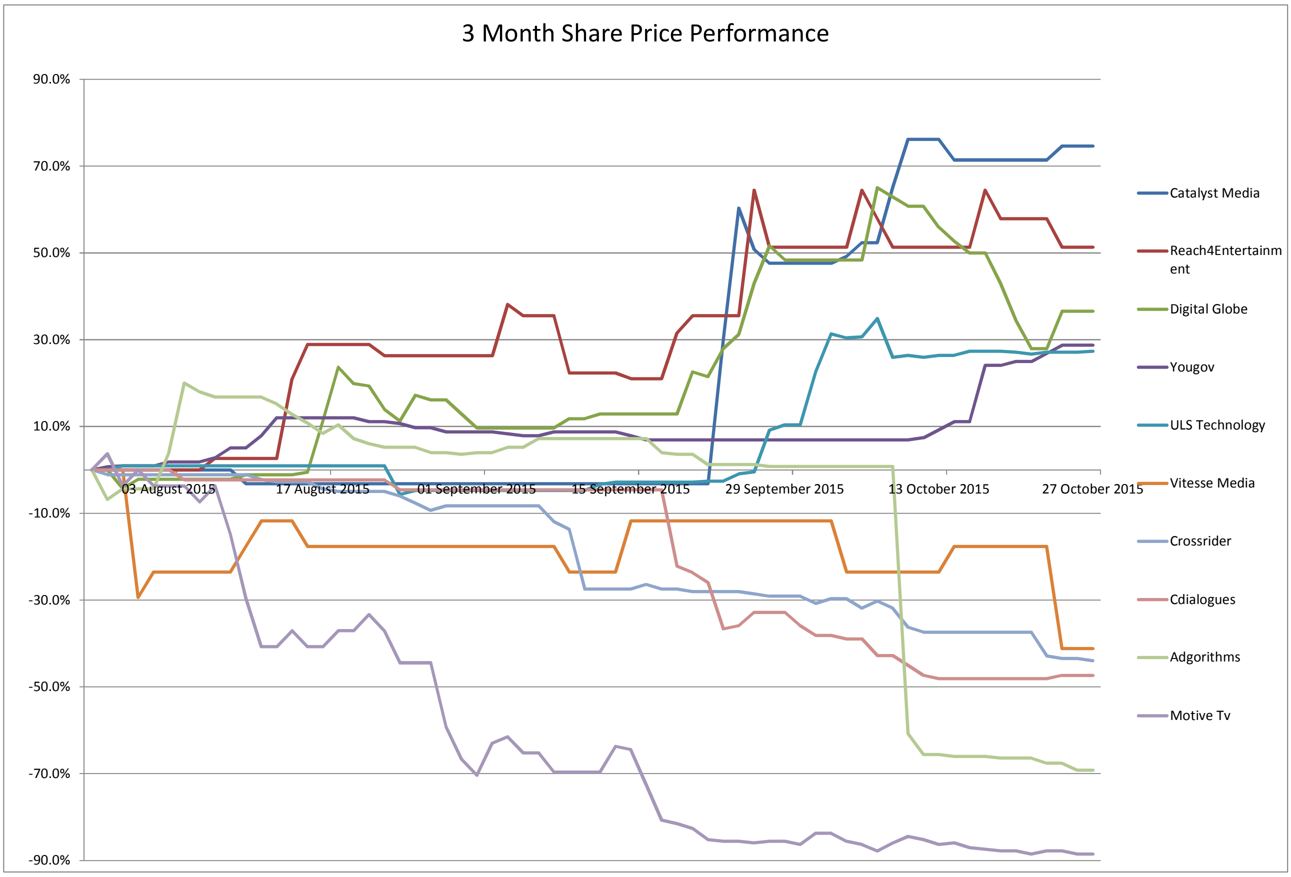
To conclude: the industry is going through a lot of pain right now and will adapt and evolve, but ad-blocking will not destroy the online advertising industry. Arguably it will accelerate the refinement and maturing of the space for the good of all players long-term.

3. Risers and Fallers

Risers and Fallers

As at 27 October 2015	***3 month Share price movement***
Catalyst Media	74.60%
Reach4Entertainment	51.30%
Digital Globe	36.60%
Yougov	28.70%
ULS Technology	27.12%
Vitesse Media	(41.20%)
Crossrider	(43.40%)
Cdialogues	(47.30%)
Adgorithms	(69.20%)
Motive Tv	(88.50%)

Source: Fidessa



Source Fidessa

Risers

Catalyst Media (LON:CMX 55p/£13.4m 3mth +74.6%)

On 23 September, the company noted the statement made by Satellite Information Services (SIS), in which it holds circa 20.5 per cent. SIS has entered a conditional new five year deal with Racecourse Media Group for the provision of pictures and data to bookmakers to commence in April 2018. In FY March 2015 SIS made operating profit of £25.8m and had cash balances of £22m. Up to April 2018 the board of SIS expects that the business will continue to generate significant profits and cash though this is dependent, inter alia, upon renewal of existing customer contracts in a time of significant uncertainty in the retail betting market. Thereafter the contribution from racing revenues can be expected to fall substantially from current levels. Other sources of income may arise but are not capable of being predicted at this stage. The board of CMG believes that it should continue to hold the investment in SIS for the immediate future but will review the future of the business in the light of these changes.

Reach4Entertainment (LON:R4E 2.9p/£2.2m 3mth +51.3%)

On 9 September, the transatlantic media and entertainment company announced H1 30 June results. Having maintained market leadership in both London and New York's theatre markets revenues increased 2.5% to £42.5m. However profitability suffered with EBITDA of £0.9m vs. £1.4m. Trading performance for 2015 is expected to be in line with market expectations with new shows expected to launch close to Christmas.

A conditional refinancing was agreed in June restructuring the £14.59m loan facility with AIB including the conversion of £5.2m. £9.5m is required to be repaid by the end of October and on 25 September the company agreed a replacement facility with PNC Business Credit and discussions to raise further equity are underway.

On 13 October it was announced that a previously announced consultancy agreement with a company owned by Richard Ingham, a non-executive director could not be approved in a Board review for AIM Rule 13. The three monthly payments already made will either be repaid to the company or off set against payments due under the earlier consultancy agreement entered into in January.

Digital Globe (LON:DGS 63.5p/£19m 3mth +36.6%)

The provider of online customer acquisition solutions for large, consumer-facing organisations reported FY June 2015 numbers on 21 September. Full year revenue was in line with revised market expectations up to $40.3m from $38.9m. Gross margins recovered in H2 to deliver gross margin for the year of 32.7 per cent (FY14:

$36.7 per cent) and $13.2M of gross profit (FY14:14.3M; FY13: $9.8M). Adjusted EBITDA was $3.0M (FY14: $5.4M) with a strong H2 recovery to $2.5M (H2 2014: 3.28M). A dividend of 4.1c was recommended, 15 per cent ahead of market expectations.

In the outlook confidence over profitable growth for the year ahead in line with expectations was expressed. Commercial highlights included DGS being selected as one of only three customer acquisition companies to be a master agent to newly formed entity from the merger of one of the largest US telco, wireless and satellite operators. We presume this to be AT&T. Other highlights included the launch of commercial business services and the launch of services for a UK utilities operator expected for Q2 2016.

YouGov (LON:YOU 139p/£143m 3mth +28.7%)

The international market research and data analytics group, in October published FY Jul 2015 results in line with the August trading update. Group revenue increased by 13 per cent to £76.1m - organic growth of 11 per cent . Within that Data Products and Services revenue grew by 22% to £26.2m; now representing 34% of Group total (2014: 32 per cent). Cash generated from operations increased by 16 per cent to £10.3m (conversion of 120 per cent), leaving net cash of £10. The dividend was raised 25 per cent to 1p per share.

Trading in the current financial year is in line with the Board's expectation. Looking ahead to the coming year, the company sees significant opportunities for growth for its established Data Products and Services both in YouGov's more mature markets and its newer operations. Its innovative approach to creating connected data sets also offers strong potential both for YouGov Profiles as a syndicated product and for Custom Research services to continue winning market share.

ULS Technology (LON:ULS 67.5p/£43.7m 3mth +27.1%)

The provider of online B2B platforms for the UK conveyancing and financial intermediary markets, provided no steer on trading during the last quarter. However there have been some director purchases at up to 51p per share. Kestrel Opportunities has taken its stake to 21.15 per cent from 1.73 per cent .

Vitesse Media (LON: VIS 1.3p/£1.25m 3mth -41.2%)

Vitesse is a B2B media business, specialising in technology, SME business and high-net worth investment through events, digital activities, data and research. Its flagship titles include SmallBusiness.co.uk, Growth Company Investor, Information Age, GrowthBusiness.co.uk, and What Investment.

In H1 July 2015 results released in October the company reported revenues down 20.5 per cent. The reduced revenue in the first half resulted in increased pre-tax losses of £125k (2014: £72k), although year-on-year underlying costs were reduced significantly and the gross profit margin improved to 71 per cent (2014: 67 per cent). Cash stood at £117k with net current liabilities of £650k.

Crossrider (LON:CROS 51p/£75.7m 3mth -43.4%)

The creator of digital advertising platforms specialising in monetising web and mobile media through the use of big data, in September announced H1 June 2015 results to June 2015. Revenue was up 53 per cent to $40.8m with adjusted EBITDA in line with expectations at $5.5 million (H1/14: $7.6 million) following continuing investment in operations. Adjusted EPS was down 65 per cent to 2.6c. Adjusted cash flow from operations was $5m vs $7m with $78.3m of cash balances at the period end providing the resources to execute an acquisition strategy.

Crossrider reported that current trading for the post balance sheet period, particularly in August, was strong and given the Group's focus on margin improvement through the use of technology expected EBITDA to exceed current full year forecasts. Reflecting the high margin strategy, correspondingly revenue is expected to be slightly below market expectations. The balance sheet remains strong and the Board is confident in the Group's ability to execute accretive acquisitions.

Cdialogues (LON:CDOG 172.5p/£10.7m 3mth -47.3%)

On 18 September the provider of mobile marketing solutions to Mobile Network Operators (MNOs), provided a trading update for the year ending 31 December 2015. It stated that whilst the momentum achieved to date has been pleasing, some projects which were due to commence in the final quarter of the current financial year have been delayed, due to decisions taken by the MNOs regarding the potential start date. As a result, the Board now anticipates that the Company will generate revenue and EBITDA in the second half of the current financial year similar to that achieved in the first half, (€5.3m revenues and €1.6m EBITDA).

According to the interim results three days later these number represented comparative increases of 31 per cent and 12 per cent respectively. Free cash flow increased 214 per cent to €1.47m and period end net cash stood at €3.7m vs €2.4m. An interim dividend of 1.25p was declared. Notwithstanding the earlier trading update the company expressed confidence that it will continue to expand its client base, subscriber numbers and geographical footprint. CDialogues remains well placed to capitalise on the long-term growth opportunities across its addressable markets. Given the strong existing pipeline of new projects and indicative launch dates, the company expects to announce a number of new launches over the coming quarters.

Adgorithms (LON:ADGO 38.5p/£23.8m 3mth -69.2%)

The software company operating in the high growth online advertising market which listed in June at 133p announced interim results on 3 August for the six months ended 30 June 2015. Revenue increased 80 per cent to $12.3m. Adjusted EBITDA grew 39 per cent to $2.6m. Adgorithms reaffirmed its commitment to distribute a year-end dividend of 50 per cent of net earnings.

On 9th October the company issued a Q3 trading update stating that in recent weeks, the online advertising market has experienced severe disruption, resulting in a loss of supply for major online advertising exchanges and a drop in demand from major media buyers. This has had a significant effect on indirect revenue generation for the company and is expected to continue to do so for the near term. Consequently, Adgorithms now expects its earnings for the full year to be materially below market expectations.

Motive TV (LON:MTV 0.00775p/£0.5m 3mth-88.5 %)

The 28 August interim results to 30 June 2015 showed continuing revenue up 17 per cent to £673k. Ongoing losses reduced 12 per cent to £293k during a period of intense development activity.

In September the company raised £350k at 0.125p and at the same time announced that Directors would be taking their salaries for the four months to December in shares. The company also announced in September its intention to make TabletTV available on the recently announced new Apple TV platform in the United States, United Kingdom, and throughout the world.

On 6 October the digital television technology, software and solutions provider, announced that the Court of Appeal had decided against the company in the 'HISCAN' case in respect of the formal transfer of a 32.3 per cent interest in Motive Television. The company intends to take this to the Spanish Supreme Court but out of court settlement discussions will continue. On the same day the company announced that The Bergen Global Opportunity Fund had converted £125k of debt into equity.

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