cityconfidential

sorting the bulls from the bears

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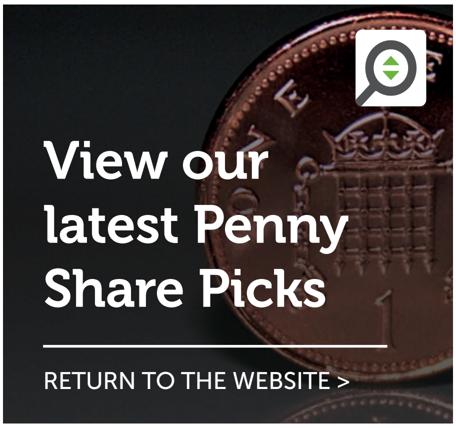


Coral set to grow once again.

One of the frustrating issues for investors in small companies quoted on AIM is that share prices can be very volatile. This is largely due to the lack of interest in such companies, as well as the lack of research on the companies concerned. This often leads to a spike in a company's share price around the time of its results, assuming these are positive, but then a gradual fall off over the following weeks as there is no other newsflow, and even relatively small share sales can have a significant impact on the share price. However, this does provide savvy investors with an opportunity to make money by buying at the low point.

We believe that shares in the plastic products group **Coral Products (5.625p)** fall into this category. Regular readers may know that we have featured the company before and we last recommended the shares in October 2024 when the share price was 5.38p. Over the next year the share price more than doubled to 11.25p although it has now drifted back to the current level!

The company is a specialist producer of technical and added value polymer products produced from both rigid and flexible substrates that combine to offer customers the widest choice of products and packaging solutions. The company is based in the UK and has five manufacturing facilities and two distribution locations. Products supplied include packaging for the food and construction industries, plastic tubing and products for the automotive and aerospace sectors.

The group issued a trading statement recently, covering the year to 30 April, and this has confirmed that the group continues to make operational progress supported by increases in manufacturing efficiency and the integration of acquisitions. However, the last quarter of the year has seen some expected revenues being deferred into the current financial year which will have a negative impact on the results for 2026. Nevertheless, it is important to note the revenue is deferred not cancelled. Two directors have bought shares since the announcement demonstrating their confidence in the company and we advise readers to follow their lead. **BUY**.

In uncertain markets take a defensive position

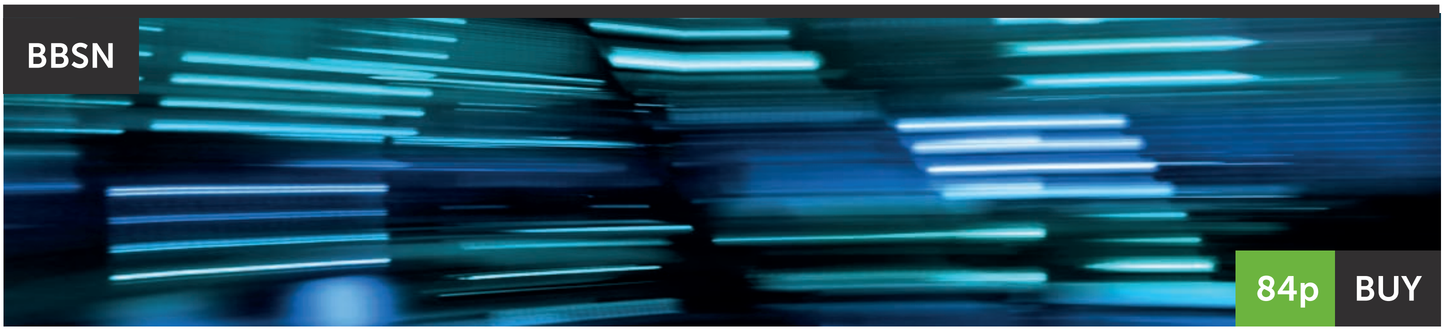
A feature of the UK stockmarket in recent times has been the strong performance of stocks in the defence sector. Shares in companies such as BAE Systems, Babcock International and Rolls Royce have soared as investors looked forward to significant increases in defence spending in the light of the wars in Ukraine and the Middle East. Another company which should benefit from any such spending is Qinetiq (406p) the science and engineering company operating primarily in the defence and security markets.

The company was spun out from the Ministry of Defence in 2001 and it has a range of operations delivering mission-critical solutions using its scientific and technological expertise. The company tests technologies, systems and processes to make sure they meet operational needs and enabling its customers to deploy new and enhanced capabilities with the assurance that these will meet the necessary performance levels.

The company issued a trading statement covering the year to 31 March in January confirming that it expected growth in earnings per share for the year of between 15% and 20%. This would imply that earnings per share will come out at around 31p for the year and we would expect further progress going forward. The company is involved with the UK's DragonFire laser weapon, the Typhoon fighter and has also supported the Dutch Navy in trials.

The share price of the company has fallen back of late in line with other defence stocks, but whereas these other stocks are all rated very highly, Qinetiq stands on a p/e ratio of about 13x which looks too low to us. The company is due to issue its results on 21 May and so buying ahead of these is a bit of a gamble, but the company continues to be highly cash generative and is on target to deliver £150m of free cash flow in the latest financial year. The company has an order backlog of £5bn and a pipeline of £11bn.

With the share price having fallen back from 570p last June, it can be seen that there is significant scope for a rebound in the shares if the results are as expected and there is a positive statement on prospects. We rate the shares as a **BUY**.



BRAVE BISON GROUP

SECTOR - AIM - MEDIA

RECOMMENDATION – BUY

Brave Bison is a media, marketing and technology company purpose built for the digital era. The company has grown rapidly over recent years through a mixture of organic growth and acquisition and this growth looks set to continue as the group expands its offering. The company operates in growing markets and has a young, dynamic management team that is keen to capitalise on the group's potential. The recently announced results for 2025 were another impressive set of figures and the company is confident that it will make further progress this year. Despite the rapid growth seen to date, the shares stand on a relatively modest rating which does not do justice to the company and we therefore rate the shares aa a BUY.

Activities

Brave Bison is a next-generation marketing and technology partner to global brands. The group sells services, training and media to the largest advertisers in the world. Operating across eight countries, its team of approximately 350 people is based in key hubs in the UK, US, India, Egypt and Australia, with additional remote talent across Europe.

Brave Bison operates through three divisions. The largest of these is the Consultancy & Marketing Services division. This deploys insight-led and AI-enabled growth strategies using social and digital media, working on behalf of global brands including New Balance, Primark and Google. The Sport & Entertainment division works with global rights holders and entertainment companies such as PGA Tour, US Open, Real Madrid and Guinness World Records to monetise content on YouTube and grow fan engagement online. The Marketing Skills & Capabilities division comprises MiniMBA, an eLearning platform that provides MBA-level marketing education for enterprise brands such as Nestle, Carlsberg and Salesforce. This has just announced a multi-year partnership with Omnicom Group Inc, the world's largest advertising holding company, which will see over 1,000 employees of Omnicom Oceania complete the MiniMBA.

Brave Bison is the largest shareholder in System1 Group plc, a UK-based marketing research platform that helps brands improve the effectiveness of their advertising using behavioural science and proprietary testing tools. Its platform combines consumer insight with data analytics to guide creative development, media planning, and brand strategy for global advertisers including TikTok, Pfizer and Ikea. System1 is also listed on AIM and Brave Bison owns a 28% shareholding which was acquired in March.

Financial

The latest results of the group cover the year to 31 December 2025 and these revealed a 60% increase in revenue to £34.1 (2024: £21.3m), with adjusted pre-tax profits rising by 44% to £5.6m (2024: £3.9m). Earnings per share on the same basis were 15% higher at 6.9p (2024: 6.1p) and the dividend for the year was raised by 10% to 0.44p (2024: 0.40p). Net cash at the year end was £4.3m (2024: £7.5m) although some cash was used to fund acquisitions during the year with the balance coming from an equity fund raising in July that raised £15.5m.

Last year was a transformational year for the group with a significant increase in scale following strong organic growth and the completion of five acquisitions during the year. These acquisitions fell into two categories, with four of them enhancing and expanding the group's existing capabilities in the Consultancy and Marketing Services and Sport & Entertainment divisions, whilst the acquisition of MiniMBA was a transformational deal. The latter is one of the UK's leading online learning platforms for marketing professionals and means that the group can offer a more rounded offering to its clients as it can now include marketing training. Almost 6,000 marketing professionals take MiniMBA courses every year and the platform has trained 40,000 delegates since inception, with some of these coming from leading names such as American Express, Google and Nestle.

These results exceeded market expectations and last year was the fifth consecutive year that the company increased revenues, adjusted EBITDA and adjusted earnings per share. These results have all been achieved since the current management team took control.

Outlook

The group started 2026 with strong momentum and the company has increased guidance for the current year as a result. Net revenue in the first quarter of the year is expected to have increased by 58% despite the conflict in the Middle East causing some clients to review spending. The acquisitions made last year have expanded the group's offering with that of MiniMBA being of particular note. This has started the current year well, trading ahead of expectations, and the company believes that this can grow by 18% organically this year. The group's Sport & Entertainment division also started the year well following a strong last quarter of 2025 which saw success with live-streamed events.

The marketing industry is changing significantly, helped by the development of AI, and Brave Bison believes that it is at the forefront of this. The combination of AI tools and human expertise through experienced practitioners and specialists will enable the company to provide the ideas and outcomes that drive business growth.

The share price has risen following the latest results, which were only announced on 30 April, although some modest profit-taking has seen the price fall back a little. The current year is likely to see further significant growth as can be seen from the table below and yet the shares will only stand on a relatively modest rating. Given the industry in which the group operates, there should be further growth to come as it moves increasingly into the digital era.

Despite the recent increase in the share price we believe that the shares offer good value and therefore rate them as a **BUY**.

Share Price: 84p
Market Capitalisation: £95m
2025/26 Share Price Range: 91p/39p
Website: www.bravebison.com

Year Ending 31 December	Turnover (£m)	Adjusted Pre-Tax Profit (£m)	Adjusted Earnings Per Share (p)	P/E Ratio	Net Dividend (p)	Net Yield (%)
2024	21.3	3.9	6.1	13.8	0.40	0.5
2025	34.1	5.6	6.9	12.2	0.44	0.5
2026 (est)	48.5	9.5	8.1	10.4	0.48	0.6

Aggressive Growth Portfolio IX

It has proved a relatively quite month for the portfolio, with this showing a modest rise in value of just 0.2%. Whilst it has therefore outperformed the main market indices in the table below, it failed to match the AIM All-Share Index, which rose by 2.5%, which was an encouraging performance in the circumstances. Clearly, the major indices have been influenced by the events in the Middle East, whilst the developing political situation in the UK is also having some impact.

Most shares in the portfolio hardly moved during the month although both **Mears Group** and **LPA Group** rose by around 10%. However, it was disappointing to see the share price of **Carclo** fall below its stop-loss limit and so we have had to sell the holding of 6,500 shares at 41p. This disposal has raised net proceeds of £2,638 for a loss of £812. The company issued a trading update during the period, which we have covered in News Highlights, and from this it can be seen that the company has performed reasonably well during the year to 31 March. Despite the fact we have had to sell the shares from the portfolio, we believe that the share price fall has been overdone and that the shares are worth buying at current levels..

A number of the companies in the portfolio have made announcements during the month and apart from **Carclo**, these were **Mears Group**, **One Health Group** and **Foxtons**. As usual these are either covered in News Highlights or on the website.

We have not received any dividends this month and following the investment into the two main features this month there is £8,036 on deposit pending investment. This remains a higher level of cash than normal, although lower than last month, but we are happy with this given the current uncertain outlook.

Performance summary

	12 May 2026	14 April 2026	Gain/(Loss) %
Portfolio Value	£56,032	£55,919	0.2
FTSE 100 Share Index	10,265.32	10,609.06	(3.2)
FTSE All Share Index	5,509.65	5,678.74	(3.0)
FTSE AIM All Share Index	810.66	790.57	2.5

	Security	Buying Price (p)	Total Cost (£)	Current Price (p)	Value (£)	Stop-Loss Limit (p)
2,250	Tandem Group	185	4,204	170	3,825	140
3,075	McBride	123.4	3,852	158.6	4,877	125
1,000	Mears Group	312	3,167	400	4,000	275
1,400	One Health Group	251	3,549	249.5	3,493	200
1,000	Ashtead Technology	392.5	3,984	480	4,800	310
7,500	Ultimate Products	52.8	4,000	46	3,450	40
3,250	James Halstead	119.5	3,923	129.4	4,206	95
7,000	Foxtons Group	47.1	3,346	45	3,150	40
5,500	Gateley (Holdings)	70	3,888	71	3,905	55
7,000	LPA Group	52	3,676	58.5	4,095	40
5,000	Brave Bison	84	4,242	84	4,200	66
8,500	Marston's	47	4,055	47	3,995	39
£8,036	Cash				8,036	
				TOTAL	**£56,032**	

Start date: 9 January 2024 with £50,000. Cash includes dividends received of £3,841.

MARS

47p

MARSTON'S

SECTOR – TRAVEL & LEISURE

RECOMMENDATION – BUY

The recently announced interim results from this pub operating group have shown solid progress in the first half of the year although the share price has slipped to a six-month low. The company looks certain to be a beneficiary of the forthcoming football World Cup especially with its new sports-led format Grandstand pubs. The group is continuing its pub refurbishment programme with the new outlets delivering strong results. The shares stand on a very low rating although there is no dividend and there are significant borrowings. However, these are expected to fall going forward and we therefore believe that the shares are a BUY.

Marston's is a leading local pub business with an estate of over 1,300 outlets around the UK and these are a mixture of managed, leased and tenanted pubs. The company operates a number of different pub formats which cater for the differing needs of its customers and these include local pubs, family pubs and the new format Grandstand pubs, which feature large screens to attract customers.

The company has just announced its interim results covering the six month period to 28 March and these have revealed a 1.1% decline in revenue to £422.7m, although an increase in margins led to adjusted pre-tax profits rising by 7.9% to £20.5m. Earnings per share on the same basis were 9.1% higher at 2.4p. As usual, there is no dividend as the company continues to manage its balance sheet with the intention of reducing borrowings which stood at £858m at the end of the period.

We believe the World Cup will stimulate interest in the company's shares, especially with these standing on such a low rating. This may sound rather basic, but we have seen this type of thing happen before and it would be no surprise to see a bounce in the share price to 60p, a level last seen at the end of February.

Share Price: 47p
Market Capitalisation: £298m
2025/26 Share Price Range: 69p/33p
Website: www.marstonspubs.co.uk

Year Ending 30 September	Turnover (£m)	Adjusted Pre-tax Profit (£m)	Adjusted Earnings Per Share (p)	P/E Ratio	Net Dividend (p)	Net Yield (%)
2025	898	72.1	8.5	5.5	-	-
2026 (est)	915	77.0	9.0	5.2	-	-
2027 (est)	935	87.0	10.2	4.6	-	-

News Highlights

As subscribers will know, we update the website with news that involves the companies that we follow, but we have highlighted what we regard as the most important news here.

Foxtons Group - 45p

London's leading estate agent has issued a trading update covering the first quarter of the year and this has shown a decline in revenues compared with last year due to a reduction in house sales during the period. Last year was exceptionally strong as transactions increased due to the impending increase in stamp duty in April 2025, whilst this year has suffered from increased market uncertainty due to the geopolitical situation. The core lettings business saw revenues increase by 5% over the period and it made two acquisitions in Milton Keynes and Birmingham which will help drive growth going forward. The financial services business saw revenues increase by 3% over the previous year. Despite the lower level of sales transactions, the company is well placed to benefit from the introduction of the Renters' Rights Act which came into force on 1 May. This is likely to lead to an increase in business given Foxtons' scale and expertise. We maintain our forecasts for 2026 of adjusted pre-tax profits of £20.2m for earnings per share of 5.1p. Standing on a modest p/e ratio the shares have scope to recover strongly, as and when sales activity picks up, and we rate them as a buy with a medium term share price target of 61.2p being 12x this year's forecast earnings. **BUY**.

Carclo – 37.5p

The global precision engineering group has announced a trading update for the year to 31 March which has confirmed that the company's recovery remains on-track albeit at a slower rate than expected. Revenues for the year are expected to be around £114m, compared with forecasts of £120m, with adjusted pre-tax profits now likely to be around £4.4m for earnings per share of 4.1p. The group has exited low-margin work to focus on the regulated markets of aerospace and life sciences. These offer higher margins and better growth prospects, and the group has now established a solid platform from which it can deliver sustained growth. The company has not been affected by the conflict in the Middle East so far, although it continues to monitor the situation. The company has started the new financial year with momentum across both of its divisions and when the full year results are announced the company will also present 'Precision 2030', its plan for the next four years. The shares have dropped back on the announcement, meaning that they have more than halved since the recent high point of 80p last October. We believe that there is scope for significant recovery when the new four-year plan is presented and so re-iterate our recommendation of **BUY**.

Mpac Group – 255p

In the year to 31 December, revenue rose by 42% to £174.1m, helped by acquisitions, with underlying pre-tax profit rising by 27% to £13.5m. Earnings per share on the same basis were just 2% higher at 35.9p and, as usual, there is no dividend. The small increase in earnings per share was due to a significant increase in the number of shares in issue following acquisitions that have been made. Net debt at the year-end was £47.9m, up from £37.5m a year earlier and this was largely due to an increase in working capital during the year, with a number of large projects being completed late in the second half. These are clearly excellent results, which benefitted from a much stronger second half, as the benefits of the acquisitions made in 2024 came through. The current year is likely to suffer from economic uncertainty as some customers defer investment decisions although longer term prospects remain sound. At this stage the company believes it can achieve market forecasts for the current year of underlying pre-tax profits of £15.5m for earnings per share of 37.5p. There must be some possibility that these forecasts prove optimistic as the events in the Middle East drag on, but we believe that the current share price takes this into account. We therefore rate the shares as a **BUY**.

Trifast – 63.4p

The engineering group which supplies high-quality fasteners as well as basic items such as nuts and screws has announced a trading update for the year to 31 March which confirms that results should be in line with expectations. Revenues of £207m are on the cards, down from £223m last year, with adjusted pre-tax profits likely to come in at around £11.7m for earnings per share of 6.5p. Despite difficult trading conditions, the group has increased gross margins as well as delivering improvements in operational efficiency. The group has decided to close its manufacturing facility in Malaysia, although a sales and distribution hub will be retained, and the group will focus on faster growing areas such as India and China. Despite the uncertain market conditions, the group has its best commercial pipeline for two years and it remains confident about the future. The company has a customer in Saudi Arabia who has been adversely affected by the events in the region and we therefore reduce our profit forecast for the current year to £14m (from £16m) for earnings per share of 7.8p. With a robust balance sheet and scope for recovery we maintain our recommendation of **BUY**.

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