Amerisur Resoures (BUY) – Indico-1 discovery opens up Mariposa
AMER LN (98.5p, TP 22p from 21p), Market Cap: £161.4m
(Flash Note Published)

Our view: Amerisur announced a new oil discovery on Monday at the Indico-1 exploration well on the CPO-5 Block. The well encountered a 209ft (net) oil column in the LS3 sands of the Lower Une formation. These are the same sands that are productive at the nearby Mariposa-1 well, which is producing more than 3,200bopd. Initial wireline logs have shown no indication of the oil water contact (OWC) seen, demonstrating that this well has encountered the lowest oil for this structure. Further logs will be run, before the well is tested, and put on production (assuming commercial flow rates). The rig will be moved to drill the Sol-1 well once operations at the Indico-1 well are complete.

For more detail see our published Flash Note.

Ashley Kelty | Oil & Gas Research | 0131 257 4631 | ashley.kelty@cantor.co.uk

Jack Allardyce | Oil & Gas Research | 0131 257 4632 | jack.allardyce@cantor.co.uk

Leclanché (BUY) – Financing programme completed
LECN SW (CHF1.97, TP CHF 3.4), Market Cap: CHF150m
(Corporate Stock)

Our view: Leclanché has completed its funding programme with approval of the final debt to equity conversion, reducing debt to manageable levels. The trading update gives us comfort in our forecasts with e-Transport emerging as an area of major potential. We reiterate our BUY recommendation and target price of CHF 3.4.

- Conversion approved – Leclanché shareholders have approved the debt to equity conversion which concludes the financing changes announced in July, reducing gross debt to under CHF 30m. We have already factored in these changes in our forecasts but it is reassuring to see the plan being executed. While the company is now funding for growth in our view, additional opportunities remain with the company continuing ongoing discussions with strategic investors and a rights issue remaining on the table. We would expect any deal here to be genuinely strategic, adding more value than a simple cash raising.
- E-Transport represents an emerging opportunity – CEO, Anil Srivastava, used the EGM to update on trading with the e-Transport business building strongly with the order book from this segment now at 1m cells in 2019 and over 3m in 2020. The stationary market remains strong with more than 100MWh of projects in completion. The company is planning a tripling of production and assembly capacity in Germany and Switzerland.
- We value the company at CHF 3.4 – Given the growth potential of the company we continue to use a DCF valuation with a WACC of 8.8% to get a valuation of CHF 3.4. The main risks to our valuation are failure to gain market traction and competitive response.

Adam Forsyth | Alternative Energy & Resource Research Efficiency | 020 7894 7214 | aforsyth@cantor.co.uk

Ocean Wilsons Holdings (BUY) – Further investments in container terminal equipment
OCN LN (1,125p, TP 1,600p), Market Cap: £400m
(Corporate Stock)

Our view: Ocean Wilsons' maritime and logistics operating subsidiary, Wilson Sons, has announced a significant investment in new cranes for its Salvador container terminal. We calculate the value of the investment at USD37m; this is already built into our medium term capex estimates. There is no update at this time on the strategic review of container terminals but this further investment will add to the value of the assets. Ocean Wilsons, the holding company, is good value, trading on a 2019e PE of 10x vs. the wider global logistics & maritime sector on 13x, or a 23% discount. The holding company P/NAV discount to underlying assets, at 30%, remains above the long-term average of 27%. Ocean has an estimated dividend yield of 5.1%, twice covered. Reiterate BUY, TP 1,600p.

- Investment in new container terminal equipment -Wilson Sons (WSON33 BZ- BUY – TP BRL50) has announced its container terminal subsidiary Tecon Salvador S.A. has signed an agreement with Shanghai Zhenhua Heavy Industries to purchase three Ship-to-Shore (STS) quay cranes and five Rubber-Tyred Gantry (RTG) yard cranes, together with other equipment and spare parts. The equipment is expected to arrive in Q2 2020. After installation the terminal will have a total of nine STSs and 16 RTGs. We estimate the total value of this contract at USD37m; this is already built into our medium term capex assumptions. This investment is part of the wider Salvador terminal expansion plan. There is no update on the strategic review of the container terminals at this stage. For background on this story see our August note: Strategic or tactical, Ocean is good value, 16 August 2018.
- Valuation, risks and TP – Ocean Wilsons, the holding company, is good value, trading on a 2019e PE of 10x vs. the wider logistics & maritime sector on 13x, or a 23% discount. The holding company P/NAV discount to underlying assets, at 30%, remains above the long-term average of 27%. Ocean has an estimated dividend yield of 5.1%, twice covered. Risks include demand for trade-linked and offshore energy logistics services in Brazil, container terminal strategic review execution, and currency volatility. Our TP is derived using a 10-year DCF of net cash flows. Our P/NAV calculation includes Ocean's 58.2% stake in Wilson Sons and 100% of the OWIL investment portfolio.

Robin Byde | Industrials & Transport Research | 020 7894 7859 | rbyde@cantor.co.uk

Superdry (HOLD from BUY) – A Disappointing First Half & Weak start to H2
SDRY LN (572p, TP Under Review from 1,300p), Market Cap: £466m

Our view: Today's results mark a difficult first half for Superdry with H1 PBT down 49% to £12.9m. As previously flagged, the drop was partly due to challenging trading and partly due to an own goal as a result of an ineffective FX hedging policy. New news today flags that recent trading in the run up to peak has been very weak and management have guided that FY'19 PBT is now expected to be in the range of £55m to £70m. This suggests further significant consensus downgrades today. We are reducing our recommendation to HOLD from BUY and place our estimates and target price under review.

- Underlying H1 PBT of £12.9m – Adjusted H1 PBT came in at £12.9m (vs CFE £11.0m), a decrease of 49% year-on-year. Adjusted EPS was 11.9p with H1 DPS held at 9.3p. Within these results Group revenue rose 3.1% to £414.5m. As reported H1'19 Wholesale sales increased by 7.8% to £171.8m helped by further sales through the customer base and the opening of a further net 33 franchise stores across 22 different countries. Retail sales were flat at £242.8m. Stores saw sales fall by 2.3% to £177.4m, as footfall was impacted given the unseasonable weather. Average retail space rose 9.4% implying high single digit in store LFL declines. Ecommerce sales rose 6.9% to £65.4m. Group gross margin fell by 70bps to 56.4% principally driven by the strong participation of relatively lower margin Wholesale sales and some additional promotional activity. Underlying Retail profit before exceptionals was £5.8m (vs CFE £4.3m & £17.6m LY), Wholesale profit was £52.3m (vs CFE £53.0m & £50.8m LY) with net Central costs of £43.2m (vs CFE £45.0m & £41.4m LY). Adjusted Group operating profit fell 45% to £14.9m (vs CFE £12.3m) with an adjusted operating margin of 3.6% (vs 6.7% LY).
- Impact on forecasts – Management comment that unseasonably warm weather has continued through November and December (the Group's two largest trading months) resulting in an adverse £11m profit impact in November and a similar amount expected in December. With the consumer outlook clouded they also remain cautious on the outlook for the final four months of the year. Management have guided that they now expect FY'19 PBT to be in the range of £55m to £70m. Prior to today's results our FY'19 PBT forecast stood at £83.0m with consensus at £83.0m. Further significant consensus downgrades are likely and we will review our estimates following the results meeting.
- Valuation & recommendation – Prior to the changes anticipated above, Superdry traded on a cal'19 PER of 6.7x. The first half performance is very disappointing after a sustained period of stability and profit advancement in recent years. The recent trading performance and resultant downgrades make unpalatable reading and are likely to cause investor concern. We downgrade our recommendation to HOLD from BUY and place our Target Price under review,
- Risks - Our forecasts will be impacted by any further strengthening in the dollar, a material downturn in consumer sentiment and any further increases in minimum wage rates.

Mark Photiades | Consumer - General Retail Research | 020 7894 7560 | mark.photiades@cantor.co.uk

Analyst certification

The Research Analyst(s) on the front cover of this research note certifies (or, where multiple Research Analysts are primarily responsible for this research note, with respect to each security that the Research Analyst covers in this research) that; 1) all of the views expressed in this research note accurately reflect his or her personal views about any and all of the subject companies and their securities; and 2) no part of any of the Research Analyst's compensation was, is or will be directly or indirectly related to the specific recommendations or views expressed by the Research Analyst(s) in this research note.

General disclosures

Cantor Fitzgerald Europe ("CFE") is authorised and regulated by the Financial Conduct Authority ("FCA").
"Research" is as that term is defined by the Markets in Financial Instrument Directive 2014/65/EU.
"CFE Research" means Cantor Fitzgerald Europe Equity Research.
"TP" means Target Price or Price Target.
"UR" means Under Review.
"NC" means this company is not being formally covered / has not been initiated on by any of the CFE Research team or any other affiliated Research team within the Cantor Fitzgerald Group. (Please note that the Cantor Fitzgerald Group does not include BGC Partners, Inc. and its Subsidiaries).

Our research recommendations are defined with reference to the absolute return we expect on a long-term view:
"BUY recommendation" means we expect the relevant financial instrument to produce a return of 10% or better in the next 12 months.
"SELL" recommendation means that we expect the relevant financial instrument to decline by 10% or more in the next 12 months.
"HOLD" recommendation means that we believe the financial instrument is fairly valued.

This is Non-Independent Research and a marketing communication under the FCA's Conduct of Business Rules. It is not Investment Research as defined by the FCA's Rules and has not been prepared in accordance with legal requirements designed to promote Investment Research independence and is also not subject to any legal prohibition on dealing ahead of the dissemination of Investment Research. Notwithstanding this, CFE has procedures in place to manage conflicts of interest which may arise in the production of Research, which include measures designed to prevent dealing ahead of Research.

This Research is a major non-monetary benefit and must be paid for out of the recipient's Profit and Loss account or out of a Research Payment Account operated by, or under the control of, the recipient. Notwithstanding, normally clients outside the European Economic Area do not have to pay for this Research. Where applicable, our rate schedule which includes our indicative charges for Research and other services and details of our free trial period has been sent to you separately.

No representation or warranty is made as to the accuracy or completeness of the information included in this Research and opinions expressed may be subject to change without notice. Any or all forward-looking statements in this Research may prove to be incorrect and such statements may be affected by inaccurate assumptions or by known or unknown risks and uncertainties. CFE does not undertake any obligation to revise such forward-looking statements to reflect the occurrence of unanticipated events or changed circumstances. Estimates and projections set forth herein are based on assumptions that may not prove to be correct or otherwise realised. Past performance is not necessarily a guide to future performance.

This Research is designed for information purposes only. Neither the information included herein, nor any opinion expressed, are deemed to constitute an offer or invitation to make an offer, to buy or sell any financial instrument or any option, futures or other related derivatives. Investors should consider this Research as only a single factor in making any investment decision. This Research is published on the basis that CFE is not acting in a fiduciary capacity. It is also published without regard to the recipient's specific investment objectives of recipients and is not a personal recommendation. The value of any financial instrument, or the income derived from it, may fluctuate.

Certain financial instruments and/or transactions give rise to substantial risks and are not suitable for all investors. Investors must undertake independent analysis with their own legal, tax and financial advisers and reach their own conclusions regarding the economic benefits and risks of the financial instruments referred to herein and the legal, credit and tax aspects of any anticipated transaction. Where a financial instrument is denominated in a currency other than the local currency of the recipient, changes in exchange rates may have an adverse effect on the value of the financial instrument.

CFE, its officers, employees and affiliates may have a financial interest in the financial instruments described in this Research or otherwise buy, make markets in, hold trade or sell any financial instrument or financial instruments described herein or provide services to issuers discussed herein. The financial instruments mentioned herein may not be eligible for sale in some jurisdictions and may not be suitable for all types of investor. Investors should contact their CFE representative or third party advisor or broker if they have any questions or wish to discuss the contents of this Research.

This Research is only intended for publication to Eligible counterparties and Professional clients and not Retail clients (as those terms are defined by the FCA's Rules). CFE staff, other than Research Analysts, may provide our clients with oral or written market commentary or trading strategies that reflect opinions that are contrary to the opinions expressed in this Research. This Research is strictly confidential and is intended for the named recipient or recipients only. It may not be circulated or copied to any other party without the express permission of CFE. This Research complies with CFE's Policy on the management of conflicts of interest in relation to research.

Disclosures required by United States laws and regulations

This research has been prepared by equity research analysts based outside the US who are not registered / qualified as research analysts with FINRA. This research note has not been reviewed or approved by Cantor Fitzgerald & Co., a member of FINRA. This research note is not permitted to be distributed into the United States by any person or entity.

Canada

This research note has been prepared by equity research analysts of Cantor Fitzgerald Europe not by Cantor Fitzgerald Canada Corporation ("CFCC"). This research note has not been prepared subject to the disclosure requirements of Dealer Member Rule 3400 – Research Restrictions and Disclosure Requirements of the Investment Industry Regulatory Organisation of Canada ("IIROC"). If this research note had been prepared by CFCC in compliance with IIROC's disclosure requirements, CFCC would have been required to disclose when it and its affiliates collectively beneficially own 1% or more of any class of equity securities issued by the companies mentioned in this research note. However under FCA Rules, CFE must only disclose when it or any of its affiliates hold major shareholdings in the companies mentioned in this research note, including shareholdings exceeding 5% of such company's total issued share capital. Cantor Fitzgerald Canada Corporation may distribute research notes prepared by any of its affiliates.

Other jurisdictional disclosures

The distribution of this Research note in other jurisdictions may be restricted by law and persons into whose possession this research note comes should inform themselves about and observe any such restrictions. By accepting this research note you agree to be bound by the foregoing instructions.

Market Abuse Regulation

The following tables set out conflicts of interest disclosable under the Market Abuse Regulation.

Company Name	Disclosure reference (see Key below)
Amerisur (AMER LN)	H
Leclanché (LECN SW)	B,J & K
Ocean Wilson Holdings (OCN LN)	H & J
Wilson Sons (WSON33 BZ)	None
Superdry (SDRY LN)	B & H

Where a recommendation has changed during last 12 months:

Company Name	Previous recommendation	Date of change of recommendation
Leclanché (LECN SW)	BUY from UNDER REVIEW	27/07/18
Leclanché (LECN SW)	UNDER REVIEW from HOLD	28/06/18
Superdry (SDRY LN)	HOLD from BUY	12/12/18

Key

A This research report has been sent to the issuer and it has been amended.
B Recommendation differs from previous recommendation made during preceding 12 months in relation to the same financial instrument.
C The author(s) of this publication has a net long position of more than 0.5% in the issued share capital of the named company.
D The author of this publication has a net short position of 0.5% or more in the issued share capital of the named company.
E Cantor Fitzgerald Europe owns a net long position exceeding 0.5% of the total issued share capital of the named company.
F Cantor Fitzgerald Europe owns a net short position exceeding 0.5% of the total issued share capital of the named company.
G The named company holds in excess of 5% of the total issued share capital of Cantor Fitzgerald Europe.
H Cantor Fitzgerald Europe, or one of its affiliates, is a market maker or liquidity provider in the securities of the relevant issuer.
I Cantor Fitzgerald Europe, or one of its affiliates, has been a lead manager or co-lead manager over the previous 12 months in a publicly disclosed offer of financial instruments of the named company
J Cantor Fitzgerald Europe, or one of its affiliates, is party to an agreement with the named company relating to the provision of services of investment firms, and this agreement has been in effect over the past 12 months or has given rise during the same period to the obligation to pay or receive compensation
K Cantor Fitzgerald Europe, or one of its affiliates, is party to an agreement with the named company relating to the production of this recommendation.

Other disclosable conflicts of interest:

Company Name	Nature of conflict
NA	NA

Please see our webpage www.cantor.com/legal/marinvestmentrecommendation for additional disclosures in relation to the Market Abuse Regulation including:

- Analysts methodologies and proprietary models;
- Internal controls in relation to conflicts of interest;
- Remuneration;
- History of investment recommendations; and
- Quarterly data on investment recommendations.

Global Data Protection Regulation

For further information about the way we use your personal data please see our Third Party Privacy Notice www.cantor.com/global/europe/notices/ or at such other place as we may provide notice of from time to time. We may contact you about industry news, offers and information relating to our products and services which we think would be of interest to you. You can tell us you do not wish to receive such communications by emailing DPM@Cantor.co.uk.

CFE Research Team

Name	Phone	E-Mail
Adam Forsyth | Alternative Energy & Resource Efficiency	+44 (0) 207 894 7214	aforsyth@cantor.co.uk
Mark Photiades | Consumer – General Retail	+44 (0) 207 894 7560	mark.photiades:cantor.co.uk
Stephen Anstee | Generalist – Smaller Companies	+44 (0) 207 894 8298	sanstee@cantor.co.uk
Kevin Lapwood | Generalist – Smaller Companies	+44 (0) 207 894 7560	klapwood@cantor.co.uk
Ian Poulter | Generalist – Smaller Companies	+44 (0) 207 894 8298	ipoulter@cantor.co.uk
Brian White | Healthcare	+44 (0) 207 786 3724	btwhite@cantor.com
Markuz Jaffe | Investment Companies	+44 (0) 207 894 8623	markuz.jaffe@cantor.co.uk
Ashley Kelty | Oil & Gas	+44 (0) 131 257 4631	ashley.kelty@cantor.co.uk
Jack Allardyce | Oil & Gas	+44 (0) 131 257 4632	jack.allardyce@cantor.co.uk
Kevin Ashton | Technology	+44 (0) 207 894 7851	kashton@cantor.co.uk
Harold Evans | Technology	+44 (0) 207 894 8357	harold.evans@cantor.co.uk
Robin Byde | Industrials & Transport	+44 (0) 207 894 7859	rbyde@cantor.co.uk
Jenny Phillips | Research Production	+44 (0) 207 894 7568	jophillips@cantor.co.uk
Debbie Santell | Research Production	+44 (0) 207 894 8334	dsantell@cantor.co.uk

CFE Research Sales Team

Name	Phone	E-Mail
Keith Dowsing	+44 (0) 207 894 7908	keith.dowsing@cantor.co.uk
Andrew Keith	+44 (0) 207 786 3733	akeith@cantor.co.uk
Gregor Paterson	+44 (0) 131 257 4633	gregor.Paterson@cantor.co.uk
Caspar Shand Kydd	+44 (0) 207 894 7140	cshandkydd@cantor.co.uk
Richard Sloss	+44 (0) 207 786 3734	rsloss@cantor.co.uk

Global Equity Research locations

Cantor Fitzgerald & Co
499 Park Ave
NY 10022
New York, USA
(212) 938-5000

Cantor Fitzgerald Canada Corporation
181 University Avenue
Suite 1500
Toronto, ON M5H 3M7, Canada
(416) 350-3671

Cantor Fitzgerald (HK) Capital Markets Ltd
6707-6712, The Center
99 Queens Road Central
Central Hong Kong, SAR China
(852) 3477 789