# DIY-Investors.com

# Portico Investing System

**Module 5**

**In this fifth module, we'll cover:**

1. Review of the Portico Portfolio
2. On Balance Volume (OBV)
3. A practical example, from the FTSE350, of using OBV
4. Using OBV in our Data Mining (demonstrated with SharePad)
5. Module 5 Case Study (Featuring: 'Using OBV on potential Recovery Stocks')
6. An 'extra' Case Study!
7. Summary & Conclusions (Module 5)

**Let's get started with a review of the Portfolio**

# The DIY-Investors.com Portico Investing System

**This was the position, prior to market opening this morning… (25th March 2021)**

**Since we started Portico2**
**Valuation = £162,255.17**
(Gain of £5,788.59)
[£162,255.17 - £156,466.58]
**(+3.69% since 11th Feb 2020)**

[+224.51% since 27th Jan 2020]

Holdings | Cash | Value on date | Tax | Current holdings | Chart | Sharing

Transactions for Portfolio: 000000001_2021_Portico Real Portfolio

| Portfolio current value | | Performance (investment return) | | |
|---|---|---|---|---|
| Holdings | £162,065.10 | Today | no change | |
| Cash | £190.07 | 1 month | ▼£1,474.50 | -0.901% |
| Total | £162,255.17 | | | |

**Portico Portfolio**
**(Gain = £112,255.17) [+224.51%]**

List of current holdings: valued at (Bid/Close)

| Date | Name | TIDM | Shares | Price | Avg price | Cost | Value | Unrealised | profit | % Return |
|---|---|---|---|---|---|---|---|---|---|---|
| 25/3/21 | 7Digital Group PLC | 7DIG | 242,870 | 1.4p | 1.009p | £2,450.56 | £3,400.18 | £949.62 | £16,662.45 | 332.8 |
| 25/3/21 | Accrol Group Holdings PLC | ACRL | 6,153 | 61.5p | 65.0975p | £4,005.45 | £3,784.10 | -£221.36 | -£221.36 | -5.5 |
| 25/3/21 | Active Energy Group PLC | AEG | 375,704 | 1.05p | 0.538575p | £2,023.45 | £3,944.89 | £1,921.44 | £3,944.90 | 131.2 |
| 25/3/21 | Amur Minerals Corp | AMC | 160,788 | 1.36p | 1.86953p | £3,005.98 | £2,186.72 | -£819.27 | -£819.27 | -27.3 |
| 25/3/21 | Arena Events Group PLC | ARE | 33,750 | 14.625p | 8.01778p | £2,706.00 | £4,935.94 | £2,229.94 | £2,229.94 | 82.4 |
| 25/3/21 | Autins Group PLC | AUTG | 15,875 | 20.5p | 18.9353p | £3,005.98 | £3,254.38 | £248.40 | £248.40 | 8.3 |
| 25/3/21 | Bahamas Petroleum Compan... | BPC | 87,272 | 0.48p | 3.44438p | £3,005.98 | £418.91 | -£2,587.07 | -£2,587.07 | -86.1 |
| 25/3/21 | Base Resources Ltd | BSE | 21,505 | 16.25p | 13.9779p | £3,005.95 | £3,494.56 | £488.62 | £488.62 | 16.3 |
| 25/3/21 | Bezant Resources PLC | BZT | 1,607,071 | 0.215p | 0.249273p | £4,006.00 | £3,455.20 | -£550.80 | -£550.80 | -13.7 |
| 25/3/21 | Carclo PLC | CAR | 19,150 | 30p | 26.1714p | £5,011.82 | £5,745.00 | £733.18 | £733.18 | 14.6 |
| 25/3/21 | Catenae Innovation PLC | CTEA | 142,388 | 2.75p | 3.51994p | £5,011.97 | £3,915.67 | -£1,096.30 | -£1,096.30 | -21.9 |
| 25/3/21 | Circassia Group PLC | CIR | 7,227 | 28.15p | 27.7548p | £2,005.84 | £2,034.40 | £28.56 | £28.56 | 1.4 |
| 25/3/21 | Dekel Agri-Vision PLC | DKL | 129,889 | 4.5p | 3.08878p | £4,011.99 | £5,845.01 | £1,833.02 | £1,833.02 | 45.7 |
| 25/3/21 | DP Poland PLC | DPP | 21,363 | 8.5p | 9.27809p | £1,982.08 | £1,815.86 | -£166.22 | -£166.22 | -8.4 |
| 25/3/21 | Equals Group PLC | EQLS | 9,800 | 33.5p | 40.934p | £4,011.53 | £3,283.00 | -£728.53 | -£728.53 | -18.2 |
| 25/3/21 | Escape Hunt PLC | ESC | 11,764 | 29p | 25.551p | £3,005.82 | £3,411.56 | £405.74 | £405.74 | 13.5 |
| 25/3/21 | French Connection Group PLC | FCCN | 12,639 | 21.8p | 10.326p | £1,305.10 | £2,755.30 | £1,450.20 | £3,249.49 | 129.7 |
| 25/3/21 | i3 Energy PLC | I3E | 22,658 | 9.55p | 9.73598p | £2,205.98 | £2,163.84 | -£42.14 | -£42.14 | -1.9 |
| 25/3/21 | Ironveld PLC | IRON | 1,124,970 | 0.565p | 0.498857p | £5,611.99 | £6,356.08 | £744.09 | £744.09 | 13.3 |
| 25/3/21 | Jaywing PLC | JWNG | 63,350 | 9.75p | 3.1563p | £1,999.52 | £6,176.63 | £4,177.11 | £7,918.69 | 158.0 |
| 25/3/21 | Keras PLC | KRS | 1,257,861 | 0.1275p | 0.159477p | £2,006.00 | £1,603.77 | -£402.23 | -£402.23 | -20.1 |
| 25/3/21 | Lookers PLC | LOOK | 10,225 | 53p | 34.3426p | £3,511.54 | £5,419.25 | £1,907.71 | £1,907.71 | 54.3 |
| 25/3/21 | Microsaic Systems PLC | MSYS | 1,208,669 | 0.22p | 0.290567p | £3,512.00 | £2,659.07 | -£852.93 | -£852.93 | -24.3 |
| 25/3/21 | Midatech Pharma PLC | MTPH | 13,083 | 31.5p | 30.664p | £4,011.77 | £4,121.15 | £109.37 | £109.37 | 2.7 |
| 25/3/21 | MobilityOne Ltd | MBO | 27,060 | 15p | 11.1801p | £3,025.33 | £4,059.00 | £1,033.67 | £546.37 | 9.9 |
| 25/3/21 | MySale Group PLC | MYSL | 73,147 | 9.575p | 5.61321p | £4,105.90 | £7,003.83 | £2,897.93 | £2,897.93 | 70.6 |
| 25/3/21 | Novacyt SA | NCYT | 574 | 713p | 395.032p | £2,267.48 | £4,092.62 | £1,825.14 | £4,098.20 | 102.3 |
| 25/3/21 | OPG Power Ventures PLC | OPG | 53,523 | 17.5p | 12.852p | £6,878.79 | £9,366.53 | £2,487.73 | £2,487.73 | 36.2 |
| 25/3/21 | Physiomics PLC | PYC | 61,349 | 6.65p | 8.15978p | £5,005.94 | £4,079.71 | -£926.24 | -£926.24 | -18.5 |
| 25/3/21 | Plant Health Care PLC | PHC | 12,519 | 17.1p | 19.2179p | £2,405.89 | £2,140.75 | -£265.14 | -£265.14 | -11.0 |
| 25/3/21 | Rainbow Rare Earths Ltd | RBW | 24,064 | 15.7p | 4.00197p | £963.03 | £3,778.05 | £2,815.01 | £10,840.34 | 201.0 |
| 25/3/21 | Rambler Metals and Mining P... | RMM | 1,827,445 | 0.335p | 0.520507p | £9,511.99 | £6,121.94 | -£3,390.05 | -£3,390.05 | -35.6 |
| 25/3/21 | Shanta Gold Ltd | SHG | 17,578 | 12.2p | 11.4341p | £2,009.89 | £2,144.52 | £134.62 | £134.62 | 6.7 |
| 25/3/21 | Staffline Group PLC | STAF | 8,670 | 67.85p | 34.6692p | £3,005.82 | £5,882.60 | £2,876.78 | £2,876.78 | 95.7 |
| 25/3/21 | Sunrise Resources PLC | SRES | 1,071,811 | 0.23p | 0.28046p | £3,006.00 | £2,465.17 | -£540.83 | -£540.83 | -18.0 |
| 25/3/21 | Symphony Environmental Tec... | SYM | 23,112 | 14.75p | 13.006p | £3,005.94 | £3,409.02 | £403.08 | £403.08 | 13.4 |
| 25/3/21 | Synairgen PLC | SNG | 1,516 | 162p | 131.896p | £1,999.54 | £2,455.92 | £456.38 | £456.38 | 22.8 |
| 25/3/21 | Thor Mining PLC | THR | 210,526 | 0.85p | 0.95285p | £2,006.00 | £1,789.47 | -£216.53 | -£216.53 | -10.8 |
| 25/3/21 | Tissue Regenix Group PLC | TRX | 840,566 | 0.65p | 0.356966p | £3,000.54 | £5,463.68 | £2,463.14 | £3,557.69 | 90.9 |
| 25/3/21 | TomCo Energy PLC | TOM | 449,898 | 0.48p | 0.891755p | £4,011.99 | £2,159.51 | -£1,852.48 | -£1,852.48 | -46.2 |
| 25/3/21 | Tullow Oil PLC | TLW | 9,659 | 51.94p | 47.4231p | £4,580.60 | £5,016.88 | £436.28 | £436.28 | 9.5 |
| 25/3/21 | Zephyr Energy PLC | ZPHR | 198,019 | 2.25p | 1.01303p | £2,005.99 | £4,455.43 | £2,449.44 | £2,449.44 | 122.1 |
| | Total | | | | | £139,216.96 | £162,065.10 | £22,848.08 | £57,030.88 | |

**Portico Portfolio (pre-market opening): Thursday 25th March 2021**

07:23
25/03/2021

## Some more 'Simple' Technical Analysis…

As before, in looking at the TA that we need (as Portico Investors), I'm coming at this from the point of view of (hopefully) simple tools & techniques that might help us get a feel for improving the timing of our purchases & sales.
**[We also need to retain in the back of our minds, the Portico Market Cycle and what the MM's are up to!]**

The same techniques will also help us decide whether to hold (or not), or take profits, as we review our current holdings.

In this module (No. 5), we're going to look at On Balance Volume (OBV), in terms of:

1. The 'theory' (& history)

2. How it's calculated

3. A detailed example (multiple views of one FTSE350 Company over several years)

I've deferred Multi-Time Frame Analysis (MTFA) and Volume Price Analysis (VPA) to later modules, as I think OBV warrants lots of time to study it in depth…

**Let's get stuck in…**

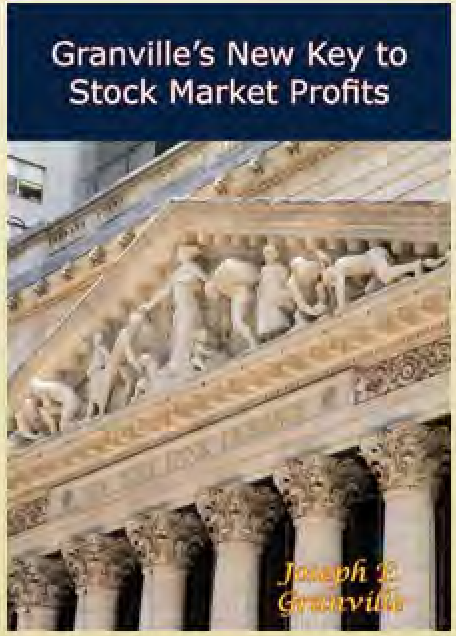
# Portico 'Market Cycle' Diagram

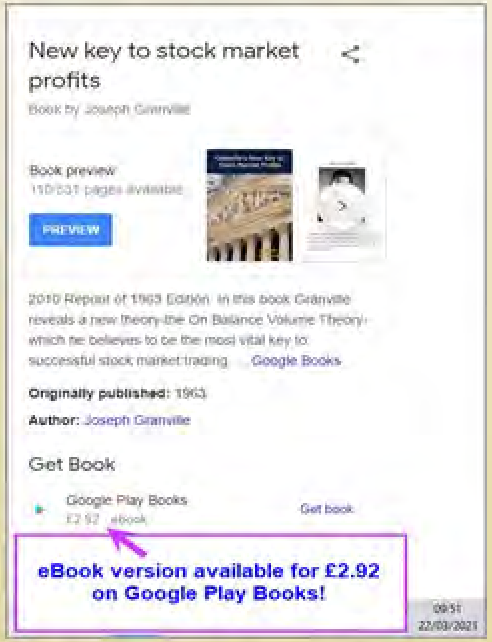

**Keeping this diagram in mind, let's move on to look at OBV**

## Overview

**On Balance Volume** (**OBV**) is a technical trading (secondary) indicator for momentum, that uses volume flow to help to predict changes in a share price. It is generally accepted by TA experts that when **volume** increases markedly, without a significant change in the stock's price, that the price will eventually move upward. Similarly, if the OBV falls significantly, it is anticipated that the stock price will subsequently fall.

The term 'On Balance Volume' (abbreviated to OBV) was first coined by Joseph E. Granville in his 1963 book entitled 'New Key to Stock Market Profits'. The main premise of his work was that **volume changes precede most price changes.**




My view is that OBV is the most useful secondary indicator for us DIY-Investors and although it is mentioned briefly in some books on technical analysis, there is often very little guidance regarding its use. If you want to get an e-copy of Granville's 1963 book, you should look on Google Play Books (where it'll cost you £2.92 [22nd March price])

## Overview (cont…)

Within this module (Five) of the Portico Investing System, I'll cover how OBV is calculated, how best to place it within your graphing software package and more importantly how to use it. It has (and will continue to) feature in everything that I do - including Case Studies on this course!

Although I feel that OBV is an under-utilised indicator, the power of OBV comes into its own when used in conjunction with normal price and volume analysis (PVA), coupled with an understanding of where the stock is on the Portico Market Cycle and of course, whether the Market Maker's are accumulating or distributing shares (or the stock is in 'mark up' or 'mark down').

The more widely used indicators (Moving Averages, RSI, MACD, ADX etc) can also be useful as additional confirmation.

I would add that my own investing performance has been improved by using OBV… and it is now one of my preferred tools in TA!

**Let's have a look at how it's calculated…**

## How is OBV calculated?

**OBV** is calculated by adding the day's volume to a cumulative total when the share price closes higher than the previous days close and subtracting the day's volume when the security's (stock) price closes lower than the previous session.

The amount by which the price closes either above or below the previous day's close is irrelevant… it simple sets the switch to positive (+) or negative (-). If the price is unchanged, then the volume for that day is ignored… i.e. the OBV remains unchanged.

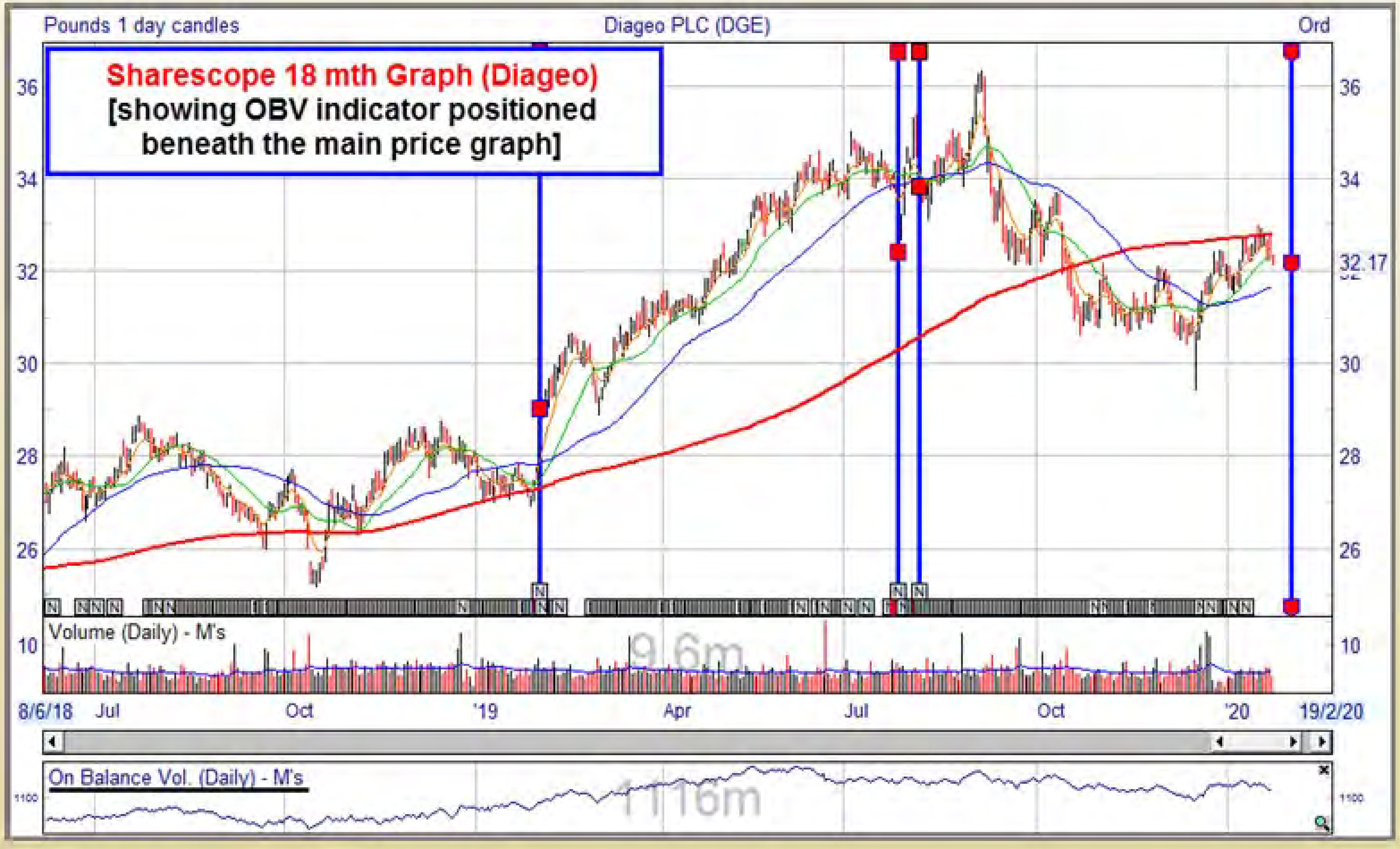
The following example follows an imaginary share through the course of a trading week… let's **assume that at the close of the previous week the share was priced at £4.35 with an OBV cumulative value of +1,280,000.**

| Day | Price Close (+/-) | Volume (,000) | On Balance Volume (OBV) |
|---|---|---|---|
| Monday | +3.0p | 390,000 | +1,670,000 |
| Tuesday | No change | 560,000 | +1,670,000 |
| Wednesday | +12.5p | 160,000 | +1,830,000 |
| Thursday | -0.50p | 620,000 | +1,210,000 |
| Friday | No change | 65,000 | +1,210,000 |

Thus, although the share closed up for the week (at £4.50), the OBV was down from +1,280,000 to +1,210,000. All of this would normally be shown on a graphical form as an indicator within your investment software.

## How is OBV Shown?

On Balance Volume is a standard indicator on most software packages (Sharescope, SharePad, Stockopedia etc) and can be selected to view adjacent to (normally below) the price graph for the stock/ETF or ETC being viewed.



## How is OBV used?

The key principle to lock into your memory here is that OBV movements often give an **'early warning'** of a change in the direction of a stock price (or index). Put another way, the technical move (in volume) will normally precede the change in fundamentals. Like most techniques it won't work 100% of the time but it will give us the 'heads up' that there is accumulation or distribution of shares going on (think of the Portico Market Cycle phases).

**Accumulation & Distribution**

So, what do we mean when we say accumulation and distribution? Think of accumulation as buying (by the MM's), which does not immediately reflect in a significant price increase. The greatest price advance occurring after accumulation has taken place, as previously discussed in terms of the Market Cycle and the Market Makers activities. Similarly, distribution is selling which takes place (by the MM's) without visible signs of price weakness (on the price chart). The price weakness being seen after distribution has taken place.

Hence, using OBV to help us work out whether the stock is undergoing accumulation or distribution, will allow us to interpret the price chart more effectively, in terms of whether to buy, hold or sell. It also helps us DIY-Investors to buy earlier in an uptrend in the stock price and improve our timing when selling (i.e. sell, or take profits, nearer the top).

## Channels in OBV

Like channels in the price action of a stock, the volume channel can be up, sideways or down. And… like the price action, the longer that a stock's volume fluctuates between a given support and resistance level of that channel. without penetrating either level the more bullish is a future upside OBV breakout and the more bearish is a future downside OBV breakout.

Of course, not every stock will show channels. Some will have a seemingly random zig-zag or erratic OBV pattern… and here, other measures come into play, as we'll cover in the following sections

## Volume Trends in OBV

As a DIY-Investor, I'm sure you will be well practiced in using price trends, when analysing a stock price chart. Applying the same degree of importance to volume trends will, I'm suggesting, be very worthwhile.

The trend analysis of the OBV indicator can be a powerful tool and as previously mentioned (and I'll demonstrate in Case Studies), frequently gives us advance warning of an impending price move.

The term (length) of the OBV trend (short, medium and long) is as relevant here, as it is in analysis of price. This concept is simply using the patterns of the OBV indicator (usually measured in millions of shares) in the same way that you would use the patterns traced out by the share price.

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As things turned out, this happened within a few days!

## New Highs & Lows

Another easy to grasp idea is that OBV will often exhibit new highs and lows and these too will be important parts of using the OBV tool, as we'll see in the case studies. This is particularly useful (and significant), if the previous high was some time back (months or occasionally years).

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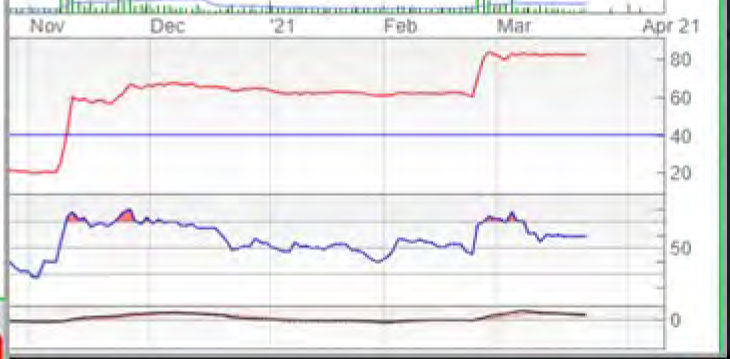
As you can see the OBV certainly gave us the 'heads up' that a price move was likely… resulting in a gain of 87% (so far [22.03.2021])

## Portico Portfolio (Arena Events Group)
## An example of using OBV to time purchase (11th Nov 2021)

List of holdings: valued at (Bid/Close)

| Date | Name | TIDM | Shares | Price | Avg price | Cost | Value | Unrealised | profit | % Return |
|---|---|---|---|---|---|---|---|---|---|---|
| 22/3/21 | Arena Events Group PLC | ARE | 33,750 | 15p | 8.01778p | £2,706.00 | £5,062.50 | £2,356.50 | £2,356.50 | 87.1 |
| *11/11/20* | *Buy* | ARE | 33,750 | 8p | | £2,706.00 | £5,062.50 | £2,356.50 | £2,356.50 | 87.1 |
| *22/3/21* | *Latest* | ARE | 33,750 | 15p | 8.01778p | £2,706.00 | £5,062.50 | £2,356.50 | £2,356.50 | 87.1 |

10:30
22/03/2021

## Can OBV be Used to Screen for Stocks?

The short answer is "YES"… but other parameters (criteria) need to be added in the selection process. The use of our charting software (Sharescope/SharePad/Stockopedia/VectorVest etc) should makes this a relatively straightforward process, although as in all Data Mining techniques a degree of logic is required.

I tend to use OBV as a confirming indicator, with my selection criteria, for the data mining, being on other parameters.

One type of share that has produced many significant positive returns (for me) has been where I've paid attention to a graph that shows (relatively) static prices in situations where the stock appears to be under accumulation. This much improves the probability that you find yourself invested in the right share(s) before a significant move up, or break out from a 'flat base' or intermediate accumulation phase.

It also means that you can buy the stock (often with a smaller spread) and then move into a capital gain situation, when many others are just being attracted to the stock because they've spotted the price rise. Put another way, you've bought more on the volume action than the price action. A degree of patience will be required… but then that's a trait that makes for a good DIY-Investor!

**Let's look at an example from the FTSE 350**

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## Just to bring IPO Group completely up–to–date… (March 2021)

Let's take a look at one possible use of the OBV, as a criteria for filtering for possible 'buys' on SharePad, where OBV is showing a positive divergence from a falling share price!

## First we'll design our criteria…

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## Here's the type of profile that we're trying to find…


**Let's illustrate how one of the companies within the DIY-Investors Active 10 followed this pattern**

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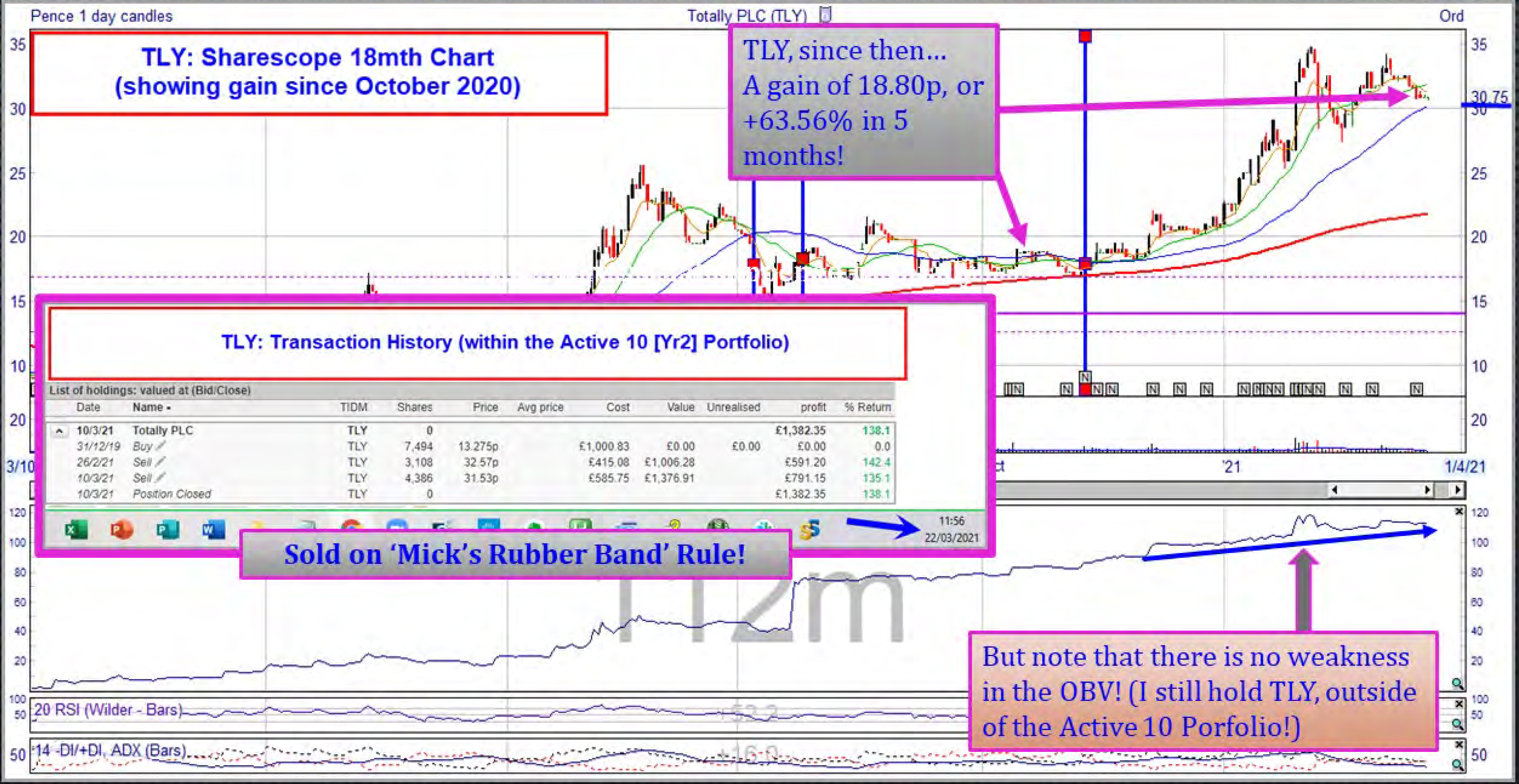
Here's Totally, a member of the 2020 Active 10 Portfolio. Last October, I mentioned that I was holding on to it (strong OBV & falling SP)!

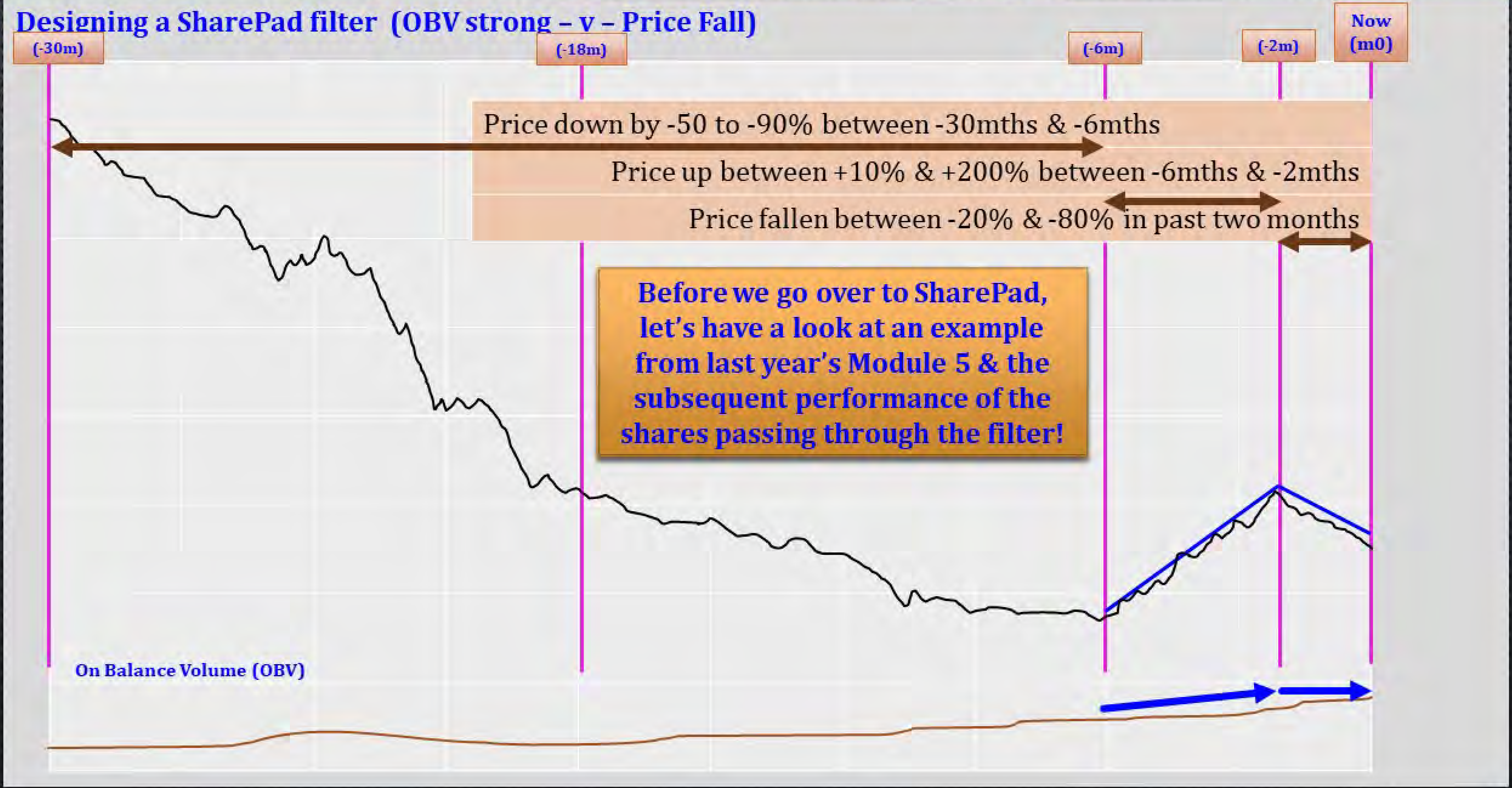
# The DIY-Investors.com Portico Investing System




| Date | Name | TIDM | Shares | Price | Avg price | Cost | Value | Unrealised | profit | % Return |
|---|---|---|---|---|---|---|---|---|---|---|
| 10/3/21 | Totally PLC | TLY | 0 | | | | | | £1,382.35 | 138.1 |
| 31/12/19 | Buy | TLY | 7,494 | 13.275p | | £1,000.83 | £0.00 | £0.00 | £0.00 | 0.0 |
| 26/2/21 | Sell | TLY | 3,108 | 32.57p | | £415.08 | £1,006.28 | | £591.20 | 142.4 |
| 10/3/21 | Sell | TLY | 4,386 | 31.53p | | £585.75 | £1,376.91 | | £791.15 | 135.1 |
| 10/3/21 | Position Closed | TLY | 0 | | | | | | £1,382.35 | 138.1 |

# The DIY-Investors.com Portico Investing System

## Designing a SharePad filter (OBV strong – v – Price Fall)




**Before we go over to SharePad, let's have a look at an example from last year's Module 5 & the subsequent performance of the shares passing through the filter!**

# The DIY-Investors.com Portico Investing System

red LSE shares sorted by MA (200 SMA) % change since 180 trading days (14 matches)

**From 21st Oct 2020**

2020-Module5-OBV

Add criteria | i | Exit

| Criteria | Min | Max |
|---|---|---|
| % change from 30 months to 6 months | -95 | -50 |
| % change from 6 months to 2 months | 30 | 500 |
| % change since 2 months ago | -80 | -20 |
| MA (200 SMA) % change since 180 trading days | -30 | 10 |

Let's see how this filtered basket of shares has performed in the past 5 months

| TIDM | Shares in issue (m) | MCap (intraday) (m) | Price | +/- from Close | % from Close | TTM (PSR) | %chg 30m to 6m | %chg 6m to 2m | %chg 2m | MA (200 SMA) %chg since 180td | Price (p) 22.03.21 | +/- (p) | +/- (%) |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| VRP | 414.546 | £217.6 | 52.5p | 0p | 0.0 | | ▼-74.2 | ▲106 | ▼-36.4 | 9.44 | N/A | N/A | N/A |
| FFWD | 156.086 | £13.5 | 8.65p | ▲0.15p | ▲1.76 | | ▼-60 | ▲66.7 | ▼-23.1 | 4.40 | 9.15 | +0.5 | +5.78% |
| GMS | 350.488 | £26.7 | 7.61p | ▲0.13p | ▲1.74 | 0.3 | ▼-90.9 | ▲256 | ▼-29.9 | -2.18 | 6.62 | -0.99 | -13.0% |
| RBW | 421.982 | £13.6 | 3.225p | ▼-0.125p | ▼-3.73 | 34.0 | ▼-90.2 | ▲122 | ▼-21.3 | -7.01 | 16.375 | +13.15 | +407.75% |
| IDE | 400.802 | £4.6 | 1.15p | ▼-0.1p | ▼-8.00 | 0.2 | ▼-87.3 | ▲35.5 | ▼-55.3 | -15.17 | 1.70 | +0.55 | +47.83% |
| AIR | 63.563 | £40.3 | 63.4p | ▲2.4p | ▲3.93 | 0.5 | ▼-57.7 | ▲103 | ▼-25.4 | -15.88 | 70.20 | +6.8 | +10.72% |
| ADAM | 115.278 | £25.9 | 22.5p | ▼-1p | ▼-4.26 | | ▼-56.7 | ▲46.2 | ▼-21.1 | -19.12 | N/A | N/A | N/A |
| TRAK | 49.975 | £6.7 | 13.5p | 0p | 0.0 | 0.3 | ▼-86.2 | ▲50 | ▼-28 | -20.72 | 15.0 | +1.5 | +11.11% |
| CLP | 662.341 | £1.8 | 0.265p | 0p | 0.0 | 87.5 | ▼-87.7 | ▲165 | ▼-23.2 | -21.04 | 2.80 | +2.535 | +956.60% |
| WSL | 85.102 | £1.7 | 2p | 0p | 0.0 | 21.1 | ▼-70.8 | ▲186 | ▼-60 | -21.84 | 3.5 | +1.5 | +75.0% |
| NANO | 305.687 | £31.8 | 10.39p | ▲0.29p | ▲2.87 | 7.5 | ▼-77.2 | ▲97.6 | ▼-38.2 | -25.18 | 22.2 | +11.81 | +113.67% |
| CZN | 99.640 | £0.7 | 0.7p | 0p | 0.0 | | ▼-93 | ▲92.3 | ▼-44 | -27.21 | 0.775 | Susp (RTO) | Susp (RTO) |
| JOG | 21.829 | £19.2 | 88p | 0p | 0.0 | | ▼-69.5 | ▲154 | ▼-41.7 | -27.55 | 176.0 | +88.0 | +100.0% |
| STM | 59.408 | £16.0 | 27p | 0p | 0.0 | 0.7 | ▼-58.7 | ▲36 | ▼-20.6 | -27.63 | 31.0 | +4.0 | +14.81% |

N.B. One set of results doesn't mean we've found a magical formula… but what is interesting is that only one is negative!

Incidentally, the average return of the eleven sets of figures is **+157.3%**

**Now, at this point of the module, I'm going to assume that you've all watched the pre-recorded video (Filtering on SharePad, with OBV as a criteria)**

**On Tuesday, I ran the filter and got the following results…**

# The DIY-Investors.com Portico Investing System

SharePad

Home | Globe | FTSE 100 | FTSE 350 | Other lists | Port: 00000... | Port | Search | Document | Chart | Financials | News | DD | Alarms | Level 2 | Trans

Column Options | Deselect | Add | Edit | Sort | Rename | Delete | Options | ← Move →

**Filtered LSE shares sorted by Name (10 matches)**

**2021-Module5-OBV** — Add criteria | i | Exit

| | Min | Max |
|---|---|---|
| % change from 30 months to 6 months | -95 | -50 |
| % change from 6 months to 2 months | 30 | 500 |
| % change since 2 months ago | -80 | -20 |
| MA (200 SMA) % change since 180 trading days | -40 | 10 |
| On balance volume % change since 60 trading days | -30 | |

**Filtered Results**
**(10:05GMT, 23rd March 2021)**

| No. | TIDM | Name | Shares in issue (m) | MCap. (intraday) (m) | Price | +/- from Close | % from Close | TTM (PSR) | %chg 30m to 6m | %chg 6m to 2m | %chg 2m | MA (200 SMA) %chg since 180td | On balance volume %chg since 60td |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 1 | ARK | Arkle Resources PLC | 305.982 | £2.7 | 0.875p | 0p | 0.0 | | ▼-63.4 | ▲106 | ▼-50 | -2.29 | -16 |
| 2 | ASAI | ASA International Group PLC | 100.000 | £159.8 | 159.75p | ▲11.75p | ▲7.94 | | ▼-63 | ▲32.8 | ▼-32 | -13.29 | |
| 3 | BOR | Borders & Southern Petroleu... | 484.098 | £7.2 | 1.49p | 0p | 0.0 | | ▼-80.7 | ▲266 | ▼-40.6 | -29.88 | 19 |
| 4 | FA. | FireAngel Safety Technology ... | 126.559 | £20.2 | 16p | 0p | 0.0 | 0.4 | ▼-81.7 | ▲71.3 | ▼-29.5 | 4.44 | 2 |
| 5 | GBP | Global Petroleum Ltd | 389.320 | £2.9 | 0.755p | 0p | 0.0 | | ▼-77.7 | ▲66.7 | ▼-45.1 | -25.43 | -11 |
| 6 | KMK | Kromek Group PLC | 431.852 | £68.2 | 15.8p | ▼-0.575p | ▼-3.51 | 4.6 | ▼-59.1 | ▲85.3 | ▼-21.6 | -26.50 | 21 |
| 7 | NCCL | Ncondezi Coal Company Ltd | 366.362 | £14.0 | 3.825p | ▲0.025p | ▲0.66 | | ▼-53.6 | ▲64.3 | ▼-33.5 | -5.06 | -3 |
| 8 | ORM | Ormonde Mining PLC | 472.507 | £7.9 | 1.65p | ▼-0.05p | ▼-2.94 | | ▼-85.3 | ▲300 | ▼-41.1 | -6.56 | 97 |
| 9 | SML | Strategic Minerals PLC | 1,909.298 | £8.6 | 0.45p | ▲0.004p | ▲0.90 | 2.6 | ▼-72.6 | ▲35.3 | ▼-21.7 | -25.09 | 31 |
| 10 | VRS | Versarien PLC | 189.870 | £69.3 | 36.5p | ▼-1.225p | ▼-3.25 | 9.1 | ▼-78.3 | ▲43.2 | ▼-33.8 | -37.70 | |

**Let's move on to tonight's Case Study...**

# The DIY-Investors.com Portico Investing System

FireAngel
SAFETY TECHNOLOGY

About Us | Investors | Contact Us | News

**EPIC: FA.**

FireAngel's mission is to protect and save lives with innovative, cutting-edge home safety technology.


**Let's go and do our Portico Stuff:**

- Turnover (Yes/No… Trend?)
- Shares (Changed?) – Special Case?
- Portico Market Cycle – where is it?

## FireAngel Safety Technology Group plc

The home of connected fire safety

Share Price

-> Share price Details

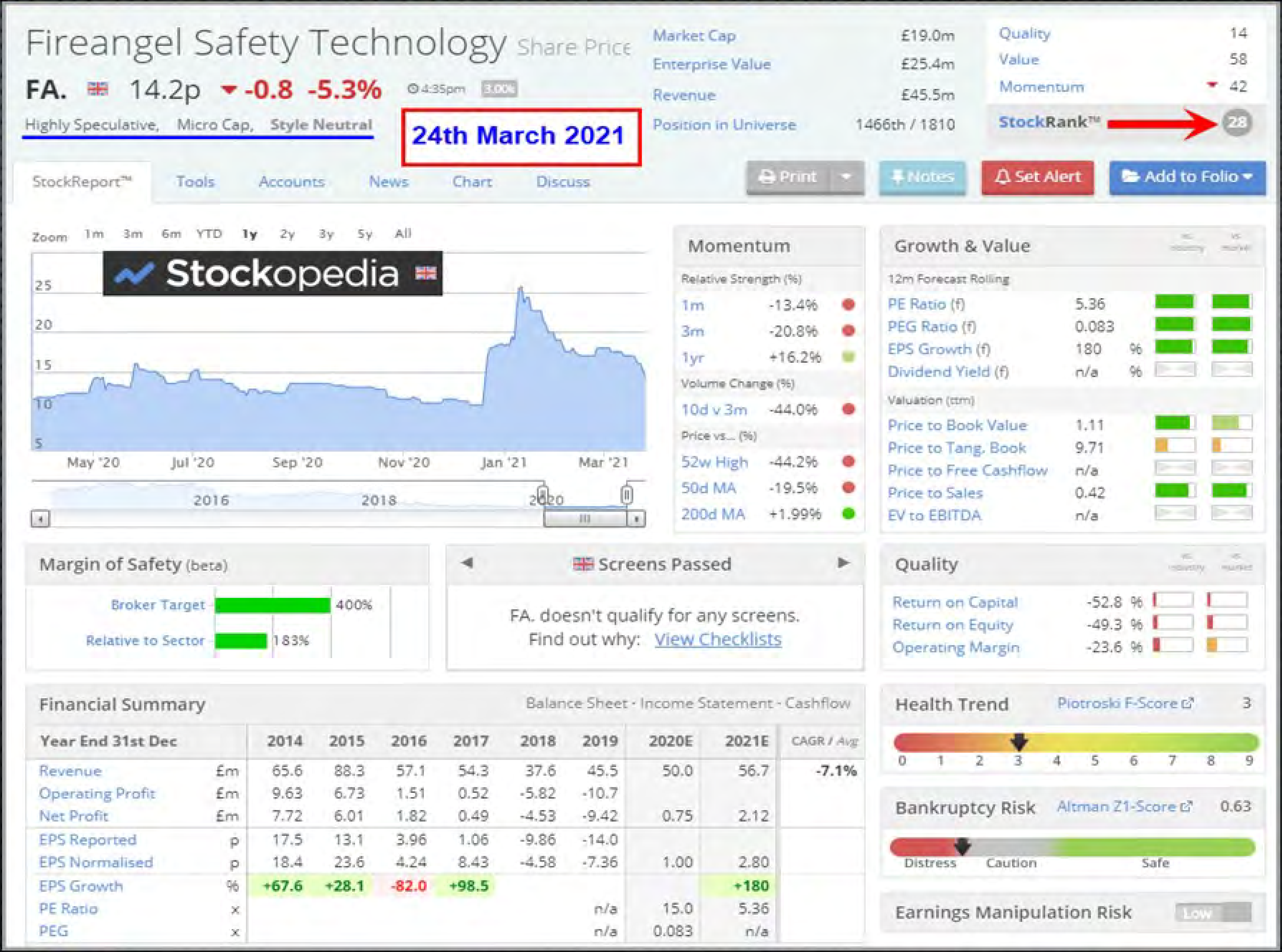
Announcement

2019 Annual Report

Download a pdf version here

# The DIY-Investors.com Portico Investing System

Here's how Stockopedia ranks Fireangel Safety Technology (FA.)...



Fireangel Safety Technology Share Price

FA. 14.2p -0.8 -5.3% 4:35pm

Highly Speculative, Micro Cap, Style Neutral

24th March 2021

| | |
|---|---|
| Market Cap | £19.0m |
| Enterprise Value | £25.4m |
| Revenue | £45.5m |
| Position in Universe | 1466th / 1810 |

| | |
|---|---|
| Quality | 14 |
| Value | 58 |
| Momentum | 42 |
| StockRank™ | 28 |

Print Notes Set Alert Add to Folio

StockReport™ Tools Accounts News Chart Discuss

Zoom 1m 3m 6m YTD 1y 2y 3y 5y All

Stockopedia

25 20 15 10 5

May '20 Jul '20 Sep '20 Nov '20 Jan '21 Mar '21

2016 2018 2020

**Momentum**

| Relative Strength (%) | |
|---|---|
| 1m | -13.4% |
| 3m | -20.8% |
| 1yr | +16.2% |
| **Volume Change (%)** | |
| 10d v 3m | -44.0% |
| **Price vs... (%)** | |
| 52w High | -44.2% |
| 50d MA | -19.5% |
| 200d MA | +1.99% |

**Growth & Value**

| 12m Forecast Rolling | | |
|---|---|---|
| PE Ratio (f) | 5.36 | |
| PEG Ratio (f) | 0.083 | |
| EPS Growth (f) | 180 | % |
| Dividend Yield (f) | n/a | % |
| **Valuation (ttm)** | | |
| Price to Book Value | 1.11 | |
| Price to Tang. Book | 9.71 | |
| Price to Free Cashflow | n/a | |
| Price to Sales | 0.42 | |
| EV to EBITDA | n/a | |

**Margin of Safety (beta)**

| | |
|---|---|
| Broker Target | 400% |
| Relative to Sector | 183% |

**Screens Passed**

FA. doesn't qualify for any screens.
Find out why: View Checklists

**Quality**

| | | |
|---|---|---|
| Return on Capital | -52.8 | % |
| Return on Equity | -49.3 | % |
| Operating Margin | -23.6 | % |

**Financial Summary** Balance Sheet - Income Statement - Cashflow

| Year End 31st Dec | | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020E | 2021E | CAGR / Avg |
|---|---|---|---|---|---|---|---|---|---|---|
| Revenue | £m | 65.6 | 88.3 | 57.1 | 54.3 | 37.6 | 45.5 | 50.0 | 56.7 | -7.1% |
| Operating Profit | £m | 9.63 | 6.73 | 1.51 | 0.52 | -5.82 | -10.7 | | | |
| Net Profit | £m | 7.72 | 6.01 | 1.82 | 0.49 | -4.53 | -9.42 | 0.75 | 2.12 | |
| EPS Reported | p | 17.5 | 13.1 | 3.96 | 1.06 | -9.86 | -14.0 | | | |
| EPS Normalised | p | 18.4 | 23.6 | 4.24 | 8.43 | -4.58 | -7.36 | 1.00 | 2.80 | |
| EPS Growth | % | +67.6 | +28.1 | -82.0 | +98.5 | | | | +180 | |
| PE Ratio | x | | | | | | n/a | 15.0 | 5.36 | |
| PEG | x | | | | | | n/a | 0.083 | n/a | |

**Health Trend** Piotroski F-Score 3

0 1 2 3 4 5 6 7 8 9

**Bankruptcy Risk** Altman Z1-Score 0.63

Distress Caution Safe

**Earnings Manipulation Risk** Low

# The DIY-Investors.com Portico Investing System

www.sprueaegis.com/

FireAngel Safety Technology Group PLC is a UK based company, which is focused on providing market foremost smoke detectors, carbon monoxide detectors, and other home safety products. Geographically, it derives most of the revenue from the United Kingdom and has a presence throughout Continental Europe. It generates revenue from an operation such as International, Trade, Retail, Fire and Rescue Services, Utilities and Pace Sensors. The company offers the products under various brands which

| 23/3/21 | 15p | -1p | -6.3% |
|---|---|---|---|

| | |
|---|---|
| Capital (£m) | 19.0 |
| No. shares | 127m |
| PSR | 0.22p |
| EPS | -10.75 |
| EPS Growth | |
| PEG | |
| P/E (h) | |
| P/E (pr) | |
| PCF | 12.86 |
| P/FCF | (1.842) |
| Yield | |
| Finals ex-div | 22/6/17 |
| Price to NTAV | 5.16 |
| Price to NAV | 0.59 |
| ROCE | (28.5)% |
| ROCI | |
| CROCI | (17.8)% |

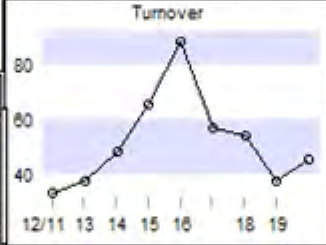
| % Change | |
|---|---|
| 10 trading days | -14.29 |
| 1 month | -11.76 |
| 3 months | -17.81 |
| 1 year | [illegible] |
| 3 years | -89.73 |

| High - last 100 trading days | |
|---|---|
| High value | 25¾p |
| Days since | 70 |
| Fall | -41.86 |

| Low - last 100 trading days | |
|---|---|
| Low value | 10¾p |
| Days since | 97 |
| Increase | 39.53 |

| Gearing incl. intang | | excl. |
|---|---|---|
| Net | 37.3 | 327.5 |
| Gross | 49.3 | 432.9 |
| Gross <5y | 6.6 | 57.9 |
| Gross <1y | 42.7 | 375.1 |

FA.

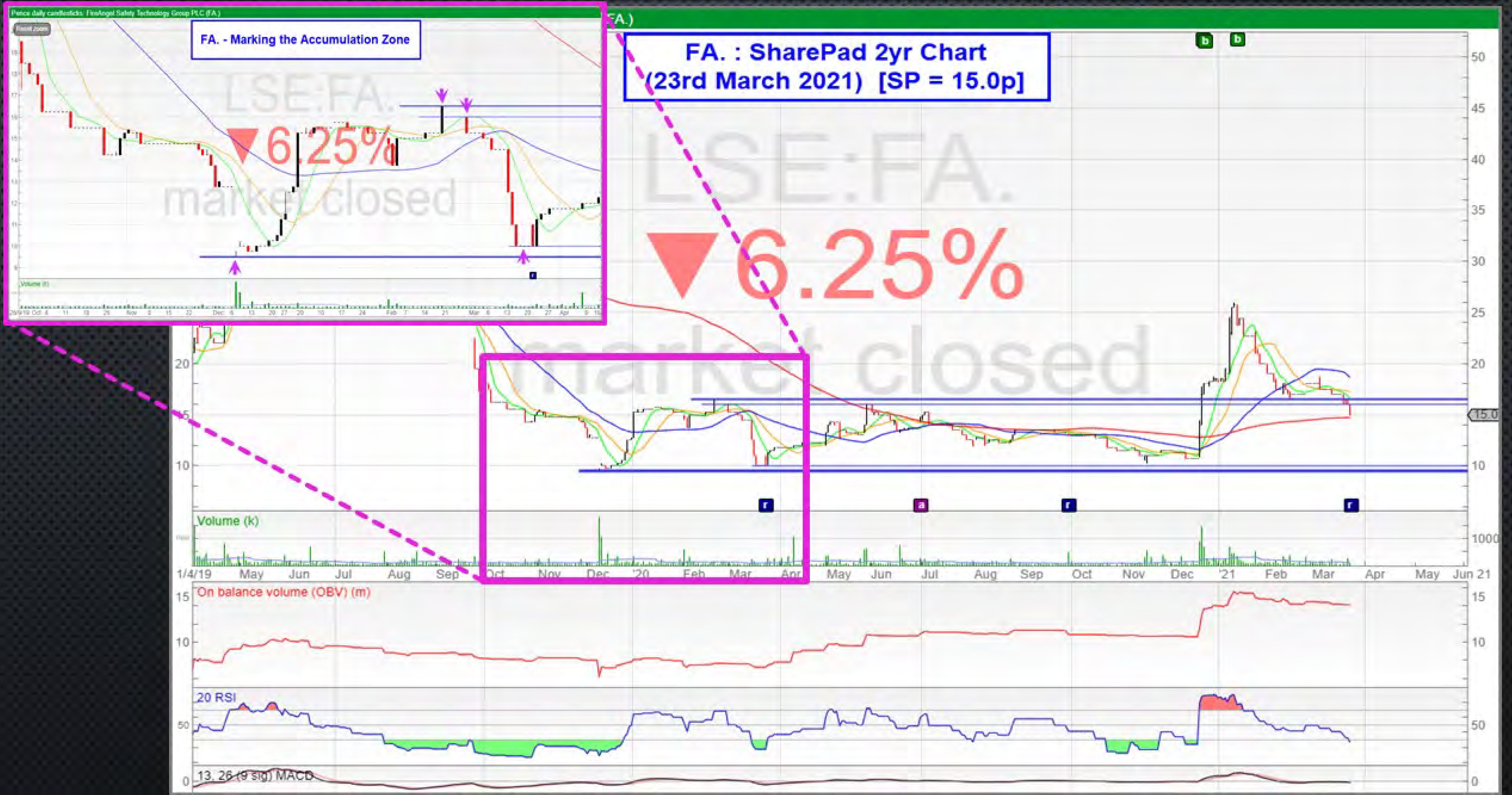




| Key metrics | 31/12/15 IFRS | 30/6/16 Interim IFRS | 31/12/16 IFRS | 30/6/17 Interim IFRS | 31/12/17 IFRS | 30/6/18 Interim IFRS | 31/12/18 IFRS | 30/6/19 Interim IFRS | 31/12/19 IFRS | 30/6/20 Interim IFRS |
|---|---|---|---|---|---|---|---|---|---|---|
| Turnover (£m) | 88.30 | 25.94 | 57.11 | 26.03 | 54.28 | 17.69 | 37.59 | 20.74 | 45.49 | 16.45 |
| Turnover ps (p) | 192.23 | 56.47 | 124.34 | 56.67 | 118.16 | 38.53 | 81.83 | 35.55 | 67.67 | 16.57 |
| Norm EPS (p) | 13.100 | -1.3000 | 4.0000 | 2.8000 | 1.1000 | -3.2000 | -5.6512 | -4.5832 | -10.749 | -2.6000 |
| PE | 26.3 | | 45.0 | 77.7 | 175.0 | | | | | |
| Dividend (p) | 8.0000 | 2.5000 | 8.0000 | 2.5000 | 2.5000 | 0 | 0 | 0 | 0 | 0 |
| Div. yield (ye) | 2.32 | 1.47 | 4.44 | 1.15 | 1.30 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Dep'n & Amort (£m) | 0.46 | 0.38 | 0.61 | 0.44 | 0.74 | 0.36 | 1.07 | 1.71 | 3.37 | 1.87 |
| Net borrow (£m) | -22.4 | -14.7 | -14.3 | -10.0 | -3.3 | -3.4 | 4.4 | 3.3 | 6.4 | 2.8 |
| Int paid (£m) | 0.09 | 0.05 | 0.07 | 0.02 | 0.02 | 0.00 | -0.11 | -0.17 | -0.31 | -0.15 |
| Int. cover | | | | | | | -28.56 | -18.08 | -26.10 | -18.78 |
| Tax paid (£m) | 0.81 | -0.56 | -0.25 | 0.03 | 0.06 | -0.46 | -1.41 | -0.68 | -1.60 | -0.39 |
| Pre-tax profit (£m) | 6.82 | -1.13 | 1.57 | 1.30 | 0.55 | -1.96 | -5.94 | -3.60 | -11.02 | -3.01 |
| Op. margin | 7.6 | -4.6 | 2.6 | 4.9 | 1.0 | -11.1 | -8.7 | -15.1 | -17.9 | -17.3 |
| ROE | 20.5 | -2.1 | 6.0 | 4.2 | 1.7 | -5.9 | -10.7 | -10.7 | -37.9 | -12.9 |
| ROCE | 20.5 | -3.6 | 4.3 | 3.8 | 1.7 | -7.0 | -11.0 | -9.5 | -28.5 | -11.3 |
| Pre-tax profit ps (p) | 14.845 | -2.4709 | 3.4251 | 2.8241 | 1.1865 | -4.2610 | -12.927 | -6.1711 | -16.402 | -3.0272 |
| CAPEX (£m) | 2.73 | 1.50 | 4.35 | 1.63 | 5.03 | 2.58 | 6.08 | 1.63 | 3.72 | 1.63 |
| CAPEX ps (p) | 5.95 | 3.27 | 9.48 | 3.55 | 10.94 | 5.62 | 13.24 | 2.80 | 5.54 | 1.64 |
| FCF ps (p) | 21.26 | (17.17) | (10.50) | (8.940) | (16.21) | 0.03485 | (17.14) | (4.526) | (8.142) | (1.904) |
| FCF (£m) | [illegible] | (7.888) | (4.823) | (4.106) | (7.448) | 0.01600 | (7.871) | (2.640) | (5.473) | (1.891) |
| Op. cash flow (£m) | 13.60 | [illegible] | (0.4800) | (2.340) | (2.821) | 2.598 | (1.640) | (1.255) | (2.560) | (0.10000) |
| Cash flow ps (p) | 14.38 | -17.17 | -18.49 | -8.940 | -24.17 | 0.03485 | -4.726 | 0.3274 | 1.166 | -1.019 |
| Cash ps (p) | 48.77 | 31.92 | 31.21 | 21.87 | 7.13 | 7.45 | 2.72 | 2.61 | 3.07 | 1.08 |
| R&D ps (p) | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Quick ratio | 1.68 | 1.43 | 1.43 | 1.40 | 1.16 | 0.94 | 1.06 | 0.81 | 0.69 | 0.55 |
| Current ratio | 2.43 | 2.32 | 2.10 | 2.13 | [illegible] | 1.66 | 1.73 | 1.39 | 0.99 | 1.14 |
| Net gear inc | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 21.1 | 13.1 | 37.3 | 13.7 |
| Gross gear inc | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 27.1 | 19.2 | 49.3 | 19.0 |
| Gross gear ex | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | [illegible] | 57.0 | 432.9 | 83.5 |
| Gross gear <1yr inc | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 14.1 | 42.7 | 14.1 |
| NTAV (£m) | 24.5 | 20.8 | 19.9 | 18.8 | 13.8 | 7.3 | 4.8 | [illegible] | 2.0 | 4.6 |
| NAV (£m) | 31.1 | 28.2 | 30.0 | 30.1 | 27.0 | 25.4 | 21.0 | 25.0 | 17.2 | 20.3 |
| No. shares (av) (m) | 45.94 | 45.94 | 45.93 | 45.93 | 45.94 | 45.90 | 45.94 | 58.34 | 67.22 | 99.30 |
| No. shares (ye) (m) | 45.86 | 45.85 | 45.86 | 45.85 | 45.91 | 45.90 | 45.91 | 75.94 | 75.94 | 126.6 |

# The DIY-Investors.com Portico Investing System

# The DIY-Investors.com Portico Investing System



# The DIY-Investors.com Portico Investing System

# The DIY-Investors.com Portico Investing System

Let's have a look at OBV... The topic of this module!

# The DIY-Investors.com Portico Investing System

Stockopedia

All Reuters Announcements Google News

| | |
|---|---|
| Mon 7:28am | BRIEF-FireAngel SafetyTech Enters New Agreement With Fire & Rescue Authority |
| Mon 7:00am | RCS - FireAngel SafetyTech - New Agreement with Fire & Rescue Authority |
| 4th Mar | BRIEF-FireAngel Safety Technology Group Announces Launch Of New Connected Homes Tech & Initial Order |
| 4th Mar | RCS - FireAngel SafetyTech - Launch of New Connected Homes Tech & Initial Order |
| 24th Feb | BRIEF-Fireangel Safety Technology Gets Social Housing Contract For Customer In Scotland |
| 24th Feb | RCS - FireAngel SafetyTech - Scottish Social Housing Contract Win |
| 25th Jan | BRIEF-FireAngel Safetytech Sees FY Sales Of About 39.9 Mln Stg |
| 25th Jan | FireAngel SafetyTech - Trading Update |
| 13th Jan | FireAngel SafetyTech - Director/PDMR Shareholding |
| 8th Jan | FireAngel SafetyTech - Second Price Monitoring Extn |
| 8th Jan | FireAngel SafetyTech - Price Monitoring Extension |
| 8th Jan | FireAngel SafetyTech - Second Price Monitoring Extn |
| 8th Jan | FireAngel SafetyTech - Price Monitoring Extension |
| 6th Jan | FireAngel SafetyTech - PDMR/PCA Dealing |
| 18th Dec '20 | FireAngel SafetyTech - Director/PDMR Shareholding |
| 17th Dec '20 | BRIEF-Fireangel Safety Technology Appoints Jon Kempster As Interim CFO |
| 17th Dec '20 | FireAngel SafetyTech - Directorate Change and Update on Recent Trading |
| 1st Dec '20 | FireAngel SafetyTech - Award of Options and PDMR Shareholding |

All Reuters Announcements Google News

2

| | |
|---|---|
| 19th Nov '20 | FireAngel SafetyTech - Directorate change |
| 5th Nov '20 | BRIEF-Fireangel Safety Technology Says October Saw Highest Revenue Of Any Month So Far This Year |
| 5th Nov '20 | FireAngel SafetyTech - Update |
| 2nd Oct '20 | FireAngel SafetyTech - Holding(s) in Company |
| 29th Sep '20 | BRIEF-Fireangel Safety Technology Says H1 Underlying Operating Loss -2.7 Mln Stg |
| 29th Sep '20 | FireAngel SafetyTech - Half-year Report |
| 10th Sep '20 | FireAngel SafetyTech - Notice of Interim Results |
| 4th Aug '20 | FireAngel SafetyTech - Holding(s) in Company |
| 30th Jul '20 | BRIEF-FireAngel Safety Technology Group Sees H1 Underlying Operating Loss Of About £2.7 Mln |
| 30th Jul '20 | FireAngel SafetyTech - Trading Update and Directorate Change |
| 2nd Jul '20 | FireAngel SafetyTech - PDMR Shareholding |
| 2nd Jul '20 | FireAngel SafetyTech - Director/PDMR Shareholding |
| 30th Jun '20 | FireAngel SafetyTech - Result of AGM |
| 30th Jun '20 | BRIEF-Fireangel Safety Technology Group Sees HY Revenue To Be Over 70% Of Board's Pre-COVID-19 Budget Performance |
| 30th Jun '20 | FireAngel SafetyTech - AGM Statement and Major Connected Home Order |

23 March 2020

FireAngel Safety Technology Group plc
('FireAngel', the 'Company' or the 'Group')

**Open Offer of up to 50,623,576 New Ordinary Shares**
**and**
**Placing of New Ordinary Shares**
**at 12 pence per New Ordinary Share**

FireAngel (AIM: FA.), one of Europe's leading developers and suppliers of home safety products, announces a proposed open offer and placing to raise approximately £6.1 million to strengthen the Company's balance sheet and to deploy and support its connected homes technology.

**Highlights**

- Open Offer to raise approximately £6.1 million, on the basis of 2 Open Offer Shares for every 3 Existing Ordinary Shares held on the Record Date, at an issue price of 12 pence per New Ordinary Share
- Approximately £6.1 million (before expenses) conditionally raised by means of a Placing with certain existing Shareholders and other investors of up to 50,623,576 New Ordinary Shares at an issue price of 12 pence per New Ordinary Share, subject to clawback under the Open Offer
- The Issue Price of 12 pence represents a premium of 20 per cent. to the Closing Price on 20 March 2020 being the last Business Day prior to this announcement
- Net proceeds to be used to:-
  - strengthen the Company's balance sheet;
  - execute self-help plans;
  - deploy and support the Company's connected homes technology; and
  - fund part of the legacy battery warranty issue.

2

The Company announces that it is proposing to undertake an Open Offer to raise up to approximately £6.1 million, on the basis of 2 Open Offer Shares for every 3 Existing Ordinary Shares held on the Record Date, at an issue price of 12 pence per New Ordinary Share.

In addition, the Company announces that it has conditionally raised approximately £6.1 million (before expenses) by means of a Placing with certain existing Shareholders and other investors of up to 50,623,576 New Ordinary Shares at an issue price of 12 pence per New Ordinary Share, subject to clawback under the Open Offer. It should be noted that New Ordinary Shares will only be issued pursuant to the Placing if and to the extent that the Open Offer is not subscribed in full by holders of Existing Ordinary Shares and will result in a maximum of 50,623,576 New Ordinary Shares being issued pursuant to the Fundraising. Furthermore, the Open Offer is not conditional on completion of the Placing.

The Issue Price of 12 pence represents a premium of 20 per cent. to the Closing Price on 20 March 2020, being the last Business Day prior to this announcement. The Fundraising is not being underwritten and is conditional on, *inter alia* , Admission becoming effective by no later than 8.00 a.m. on 9 April 2020 (or such other time and/or date, being no later than 28 April 2020, as the Company and Shore Capital may agree). It is expected that the New Ordinary Shares will be admitted to trading on AIM on or around 8.00 a.m. on 9 April 2020.

Application will be made to the London Stock Exchange for the New Ordinary Shares to be admitted to trading on AIM. The New Ordinary Shares will rank *pari passu* in all respects with the Existing Ordinary Shares, including the right to receive all dividends and other distributions declared, made or paid in respect of the Ordinary Shares following Admission.

# The DIY-Investors.com Portico Investing System

# The DIY-Investors.com Portico Investing System


Fireangel Safety Technology (FA.) : Evidence of MM's at work (24th March 2021)

1

RNS Number : 6624M
FireAngel Safety Technology Group
25 January 2021

**FireAngel Safety Technology Group plc**

('FireAngel', the 'Group' or the 'Company')

**Trading update**

FireAngel (AIM: FA.), a leading developer and supplier of home safety products, announces a trading update ahead of the release of its audited final results for the year ended 31 December 2020 (the 'Year'). The figures set out in this announcement are subject to audit.

The Group entered the Year with strong momentum against its strategic priorities. Whilst the operational and market impact of Covid-19 inevitably dominated the Year, resulting in the Group reporting reduced sales and a delay in making substantive progress on its Connected Homes strategy, the recovery in the Group's markets in the second half of the Year and subsequent positive trading trajectory has been encouraging.

Sales f or the Year are expected to be approximately £39.9 million (2019: £45.5 million). Stock at 31 December 2020 stood at approximately £6.6 million (2019: £6.3 million), significantly reduced from £9.4 million at 30 June 2020, the Company's half year end.

2

RNS Number : 6624M
FireAngel Safety Technology Group
25 January 2021

**FireAngel Safety Technology Group plc**

('FireAngel', the 'Group' or the 'Company')

**Trading update**

Net debt, before lease obligations, at 31 December 2020 was £3.7 million (31 December 2019: net debt £4.9 million) and comprised cash balances of £1.4 million, invoice discounting drawdowns of £2.5 million and a Coronavirus Large Business Interruption Loan Scheme ("CLBILS") loan of £2.6 million. In December 2020, the Company successfully negotiated with its bank a revised repayment schedule due under the CLBILS loan in order to aid cashflows due to the continuing uncertainties referred to in previous announcements caused by Covid-19 and their impact on the business which are continuing into 2021. The Company has also applied for an increased CLBILS loan in order to provide further headroom and to support the revenue growth expected this year. A further announcement will be made in due course.

As previously announced, the Company expects to announce its audited final results for the year ended 31 December 2020 in late March 2021 when it will provide a further update on current trading and outlook for the year.

RNS Number : 6624M
FireAngel Safety Technology Group
25 January 2021

3

**FireAngel Safety Technology Group plc**

('FireAngel', the 'Group' or the 'Company')

**Trading update**

**John Conoley, Executive Chairman of FireAngel, commented:**

"The impact of Covid-19 held the Company back from achieving what would almost certainly have been a significantly improved performance in 2020. The great progress made towards the end of 2019 and in the first months of the 2020 before the pandemic struck augured well for the Year. Combined with the growing momentum of our Connected Homes pipeline and sales-driven gross margin improvement plan, 2020 would have seen a material improvement in both revenue and profitability."

" Notwithstanding the enhanced lockdowns in the various markets we sell in, trading in January is in line with the Board's expectations. Despite the obvious Covid-19 related uncertainty, the Board is targeting improved performance and sales growth in 2021 versus 2020."

"Our compelling proposition to protect and save lives with innovative, cutting-edge home safety technology remains intact. Our strategic ambition to achieve this through margin improvement and a focus on investing in Connected Homes technology remains unaltered. We look forward to making further progress against our priorities in FY21."

**There's a whole raft of RNS statements over the past few months, that are worth checking... noting, amongst other things patents issued (USA, Australia & Europe) and various contracts here in the UK.**

**Let's see how the share price finished up today...**

# The DIY-Investors.com Portico Investing System

# The DIY-Investors.com Portico Investing System

## Mick's View of Fireangel Safety Technology (FA.) – as at 25th March 2021

- Looks to be clearing the accumulation zone – possibly about to start the 'mark up' phase!
- TA looks very interesting – fitting the profile of a recovery share that meets the filter criteria
- Also fits the DIY-Investors '3 pillars' principles nicely!
- Intellectual Property well protected (patents around the World)
- The recent placing was (unusually) issued at a 20% premium – so no desperation involved!
- During the Placing, the MM's didn't get handed any warrants or fee shares (as far as I could see), so they have to accumulate shares by manipulating the price... as we can see they are doing!
- CLBILS Loan (£2.6m) in place – good for payback profile!
- Results due before the end of March 2021 – likely to be better than expected IMO

As ever, **DYOR!** (Mick, 25th March 2021) **[FA. Share Price = 14.0p]**

**The next Case Study may seem a bit familiar...**

# DIY-Investors.com

# Portico Investing System

**Module 5 – Case Study**
**(October 2020)**
**Updated 25th March 2021**

# The DIY-Investors.com Portico Investing System

**I've deliberately picked the Case Study for this module to show that our Portico Investing System is not just about "Special Cases"!**

In this case, we're focussing predominantly on OBV (linked to some of our other DIY-Investing 3 Pillars of Investing!)

**21st October 2020**

**EPIC: JWNG**

## Let's have a look at what Jaywing does…

**21st October 2020**

Profile Summary **JWNG** Home Page

Jaywing PLC is engaged in the provision of digital marketing services. The Company operates in two segments: Agency Services, and Media & Analysis. The Company offers its services across a range of vertical markets, including financial services, travel and leisure, retail, entertainment, utilities, telecommunications, education, cultural, legal and automotive. The Company's subsidiaries include Alphanumeric Limited, Epiphany Solutions Limited, Gasbox Limited, HSM Limited, Jaywing Central Limited and Shackleton PR Limited. The Company, through Alphanumeric Limited, is engaged in providing data services and consultancy. The Company, through Epiphany Solutions Limited, is involved in the search engine optimization. The Company, through Gasbox Limited, is engaged in direct marketing. The Company, through HSM Limited and Jaywing Central Limited, is engaged in online marketing and media. The Company, through Shackleton PR Limited, is engaged in online public relations (PR).

**Directors:** Stephen Davidson *(NVC) 64*, Ian Robinson *(NEC) 68*, Andrew Gardner *(OTH) 52*, Adrian Lingard *(COO) 44*, Mark Carrington *(NED)*, Ross Ferguson *(CTR)*, Andrew Fryatt *(CEO) 57*,

**No. of Employees:** 412 **No. of Shareholders:** n/a

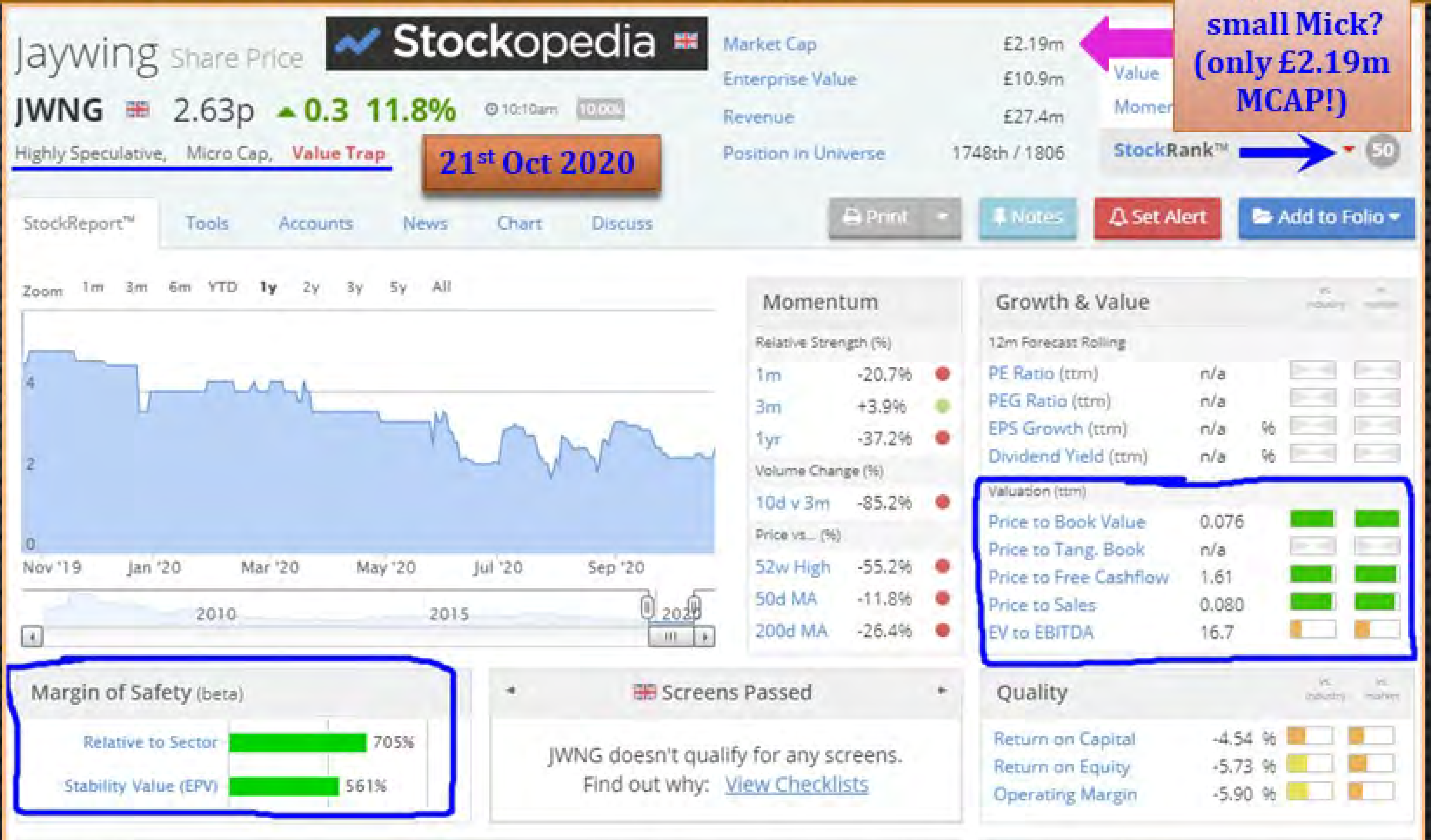
| | |
|---|---|
| **Last Annual** | March 31st, 2019 |
| **Last Interim** | September 30th, 2019 |
| **Incorporated** | September 14, 2006 |
| **Public Since** | October 26, 2006 |
| **Shares in Issue** | 93,332,595 |
| **Free Float** | 43.0m (46.1%) |

| | |
|---|---|
| **Sector** | Consumer Cyclicals |
| **Industry** | Media & Publishing |
| **Index** | FTSE Aim All Share , |
| **Exchange** | London Stock Exchange (AIM) |
| **Eligible for** | an ISA? ✔ a SIPP? ✔ |


| | |
|---|---|
| **Address** | Albert Works 71 Sidney Street, SHEFFIELD, S1 4RG, United Kingdom |
| **Web** | https://jaywing.com/ |
| **Phone** | +44 114 2811200 |
| **Auditors** | Grant Thornton UK LLP |

# The DIY-Investors.com Portico Investing System

**So, what does Stockopedia make of Jaywing?**


Financial Summary — Balance Sheet · Income Statement · Cashflow

| Year End 31st Mar | | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | TTM | 2020E | 2021E | CAGR / Avg |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Revenue | £m | 26.7 | 33.8 | 36.0 | 44.5 | 41.5 | 35.6 | 27.4 | 38.3 | | +5.9% |
| Operating Profit | £m | -0.33 | -1.09 | 1.33 | -2.91 | -0.88 | -0.82 | -1.62 | | | |
| Net Profit | £m | -4.80 | -1.48 | 0.71 | -2.98 | -1.13 | -2.69 | -3.34 | 2.60 | | |
| EPS Reported | p | -0.27 | -1.94 | 0.86 | -3.44 | -1.06 | -1.15 | -1.85 | | | |
| EPS Normalised | p | 1.10 | -0.61 | 1.24 | 0.10 | 0.25 | -0.027 | -2.02 | 2.60 | | |
| EPS Growth | % | +5.5 | | | -91.8 | +146.1 | | | | | |
| PE Ratio | x | | | | | | n/a | n/a | 0.90 | n/a | |
| PEG | x | | | | | | n/a | n/a | n/a | n/a | |

# The DIY-Investors.com Portico Investing System

# The DIY-Investors.com Portico Investing System

http://www.jaywingplc.com
Jaywing PLC is engaged in providing digital marketing services. The company operates its business in three segments: Brand Performance, Online Performance and Data Analytics & Technology. Through its subsidiaries, the firm involves in direct marketing, online marketing, and online public relations. It principally serves client from various sectors such as financial services, travel, and leisure, retail, entertainment, utilities, telecommunications, education, cultural, legal and automotive. It generates

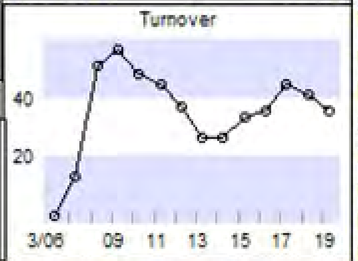
**20/10/20 2¼p**

| | |
|---|---|
| Capital (£m) | 2.2 |
| No. shares | 93.4m |
| PSR | 0.06p |
| EPS | -0.78 |
| EPS Growth | |
| PEG | |
| P/E (h) | |
| P/E (pr) | |
| PCF | 38.55 |
| P/FCF | 1.740 |
| Yield | |
| Finals ex-div | |
| Price to NTAV | (0.31) |
| Price to NAV | 0.07 |
| ROCE | (0.5)% |
| ROCI | |
| CROCI | 4.0% |

| % Change | |
|---|---|
| 10 trading days | |
| 1 month | -18.97 |
| 3 months | -18.97 |
| 1 year | -50.53 |
| 3 years | -93.14 |

| High - last 100 trading days | |
|---|---|
| High value | 3½p |
| Days since | 140 |
| Fall | -32.86 |

| Low - last 100 trading days | |
|---|---|
| Low value | 1¾p |
| Days since | 85 |
| Increase | 27.03 |




Turnover % change

| Gearing incl. intang | | excl. |
|---|---|---|
| Net | 16.5 | |
| Gross | 18.8 | |
| Gross <5y | 12.8 | |
| Gross <1y | 6.0 | |

**JWNG**

**21st October 2020**

| Key metrics | 30/9/15 Interim IFRS | 31/3/16 IFRS | 30/9/16 Interim IFRS | 31/3/17 IFRS | 30/9/17 Interim IFRS | 31/3/18 IFRS | 30/9/18 Interim IFRS | 31/3/19 IFRS | 30/9/19 Interim IFRS |
|---|---|---|---|---|---|---|---|---|---|
| Turnover (£m) | 17.05 | 35.97 | 20.90 | 44.54 | 23.47 | 41.51 | 18.73 | 35.55 | 13.82 |
| Turnover ps (p) | 20.54 | 43.70 | 22.24 | 47.04 | 25.46 | 43.83 | 19.73 | 37.37 | 14.22 |
| Norm EPS (p) | 0.030000 | 1.5628 | -0.45000 | -3.6644 | -0.44000 | -0.57860 | -0.52000 | -0.77680 | -1.3800 |
| PE | 500.0 | 21.3 | | | | | | | |
| Dividend | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Div. yield (ye) | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Dep'n & Amort (£m) | 0.98 | 1.91 | 1.00 | 5.14 | 1.26 | 2.59 | 1.23 | 3.44 | 1.30 |
| Net borrow (£m) | 6.4 | 5.3 | 3.4 | 3.5 | 8.1 | 5.9 | 7.1 | 5.0 | 7.5 |
| Int paid (£m) | -0.13 | -0.25 | -0.11 | -0.03 | -0.08 | -0.20 | -0.16 | -0.30 | -0.16 |
| Int. cover | 2.27 | 8.94 | -0.84 | -12.31 | -2.91 | -2.01 | -2.57 | -0.68 | -8.78 |
| Tax paid (£m) | 0.17 | 0.37 | 0.18 | 0.04 | 0.07 | -0.08 | -0.11 | -0.18 | -0.32 |
| Pre-tax profit (£m) | 0.16 | 1.07 | -0.20 | -2.94 | -0.31 | -1.08 | -0.57 | -1.11 | -1.54 |
| Op. margin | 1.7 | 6.2 | -0.4 | 0.9 | -1.0 | -0.9 | -2.2 | 2.4 | -10.0 |
| ROE | -0.0 | 4.0 | -1.1 | 8.0 | -1.2 | -1.7 | -1.5 | 4.4 | -4.5 |
| ROCE | 0.7 | 5.6 | -0.2 | -5.7 | -0.5 | -0.9 | -1.0 | -0.5 | -3.6 |
| Pre-tax profit ps (p) | 0.19511 | 1.3046 | -0.21712 | -3.1034 | -0.33527 | -1.1351 | -0.59739 | -1.1667 | -1.5815 |
| CAPEX (£m) | 0.21 | 0.47 | 0.24 | 0.81 | 0.65 | 1.31 | 0.28 | 0.55 | 0.10 |
| CAPEX ps (p) | 0.26 | 0.57 | 0.26 | 0.86 | 0.71 | 1.39 | 0.29 | 0.58 | 0.10 |
| FCF ps (p) | 0.4661 | 1.929 | 2.289 | 2.450 | (2.081) | (0.5544) | (0.5710) | 1.351 | (0.4767) |
| FCF (£m) | 0.3870 | 1.588 | 2.151 | 2.319 | (1.918) | (0.5250) | (0.5420) | 1.285 | (0.4630) |
| Op. cash flow (£m) | 0.7280 | 2.808 | 2.521 | 3.879 | (1.117) | 1.544 | (0.1130) | 2.422 | 0.008000 |
| Cash flow ps (p) | -1.425 | -0.7932 | 2.772 | 1.974 | -3.417 | -1.673 | -1.595 | 0.06096 | -1.275 |
| Cash ps (p) | 0.00 | 0.42 | 3.14 | 2.34 | 0.00 | 0.67 | 0.00 | 0.73 | 0.00 |
| R&D ps (p) | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Quick ratio | 0.74 | 0.82 | 0.74 | 0.76 | 0.74 | 0.70 | 0.85 | 0.77 | 0.61 |
| Current ratio | 0.74 | 0.82 | 0.74 | 0.76 | 0.74 | 0.70 | 0.85 | 0.77 | 0.61 |
| Net gear inc | 19.8 | 16.1 | 9.5 | 11.1 | 25.2 | 18.4 | 22.6 | 16.5 | 26.2 |
| Gross gear inc | 19.8 | 17.2 | 17.7 | 18.1 | 25.3 | 20.4 | 22.6 | 18.8 | 26.2 |
| Gross gear ex | | | | | | | | | |
| Gross gear <1yr inc | 14.8 | 14.0 | 13.3 | 15.0 | 17.8 | 14.8 | 7.6 | 6.0 | 8.2 |
| NTAV (£m) | -5.4 | -4.0 | -8.7 | -9.2 | -8.1 | -8.3 | -8.2 | -7.3 | -8.0 |
| NAV (£m) | | | | 31.7 | 32.0 | 32.1 | 31.5 | 30.1 | 28.7 |
| No. shares (av) | | | | 94.67 | 92.16 | 94.70 | 94.91 | 95.14 | 97.12 |
| No. shares (ye) | | | | 86.71 | 86.90 | 93.33 | 93.43 | 93.33 | 93.43 |

**March 2021…I'll skip the News-Flow this time?**

**Then, in October 2020, I commented…**

The only thing left to do is to look at the TA (closely) and see where we are on the Portico Market Cycle, add in what we think the MM's are up to (at present) and then get a feel for what we should do…

# The DIY-Investors.com Portico Investing System

# The DIY-Investors.com Portico Investing System

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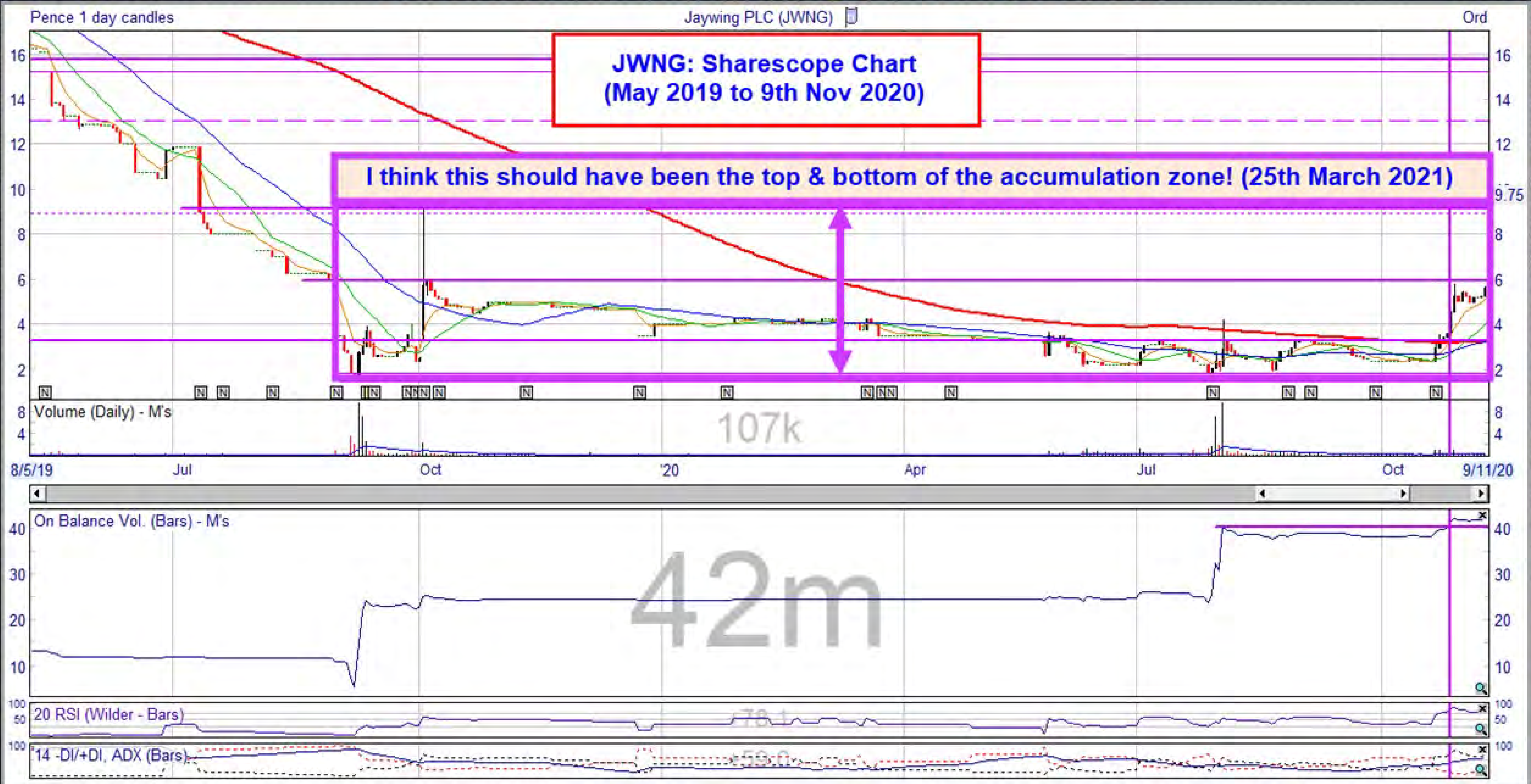


# The DIY-Investors.com Portico Investing System

# The DIY-Investors.com Portico Investing System

## Let's see how JWNG has done since last October...

http://www.jaywingplc.com

Jaywing ... ital marketing
services ... ness in three
segments ... formance, and
Data Anal ... bsidiaries, the
firm inv ... arketing, and
online p ... s clients from
various ... s, travel, and
leisure, retail, entertain ... tilities, telecommunications,
education, cultural, ... automotive. It generates

**That's a gain of +333% (between 20th Oct '20 and 22nd March 2021)**

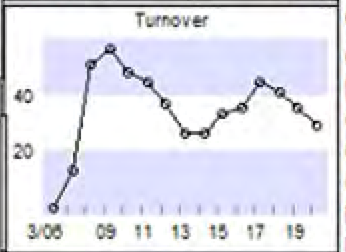
| | | | |
|---|---|---|---|
| 22/3/21 | 9¾p | ¾p | 8.3% |

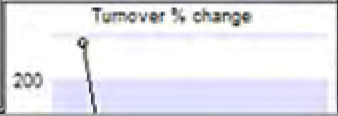
| | |
|---|---|
| Capital (£m) | 9.1 |
| No. shares | 93.4m |
| PSR | 0.32p |
| EPS | -9.04 |
| EPS Growth | |
| PEG | |
| P/E (h) | |
| P/E (pr) | |
| PCF | 7.217 |
| P/FCF | 49.35 |
| Yield | |
| Finals ex-div | |
| Price to NTAV | (1.01) |
| Price to NAV | 0.45 |
| ROCE | (21.9)% |
| ROCI | |
| CROCI | 1.3% |

| % Change | |
|---|---|
| 10 trading days | 21.88 |
| 1 month | 32.29 |
| 3 months | 62.50 |
| 1 year | 143.75 |
| 3 years | -56.67 |
| **High - last 100 trading days** | |
| High value | 10¾p |
| Days since | 27 |
| Fall | -8.45 |
| **Low - last 100 trading days** | |
| Low value | 5p |
| Days since | 106 |
| Increase | 96.18 |

| Gearing incl. intang | | excl. |
|---|---|---|
| Net | 39.0 | |
| Gross | 48.6 | |
| Gross <5y | 7.3 | |
| Gross <1y | 41.3 | |

**JWNG**




| Key metrics | 30/9/16 Interim IFRS | 31/3/17 IFRS | 30/9/17 Interim IFRS | 31/3/18 IFRS | 30/9/18 Interim IFRS | 31/3/19 IFRS | 30/9/19 Interim IFRS | 31/3/20 IFRS | 30/9/20 Interim IFRS |
|---|---|---|---|---|---|---|---|---|---|
| Turnover (£m) | 20.90 | 44.54 | 23.47 | 41.51 | 18.73 | 35.55 | 13.82 | 29.72 | 11.32 |
| Turnover ps (p) | 22.24 | 47.04 | 25.46 | 43.83 | 19.73 | 37.37 | 14.22 | 30.75 | 12.11 |
| Norm EPS (p) | -0.45000 | -3.6644 | -0.44000 | -0.57860 | -0.52000 | -1.3240 | -1.3963 | -9.0408 | -1.0593 |
| PE | | | | | | | | | |
| Dividend | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Div. yield (ye) | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Dep'n & Amort (£m) | 1.00 | 5.14 | 1.26 | 2.59 | 1.23 | 3.44 | 1.30 | 8.33 | 1.81 |
| Net borrow (£m) | 3.4 | 3.5 | 8.1 | 5.9 | 7.1 | 5.0 | 7.5 | 8.1 | 7.0 |
| Int paid (£m) | -0.11 | -0.03 | -0.08 | -0.20 | -0.16 | -0.30 | -0.16 | -0.52 | -0.32 |
| Int. cover | -0.84 | -12.31 | -2.91 | -2.01 | -2.57 | -2.80 | -8.91 | -15.25 | -1.63 |
| Tax paid (£m) | 0.18 | 0.04 | 0.07 | -0.08 | -0.11 | -0.18 | -0.32 | -0.44 | 0.14 |
| Pre-tax profit (£m) | -0.20 | -2.94 | -0.31 | -1.08 | -0.57 | -1.11 | -1.54 | -9.39 | -0.25 |
| Op. margin | -0.4 | 0.9 | -1.0 | -0.9 | -2.2 | 0.7 | -10.1 | -7.5 | -4.7 |
| ROE | -1.1 | 8.0 | -1.2 | -1.7 | -1.5 | 2.8 | -4.6 | 10.5 | -5.0 |
| ROCE | -0.2 | -5.7 | -0.5 | -0.9 | -1.0 | -2.1 | -3.7 | -21.9 | -1.7 |
| Pre-tax profit ps (p) | -0.21712 | -3.1034 | -0.33527 | -1.1351 | -0.59739 | -1.1667 | -1.5815 | -9.7150 | -0.26865 |
| CAPEX (£m) | 0.24 | 0.81 | 0.65 | 1.31 | 0.28 | 0.55 | 0.10 | 0.17 | 0.08 |
| CAPEX ps (p) | 0.26 | 0.86 | 0.71 | 1.39 | 0.29 | 0.58 | 0.10 | 0.18 | 0.08 |
| FCF ps (p) | 2.289 | 2.450 | (2.081) | (0.5544) | (0.5710) | 1.351 | (0.09370) | 0.1976 | 1.757 |
| FCF (£m) | 2.151 | 2.319 | (1.918) | (0.5250) | (0.5420) | 1.285 | (0.09100) | 0.1910 | 1.642 |
| Op. cash flow (£m) | 2.521 | 3.879 | (1.117) | 1.544 | (0.1130) | 2.422 | 0.3800 | 0.9530 | 1.914 |
| Cash flow ps (p) | 2.772 | 1.974 | -3.417 | -1.673 | -1.595 | 0.06096 | -1.275 | 1.351 | 1.122 |
| Cash ps (p) | 3.14 | 2.34 | 0.00 | 0.67 | 0.00 | 0.73 | 0.00 | 2.06 | 3.26 |
| R&D ps (p) | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Quick ratio | 0.74 | 0.76 | 0.74 | 0.70 | 0.85 | 0.77 | 0.61 | 0.48 | 0.52 |
| Current ratio | 0.74 | 0.76 | 0.74 | 0.70 | 0.85 | 0.77 | 0.61 | 0.48 | 0.52 |
| Net gear inc | 9.5 | 11.1 | 25.2 | 18.4 | 22.6 | 16.5 | 26.2 | 39.0 | 35.3 |
| Gross gear inc | 17.7 | 18.1 | 25.3 | 20.4 | 22.6 | 18.8 | 26.2 | 48.6 | 50.7 |
| Gross gear ex | | | | | | | | | |
| Gross gear <1yr inc | 13.3 | 15.0 | 17.8 | 14.8 | 7.6 | 6.0 | 8.2 | 41.3 | 44.6 |
| NTAV (£m) | -8.7 | -9.2 | -8.1 | -8.3 | -8.2 | -7.3 | -8.0 | -9.3 | -9.3 |
| NAV (£m) | 35.8 | 31.7 | 32.0 | 32.1 | 31.5 | 30.1 | 28.7 | 20.9 | 19.8 |
| No. shares (av) (m) | 93.96 | 94.67 | 92.16 | 94.70 | 94.91 | 95.14 | 97.12 | 96.68 | 93.43 |
| No. shares (ye) (m) | 86.36 | 86.71 | 86.90 | 93.33 | 93.43 | 93.33 | 93.43 | 93.33 | 93.43 |

# The DIY-Investors.com Portico Investing System

# The DIY-Investors.com Portico Investing System


Jaywing (end of day) SharePad Chart: Thursday 25th March 2021 [SP = 9.75p]

## Summary & Conclusion of Module 5:

**In this fifth module, we've covered:**

1. A quick review of the Portico Portfolio
2. A detailed look at On-Balance-Volume (OBV)
3. We also looked at applying this to an example from the FTSE 350 (IP Group [**IPO**]), over a period of 11 years.
4. Then following your homework (video), we looked at the past performance of this filter (from October 2020) and also looked at the results of the same SharePad data mining filter – applied 22nd March 2021
5. Our first Case Study **(CS08)** (FireAngel Safety Technology [**FA.**]) came from the filtering exercise.
6. And our second Case Study (**CS09)** was an update on the October 2020, Module 5, Case Study (Jaywing [**JWNG**])
7. All of which brought us to this conclusion!

# The DIY-Investors.com Portico Investing System

Next time, In **Module 6**, we'll take a closer look at Volume Price Analysis and start to look at the role of News-Flow.

We'll also have another Case Study (using VPA)

And of course we'll review the Portico Portfolio

The Next Portico Investing System **(Module 6)**
will be on **Thursday 1st April 2020**
followed by **Module 7** on the **8th April 2020**.

The provisional schedule for the remaining Modules is:
Module 8: 29th April 2021
Module 9: 13th May 2021
Module 10: 27th May 2021

**Time for Q & A…**