

Glossary

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| BUY | Buy recommendation for clients for whom it is suitable |
| HOLD | Hold recommendation for clients for whom it is suitable |
| SELL | Sell recommendation for clients for whom it is suitable |
| Buy Range | The range of prices between which a Buy recommendation holds |
| Upside review point | A lower price point at which a review of the stock will be made to determine whether there has been a material change requiring a change in recommendation |
| Downside review point | An upper price point at which a review of the stock will be made to determine whether there has been a material change requiring a change in recommendation |
| Client | A client of Henderson Rowe |
| Suitable | Suitable in light of the client's requirements, circumstances and portfolio |
| Revenue, Sales, Turnover | Sales after deducting e.g. returns, discounts, excise taxes |
| Gross Profit | Sales minus Cost of Goods sold |
| Earnings Before Interest, Tax and Depreciation (EBITDA) | Profit before said deductions |
| Earnings Before Interest and Tax (EBIT) | Profit before said deductions |
| SG&A | Sales, General and Administration costs |
| Operating Profit | Profit from operations, before extraordinary items, for example on sale of subsidiary |
| Profit Before Tax (PBT) | Profit before tax is charged |
| Net Profit, Net Income | Profit after tax is charged, but before minority interests and preference dividends |
| Attributable Profit | Profit attributable to ordinary shareholders, after minorities and pref dividends |
| Earnings Per Share | Attributable profit divided by the weighted average number of shares in issue during the period |

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| Diluted Earnings Per Share | As above, but calculated assuming all options, warrants etc converted into shares |
| Assets | Anything tangible or intangible that is capable of being owned or controlled to produce value and that is held to have positive economic value is considered an asset |
| Liability | A present obligation of an enterprise, the settlement of which is expected to result in an outflow of resources embodying economic benefits |
| Net Asset Value (NAV) | Assets less liabilities |
| Net Book Value (NBV) | |
| Shareholders Funds, Shareholders' Equity, Shareholders' Capital | The balance or residual claim of shareholders to assets after deducting all liabilities |
| FCF | Free Cash Flow. Operating Cash Flow minus Capex. Cash available for distribution, financing, other investment |
| Cash Flow | Cash received or spent by a business, categorised as Cash from Operations, Investment and Finance. |
| Capex | Capital expenditure, investment in capital items used in the business. Recorded as cash flow, not a cost. |
| EPS | Earnings attributable to shareholders (profit after tax, preference dividends and minorities), divided by weighted average number of shares in issue |
| DPS | Dividend per share |
| Analysts' estimate | Many Analysts estimate financial performance of companies in the next year or further out, and publish these figures. |
| Amortisation | Reduction in value of assets to reflect their reduced worth over time, taken as a charge in the profit and loss account. |
| Cash Conversion | Ratio of Cash from Operations to Operating Profit |
| 'Enhanced' miss | When a company misses analysts estimates it is a 'miss'. Bloomberg takes analysts' track records of accuracy in making e.g. EPS forecasts and then weights the analysts estimates accordingly. If a company misses the weighted forecast by more than the unweighted average, this is called an 'enhanced' miss. |
| Bloomberg | A financial data and news provider. |
| proforma | <i>Pro forma</i> statements summarize the position of a company as if a transaction had been in place. |

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| REIT | Real Estate Investment Trust |
| ROCE | Return on Capital Employed. Profit before interest, tax, depreciation and amortisation divided by the Capital Employed (Debt + Prefs + Equity) in the business. A measure of the effectiveness of the use of assets before financing. |
| ROE | Return on Equity. Attributable Profit divided by Equity, a measure of the return to assets after including all financing. |
| ROIC | Return on Invested Capital. After Tax Operating Profit divided by Net Invested Capitale. |
| IRR | The Internal Rate of Return on an investment or project is the annualised effective compounded return rate. It is used to evaluate the desirability of a project. A high IRR is preferable to a low IRR. |
| Net Invested Capital | The sum of Shareholders' Equity + Current and Non Current portions of Notes Payebale and Long Term Debt - Cash and Cash Equivalents |
| H1 | First half of a company's financial year |
| H2 | Second half of a company's financial year |
| FY | A company's full financial year |
| Share | A unit of ownership in a company or financial asset |
| EMEA | Europe, Middle East and Africa |
| MISSAT | Mexico, Indonesia, Singapore, South Africa and Turkey |
| DOE | Department of Energy |
| OEM | Original Equipment Manufacturer |
| OMT (Outright Monetary Transactions) | European Central Bank's purchases ("outright transactions") in secondary, sovereign bond markets, under certain conditions, of 1 - 3 year bonds issued by Eurozone member-states. The purpose is to reduce long term yields to maintain confidence in the Euro. |
| QE (Quantitative Easing) | Central Bank buying of financial assets from commercial banks and other private institutions, thus creating money and injecting a pre-determined <i>quantity</i> of money into the economy. Distinct from buying government bonds to change money supply and interest rates. |
| VORR (Value of Rate of Return) | The ratio of the money value of the Cost of Capital divided by the money value of the Return on Invested Capital (effectively EBIT). This comparison allows us to see whether a company is covering its financing costs. The higher the value, the more expensive the stock. But it is a snapshot, and high values may reflect expectations of higher profits in the future. |

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| VSAT (Very Small Aperture Terminal) | A two-way satellite ground station with a dish antenna less than 3 metres. Data rates typically 56kbits/sec to 4 Mbits/sec. Used to transmit narrowband (e.g. point of sale transaction) and broadband (e.g. internet) data in remote or maritime locations. |
| Spectrum | A range of frequencies of electromagnetic waves |
| ARPU | Average Revenue per User, used by most telecomms companies |
| Annuity | A continuing payment with a fixed (or indexed) total annual amount. |
| Organic growth | Growth excluding the effect of acquisitions and disposals |
| bit | a unit of information |
| kbits/sec | Thousand bits per second |
| Mbits/sec | Million bits per second |
| Ku band | 12-14 GHz - Ku band VSATs are the majority of sites for data or telephony applications. 'K-under', i.e. under the K (Kurz) band. |
| K band | 18-26.5 GHz. Used for radar and satellite communications |
| Ka band | 26.5-40 GHz. High capacity and performance, allowing higher bandwidth communications. Used in FSS VSAT systems. 'K-above' |
| FSS | Fixed Satellite Systems |

