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What the world thinks

BDO

QCA/BDO Small and Mid-cap Sentiment Index

WAVE 16, MARCH 2016

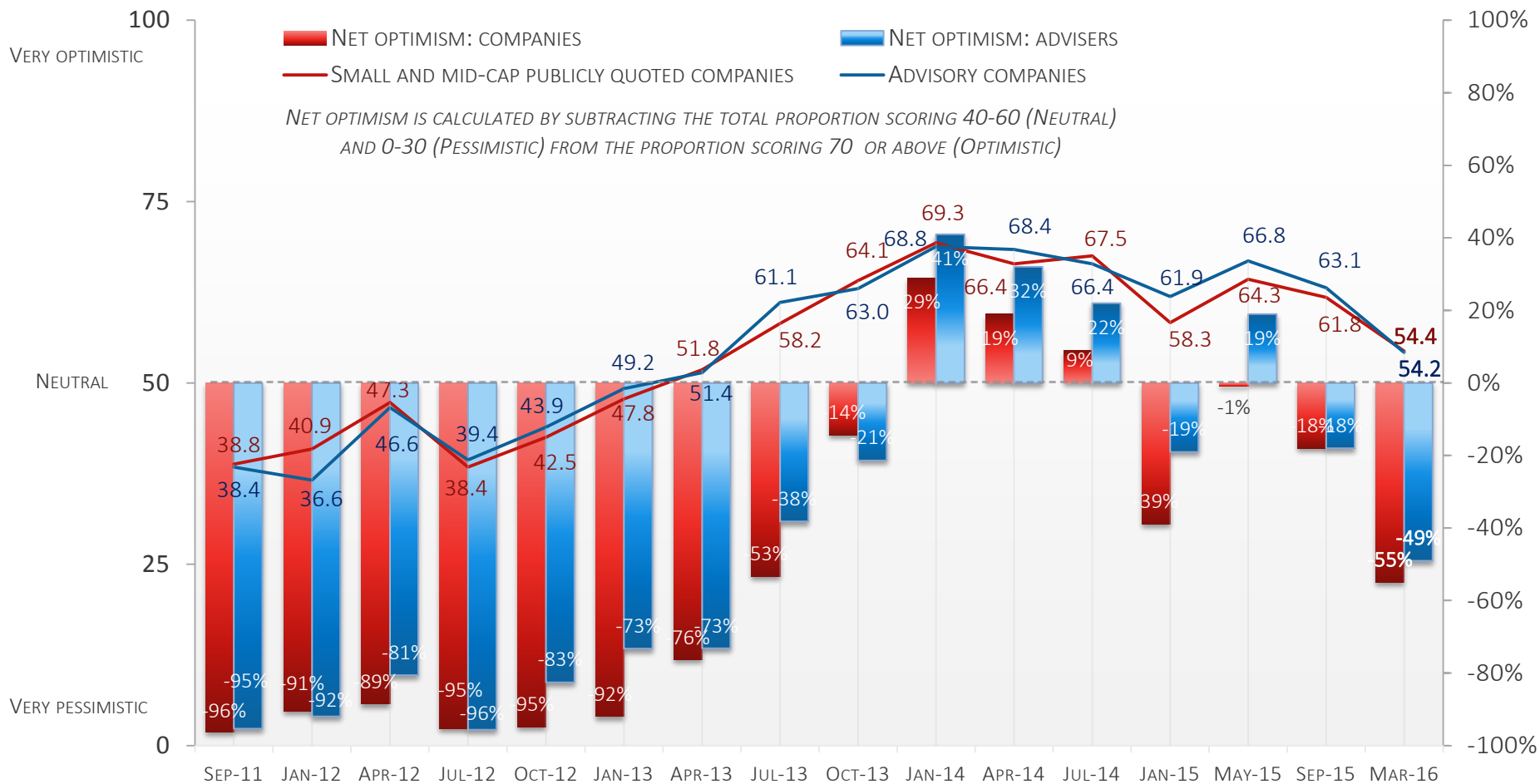
**QUOTED
COMPANIES
ALLIANCE**

Background

- 182 interviews conducted between 04/03/16 and 21/03/16.
- 113 from small and mid-cap UK quoted companies, 69 from advisory companies.
- Methodology: This survey has been conducted using an online interview administered to members and associates of the QCA. An email was sent to the QCA database, inviting them to take part in the survey and providing a link to it. A link to the survey was also circulated by the QCA and BDO to their contacts. The sample definition is "small and mid-cap UK quoted companies and advisory companies". The responding sample is weighted by industry to be representative of small and mid-cap UK quoted companies, as derived from London Stock Exchange data, but the advisory companies are not weighted in any way.
- Note: Where the percentages for a chart are calculated on bases fewer than 50 respondents these must not be reported as they do not represent a wide enough cross-section of the target population to be considered statistically reliable. These questions and figures will be italicised.

How optimistic or pessimistic do you feel about the UK economy over the coming 12 months?

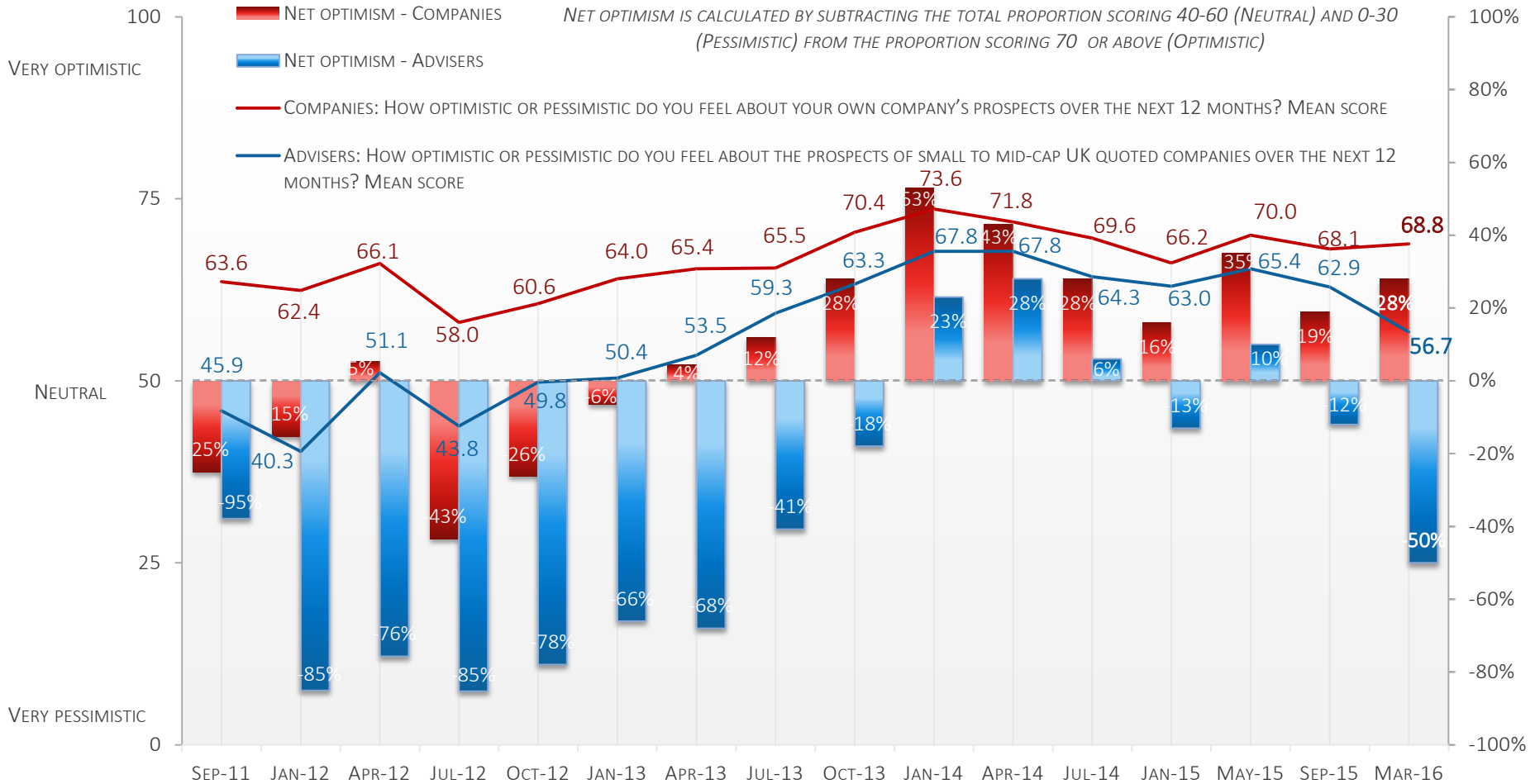
Mean scores (where 0 represents 'very pessimistic', 50 'neutral' and 100 'very optimistic')



BASE: SEP 11: 100; JAN 12: 150; APR 12: 132; JUL 12: 136; OCT 12: 114; JAN 13: 137; APR 13: 125; JUL 13: 113; OCT 13, 133; JAN 14, 127; APR 14, 107; JUL 14, 119; JAN 15, 133; MAY 15, 133; SEP 15, 125; MAR 16, 113 SMALL AND MID-CAP PUBLICLY QUOTED COMPANIES;
 SEP 11: 64; JAN 12: 87; APR 12: 103; JUL 12: 68; OCT 12: 86; JAN 13: 112; APR 13: 97; JUL 13: 76; OCT 13, 89; JAN 14, 88; APR 14, 73; JUL 14, 78; JAN 15, 69; MAY 15, 73; SEP 15, 92;
 MAR 16, 69 ADVISORY COMPANIES

Optimism/Pessimism toward business prospects.

Mean scores (where 0 represents 'very pessimistic', 50 'neutral' and 100 'very optimistic')

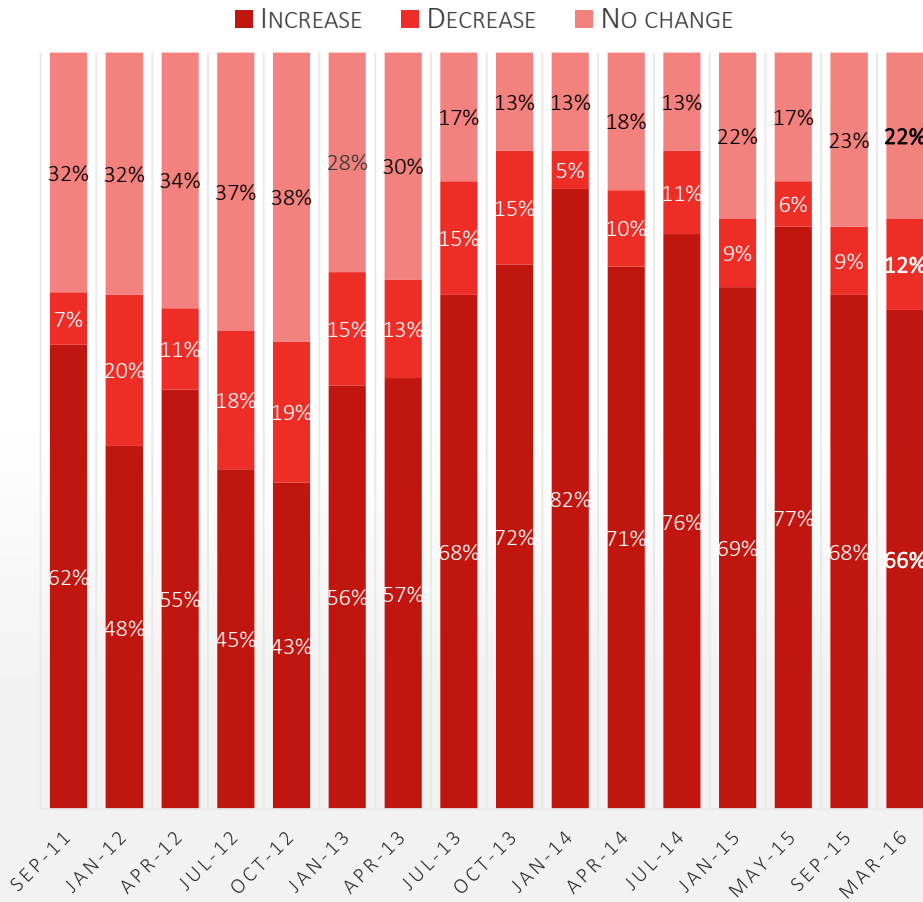


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 MAR 16, 69 ADVISORY COMPANIES

Expectations regarding job growth

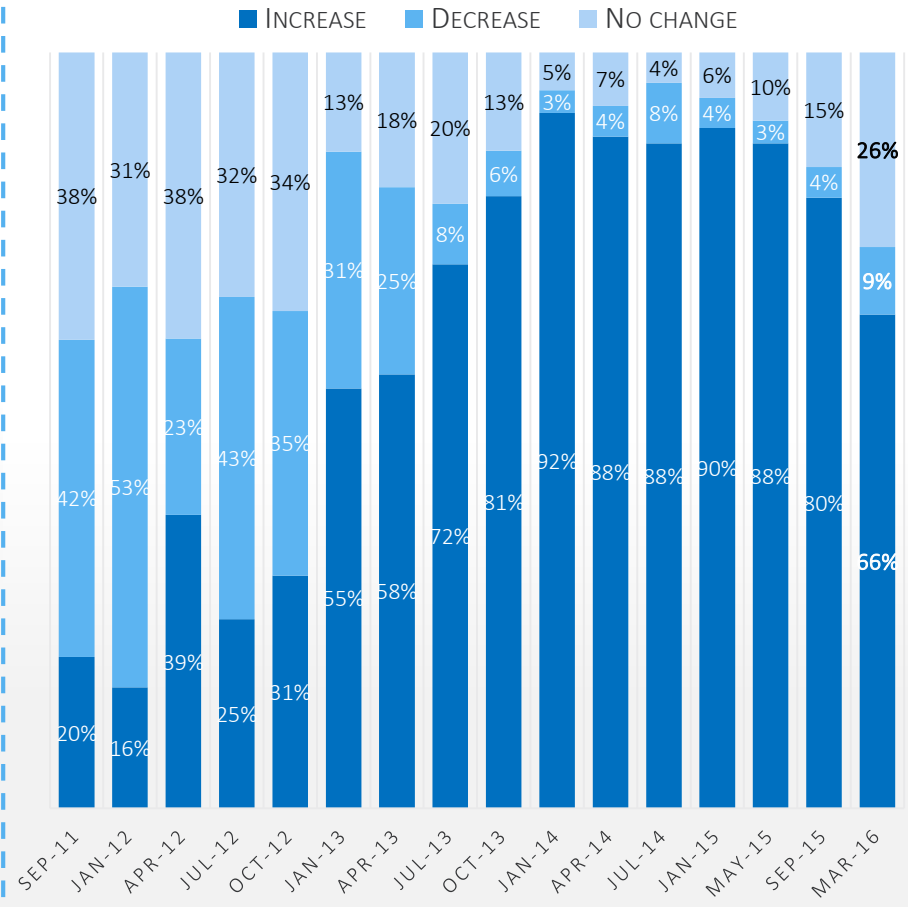
SMALL AND MID-CAP PUBLICLY QUOTED COMPANIES

DO YOU EXPECT THE NUMBER OF FULL TIME EMPLOYEES IN YOUR BUSINESS TO INCREASE OR DECREASE OVER THE NEXT 12 MONTHS?



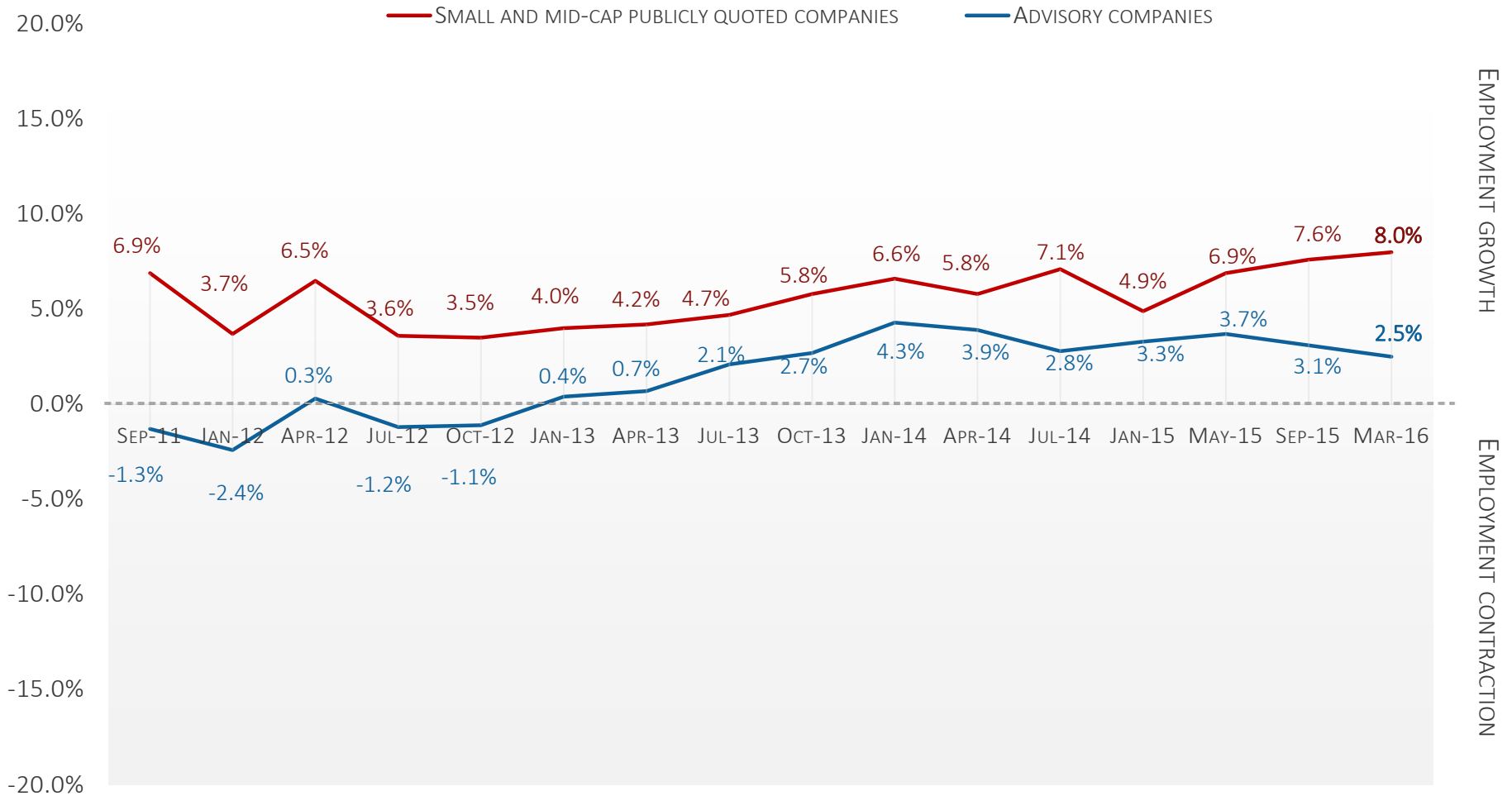
ADVISORY COMPANIES

DO YOU EXPECT THE NUMBER OF FULL TIME EMPLOYEES IN SMALL TO MID-CAP UK QUOTED COMPANIES TO INCREASE OR DECREASE OVER THE NEXT 12 MONTHS?



BASE: SEP 11: 100; JAN 12: 150; APR 12: 132; JUL 12: 136; OCT 12: 114; JAN 13: 137; APR 13: 125; JUL 13: 113; OCT 13, 133; JAN 14, 127; APR 14, 107; JUL 14, 119; JAN 15, 133; MAY 15, 133; SEP 15, 125; MAR 16, 113 SMALL AND MID-CAP PUBLICLY QUOTED COMPANIES;
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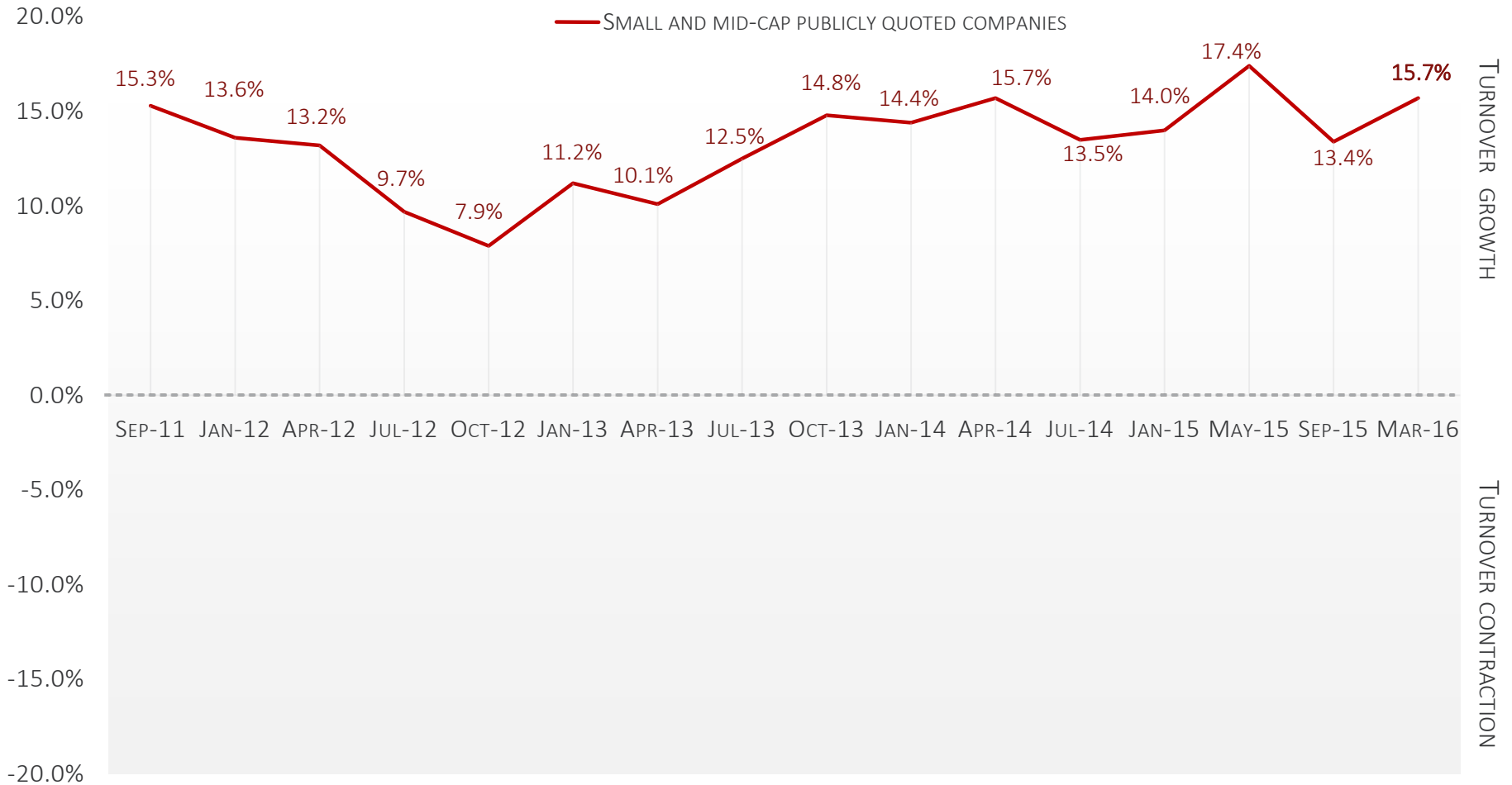
Expectations regarding job growth: Mean expected employment change over the next 12 months



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Expectations regarding turnover: Mean expected turnover change over the next 12 months

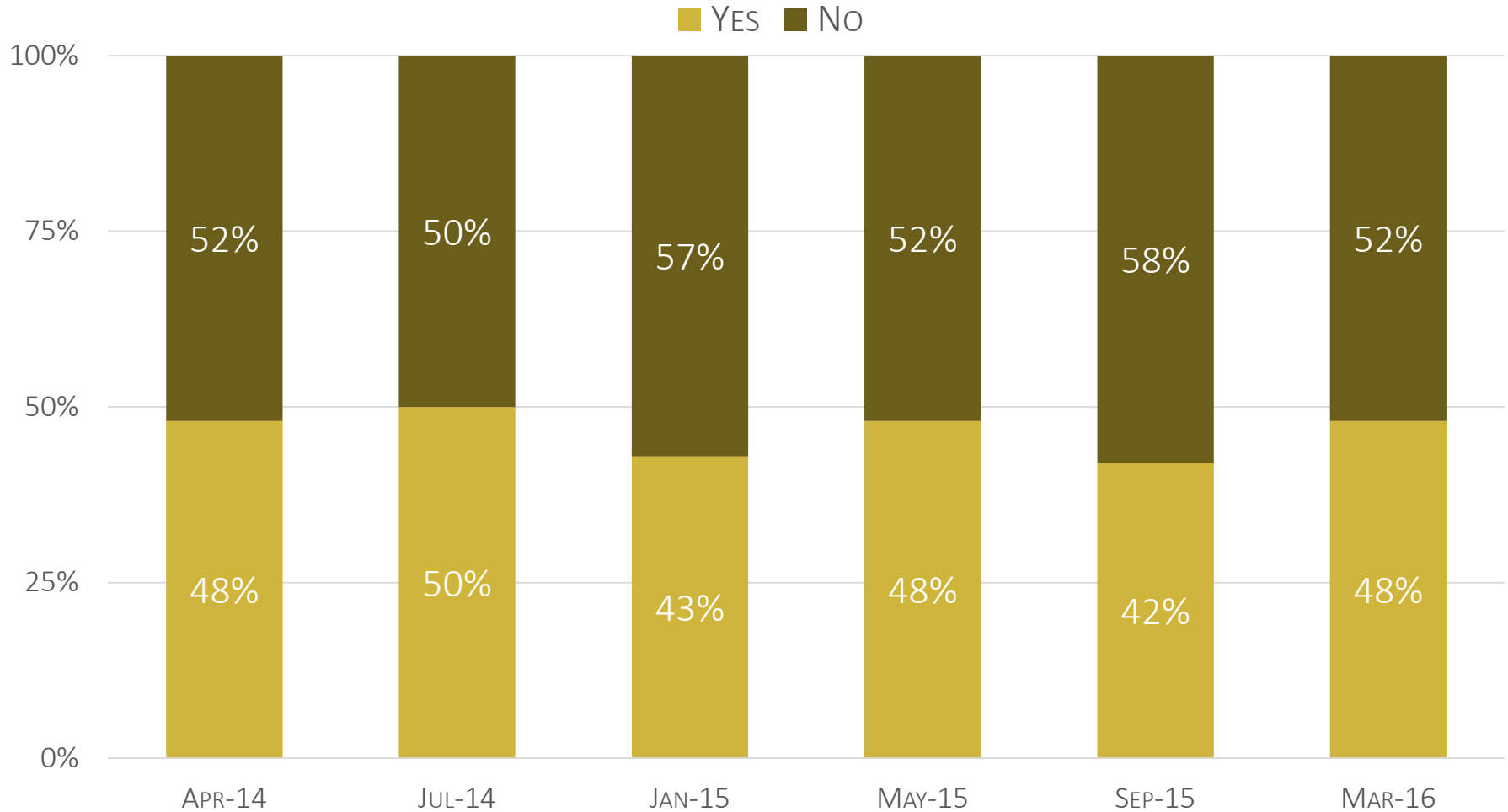
Small and mid-cap companies only (not asked to advisers)



BASE: SEP 11: 100; JAN 12: 150; APR 12: 132; JUL 12: 136; OCT 12: 114; JAN 13: 137; APR 13: 125; JUL 13: 113; OCT 13, 133; JAN 14, 127; APR 14, 107; JUL 14, 119; JAN 15, 133; MAY 15, 133; SEP 15, 125; MAR 16, 113 SMALL AND MID-CAP PUBLICLY QUOTED COMPANIES

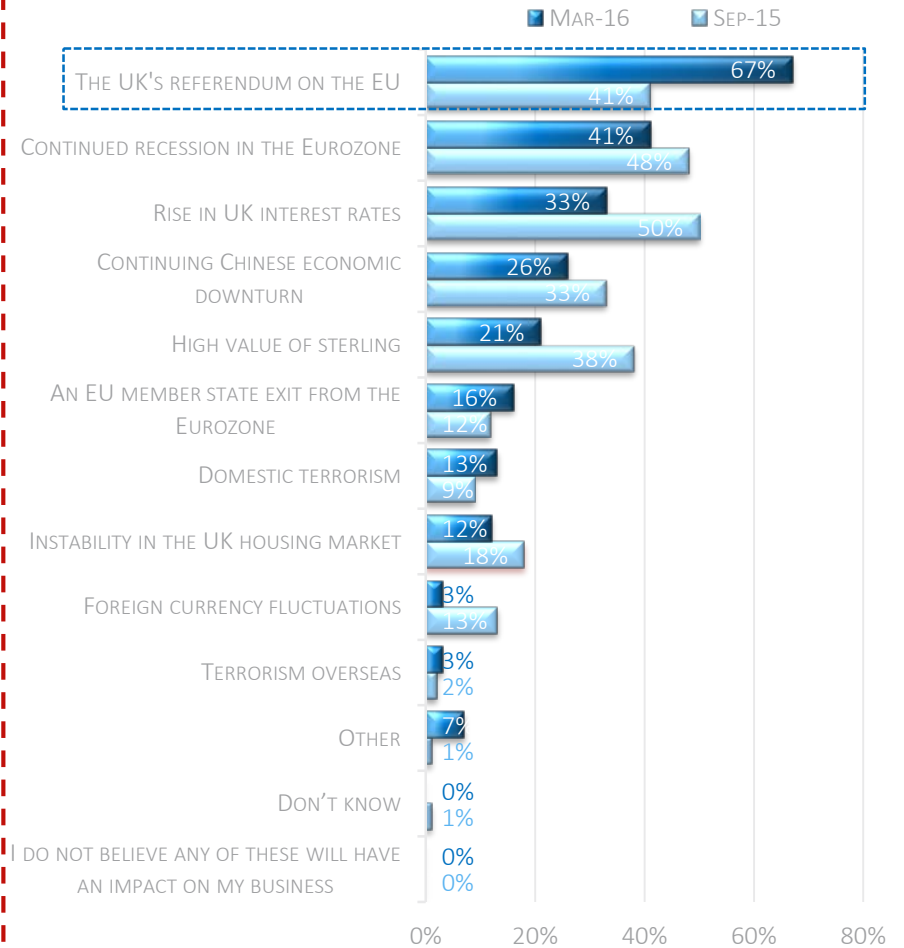
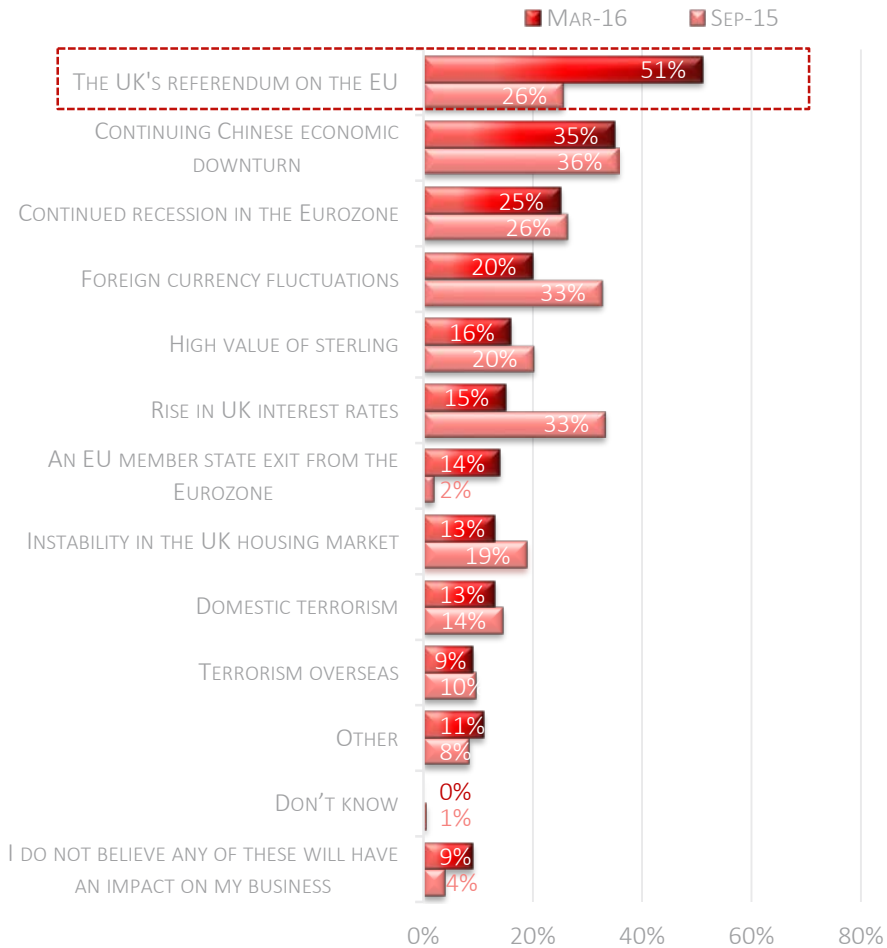
Raising capital for small and mid-caps

ARE YOU CONSIDERING RAISING CAPITAL FOR YOUR COMPANY IN THE NEXT 12 MONTHS?



External shocks most feared

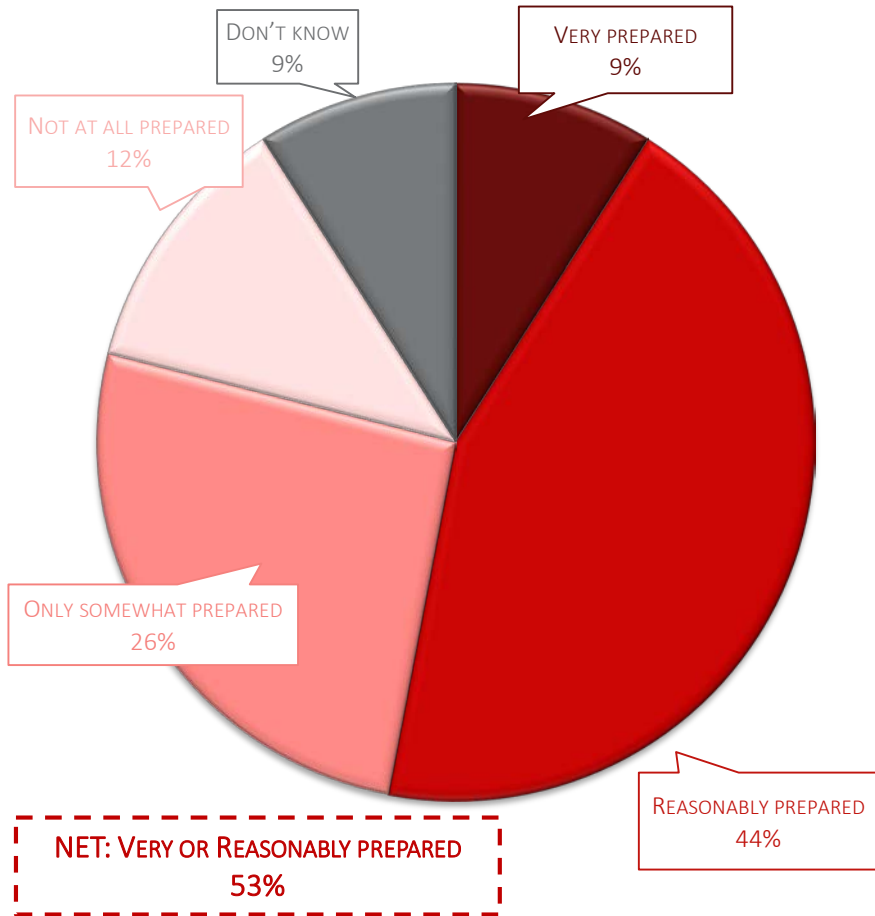
WHICH OF THE FOLLOWING EXTERNAL SHOCKS OR EVENTS, IF ANY, DO YOU THINK POSE THE GREATEST POTENTIAL RISK TO YOUR BUSINESS/SMALL AND MID-CAP UK QUOTED COMPANIES?



Preparation for Brexit

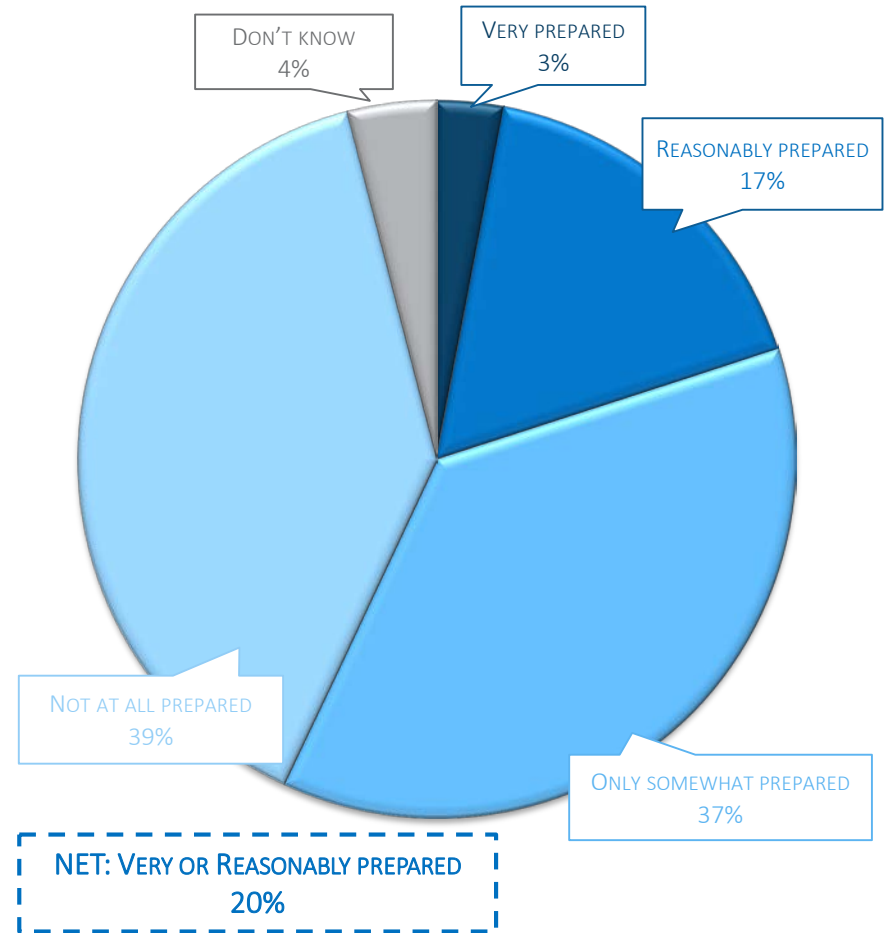
COMPANIES

HOW PREPARED IS YOUR BUSINESS SHOULD THE UK VOTE TO LEAVE THE EUROPEAN UNION?



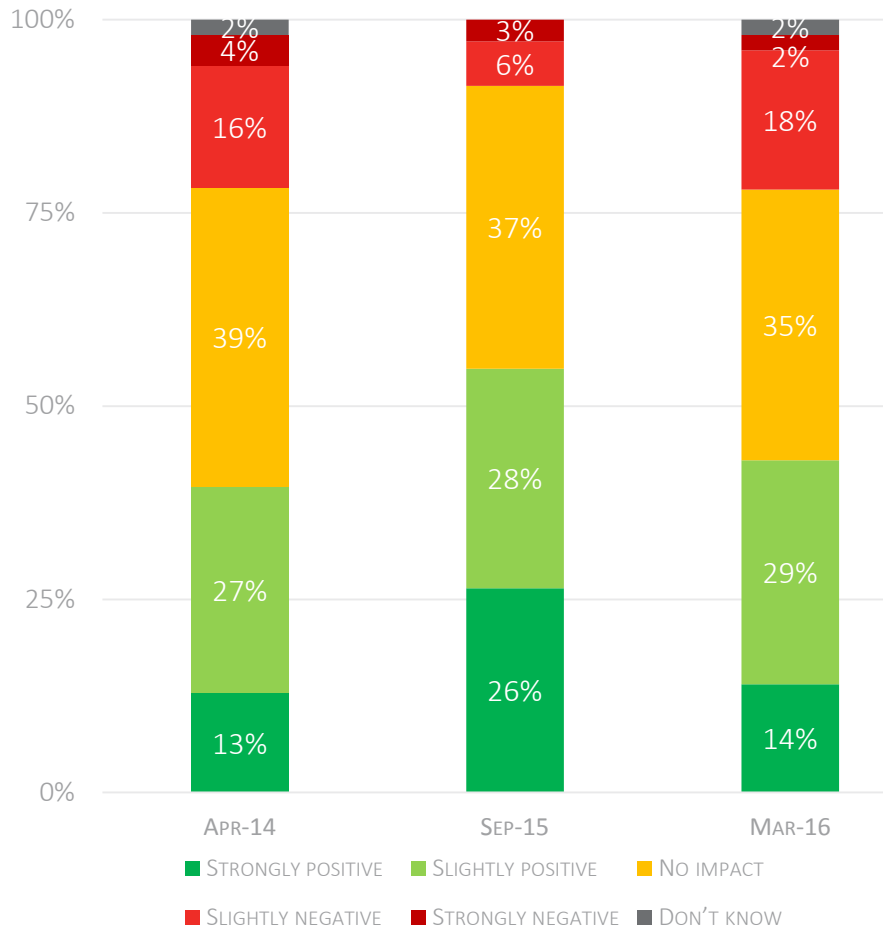
ADVISERS

HOW PREPARED DO YOU THINK SMALL AND MID-CAP UK QUOTED COMPANIES ARE SHOULD THE UK VOTE TO LEAVE THE EUROPEAN UNION?

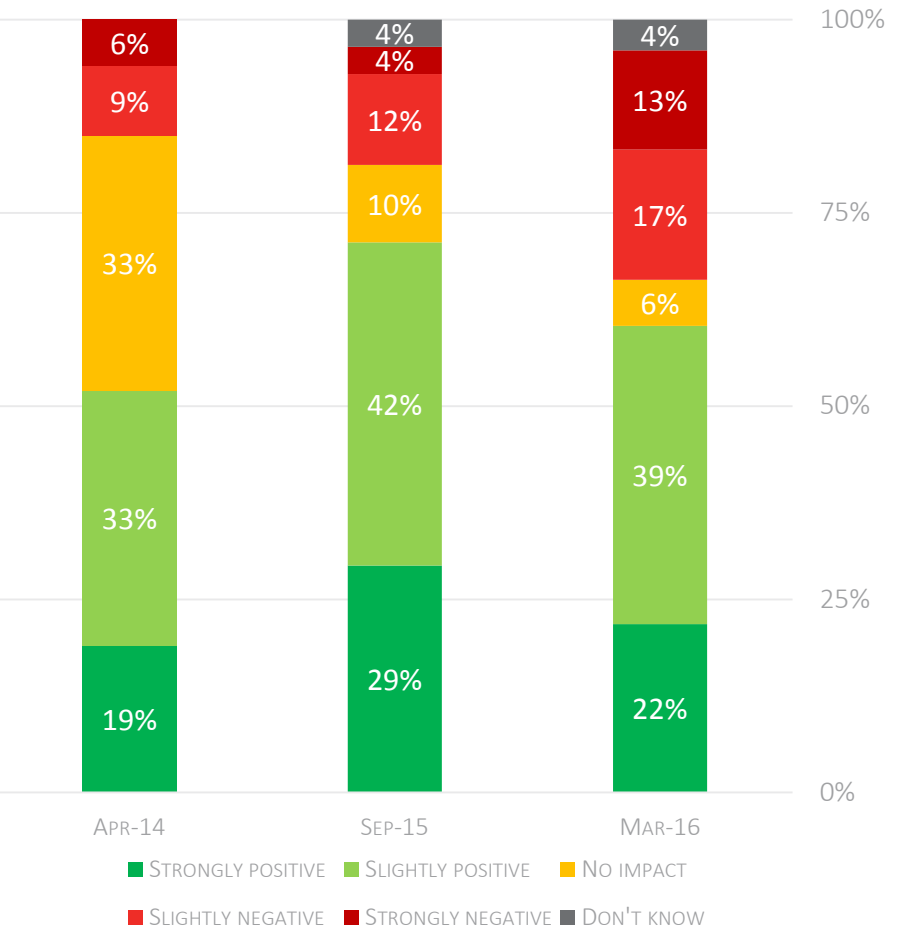


Impact of UK's membership of the European Union

HOW WOULD YOU DESCRIBE THE IMPACT ON YOUR BUSINESS OF THE UK'S MEMBERSHIP OF THE EUROPEAN UNION? - **COMPANIES**

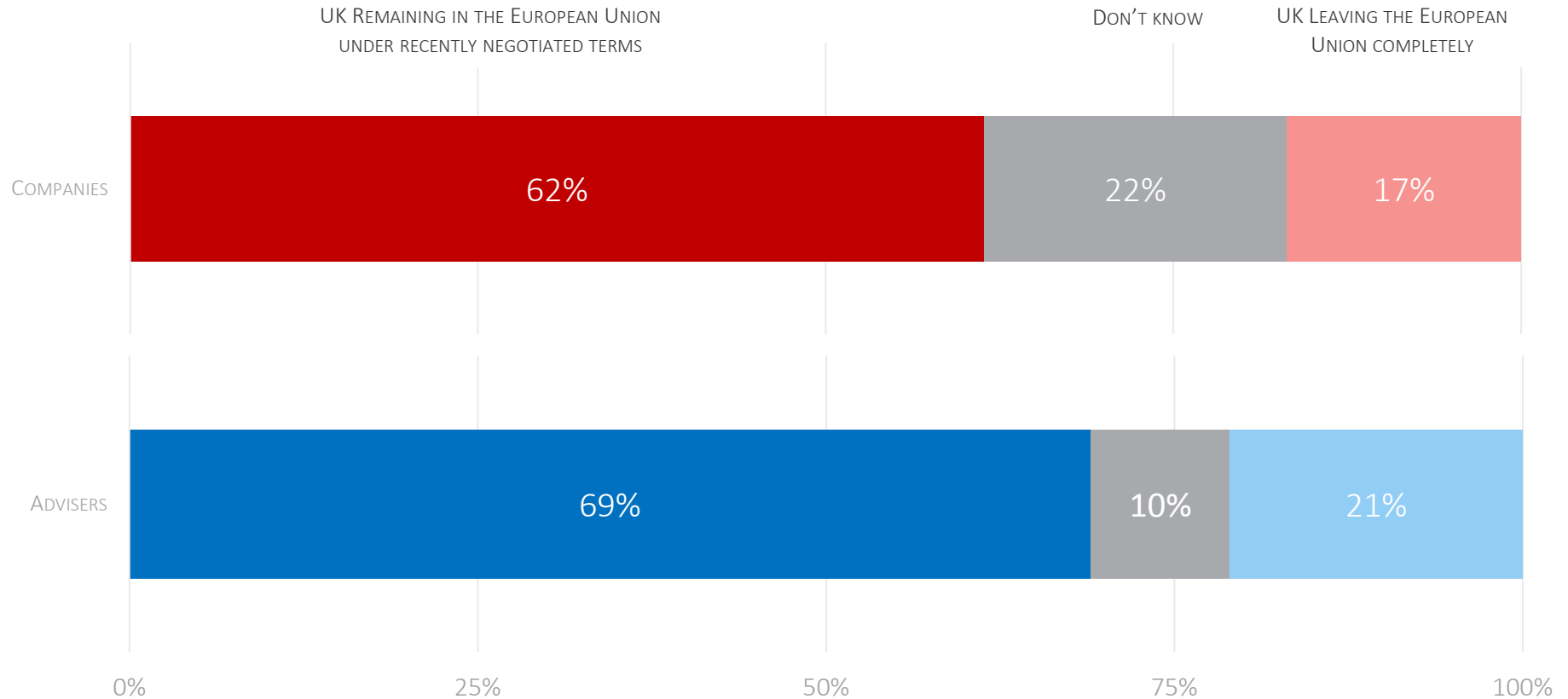


HOW WOULD YOU DESCRIBE THE IMPACT ON SMALL AND MID-CAP UK QUOTED COMPANIES OF THE UK'S MEMBERSHIP OF THE EUROPEAN UNION? - **ADVISERS**



European scenario most beneficial to small and mid-cap businesses

WHICH OF THE FOLLOWING SCENARIOS DO YOU FEEL WOULD BE MOST BENEFICIAL TO YOUR BUSINESS / SMALL AND MID-CAP BUSINESSES LISTED IN LONDON?





QCA/BDO Small and Mid-cap Sentiment Index Wave 16, March 2016

