



Who Are PCG Entertainment Plc's (LON:PCGE) Major Shareholders?

by Peter Marris | October 10, 2018

The big shareholder groups in PCG Entertainment Plc ([LON:PCGE](#)) have power over the company. Generally speaking, as a company grows, institutions will increase their ownership. Conversely, insiders often decrease their ownership over time. I quite like to see at least a little bit of insider ownership. As Charlie Munger said 'Show me the incentive and I will show you the outcome.'

With a market capitalization of £461m, PCG Entertainment is a small cap stock, so it might not be well known by many institutional investors. Our analysis of the ownership of the company, below, shows that institutional investors have bought into the company. Let's take a closer look to see what the different types of shareholder can tell us about PCGE.

[see our latest analysis for PCG Entertainment](#)



AIM:PCGE Ownership Summary October 10th 18

What Does The Institutional Ownership Tell Us About PCG Entertainment?

Many institutions measure their performance against an index that approximates the local market. So they usually pay more attention to companies that are included in major indices.

As you can see, institutional investors own 5.3% of PCG Entertainment. This implies the analysts working for those institutions have looked at the stock and they like it. But just like anyone else, they could be wrong. It is not uncommon to see a big share price drop if two large institutional investors try to sell out of a stock at the same time. So it is worth checking the past earnings trajectory of PCG Entertainment, (below). Of course, keep in mind that there are other factors to consider, too.



AIM:PCGE Income Statement Excerpt October 10th 18

PCG Entertainment is not owned by hedge funds. As far I can tell there isn't analyst coverage of the company, so it is probably flying under the radar.

Insider Ownership Of PCG Entertainment

The definition of company insiders can be subjective, and does vary between jurisdictions. Our data reflects individual insiders, capturing board members at the very least. Company management run the business, but the CEO will answer to the board, even if he or she is a member of it.

Insider ownership is positive when it signals leadership are thinking like the true owners of the company. However, high insider ownership can also give immense power to a small group within the company. This can be negative in some circumstances.

It seems insiders own a significant proportion of PCG Entertainment Plc. It has a market capitalization of just UKE1m, and insiders have UKE149k worth of shares in their own names. I would say this shows alignment with shareholders, but it is worth noting that the company is still quite small; some insiders may have founded the business. You can [click here to see if those insiders have been buying or selling](#).

General Public Ownership

The general public, mostly retail investors, hold a substantial 81% stake in PCGE, suggesting it is a fairly popular stock. With this size of ownership, retail investors can collectively play a role in decisions that affect shareholder returns, such as dividend policies and the appointment of directors. They can also exercise the power to decline an acquisition or merger that may not improve profitability.

Next Steps:

While it is well worth considering the different groups that own a company, there are other factors that are even more important.

I like to dive deeper into how a company has performed in the past. You can find [historic revenue and earnings in this detailed graph](#).

Of course **this may not be the best stock to buy**. So take a peek at this [free list of interesting companies](#).

NB: Figures in this article are calculated using data from the last twelve months, which refer to the 12-month period ending on the last date of the month the financial statement is dated. This may not be consistent with full year annual report figures.

To help readers see past the short term volatility of the financial market, we aim to bring you a long-term focused research analysis purely driven by fundamental data. Note that our analysis does not factor in the latest price-sensitive company announcements.

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