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AFH Financial Group Plc
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AFH FINANCIAL GROUP PLC
("AFH" or the "Company")

**ACQUISITION OF INDEPENDENT FINANCIAL SERVICES (U.K.) LIMITED
LARGEST ACQUISITION TO DATE**

The Board of AFH, a leading financial planning led investment management firm, is pleased to announce the acquisition of Independent Financial Services (U.K.) Limited ("IFS"), a national firm of IFAs based in Stroud, Gloucestershire, which was completed on 30 April 2015 (the "Acquisition"). This acquisition marks the Company's largest to date.

IFS is AFH's tenth acquisition since its June 2014 AIM listing taking the Company's total FUM to approximately £1.7 billion. IFS has 35 Independent Financial advisers and numerous national Affinity Group relationships.

For the year ended 28 February 2015, IFS's revenue amounted to £3.09 million, of which £2.6m was recurring, and profit before tax amounted to £0.23 million. The net assets of IFS as at 28 February 2015 were £0.24 million.

Under the terms of the Acquisition, the maximum consideration payable by AFH is £4.1 million based on the performance of IFS over the next 30 months and it is estimated that a further £500,000 of restructuring and integration costs will be incurred by AFH in the current financial year.

The consideration of the Acquisition is to be satisfied through a combination of cash and the issue of new ordinary shares in AFH (the "Consideration Shares") over the 30 month earn out period. The initial consideration has been satisfied by a cash payment upon completion of £450,000, funded from the Company's existing cash resources.

Further deferred consideration of up to £3.65 million will be payable, 50% in cash and 50% in Consideration Shares. These are to be issued at the average market price of the 5 business days prior to each payment date over the next 32 months in three tranches and dependent upon set performance criteria of IFS over the period.

Commenting, Alan Hudson, Chief Executive of AFH, said:

"Today's acquisition signifies another key milestone as both our largest to date and our first of a national firm, taking our total estimated FUM to £1.7 billion.

Independent Financial Services represents a significant paper-based transaction with protection for existing investors against excessive dilution and provides excellent geographical synergy to the Company's current advisers. We look forward to welcoming all new joiners as we head into another progressive period."

Enquiries:

AFH Financial Group PLC

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Alan Hudson, Chief Executive Officer

Paul Wright, Chief Financial Officer

www.afhfinancialgroup.com

01527 577

Allenby Capital Limited

5656

(Nominated Adviser and Broker)

Nick Naylor

Chris Crawford

Nick Athanas

020 3328

Yellow Jersey PR Limited

739

Dominic Barretto

Kelsey Traynor

07768 537

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