

AFH Fin Group Plc

Acquisition

RNS Number : 7784G
AFH Financial Group Plc
01 June 2017

1 June 2017

AFH FINANCIAL GROUP PLC

("AFH" or the "Company")

ACQUISITION OF PARKER SAGE INDEPENDENT FINANCIAL ADVISERS LIMITED

The Board of AFH, a leading financial planning led wealth management firm, is pleased to announce the acquisition of the entire issued share capital of Parker Sage Independent Financial Advisers Limited ("Parker Sage"), an IFA providing independent financial advice in Canary Wharf, London and the northern home counties, which was completed on 31 May 2017 (the "Acquisition"). As a result of the Acquisition, Jon Clifton, Andrew Smith, Tony Goody have joined the AFH Group.

Under the terms of the Acquisition, the purchase price is £4.5m which may be increased to a maximum consideration payable by AFH of £5.6 million, based on a targeted increase in the profitability of Parker Sage over the next 24 months.

The initial consideration for the Acquisition is to comprise £1.875m in cash, funded from the Company's existing cash resources, and £375,000 of ordinary shares in AFH based on the average midmarket share price of AFH ordinary shares over the last five trading days. The ordinary shares to be issued pursuant to the Acquisition are expected to be admitted to trading on 7 June 2017.

Further deferred consideration of up to £3.35m in cash will be payable over the next 24 months in two tranches, dependent upon the performance of Parker Sage Advisers over the period being satisfied.

For the 12 month period ended 31 August 2016 Parker Sage generated revenue of £2.2m of which £1.5m was recurring, and reported profit before tax of £1.2m. On the basis of trading since September 2016 the Company estimates that ongoing revenues could exceed £3m per annum in the 12 month period to September 2017.

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

"The acquisition of Parker Sage is our seventh IFA acquisition this year and will be integrated in line with our established model to enhance shareholder value during the current financial year. Parker Sage's directors are very successful advisers who share both our values and vision for the future of the sector. I look forward to working with them in many years to come."

Enquiries:

AFH Financial Group PLC 01527 577 775

Alan Hudson, Chief Executive Officer

Paul Wright, Chief Financial Officer

www.afhfinancialgroup.com

Liberum (Nominated Adviser and Broker) 020 3100 2000

John Fishley/Richard Bootle

This information is provided by RNS
The company news service from the London Stock Exchange