

RNS Number : 8690Q
AFH Financial Group Plc
03 March 2016

**AFH Financial Group PLC
("AFH", or the "Company")**

AGM Statement

**Strong Recurring Revenues with Gross Margins maintained above 50%
Robust Balance Sheet and Pipeline of Prospective and Select Acquisitions**

At the Company's Annual General Meeting ("AGM"), to be held at 11:00am today at AFH House, Buntsford Drive, Stoke Heath, Bromsgrove B60 4JE, John Wheatley, Chairman of AFH, will update shareholders with the following statement:

"As reported in the audited results released on 25 January 2016, I am pleased to confirm that the Company's core business continues to perform in line with trading levels experienced during the second half of 2015. The Board is also pleased to report that, in spite of the recent stock market turbulence, recurring revenue continues to remain strong as a result of the inflow of new funds during the period and the relatively conservative investment approach taken for our clients. As in 2015, gross margins remain above the 50% level.

In December last year, the Company completed a fundraising of £6.37 million through a placing and subscription at a price of 165p per share. The net proceeds of the fundraising, estimated to be £6.16 million, are to be applied by the Company to fund the purchase of further IFA companies and the working capital requirements of the enlarged organisation.

During the first quarter of the current financial year, the Company made deferred payments, based on trading performance, of £1.6m in respect of acquisitions completed in previous periods. This represented an average of 94% of the maximum consideration payable across those acquisitions.

I am pleased to report that both the Company's balance sheet, and pipeline of prospective acquisitions, remains strong and further selective acquisitions are anticipated during the current financial year. As at 1st March the Company had cash balances of £8.0m of which £1.7m represented capital requirements for our authorised businesses. The Directors remain confident that the Group is well positioned to take advantage of market opportunities as they arise."

Enquiries:

**AFH Financial Group PLC
775**

01527 577

Alan Hudson, Chief Executive Officer
Paul Wright, Chief Financial Officer
www.afhfinancialgroup.com

**Allenby Capital Limited
5656**

020 3328

(Nominated Adviser and Broker)
Nick Naylor
Chris Crawford

Nick Athanas

Yellow Jersey PR Limited

739

Dominic Barretto

Aiden Stanley

07768 537

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