

DJ AFH Financial Group Interim Results

TIDMAFHP

Interim Results

GB00B4W5WQ08

31 July 2012

AFH FINANCIAL GROUP PLC
("AFH" or the "Company")

INTERIM RESULTS

The Directors of AFH, a leading Independent Financial Advisory ("IFA") firm and PLUS-SX Newcomer of the Year 2012, are pleased to report on the Company's Interim Results ended 30 April 2012, a period which has seen significant growth achieved by all operations throughout AFH.

Group highlights:

- * Increased like-for-like revenues up 20% to GBP3,098,183 (2011:GBP2,582,051)
- * Recurring income increased by 29%
- * EBITDA GBP262,248
- * Strong balance sheet with net assets of GBP11,500,000 and cash of GBP1,100,000 with no bank debt
- * Adviser numbers up 66% from 53 at flotation to 88 today
- * 5 acquisitions completed during the period and 8 completed since flotation
- * AFH voted as PLUS-SX Newcomer of the Year 2012 at the PLUS Awards

Main operating business (AFH Independent Financial Services Ltd) highlights

- * EBITDA GBP443,874, up 13% (2011: GBP391,620)
- * Profit before tax GBP437,641, up 14% (2011: GBP384,987)
- * Recurring income at 50% of revenue

Commenting on the Interim Results, Alan Hudson, Chairman and CEO of AFH said:

"We are pleased with our first half performance. Operationally, the Group has grown significantly in the period since flotation on 23 June 2011.

"We have strengthened our management team considerably with the appointments of a Sales Director, Business Development Director, Compliance Director, Finance Director, Technical Director and HR Manager. We have also increased our administrative support to ensure that we could integrate pending acquisitions.

"Despite increased costs, market volatility and a reduction in adviser productivity due to taking exams, the group remains profitable, cash generative and extremely well placed to take advantage of changes in the sector as a result of the Retail Distribution Review which comes into effect on 31 December 2012. Our growth is such that historic figures are not reflective of the business and its current financial performance.

"We expect to report stronger second half performance and improving results as new advisers and recent acquisitions start to contribute. We will continue to develop the business in line with the strategy set out at the time of our listing through both organic and acquisitive growth. I would like to thank the team and of course shareholders for their continued effort and support".

The directors of AFH Financial Group PLC are responsible for the content of this announcement

Enquiries:

AFH Financial Group PLC 01527 577 775
Alan Hudson, Chairman and Chief Executive
www.afhifs.co.uk

St Helens Capital Partners LLP 020 7368 6959
Mark Anwyl or Duncan Vasey

Yellow Jersey PR Limited 07768 537 739
Dominic Barretto or Harry Fielder

Chairman and CEO Statement

I am delighted to report on the Company's Interim Results, a period which has seen significant growth achieved by all operations throughout AFH.

The Company is a specialist IFA serving the mass affluent and high net worth market, focussed on providing unbiased advice on a comprehensive range of financial products. AFH's advisory services encompass discretionary and advisory investment management, pensions, tax and financial planning, mortgages and protection products. The Company now has 88 financial advisers and has extended its geographical reach, which is in line with our strategy to become a national IFA, headquartered in Bromsgrove. We are moving to

new offices in September 2012, also in Bromsgrove, taking 14,000sqft, up from our current offices of 6,000sqft to accommodate our growth, which is accelerating.

Financials

In the period under review, like-for-like revenues rose by 20% to GBP3,098,183 (2011: GBP2,582,051). Like-for-like PBT for our principal operating subsidiary, AFH Independent Financial Services Ltd was GBP437,641, up 14% (2011: GBP384,987). Recurring income, which is not reliant upon new business, was up 29% to GBP1,545,748, and represents 50% of our total revenue.

Gross margins have been maintained at 50% however we have increased overheads in advance of new advisers being recruited and the integration of acquisitions. This has proved to be the right course of action given the 5 acquisitions made during the period and the significant increase in adviser numbers. Administration overheads rose from 34% to 42% of turnover and recruitment and IT costs are up 180% and 28% respectively.

Adviser numbers increased by 31% during the period and 66% from flotation until now. Recruitment activity is gathering pace, albeit that the Directors remain only interested in selecting quality and complementary advisers. Funds under management continue to grow and amount currently to GBP480,000,000.

The Retail Distribution Review (RDR)

The Group will be RDR ready, with all but 3 of our advisers on schedule to be a minimum of Diploma qualified by the end of the year. In all other respects we are ready for its implementation.

The sector's rationalisation and consolidation continues to gather pace and we expect to be a major beneficiary of industry change.

AFH FINANCIAL GROUP PLC

CONSOLIDATED PROFIT AND LOSS ACCOUNT

FOR THE PERIOD ENDED 30 APRIL 2012

Period ended	Period ended
30 April 2012	30 April 2011

	GBP	GBP
Turnover	3,098,183	2,582,051
Cost of sales	(1,533,570)	(1,288,416)
	-----	-----
Gross profit	1,564,613	1,293,635
Administrative expenses	(1,375,971)	(957,078)
	-----	-----
Operating profit	188,642	336,557
Other interest receivable and similar income	10,380	9
Interest payable and similar charges	(5,625)	(6,753)
	-----	-----
Profit on ordinary activities before taxation	193,397	329,813
Tax on profit on ordinary activities	(53,383)	(99,059)
	-----	-----
Profit on ordinary activities after taxation	140,014	230,754
	-----	-----
EBITDA	262,248	416,094

The profit and loss account has been prepared on the basis that all operations are continuing operations.

There are no recognised gains and losses other than those passing through the profit and loss account.

AFH FINANCIAL GROUP PLC

BALANCE SHEETS

AS AT 30 APRIL 2012

	Group		Company	
	2012	2011	2012	2011
	GBP	GBP	GBP	GBP
Fixed assets				
Intangible assets	11,517,224	851,629	-	-
Tangible assets	69,047	55,405	-	-
Investments	514	828,340	9,620,464	-
	-----	-----	-----	-----
	11,586,785	1,735,374	9,620,464	-
	-----	-----	-----	-----

Current assets

Debtors	1,426,914	974,146	783,133	-
Cash at bank and in hand	1,075,719	574,297	776,139	-

(MORE TO FOLLOW) Dow Jones Newswires

July 31, 2012 02:00 ET (06:00 GMT)

	-----	-----	-----	-----
	2,502,633	1,548,443	1,559,272	-
Creditors: amounts falling due within one year	(2,007,999)	(1,634,914)	(247,569)	-
	-----	-----	-----	-----
Net current assets	494,634	(86,471)	1,311,703	-
	-----	-----	-----	-----
Total assets less current liabilities	12,081,419	1,648,903	10,932,167	-
Creditors: amounts falling due after more than one year	(540,410)	(310,843)	-	-
Provisions for liabilities	(13,045)	(10,116)	-	-
	-----	-----	-----	-----
	11,527,964	1,327,944	10,932,167	-

	-----	-----	-----	-----
Capital and reserves				
Called up share capital	1,412,187	438	1,412,187	-
Share premium account	9,890,312	649,922	9,890,312	-
Other reserves	10	-	-	-
Profit and loss account	225,455	677,584	(370,332)	-
	-----	-----	-----	-----
Shareholders' funds	11,527,964	1,327,944	10,932,167	-
	-----	-----	-----	-----

The information above has not been reviewed by the Company's auditor.

END

AFH Financial Group Plc

(END) Dow Jones Newswires

July 31, 2012 02:00 ET (06:00 GMT)