

Kingswood Holdings Limited

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European Wealth Group seeing benefits already from recent restructuring

European Wealth Group Limited (LON:EWG), the integrated wealth management group, is seeking to strengthen its balance sheet.

The group is in the process of acquiring US-based broker-dealer platform Newbridge, in conjunction with which it entered into a syndicated facilities agreement with Kingswood; EWG said it now plans to ask Kingswood to proceed with the conversion of a proportion of the convertible facilities on the basis of 16.5p per EWG share.

READ: European Wealth Group to become Kingswood after unveiling plans to buy US broker-dealer

Kingswood has also indicated that it will convert a part of the facilities, such that its shareholding in EWG remains at or below its current stake of 39.65%.

Meanwhile, the Newbridge deal is still awaiting final approval from the Financial Industry Regulatory Authority (FINRA).

The group also updated shareholders on current trading, saying that revenue for the whole of 2017 is expected to be in the region of £10m, up from £9.4m in 2016.

Assets under management (AUM) grew to £1.74bn during the year from £1.46bn at the end of 2016.

The group's recently appointed chief executive officer, Marianne Ismail, has conducted an extensive strategic review of the operating businesses and put in place a significant number of positive measures to position the group for growth, to markedly reduce operating costs and to grow AUM and recurring fee income.

As a consequence of the repositioning, EWG reported, significant exceptional one off restructuring costs have been incurred, together with expenses incurred in the raising of fresh capital and a decision to substantially write-down goodwill; as a result, the group will report a material loss for 2017.

It added that the company has already started to see positive benefits this year, derived from the restructuring and cost cutting initiatives.

Price: 9p

Market Cap: £14.61M

1 Year Share Price Graph



September 2018 March 2019 July 2019

Share Information

Code: KWG

Listing: LSE

52 week High Low
17.50p 5.75p

Sector: Investment Funds & Companies

Website: www.europeanwealth.com

Company Synopsis:

Here are a few things you may like to know about us: We are a firm of independent financial advisors and wealth managers. We look after about £1,800,000,000 of our clients' money. We produce over 500 client Wealth Plans each year. We provide independent advice on a wide range of issues: investments; pensions; life assurance, and many others.

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