

Kingswood Holdings Limited

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Kingswood enters 'new phase of development' after restructuring

Wealth management firm Kingswood Holdings Limited (LON:KWG) said it has entered a new phase of development after a recent restructuring that included changing its name from European Wealth Group in September.

Chief executive Marianne Ismail said the company has four strategic goals - to deliver strong earnings growth for shareholders; to achieve continued improvements in the client offering; to build its new brand; and to maintain the highest standards of corporate governance and risk management.

"As we prepare for the future we have restructured and streamlined our investment management team, hired new investment managers and added to our in-house research team," she said in the group's first half results in September.

"We have also recruited several wealth planners in a very tight market."

Kingswood said in its interims that its restructuring has led to significant cost reductions while a refinancing of the group in May resulted in the group having a debt-free balance sheet for the first time since the company was admitted to AIM.

The firm ended the first half to June 30 with a net cash position of £4.5mln.

Funds under management and administration (FUMA) stood at £1.8bn at the end of June, up from £1.7bn at the end of 2017 and a year earlier.

Kingswood eyes expansion

Ismail said the company is keen to grow "both organically and dynamically" through acquisitions in the UK and US.

"The group has a strong and scalable operating platform with the capacity to support incremental revenue and earnings growth from future acquisitions, delivering improved profitability for the group as a whole," she said.

"With all the positive changes which have taken place, the board looks to the future with confidence."

FCA approves acquisition of Marchant McKechnie

In October the company agreed its first acquisition since its rebranding by agreeing to buy Marchant McKechnie Independent Financial Advisers Ltd for £4mln.

The deal, which has been approved by the Financial Conduct Authority, is expected to be immediately earnings enhancing.

East-Yorkshire Marchant McKechnie provides pensions, investments, and tax planning services. The business

Price: 7.55p

Market Cap: £12.26M

1 Year Share Price Graph



September 2017 February 2018 June 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.

Author:

Proactive Investors Ltd

+44 (0)207 989 0813

action@proactiveinvestors.com

generated underlying earnings (EBITDA) of £855,000 last year.

Following the acquisition, Kingswood will have assets under administration of £2bn, 20 financial advisors and more than 4,000 active clients.

"Marchant McKechnie is a strong addition to the group as we look to build a new national brand in the UK wealth market. Marchant McKechnie shares our commitment to delivering high levels of customer service to clients over the long-term," Ismail said.

"The UK wealth market is excessively fragmented, and we believe that there is a substantial market opportunity to build a national brand for quality, independent wealth planning advice and investment management."

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Contact us +44 (0)207 989 0813 action@proactiveinvestors.com

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