

**HML HOLDINGS Plc
("HML")**

HALF YEAR RESULTS

HML Holdings Plc (AIM: HMLH), the property management services group, today announces its interim results for the six months to 30 September 2017.

Highlights for the six-month period:

- Revenue up 25% to £12.7 million (2016: £10.2 million)
- 10% increase in profit from operations before interest, amortisation, share based payment charges and taxation to £1,008,000 (2016: £920,000)
- Continued integration of new acquisitions
- Adjusted earnings per share 1.9p (2016: 2.1p). Adjusted earnings are calculated before interest, amortisation and share based payment charges.

Commenting on the results, Robert Plumb, Chief Executive Office of HML Holdings Plc said:

"We are pleased to report a 25% growth in revenue for the period and the on-going successful integration of our recent acquisitions. While we have incurred additional one-off costs during the reorganisation of the offices associated with acquisitions and have made further investment in building capacity for further growth, we are also pleased to report both a 10% growth in half-year earnings before interest, amortisation, share based payment charges and taxation and substantial growth in our new business pipeline."

For further information:

HML Holdings Plc

Robert Plumb, Chief Executive Officer
James Howgego, Chief Financial Officer

Tel: 020 8439 8529

Tavistock Communications Limited

Jeremy Carey
James Verstringhe

Tel: 020 7920 3150

FinnCap

Jonny Franklin-Adams/Giles Rolls – Corporate Finance
Mia Gardner – Corporate Broking

Tel: 020 7220 0500

REVIEW OF BUSINESS

We are pleased to report a 25% increase in revenue to £12.7m over the equivalent period last year and a 10% increase in earnings before interest, share-based payments, amortisation and tax to £1.0m (2016: £0.9m). As we continue to invest in the business, additional one-off costs primarily relating to the integration of acquisitions and associated investments in infrastructure have impacted operating costs during the first half, which is reflected in the reduced earnings per share for the period of 1.9p (2016: 2.1p).

Insurance brokerage revenue rose by 16% as the process of assimilating clients from our acquisitions gathered pace during the first half of the year. Professional fees increased 45% with a significant additional contribution from our new Central London operation; Faraday Property Management Limited which was acquired on 1 April 2017. Legal and professional fees arising from pre-contract enquiries and the administration of property sales and alterations were proportionately lower than last year as the volume of transactions, particularly in Central London reduced in line with market sentiment. Although there have been only modest improvements in revenues arising from health and safety inspections and concierge staff management, we have invested further in improving the capacity of both departments and anticipate greater contributions in the second half of the year.

Market sentiment surrounding the demand for new building development remains positive, although delivery and completion remains frustratingly slow. HML has record levels of confirmed instructions with a pipeline of over 17,000 units. We anticipate the rate at which this pipeline becomes operational will improve with the government's stated preparedness to support the home building industry.

Apart from the ongoing development of our property management systems, we have made further improvement to our information technology infrastructure, both in terms of greater cyber security and digitised transaction processing and filing systems. We have also made a significant investment in the creation of a back office in new offices in West Croydon, which has impacted costs in the short term but provides us with the opportunity for standardising and streamlining many of our support functions in a lower cost environment.

I have commented in several industry reports on the growing divide of service and regulatory compliance between the managing agents that choose to comply with the professional standards of the Royal Institution of Chartered Surveyors and the Association of Residential Managing Agents and those that operate entirely independently of their strictures. There is no doubt that the freedom offered to unregulated players has not only created an unfair competitive advantage for them but has fuelled the perception of impropriety for a property management service that is frequently misunderstood. We are therefore extremely pleased to hear the Secretary of State for Communities and Local Government's announcement that the activities of lettings and managing agents will be regulated.

HML has made a significant investment in ensuring that we comply with the codes of conduct of all our regulatory bodies and we believe that this investment will yield a significant advantage when all managing agents are obliged to comply with what we anticipate will be specific regulatory requirements.

Robert Plumb
Chief Executive Officer
29 November 2017

HML HOLDINGS PLC
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
Six months ended 30 September 2017

	Notes	Unaudited 6 months to 30 September 2017 £'000	Unaudited 6 months to 30 September 2016 £'000	Audited Year ended 31 March 2017 £'000
Continuing operations				
Revenue		12,717	10,176	20,910
Direct operating expenses		(11,113)	(8,664)	(17,796)
Central operating overheads		(596)	(592)	(1,278)
Share based payment charge		(15)	(13)	(27)
Amortisation of intangible assets		(280)	(228)	(467)
Total central operating overheads		(891)	(833)	(1,772)
Operating expenses		(12,004)	(9,497)	(19,568)
Profit from operations		713	679	1,342
Finance costs		(30)	(22)	(39)
Profit before taxation	4	683	657	1,303
Income tax charge		(130)	(118)	(261)
Profit for the period attributable to equity holders of the parent		553	539	1,042
Other comprehensive income		-	-	-
Total comprehensive income for the period attributable to equity holders of the parent		553	539	1,042
Earnings per share				
Basic	5	1.2p	1.4p	2.6p
Diluted	5	1.2p	1.4p	2.5p
Adjusted earnings per share				
Basic	5	1.9p	2.1p	3.9p
Diluted	5	1.9p	2.0p	3.8p

HML HOLDINGS PLC
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
COMPANY NUMBER: 5728008
30 September 2017

	Unaudited 30 September 2017 £'000	Unaudited 30 September 2016 £'000	Audited 31 March 2017 £'000
ASSETS			
Non Current Assets			
Goodwill	10,474	7,562	8,894
Other intangible assets	8,144	5,744	6,604
Property, plant and equipment	858	714	701
	19,476	14,020	16,199
Current Assets			
Trade and other receivables	3,249	2,399	5,619
Cash at bank	-	76	-
	3,249	2,475	5,619
TOTAL ASSETS	22,725	16,495	21,818
LIABILITIES			
Current Liabilities			
Trade and other payables	5,821	3,558	5,076
Bank overdraft and borrowings	739	150	1,119
Current tax liabilities	344	276	296
	6,904	3,984	6,491
Non-Current Liabilities			
Bank borrowing	1,471	1,350	1,679
Deferred tax	753	632	753
Non-current tax liabilities	130	118	-
	2,354	2,100	2,432
NET ASSETS	13,467	10,411	12,895
EQUITY			
Share capital	681	587	671
Share premium	2,433	382	2,251
Other reserves	(90)	(84)	(70)
Merger reserve	(15)	(15)	(15)
Retained earnings	10,458	9,541	10,058
TOTAL EQUITY	13,467	10,411	12,895

HML HOLDINGS PLC
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
Six months ended 30 September 2017

	Share capital £'000	Share premium £'000	Other reserve £'000	Merger reserve £'000	Retained earnings £'000	Total equity £'000
Balance at 1 April 2016	583	344	(86)	(15)	9,118	9,944
Total comprehensive income for the period	-	-	-	-	539	539
Share based payment charge	-	-	-	-	13	13
Share capital issued	4	38	-	-	-	42
Dividend	-	-	-	-	(129)	(129)
Shares sold by EBT	-	-	2	-	-	2
Balance at 30 September 2016	587	382	(84)	(15)	9,541	10,411
Total comprehensive income for the period	-	-	-	-	503	503
Share based payment charge	-	-	-	-	14	14
Share capital issued	84	1,869	-	-	-	1,953
Shares sold by EBT	-	-	14	-	-	14
Balance at 31 March 2017	671	2,251	(70)	(15)	10,058	12,895
Total comprehensive income for the period	-	-	-	-	553	553
Share based payment charge	-	-	-	-	15	15
Share capital issued	10	182	-	-	-	192
Dividend	-	-	-	-	(168)	(168)
Shares purchased by EBT	-	-	(20)	-	-	(20)
Balance at 30 September 2017	681	2,433	(90)	(15)	10,458	13,467

HML HOLDINGS PLC
CONSOLIDATED STATEMENT OF CASH FLOWS
Six months ended 30 September 2017

	Notes	Unaudited 6 months to 30 September 2017 £'000	Unaudited 6 months to 30 September 2016 £'000	Audited Year ended 31 March 2017 £'000
Operating activities				
Cash generated from operations	6	1,037	913	1,878
Income taxes refunded/(paid)		48	12	(229)
Interest paid		(30)	(22)	(39)
Net cash from operating activities		1,055	903	1,610
Investing activities				
Purchases of property, plant and equipment		(313)	(157)	(306)
Shares (purchased)/sold by EBT		(20)	-	16
Purchase of software		(119)	(110)	(220)
Acquisition of businesses		(2,237)	(1,006)	(2,390)
Payment of deferred/contingent consideration		(92)	(72)	(230)
Transfer from/(to) solicitor re: acquisition		2,122	-	(2,122)
Net cash used in investing activities		(659)	(1,347)	(5,252)
Financing activities				
Drawdown of loans		-	925	1,725
Repayment of loans		(150)	-	(150)
Net movement in overdraft		(438)	(447)	201
Shares issued		192	42	1,995
Dividend payment		-	-	(129)
Net cash from financing activities		(396)	520	3,642
Increase in cash and cash equivalents		-	76	-
Cash and cash equivalents at beginning of period		-	-	-
Cash and cash equivalents at end of period		-	76	-

1. General Information

The interim unaudited financial information was approved by the board on 29 November 2017.

The results for the year ended 31 March 2017 have been audited whilst the results for the six months ended 30 September 2016 and 30 September 2017 are unaudited. The financial information contained in this interim report does not constitute statutory accounts for the year ended 31 March 2017. The statutory accounts for that year, which were prepared under International Financial Reporting Standards ('IFRS'), have been delivered to the Registrar of Companies. The auditor's opinion on those accounts was unqualified, did not draw attention to any matters by way of emphasis and did not contain a statement under section 498 (2) or 498 (3) of the Companies Act 2006.

Copies of the interim report are available from www.hmlgroup.com or from the Company Secretary at HML Holdings plc, 9-11 The Quadrant, Richmond, Surrey, TW9 1BP.

2. International Financial Reporting Standards

The consolidated financial information has been prepared using accounting policies consistent with IFRS as adopted by the European Union applied in accordance with the provisions of the Companies Act 2006.

The accounting policies applied are consistent with those of the audited annual financial statements for the year ended 31 March 2017 and expected to apply for the year ended 31 March 2018.

Whilst the financial figures included in this interim report have been computed in accordance with IFRS, this interim report does not contain sufficient information to constitute an interim financial report as that term is defined in IAS 34.

3. Taxation

Taxation for the six months to 30 September 2017 is based on the effective rate of taxation of 19% which is estimated to apply for the year ending 31 March 2018.

HML HOLDINGS PLC
NOTES TO THE ACCOUNTS

4.	Profit before interest, share based payments charges, amortisation and taxation	Unaudited 6 months to 30 September 2017 £'000	Unaudited 6 months to 30 September 2016 £'000	Audited Year ended 31 March 2017 £'000
	Operating profit before interest, share based payment charges, amortisation and taxation	1,008	920	1,836
	Finance costs	(30)	(22)	(39)
	Operating profit before share based payment charges, amortisation and taxation	978	898	1,797
	Share based payment charge	(15)	(13)	(27)
	Amortisation of intangible assets	(280)	(228)	(467)
	Profit before taxation	683	657	1,303
5.	Earnings per share	Unaudited 6 months to 30 September 2017 £'000	Unaudited 6 months to 30 September 2016 £'000	Audited Year ended 31 March 2017 £'000
	Profit after tax for the period (£'000s) (used to calculate the basic and diluted earnings per share)	553	539	1,042
	Add back:			
	Share based payment charge	15	13	27
	Amortisation of intangible assets	280	228	467
	Finance costs	30	22	39
	Adjusted profit after tax for the period (£'000s) (used to calculate the basic and diluted adjusted earnings per share)	878	802	1,575
	Weighted average number of shares (000s)			
	For basic earnings per share	45,135	38,921	40,628
	Effect of dilutive potential ordinary shares: - share options	1,106	980	1,264
	Fully diluted	46,241	39,901	41,892
	Earnings per share			
	Basic	1.2p	1.4p	2.6p
	Diluted	1.2p	1.4p	2.5p
	Adjusted earnings per share			
	Basic	1.9p	2.1p	3.9p
	Diluted	1.9p	2.0p	3.8p

HML HOLDINGS PLC
NOTES TO THE ACCOUNTS

6. Notes to the cash flow statement	Unaudited 6 months to 30 September 2017 £'000	Unaudited 6 months to 30 September 2016 £'000	Audited Year ended 31 March 2017 £'000
Cash generated from operations			
Profit from operations	713	679	1,342
Adjustments for:			
Share-based payment charge	15	13	27
Depreciation of plant and equipment	156	144	306
Amortisation of intangible assets	280	228	467
Operating cash flows before movements in working capital	1,164	1,064	2,142
Decrease/(increase) in trade and other receivables	248	106	(992)
(Decrease)/increase in trade and other payables	(375)	(257)	728
Cash generated from operations	1,037	913	1,878