

**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 2018.

Highlights for the six-month period:

- Revenue up 7% to £13.6 million (2017: £12.7 million)
- 11% increase in profit from operations before interest, amortisation, share based payment charges and taxation to £1.12 million (2017: £1.01 million)
- Cash generated from operations was £1.56 million (2017: £1.04 million)
- Adjusted earnings per share 2.2p (2017: 1.9p). Adjusted earnings are calculated before interest, amortisation and share based payment charges.
- Net debt reduced to £0.96 million (2017: £1.47 million)

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

"This is an encouraging set of results for the first half of the year, especially when considered against the backdrop of an uncertain UK property market. To have recorded record half year earnings while we implement significant operational changes demonstrates that we are moving in the right direction as we create a property management services group fit to meet the challenges of the future."

For further information:

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REVIEW OF BUSINESS

We are pleased to report earnings before interest, share based payments, amortisation and tax of £1.12m (2017: £1.01m) representing a 11% increase on the first 6 months of last year. Operating margins before and after taking into consideration central overhead costs improved to 13.0% (2017: 12.6%) and 8.3% (2017: 7.9%) respectively.

The growth in revenues and earnings is almost entirely organic as the Group has made no material acquisitions since 1 April 2017. In most areas our revenues remain resilient despite the uncertainty surrounding investment in the property sector. Most notably we recorded a strong improvement in health and safety inspections fee income which, to some extent, offset the fall in pre-contract enquiry fees on property sales. Although this latter transaction type represents only 3.5% of income the reduction in activity clearly impacted what would have been a very strong overall improvement in like for like revenues.

During the first half of the year, management continued to implement the planned reorganisation of segments of client processing to our back office in West Croydon and we are pleased to report that these changes, which will have a long term positive impact on efficiency and cost, are continuing to take place without a material impact on our levels of service provision. In the second half of the year we look forward to implementing the streamlining of our systems onto one database platform. This will create further efficiencies by allowing our divisions and offices to access and process transactions on one system.

We continue to enjoy steady and improving volumes of new business with a marginal shift towards tendering for larger blocks and housing estates. Competition particularly from the smaller unregulated players who price keenly in the smaller block market remains strong. The growing awareness of the impending regulation of agents, now more frequently reviewed in the property press, continues to bring sellers to the market. HML remains confident in its ability to carefully select and integrate those businesses that are compatible with our service strategy. From a steady foundation in the first half of the year, we look forward to being update you on further improvements in the second half of the year.

Robert Plumb
Chief Executive Officer
26 November 2018

HML HOLDINGS PLC
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
Six months ended 30 September 2018

	Notes	Unaudited 6 months to 30 September 2018 £'000	Unaudited 6 months to 30 September 2017 £'000	Audited Year ended 31 March 2018 £'000
Continuing operations				
Revenue		13,557	12,717	25,968
Direct operating expenses		(11,788)	(11,113)	(22,509)
Central operating overheads		(649)	(596)	(1,248)
Share based payment charge		(18)	(15)	(30)
Amortisation of intangible assets		(320)	(280)	(660)
Total central operating overheads		(987)	(891)	(1,938)
Operating expenses		(12,775)	(12,004)	(24,447)
Profit from operations		782	713	1,521
Finance costs		(26)	(30)	(57)
Profit before taxation	4	756	683	1,464
Income tax charge		(140)	(130)	(302)
Profit for the period attributable to equity holders of the parent		616	553	1,162
Other comprehensive income		-	-	-
Total comprehensive income for the period attributable to equity holders of the parent		616	553	1,162
Earnings per share				
Basic	5	1.4p	1.2p	2.6p
Diluted	5	1.3p	1.2p	2.5p
Adjusted earnings per share				
Basic	5	2.2p	1.9p	4.2p
Diluted	5	2.1p	1.9p	4.1p

HML HOLDINGS PLC
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
COMPANY NUMBER: 5728008
30 September 2018

	Unaudited 30 September 2018 £'000	Unaudited 30 September 2017 £'000	Audited 31 March 2018 £'000
ASSETS			
Non-Current Assets			
Goodwill	10,510	10,474	10,510
Other intangible assets	7,748	8,144	7,937
Property, plant and equipment	1,060	858	786
	19,318	19,476	19,233
Current Assets			
Trade and other receivables	3,225	3,249	3,930
Cash at bank	516	-	269
	3,741	3,249	4,199
TOTAL ASSETS	23,059	22,725	23,432
LIABILITIES			
Current Liabilities			
Trade and other payables	5,198	5,821	6,112
Bank overdraft and borrowings	529	739	529
Current tax liabilities	341	344	349
	6,068	6,904	6,990
Non-Current Liabilities			
Bank borrowing	943	1,471	1,207
Deferred tax	1,124	753	1,124
Non-current tax liabilities	140	130	-
	2,207	2,354	2,331
TOTAL LIABILITIES	8,275	9,258	9,321
NET ASSETS	14,784	13,467	14,111
EQUITY			
Share capital	686	681	682
Share premium	2,485	2,433	2,450
Other reserves	(88)	(90)	(88)
Merger reserve	(15)	(15)	(15)
Retained earnings	11,716	10,458	11,082
TOTAL EQUITY	14,784	13,467	14,111

HML HOLDINGS PLC
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
Six months ended 30 September 2018

	Share capital £'000	Share premium £'000	Other reserve £'000	Merger reserve £'000	Retained earnings £'000	Total equity £'000
Balance at 1 April 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
Total comprehensive income for the period	-	-	-	-	609	609
Share based payment charge	-	-	-	-	15	15
Share capital issued	1	17	-	-	-	18
Shares sold by EBT	-	-	2	-	-	2
Balance at 31 March 2018	682	2,450	(88)	(15)	11,082	14,111
Total comprehensive income for the period	-	-	-	-	616	616
Share based payment charge	-	-	-	-	18	18
Share capital issued	4	35	-	-	-	39
Balance at 30 September 2018	686	2,485	(88)	(15)	11,716	14,784

HML HOLDINGS PLC
CONSOLIDATED STATEMENT OF CASH FLOWS
Six months ended 30 September 2018

	Notes	Unaudited 6 months to 30 September 2018 £'000	Unaudited 6 months to 30 September 2017 £'000	Audited Year ended 31 March 2018 £'000
Operating activities				
Cash generated from operations	6	1,562	1,037	2,674
Income taxes (paid)/refunded		(8)	48	(238)
Interest paid		(26)	(30)	(57)
Net cash from operating activities		1,528	1,055	2,379
Investing activities				
Purchase of property, plant and equipment		(454)	(313)	(410)
Acquisition of own shares		-	(20)	(18)
Purchase of software		(120)	(119)	(235)
Acquisition of businesses		(6)	(2,237)	41
Payment of deferred/contingent consideration		(476)	(92)	(337)
Transfer from/(to) solicitor re: acquisition		-	2,122	(2,122)
Net cash used in investing activities		(1,056)	(659)	(959)
Financing activities				
Repayment of loans		(264)	(150)	(414)
Net movement in overdraft		-	(438)	(648)
Shares issued		39	192	79
Dividend payment		-	-	(168)
Net cash from financing activities		(225)	(396)	1,151
Increase in cash and cash equivalents		247	-	269
Cash and cash equivalents at beginning of period		269	-	-
Cash and cash equivalents at end of period		516	-	269

1. General Information

The interim unaudited financial information was approved by the board on 26 November 2018.

The results for the year ended 31 March 2018 have been audited whilst the results for the six months ended 30 September 2017 and 30 September 2018 are unaudited. The financial information contained in this interim report does not constitute statutory accounts for the year ended 31 March 2018. 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.

The accounting policies applied are consistent with those expected to apply for the year ended 31 March 2019. IFRS 9 Financial Instruments and IFRS 15 Revenue from Contracts with Customers have been applied for the first time in preparing the interim financial information. The Directors consider that the application of these standards has not had a material impact on the recognition and measurement of items in the interim financial information.

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 2018 is based on the effective rate of taxation of 19% which is estimated to apply for the year ending 31 March 2019.

HML HOLDINGS PLC
NOTES TO THE ACCOUNTS
Six months ended 30 September 2018

4.	Profit before interest, share based payments charges, amortisation and taxation	Unaudited 6 months to 30 September 2018 £'000	Unaudited 6 months to 30 September 2017 £'000	Audited Year ended 31 March 2018 £'000
	Operating profit before interest, share based payment charges, amortisation and taxation	1,120	1,008	2,211
	Finance costs	(26)	(30)	(57)
	Operating profit before share based payment charges, amortisation and taxation	1,094	978	2,154
	Share based payment charge	(18)	(15)	(30)
	Amortisation of intangible assets	(320)	(280)	(660)
	Profit before taxation	756	683	1,464
5.	Earnings per share	Unaudited 6 months to 30 September 2018 £'000	Unaudited 6 months to 30 September 2017 £'000	Audited Year ended 31 March 2018 £'000
	Profit after tax for the period (£'000s) (used to calculate the basic and diluted earnings per share)	616	553	1,162
	Add back:			
	Share based payment charge	18	15	30
	Amortisation of intangible assets	320	280	660
	Finance costs	26	30	57
	Adjusted profit after tax for the period (£'000s) (used to calculate the basic and diluted adjusted earnings per share)	980	878	1,909
	Weighted average number of shares (000s)			
	For basic earnings per share	45,526	45,135	45,269
	Effect of dilutive potential ordinary shares: - share options	696	1,106	857
	Fully diluted	46,222	46,241	46,126
	Earnings per share			
	Basic	1.4p	1.2p	2.6p
	Diluted	1.3p	1.2p	2.5p
	Adjusted earnings per share			
	Basic	2.2p	1.9p	4.2p
	Diluted	2.1p	1.9p	4.1p

HML HOLDINGS PLC
NOTES TO THE ACCOUNTS
Six months ended 30 September 2018

6. Notes to the cash flow statement	Unaudited 6 months to 30 September 2018 £'000	Unaudited 6 months to 30 September 2017 £'000	Audited Year ended 31 March 2018 £'000
Cash generated from operations			
Profit from operations	782	713	1,521
Adjustments for:			
Share-based payment charge	18	15	30
Depreciation of plant and equipment	180	156	372
Amortisation of intangible assets	320	280	660
Loss on disposal of fixed assets	-	-	9
Operating cash flows before movements in working capital	1,300	1,164	2,592
Decrease/(increase) in trade and other receivables	705	248	(298)
(Decrease)/increase in trade and other payables	(443)	(375)	380
Cash generated from operations	1,562	1,037	2,674