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Tavistock Investments Plc

("Tavistock" or the "Company")

Strategic acquisition of Alpha Beta Partners

Completion of disposal to Saltus

22 November 2024

Acquisition of Alpha Beta Partners ("ABP")

Tavistock (AIM:TAVI) is pleased to announce that it has exchanged contracts for the acquisition of ABP, a well-regarded asset management business based in London and Bath with approaching £3 billion of assets under management and a strategic focus on retail investors served by regulated advice businesses which is complementary to Tavistock's own business positioning.

This acquisition strengthens Tavistock's asset management scale and solutions provision in the UK retail investment market. It is a key step in the Group's refocusing into a much more significant asset manager providing investment solutions to third party advice firms and networks, as well as to retail clients directly.

ABP was established in 2017 by a team of experienced industry professionals led by Geoff Brooks and Andrew Thompson, to provide a range of outsourced investment propositions to directly regulated advice businesses and appointed representative networks. Based on management accounts for the first nine months of its current financial year, on an annualised basis, ABP has made EBIT (earnings before interest and tax) of over £500,000 on turnover of over £4 million and, as at 30 September 2024, had net assets of just over £1.2 million. It is particularly noted for its Dynamic Asset Allocation process and modular proposition, providing retail and wholesale investors with institutional techniques rarely found in this market segment. The success of its outcome-oriented investment solutions has been recognised by Defaqto's 5 Star and 5 Diamond Ratings for the past 5 years.

The total consideration to be paid for ABP will be directly linked to its financial performance over the next five years. There will be an initial payment of £6.0 million at completion of the acquisition with the maximum potential consideration capped at £18 million, payable in cash. Completion of the transaction is subject to change in control approval by the Financial Conduct Authority (the "FCA") at which point a further announcement will be made.

Tavistock's strategy

The Tavistock Board's strategy is to optimise the balance between regulatory risk and potential commercial reward to increase the intrinsic value of the Company for the benefit of its shareholders. This is consistent with ABP's focus on providing proprietary investment processes balancing quality asset allocation with rigorous risk management ("Risk First").

The acquisition is a logical next step for Tavistock, having completed the planned reduction of the Group's network of appointed representative firms last year and, more recently, the disposal of its networks of self-employed Registered Individuals to The Saltus Partnership Holdings LLP ("Saltus"), which was announced on 1 October 2024.

Completion of disposal of two subsidiary businesses and funding

All the completion conditions for the disposal of Tavistock Partners Limited and Tavistock Estate Planning Services Limited to Saltus have now been satisfied and Tavistock will receive the initial consideration payment of approximately £22 million by 2 December 2024. The total consideration for the disposals of up to £37.75 million is approaching twice the Company's current market capitalisation on AIM (some £19.9 million at market close on 21 November 2024) and provides the Company with a substantial level of funding with which to refocus its activities.

Future profile of Tavistock

The Company has retained both its profitable, employed adviser business, Tavistock Private Client, and its profitable protection business, Tavistock Protect. The Board intends that the provision of investment management services to the clients of third-party advice businesses, and directly to the public on a non-advised basis, will become a substantial part of its service proposition. Hence the addition of ABP to the Group is particularly fitting, as it will form the cornerstone of the Company's strategic focus on asset management.

Brian Raven, Tavistock's Chief Executive said "Alpha Beta Partners is joining us at the ideal time. Their strategic plans and partnerships gel perfectly with ours, particularly in terms of how to improve investor services and value. We look forward to an exciting future together."

Geoff Brooks, ABP's Managing Director said'We are delighted to be joining Tavistock to embark on the next phase of our growth and development, allowing us to continue to both support our existing clients and create new opportunities. Our team has been very impressed with everyone we have met at Tavistock and our strategic vision and ambitions are aligned.'

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About Tavistock Investments plc

Tavistock Investments is a specialist wealth and asset management company focused on meeting the specific needs of private investors and differentiated by its commitment to excellence and revolutionary thinking.

Within the group, Tavistock Private Client has been recognised many times for excellent advice services to higher net worth individuals, winning multiple industry awards. It also operates an employee benefits business and educational finance portal, "Tell Me How". Tavistock Asset Management, augmented by the recent acquisition of ABP, delivers institutional portfolio management services at a retail price, so that clients benefit from collective buying power, as well as competitive dealing charges. It has a range of diversified, multi-asset mandates with risk profile, levels of active management and portfolio structures tailored to suit client needs. The third element of wealth management, Tavistock Protect, provides clients with a comprehensive range of life insurance and critical illness policies and will shortly be expanding into the mortgage market.

Tavistock was founded by CEO Brian Raven, who has been involved in financial services since 2010 and has a wealth of commercial experience. Together with Chairman, Oliver Cooke, he founded Card Clear Plc in 1991 to combat the fraudulent use of plastic payment cards and led it to an AIM listing in 1998. They then developed a group focused on UK health and fitness sector loyalty schemes, before Brian invested in the financial services sector in 2010, later launching Tavistock, along with Oliver, in 2013. The company listed on AIM that year and has been optimising its business portfolio ever since. Tavistock recently divested two subsidiary businesses - Tavistock Partners and Tavistock Estate Planning - to focus predominantly on wealth and asset management activities. This restructuring has the benefit of optimising the balance of regulatory risk and commercial reward, as well as providing significant working and development capital for the group.



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