

Private & Commercial*

General Financial
PCF (FTSE AIM ALL SHARE)

Completion of acquisition of £6m loan portfolio

- Private & Commercial Finance, the AIM quoted finance house, has this morning announced that it has completed the acquisition of a £6m loan portfolio from North Herts Credit Company Limited for £4.5m.
- This deal was flagged at the time of the final results in June - the group signalled that it had signed Heads of Agreement – the size of the loan book was disclosed but no indication of the consideration was given.
- The loan book comprises 2,300 consumer finance loans for motor vehicles.
- The acquisition increases PCF's loan book to £110m from £106m at 31st March.
- The deal is expected to be earnings enhancing in the current financial year.
- Scott Maybury, CEO of PCF commented: 'This transaction, which is earnings-enhancing, is another step in our strategy to actively grow the Group's portfolio. We are on the lookout for future acquisitions and ideally these would be of a comparable size and for leasing or hire purchase assets for our business finance division.'
- With the final results, the group announced a new funding facility of £7m and also that it was in negotiations with existing and new lenders for additional facilities of £8m. This deal has been funded by an existing lender so the £7m line and, potentially, the further £8m would be available to fund the acquisition of business finance books.
- Forecasts: will be updated at the Interims in December to reflect Group's actual trading for H1 and the additional £2.4m contribution this acquisition will make to turnover in the FY 2012.
- View: on an historical Price/NAV of 0.4x, the stock looks cheap and we retain our Buy recommendation and Target Price of 10p.

Breaking News

Upside
Buy 70%



Source: Proquote

Shares in issue	52.7m
Market Cap	£3.1m
NAV/Share	15.0p
Next Event	AGM: Sept 30
Last Report Published	18 Jul 11

Net Debt is current year estimated

*Daniel Stewart acts as Broker to Private & Commercial

Forecasts (£m)	03/10A	03/11A	03/12E
Turnover	60.2	57.9	54.0
EBITDA	6.7	6.1	6.6
PBT	0.3	0.5	0.7
Tax (%)	28	28	26
EPS (p)	0.6	0.6	0.9
DPS (p)	0.0	0.0	0.0

Ratios (x)	03/10A	03/11A	03/12E
P/E	9.1	9.4	6.4
Yield (%)	n/a	n/a	n/a
Price/NAV	0.2	0.4	0.4

Data is adjusted

Company Description

Specialist provider of finance for vehicles, plant and equipment for consumers and businesses.

www.pcfg.co.uk

Disclosure Checklist

Company	Code	Disclosure
Private & Commercial	PCF	2, 3, 6

Source: Daniel Stewart

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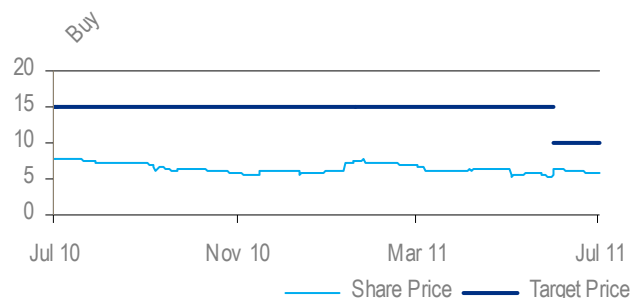
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Recommendation History



Source: Daniel Stewart