

Share Review

Phoenix Group Holdings Price 27 Jan 2015 £8.24

Phoenix Group Holdings is a United Kingdom-based company that acquires and manages closed life insurance businesses that are in run-off. It has two segments: life assurance (including management services) operating through Phoenix Life and asset management through Ignis Asset Management.

Company Facts

| | | | | | |
|---------------------|-------------------------------|---------------------------------|------------------------|-------------------------------|----------------------------|
| Code PHNX | Market cap: £1.76bn | Sector Life Assurance | Exchange LSE | Currency Sterling £ | Indices FTSE 250 |
|---------------------|-------------------------------|---------------------------------|------------------------|-------------------------------|----------------------------|

. Key Features

- Phoenix has been a well-known name in the insurance world since 1782. From its beginnings more than 200 years ago, it has grown to become the largest UK consolidator of closed life assurance funds. Phoenix Group Holdings Plc was formerly known as Pearl Group Plc and changed its name to Phoenix Group Holdings Plc in March 2010
- Phoenix Group Holdings has a Premium Listing on the London Stock Exchange and is a member of the FTSE 250 index. The Group has over 5 million¹ policyholders and £57 billion assets held by the Group's life companies, including stock lending collateral
- Phoenix Life is responsible for the financial and operational management of the closed life funds with the support of the management service companies and outsources service providers. In March 2014, the Company divested Ignis Asset Management to Standard Life Investments
- Phoenix is the largest UK Consolidator of Closed Life Assurance Funds
- Phoenix Group was included in Britain's Top Employers listing for the 3rd consecutive year.
- Millions of customers trust Phoenix to manage their funds effectively and communicate clearly and honestly with them. To ensure we honour this trust, we have created a wide-ranging programme of customer research to solicit and respond to policyholders' views.
- New pension Regulations come into force on 1 April 2015 allowing new freedoms available for eligible people to have access to pensions. The backlash on the chancellor's non requirement to take annuities may see new forms of business for Life Assurance providers such as Phoenix.
- Strong Governance with improved customer service, modern flexible platforms and streamlined asset management interface.
- The size of phoenix Group means that they are able to maximise economies of scale and capital efficiencies through internal fund mergers and other operational improvements.
- Year on year share performance increase 13.6% (2 January 2014 £7.30 31 December 2014 £8.30)

Recent News

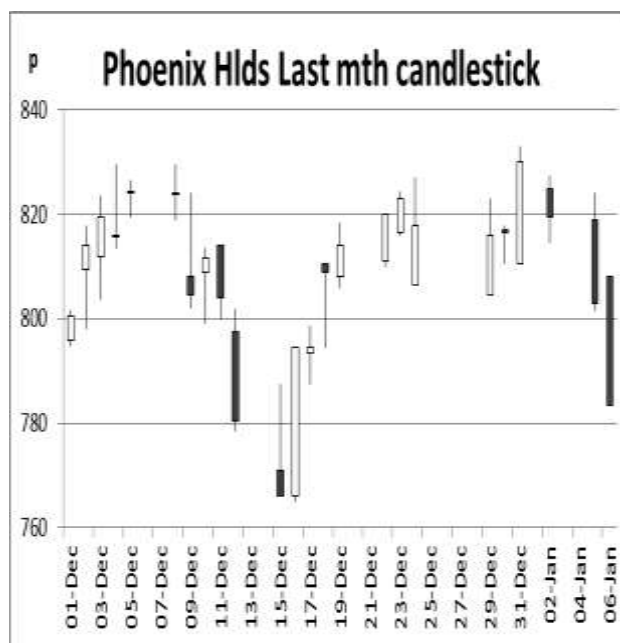
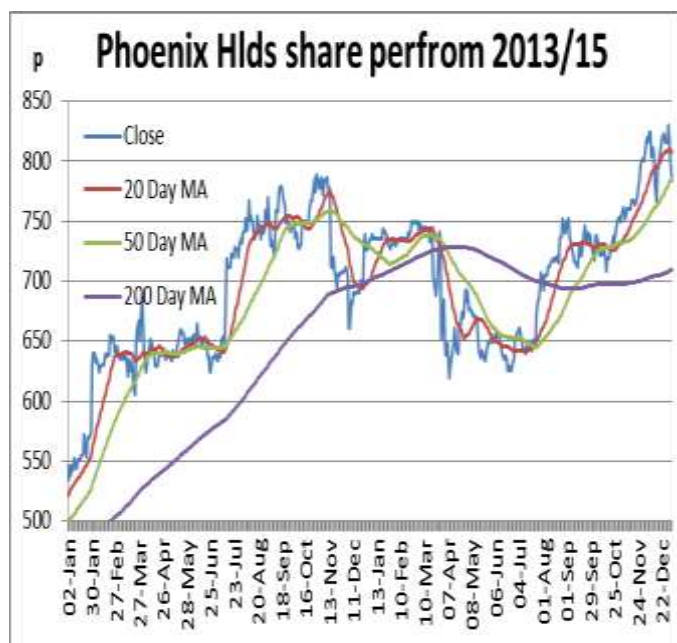
- Social Responsibility support for the community endorsed by Staff from Phoenix Group based in Wythall, near Birmingham, took to the streets collecting litter in the local community, in support of 'The Big Tidy Up' charity campaign in October. Phoenix arranged this event as part of its corporate responsibility programme
- Company Press releases on [Financial Fraud Awareness](#) : [Information on pension liberation predators](#)

FUNDAMENTAL ANALYSIS FINANCIAL PERFORMANCE

Company Statements [Phoenix-Group 2014 Half Yearly Report](#) [Investor Day Presentation 25 Nov 2014](#)

| | <u>31 Dec 2013</u> | <u>31 Dec 2014</u> | <u>Change %</u> |
|--------------------|--------------------|--------------------|-----------------|
| | <u>£million</u> | <u>£million</u> | |
| Revenue | 1.609 | 1.333 | (17.1%) |
| Operating Profit | 557 | 420 | (24.6) |
| Total Equity | 2.382 | 2.687 | 12.80 |
| Borrowings | 3.046 | 2.359 | (22.6) |
| Total Liabilities | 83.712 | 71.386 | (14.7) |
| Earnings per share | 234.90p | 68.10p | (71.0) |
| Dividend per share | 47.70p | 53.40p | 11.9 |

TECHNICAL ANALYSIS - Technical Diagnosis – Moving averages give a good indication of the vitality of the share in the long run. For 2013 phoenix saw appreciating share prices. It then consolidated from October 2013 to March 2014 subsequently dipping to lows in the middle of 2014, and has been on a rising share price appreciation since July 2014. Since this period the share price has in the main been above its 50 and 200 day moving averages. In Nov and Dec 2014, the share price retraced back to its 50 day moving average testing support but then bounced back to higher highs. As the share performance graph shows, the share has been on a roller coaster ride. Since 16 October 2014 there has been is a cup and handle pattern in evidence and the recent £8 support level has been tested and a break out at that level has been in evidence. On 6 Jan 2015 there has been a significant pull back to £7.80.. The last month candlestick chart suggests an artificial support level around £7.66. The shares have reached a high of £8.27 on 24 Dec. That been so and believing there to be intrinsic value, I bought 378 shares at £7.90 despite shares finishing lower on the day. On past experience the share seems to test support level and bounce upward to a potential break out. Given the classic ‘cup and handle’ pattern I took a contrarian approach ignoring recent bearish candlesticks on 4/5 Jan on the expectation of a future potential break out to the upside. **Please note this analysis is not advice but interpretation of potential market moves. Past performance is no guide to the future.** Share Reviewed on 6 Jan 2015 £7.90 Current Price 27 January 2015 £8.24



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