

25 August 2021

Company Announcements
Australian Securities Exchange

CLIME INVESTMENT MANAGEMENT LIMITED (ASX: CIW)

PROFIT BEFORE TAX AND AMORTISATION RISES 280% TO \$3.8 MILLION

Highlights of the Result

- **Profit (before amortisation and tax) increased by 280% on FY20, to \$3.8 million**
- **Revenue up 32% to \$15.75 million**
- **Funds under management and advice (FUM&A) up 11% to \$5.1 billion**
- **Final dividend paid at 1.5c fully franked, up 50% on FY20**
- **Performance fees stable at \$2.3 million**
- **Strong balance sheet**
- **Robust risk adjusted performance returns across the various investment products**

Financial performance

Clime Investment Management Limited ("Clime" or "Clime Group") today announced a \$3.8 million profit (before amortisation and tax) representing a 280% increase on the FY20 result.

The business delivered a revenue increase of 32% to \$15.75 million, with NPAT of \$2.28 million equating to a 473% increase on FY20.

The final dividend declared was 1.5c fully franked , representing an increase of 50% on FY20.

Commenting on the full year result, Clime Group Chief Executive Annick Donat said: *"I am pleased to report this strong result for the Clime , which has been driven by our commitment to our investment strategy, delivering consistent performance for our clients' portfolios."*

"Clime Group remains focused on continuing its growth trajectory by delivering quality returns and building fund inflows, underpinned by a strong balance sheet comprising cash and liquid investments worth more than \$10 million."

Funds Under Management and Advice (FUM&A)

FY21 saw strong outperformance across all funds. Clime's investment portfolios outperformed their relevant benchmarks for the three-year period ending 30 June 2021. The FUM&A segment of the business ended the year with 11% growth on FY20, to \$5.1 billion.

Noteworthy is the performance of the Clime Smaller Companies Fund (CSCF), with total return since its April 2017 inception exceeding 100% as at EOFY21. This Fund has experienced strong growth from inflows and portfolio performance and is approaching \$100 million in value.

Clime Investment Management Limited

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Clime expects this to continue, with CSCF now available on several leading investment platforms, enabling expanded access to Australia's advice community.

Clime operates as Investment Manager for the listed investment company Clime Capital Limited (ASX:CAM). As Investment Manager, Clime generated over \$22M NPAT for CAM in FY22. CAM has now grown its assets to approximately \$165 million and continues to provide its shareholders with quarterly dividends.

The Clime Australian Income Fund also generated a strong return of 13.3% in FY21, from total fund value of \$46 million.

Overall, the Clime Group's investment portfolios showed robust risk adjusted performance returns across the board, with stable and consistent inflows into the funds across FY21.

An expanded wealth business positioned for growth

The merger of Madison with Clime has delivered synergy benefits through people, platform and investments across FY21. The acquisition of Madison has positioned Clime well for increased scale in the business's advice capability. In turn, the integration into Clime has enhanced the investment offering for clients by leveraging the deep investment expertise and scalable efficiencies through a mature operating parent.

A key strategic focus in FY21 has been simplification of Clime's technology architecture to improve the client experience and increase access to data and insights to identify growth opportunities.

Streamlining of process and systems is underway in the business, with Private Wealth currently restructuring to sit under Madison's AFSL, enabling this business segment to leverage the existing advice technology ecosystem within Madison. This will enable greater client engagement and improve access to data to identify growth opportunities and stronger compliance oversight.

Clime Group Chief Executive Officer, Annick Donat, said: *"Throughout the integration of Madison into Clime, our strategy has been underpinned by a balance of established practices on the one hand, and innovation through technology and fresh Adviser talent on the other."*

"The success of our people strategy is emerging – we are starting to see steady growth in the number of new referrals, attracting Advisers who are seeking a collaborative community which provides access to professional investment expertise, ongoing education, underpinned by a culture of 'client first'. Our Advisers have seen increased demand for advice from consumers, and with the combined advice and investment capabilities offered by our team, the business has seen a steady increase of average revenue per practice."

Outlook

Clime will continue the momentum of key programs commenced in FY21 to facilitate Clime Group's scale and growth in FY22.

Clime continues to attract new client opportunities, with recent mandate wins in NFP, Foundations and Family Offices.



Clime Investment Management Limited

It is pleasing to report that strong Inflows into Clime directly managed mandates and managed fund solutions have occurred during July and early August. This has consolidated Clime FUM levels at above \$1.2 billion.

This growth will be supported by an increased retail footprint for Clime's managed funds and SMAs, with improved access across more platforms. Clime Direct will also be a focus in FY22 to support this growth, with increased content generation and digital engagement expected to increase Subscribers.

This announcement has been authorised for release by the Board of Clime Investment Management Limited.

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