

28 February 2024

Company Announcements
Australian Securities Exchange

Clime Investment Management (ASX: CIW)

Operational turnaround achieved

As previously advised, Clime has undertaken significant expense rationalisation measures in the last quarter of calendar 2023. The Board is pleased to advise that these measures have resulted in a profit before tax and amortisation for the months of December 2023 and January 2024.

FY24 Half Year Results

Clime Investment Management Limited (CIW, Clime) report an after-tax operating loss of \$1.6 million for the half year ended 31 December 2023 (HY 2023: profit of \$0.2 million, included \$1.4 million of accrued performance fees).

The HY 2024 result includes \$0.3 million of redundancy and restructure costs, and a further \$0.2 million of non-recurring expenses. Significant investment in system integration has been expensed.

The operating result for HY 2024 also included amortisation of intangibles of \$0.4 million (HY 2023: \$0.3 million).

Key results and FUM & A highlights:

- Funds management revenue of \$3.9 million decreased from \$4.5 million earned in HY 2023 largely reflecting lower net FUM balances due to both weakness in asset markets and pension payments.
- Madison entities contributed \$1.2 million of revenue in HY 2024 compared to \$1.4 million in HY 2023 due to a reduction in the number of advisers.
- CPW/MTIS advice revenue was recorded at \$1.2 million (HY 2023: \$1.2 million).
- Clime Australian equity portfolios delivered solid returns across strategies with notable above benchmark returns delivered in the Clime Small Company and Clime International Funds. These have continued in the first 2 months of calendar 2024.
- Employee, occupancy and other expenses reduced by \$0.6 million on those incurred in HY 2023 due to the organisation restructure and expense reduction measures noted above. These cost reductions will be more significant over the second half of FY24.

As reported in the December 2023 quarterly update, Funds Under Management and Advice (FUM&A) as at 31 December 2023 is in excess of \$5.5 billion:

- \$1.3 billion Direct funds under management via Independently Managed accounts (IMA), Separately Managed accounts (SMA), and managed funds; including Clime Capital
- \$3.8 billion Funds under advice within the Madison network; and
- \$0.5 billion Funds under administration on the WealthPortal platform.

Our focus remains on asset management growth, new client acquisition and enhancing our private wealth services and working alongside the Madison Adviser Council in shaping the future direction of our adviser community.

The strategic partnership with TIP Group augments our capabilities to offer innovative financial services and fulfilling our growth ambitions.

This announcement is approved by the Board of Directors of Clime Investment Management Limited for release to the ASX.

For enquiries, please contact Annick Donat (CEO) on 1300 788 568 or via email at info@clime.com.au.

John Abernethy
Chairman