

Trading update for H1

Overview

Avellemy Limited (“the Company”) is ultimately controlled by Nordic Fund X. The Company continues to provide discretionary asset management services to clients of Capital Professional Limited. The Company’s strategy is to generate growth via acquisitions made by the wider Ascot Lloyd group, which increases the number of clients available where an Avellemy Investment Solution meets the clients’ needs.

This strategy has led to a consistent demonstration of growth in both revenue and Earnings Before Interest, Tax, Depreciation and Amortisation (“EBITDA”) for the Company.

In the first six months of 2023, the Company’s trading results are as follows:

Current trading

	Six months ended 30 June 2023	Year ended 31 December 2022
Revenue (£’000)	4,859	9,682
EBITDA (£’000)	3,135	7,057
Assets under management	£2.5bn	£2.4bn

Despite difficult trading conditions, the directors are satisfied with the performance of the Company in the period. The Company has experienced significant pressures arising from wider market conditions, including geopolitical instability as a result of the ongoing war in Ukraine, and the consequences of inflationary pressures in many markets. This has impacted the level of revenue growth achieved, however the directors are pleased that revenue is ahead of that recorded in the equivalent period in 2022. Economic pressures are expected to ease in the medium term and the Company is well placed to take advantage of improving economic conditions.

The Company has made key hires within its investment management and compliance teams in late 2022 which are expected to support the Company’s future growth plans and enhance regulatory and risk monitoring.

Outlook and initiatives

The Company continues to invest in further initiatives to increase revenue with costs being well managed in the current challenging operating conditions; these are expected to positively impact results in future periods.

The Company has been working on the implementation of the FCA’s Consumer Duty Regulations and expects to meet the 31 July 2023 deadline.