Trading update for H1

Overview

Capital Professional Limited (the "Company") is part of the Ascot Lloyd group (the "Group"), one of the largest privately owned independent financial advisory businesses in the UK. The Group is controlled by Nordic Capital Fund X. Key to the wider group's strategy is inorganic growth, which is focused on the acquisition of smaller IFAs using a 'buy and build' approach, to add high quality businesses that complement the current Group and values.

During the first six months of 2023, the Group has completed the acquisition of a further three IFAs and has integrated them into the Company's business operations. Results are reflected in the below figures from the point of integration within the Company's business. On an annualized basis these acquisitions are expected to add a further £3.3m of Adjusted Earnings Before Interest, Tax, Depreciation and Amortisation[1] ("Adjusted EBITDA").

The wider group has another five businesses with signed Non-Binding Offers which will add a further £6.6m of annualized Adjusted EBITDA by the year end.

Current trading

	Six months ended 30 June 2023	Year ended 31 December 2022
Revenue (£'000)	34,117	71,706
Adjusted EBITDA (£'000)	5,547	13,643
Assets under management	£9.5bn	£9.1bn

Despite difficult trading conditions, the directors are satisfied with the performance of the Company during the period. The Company has experienced significant pressures arising from wider market conditions which have adversely impacted the revenue figures recorded, however these pressures are expected to ease in the medium term and the Company is well placed to take advantage of improving economic conditions.

Furthermore, the Company has invested heavily in key regulatory, compliance and management roles to support future growth including the appointment of a Chief Financial and Operating Officer with overall responsibility for financial and operational success.

Outlook and initiatives

The Company continues to invest in further initiatives to drive up revenue and manage costs in the current challenging operating conditions which 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.

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[1] Operating profit adding back depreciation, amortisation, exceptional items, revaluation gains and losses on contingent consideration in respect of acquisitions, and further costs of the business that are not deemed to be core to the operations of the business. These non-core business costs include share-based payment and other retention expenses and bonuses, costs related to internal process reviews, and other restructuring costs including non-acquisition related redundancies. Adjusted EBITDA reflects only continuing operations.