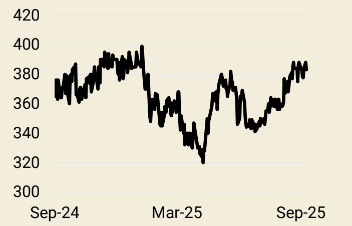
zeus

16 September 2025
For FCA purposes this is a Marketing Communication

Price	387p
Market Cap	£196m
Shares in Issue	50.7m
12m Trading Range	310p to 400p
Free Float	59%
Next Event	1Q IMS

Price performance (p)



Source: Bloomberg

Financial forecasts

YE, Jun (US$'m)	2023A	2024A	2025A	2026E
FuM opening	9,224	9,424	10,814	10,814
Revenue (net fee)	65.5	66.2	69.8	73.2
yoy growth (%)	*(15.4)*	*1.1*	*5.4*	*4.9*
Pre profit share	38.5	39.3	42.9	43.5
EBITDA	27.3	27.0	30.8	30.6
Adj. PBT	27.0	27.1	30.8	30.3
Adj. PAT	21.1	20.6	23.4	22.8
Exchange rate #	1.27	1.26	1.28	1.36
Adj EPS (p)	35.8	33.5	36.7	34.5
DPS (p)	33.0	33.0	33.0	33.0
Net cash (p)	45.1	52.8	51.5	51.5
P/E	10.8	11.6	10.5	11.2
EV/EBITDA	6.2	6.3	5.5	5.6
Cash conversion	1.09	1.05	1.03	1.00
FCF yield (%)	*9.3*	*8.7*	*9.5*	*8.9*
Dividend yield (%)	*8.5*	*8.5*	*8.5*	*8.5*

average exchange rate used to convert US dollar profit to earnings in pence per share

Source: Audited accounts and Zeus estimates

*** City of London Investment Group is a broker client of Zeus**

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City of London Investment Group

CLIG LN - Financial Services

Finals beat expectations

CLIG's results for the year to June 30, 2025 confirm $10.8 billion of funds under management (FuM) at year end and outperformance of most of its strategies compared to benchmarks. Current Group FuM is 2.8% higher at $11.1bn. Group revenues, profits and earnings beat Zeus' expectations.

Highlights, as revealed in the annual report and accounts:

- **Net fee income of $69.8m** (*2024: $66.2m*), beating Zeus forecast of $67.2m by 3.9%
- **Underlying PBT* of $30.8m** (*2024: $27.2m*) beat Zeus forecast of $28.1m by 9.6%
- **Underlying basic EPS* was 36.7p** (*2024: 33.5p*), beating Zeus forecast of 34.3p by 7.0%
- **The Board confirms a 22p final dividend in line with the prior year** (*i.e. 22p a share*) as forecast by Zeus

* Underlying profit before tax is adjusted for gain on investments and amortisation of intangibles.

Data, as previously reported on 31 July:

- **Funds under Management "FuM" on 30 June 2025 was $10,814m:** a rise of 5.6% yoy and a rise of 8.5% in the final quarter; as of 11 September FuM was $11.1bn (*2.8% above end June*)
- **Net outflows for the year totalled $974m**, with $564m net outflows in the first half and $212m net outflows in 3Q, and final quarter net outflows of $198m
- **Most CLIG strategies outperformed over the past year**: all CLIM and all-but-one of KIM strategies outperformed their benchmarks

Current trading and outlook: CLIG Chairman, Rian Dartnell, observes: CLIG's "*teams truly have the 'Right to Win' with highly talented and well-resourced teams, strong track records and dedicated operating and client-servicing teams. I am confident our investment teams are the best in CLIG's history*".

Zeus view: We are encouraged by CLIG beating our forecasts: 3.9% beat to forecast net fees, 9.6% beat to forecast underlying PBT; and 7.0% beat to forecast underlying EPS. We conclude CLIG management maintains strong cost control.

With Group FuM up 2.8% since year end, we conclude our revenue and profit forecast for 2026 is prudent. We see scope to increase revenue and profits, when net inflows reflect CLIG's investment track records.

In the period since end-June 2025, the US dollar has been relatively stable (*at £1=$1.36; previously £1=1.35*). We leave adj EPS and DPS forecasts, in pence per share, unchanged.

We are encouraged by CLIG's investment performance and by commentary about current market conditions. Performance and persistent discount volatility should impress asset allocators.

Valuation: At 387p, CLIG shares are trading cum-22p-final dividend, which itself is a 5.7% yield; the full 33p dividend puts CLIG on a yield of 8.5%. When CLIG shares go ex-22p div, CLIG's yield rises to 9.0%.

With CLIG's strategies outperforming, shareholders should feel comfortable with expectations that the dividend can be maintained, even in the absence of net inflows. We maintain our July 2026 target price based on a 7.2% dividend yield (*i.e. 105% above the current yield on the FT All Share as well as the average yield of peers: Brooks Macdonald, Liontrust, Premier Miton and Polar Capital*), which would value CLIG at 458p a share (i.e. 480p cum 22p final dividend): 24% upside.

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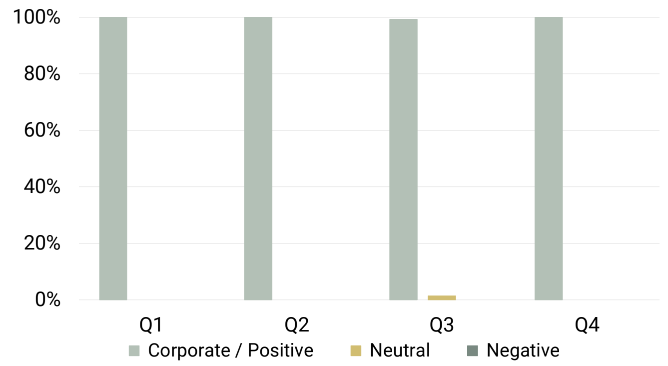

Recommendation distribution at 30 June 2025 Source: Zeus

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Nomad & Joint Broker	25
Nomad	2
Broker	14
Joint Broker	28
Financial Adviser & Broker	3
Financial Adviser	1
Research client	9

At 30 June 2025 Source: Zeus

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