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Premier Miton Group PLC
31 May 2023

PREMIER MITON GROUP PLC
HALF YEAR RESULTS FOR THE SIX MONTHS ENDED 31 MARCH 2023

Premier Miton Group plc ('Premier Miton', 'Company' or 'Group'), the AIM quoted fund management group, today announces its half year results for the six months ended 31 March 2023 (the 'Period').

Highlights

- £11.0 billion closing Assets under Management [2] ('AuM') (2022 HY: £12.8 billion)
- Net outflows of £32 million in the Period (2022 HY: £401 million outflows)
- Continued inflows into fixed income strategies of £399 million in the Period (2022 HY: £138 million inflows)
- 76% of funds above median investment performance since launch or tenure [3] (2022 HY: 80%)
- Adjusted profit before tax [1,2] of £7.9 million (2022 HY: £14.6 million)
- Profit before tax of £2.4 million (2022 HY: £9.9 million)
- Proposed interim dividend of 3.0 pence per share (2022 interim: 3.7 pence per share)
- Successful launch of Premier Miton Emerging Markets Sustainable Fund on 21 April 2023
- Continued focus on distribution capabilities to service our existing and new client base, and positioning for inflows when market and sentiment conditions turn positive again, by showcasing the depth and breadth of our investment talent across asset classes
- £11.0 billion closing AuM at 30 April 2023

Notes
(1) Adjusted profit before tax is calculated before the deduction of taxation, amortisation, share-based payments, merger related costs and exceptional items.
(2) These are Alternative Performance Measures ('APMs').
(3) At 31 March 2023. Based on Investment Association sector classifications where applicable, with data sourced from FE Analytics FinXL using the main representative post-RDR share class, based on a total return, UK Sterling basis. All data is as at 31 March 2023 and the performance period relates to when the fund launched or the assumed tenure of the fund manager(s). Performance for investment trusts is calculated on Net Asset Value ('NAV'), ranked against the relevant Morningstar category for each investment trust.

Mike O'Shea, Chief Executive Officer of Premier Miton Group, commented:

"Although this has been a tougher period for investors, we remain convinced that the work we have done in building a diversified active manager that can offer products across equities, fixed income and multi-asset will bear fruit in the long term.

At times of market stress there are substantial opportunities for genuinely active managers who have the courage of their convictions to run differentiated, long-term, and focussed portfolios by taking an agile and positive role in the capital allocation process.

Our long term investment performance record is good, we have a strong distribution and marketing capability, a strong balance sheet and an operational platform that can handle many times the current level of assets we manage. As confidence returns to markets and to investors, we are well placed to return to growth."

ENDS

For further information, please contact:

Premier Miton Group plc Mike O'Shea, Chief Executive Officer	01483 306 090
Investec Bank plc (Nominated Adviser and Broker) Bruce Garrow / Ben Griffiths / Virginia Bull / Harry Hargreaves	020 7260 1000
Edelman Smithfield Consultants (Financial PR) John Kiely / Latika Shah	07785 275665/ 07950 671948

www.premiermiton.com

About Premier Miton
Premier Miton Investors is focused on delivering good investment outcomes for investors through relevant products

and active management across its range of investment strategies, which include equity, fixed income, multi-asset and absolute return.

LEI Number: 213800LK2M4CLJ4H2V85

Chairman's Statement

The political and financial turmoil in the UK in late 2022 has revealed with brutal clarity some deep problems affecting the structure of the UK savings market, especially for longer term savings and access to capital and investment support in public markets. A healthy, successful and efficiently functioning capital market is vital for the UK's strategic and business interests. I am pleased to see there are many initiatives now under way to identify what can be done to create better conditions for the future. Well thought through changes will also, if implemented soon, provide us with a much more attractive environment for our business and, more importantly, for our clients. We will continue to do what we can to encourage positive and well implemented changes and to successfully navigate these testing times.

I met several of our shareholders following the announcement of our results for 2022 to discuss their thoughts and views on our business, and to listen to the issues that they raise. I value these exchanges and am always impressed by the care and attention they give to their investment. Their focus and issues are varied and I appreciate the support of our shareholders for the business we are building, and the recognition that we are seeking to do our very best for all stakeholders in these challenging times for our industry.

During the period we again held a Board strategy day to review our markets, our industry, our ambitions, plans and resources, taking a clear look at what we can do to improve our business. While I am sure that we are working as hard as we can, with discipline and focus, and that there are always things that can be improved or adjusted, we are to a great extent dependent on the overall market environment improving.

We are continuing with our ambitious organic growth plans, and I am pleased that good progress is being made here especially in our overall client, distribution and marketing initiatives.

We have also been active in reviewing several strategic ideas which have the potential to materially advance our business, contributing to shareholder value. We have an experienced team and focussed approach as to how we assess these strategic ideas and we will need to continue to apply this focus as the industry is going through a period of potentially deep change.

I continue to be impressed by the hard work and dedication of our people. We all feel that the responsibility of looking after other people's savings is something to be proud of and we seek to do to the best of our abilities. Businesses like ours which have a strong and healthy culture should be able to prosper relative to others and I believe this is happening. Of course, it isn't easy and the leadership group has a clear focus on managing Premier Miton to achieve our purpose, while remembering that, essentially, the business of business is business! From this, other positive things can flow.

Our financial performance has been broadly flat over the period, with AuM standing at £11 billion at period end and adjusted profit before tax of £7.9 million.

These are challenging and, we believe, unusual times for the whole UK asset management market, affecting savings flows and investment market levels and performance. The Board is confident that we have a well-considered and coherent strategy supported by a business model and resources that promote long term shareholder value creation and growth. We recognise that we need to navigate these times with great care and that our management team must actively and confidently manage the business to position us for success. This means we closely examine and make decisions on the mix, focus and financial management of all our activities.

The business is fundamentally cash generative and has operational gearing which should allow for improved profit and cash creation as markets and savings flows improve and our financial results recover. We know it is important to manage our capital resources prudently, not just to cover our regulatory capital requirements but also to maintain a strong balance sheet which allows us to navigate more difficult times, to be agile, invest for future growth, and, critically, to focus leadership energies on creating a valuable business.

We have a clearly stated dividend policy of paying a total annual dividend in a range of 50-65% of adjusted profit after tax, in line with our peer group. Our dividend payments are a key part of our overall approach to generate shareholder value and we intend to keep to this policy over time. However, reflecting the inherent strengths of our business and our overall approach to capital management, we are willing to exceed this policy if appropriate to do so and within the bounds of prudence. Indeed, we did so for the dividend for the last financial year. I should say that we are highly reluctant to pay an uncovered dividend except in exceptional circumstances, specifically these would include where both the market and business outlook are obviously both clearer and brighter. And shareholders will understand that paying an uncovered dividend for an extended period of time is neither prudent nor a sustainable policy.

We will consider the position more closely at year end, reflecting business results and outlook, and overall trading and market conditions, conscious that there is plenty of potential for a range of developments to affect our business. We are always mindful of the reasonable near-term income expectations of shareholders and a need to balance these with longer term interests of the business as a whole. We are also confident that we have a high quality, attractively positioned and well managed business and that in due course markets, investment flows and business performance will recover. However, it is not clear when this will be. Accordingly we have decided to pay an interim dividend of 3.0p equal to approximately 68% of interim adjusted EPS of 4.4p and we believe that this reflects all these matters in the round. In the current market conditions, our shareholders ought not to infer that the split between interim and final dividend will be consistent with prior years.

The political, economic and social outlook is still clouded with challenges, yet there is a huge need for good management of long term savings and we believe there is a valuable and significant role for genuinely active investment management, in both retail and institutional markets. With our breadth of product, our strong performance and experienced teams, we are well placed to continue building a successful business in the interests of all our stakeholders.

Robert Colthorpe
Chairman
30 May 2023

Chief Executive Officer's Statement

The current financial year has seen a recovery in equity and fixed income markets after the difficult period experienced in the last financial year. Despite this, we have seen a continuation of the more challenging environment for the UK's long term savings industry.

Investors appear to have been shaken by the events of 2022 and are reluctant to commit to new investments. This has been reflected in industry data which continues to show large outflows from actively managed funds - particularly in areas like UK equities and European equities - during the six months. There has, however, been an uptick in demand for fixed income strategies where we are well placed to serve our clients.

It is some comfort that our own performance is slightly better than the wider industry with net outflows from our funds of £32 million in total over the six months. Whilst it is disappointing that our strong investment performance record has not allowed us able to make more positive headway, this must be set against the overall industry backdrop.

Business performance
At the end of March 2023 Assets under Management ('AuM') stood at £11.0 billion representing an increase of 4% on the beginning of the year. Average AuM stood at £11.2 billion for the period, which is 17% lower than in the previous period. The drop in AuM has been driven by falling markets during 2022 and a reluctance on the part of investors to invest during market turbulence and the continuation of uncertain macro-conditions.

The net management fee margin (the retained revenue margin of the firm after deducting the costs of OCF caps, direct research costs and any enhanced fee arrangements) was 62.5bps compared with 65.1bps last year.

The adjusted operating margin decreased from 33% to 23% reflecting the lower level of AuM and our continuing strategic investment in the fixed cost base of the business via new fund management teams and the launch of new funds, which in turn will enhance the Group's long term growth profile.

Over the six months, the group generated £7.9 million of adjusted profit before tax for the year and had a closing cash position of £31.5 million.

Investment flows
For the first half of the current financial year, we saw inflows into our largest US equity strategy although these were more than offset by outflows from our European and UK equity strategies.

In total, our equity strategies had £360 million of outflow during the period. Our fixed income strategies saw net inflows of £380 million during the six months mainly driven by flows into our Strategic and Corporate bond funds. We also saw small inflows into our segregated fixed income mandates. In multi-asset, we continued to see good levels of interest in our Diversified funds, although continued outflow from our multi-manager and macro-thematic funds meant that in total we saw £69 million of outflow across our multi-asset strategies.

Investment performance
Across our equity strategies we invest across the market capitalisation with a number of our strategies often favouring mid and smaller capitalisation stocks. This is because we believe that these companies will deliver strong long term returns for our investors. There are periods, however, when these sectors of the market perform less well relative to the very largest companies. We have been through just such a period in the last six months or so and this has impacted our very short-term performance. We expect this to reverse in our favour in due course.
It is pleasing to note that our longer-term numbers remain attractive across our equity, fixed income and multi-asset strategies with 83% of our assets under management (where a sector comparison is appropriate) performing ahead of median since manager inception.

Fund range
We have made no significant changes to our portfolio of funds during the last six months. We have been preparing, however, for the launch of a new Global Emerging Markets Sustainable fund that will be managed by Fiona Manning and William Scholes who joined us from abrdn in the second half of last year.

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We believe that a product investing in the fast-growing emerging markets will be attractive to investors, particularly with Fiona and Will's strong investment process that focuses on identifying companies offering exposure to sustainable growth themes and a positive influence on society and the environment, as identified through a material alignment to the UN Sustainable Development Goals. In the longer term it will also help to further diversify the asset mix within Premier Miton, increasing our exposure to global equites alongside our existing global sustainable, global smaller companies and global infrastructure funds.

Distribution
During the last six months we were delighted to welcome Jonathan Willcocks to the team as Head of Global Distribution. Jonathan brings a wealth of experience to Premier Miton gained during his time in a similar role at M&G and before that with MFS, abrdn, Prolific and Hambros.

Since joining he has created a unified distribution and marketing team that can bring our full product range of equity, fixed income and multi-asset funds into our key markets of wealth manager, independent adviser and institutional fund buyers.

Strategy
Looking forwards we have a well-diversified product offering that is managed by experienced and talented investment managers. We cover around 82% of the key demand pools in terms of assets under management within the UK market according to Investment Association data. This means that there is a sizeable market for us take our products to and to capture increased market share within. We know that investors will continue to seek out strategies where they believe managers can add long term value over and above investing in a simple index strategy. And we know that our managers have demonstrated an ability to deliver this for investors over the long term.

Our distribution team has been restructured and reinvigorated and can cover the key fund buyer markets in the UK. As and when market sentiment improves and fund buyers return, we are confident of growing our business organically once more. We are also mindful of the opportunities that exist outside our home market and continue to investigate ways in which our funds and our services can be brought to a wider audience in Europe and beyond.

And of course, having successfully completed the merger of Premier and Miton, we are open minded about the prospects to grow our business through further merger and acquisition activity should the opportunity present itself.

Closing
Although this has been a tougher period for our investors, as indeed it has for our shareholders, we remain convinced that the work we have done in building a diversified active manager that can offer products across equities, fixed income and multi-asset will bear fruit in the long term.

Our investment performance record is good, we have a strong distribution and marketing capability, a strong balance sheet and an operational platform that can handle many times the current level of assets we manage. As confidence returns to markets and to investors, we are well placed to return to growth.

Mike O'Shea
Chief Executive Officer
30 May 2023

Financial Review

Financial performance
Profit before tax for the period was £2.4 million (2022 HY: £9.9 million). The decrease in profitability is due to the lower average level of assets being managed by the Group when compared to the comparative period, detailed below.

Adjusted profit before tax *, which is stated before amortisation, share-based payments, merger related costs and exceptional costs decreased to £7.9 million (2022 HY: £14.6 million).

Adjusted profit and profit before tax

	Unaudited six months to 31 March 2023 £m	Unaudited six months to 31 March 2022 £m	Audited year to 30 September 2022 £m
Net revenue	**35.0**	43.7	81.2
Administrative expenses	**(27.1)**	(29.1)	(56.8)
Adjusted profit before tax*	**7.9**	14.6	24.3
Amortisation	**(2.4)**	(2.4)	(4.8)
Share-based payments	**(2.6)**	(2.2)	(4.5)
Merger related costs	**-**	-	(0.1)
Exceptional costs	**(0.5)**	-	-

Profit before tax	**2.4**	9.9	14.9

** Indicates Alternative Performance Measures ('APMs').*

Assets under Management * ('AuM')
AuM at 31 March 2023 was £10,995 million (2022 HY: £12,847 million) representing a 4% increase from the opening position for the period of £10,565 million.

Despite this, the Group's average AuM decreased by 17% over the comparative period to £11,194 million (2022 HY: £13,453 million) reflecting the lower opening AuM position.

Whilst there were early signs of returning confidence amongst fund buyers in the latter stages of 2022 this did not follow through into 2023 and the banking shocks that unfolded towards the end of the period appear to have dented risk appetite.

The Group saw continued inflows into the fixed income, US equity and Diversified multi-asset funds and outflows from the European equity and UK equity funds which broadly reflects what the wider industry data is showing. The net outflows for the period were £32 million (2022 HY: £(401) million).

Movement in AuM by asset class

	Opening AuM 1 October 2022 £m	Half year net flows £m	Market/ investment performance £m	**Closing AuM 31 March 2023 £m**
Equity funds	5,631	(360)	366	**5,637**
Multi-asset funds	3,263	(69)	80	**3,274**
Fixed income funds	750	380	(2)	**1,128**
Investment trusts	519	(2)	(4)	**513**
Segregated mandates	402	19	22	**443**
Total	**10,565**	**(32)**	**462**	**10,995**

Net revenue

	Unaudited six months to 31 March 2023 £m	Unaudited six months to 31 March 2022 £m	Audited year to 30 September 2022 £m
Management fees	**38.8**	48.5	90.6
Fees and commission expenses	**(3.9)**	(4.8)	(9.1)
Net management fees [1 *]	**34.9**	43.7	81.5
Other income/(loss)	**0.1**	-	(0.3)
Net revenue	**35.0**	43.7	81.2
Average AuM [2 *]	**11,194**	13,453	12,615
Net management fee margin (bps) [3 *]	**62.5**	65.1	64.6

1 Being management fee income less trail/rebate expenses
2 Calculated using the daily AuM adjusted for the monthly closing AuM invested in other funds managed by the Group
3 Net management fee margin represents annualised net management fees divided by the average AuM

The Group's revenue represents management fees generated on the assets being managed by the Group. The net management fee margin for the period was 62.5 basis points. The decrease from the comparative period primarily reflects the change in the Group's product mix.

Net management fees decreased by 20% to £34.9 million (2022 HY: £43.7 million) reflecting the lower level of average AuM compared to the comparative period.

Administration expenses
Administration expenses for the period (excluding share-based payments) totalled £27.1 million (2022 HY: £29.1 million), a decrease of 7%.

Staff costs continue to be the largest component of administration expenses, consisting of both fixed and variable elements. The fixed staff costs, which includes salaries and associated National Insurance, employers' pension contributions and other indirect costs of employment increased to £10.9 million (2022 HY: £9.8 million). At the period end the Group had 167 full time staff including non-executive directors (2022 HY: 163).

Variable staff costs totalled £6.6 million (2022 HY: £9.5 million). Included within this are general discretionary bonuses, sales bonuses and bonuses in respect of the fund management teams, plus associated employers' national insurance. These costs move with the net revenues of the Group and the adjusted profit before tax.

Overheads and other costs were broadly flat at £9.1 million (2022 HY: £9.2 million).

Administration expenses

	Unaudited six months to 31 March 2023 £m	Unaudited six months to 31 March 2022 £m	Audited year to 30 September 2022 £m
Fixed staff costs	**10.9**	9.8	20.4
Variable staff costs	**6.6**	9.5	17.3

Overheads and other costs	**9.1**	9.2	17.9
Depreciation - fixed assets	**0.2**	0.3	0.6
Depreciation - leases	**0.3**	0.3	0.6
Administration expenses	**27.1**	29.1	56.8

Exceptional costs
During the period the Group incurred exceptional costs totalling £0.5 million. These comprise of £0.25 million relating to restructuring of the Group's distribution activities and £0.25 million following the strategic review to cease development of the Group's online portal 'Connect'.

Share-based payments
The share-based payment charge for the period was £2.6 million (2022 HY: £2.2 million). Of this charge, £2.2 million related to nil cost contingent share rights ('NCCSR').

During the period 1,577,500 NCCSR awards were issued (2022 HY: 1,902,500).

On 13 January 2023, the Group granted 2,651,034 long-term incentive plan ('LTIP') awards (2022 HY: nil). The cost of the awards is the estimated fair value at the date of grant of the estimated entitlement to ordinary shares. At each reporting date the estimated number of ordinary shares that may be ultimately issued is assessed.

At 31 March 2023 the Group's Employee Benefit Trusts ('EBTs') held 11,469,161 ordinary shares representing 7.3% of the issued ordinary share capital (2022 HY: 12,692,553 shares). See note 12 for further detail.

Balance sheet, capital management and dividends
Total shareholders' equity as at 31 March 2023 was £121.4 million (2022 HY: £127.7 million). At the period end the cash balances of the Group totalled £31.5 million (2022 HY: £36.0 million). The Group has no external bank debt.

Dividends totalling £9.1 million were paid in the period (2022 HY: £9.3 million). The Board is recommending an interim dividend payment of 3.0p per share (2022 HY: 3.7p). The interim dividend will be paid on 4 August 2023 to shareholders on the register at the close of business on 7 July 2023.

The Group's dividend policy is to target an annual ordinary dividend pay-out of approximately 50 to 65% of profit after tax, adjusted for exceptional costs, merger related costs, share-based payments and amortisation.

Piers Harrison
Chief Financial Officer
30 May 2023

Alternative Performance Measures ('APMs')

APM	**Unit**	**Definition**	**Purpose**
Adjusted profit before tax	£	Profit before interest, taxation, amortisation, share-based payments, merger related costs and exceptional costs.	Except for the noted costs, this encompasses all operating expenses in the business, including fixed and variable staff cash costs. Provides a proxy for cash generated and is the key measure of profitability for management decision making.
AuM	£	The value of external assets that are managed by the Group.	Management fee income is calculated based on the level of AuM managed. The AuM managed by the Group is used to measure the Group's relative size against the industry peer group.
Net management fee	£	The net management fee revenue of the Group. Calculated as gross management fee income, less the cost of OCF caps, direct research costs and any enhanced fee arrangements.	Provides a consistent measure of the profitability of the Group and its ability to grow and retain clients, after removing amounts paid to third parties.
Net management fee margin	bps	Net management fees divided by average AuM.	A measure used to demonstrate the blended fee rate earned from the AuM managed by the Group. A basis point ('bps') represents one hundredth of a percent, this measure is used within the asset management sector and provides comparability of the Group's net revenue generation.
Adjusted earnings per share (basic)	p	Profit after tax excluding amortisation, share-based payments, merger related costs and exceptional costs, divided by the weighted average number of shares in issue in the period.	Provides a clear measure to shareholders of the profitability of the Group from its underlying operations. The exclusion of amortisation, share-based payments, merger related costs and exceptional items provides a consistent basis for comparability of results period on period.

Unaudited Condensed Consolidated Statement of Comprehensive Income
for the six months ended 31 March 2023

Unaudited Unaudited Audited

	Notes	**Unaudited six months to 31 March 2023 £000**	Unaudited six months to 31 March 2022 £000	Audited year to 30 September 2022 £000
Revenue	4	**38,838**	48,503	90,233
Fees and commission expenses		**(3,868)**	(4,789)	(9,062)
Net revenue		**34,970**	43,714	81,171
Administration expenses		**(27,067)**	(29,140)	(56,818)
Share-based payment expense	12	**(2,581)**	(2,240)	(4,505)
Amortisation of intangible assets	8	**(2,424)**	(2,424)	(4,861)
Merger related costs	5	**(25)**	(25)	(51)
Exceptional items	5	**(462)**	-	-
Operating profit		**2,411**	9,885	14,936
Finance income/(expense)		**5**	(7)	(23)
Profit for the period before taxation		**2,416**	9,878	14,913
Taxation	6	**(776)**	(4,062)	(5,346)
Profit for the period after taxation attributable to equity holders of the parent		**1,640**	5,816	9,567

		Pence	pence	pence
Basic earnings per share	7(a)	1.12	3.97	6.54
Diluted basic earnings per share	7(a)	1.05	3.71	6.12

No other comprehensive income was recognised during 2023 or 2022. Therefore, the profit for the period is also the total comprehensive income.

All of the amounts relate to continuing operations.

Unaudited Condensed Consolidated Statement of Changes in Equity

for the six months ended 31 March 2023

	Notes	Share capital £000	Merger reserve £000	Employee Benefit Trust £000	Capital redemption reserve £000	Retained earnings £000	Total £000
At 1 October 2022		**60**	**94,312**	**(16,744)**	**4,532**	**44,604**	**126,764**
Profit for the period		-	-	-	-	1,640	1,640
Purchase of own shares held by an EBT	12(c)	-	-	(381)	-	-	(381)
Exercise of options		-	-	1,617	-	(1,617)	-
Share-based payment expense	12	-	-	-	-	2,581	2,581
Other amounts direct to equity		-	-	-	-	(17)	(17)
Deferred tax direct to equity		-	-	-	-	(9)	(9)
Equity dividends paid	3	-	-	-	-	(9,147)	(9,147)
At 31 March 2023 (Unaudited half year)		**60**	**94,312**	**(15,508)**	**4,532**	**38,035**	**121,431**
At 1 October 2021		60	94,312	(15,790)	4,532	49,110	132,224
Profit for the period		-	-	-	-	5,816	5,816
Purchase of own shares held by an EBT	12(c)	-	-	(3,222)	-	-	(3,222)
Exercise of options		-	-	393	-	(393)	-
Share-based payment expense	12	-	-	-	-	2,240	2,240
Deferred tax direct to equity		-	-	-	-	(103)	(103)
Equity dividends paid	3	-	-	-	-	(9,269)	(9,269)
At 31 March 2022 (Unaudited half year)		60	94,312	(18,619)	4,532	47,401	127,686
At 1 October 2021		60	94,312	(15,790)	4,532	49,110	132,224
Profit for the year		-	-	-	-	9,567	9,567
Purchase of own shares held by an EBT		-	-	(4,492)	-	-	(4,492)
Exercise of options		-	-	3,538	-	(3,538)	-
Share-based payment expense		-	-	-	-	4,505	4,505
Deferred tax direct to equity		-	-	-	-	(344)	(344)
Equity dividends paid		-	-	-	-	(14,696)	(14,696)
At 30 September 2022 (Audited)		60	94,312	(16,744)	4,532	44,604	126,764

Unaudited Condensed Consolidated Statement of Financial Position

as at 31 March 2023

	Notes	**Unaudited 31 March 2023 £000**	Unaudited 31 March 2022 £000	Audited 30 September 2022 £000
Non-current assets				
Goodwill	8	**70,688**	70,688	70,688
Intangible assets	8	**20,092**	24,953	22,516
Other investments		**100**	100	100
Property and equipment		**488**	1,561	1,192
Right-of-use assets		**646**	1,411	908
Deferred tax asset		**1,757**	2,431	1,928
Finance lease receivables		**1**	-	77

Trade and other receivables		**563**	803	1,081
		94,335	101,947	98,490
Current assets				
Financial assets at fair value through profit and loss		**1,171**	3,458	2,089
Finance lease receivables		**176**	-	197
Trade and other receivables		**167,513**	114,395	136,052
Cash and cash equivalents	9	**31,520**	36,038	45,764
		200,380	153,891	184,102
Total assets		**294,715**	255,838	282,592
Current liabilities				
Trade and other payables		**(167,250)**	(120,241)	(148,820)
Lease liabilities		**(651)**	(868)	(887)
		(167,901)	(121,109)	(149,707)
Non-current liabilities				
Provisions	10	**(374)**	(374)	(374)
Deferred tax liability		**(4,950)**	(5,958)	(5,485)
Lease liabilities		**(59)**	(711)	(262)
Total liabilities		**(173,284)**	(128,152)	(155,828)
Net assets		**121,431**	127,686	126,764
Equity				
Share capital	11	**60**	60	60
Merger reserve		**94,312**	94,312	94,312
Own shares held by an Employee Benefit Trust	12(c)	**(15,508)**	(18,619)	(16,744)
Capital redemption reserve		**4,532**	4,532	4,532
Retained earnings		**38,035**	47,401	44,604
Total equity shareholders' funds		**121,431**	127,686	126,764

Unaudited Condensed Consolidated Statement of Cash Flows

for the six months ended 31 March 2023

	Notes	**Unaudited six months to 31 March 2023 £000**	Unaudited six months to 31 March 2022 £000	Audited year to 30 September 2022 £000
Cash flows from operating activities:				
Profit after taxation		**1,640**	5,816	9,567
Adjustments to reconcile profit to net cash flow from operating activities:				
- Tax on continuing operations	6	**776**	4,062	5,346
- Finance (income)/expense		**(5)**	7	23
- Interest payable on leases		**18**	34	60
- Depreciation - fixed assets		**220**	282	580
- Depreciation - leases		**263**	337	621
- Gain on derecognition of right-of-use asset		**-**	-	(115)
- Receivable for the net investment in sub-lease		**-**	-	334
- (Gain)/loss on revaluation of financial assets at fair value through profit and loss		**(98)**	18	345
- Loss on disposal of property and equipment		**500**	-	171
- Amortisation of intangible assets	8	**2,424**	2,424	4,861
- Share-based payment expense	12	**2,581**	2,240	4,505
-(Increase)/decrease in trade and other receivables		**(30,650)**	32,157	10,800
- Increase/(decrease) in trade and other payables		**18,430**	(42,980)	(14,403)
Cash generated from operations		**(3,901)**	4,397	22,695
Income tax paid		**(1,363)**	(3,008)	(5,352)
Net cash flow from operating activities		**(5,264)**	1,389	17,343
Cash flows from investing activities:				
Interest received/(paid)		**5**	(7)	(23)
Acquisition of assets at fair value through profit and loss		**-**	(55)	(85)
Proceeds from disposal of assets at fair value through profit and loss		**1,016**	107	1,180
Purchase of property and equipment		**(16)**	(106)	(207)
Net cash flow from investing activities		**1,005**	(61)	865
Cash flows from financing activities:				
Lease payments		**(457)**	(474)	(931)
Purchase of own shares held by an EBT	12(c)	**(381)**	(3,222)	(4,492)
Equity dividends paid	3	**(9,147)**	(9,269)	(14,696)
Net cash flow from financing activities		**(9,985)**	(12,965)	(20,119)
Decrease in cash and cash equivalents		**(14,244)**	(11,637)	(1,911)
Opening cash and cash equivalents		**45,764**	47,675	47,675
Closing cash and cash equivalents	9	**31,520**	36,038	45,764

Notes to the Unaudited Condensed Consolidated Financial Statements

for the six months ended 31 March 2023

1. Basis of accounting

1. Basis of accounting
These interim unaudited Condensed Consolidated Financial Statements do not constitute statutory accounts within the meaning of section 435 of the Companies Act 2006. They have been prepared on the basis of the accounting policies as set out in the Group's Annual Report for the year ended 30 September 2022.

The interim unaudited Condensed Consolidated Financial Statements to 31 March 2023 have been prepared in accordance with
IAS 34 'Interim Financial Reporting' and the Listing Rules of the Financial Conduct Authority.

Premier Miton Group plc (the 'Group') is the Parent Company of a group of companies which provide a range of investment management services in the United Kingdom and Channel Islands.

The Group's 2022 Annual Report is prepared in accordance with International Financial Reporting Standards ('IFRS') as adopted by the United Kingdom, and is available on the Premier Miton Group plc website (www.premiermiton.com).

The Group has considerable financial resources and ongoing investment management contracts. As a consequence, the Directors believe that the Group demonstrates the financial resilience required to manage its business risks successfully. The Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for a period of at least 12 months after the date the interim financial statements are signed. Thus, the Directors continue to adopt the going concern basis of accounting in preparing the interim unaudited Condensed Consolidated Financial Statements. The Directors note that the Group has no external borrowings and maintains significant levels of cash reserves. The Group has conducted financial modelling at materially lower levels of AuM with the business remaining cash generative. The Directors have also reviewed and examined the financial stress testing inherent in the Internal Capital Adequacy and Risk Assessment ('ICARA').

These interim unaudited Condensed Consolidated Financial Statements were approved and authorised for issue by the Board acting through a duly authorised committee of the Board of Directors on 30 May 2023.

The full-year accounts to 30 September 2022 were approved by the Board of Directors on 1 December 2022 and have been delivered to the Registrar of Companies. The report of the auditor on those accounts was unqualified, did not contain an emphasis of matter paragraph and did not contain any statement under section 498 of the Companies Act 2006. The figures for the six months ended 31 March 2023 and the six months ended 31 March 2022 have not been audited.

The interim unaudited Condensed Consolidated Financial Statements are presented in Sterling and all values are rounded to the nearest thousand pounds (£000) except where otherwise indicated.

Forward looking statements
These interim unaudited Condensed Consolidated Financial Statements are made by the Directors in good faith based on information available to them at the time of their approval of the accounts. Forward looking statements should be treated with caution due to the inherent uncertainties, including economic, regulatory and business risk factors underlying any such statement. The Directors undertake no obligation to update any forward looking statement whether as a result of new information, future events or otherwise. The interim unaudited Condensed Consolidated Financial Statements have been prepared to provide information to the Group's shareholders and should not be relied upon by any other party or for any other purpose.

2. Segmental reporting
The Group has only one business operating segment, asset management for reporting and control purposes.

IFRS 8 'Operating Segments' requires disclosures to reflect the information which the Group's management uses for evaluating performance and the allocation of resources. The Group is managed as a single asset management business and as such, there are no additional operating segments to disclose. Under IFRS 8, the Group is also required to make disclosures by geographical segments. As Group operations are solely in the UK and Channel Islands, there are no additional geographical segments to disclose.

3. Dividend
The final dividend for the year ended 30 September 2022 of 6.3p per share was paid on 10 February 2023 resulting in a distribution of £9,147,109. This is reflected in the unaudited Condensed Consolidated Statement of Changes in Equity (2022 HY: £9,268,748).

4. Revenue
Revenue recognised in the unaudited Condensed Consolidated Statement of Comprehensive Income is analysed as follows:

	Unaudited six months to 31 March 2023 £000	Unaudited six months to 31 March 2022 £000	Audited year to 30 September 2022 £000
Management fees	**38,737**	48,516	90,570
Commissions	**2**	2	4
Other income/(loss)	**99**	(15)	(341)
Total revenue	**38,838**	48,503	90,233

All revenue is derived from the United Kingdom and Channel Islands.

5. Exceptional items and merger related costs
Recognised in arriving at operating profit from continuing operations:

	Unaudited six months to 31 March 2023 £000	Unaudited six months to 31 March 2022 £000	Audited year to 30 September 2022 £000
Restructuring	[illegible]		

Restructuring	**212**	-	-
Closure of connect	**250**	-	-
Total exceptional costs	**462**	**-**	**-**

Merger related costs	**25**	25	51
Total merger related costs	**25**	**25**	**51**

Exceptional items are those items of income or expenditure that are considered significant in size and/or nature to merit separate disclosure and which are non-recurring.

£211,185 of employment related redundancy costs were incurred arising from the restructuring of the Group's distribution activities undertaken in the period (2022 HY: £nil).

Exceptional items, net of associated income were incurred in relation to the cessation of the development of the Group's online portal 'Connect'. This resulted in net expenditure of £250,000.

There were £25,496 of merger related legal and professional costs in the period (2022 HY: £25,496).

6. Taxation

	Unaudited six months to 31 March 2023 £000	Unaudited six months to 31 March 2022 £000	Audited year to 30 September 2022 £000
Corporation tax charge	**1,150**	2,708	4,203
Deferred tax liability arising on historic business combination	**-**	2,066	2,066
Deferred tax credit	**(374)**	(712)	(923)
Tax charge reported in the unaudited Condensed Consolidated Statement of Comprehensive Income	**776**	4,062	5,346

In the Spring Budget 2021, the Government announced that from 1 April 2023 the corporation tax rate will increase to 25% from
19%. This was subsequently enacted on 24 May 2021. The deferred tax balances included within the Consolidated Financial Statements have been calculated with reference to the rate of 25% to the relevant balances from 1 April 2023.

7. Earnings per share

Basic earnings per share is calculated by dividing the profit for the period attributable to ordinary equity shareholders of the Parent Company by the weighted average number of ordinary shares outstanding during the period.

The weighted average of issued ordinary share capital of the Company is reduced by the weighted average number of shares held by the Group's Employee Benefit Trusts ('EBTs'). Dividend waivers are in place over shares held in the Group's EBTs.

In calculating diluted earnings per share, IAS 33 'Earnings Per Share' requires that the profit is divided by the weighted average number of ordinary shares outstanding during the period plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares during the period.

(a) Reported earnings per share

Reported basic and diluted earnings per share has been calculated as follows:

	Unaudited six months to 31 March 2023 £000	Unaudited six months to 31 March 2022 £000	Audited year to 30 September 2022 £000
Profit attributable to ordinary equity shareholders of the Parent Company for basic earnings	**1,640**	5,816	9,567
	No.000	No.000	No.000
Issued ordinary shares at 1 October	**157,913**	157,913	157,913
-Effect of own shares held by an EBT	**(12,111)**	(11,571)	(11,677)
Weighted average shares in issue	**145,802**	146,342	146,236
-Effect of movement in share options	**10,936**	10,259	10,184
Weighted average shares in issue - diluted	**156,738**	156,601	156,420
Basic earnings per share (pence)	**1.12**	3.97	6.54
Diluted earnings per share (pence)	**1.05**	3.71	6.12

(b) Adjusted earnings per share

Adjusted earnings per share is based on adjusted profit after tax, where adjusted profit is stated after charging interest but before share-based payments, amortisation, merger related costs and exceptional items.

Adjusted profit for calculating adjusted earnings per share:

	Unaudited six months to 31 March 2023 £000	Unaudited six months to 31 March 2022 £000	Audited year to 30 September 2022 £000
Profit before taxation	**2,416**	9,878	14,913
Add back:			
-Share-based payment expense	**2,581**	2,240	4,505
-Amortisation of intangible assets	**2,424**	2,424	4,861
-Merger related costs	**25**	25	51
-Exceptional items	**462**	-	-
Adjusted profit before tax	**7,908**	14,567	24,330
Taxation:			
-Tax in the unaudited Consolidated Statement of Comprehensive Income	**(776)**	(4,062)	(5,346)
-Tax effect of adjustments	**(697)**	1,344	1,176

Adjusted Profit after tax for the calculation of adjusted earnings per share	**6,435**	11,849	20,160

Adjusted earnings per share was as follows using the number of shares calculated at note 7(a):

	Unaudited six months to 31 March 2023 pence	Unaudited six months to 31 March 2022 pence	Audited year to 30 September 2022 pence
Adjusted earnings per share	4.41	8.10	13.79
Diluted adjusted earnings per share	4.11	7.57	12.89

8. Goodwill and other intangible assets

Cost amortisation and net book value of intangible assets are as follows:

Goodwill	**Unaudited six months to 31 March 2023 £000**	Unaudited six months to 31 March 2022 £000	Audited year to 30 September 2022 £000
Cost:			
At 1 October	**77,927**	77,927	77,927
Additions	**-**	-	-
At 31 March/30 September	**77,927**	77,927	77,927
Amortisation and impairment:			
At 1 October	**7,239**	7,239	7,239
Amortisation during the period	**-**	-	-
At 31 March/30 September	**7,239**	7,239	7,239
Carrying amount:			
At 31 March/30 September	**70,688**	70,688	70,688

Other intangible assets	**Unaudited six months to 31 March 2023 £000**	Unaudited six months to 31 March 2022 £000	Audited year to 30 September 2022 £000
Cost:			
At 1 October	**81,025**	81,025	81,025
Additions	**-**	-	-
At 31 March/30 September	**81,025**	81,025	81,025
Accumulated amortisation and impairment:			
At 1 October	**58,509**	53,648	53,648
Amortisation during the period	**2,424**	2,424	4,861
At 31 March/30 September	**60,933**	56,072	58,509
Carrying amount:			
At 31 March/30 September	**20,092**	24,953	22,516

Other intangible assets relate to the investment management agreements acquired in business combinations between the funds to which they were the investment manager and the value arising from the underlying client relationships.

The Group has determined that it has a single cash-generating unit ('CGU') for the purpose of assessing the carrying value of goodwill. Impairment testing is performed at least annually whereby the recoverable amount of the goodwill is analysed via the value-in-use method and compared to the respective carrying value. During the period no impairment was identified.

9. Cash and cash equivalents

	Unaudited six months to 31 March 2023 £000	Unaudited six months to 31 March 2022 £000	Audited year to 30 September 2022 £000
Cash at bank and in hand	**31,520**	36,038	45,764

10. Provisions

	£000
At 1 October 2022	**374**
Disposals	**-**
At 31 March 2023 (Unaudited)	**374**
Current	**-**
Non-current	**374**
	374
At 1 October 2021	389
Additions	(15)
At 31 March 2022 (Unaudited) and 30 September 2022 (Audited)	374

Provisions relate to dilapidations for the offices at 6th Floor, Paternoster House, London, the lease on this property runs to 28 November 2028 and the provision for dilapidations has been disclosed as non-current.

11. Share capital

Allotted, called up and fully paid: Number of shares	Ordinary shares 0.02 pence each Number	Deferred shares Number
At 1 October 2022	**157,913,035**	**1**
Issued	**-**	**-**
At 31 March 2023 (Unaudited)	**157,913,035**	**1**
At 1 October 2021	157,913,035	1
Issued	-	-
At 31 March 2022 (Unaudited) and 30 September 2022 (Audited)	157,913,035	1

Allotted, called up and fully paid: Value of shares	Ordinary shares 0.02 pence each £000	Deferred shares £000	Total £000
At 1 October 2022	**31**	**29**	**60**
Issued	**-**	**-**	**-**
At 31 March 2023 (Unaudited)	**31**	**29**	**60**
At 1 October 2021	31	29	60
Issued	-	-	-
At 31 March 2022 (Unaudited) and 30 September 2022 (Audited)	31	29	60

12. Share-based payment
The total expense recognised for share-based payments in respect of employee services received during the period to 31 March 2023 was £2,580,666 (2022 HY: £2,240,420), of which £2,208,196 related to nil cost contingent share rights (2022 HY: £2,176,867).

(a) Nil cost contingent share rights ('NCCSRs')
During the period, 1,577,500 (2022 HY: 1,902,500) NCCSRs over ordinary shares of 0.02p in the Company were granted to 19
employees (2022 HY: 32 employees). Of the total award, nil (2022 HY: 375,000) NCCSRs were awarded to Executive Directors. The awards will be satisfied from the Group's EBTs.

The share-based payment expense is calculated in accordance with the fair value of the NCCSRs on the date of grant. The price per right at the date of grant was £1.045 on 14 December 2022, resulting in a fair value of £1,648,488 to be expensed over the relevant vesting period of between two to five years.

The key features of the awards include: automatic vesting at the relevant anniversary date with the delivery of the shares to the
participant within 30 days of the relevant vesting date.

During the period, 1,251,668 NCCSRs over ordinary shares of 0.02p in the Company were exercised by 14 employees. Of the total, 150,000 were exercised by an Executive Director.

After the period end 2,016,661 NCCSRs over ordinary shares of 0.02p in the Company that vested on 14 April 2023, were exercised by 37 employees. Of the total, 400,000 were exercised by an Executive Director.

(b) Long-Term Incentive Plan ('LTIP')
On 13 January 2023 the Group granted 2,651,034 LTIP awards (2022 HY: nil). Of the total award, 811,541 were awarded to Executive Directors.

Vesting of awards is subject to continued employment and performance conditions based on Total Shareholder Return ('TSR'), Earnings Per Share ('EPS'), fund performance and other operational conditions, all measured over a three-year performance period.

The cost of the awards is the estimated fair value at the date of grant of the estimated entitlement to ordinary shares of 0.02p in the Company. At 13 January 2023 the cost was estimated at £797,961 and is to be expensed over the vesting period of three year. At each reporting date the estimated number of ordinary shares that may be ultimately issues is assessed.

The fair value of the LTIP awards was estimated using a Monte Carlo Simulation ('MCS') and the prepaid forward share price, adjusting the loss of dividends over the vesting period. The following table lists the inputs to the model used for the period ended 31 March 2023.

	13 January 2023
Dividend yield (%)	2.24
Nominal risk-free rate (%)	3.27
Expected share price volatility (%)	40.00
Discount for lack of marketability ('DLOM') (%)	12.00
Share price (£)	1.19
Performance period (months)	36
Holding period post vesting (months)	24

(c) Employee Benefit Trusts ('EBTs')
Premier Miton Group plc established an EBT on 25 July 2016 to purchase ordinary shares in the Company to satisfy share awards to certain employees.

During the period, 364,525 (2022 HY: 1,902,500) shares were acquired and held by the Group's EBTs at a cost of £380,804 (2022 HY: £3,222,043).

At 31 March 2023, 11,469,161 (2022 HY: 12,692,553) shares are held by the Group's EBTs.

At 31 March 2023, the cost of the shares held by the EBTs of £15,508,385 (2022 HY: £18,619,283) has been disclosed as own shares held by an EBT in the unaudited Condensed Consolidated Statement of Changes in Equity and the unaudited Condensed Consolidated Statement of Financial Position.

13. Subsequent events post balance sheet
At 30 May 2023, there were no subsequent events to report.