

OneVue Holdings Limited (OVH)

Wilsons Rapid Insights Conference

9 November 2017



Strength in numbers

OneVue beliefs - structural trends shaping our industry

- Regulators, fund managers and investors are calling for greater transparency of platform costs and revenue drivers
- Platform differentiation on products and features is difficult in a commoditised market and a differentiated platform strategy is required
- The total cost to client must come down
- There is a growing trend to outsourced back office functions due to increased regulatory complexity
- Globally, there is large scale disintermediation of the sector
- Fund managers have borne the greatest margin reduction despite creating the most value to the end investor

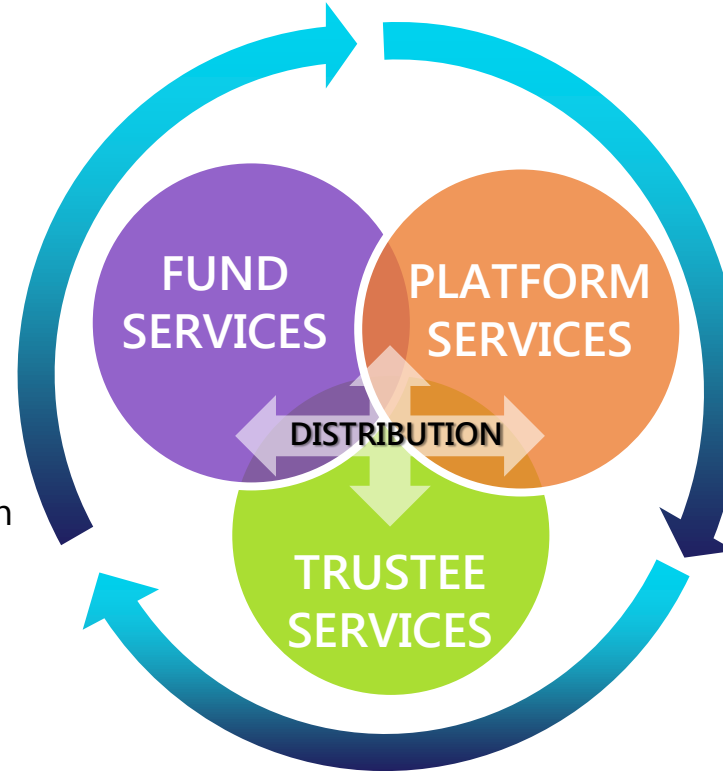


OneVue, an integrated offering

FUND SERVICES

THE ADMINISTRATION BUSINESSES

- Market leader in managed fund administration
FUA \$502.8b
- Superannuation member administration
FUA \$2b



PLATFORM SERVICES

THE DIRECT AND INTERMEDIATED
DISTRIBUTION GATEWAY

- A full function platform administering a wide range of assets including managed funds and managed accounts
FUA \$4.25b

SUPERANNUATION TRUSTEE SERVICES







THE LEGAL ENABLER

- Market leader in comprehensive trustee services for registered superannuation funds
FUT \$9.7b



FY 2017 results highlights

A defining year, with profitability, positive cashflow and earnings momentum

 REVENUE	 EBITDA*	 EBITDA MARGIN
\$40.9m ▲ 53%	\$4.5m ▲ \$5.7m	11% ▲ 16%
 OPERATING CASH FLOW#	 EBIT^	 EPS
\$5.0m ▲ \$5.2m	\$0.4m ▲ \$4.5m	0.08 cents ▲ 2.29 cents

* EBITDA excludes one off costs and share based payments

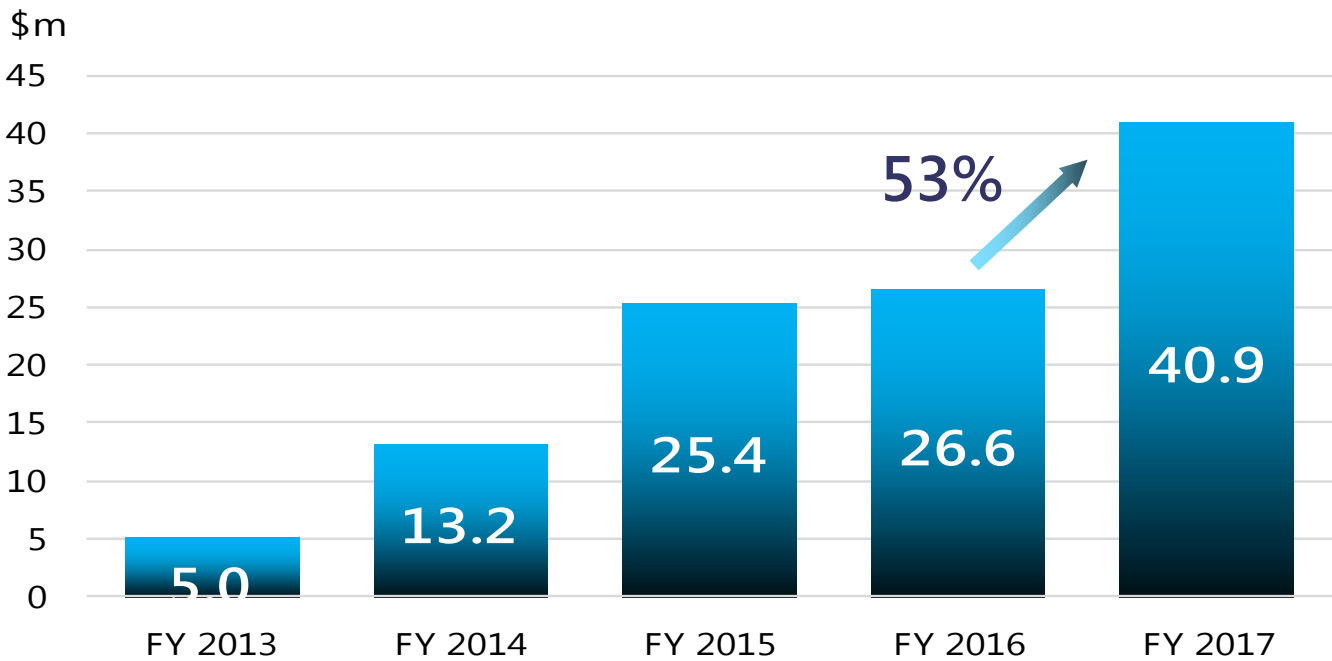
Operating cashflow excludes non recurring costs of acquisitions

^ EBIT excludes one off costs and share based payments



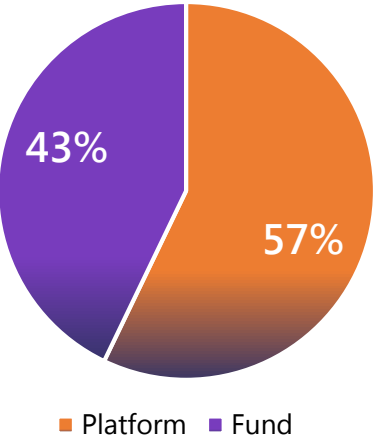
OneVue revenue growth has been 69% CAGR from FY 2013 to FY 2017

OneVue historical revenue growth



Revenue profile

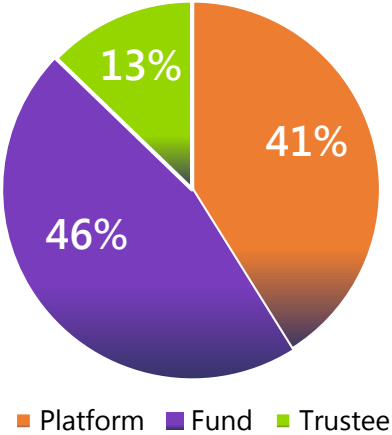
FY16



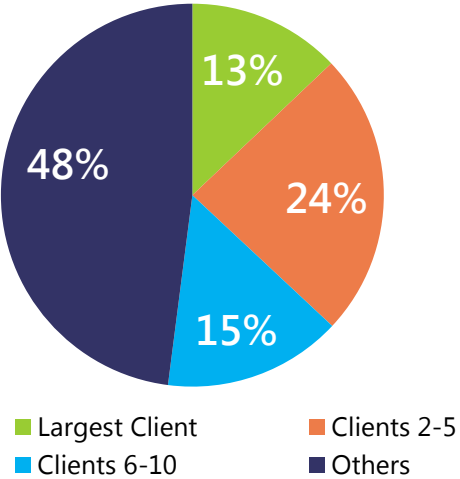
Business segment revenues

- Over the past five years OneVue has evolved from a Platform business to a diverse financial services business
- Three growing divisions now compared to a Platform centric business a year ago (57%)

FY17



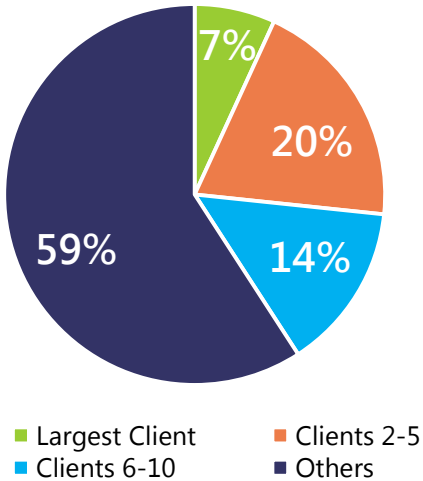
FY16



Client mix

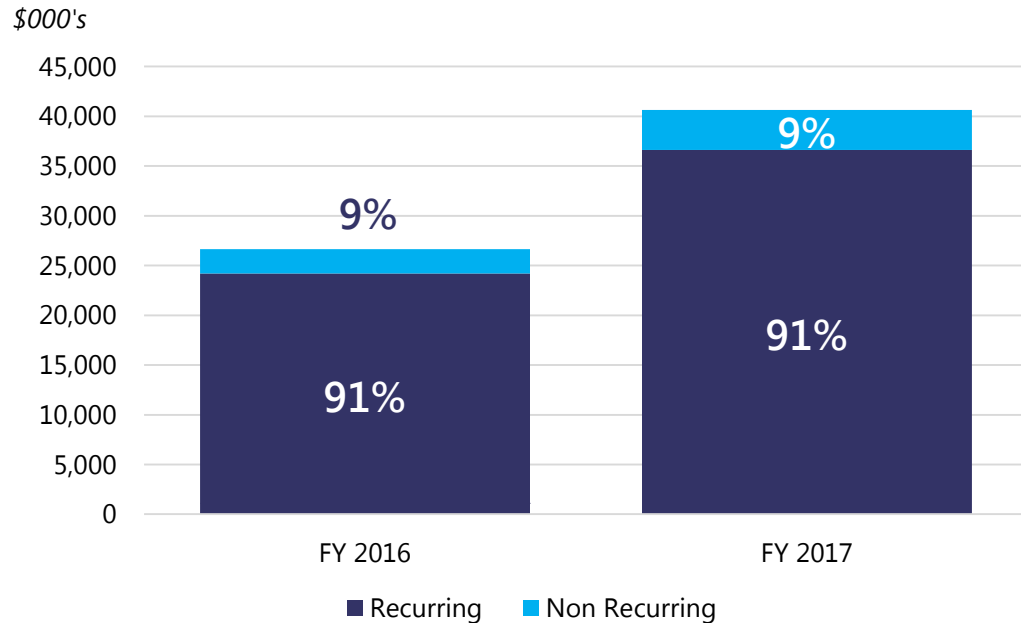
- Largest client now represents only 7% (pcp 13%)
- Top ten clients represent 41% (pcp 52%)

FY17



High levels of quality recurring revenues

Revenue profile

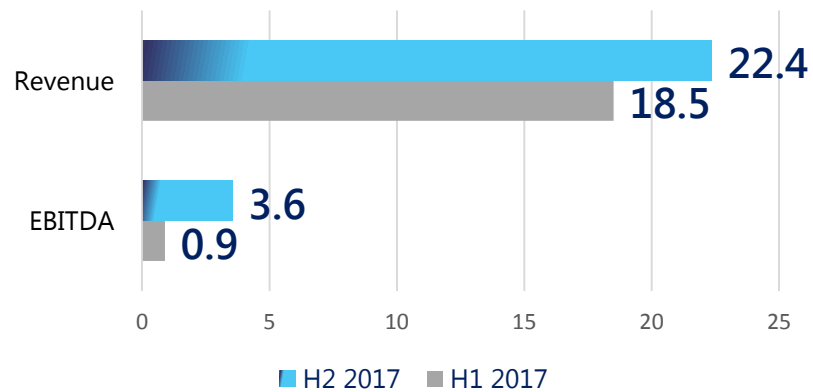


Commentary

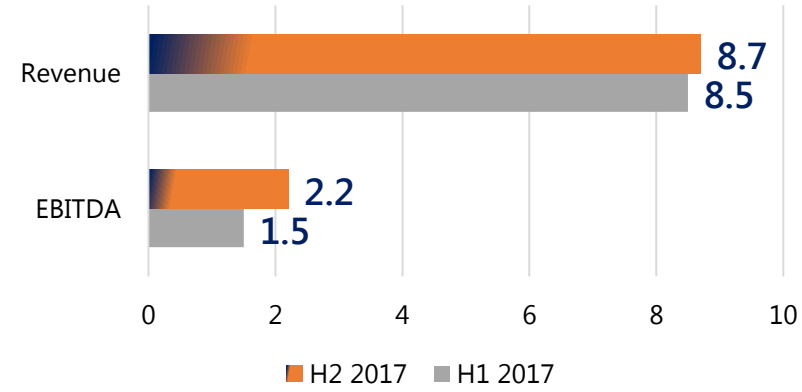
- Strong **revenue growth of 53%** underpinned by high levels of recurring revenue
- Recurring revenue represents **91%** of total revenues
- Recurring revenues comprise a mix of fees based on assets, transactions and member numbers
- Client retention rates are historically extremely high
- 43% of revenues are not sensitive to market volatility

Revenue and earnings growth accelerates in H2 FY 2017

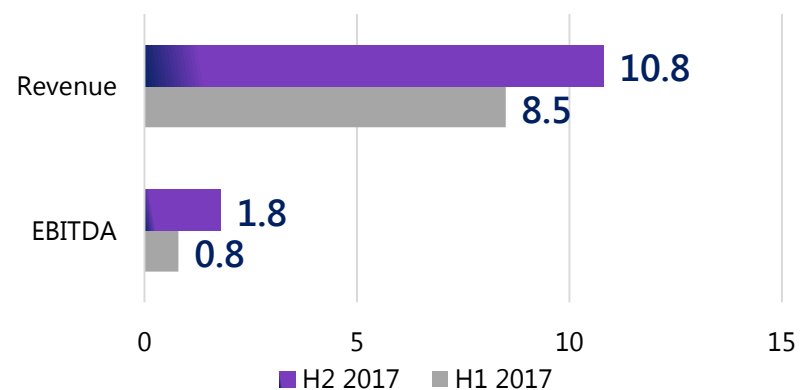
ONEVUE GROUP



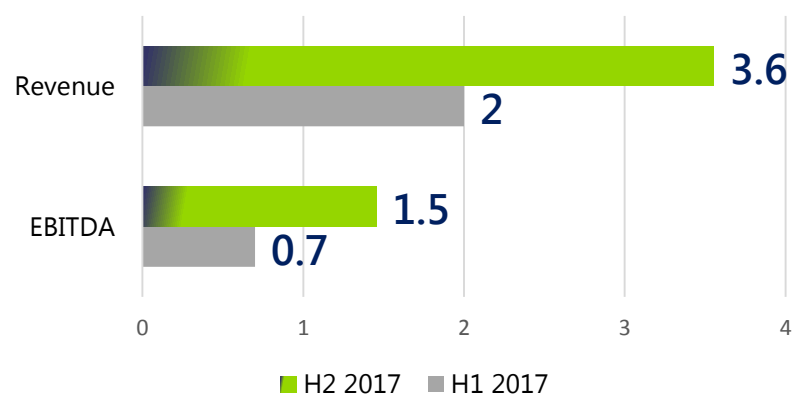
PLATFORM SERVICES



FUND SERVICES



TRUSTEE SERVICES



Quarter highlights – September 2017

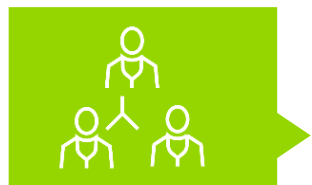
OneVue delivers record growth across the group



- **Fund Services** managed fund administration FUA **increased \$13.7b** for the quarter closing at \$502.8b
- Items processed in the quarter were **up 9%** on previous quarter and up 57% on pcip
- Superannuation member administration FUA reached **\$2.06b**, an increase of 5% on previous quarter with growth on pcip of 160% (\$1.3b)



- **Platform Services** retail FUA **grew to a record \$4.25b**, up 5.8% on the previous quarter with gross quarterly inflows of \$515m, taking inflows to over \$1.4b for the last 12 months



- **Superannuation Trustee Services** FUT closed at \$9.7b, **up 3%** or \$0.28b on previous quarter

FUND SERVICES

	Q1 18 Sept-17	Q4 17 Jun-17	Q3 17 Mar-17	Q2 17 Dec-16	Q1 17 Sept-16
Managed fund admin FUA \$b	502.8	489.1	465.4	435.9	427.4
Managed fund admin items processed	73,837	67,587	56,442	45,400	46,882
Managed fund admin number of investors	121,251	119,823	118,360	114,321	112,127
Super member admin FUA \$m	2,056	1,956	1,807	1,728	789
Super member admin number of members	90,345	89,845	90,052	90,395	33,146

Note: Acquisition of Diversa Superannuation Services added FUA of \$415m and 55,125 members in October 2016

PLATFORM SERVICES

Total FUA \$m	Q1 18 Sept-17	Q4 17 Jun-17	Q3 17 Mar-17	Q2 17 Dec-16	Q1 17 Sept-16
Retail FUA	4,250	4,018	3,907	3,781	3,252
Gross Inflows	515	351	249	310	306
Net Inflows ¹	307	154	103	202	(67)*

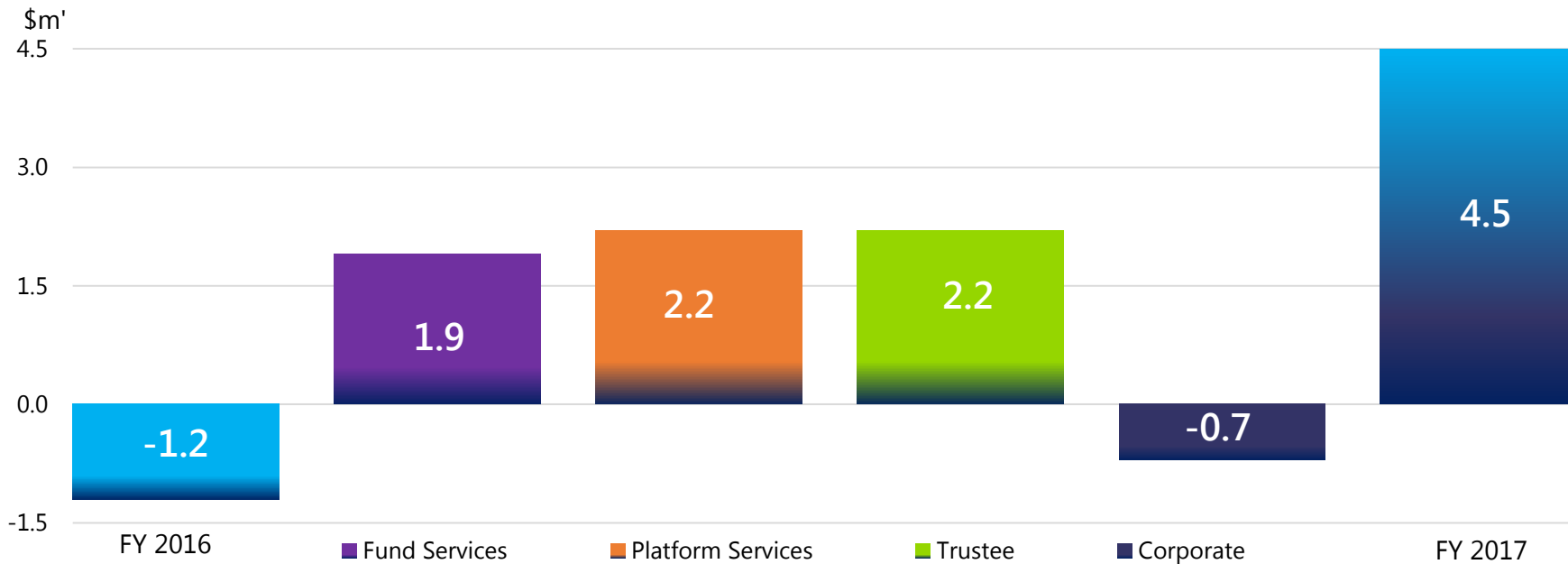
¹ Net inflows exclude market movements. * Sept 16 includes \$225m transition out of one client

SUPERANNUATION TRUSTEE SERVICES

Total FUT \$m	Q1 18 Sept-17	Q4 17 Jun-17	Q3 17 Mar-17	Q2 17 Dec-16	Q1 17 Sept-16
FUT	9,684	9,401	9,436	8,882	8,439

EBITDA and margin growth from all businesses

EBITDA profile FY 2016 to FY 2017



Commentary

- Margin improvement in all businesses – Fund Services +8%, Platform Services +12%, Trustee 38.5%, Group +16%
- Diversa synergies at \$4m p.a. full run rate from Q4 FY 2017



OneVue's FY 2018 growth strategies



- \$6m p.a. of organic contracted revenue growth transitioning in Fund Services fund administration over FY 2018 and FY 2019



- Transition of \$300m of new Platform Services FUA by December 2017
- Drive greater volume from existing distributors and add new distributors to increase market share in managed accounts and managed funds



- Growth in Trustee Services from managed accounts growth and new clients



- Three complementary businesses create enhanced growth opportunities – through cross selling opportunities using the OneVue ecosystem
- Accelerated growth via strategically aligned and compelling acquisitions



APPENDICES



Strength in numbers

Financial summary

Strong revenue growth delivers earnings momentum

\$m	FY 2017	FY 2016	Change	Change %
Revenue	40.9	26.6	14.3	53%
Operating expenses	(36.4)	(27.9)	(8.5)	31%
EBITDA*(underlying)	4.5	(1.2)	5.7	
EBITDA margin	11.0%	(4.5%)	15.6%	
Share based payments	(0.3)	-	(0.3)	
EBITDA	4.3	(1.2)	5.5	
EBIT#(underlying)	0.4	(4.1)	4.5	
Interest	(0.6)	0.1	(0.7)	
Non recurring costs	(1.7)	(0.6)	(1.1)	
Tax	2.3	0.6	1.7	283%
NPAT	0.2	(4.0)	4.2	
NPATA#	2.5	(2.9)	5.4	

* EBITDA represents earnings before interest, tax, depreciation & amortisation, share scheme and non recurring costs

EBIT excludes one off costs and share based payments

NPATA represents net profit after tax excluding acquired amortisation

Commentary

- Strong revenue growth - organic and acquisition growth
- EBITDA highlights earnings momentum and margin improvements
- EBIT positive
- Restructure and redundancy costs
- Tax credit from acquisition recognition of tax losses



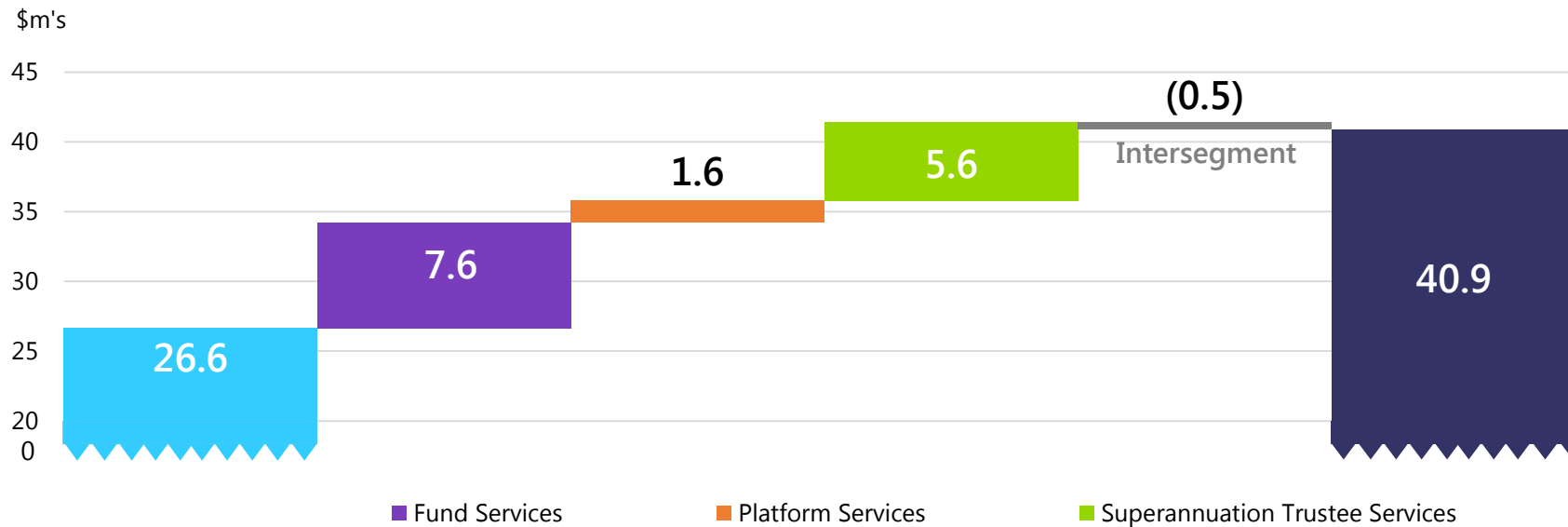
Strength in numbers

Group profit and loss summary

\$m	FY 2017	FY 2016	Change	Change %
Services revenue	39.6	26.3	13.3	50%
Performance fees	1.2	0.3	0.9	337%
Revenue	40.9	26.6	14.2	53%
Staff costs	(22.9)	(16.7)	(6.2)	(37%)
Cost of sales	(5.0)	(4.0)	(1.0)	(25%)
IT costs	(3.1)	(2.2)	(0.9)	(42%)
Occupancy	(2.3)	(1.8)	(0.5)	(30%)
Other expenses	(3.0)	(3.2)	0.2	6%
Operating expenses	(36.4)	(27.9)	(8.5)	(31%)
EBITDA (underlying)	4.5	(1.2)	5.7	

Revenue growth across all businesses

Revenue profile FY 2016 to FY 2017



Commentary

- Diversa acquisition delivers \$10.0m of revenue for the nine months (Trustee \$5.6m, Fund Services \$3.5m and Platform services \$0.8m), Super Managers acquisition \$1.9m
- Organic revenue growth of \$2.5m (+10%)

Cashflow positive performance

\$m	FY 2017	FY 2016	Change
EBITDA	4.5	(1.2)	5.7
R&D tax incentive	-	1.0	(1.0)
Non cash items	(0.3)	(0.2)	(0.1)
Working capital movement	1.4	0.1	1.3
Interest (paid) received	(0.6)	0.1	(0.7)
Underlying operating cashflow	5.0	(0.2)	5.2
Non recurring costs	(1.7)	(0.6)	(1.1)
Operating cashflow	3.3	(0.8)	4.1
Operating cashflow conversion (%)	111%	-	

Commentary

- EBITDA drives \$5m operating cashflow
- Prior year included \$1m final R&D tax incentive
- Positive working capital management (Diversa acquisition)
- Positive cash and cashflow funds growth strategy
- Acquisition and restructure costs

Cashflow

\$m	FY2017	FY2016	Change
Receipts from customers	44.6	29.2	15.4
Interest received	1.0	0.4	0.6
Interest paid	(0.8)	(0.1)	(0.7)
Payments for staff	(22.9)	(16.9)	(6.0)
R&D tax credit received	-	1.0	(1.0)
Restructure and acquisition costs	(1.7)	(0.7)	(1.0)
Other expenses	(16.9)	(14.4)	(2.5)
Net operating cashflows	3.3	(0.8)	4.1
Purchase of business	5.5	(4.3)	9.8
Payments for intangibles	(2.9)	(2.8)	(0.1)
Payments for PPE	(0.2)	-	(0.2)
Net cash used in investing activities	2.4	(7.1)	9.5
Proceeds from share issue	-	17.3	(17.3)
Proceeds from borrowings	2.3	-	2.3
Net cash from financing activities	2.3	17.3	(15.0)
Net increase in cash	8.0	9.4	(1.4)

Commentary

- Increase in line with revenue growth
- Diversa borrowings
- Prior period final R&D tax incentive
- Diversa acquisition
- Strong cashflow with 4 positive quarters of operating cash flows
- Diversa cash inflow reflects cash balances acquired net of \$2.5m consideration
- Prior year capital raising
- Diversa loan funding



Well capitalised to fund future growth

As at (\$m)	30 June 2017	30 June 2016	Change
Cash and cash equivalents	26.6	18.7	7.9
Debt	(9.0)		(9.0)
Net cash	17.6	18.7	(1.1)
Trade receivables and other assets	6.8	4.6	1.8
Goodwill and intangible assets	75.8	21.5	54.3
Other assets	0.7	0.6	0.1
Trade and other payables	(13.4)	(5.9)	(7.5)
Other liabilities	(2.7)	(2.5)	(0.2)
Net assets	84.7	36.9	47.7
Contributed equity	109.9	62.6	47.3
Reserves and retained earnings	(25.3)	(25.7)	0.4
Equity	84.7	36.9	47.7

Commentary

- Refer cashflow
- Borrowings acquired with Diversa
- Debtors from Diversa
- Diversa goodwill and client relationship assets
- Includes \$1.9m final earn out for prior Diversa Transact acquisition
- Share capital issued for Diversa acquisition



OneVue modelling notes



FUND SERVICES

Key revenue drivers

- Number/type of items processed
- Value added services
- Number of fund managers, investors and unit trusts onboarded

Key profit drivers

- Average revenue per items processed
- Scale benefits

► Sustainable EBITDA margin **20%+**



PLATFORM SERVICES

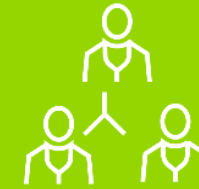
Key revenue drivers

- FUA bps
- Processing fees (fixed \$ per activity)

Key profit drivers

- Average bps of FUA margin
- Scale benefits

► Sustainable EBITDA margin **15-20%**



SUPERANNUATION TRUSTEE SERVICES

Key revenue drivers

- Trustee fees on bps
- Additional revenue from added-value services
- Number of Funds under trusteeship

Key profit drivers

- Average bps of FUT margin
- Scale benefits

► Sustainable EBITDA margin **35%-40%**



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Strength in numbers