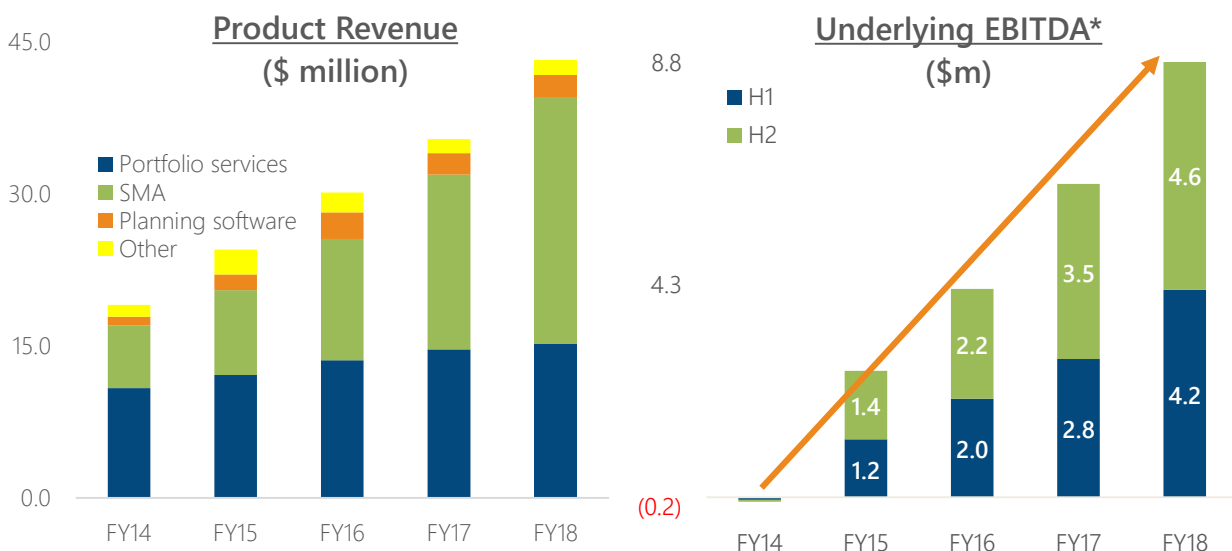


## Praemium's FY2018 results delivering on growth

**13 August 2018, Melbourne:** Praemium is pleased to provide its financial results for the full year ending 30 June 2018. Financial highlights for the period were:

- Record gross asset inflows of \$3.0 billion, a 50% increase on FY2017;
- 35% increase in FUA to a record \$8.3 billion;
- 22% increase in revenue and other income to \$43.2 million; and
- Record underlying\* EBITDA of \$8.8 million, a 40% increase on FY2017.



Additional financial information is provided in the Half-Year Report and Investor Presentation.

\*Underlying EBITDA is detailed at Note 2 of the attached half-year report.

### Highlights

The 2018 financial year saw a number of key strategic accomplishments across the business, including:

- Signed up a number of key Portfolio and SMA clients, as outlined in previous announcements, to underpin growth into future periods;
- Received regulatory approval to sell our Smartfund range of funds directly to the United Arab Emirates (UAE) markets;
- Signed our first VMA administration client where we offer a full service covering mail house, reconciliations, corporate elections, reporting and SMSF returns;
- Launch of key enhancements for the Australian SMA, including international models and digital acceptance for SMA account opening;
- Launch of digital client fact find and risk profiling capabilities within our CRM and financial planning software (WealthCraft) to international clients;

- Integrated the Self-Invested Personal Pension (SIPP) solution into the platform account opening process; and
- Increased investment in sales and marketing in Australia in response to the trends in industry structure and the rapid uptake of managed accounts.

## Australia

Revenue increased by 19% compared to FY2017. Record inflows to the SMA investment platform, up 69% to \$2.2 billion, resulted in a 44% increase in SMA revenue. VMA and portfolio services revenue increased 4% from higher Portfolio numbers and growth in services to institutional clients.

Australian EBITDA increased 17% to \$12.4 million, compared to \$10.6 million for FY2017. EBITDA margins were 45% of revenue, consistent to the prior period of 46%. The Company continued to invest in its product, sales & marketing capabilities to support the considerable pipeline of new business and accelerating inflows. R&D investment in proprietary technology was also accelerated, with \$2.1 million to expand our platform offering capitalised this year.

## International

UK revenue and other income grew 27%, resulting in a 22% reduction in EBITDA losses to \$1.7 million. Funds under administration (FUA) was up 20% over last year to \$2.7 billion, with assets managed by Smart Investment Management up 15% to \$794 million. Gross inflows in FY2018 of £434 million (\$775 million) were 13% higher than FY2017.

Asia's EBITDA loss decreased by 14% to \$1.0 million with revenue up 36% from growth in recurring WealthCraft licences. With the completion of the development phase of the major Hong Kong-based CRM project, the reduced cost base during the second half of FY2018 will deliver further improvement earnings into future periods.

## Looking forward

CEO Michael Ohanessian stated, "FY2018 has been an exciting year for Praemium. Revenue growth of 22% helped fund further investments in growth while still delivering a record profit outcome and our 9th consecutive half of profit growth. We are continuing to invest in all areas of the Company, with a particular focus on our managed accounts solution. Our historic strategic focus on managed accounts (both SMA and IMA) is proving prescient as the market fully embraces this technology.

We expect opportunities to continue to expand, particularly with the advent of the Royal Commission as firms seek to reduce risk and move away from providing both advice and product. We are proud to be Australia's leader in managed accounts. The managed account segment of the platform market is now growing very quickly and our depth of experience and expertise in this area places us at the forefront of this transformation.

"Internationally, we are pleased with the progress of our UK pensions strategy, with a strong uptake of our SIPP solution from platform clients. We are also excited about our investment management team, Smart<sup>im</sup>, securing regulatory authority to operate within the Dubai International Financial Centre (DIFC) freetrade zone. This allows us to distribute our innovative

protected Smartfunds to local UAE banks, and are excited about its potential future growth.

We also completed two regulatory initiatives, to adhere to MiFID II and GDPR regulations, to further strengthen our position as a fully compliant, efficient and sophisticated platform for key international markets. We remained focused on maintaining our strong momentum to drive the international business toward profitability in the coming year.”

Additional financial information is provided in the attached Annual Report, Investor Presentation and Appendix 4E: Preliminary Final Report.

**About Praemium** (ASX: PPS): Praemium is a global leader in the provision of investment administration, Separately Managed Account (SMA) and financial planning technology platforms. Praemium administers in excess of 475,000 investor accounts covering approximately \$110 billion in funds globally, and currently provides services to over 700 financial institutions and intermediaries, including some of the world’s largest financial institutions.

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