



2019 Half-year results

A new platform for growth



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A global technology leader

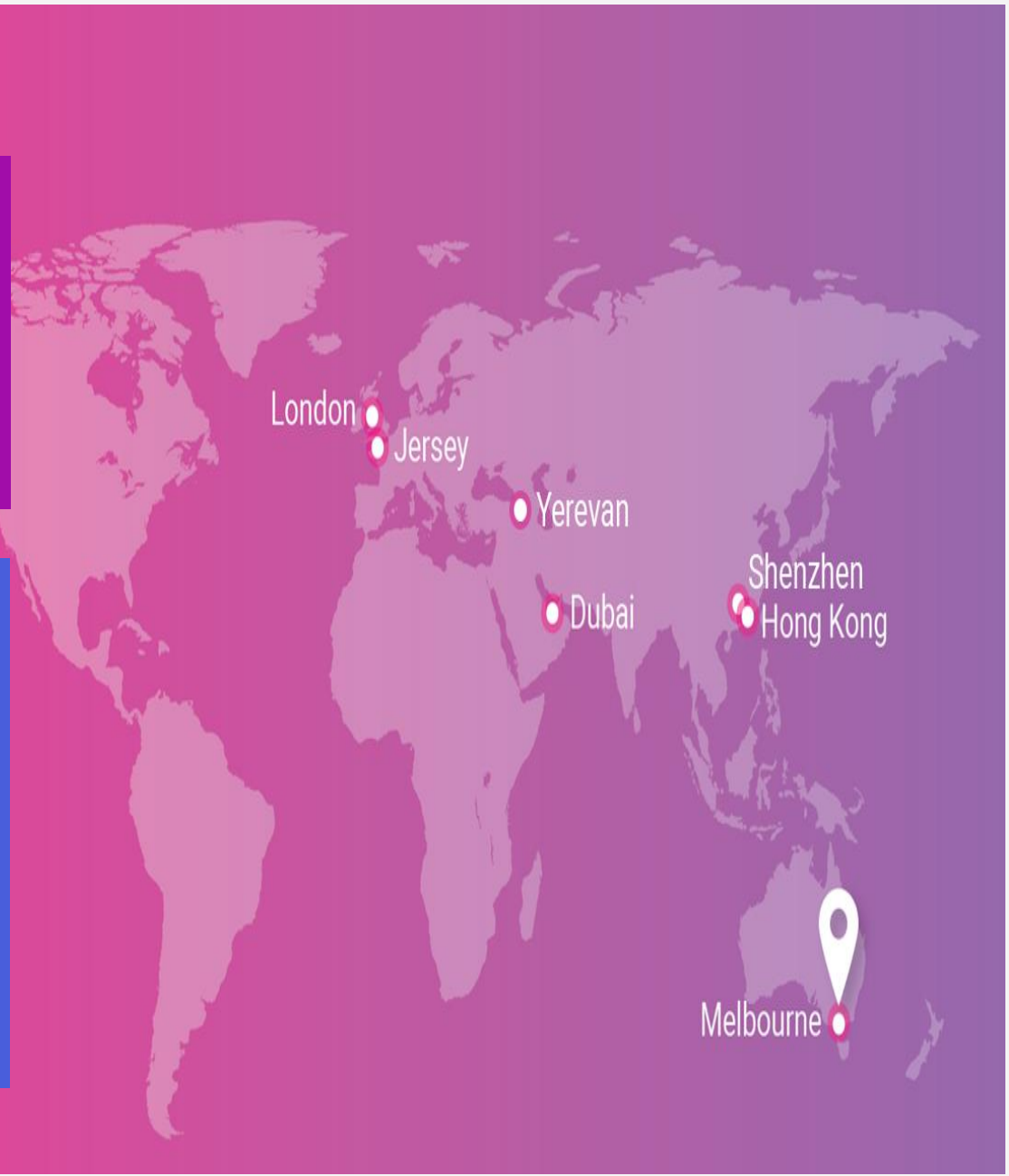
We offer sophisticated and scalable technology to over 1,000 clients covering \$100+ billion in assets

Our mission is to assist wealth advisers to deliver great investor experiences and outcomes

Global presence across 9 offices

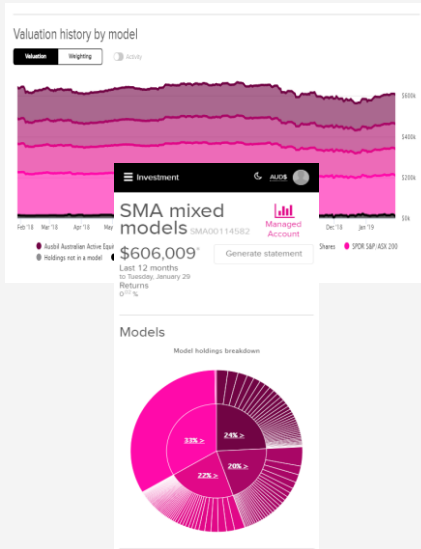
Our global product suite

- » **Investment Platforms**
The leading managed accounts provider serving Australia, UK and international markets
- » **Investment Management**
Multi-asset model portfolios and funds
- » **Portfolio Administration**
Excellence in performance and tax reporting
- » **CRM & Financial Planning**
Cloud-based CRM and financial planning systems



With a great new look and feel

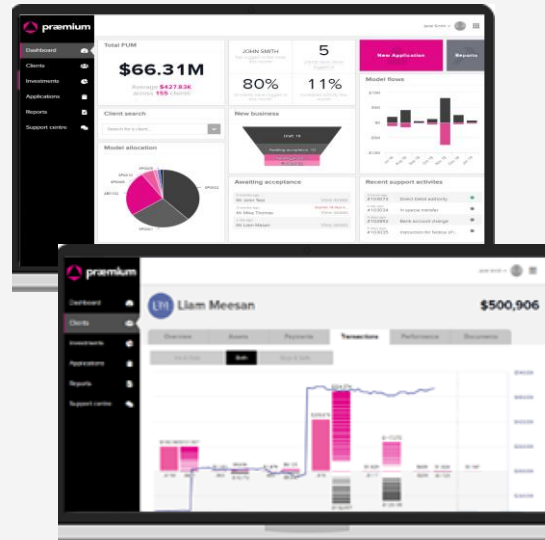
For Investors



Best in class Investor Portal

- Adviser branded
- Intuitive and responsive
- Consolidated wealth overview

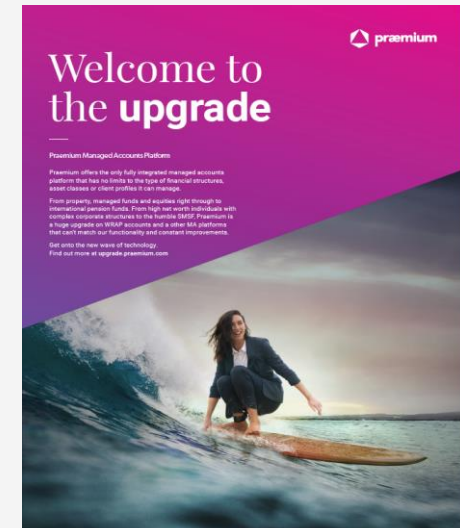
For Advisers



Brand new Adviser Portal

- Investor centric dashboard
- Ability to easily navigate platform functionality
- Digital acceptance and client engagement

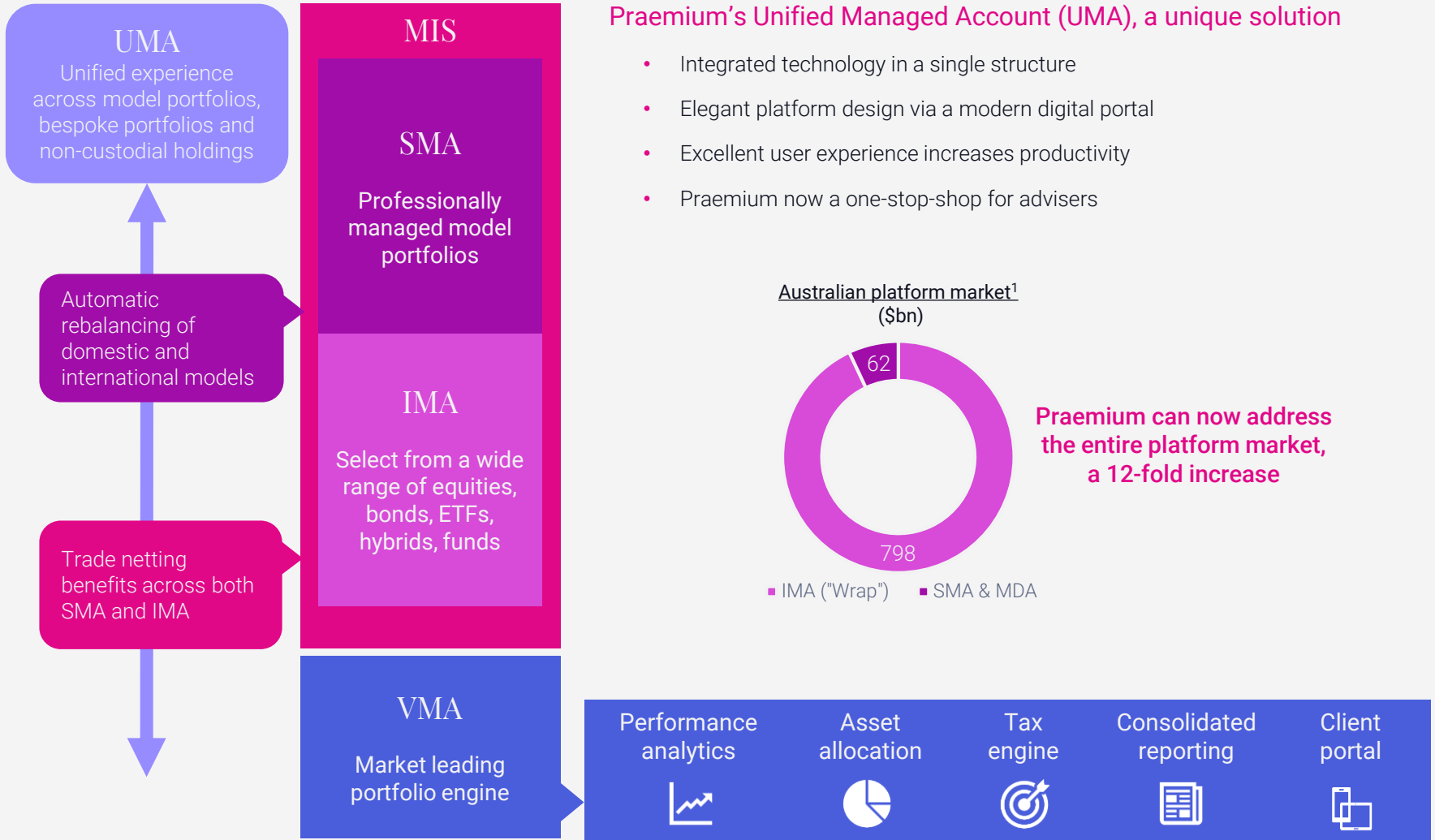
New branding



With a new look

- Bold new colour scheme
- Branding underscores the unified nature of our integrated solution

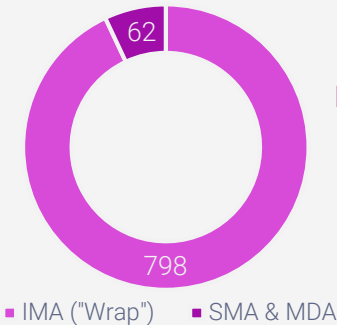
The next generation platform, now launched



Praemium's Unified Managed Account (UMA), a unique solution

- Integrated technology in a single structure
- Elegant platform design via a modern digital portal
- Excellent user experience increases productivity
- Praemium now a one-stop-shop for advisers

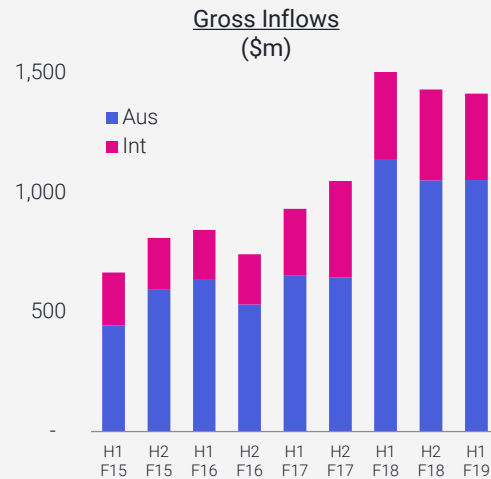
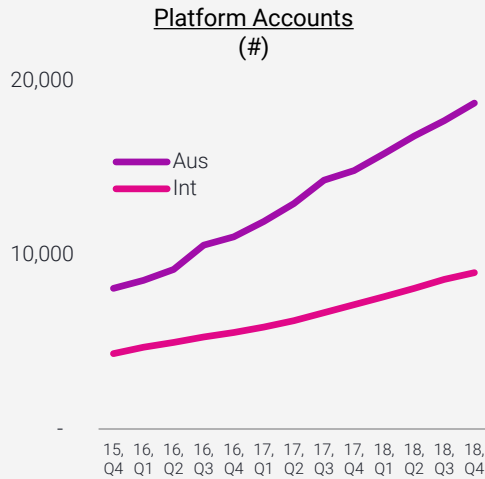
Australian platform market¹ (\$bn)



Praemium can now address the entire platform market, a 12-fold increase

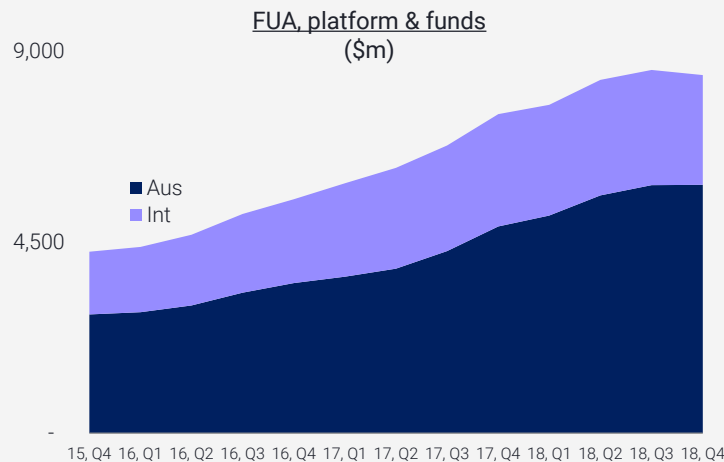
MIS: Managed Investment Scheme (ASIC regulated)
 UMA: Unified Managed Account
 SMA: Separately Managed Accounts, custodial investment platform
 IMA: Individual Managed Accounts, custodial investment platform
 VMA: Virtual Managed Accounts, non-custodial reporting software

The leading managed accounts provider



Key underlying growth in accounts and inflows..

- » Over 27,000 global platform clients, a 26% increase
- » Gross inflows in H1 FY2019 of \$1.4 billion
- » Annual gross inflows in 2018 of \$2.8 billion, up 10%



..while FUA impacted by global market volatility

- » FUA up 14% on last year to \$8.4 billion
- » Australian FUA up 20% to \$5.6 billion
- » Australian retail super up 31% (SuperSMA)
- » UK platform SIPP's up 11-fold from 43 to 472 schemes

H1 FY2019 financial results

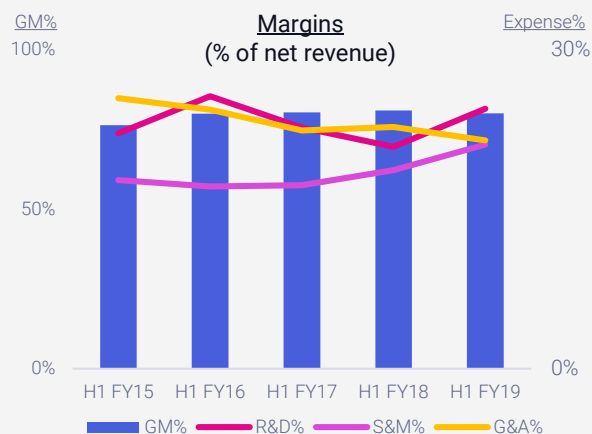
Group Financial Results	H1, FY18 (\$m)	H1, FY19 (\$m)
Revenue	21.5	22.9
Product commissions	(2.2)	(1.6)
Revenue (net)	19.3	21.3
Cost of operations	(3.7)	(4.2)
Gross margin	15.6	17.1
GM %	81.0%	80.1%
Expenses:		
Information Technology	(3.4)	(2.9)
Sales & Marketing	(3.6)	(4.5)
General & Admin ⁽¹⁾	(4.4)	(4.6)
EBITDA (underlying)	4.2	5.1
Share schemes ⁽²⁾	(0.4)	(0.9)
D&A ⁽³⁾	(0.5)	(0.8)
EBIT	3.3	3.4
Arbitration & restructure ⁽⁴⁾	(0.6)	(1.0)
FX & other ⁽⁵⁾	0.0	(0.2)
NPBT	2.7	2.2
Tax ⁽⁶⁾	(2.0)	(1.6)
NPAT	0.7	0.6

Key financial highlights

Revenue growth 7%

Gross margin up 10%

Underlying EBITDA up 19%, to 22% EBITDA to revenue



As a percentage of sales (net):

- Expanded sales & marketing up from 19% to 21%
- IT (including \$2.3 million in R&D capex) up from 21% to 24%
- G&A down from 23% to 21%

(1) In addition to salaries, G&A includes facilities (\$1.1m), professional fees (\$0.8m), travel (\$0.5m), board & corporate (\$0.3m) and IT support (\$0.1m)

(2) Expense relates to phasing of long term incentives (performance rights) under the Company's employee share scheme

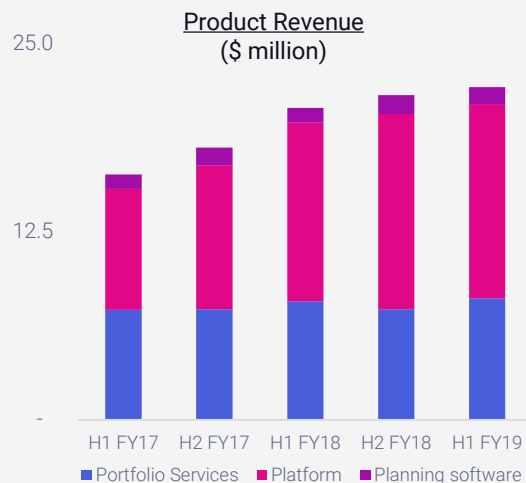
(3) Includes amortisation of intangibles from software R&D and Plum and Wensley Mackay acquisitions

(4) Refer appendices for detailed breakdown

(5) Unrealised FX from cash held in foreign currencies (GBP, USD, HKD)

(6) FY19 Aus tax estimate

Continued revenue growth

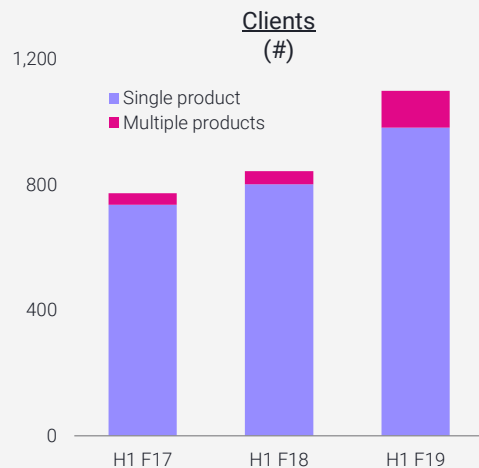


\$m	H1 FY18	H1 FY19	Change
Platform	11.8	12.9	9%
Portfolio services	7.9	8.1	2%
Planning software	1.0	1.1	15%
Other	0.8	0.8	8%
Revenue	21.5	22.9	7%

Highlights

- 50% increase in WealthCraft clients, from 24 to 36
- Further extension of Asgard contract through to 2022 – 2025
- Successful migration of ANZ Share Trading to CMC Markets
- Growth of administration service for VMA clients

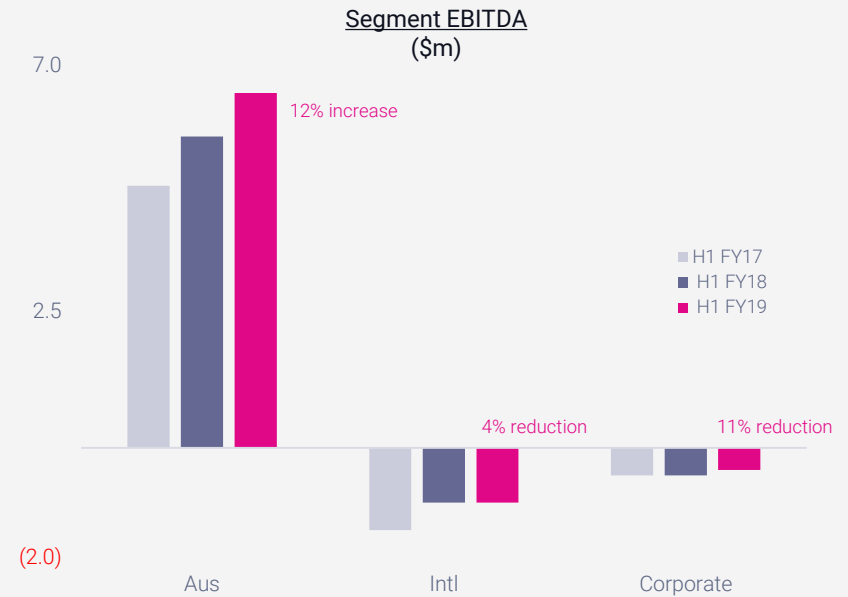
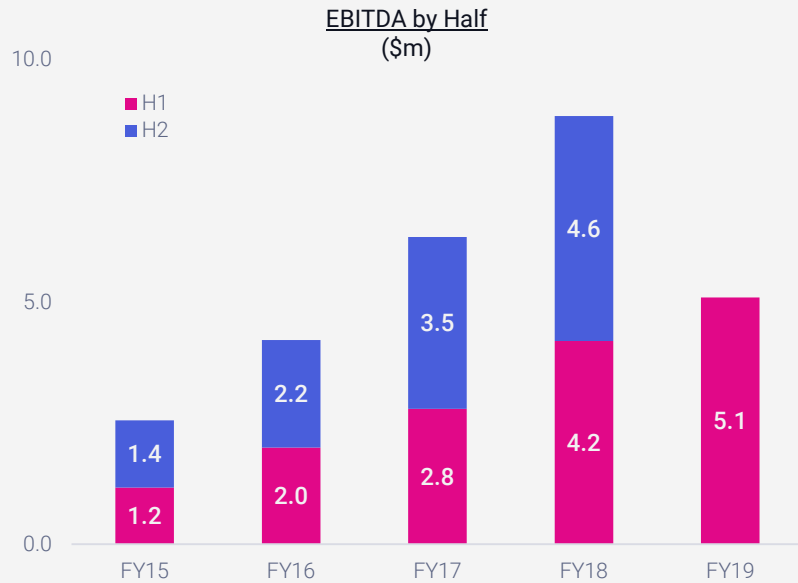
30% increase in clients in CY 2018



30% increase in global clients in CY2018

- Compelling international solution of WealthCraft, platform and investment management
- Increasing engagement across existing SMA & VMA client base
- Newly launched UMA solution now a unified experience across custodial and non-custodial investment strategies

Sustained earnings growth



\$m	H1 FY18	H1 FY19	Change \$	Change %
EBITDA (pre R&D)	3.5	4.3	0.8	23%
UK R&D incentive	0.7	0.8	0.1	14%
EBITDA (underlying)	4.2	5.1	0.9	21%
EBITDA% to Revenue	20%	22%		

\$m	Aus	Intl	Corp	H1 FY19
Revenue	15.3	7.6	-	22.9
Expenses	(8.8)	(8.6)	(0.4)	(17.8)
Segment EBITDA*	6.5	(1.0)	(0.4)	5.1
EBITDA %	42%			22%

10th consecutive half of profit growth

Aus maintaining strong EBITDA margins

Tailwinds from disruption of the Australian platform market

Platform market
\$860 billion¹

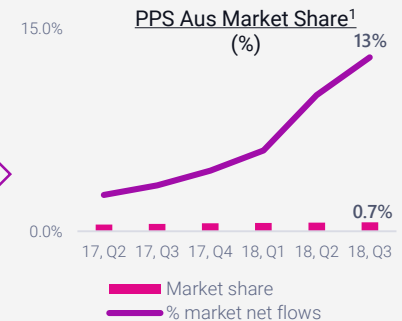
- 10% CAGR over last 5 years²
- Continued growth through mandated super
- 84% of FUA held with top 7 financial institutions
- Market is largely legacy 'wrap' platform technology



Total market forecast to grow to **\$1.5 trillion** by 2026²

Undergoing significant industry change

- Significant adviser shift to independent firms
- 10% adviser loss from the large institutions in FY2018³
- 3 of the 4 banks divesting their wealth businesses
- Specialist platforms gaining share with accelerating flows



Wealth managers required to evolve

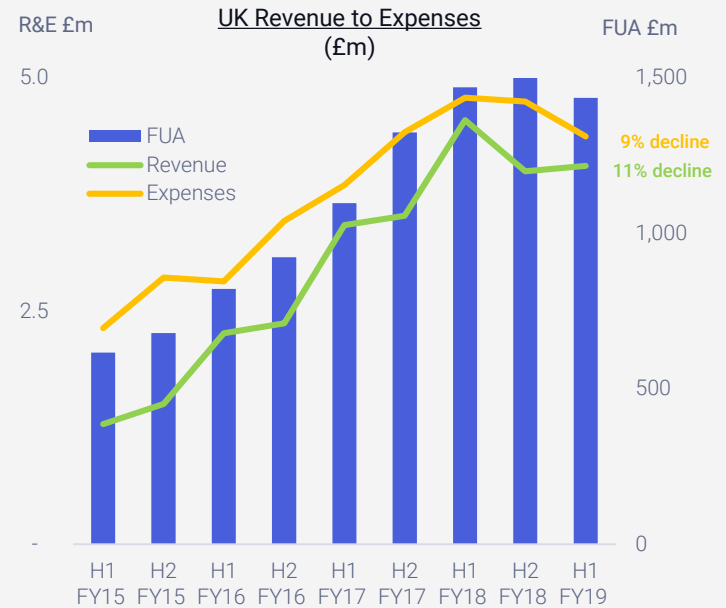
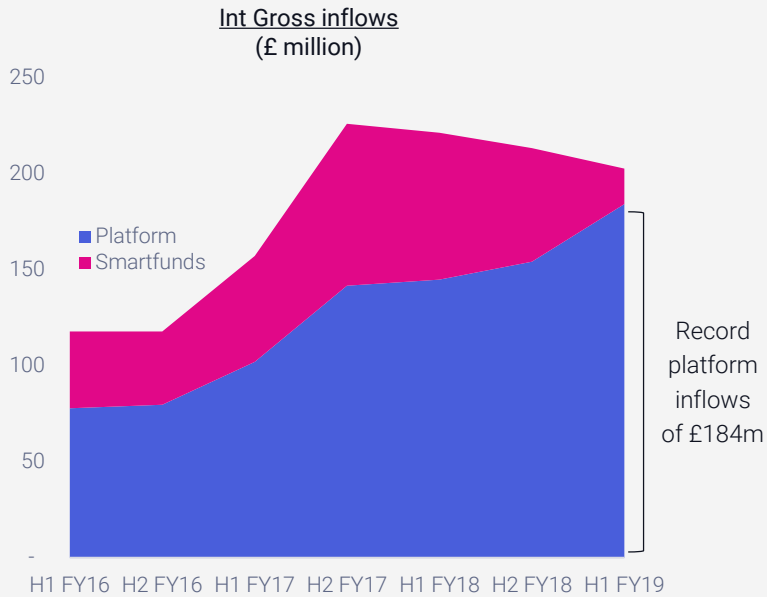
- Royal Commission impact on advice model
- New adviser education requirements
- Advisers forced to adapt, or leave the industry
- Advisers looking to technology to drive efficiencies
- A step change in sentiment to Managed Accounts



Managed Accounts market doubled in 2 years to **\$62 billion**⁴

¹ Strategic Insight (Plan for Life), September 2018
² Citi Research, June 2018
³ Bell Potter Adviser Landscape, July 2018
⁴ Institute of Managed Accounts Professionals, June 2018

International – strong platform growth



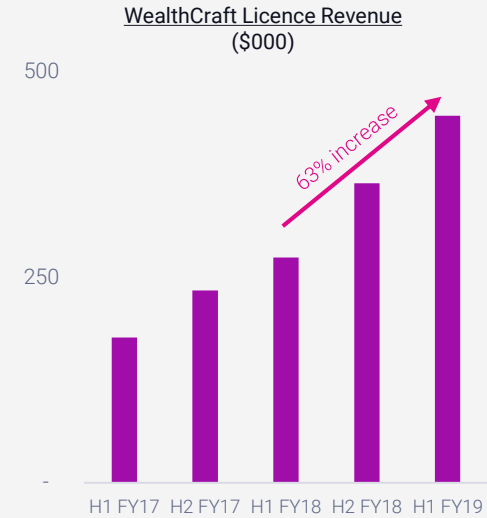
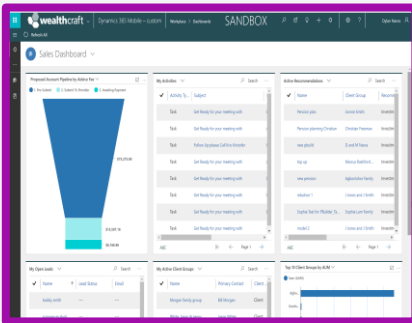
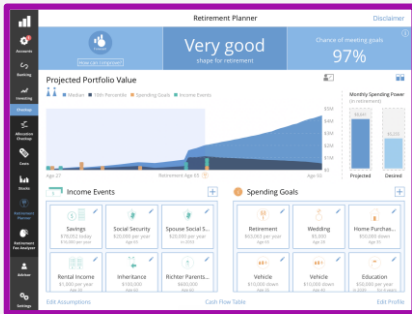
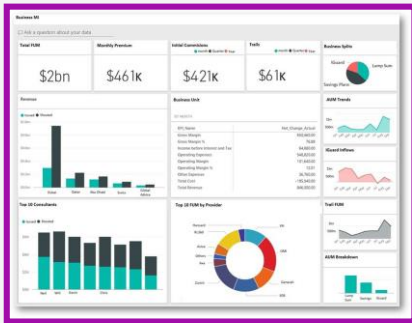
Key highlights

- International platform clients up 34% in 2018, from 136 to 182
- Pension schemes up 119% in 2018, from 357 to 784
- UK equity markets (FTSE250) down 16% for the half
- Costs managed to reflect revenue impacts



Winner of International Platform of the Year at the 2018 International Adviser Global Financial Services Awards

International – WealthCraft a compelling offshore solution



Technology delivered in 2018

- Digital fact find
- Online risk profiling
- Plum integrated into WealthCraft

Due for release in 2019

- Gap analysis
- Lifecycle profiling
- Platform account opening

Summary



Australia

“Welcome to the Upgrade” campaign launched in February 2019

- A new Adviser dashboard
- Expanded functionality from SMA to UMA
- Investment universe of 1,300 model portfolios and single investment assets

Clients who use both custodial (SMA / IMA) as well as non-custodial (VMA) solutions increased from 28 to 98 over 2018

Potential to deepen client engagement with the release of our expanded IMA (wrap-like) capabilities



International

Driving adviser adoption across our integrated technology suite

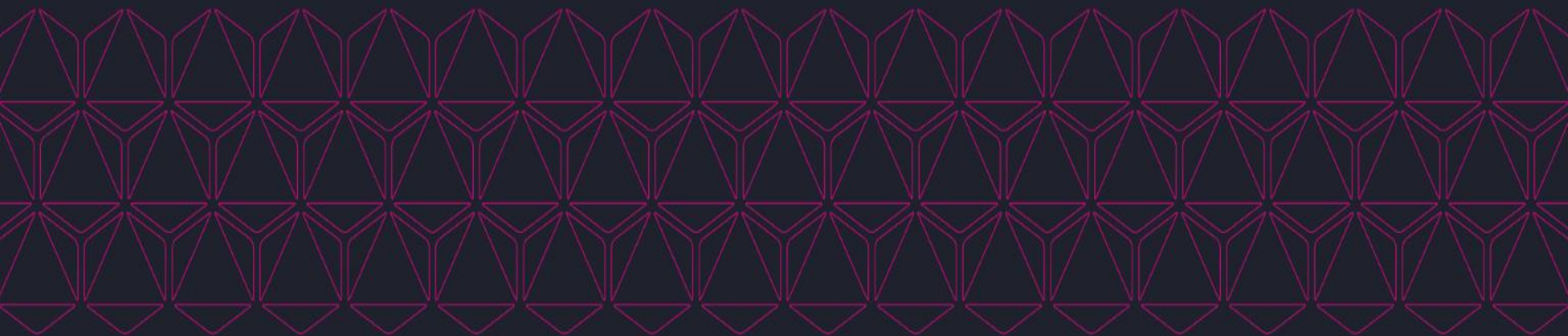
Implement several new key client wins to increase platform take-up

Roll-out Adviser dashboard and expanded functionality for the International platform by mid-2019

Considerable progress expected for WealthCraft CRM

- Platform account opening to deliver straight-through processing
- Integration with Plum financial planning system in WealthCraft

APPENDIX



Financials

APPENDIX: Cashflow

Cashflow (\$ million)	H1 FY18	H1 FY19
Operating cashflow	4.1	4.1
R&D incentive	-	0.7
Tax paid	(1.6)	(1.9)
One-off costs	(0.6)	(0.9)
Net operating cashflow	1.9	2.0
Intangible capex	(0.6)	(2.5)
Equipment capex	(0.3)	(0.2)
Investments	-	(0.1)
Net investing cashflow	(0.9)	(2.8)
Net cash movement	1.0	(0.8)
Opening cash	9.0	12.1
Unrealised FX	(0.3)	(0.0)
Closing cash	9.7	11.3

Operating cashflows

- Operating cashflow in line with EBITDA growth (including UK R&D)
- Australian company tax with FY19 instalments

Investing cashflows

- Intangible capex from platform expansion
- Equipment capex from capital infrastructure upgrades

Solid cash reserves

- Group regulatory capital requirement of \$4.5 million
- Cash reserves to be utilised to invest in growth and strategic opportunities

APPENDIX: Other financial information

Balance Sheet (\$ million)	Jun'18	Dec'19
Cash	12.1	11.3
Receivables	7.3	7.6
Intangibles	6.5	8.5
Other assets	4.4	5.0
Assets	30.3	32.4
Tax liabilities	1.5	1.3
Other liabilities	8.5	10.2
Liabilities	10.0	11.5
Net Assets	20.3	20.9

Solid balance sheet to fund growth

- \$11.3 million in cash reserves from strong free cash flow generation
- Increase in intangibles from platform expansion
- No debt
- Australian company tax payable \$1.3 million after FY19 instalments
- Franking credits of \$4.9 million

One-off Costs (\$ million)	H1 FY18	H1 FY19
Acquisition costs	-	0.4
Restructure costs	0.2	0.4
Arbitration costs	0.3	0.2
General Meeting	0.1	-
Total	0.6	1.0

Acquisition, restructure & arbitration costs

- Acquisition costs include due diligence of target opportunities
- Restructure costs includes UK restructure and regulatory change
- Arbitration costs from HK legal claim



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