



PRESENTED BY

Anthony Wamsteker CEO

David Coulter CFO

FY22 Financial Results Presentation



Disclaimer

The material contained in this document is a presentation of general information about the Praemium Group's activities current as at the date of this presentation (31 August 2022) and is supplementary to the Group's previous ASX filings as applicable.

It is provided in summary and does not purport to be complete. You should not rely upon it as advice for investment purposes as it does not take into account your investment objectives, financial position or needs. These factors should be considered, with or without professional advice when deciding if an investment is appropriate.

This presentation may contain forward-looking statements including statements regarding our intent, belief or current expectations with respect to Praemium's businesses and operations, market conditions, results of operation and financial condition, capital adequacy, specific provisions and risk management practices. Readers are cautioned not to place undue reliance on these forward-looking statements. Praemium does not undertake any obligation to publicly release the result of any revisions to these forward-looking statements to reflect events or circumstances after the date hereof to reflect the occurrence of unanticipated events. While due care has been used in the preparation of forecast information, actual results may vary in a

materially positive or negative manner. Forecasts and hypothetical examples are subject to uncertainty and contingencies outside Praemium's control. Past performance is not a reliable indication of future performance.

To the extent permitted by law, no responsibility for any loss arising in any way (including by way of negligence) from anyone acting or refraining from acting as a result of this material is accepted by the Praemium Group or any of its related bodies corporate.

Agenda



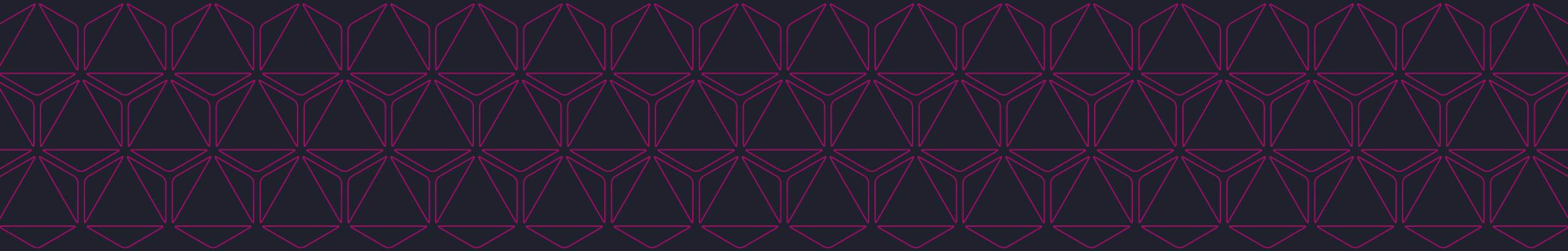
Anthony Wamsteker
CEO



David Coulter
CFO

- **FY22 Business Highlights**
– **Anthony Wamsteker**
- **FY22 Financial Results**
– **David Coulter**
- **Looking Forward**
– **Anthony Wamsteker**
- **Questions**

Business Highlights



FY22 business highlights

\$16.6m Record EBITDA (underlying)

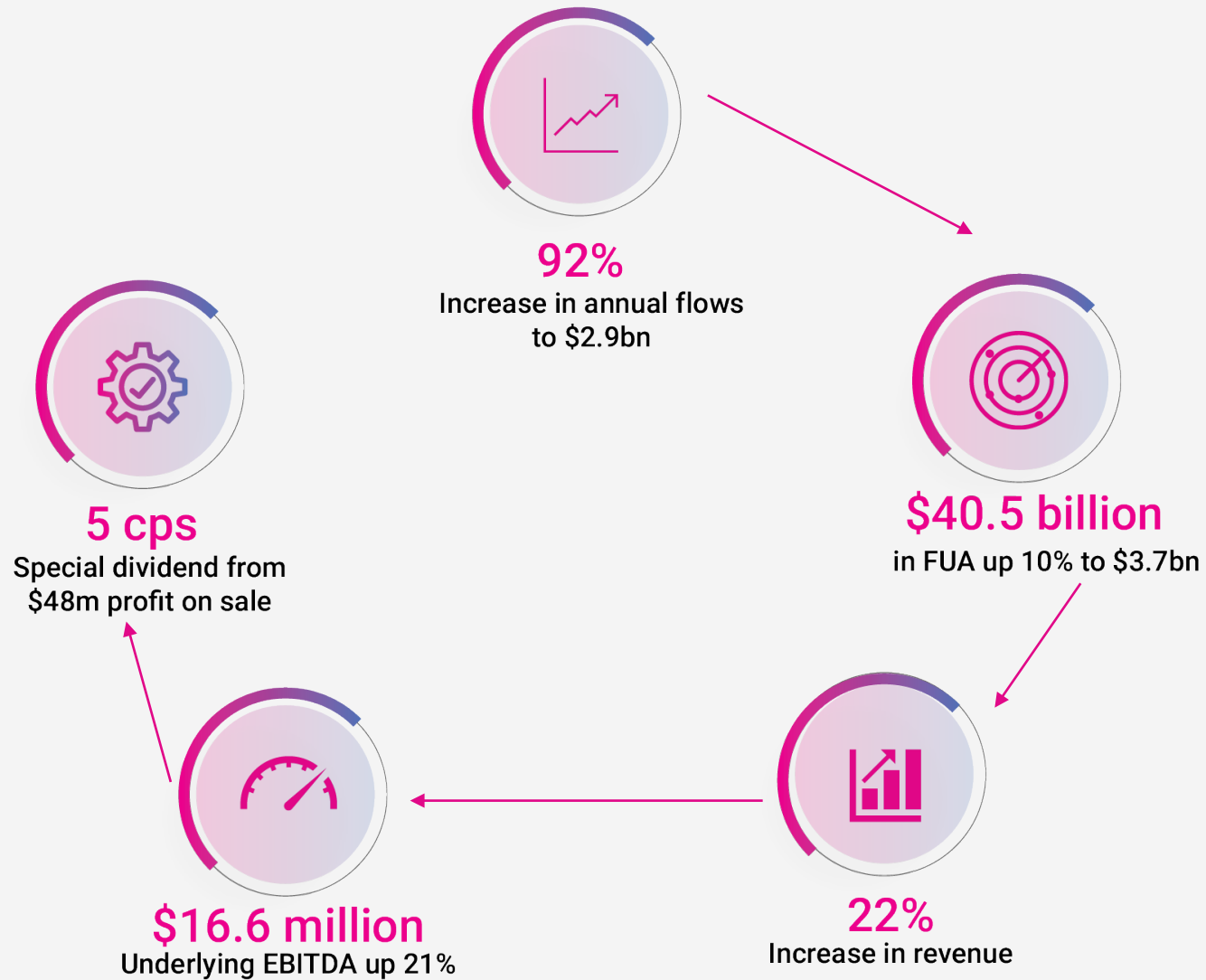
\$2.9b Record annual inflows

\$40.5b Scalable Australian FUA

£35m Proceeds from divestment of International business

- Strong revenue growth
- HoH cost discipline
- Higher margin SMA generated \$2.0b net inflow from \$6.9b base
- 15% 5 year CAGR for Platform FUA
- Market leading \$21.0b VMAAS non-custody solution
- \$26m dividend paid from proceeds
- Buy-back to commence

Delivering for shareholders



Corporate objectives

Deliver customer value and sustainable growth

Maintain an in-depth knowledge of the Australian market and our clients' businesses

Deliver strategic solutions that meet the business objectives and needs of our clients

Build enduring relationships through collaboration and innovation

Attract and retain market-leading people

Create an environment that fosters collaboration and innovation

Clear objectives and values aligned with our strategic initiatives

Always consider and act upon our people's views

Continue to deliver Australia's HNW platform of choice

Deliver efficiency, flexibility and support for the sophisticated modern advice business

Drive digital innovation to enhance client engagement

Grow market share and attain leadership in the established and emerging HNW market

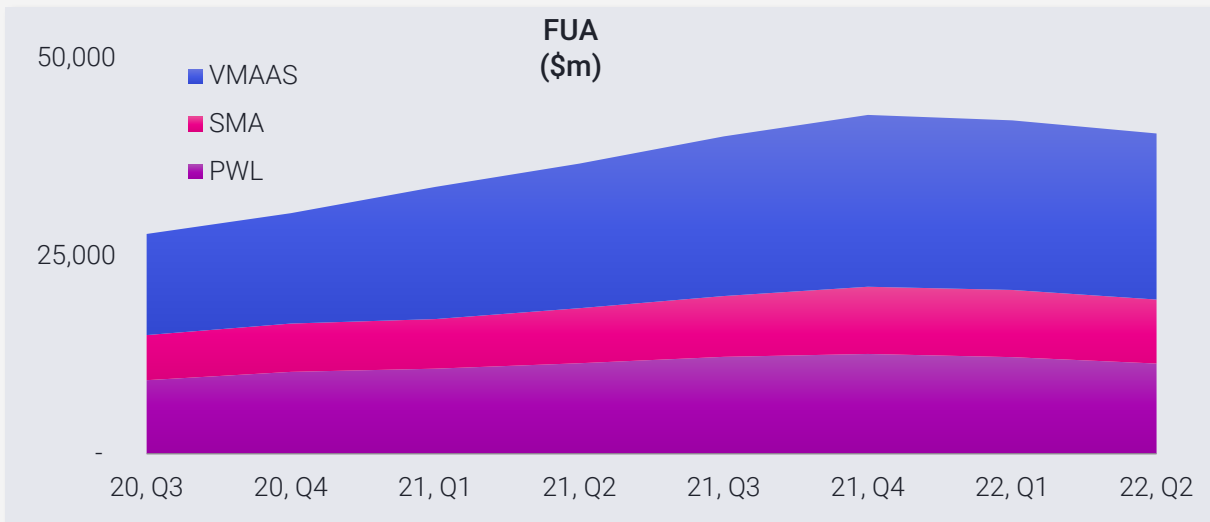
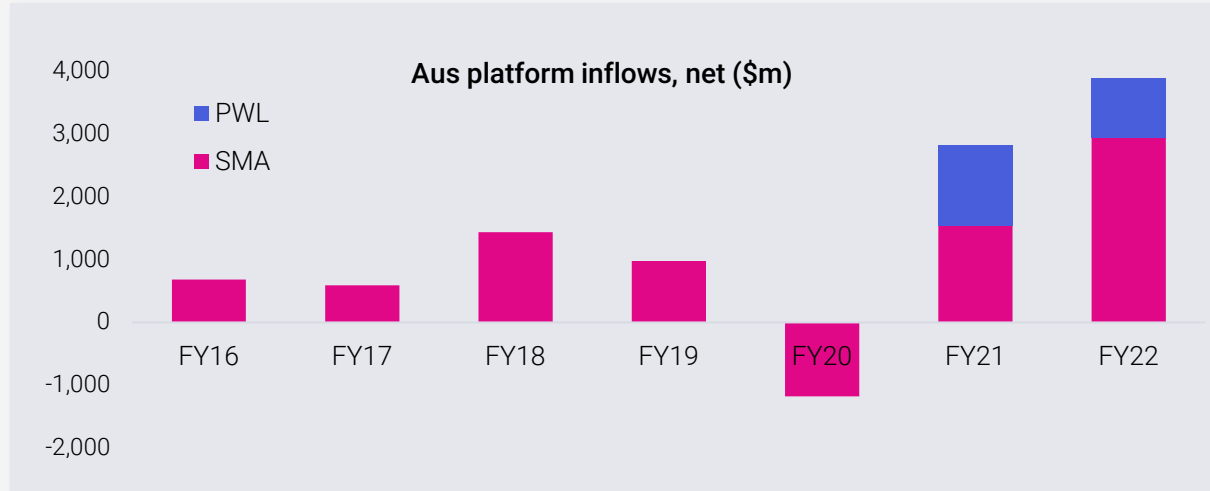
Support the evolution of advice

Utilise thought leadership and research to drive new thinking and open new markets

Leverage our research insights, expertise and data insights for platform development and innovation

Technology to drive continuous improvement

Value & Growth – organic FUA



Net Flows

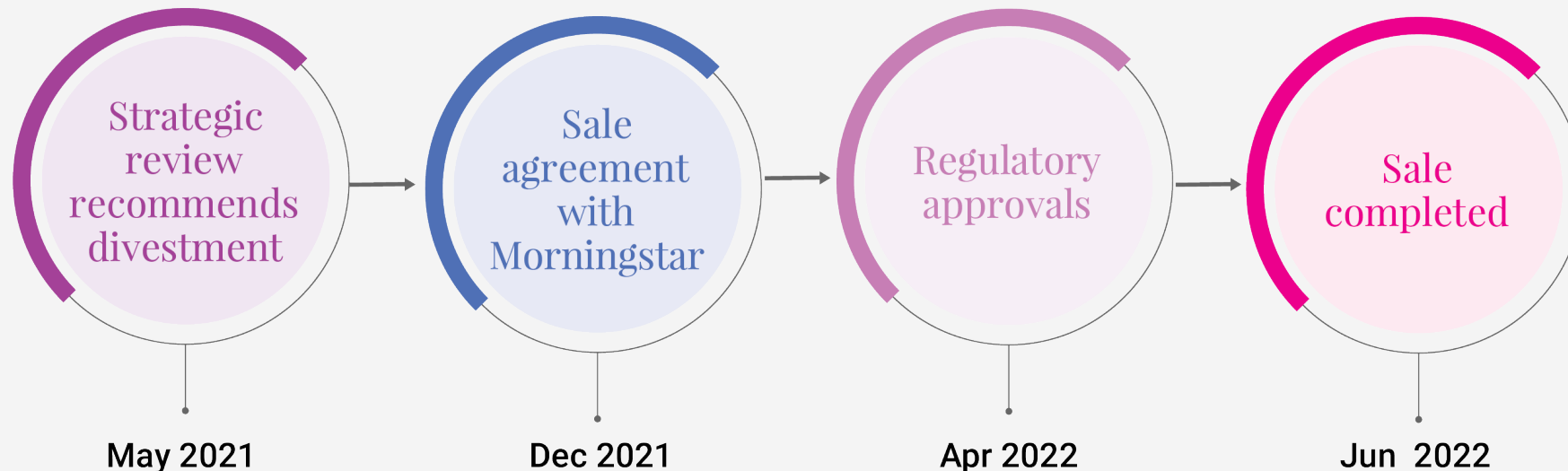
- Overall Platform \$2,938m - up 92%
- SMA \$1,997m
- Powerwrap \$941m
- Market movement \$(1,841m)

FUA

- 15% Platform FUA CAGR 5 years to June 22
- \$40.5b ex Int'l - up 10%
- SMA \$8.1b - up 17%
- Powerwrap \$11.4b - steady
- VMAAS \$21.0b - up 15%

Value and Growth - International divestment

- **Methodical and committed value realisation**
- **\$45.7 million profit on sale from \$62 million proceeds**
- **2022 losses \$5.9 million (2021 losses: \$6.0 million)**
- **Deployment of funds for immediate (special dividend) and ongoing (buy-back) shareholder benefit**
- **Powerwrap \$10.6m acquisition debt repaid**



Attract and retain people

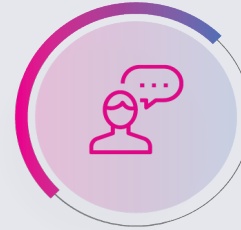


Completed executive leadership refresh

Strong female leadership representation

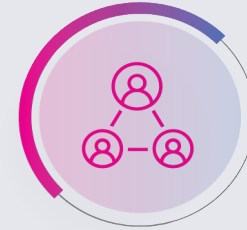


Employee choice hybrid working model supports retention and attraction of talent



Measure engagement and embed feedback into our people and culture strategy

Positive engagement score of 70% based on strong response rate of 86%



Investment in talent acquisition people and tools to increase our sourcing capacity and promote our employment brand

Maintain Leadership - Award winning technology innovations

No.1 platform

in 3 out of 6 categories

Winner of more categories than any platform
 Ranked No.3 platform overall
 The Gap from No.1 platform narrowed to 2%
 Widened gap with no. 4 platform to 4%



2021 Platform Competitive Analysis and Benchmarking Report

Online Business Management

Praemium

Flexible fee consent solutions for advisers including ongoing audit & reporting
 Complete digital account opening
 Expanded digital acceptance options across multiple advice processes
 New online trading options



2021 Platform Competitive Analysis and Benchmarking Report

Decision Support Tools

Praemium

DDO compliance
 Research & ESG enhancements
 Price modelling & CGT calculator
 Retirement calculator
 Tax tool improvements



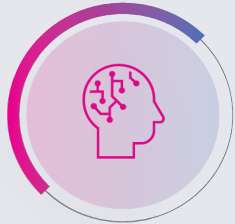
2021 Platform Competitive Analysis and Benchmarking Report

Security, Data & Integration

Praemium

Market leader in non-custodial solutions with fully integrated platform for custody and non-custody
 Enhanced developers' hub for API integration
 Upgraded integration with leading planning software to EPI 4.3
 Machine learning and AI to identify reconciliation errors in non-custody reports.

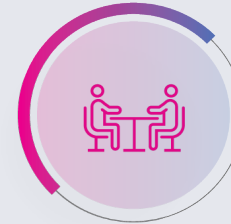
Support the advice community



Engagement with key customers on adopting machine learning, improved reporting and other features

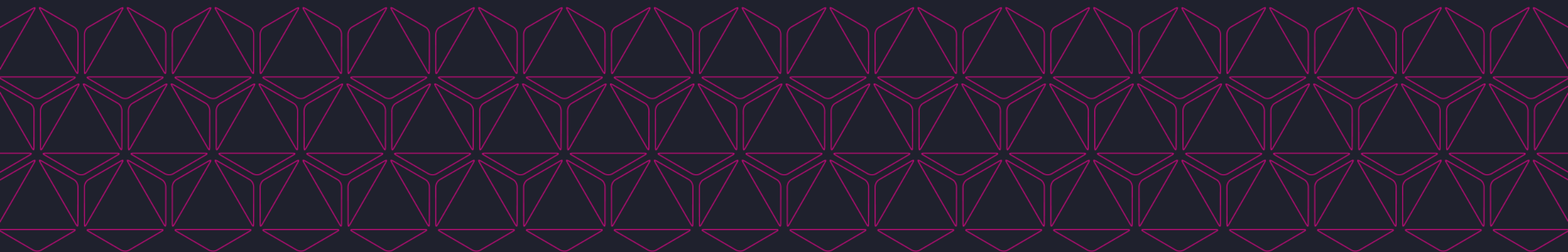


Thought leadership and research insights on HNW investors and managed accounts delivered to 11 dealer groups and over 4,000 advisers



Realign national sales team to focus on ideal client profile for the modern sophisticated HNW practice

Financial Results



Group financial results FY22

Group Financial Results (\$m)	FY22	FY21	\$ change	% change
Revenue (net)	79.7	65.4	14.3	22
Cost of operations	(24.2)	(19.8)	(4.4)	(22)
Gross margin	55.5	45.6	9.9	22
GM % of net revenue	69.6%	69.7%	(0.1)%	
Expenses:				
Information Technology	(11.5)	(7.5)	(4.0)	(53)
Sales & Marketing	(15.1)	(14.5)	(0.6)	(4)
General & Admin	(12.2)	(9.8)	(2.4)	(24)
Total expenses	(38.8)	(31.8)	(7.0)	(22)
EBITDA (underlying)	16.6	13.8	2.8	21
EBITDA %	21.0%	21.1%	(0.1)%	
EBITDA (continuing)	19.1	17.7	1.4	8
EBITDA (discontinuing)	(2.5)	(3.9)	1.4	38
Share schemes	(4.3)	(3.4)	(0.9)	
D&A	(9.0)	(8.0)	(1.0)	
EBIT	3.3	2.4	0.9	
Acquisition & restructure	(2.4)	(3.4)	1.0	
FX & other	(0.5)	4.1	(4.6)	
Profit on divestment	45.7	-	45.7	
NPBT	46.1	3.1	43.0	
Tax	(2.5)	(1.8)	(0.7)	
NPAT	43.6	1.3	42.3	

- **22% revenue growth due to:**
 - » Organic FUA growth
 - » Strong rate of growth in higher margin SMA
- **22% expense growth due to:**
 - » People and IT capability investment for future growth
 - » 2H22 expenses \$19.4m = 1H22 expenses reflecting initial step change
- **Underlying EBITDA and segment EBITDA reconciled to NPAT in detail at Note 20 in the statutory financials**

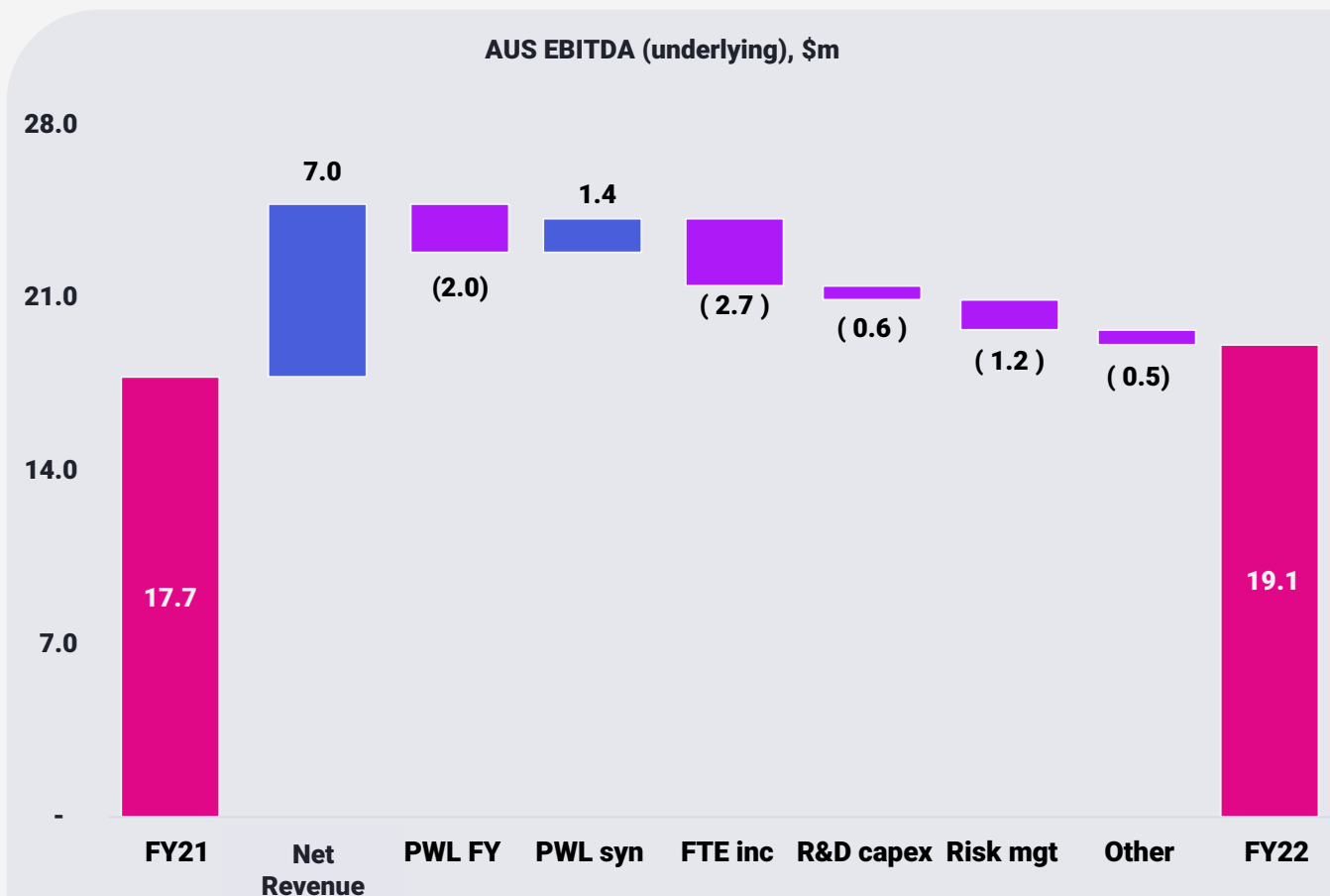
Australian segment results (continuing business)

Australia results \$m	FY22	FY21	\$ change	% change
Platform	45.9	36.2	9.7	27
Portfolio services	17.5	16.5	1.0	6
Planning software	0.1	0.1	-	0
Revenue	63.5	52.8	10.7	20
Cost of operations	(16.6)	(13.0)	(3.6)	(27)
Information Technology	(10.0)	(6.8)	(3.2)	(48)
Sales & Marketing	(10.5)	(9.6)	(0.9)	(9)
General & Admin	(7.3)	(5.7)	(1.6)	(28)
Expenses	(44.4)	(35.1)	(9.3)	(26)
Aust Segment EBITDA	19.1	17.7	1.3	7
EBITDA %	30.2%	33.4%	(3.2%)	
Corporate expenses	(0.5)	(0.6)	(0.6)	

- **Underlying trends as per Group:**
 - » **Organic FUA growth**
 - » **Higher rate of growth in higher margin SMA**
 - » **People and IT capability investment for future growth**
 - » **2H expenses¹ \$13.9m = 1H expenses**
- **Underlying EBITDA and segment EBITDA reconciled to NPAT in detail at Note 20 in the statutory financials**

Australian segment EBITDA (continuing business)

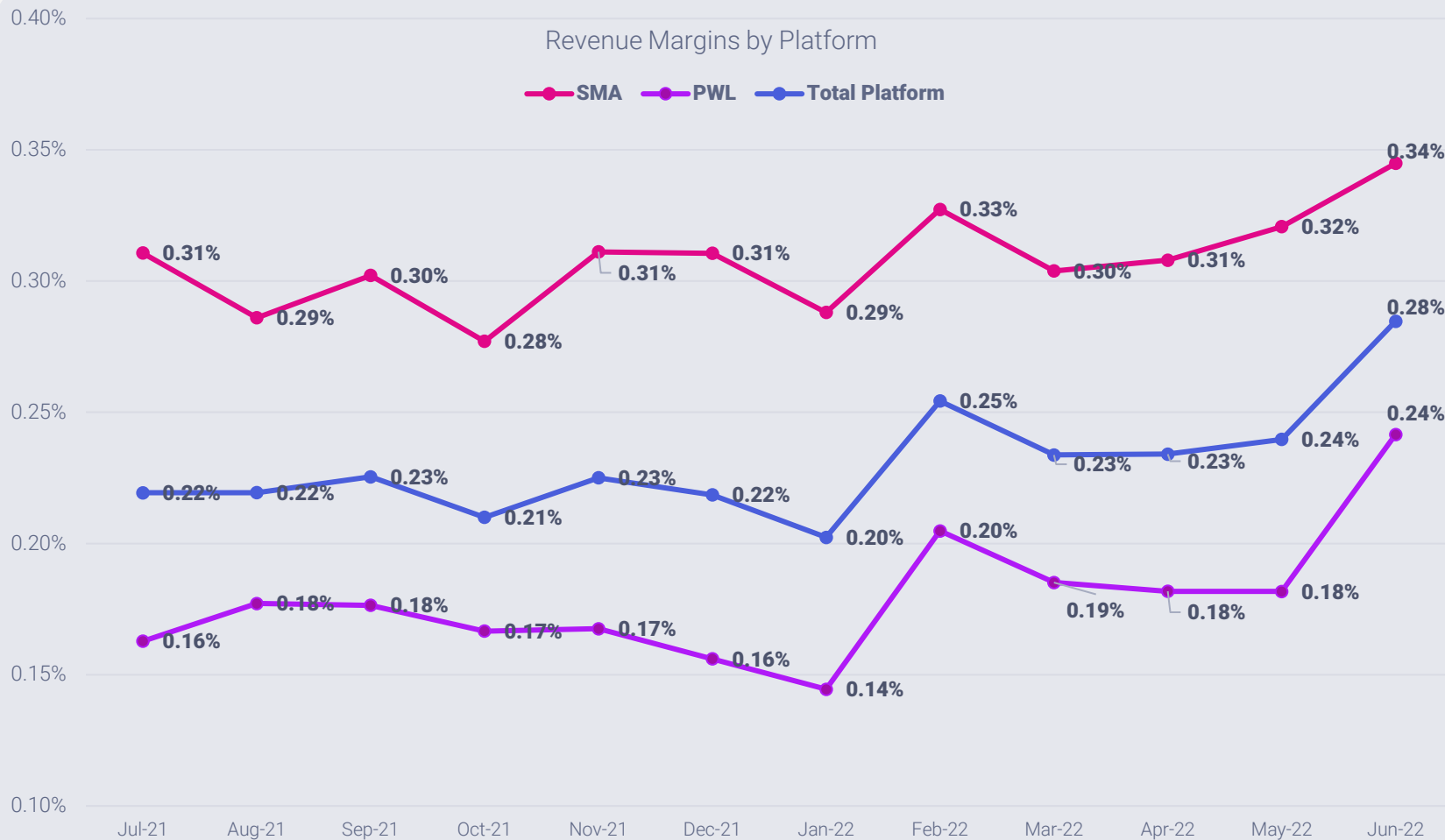
EBITDA \$19.1m (up 7%)



PWL FY allows for two months of incremental Powerwrap expenditure incurred in FY22, but not FY21 given PWL acquisition date of Sep 2020

- Net \$7.0m uplift from higher FUA and additional 2 months of Powerwrap (FY22 EBITDA \$7.9m)
 - » 22% revenue growth backed by record annual net inflows to Praemium SMA
 - » 26% increase in operations to support client growth
- \$2.0m additional 2 months Powerwrap expenses
- Annualised Powerwrap synergies \$4.8m, in line with M&A case
- Lower R&D capex (\$0.6m) from regulatory projects
- Risk management represents increased insurance premia & additional cyber security overlay

Platform Revenue Margins



- **Positive May – June cash rate impact ongoing into FY23**
- **Other movements broadly in line with tiering / market**

Cashflow

Cashflow (\$m)	FY22	FY21
Operating cashflow	16.6	12.6
R&D incentive	-	0.8
Tax paid	(1.5)	(4.2)
One-off costs	(4.7)	(3.3)
Net operating cashflow	10.4	5.9
Business divestment (net)	56.4	1.2
Intangible capex	(6.0)	(6.8)
Equipment capex	(0.6)	(0.4)
Investments	-	(0.5)
Net investing cashflow	49.7	(6.5)
Net financing cashflow	(6.5)	11.3
Net cash movement	53.6	10.7
Opening cash	26.7	15.9
Unrealised FX	0.2	0.1
Closing cash	80.5	26.7
Segment Operating Cashflow (\$m)	FY 22	FY 21
Continuing (Aus)	15.1	10.8
Discontinued (Int'l)	(4.7)	(4.9)
Net operating cashflow	10.4	5.9

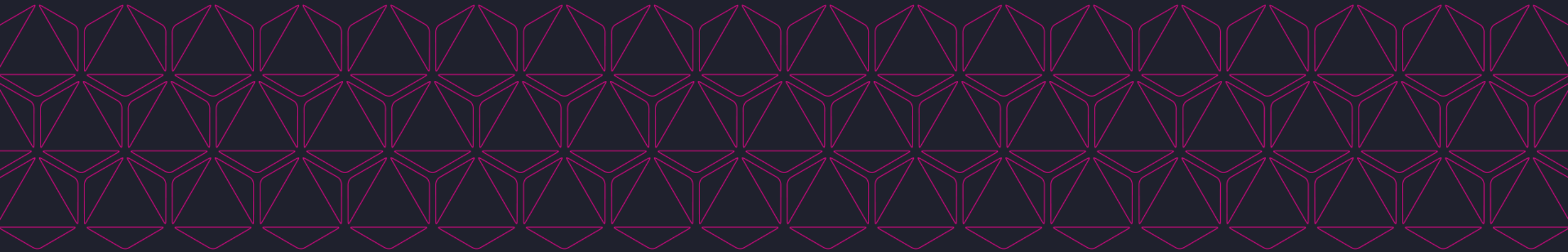
- **Net operating inflow of \$10.4m million, impacted by divestment and restructuring costs, augmented by divestment proceeds**
- **Operating cashflow of \$16.6m matches Underlying EBITDA**
- **UK R&D incentives to be recompensed via completion adjustment**
- **Divestment proceeds of \$62m adjusted for stranded regulatory cash attributable to UK**
- **R&D capex of \$6.0m maintains leading technology position in platforms**
- **Financing cashflow includes loan repayments \$3.0m, \$0.4m interest and lease payments \$3.1m**
- **1H 23: \$25.8m dividend , \$10.6m loan repayment and ~\$14m buy-back**

Balance Sheet

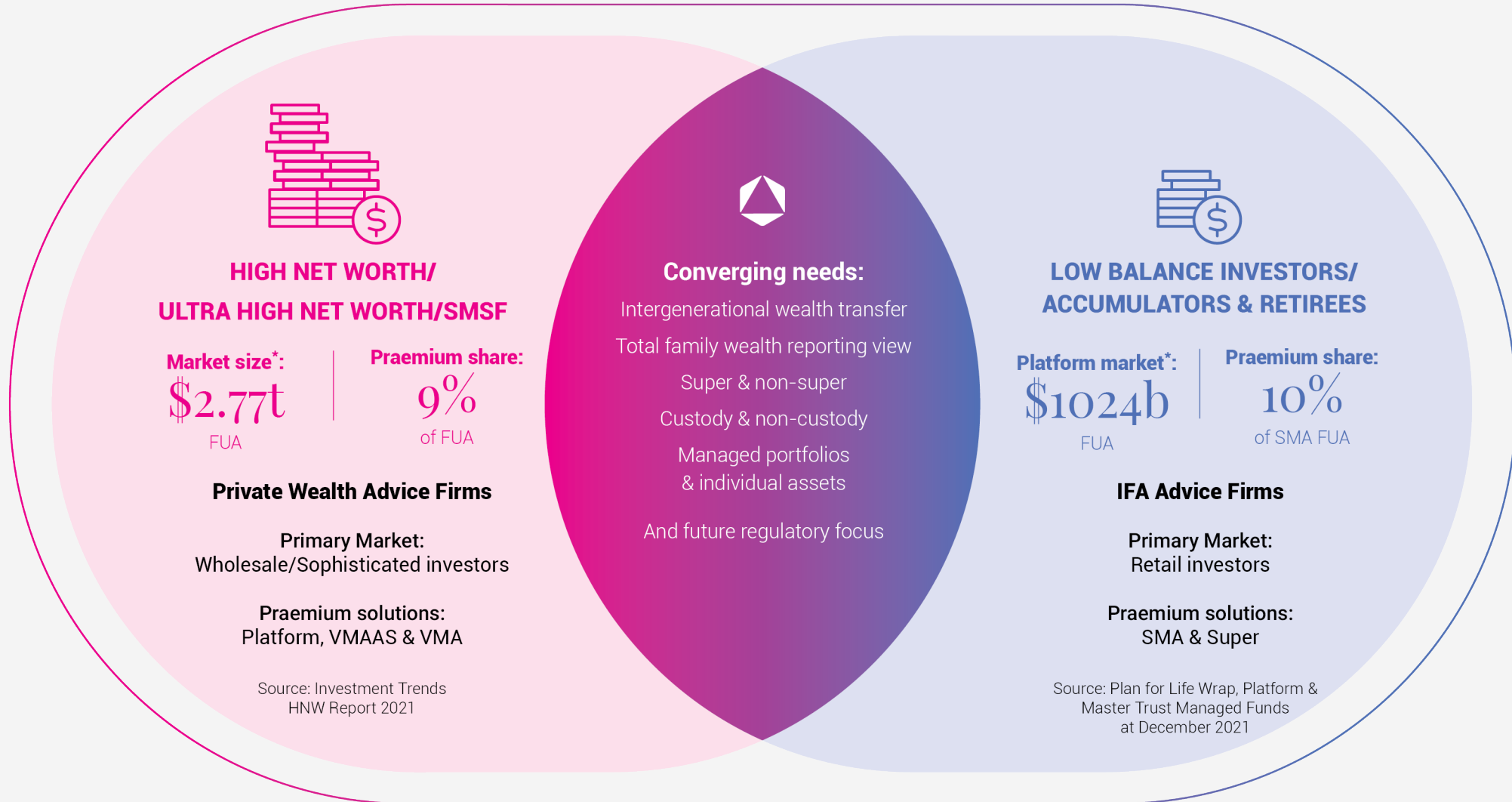
Balance Sheet (\$m)	Jun 22	Jun 21
Cash	80.5	26.7
Receivables	7.3	9.0
Financial assets	3.6	5.3
Intangibles	58.4	64.3
Other assets	7.1	7.1
Assets	156.9	112.5
Tax liabilities	1.7	0.2
Borrowings	10.6	13.6
Other liabilities	42.3	18.8
Liabilities	54.6	32.6
Net Assets	102.3	79.9

- **Strong cash reserves includes net divestment proceeds pre \$25.8m special dividend**
- **Group regulatory cash requirement of \$15.0m**
- **Powerwrap tax losses of \$9.0m able to be utilised in future periods**
- **Franking credits of \$13.2m at 30 June with \$11.0m utilised post year-end via special dividend paid August 2022**

Looking forward



Growing market share in our core markets



One platform – all clients, managed accounts & investments – regardless of advice business model

Strategic focus on our core competencies

Praemium

Leader in non-custodial

VMA, our unique proprietary technology

The most accurate portfolio & tax reporting engine

VMA Admin underpinned by the best SaaS reporting capability

Outsourced administration now proven and scalable

The one solution for comprehensive reporting and efficient administration

Managed Accounts expert

Next-generation Managed Accounts platform

Leading edge Adviser and Investor Portals

Full end-to-end digital process

ESG ethical managed investment solutions

Insights functionality through AI machine learning

The one platform for every asset, every client & every advice business

Leader in High Net Worth (HNW)

Broad product suite for the complex needs of HNW clients

A unified platform for custodial & HIN-based portfolios

An independent, open-architecture platform designed specifically for the HNW market

Continued improvement and enhancement of our proposition

Deliver customer value and sustainable growth

Target FUA growth from flows of 15%

Deliver platform enhancements to support advisers with regulatory obligations, efficiency and client engagement

Attract and retain market-leading people

Implement top 5 key recommendations from employee survey in FY23

Roll out updated corporate values that reflect our integrated organization in 1H23

Maintain leadership as Australia's HNW platform of choice

Continue delivery of whole of wealth portfolio administration and reporting

Enhance Powerwrap functionality to support private wealth clients

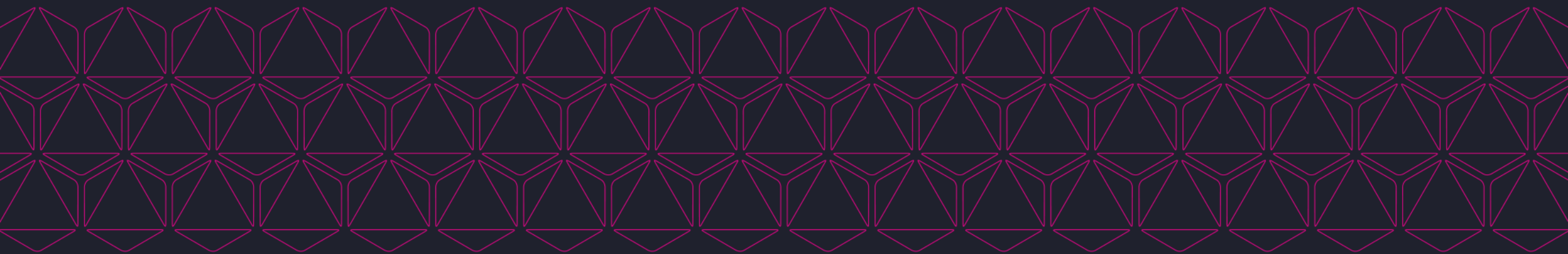
Ongoing enhancements to sustain our market-leading position in the top 6 categories of Investment Trends Platform Benchmarking Survey

Support the evolution of advice

Rollout of 2022 HNW investor research results

Continue to work collaboratively with our advice group partners to deliver content that support professional development days and ongoing education that meet their needs.

Questions





contact us

Level 19, 367 Collins Street,
Melbourne, VIC 3000
Ph: 1800 571 881

E: support@praemium.com.au
praemium.com.au



twitter.com/praemium



[linkedin.com/praemium](https://www.linkedin.com/company/praemium)