



PRESENTED BY  
Anthony Wamsteker CEO  
David Coulter CFO

# Half Year to 31 December 2022 Financial Results Presentation

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# Agenda



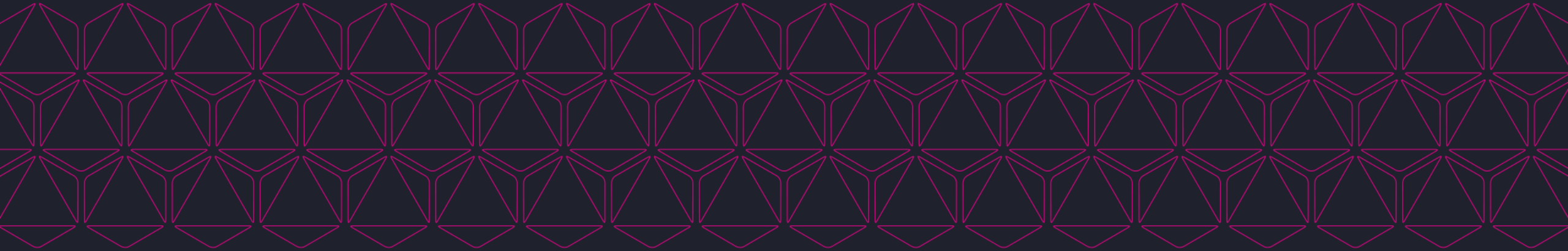
Anthony Wamsteker  
CEO



David Coulter  
CFO

- HY23 Business Highlights  
– Anthony Wamsteker
- HY23 Financial Results  
– David Coulter
- Looking Forward  
– Anthony Wamsteker
- Questions

# Business Highlights



## HY23 business highlights

**\$11.4m** Record HY EBITDA (underlying)

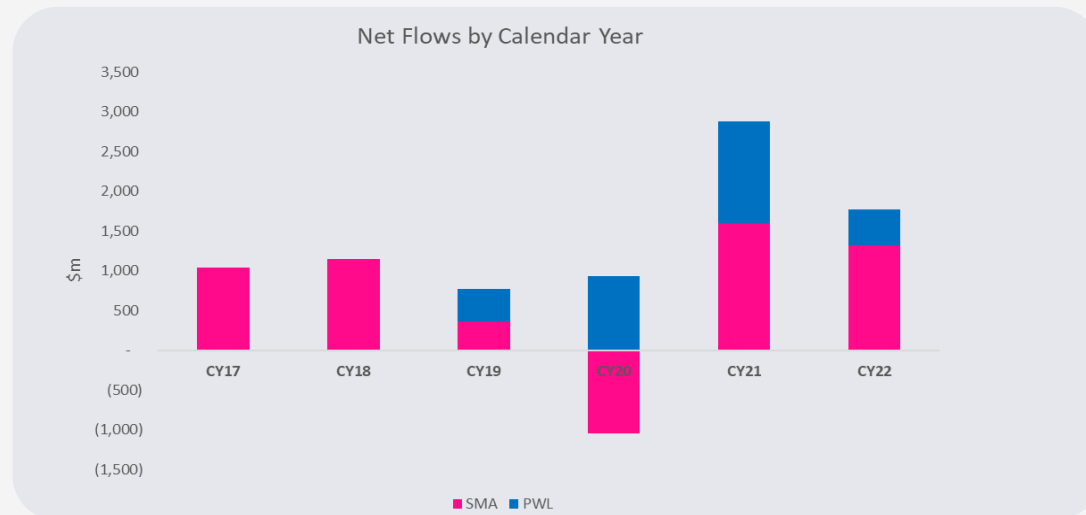
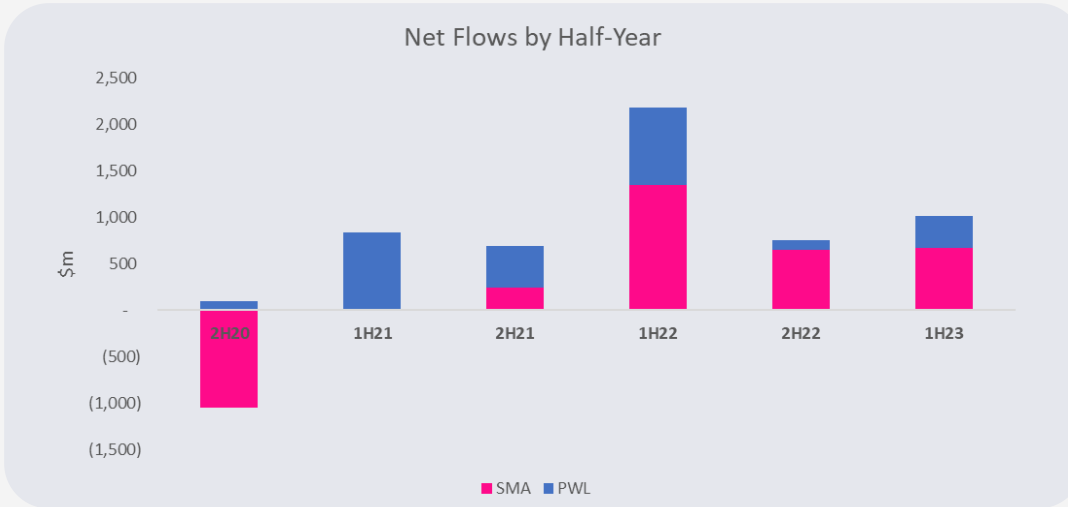
**\$1.0b** HY net inflows

**\$42.7b** Scalable Australian FUA

**\$32.4m** Returned to shareholders from International sale

- Strong 17% revenue growth
- HoH cost discipline
- 13% 5-year CAGR for SMA
- Powerwrap recurring positive flows
- Market leading \$21.8b VMAAS non-custody solution
- Higher margin SMA now at \$9.0b
- \$26m dividend paid
- \$7m of buy-back completed
- Strong balance sheet

# Net flows and FUA



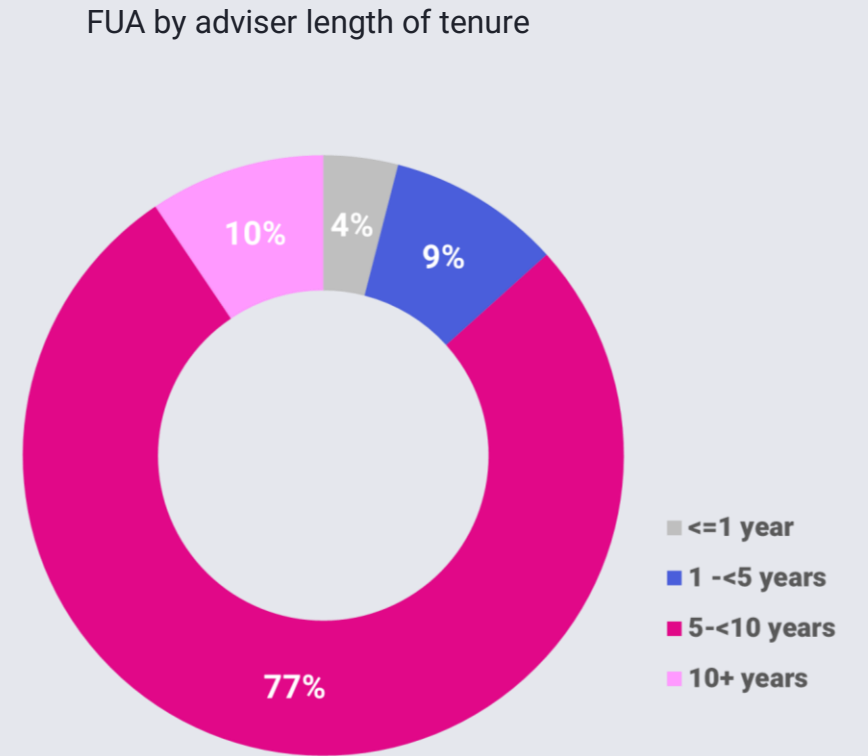
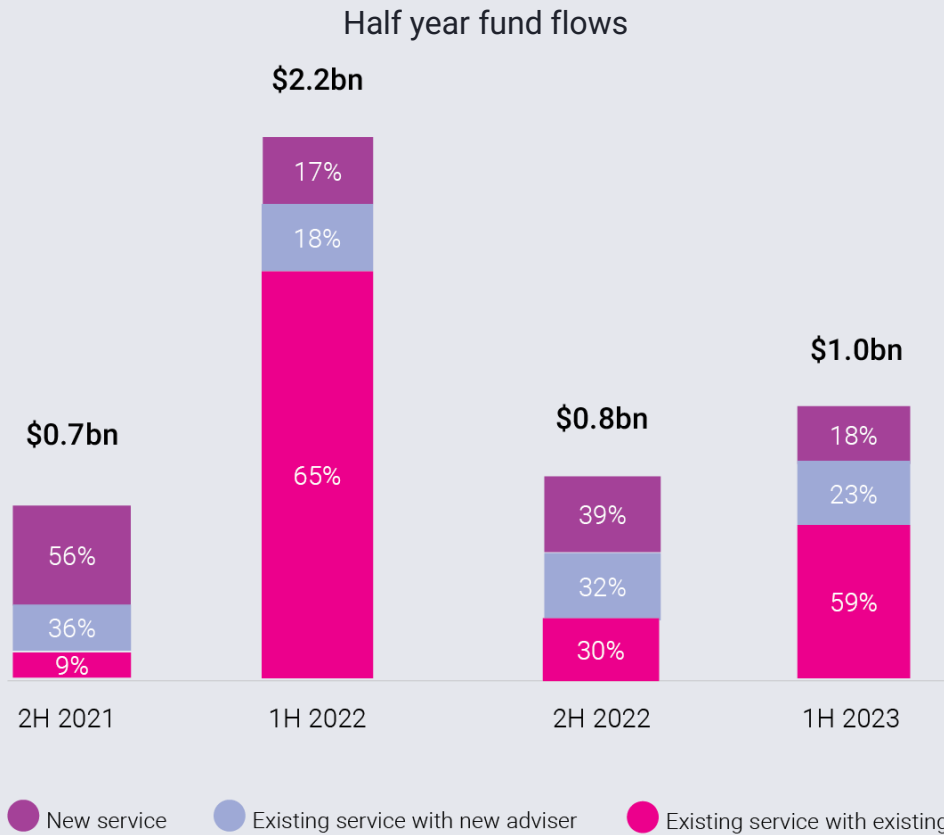
## Net Flows HY23

- Platform \$1,016m
  - SMA \$670m
  - Powerwrap \$346m
- Market movement \$421m

## FUA (Dec 22 v Jun 22)

- \$42.7b - up 6%
  - SMA \$9.0b - up 11%
  - Powerwrap \$12.0b – up 5%
  - VMAAS \$21.8b - up 4%
- 13% SMA FUA CAGR 5 years to Dec 22

# Established partnerships supported by growing new pipeline



# Maintain Leadership - Award winning technology innovations

→ No. 1 in 2 of the 6 main categories, narrowly No. 3 platform in 2022

→ The gap from No.1 platform continues to narrow 1.6% between 1st and 3rd

→ Widened gap with No. 4 platform to 5%

→ Continuing to focus on functionality that advisers are prioritising



2022 Platform Competitive Analysis and Benchmarking Report  
Best in Decision Support Tools

Praemium

**1<sup>st</sup>**  
in Report Generation

**1<sup>st</sup>**  
in Advanced analytics/tools

**1<sup>st</sup>**  
in Business Reporting



2022 Platform Competitive Analysis and Benchmarking Report  
Best in Security, Data & Intergration

Praemium

**1<sup>st</sup>**  
in Online Permissions

**1<sup>st</sup>**  
in Tax Tools

**1<sup>st</sup>**  
in Workflow visibility

**1<sup>st</sup>**  
in Investor Correspondence

**1<sup>st</sup>**  
in Calculators & Modelling

**1<sup>st</sup>**  
in Search & Selection

**1<sup>st</sup>**  
in Info & Education - product

**1<sup>st</sup>**  
in White labelling

**1<sup>st</sup>**  
in API

**1<sup>st</sup>**  
in integration from planning software

**1<sup>st</sup>**  
in Non-Custodial Assets

\*Investment Trends Competitive Analysis and Platform Benchmarking Survey 2022



# Delivering innovation with purpose

## Focusing on delivering what advisers want in our core competencies

### Leader in non-custodial

Upgraded Praemium integration centre for advisers

New asset class groupings for enhanced transparency & reporting

Customised performance reporting

Positive ESG reporting

Export and Upload Centre improved bulk transaction capability & reporting

### Managed Accounts expert

Positive ESG reporting

Application submission enhancements

New adviser tools for individual assets

Enhanced Term Deposit order placement

Fee consent workflow enhancements

### Leader in High Net Worth (HNW)

Adviser Portal for private wealth advisers

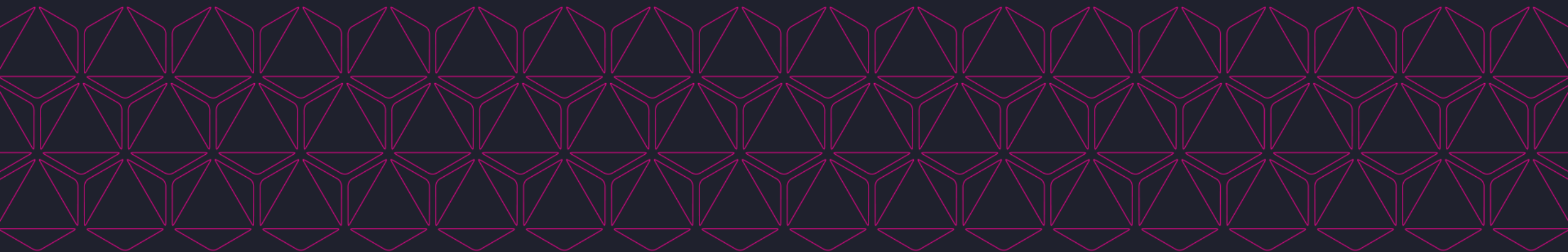
Managed fund order pad

Private Wealth support centre

Portfolio liquidity reporting

Wholesale investor certification

# Financial Results



# Group financial results HY23

Group Financial Results (\$m)	HY23	HY22	\$ change	% change
Revenue (net)	35.4	39.2	(3.8)	(10)
Cost of operations	(8.6)	(12.3)	3.7	30
Gross margin	26.8	26.9	0.5	-
GM % of net revenue	75.7%	68.5%	7.2%	
Expenses:				
Information Technology	(5.5)	(5.4)	(0.1)	(2)
Sales & Marketing	(5.3)	(8.3)	3.0	36
General & Admin	(4.6)	(5.6)	1.0	18
Total expenses	(15.4)	(19.4)	4.0	21
EBITDA (underlying)	11.4	7.5	3.9	52
EBITDA %	32.2%	19.1%	13.1%	
EBITDA (continuing)	11.4	7.6	3.8	50
EBITDA (discontinuing)	-	(0.1)	0.1	
Share schemes	(0.9)	(2.0)		
D&A	(3.6)	(4.6)		
EBIT	6.9	0.9	6.0	
Acquisition & restructure	(0.9)	(2.1)		
FX & other	0.5	(0.3)		
NPBT	6.4	(1.5)	7.9	
Tax	2.7	(1.1)		
NPAT	9.1	(2.6)	11.7	

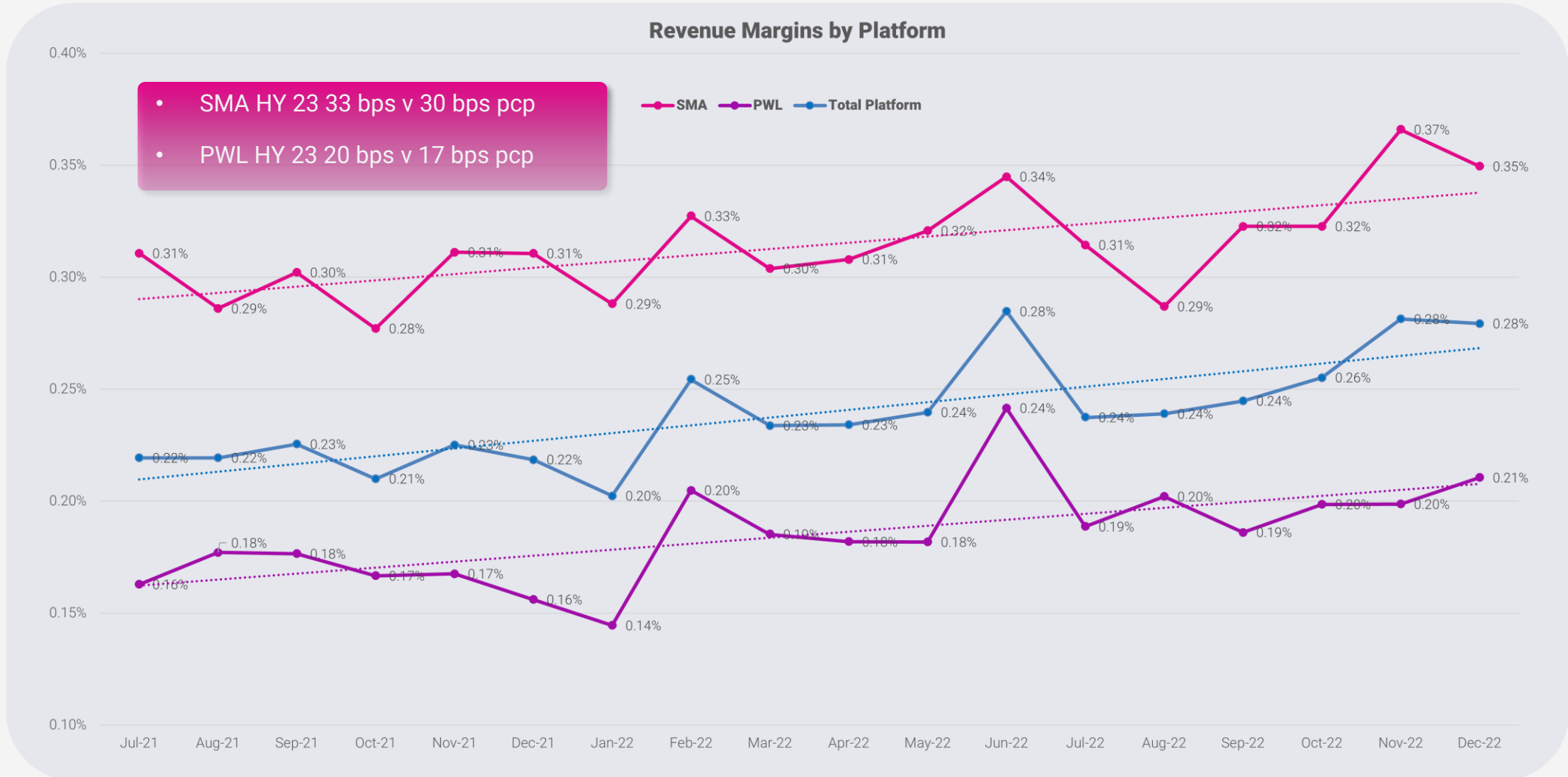
- HY22 impacted by carrying divested business albeit EBITDA neutral
- Share schemes no longer required to support UK / Dubai, but will increase 2H 23 with new grants
- Restructuring
  - » \$0.4m retention
  - » \$0.4m divest completion
  - » \$0.1m asset write down
- \$4.8m tax benefit from loan forgiveness on divestment
- Underlying EBITDA reconciled to NPAT in detail at Note 6 in the statutory financials

# Australian segment results

Australia results \$m	HY23	HY22	\$ change	% change
Platform	25.9	21.7	4.2	19
Portfolio services	9.4	8.7	0.7	8
Service fees	0.1	-	0.1	-
<b>Revenue</b>	<b>35.4</b>	<b>30.4</b>	<b>5.0</b>	<b>17</b>
Cost of operations	(9.1)	(8.8)	(0.3)	(3)
Information Technology	(5.1)	(5.1)	-	-
Sales & Marketing	(5.3)	(5.2)	(0.1)	(2)
General, Admin & Corporate	(4.6)	(3.6)	(1.0)	(28)
<b>Expenses</b>	<b>(24.1)</b>	<b>(22.7)</b>	<b>(1.4)</b>	<b>(6)</b>
<b>Aust Segment EBITDA</b>	<b>11.4</b>	<b>7.5</b>	<b>3.9</b>	<b>52</b>
EBITDA %	32.1%	24.7%	7.2%	

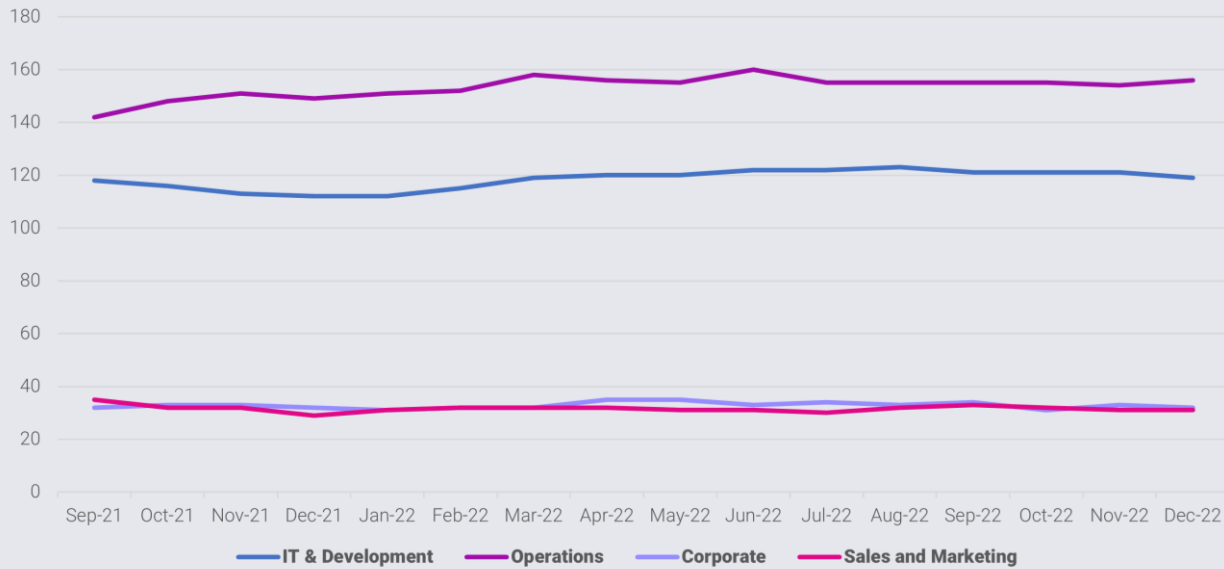
- Strong revenue growth, augmented by sector leading cost constraint, opens “jaws” by 30% (32.1% margin v 24.7% pcp)
- 17% revenue growth
  - » Cash admin fee on SMA lifted to 130bps from 1 October with rising RBA rates
  - » Re-weight to higher margin SMA (43% v 40% platform FUA)
  - » Equity markets -ve overall
- 6% cost growth
  - » Wage inflation ~6%, average FTE up marginally on pcp
  - » Gen Admin & Corp - Insurance and cybersecurity
- Underlying segment EBITDA reconciled to NPAT at Note 6 in the statutory financials

# Platform Revenue Margins – strong cash margin impact

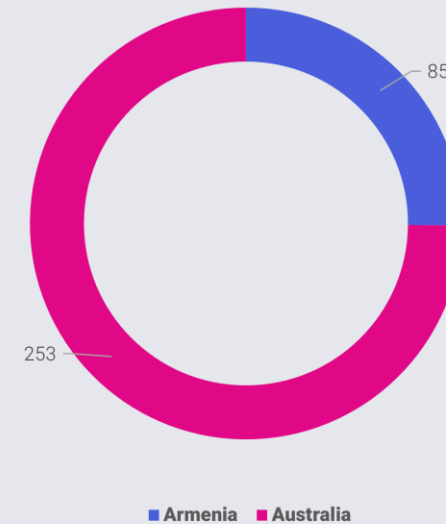


# FTE reduced from June due to tech uplift and TSA termination

FTE by department



FTE 31 Dec 22



## FTE totals (continuing business)

- » Dec 21: 322
- » Jun 22: 346
- » Dec 22: 338

## FTE Dec 22 by geography

- » Aus: 126 Ops, 68 IT, 31 S&M, 28 Corp
- » Arm: 30 Ops, 51 IT, 4 Corp

# Cashflow

Cashflow (\$m)	HY23	HY22
Operating cashflow	7.9	2.5
Tax paid	(0.8)	(1.9)
One-off costs	(1.5)	(0.7)
<b>Net operating cashflow</b>	<b>5.6</b>	<b>(0.1)</b>
Intangible capex	(3.6)	(2.9)
Equipment capex	(0.4)	(0.3)
Investments	-	(0.2)
<b>Net investing cashflow</b>	<b>(4.0)</b>	<b>(3.4)</b>
Dividends Paid	(25.8)	-
Borrowings repaid	(10.6)	(1.5)
Share buy-back	(6.6)	-
Other	(0.7)	(2.1)
<b>Net financing cashflow</b>	<b>(43.7)</b>	<b>(3.6)</b>
Net cash movement	(42.1)	(7.1)
Opening cash	80.5	26.7
Unrealised FX	(0.2)	(0.2)
<b>Closing cash</b>	<b>38.2</b>	<b>19.4</b>

- Operating cashflow of \$7.9m impacted by:
  - » Deployment of working capital to support Morningstar TSA
  - » Large deal advisory payments post divestment
- One-off costs partly provisioned in FY22 P&L (divestment related)
- R&D capex of \$3.6m represents return to regular development post fee consents
- Financing cashflow de-risks balance sheet while moving swiftly to reward shareholders post-divestment
- Buy-back progressing based on available market liquidity

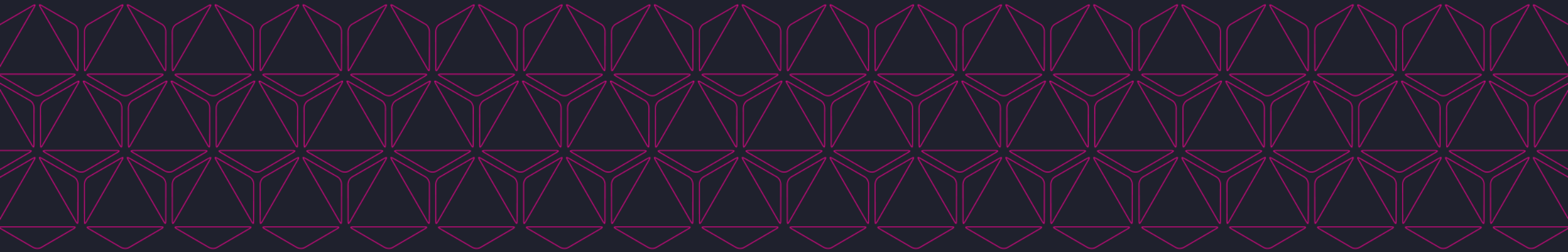
# Balance Sheet

Balance Sheet (\$m)	Dec 22	Jun 22
Cash	38.2	80.5
Receivables	11.3	7.3
Financial assets	3.5	3.6
Intangibles	59.3	58.4
Other assets	8.4	7.1
<b>Assets</b>	<b>120.7</b>	<b>156.9</b>
Tax liabilities	-	1.7
Borrowings	-	10.6
Other liabilities	15.1	42.3
<b>Liabilities</b>	<b>15.1</b>	<b>54.6</b>
<b>Net Assets</b>	<b>105.6</b>	<b>102.3</b>

- Strong balance sheet available to fund future growth
- Group regulatory cash requirement of \$15.0m
- Tax losses on divestment recognised
- Powerwrap tax losses of \$9.0m able to be utilised in future periods
- Dividend policy to be adopted in this financial year

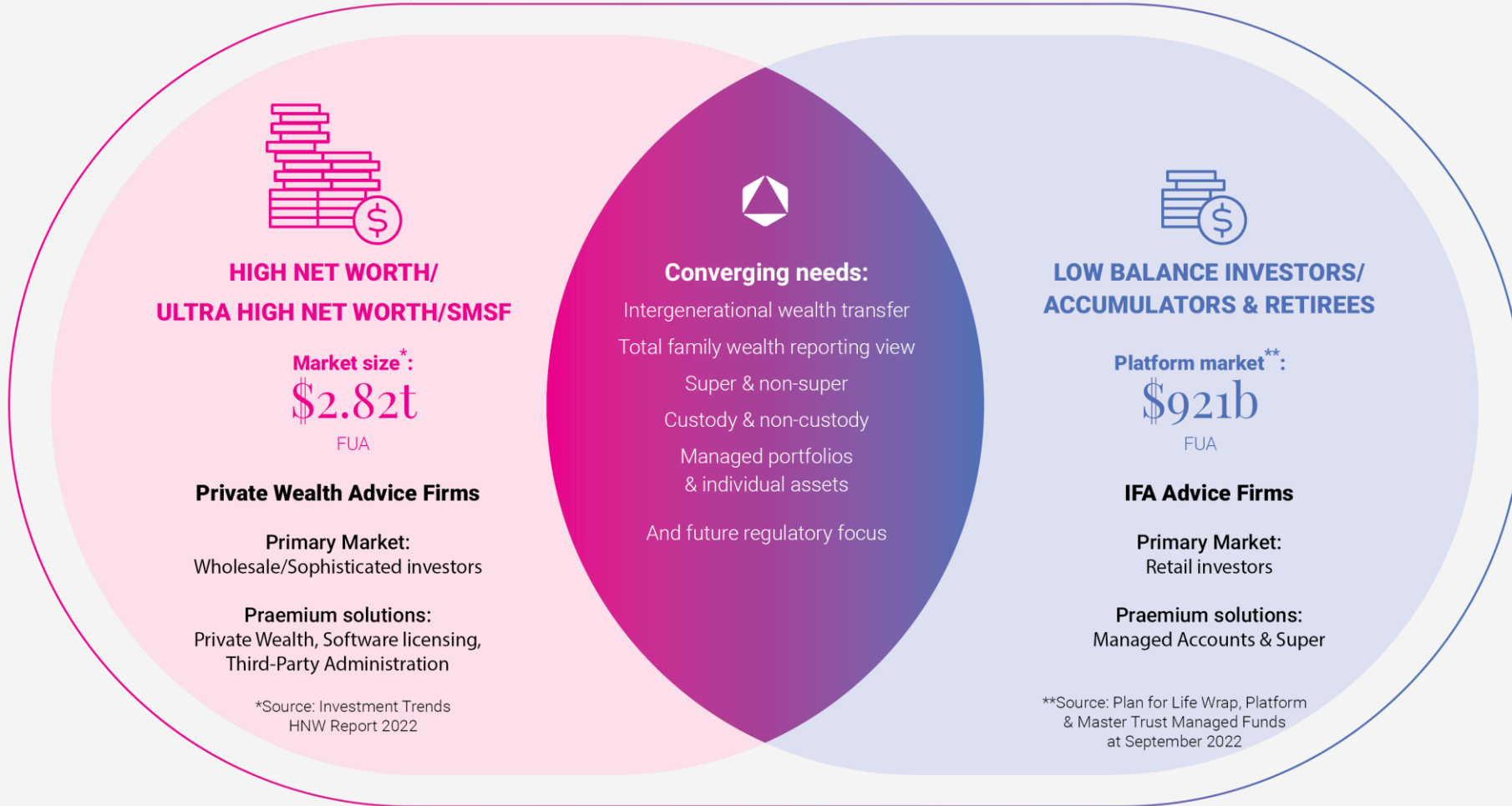


# Looking forward





# Attractive market opportunities abound



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

# Continued delivery against core objectives

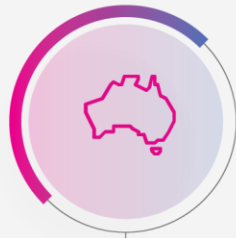
Deliver customer value and sustainable growth	Attract and retain market-leading people	Maintain leadership as Australia's HNW platform of choice	Support the evolution of advice
<p>Target FUA growth from flows of 10-15%</p> <p>Delivered platform enhancements to support advisers with regulatory obligations, efficiency and client engagement</p>	<p>Implemented top 5 key recommendations from employee survey in FY23</p> <p>Rolled out updated corporate values that reflect our integrated organization in 1H23</p>	<p>Continued delivery of whole of wealth portfolio administration and reporting</p> <p>Enhanced Powerwrap functionality to support private wealth clients</p> <p>Ongoing enhancements to sustain our market-leading position in the top 6 categories of Investment Trends Platform Benchmarking</p>	<p>Released 2022 HNW investor research results</p> <p>Continued to work collaboratively with our advice group partners to deliver content that supported professional development days and ongoing education that met their needs</p>
<p>Escala Partners, Praemium's largest client extended their agreement for further 6 years</p>	<p>Appointed Chief Strategy Officer to help drive accelerated growth strategy</p>	<p>Continued strong progress year on year in Investment Trends Platform Benchmarking Survey</p> <p>Launch of Private Wealth portal</p>	<p>Praemium is a foundation partner of IRESS Connectivity Network &amp; will collaborate on the design of Xplan Affinity and support the future of advice execution</p>

# Strong foundations for continued growth momentum



**Praemium International sold to Morningstar**

Material cash reserves. Enhanced the conservative & strong balance sheet position



**Focus on domestic business & core competencies**

Streamlined sales, operations, tech & leadership behind a unified goal



**Clear market communications**

Say what we are going to do & do what we say



**Powerwrap acquisition synergies achieved**

Business & technology synergies materially complete



**Supporting advisers & the evolution of advice**

Strategic partnerships in research & innovation that supports the industry



**High performance culture**

Continuous improvement focus & rollout of company wide LSS training



**Accelerated growth potential**

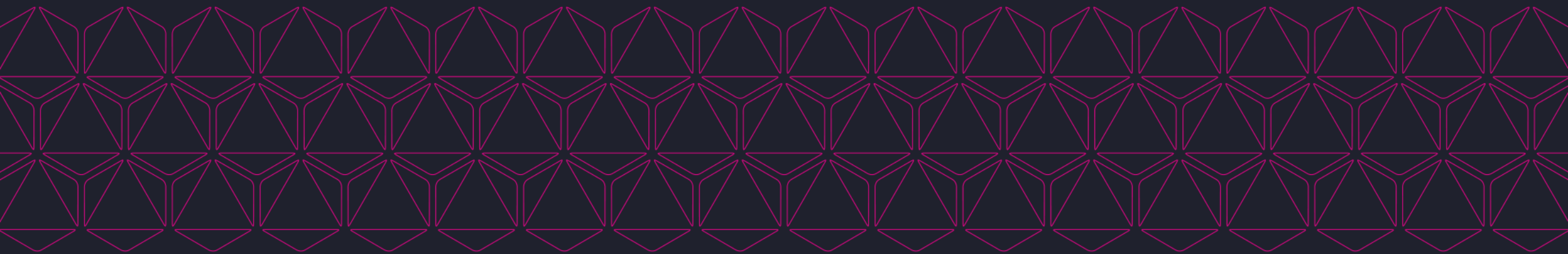
Strong balance sheet & operating performance

2021

Journey to 2025

2025

# Questions





## contact us

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