



PRESENTED BY
Anthony Wamsteker CEO
David Coulter CFO

Annual results to 30 June 2023 Financial Results Presentation

Praemium Limited ACN 098 405 826

29 August 2023

**At Praemium we acknowledge the Traditional Custodians of Country.
We pay our respect to their Elders past, present, and emerging for they hold
the memories, traditions, and culture of First Nations' People.**

Disclaimer

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Agenda



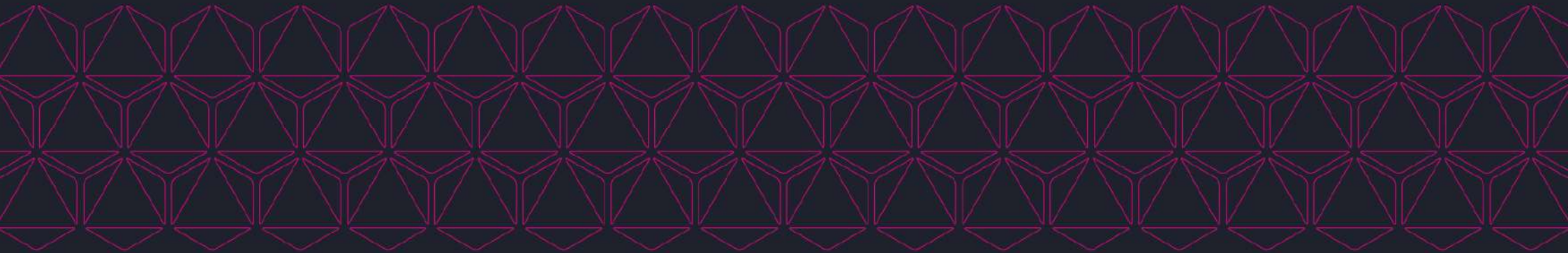
Anthony Wamsteker
CEO



David Coulter
CFO

- » **FY23 Business Highlights**
– Anthony Wamsteker
- » **FY23 Financial Results**
– David Coulter
- » **Looking Forward**
– Anthony Wamsteker
- » **Questions**

Business Highlights



FY23 business highlights



\$23.4m

Record EBITDA
(underlying)



\$1.4b

FY net inflows



\$44.0b

Scalable Australian FUA



\$37.3m

Returned to shareholders
from International
business sale

- » Strong 17% revenue growth
- » 5-year Australian revenue CAGR of 22%
- » 5-year CAGR of 11% for SMA FUA
- » Powerwrap recurring positive flows
- » Market-leading \$21.8b VMAAS non-custody solution
- » SMA FUA \$9.6b, up \$1.5b (19%)
- » Demonstrated operating leverage
- » \$26m fully franked dividend paid
- » \$12m of buy-back completed
- » Strong balance sheet

FY23 Achievements

01.

Winner:
No. 1 platform
Security, Data
and Integration

02.

Winner:
No. 1 platform
Decision Tools

03.

Completion
of Powerwrap
operational &
client service
integration

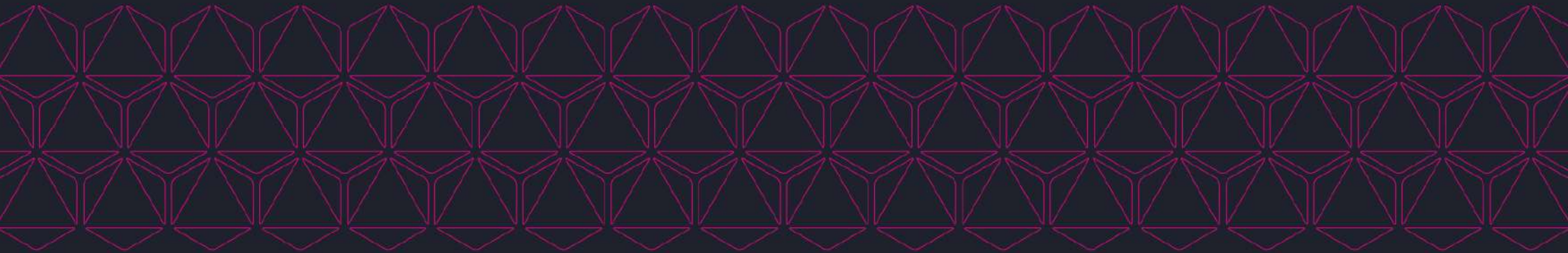
04.

Enhanced
reporting
and further
technology
feeds &
interfaces

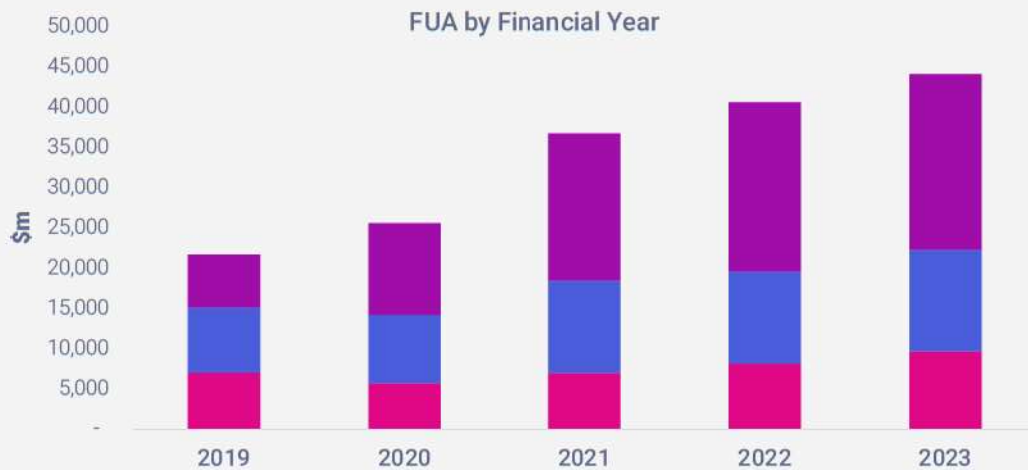
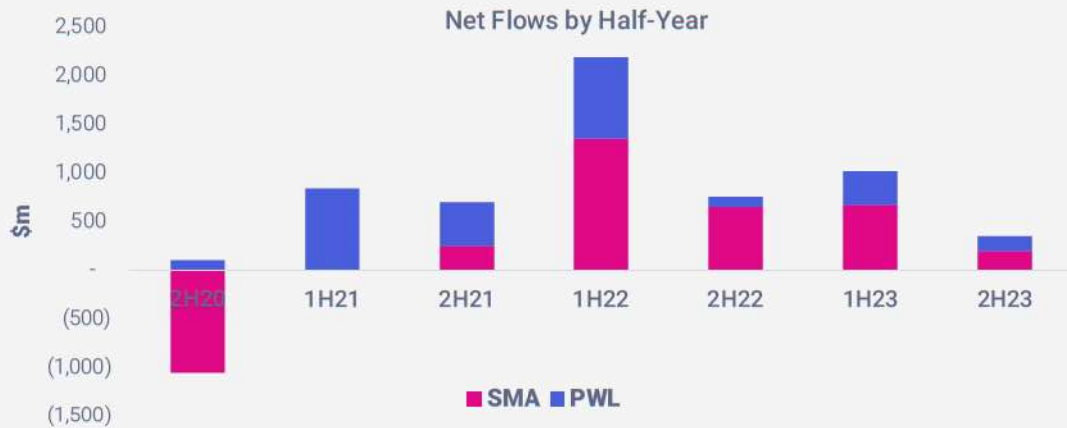
05.

Escala
partnership:
new 6 year
strategic
agreement

Financial Results



Net flows and FUA

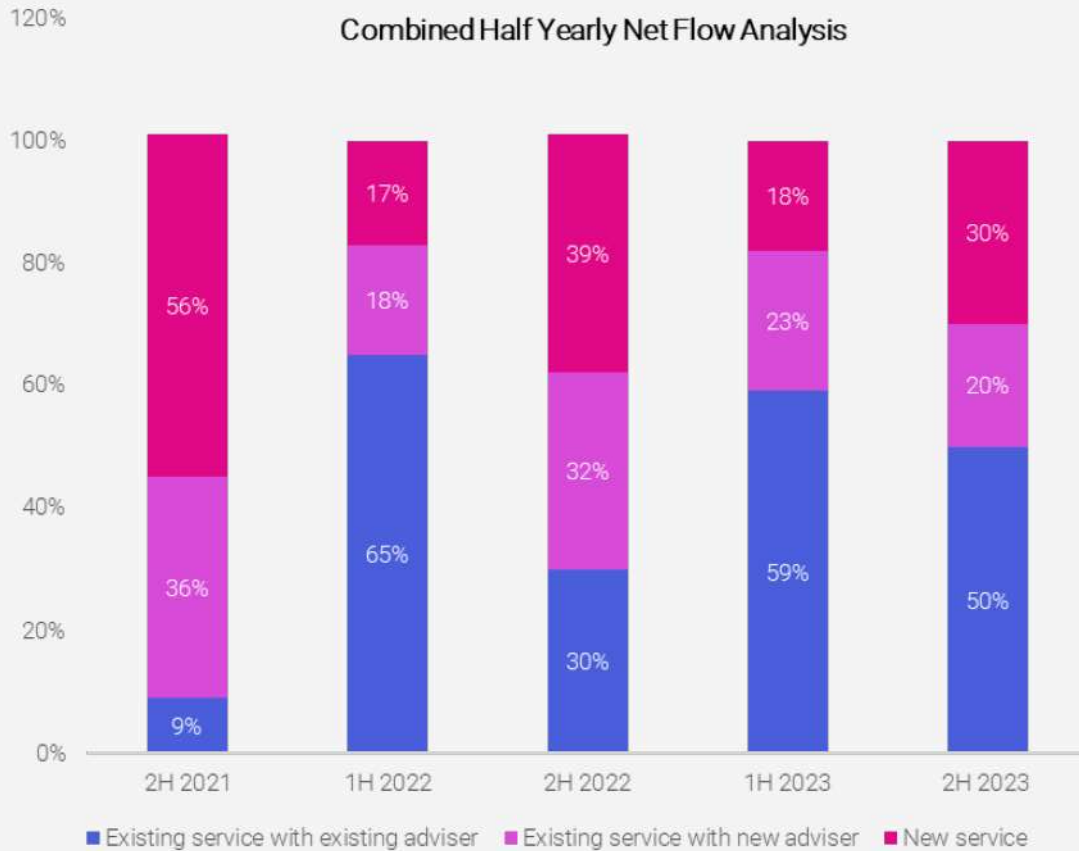


Net Flows FY23

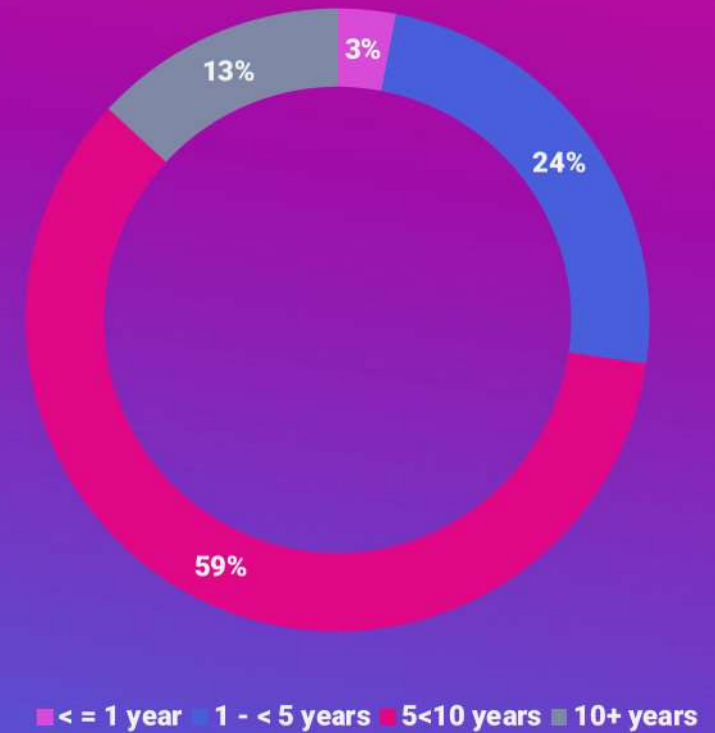
- » Platform \$1,362m
 - » SMA \$865m
 - » Powerwrap \$497m
- » Market movement \$1,359m

- » FUA (Jun 23 v Jun 22)
- » \$44.0b - up 9%
 - » SMA \$9.6b - up 19%
 - » Powerwrap \$12.6b - up 11%
 - » VMAAS \$21.8b - up 4%
- » 11% SMA FUA CAGR 5 years to Jun 23

Established partners. Growing pipeline



FUM by adviser length of tenure



Australian segment results

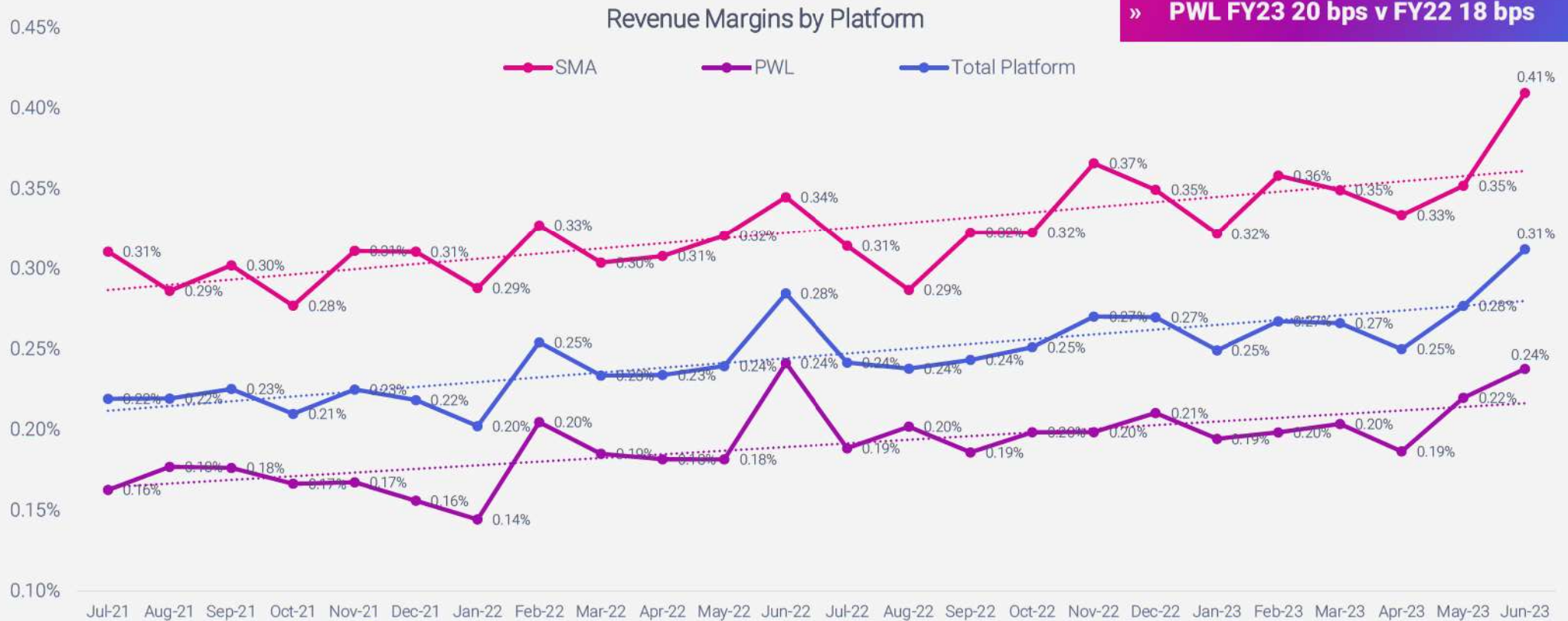
Australia results \$m	FY23	FY22	\$ change	% change
Platform	55.2	45.9	9.3	20
Portfolio services	19.1	17.6	1.5	9
Revenue	74.3	63.5	10.8	17
Cost of operations	(21.5)	(16.6)	(4.9)	(30)
Information Technology	(10.3)	(10.0)	(0.3)	(3)
Sales & Marketing	(10.6)	(10.5)	(0.1)	(1)
General, Admin & Corporate	(8.5)	(7.3)	(1.2)	(16)
Expenses*	(50.9)	(44.4)	(6.5)	(15)
Aust Segment EBITDA	23.4	19.1	4.3	23
EBITDA %	31.5%	30.1%	1.4%	

*Includes \$32.9m (2022: \$30.7m) employee costs
Underling segment EBITDA reconciled to NPAT at Note 20 in the statutory financials

- » **Strong revenue growth, partially offset by admin fee step up, positive “jaws” by 5% (31.5% margin v 30.1% pcp)**
- » **17% revenue growth**
 - » **Cash admin fee on SMA lifted to 130bps from 1 October with rising RBA rates**
 - » **Re-weighting to higher margin SMA (43% v 41% platform FUA)**
 - » **Equity markets strongly +ve overall**
- » **15% cost growth**
 - » **Cost of Operations – outsourced admin increases**
 - » **Wage inflation (all expenses) ~7%, average FTE up marginally on prior year**
 - » **Gen Admin & Corp – added governance resources, and insurance & cybersecurity up significantly**

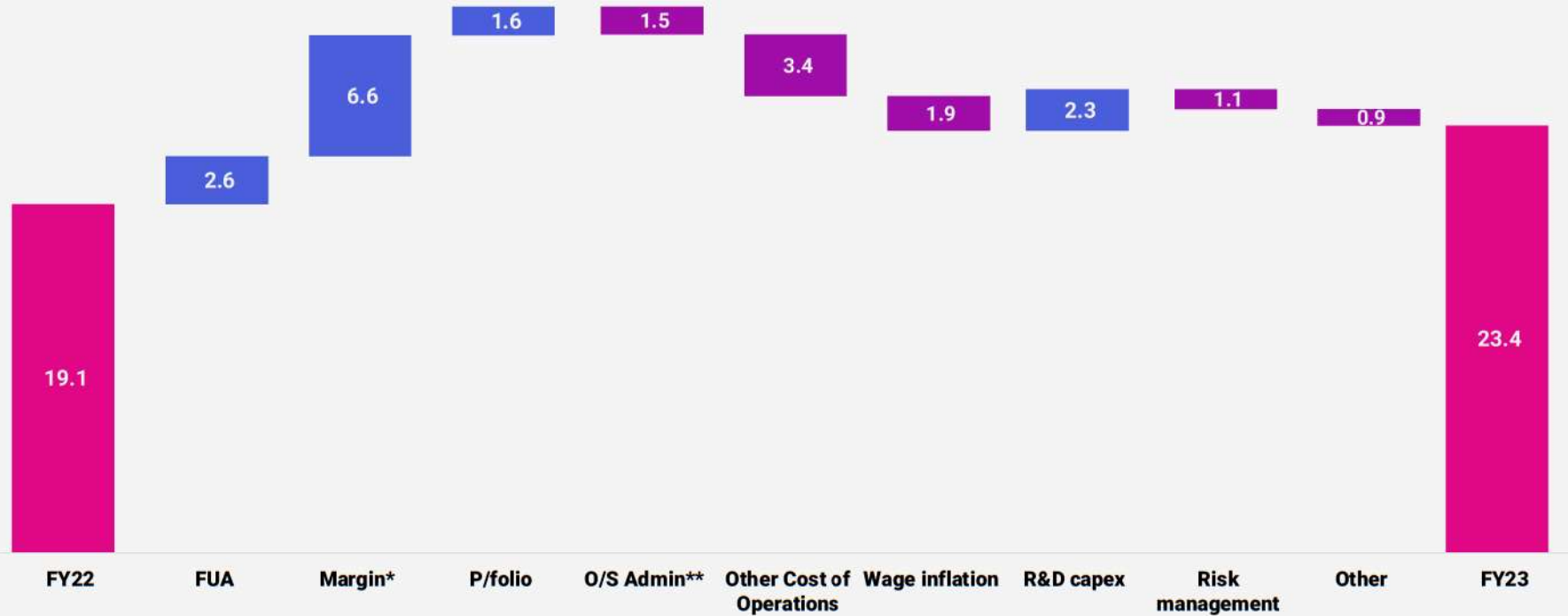
Platform Revenue Margins – strong cash margin impact

» SMA FY23 34 bps v FY22 31 bps
 » PWL FY23 20 bps v FY22 18 bps



EBITDA driven by revenue growth

AUST EBITDA (underlying), \$m



* Includes \$4.5m uplift in cash admin contribution

** Outsourced Administration – includes backdated \$0.7m 1H23 recognised in 2H23

Cashflow

Cashflow (\$m)	FY23	FY22
Operating cashflow	26.8	16.6
Tax paid	(1.2)	(1.5)
One-off costs	(2.2)	(4.7)
Net operating cashflow	23.5	10.4
Business divestment (net)	-	56.4
Intangible capex	(7.5)	(6.0)
Equipment capex	(0.6)	(0.6)
Investments	(0.3)	-
Net investing cashflow	(8.4)	49.7
Dividends Paid	(25.8)	-
Borrowings repaid	(10.6)	-
Share buy-back	(11.5)	-
Other	(1.1)	(6.5)
Net financing cashflow	(49.0)	(6.5)
Net cash movement	(33.9)	53.6
Opening cash	80.5	26.7
Unrealised FX	(0.4)	0.2
Closing cash	46.3	80.5

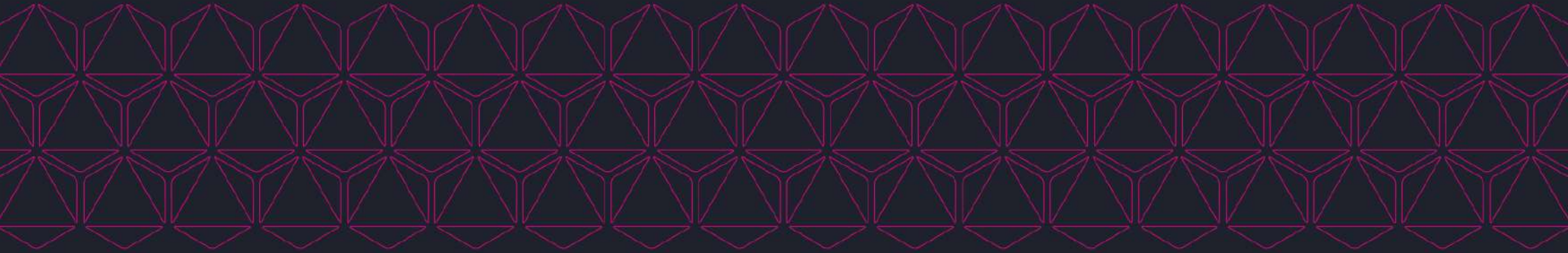
- » **Operating cashflow of \$26.8m impacted by:**
 - » **Emphasis on receivables collection (stable whilst revenue growing)**
 - » **One-off transaction advisory payments post divestment**
 - » **PAYG tax refunded post 30 June 2023**
- » **One-off costs partly provisioned in FY22 P&L (divestment related)**
- » **R&D capex of \$7.5m 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)	Jun 23	Jun 22
Cash	46.3	80.5
Receivables	10.5	7.3
Financial assets	4.0	3.6
Intangibles	60.5	58.4
Other assets	8.1	7.1
Assets	129.5	156.9
Tax liabilities	1.6	1.7
Borrowings	-	10.6
Other liabilities	19.8	42.3
Liabilities	21.4	54.6
Net Assets	108.1	102.3

- » **Strong balance sheet available to fund future growth**
- » **Group regulatory cash requirement of \$15m, reducing to \$10m 1H24**
- » **Tax losses on divestment recognised**
- » **\$9m Powerwrap tax losses to be utilised in future periods (~11 years)**
- » **Dividend policy adopted – shareholder preference for franking availability**

Looking forward



Strategic approach

- » **We are committed to a strategic approach that involves closely tracking enduring market trends.**
- » **Through a comprehensive understanding of our core competencies, we develop and offer products & services that effectively address evolving needs.**
- » **Our portfolio comprises distinct elements: unique offerings, differentiators, and improvements that outshine existing alternatives.**

Attractive market opportunities abound



Aligned with the market opportunity

Demographic trends



Older generations living longer increasing need for retirement solutions

Technology trends



Digital experience leveraging generative AI for innovative client portals & efficient adviser portals

Advice market trends



Specialist platforms gaining market share while institutional platforms are just starting innovations

Portfolio trends



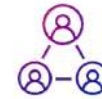
Access to alternative assets to meet growing need for **sophisticated and diversified investment opportunities**



Intergenerational wealth transfer will grow number of HNWs and increase need for advice and solutions



Data aggregation and integration key drivers for practice technology efficiency



Growing segment of advice market solely focusing on HNW and UHNW investors



Complex asset reporting and flexible investment structures for bespoke solutions



Increased demand for highly personalised service requiring tailored solutions and quality client engagement



Cyber-security a key focus driving demand for secure portals



Increasing demand for total view of wealth and growing use of off-platform assets



Economic factors driving demand for fixed income assets and breadth of investment options

Award-winning innovations



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



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

1st

in Non-Custodial Assets

1st

in Report Generation

1st

in Advanced analytics/tools

1st

in Business Reporting

1st

in API

1st

in Online Permissions

1st

in Workflow visibility

1st

in Calculators & Modelling

1st

in Investor Correspondence

1st

in White labelling

1st

in Search & Selection

1st

in integration from planning software

1st

in Tax Tools

1st

in Info & Education - product



- » **No. 1 in 2 of the 6 main categories**
- » **No. 1 for Security, Data & Integration**
- » **No. 1 for Decision Support Tools**
- » **No. 1 platform for Non-Custodial Assets**
- » **No. 1 platform for Tax Tools**
- » **Focused on functionality that our clients are prioritising**

*Investment Trends Competitive Analysis and Platform Benchmarking Survey 2022

Refreshed executive team with extensive experience across the sector



Anthony Wamsteker
Chief Executive Officer



David Coulter
Chief Financial Officer

Cost discipline and
M & A expertise



Richard Large
Chief Technology Officer

Technology transformation



Rachel Axton
Chief Risk & Governance Officer

High growth business and
superannuation



James Edmonds
Chief Product Officer

Product innovation and
operation excellence



Denis Orrock
Chief Strategy Officer

Customer success and
strategic initiatives



Angela Godfrey
Chief People Officer

Culture refresh and people
policy enhancements



Growth focused



Client centric



Clear lines of
accountability



Productive and
efficient teams



Capability-led

Five key strategic initiatives in progress

01.

Expand strengths:
Next-generation
Powerwrap &
Non-custodial

02.

Operational
transformation

03.

Group-wide
service
enhancements

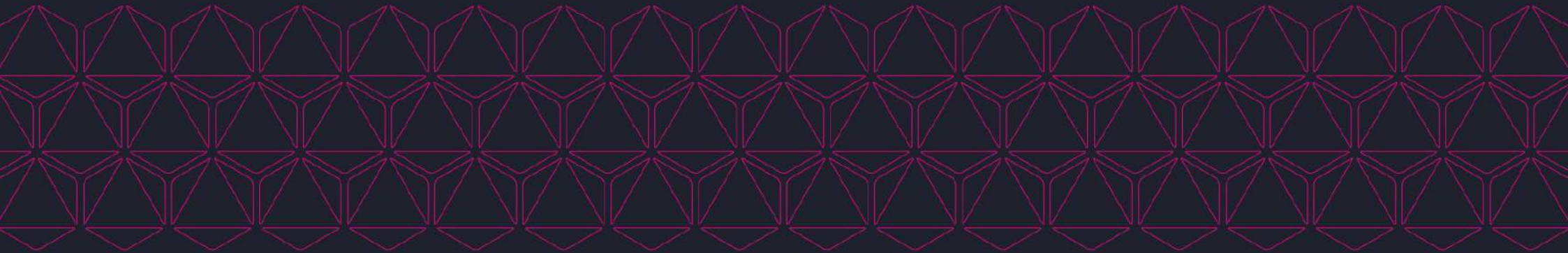
04.

Superannuation
advances

05.

Acquisition
opportunities

Questions





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