



Year to 30 June 2024 Financial Results Presentation

PRESENTED BY
Anthony Wamsteker CEO
David Coulter CFO

**At Praemium we acknowledge the Traditional Custodians of Country.
We pay our respect to their Elders past, present, and emerging.**



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Agenda



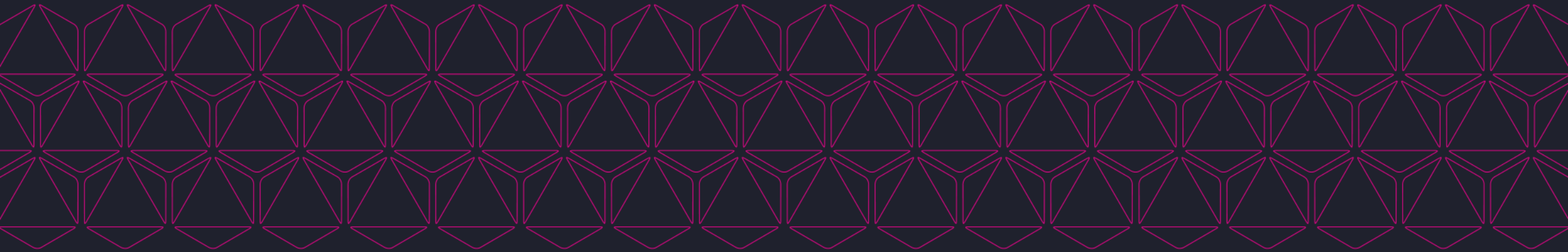
Anthony Wamsteker
CEO



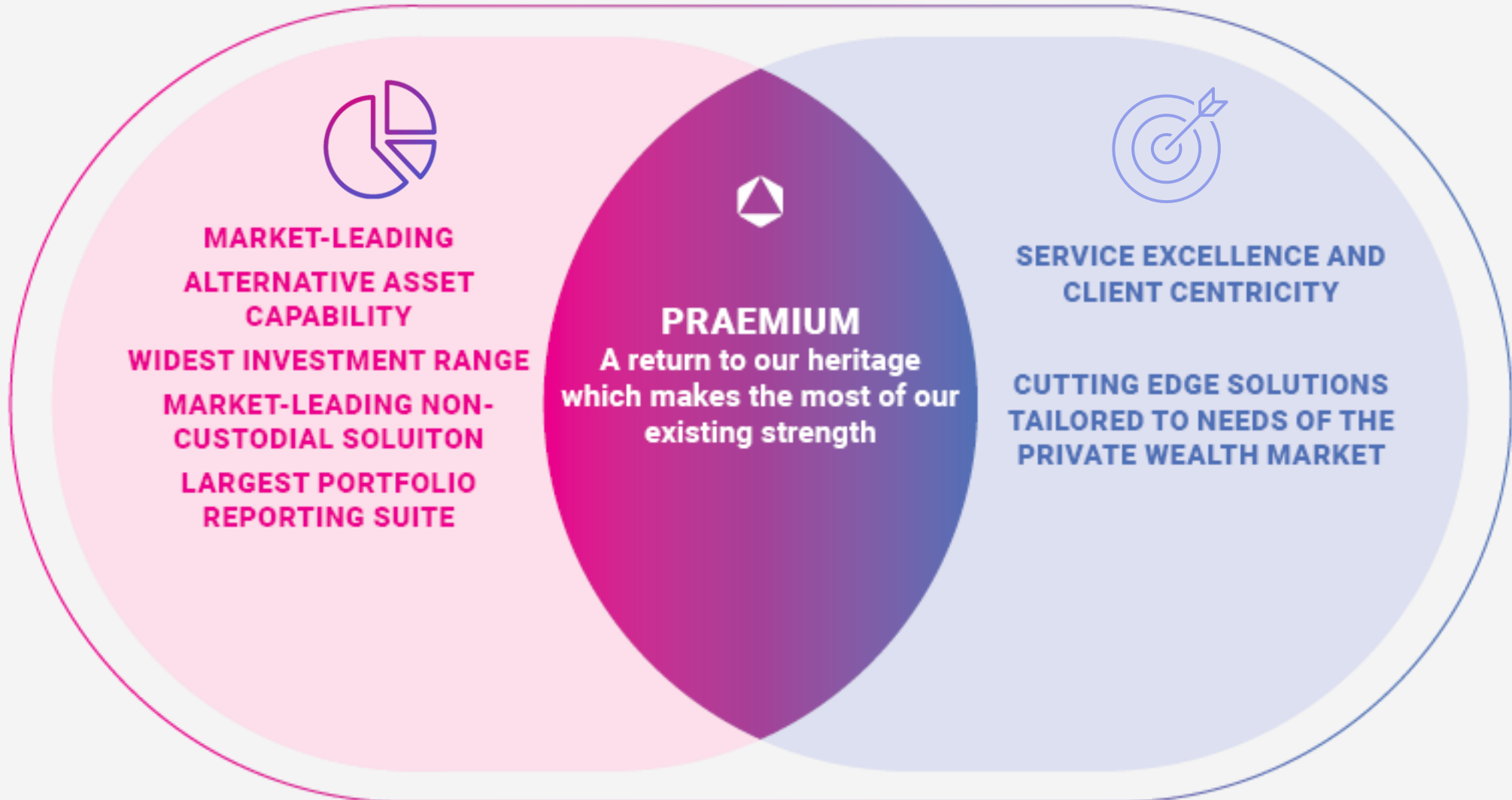
David Coulter
CFO

- » FY24 Business Highlights
– Anthony Wamsteker
- » FY24 Financial Results
– David Coulter
- » Strategy
– Anthony Wamsteker
- » Questions

Business Highlights



Emphasise what makes us different and valued



FY24 business highlights



\$21.5m

FY EBITDA
(significant 2H momentum)



\$84.9m

Revenue and other
income



\$57.4b

Scalable FUA



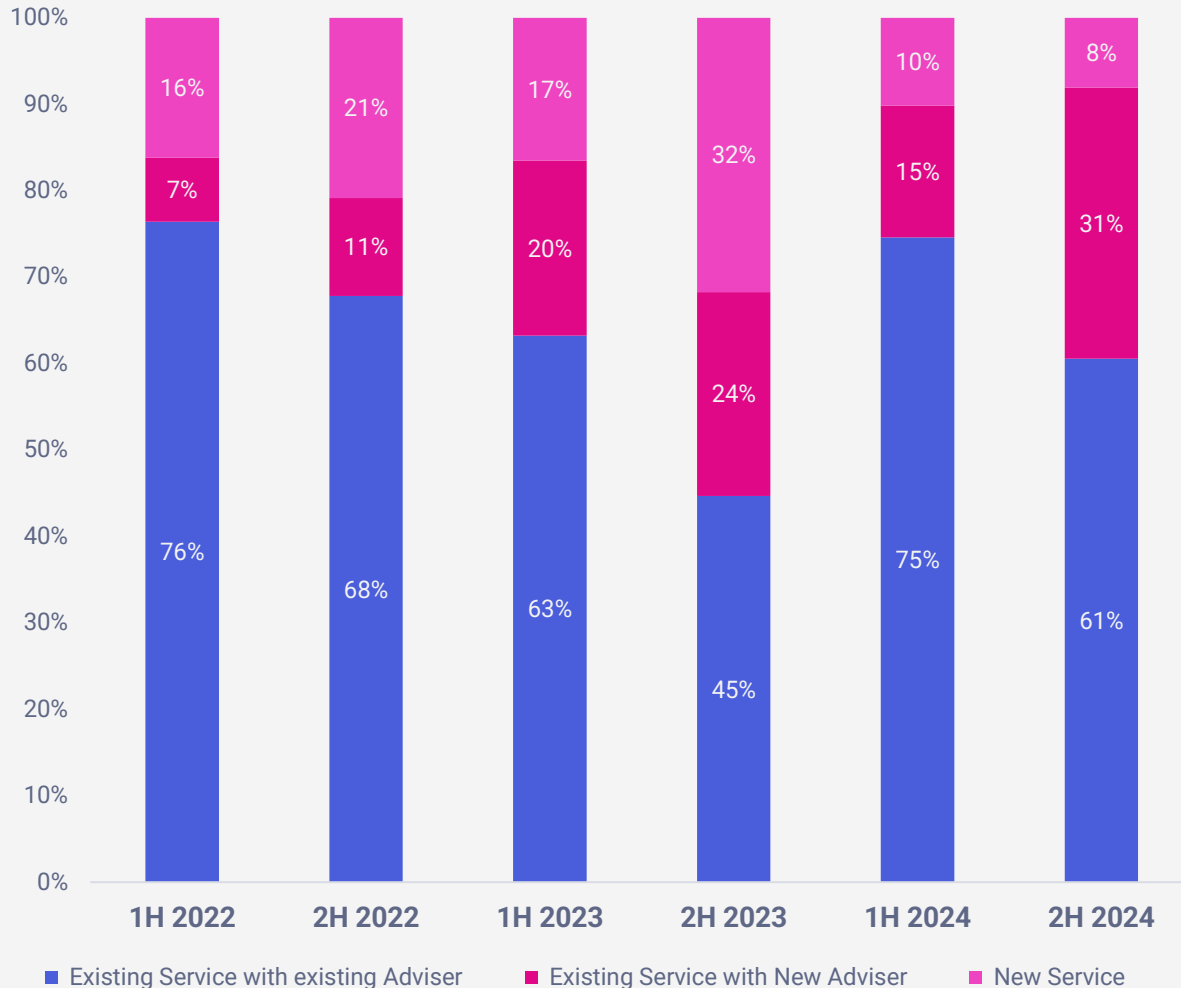
\$14.7m

Returned via \$9.9m buy-back
and \$4.8m dividend

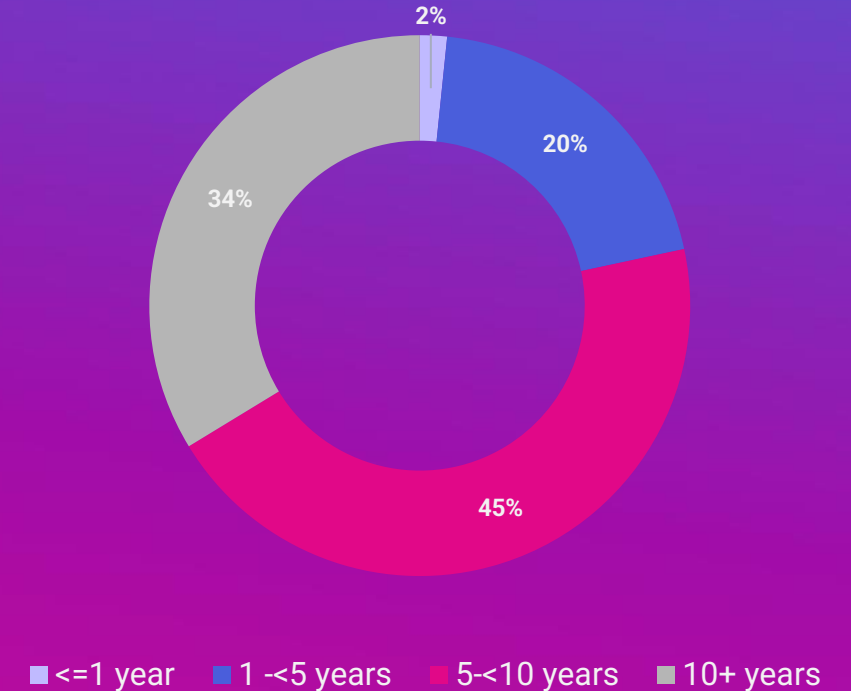
- » EBITDA uplift of 39% in second half
 - » \$12.5m v \$9.0m HoH
 - » Revenue up 15% HoH (11% annual)
- » Higher margin SMA of \$11.3b, up 18%
 - » 12% 5-year CAGR for SMA FUA
 - » \$820m net flow
 - » 6 bps improvement in margin from reprice
- » Market-leading \$29.3b VMAAS non-custody solution
- » Active capital management and M&A
 - » OneVue on track
 - » \$0.01 per share fully franked dividend – record date 5 Sept, to be paid 19 Sept
 - » \$9.9m of buy-back completed HY24 - \$21.4m buy-back in total up to 30 June 2024
- » Strong balance sheet retained following returns to shareholders and OneVue acquisition

Established partners and pipeline

SMA Half Yearly Netflow Analysis



FUA by adviser length of tenure



Maintain Leadership



2023 Platform Competitive Analysis and Benchmarking Report

Best in Data, Integration & Security

Praemium



2023 Platform Competitive Analysis and Benchmarking Report

Best in Decision Support Tools

Praemium



Award-winning technology innovations



» No. 1 in 17 sub-categories



» No. 2 for sub-category wins



» No. 3 platform overall



» 90% platform rating – highest score to date

OneVue integration proceeding to plan

Strategic value accretive acquisition

- » Highly strategic, added \$4.1b funds under administration (“FUA”) to Praemium’s Platform business
- » Remain committed to pre-tax synergies of at least \$3.0m

Attractive consideration structure

- » Upfront payment \$1.0m with earn-out of \$3.2m on forecast FUA
 - » Identifiable assets \$4.2m
 - » Customer intangible \$3.5m
 - » Software \$0.6m (w/off on transition)
 - » Goodwill \$1.1m
- » Acquisition funded from Praemium’s cash reserves

Client migration well advanced

- » Tailored migration plan finalised for each advisory firm (our clients)
- » Advisory firms consulted, and plan communicated
- » Staggered roll out underway with minimal, but necessary IT development commenced

Corporate Responsibility

- » 35% of rated funds achieved “High” or “Above Average” Morningstar™ sustainability ratings
- » 89 ESG themed investment options available on the platforms
- » All funds added under a robust investment governance policy framework
- » Investment in enhanced IT security

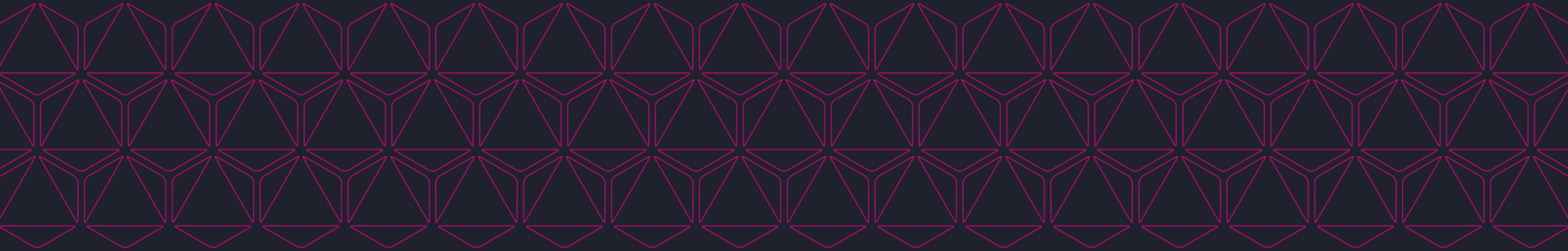


- » Implemented fact-based remuneration benchmarking resulting in equitable market-based remuneration structures
- » OH&S committee focus on psychological safety
- » Reward and recognition linked to corporate values such as client focus, teamwork and collaboration

- » Enhanced transparency and accountability with internal audit by expert external provider
- » Uplifted governance structure and frameworks
- » Leveraging opportunities from OneVue for best of breed solutions

- » Supported women in advice with International Women’s Day campaign
- » Delivered webinar for advisers educating on unconscious bias
- » CoreData partnership delivering monthly research insights to adviser community

Financial Results



Group results

Group results \$m	FY24	FY24 OneVue	FY24 ex OneVue	FY23	\$ change	% change
Platform	62.2	2.4	59.8	55.2	4.6	8
Portfolio services	20.5	-	20.5	19.1	1.4	7
Revenue	82.7	2.4	80.3	74.3	6.0	8
Cost of operations	(24.9)	(2.0)	(22.8)	(21.5)	(1.3)	(6)
Information Technology	(14.0)	(0.4)	(13.6)	(10.3)	(3.3)	(32)
Sales & Marketing	(12.1)	-	(12.1)	(10.6)	(1.5)	(14)
General, Admin & Corporate	(10.3)	(0.3)	(10.1)	(8.5)	(1.6)	(18)
Expenses*	(61.3)	(2.7)	(58.5)	(50.9)	(7.6)	(15)
EBITDA (underlying)	21.5	(0.3)	21.8	23.4	(1.6)	(7)
<i>EBITDA %</i>	<i>25.9%</i>		<i>27.1%</i>	<i>31.5%</i>	<i>-4.4%</i>	
Share schemes	(2.2)	-	(2.2)	(2.5)	0.3	12
D&A	(5.7)	(0.1)	(5.6)	(6.9)	1.3	19
Acquisition & restructure	(3.9)	-	(3.9)	(1.7)	(2.2)	(large)
Interest & other	2.0	-	2.0	1.4	0.6	43
NPBT	11.6	(0.4)	12.0	13.8	(1.8)	(13)
Tax	(2.9)	0.4	(3.2)	1.4	(4.7)	(large)
NPAT	8.8	-	8.8	15.2	(6.4)	(42)

*Includes \$39,223,002 (2023: \$32,914,794) allocation of employee costs, incl OneVue: \$1,394,377 (2023: nil)

- » All comments ex OneVue
- » 8% revenue growth
 - » SMA inflows and Q4 reprice
 - » Equity markets strongly +ve overall
 - » Strong VMA/VMAAS portfolio growth
 - » Part offset by Powerwrap adviser exits and subdued trading revenue
- » 15% cost growth
 - » Wage inflation ~7%, combined with increased average FTE and contractors
 - » CoO – higher FUA, higher FTE
 - » IT – license fee increases, capability uplift in cyber security and infrastructure resilience
 - » G&A – governance staff and dedicated systems

Significant 2H momentum

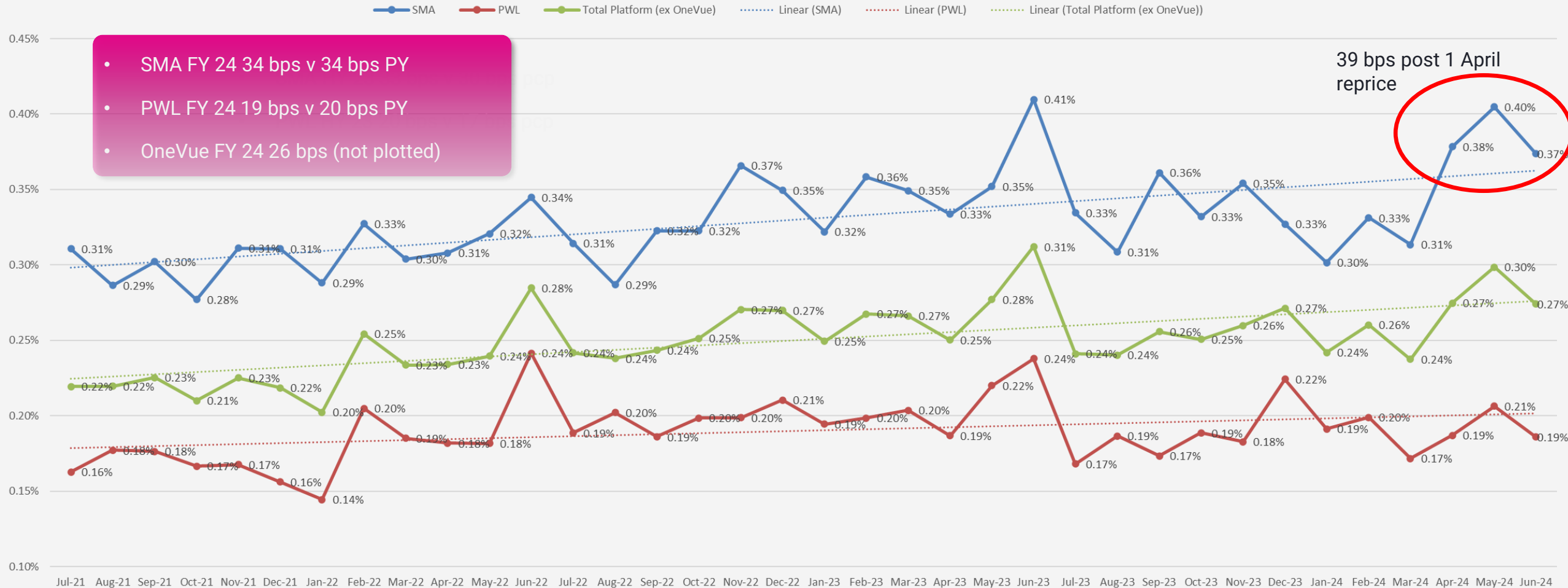
Group results \$m	2H24	2H24 OneVue	2H24 ex OneVue	1H24	\$ change	% change
Platform	33.7	2.4	31.3	28.5	2.8	10
Portfolio services	10.5	-	10.5	10.0	0.5	5
Revenue	44.2	2.4	41.8	38.5	3.2	8
Expense recovery	2.4	-	2.4	1.4	1.0	73
Other cost of operations	(15.5)	(2.0)	(13.5)	(13.1)	(0.4)	(3)
Cost of operations	(13.1)	(2.0)	(11.1)	(11.7)	0.7	6
Information Technology	(7.5)	(0.4)	(7.1)	(6.5)	(0.5)	(8)
Sales & Marketing	(5.8)	-	(5.8)	(6.3)	0.5	8
General, Admin & Corporate	(5.4)	(0.3)	(5.1)	(5.0)	(0.1)	(2)
Expenses*	(31.7)	(2.7)	(29.0)	(29.6)	0.6	2
EBITDA (underlying)	12.5	(0.3)	12.8	9.0	3.8	42

*Includes \$20,089,281 (1H24: \$19,133,721) allocation of employee costs, incl OneVue: \$1,394,377 (1H24: nil)

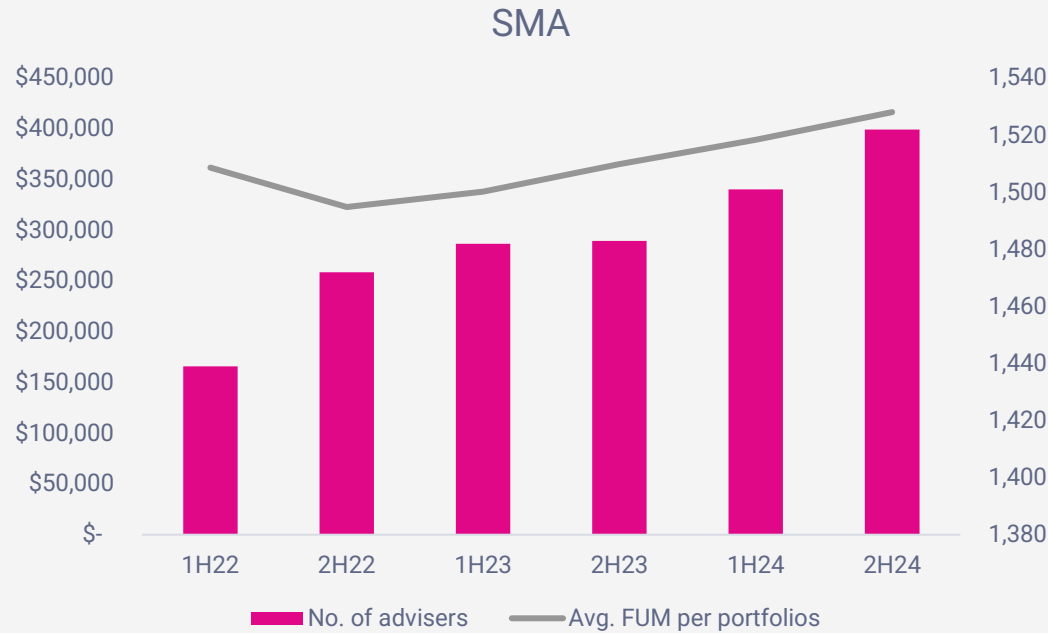
- » All comments ex OneVue
- » Revenue up 8%
 - » Platform - 10% reflects higher FUA and Q4 SMA repricing +6 bps
 - » Portfolio – 5% where growth through FY24 will have full year effect in FY25
- » Cost discipline - down \$0.6m or 2%
 - » Cost recovery up to \$150 per account vs \$100 FY23
 - » 1H24 investments in capability and resilience broadly stable over two halves

Platform Revenue - SMA repricing is improving margins

Revenue Margins by Platform

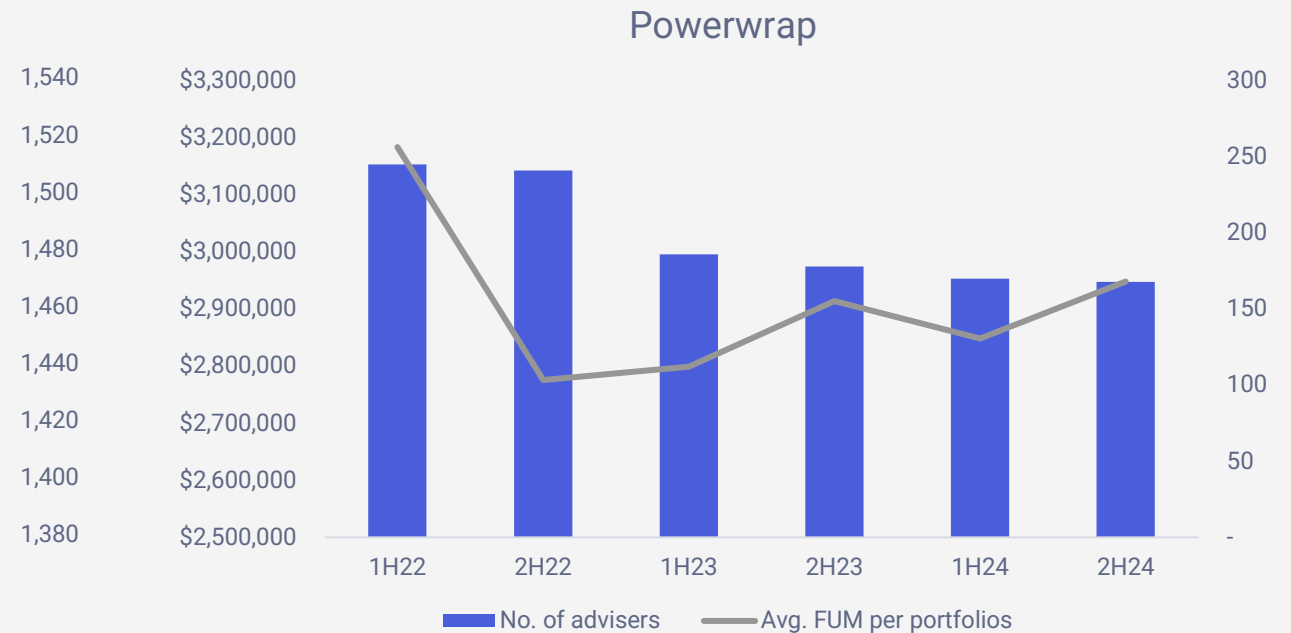


Targeted market segmentation gap to be addressed by Next-Gen IDPS



Average revenue per portfolio (ave portfolio #)

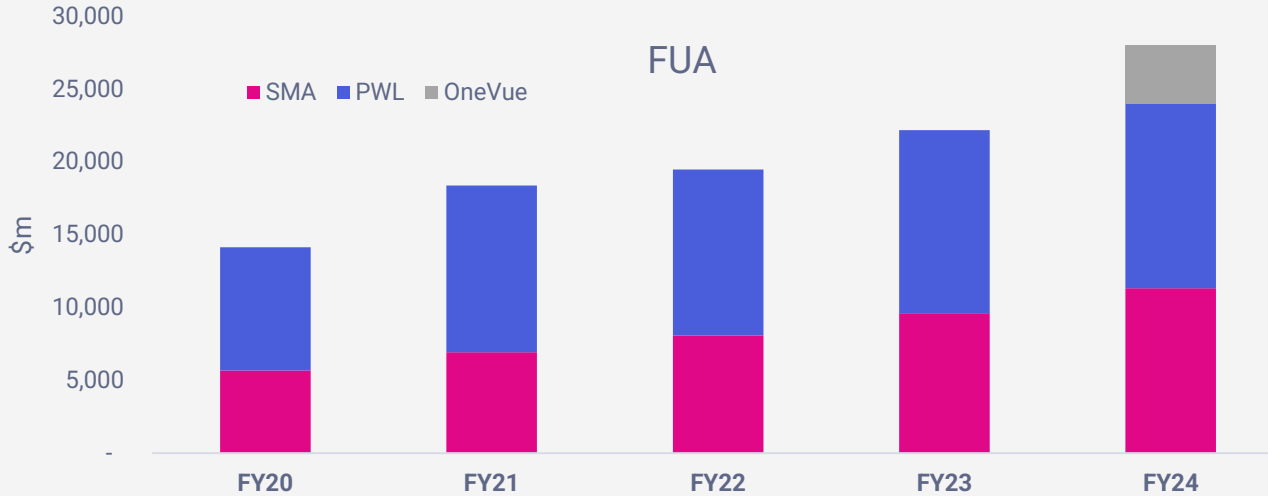
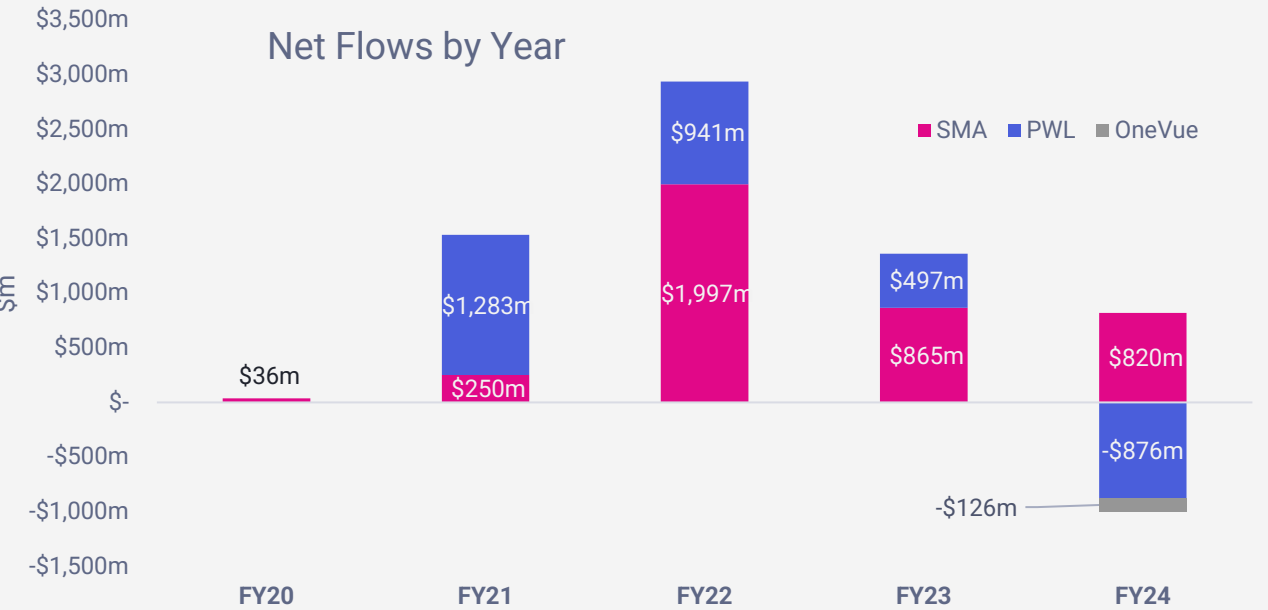
- » FY 22 \$1,018 (24,224)
- » FY 23 \$1,166 (26,404)
- » FY 24 \$1,332 (26,954)



Average revenue per portfolio (ave portfolio #)

- » FY 22 \$5,267 (4,036)
- » FY 23 \$5,678 (4,296)
- » FY 24 \$5,488 (4,350)

Net flows and FUA - custody



Net Flows FY24

- » Platform \$183m outflow
 - » SMA \$819m inflow
 - » Powerwrap \$876m outflow
 - » OneVue \$126m outflow (Q4 only)
- » Market movement \$1,962m increase

FUA FY24 v FY23

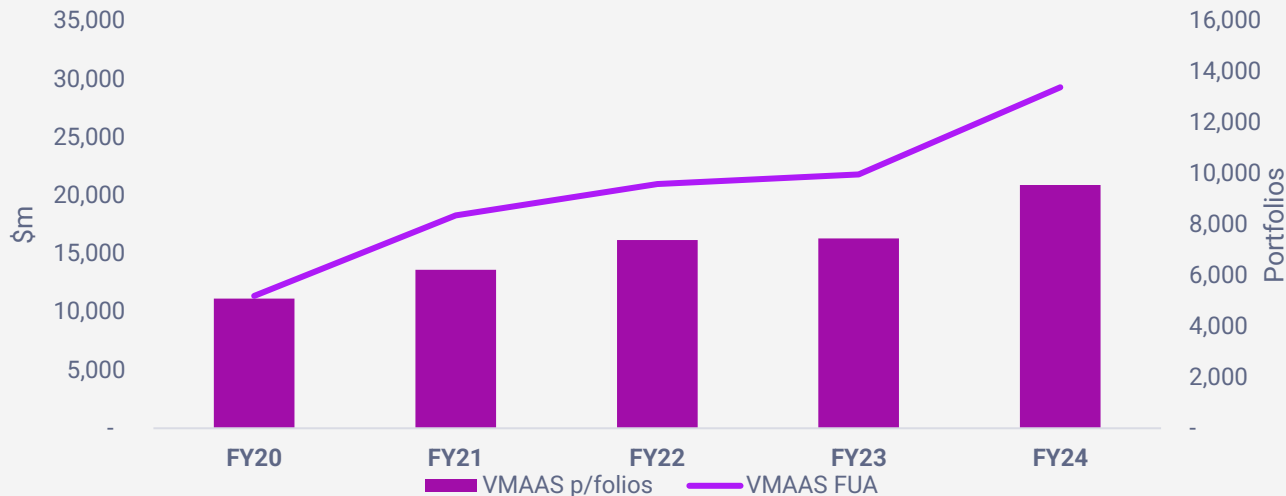
- » \$28.1b - up 26% (8% ex OneVue)
 - » SMA \$11.3b - up 18%
 - » Powerwrap \$12.7b – up 1%
 - » OneVue \$4.0b (acquired FY24)
- » 19% SMA FUA 5-year CAGR FY20 to FY24

Net flows and FUA – non-custody

VMA Services



VMAAS

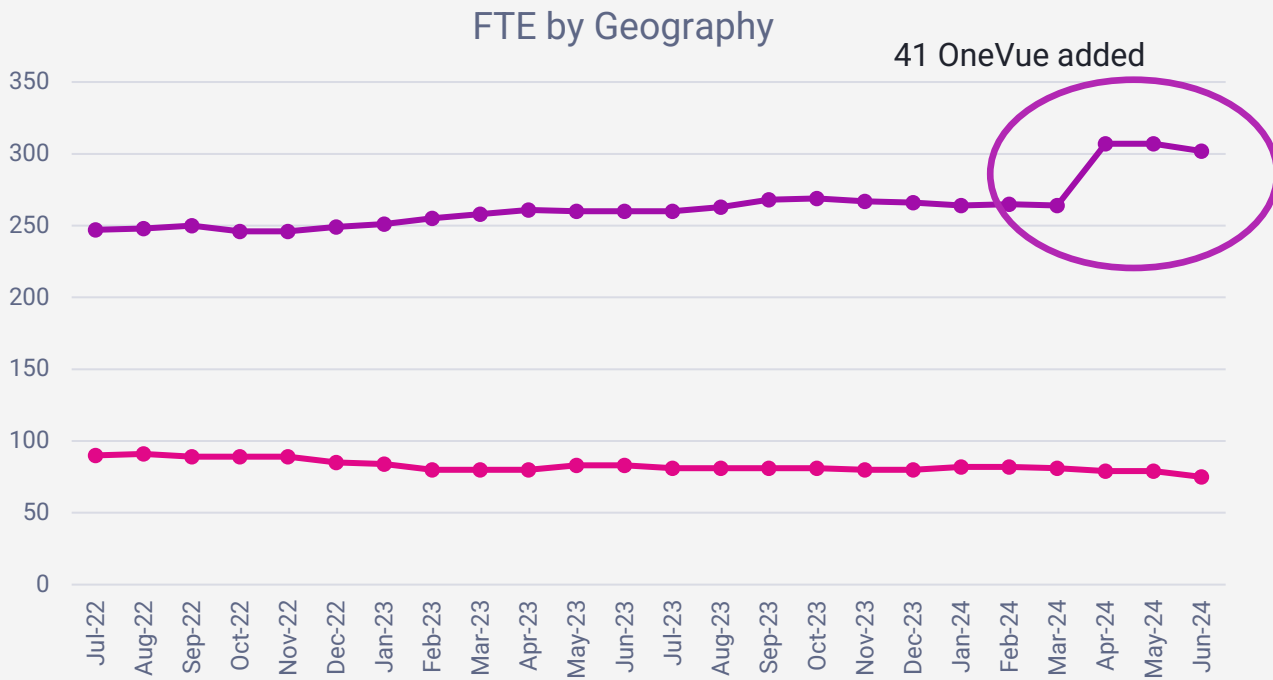


- » Reinvigorated growth in non-custodial services with 41 new client firms ytd
 - » VMA 65,228, up from 59,863 +9%
 - » VMAAS 9,559, up from 7,460 +28%
 - » VMAAS FUA \$29.3b up from \$21.8b +34%

All comparisons v June 2023

- » Clear market leader
- » Platform cross-selling opportunities being realised

FTE increases in Australia



FTE totals

- » Dec 21: 322 (Aus 242)
- » Jun 22: 346 (Aus 253)
- » Dec 22: 338 (Aus 253)
- » Jun 23: 347 (Aus 264)
- » Dec 23: 349 (Aus 269)
- » Jun 24: 377 (Aus 261, OV 41)

Higher average Aus FTE v prior year (ex OV)

- » Group Jun 24: 345 v Jun 23: 338
- » Aus Jun 24: 265 v Jun 23: 253

FTE Jun 24 by geography (incl OV)

- » Aus: 165 Ops, 70 IT, 38 S&M, 29 Corp
- » Arm: 24 Ops, 47 IT, 4 Corp

Cashflow

Cashflow (\$m)	FY24	FY23
Operating cashflow	19.2	26.8
Tax refunded / (paid)	1.9	(1.2)
One-off costs	(3.9)	(2.2)
Net operating cashflow	17.2	23.5
Intangible capex	(7.7)	(7.5)
Equipment capex	(0.6)	(0.6)
Investments	(0.1)	(0.3)
Net investing cashflow	(8.5)	(8.4)
Dividends paid	-	(25.8)
Loan repayment	-	(10.6)
Share buy-back	(9.9)	(11.5)
Other items	(0.6)	(1.1)
Net financing cashflow	(10.5)	(49.0)
Net cash movement	(1.8)	(33.9)
Opening cash	46.3	80.5
Unrealised FX	(0.1)	(0.4)
Closing cash	44.3	46.3

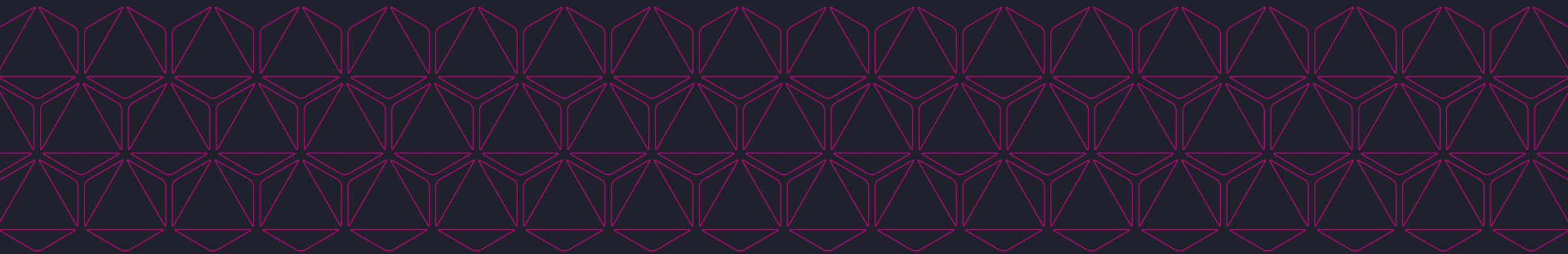
- » Operating cashflow decline of \$7.6m impacted by:
 - » Timing mis-match on GST remittance
 - » PAYG tax refunded post 30 June 2023
- » One-off costs were largely acquisition (FY24) or divestment (FY23) related
- » R&D capex of \$7.7m broadly in line with FY23 and wage increases
- » Financing cashflow largely confined to share buy-back
- » OneVue impact minimal given low headline price and NTA composed largely of regulatory cash
- » Other financing - reduced lease from both lower property footprint and lower per sqm

Balance Sheet

Balance Sheet (\$m)	Jun 24	Jun 23
Cash	44.3	46.3
Receivables	10.8	10.5
Financial assets	2.3	4.0
Intangibles	68.8	60.5
Other assets	8.3	8.1
Assets	134.6	129.5
Tax liabilities	2.5	1.6
Other liabilities	22.9	19.8
Liabilities	25.4	21.4
Net Assets	109.1	108.1

- » Strong balance sheet available to fund future growth, even allowing for cash used to fund accretive IOPB acquisition
- » Group regulatory cash requirement remains \$20m – increase of \$5m for OneVue
- » OneVue acquisition valued at \$8.2m based on forecast FUA
 - » Identifiable assets \$4.2m
 - » Customer intangible \$3.5m
 - » Software \$0.6m (w/off on transition)
 - » Goodwill \$1.1m
 - » Deferred tax \$(1.2m)

Strategy





Growing market share in our core markets



Strong progress on strategic initiatives

01.
**Next-generation
Powerwrap &
Non-custodial**

IDPS launch in October.

Market leader in non-custodial with 28% growth in VMAAS portfolios.

02.
**Operational
transformation**

Full year impact of SMA reprice in FY25.

VMA/VMAAS reprice to launch in FY25 - full year impact in FY26.

03.
**Group-wide
service
enhancements**

Repatriation of key senior operations roles to Australia.

New relationship service model rolled out.

04.
**Superannuation
advances**

Enhanced service with upskilling and improved reporting and analytics on service provider.

New functionality for money in and money out phases.

05.
**Acquisition
opportunities**

Strong balance sheet.

Disciplined approach exemplified by OneVue upfront payment & demanding earn-out.

Outlook for 2025

Momentum from revenue uplift

- » FY25 12-month impact of repricing to market for highly rated SMA
- » Demonstrable client retention on SMA
- » Progressive FY25 roll out of VMA and VMAAS reprice – full impact FY26

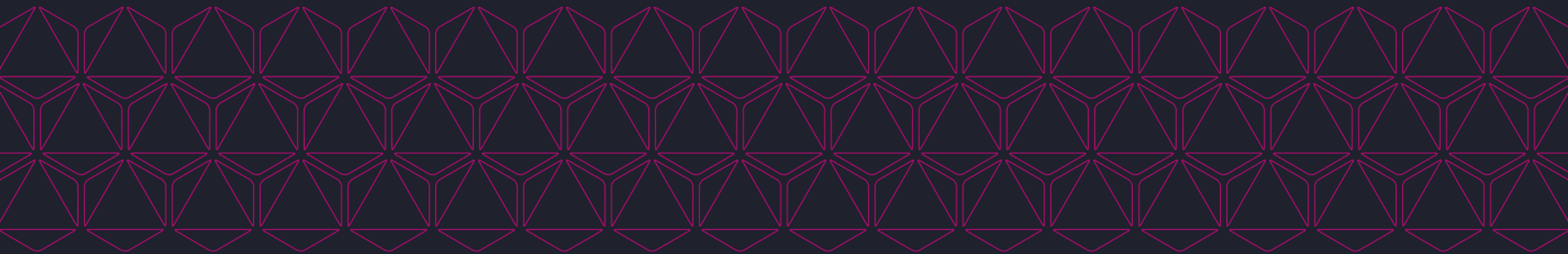
Launch IDPS

- » Address the adviser and client needs “wrap gap” in the HNW sector
- » Funded account operational
- » Soft launch to select existing users September, with full launch in October
- » Significant market opportunity

OneVue acquisition discipline

- » Execute to well-constructed plans
- » Active management of natural attrition to realise savings ahead of full migration
- » Client engagement is the key to successful technology migration

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)