



PRESENTED BY  
Anthony Wamsteker CEO  
David Coulter CFO

# FY22 Financial Results Presentation



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# Agenda



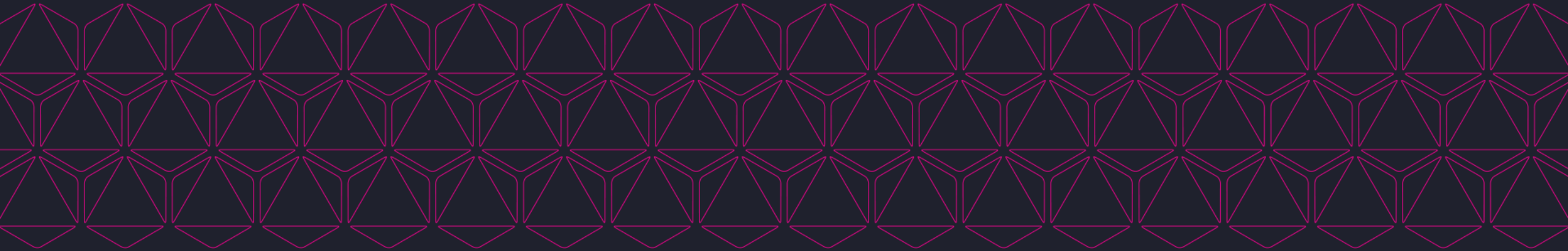
Anthony Wamsteker  
CEO



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)

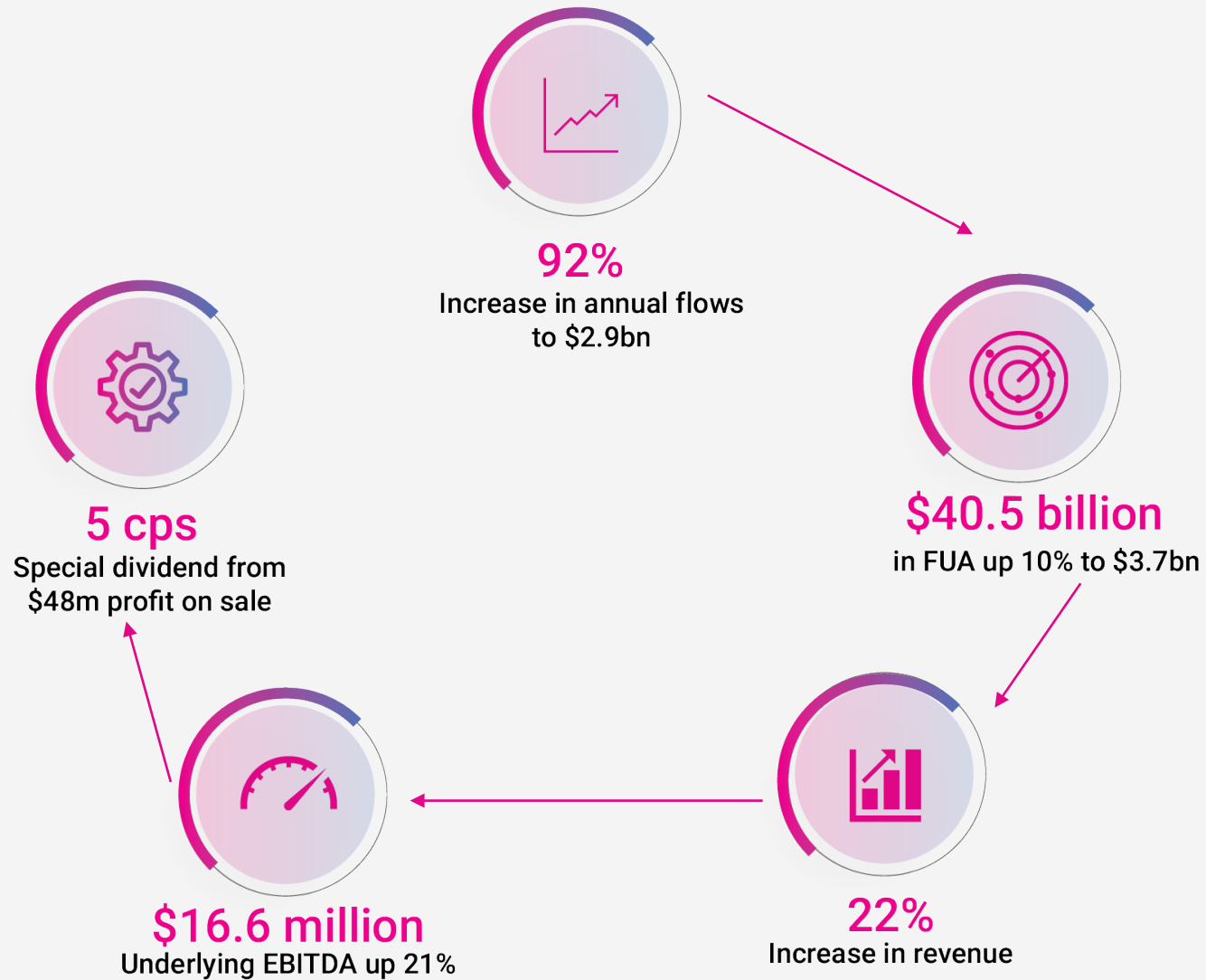
**\$2.9b** Record annual inflows

**\$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

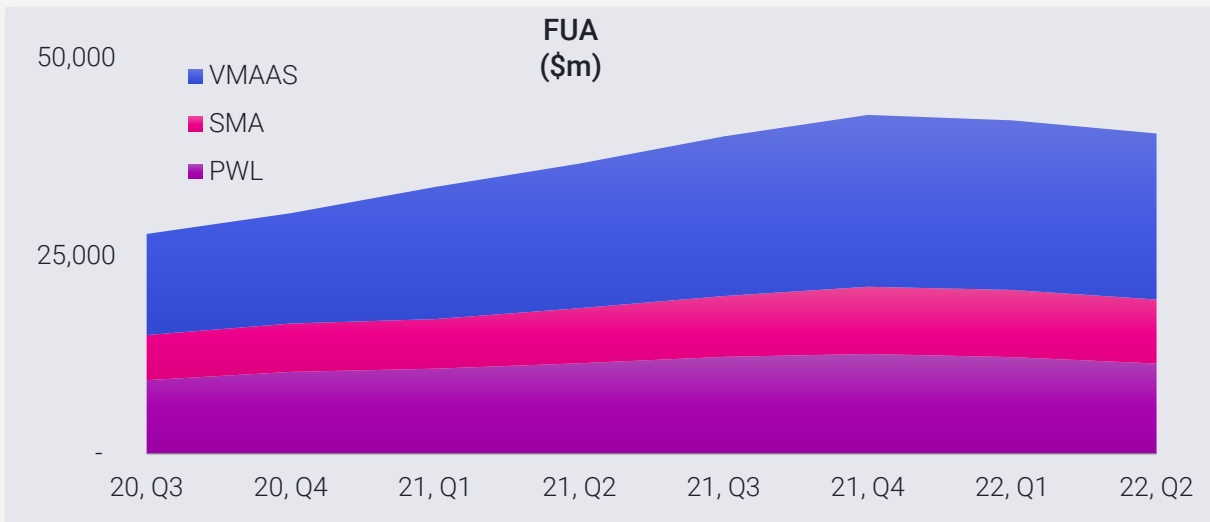
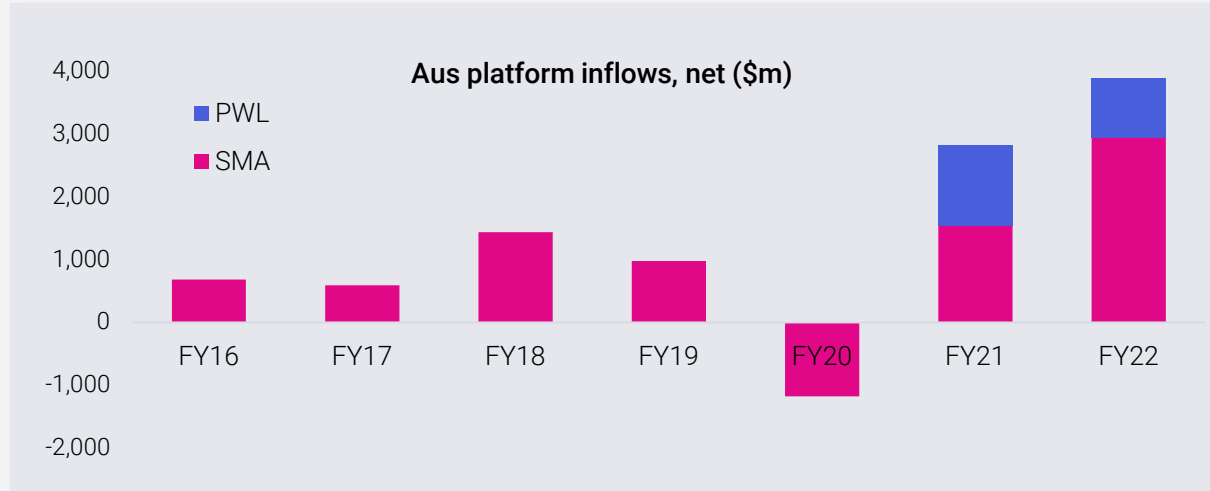
## Support the evolution of advice

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)

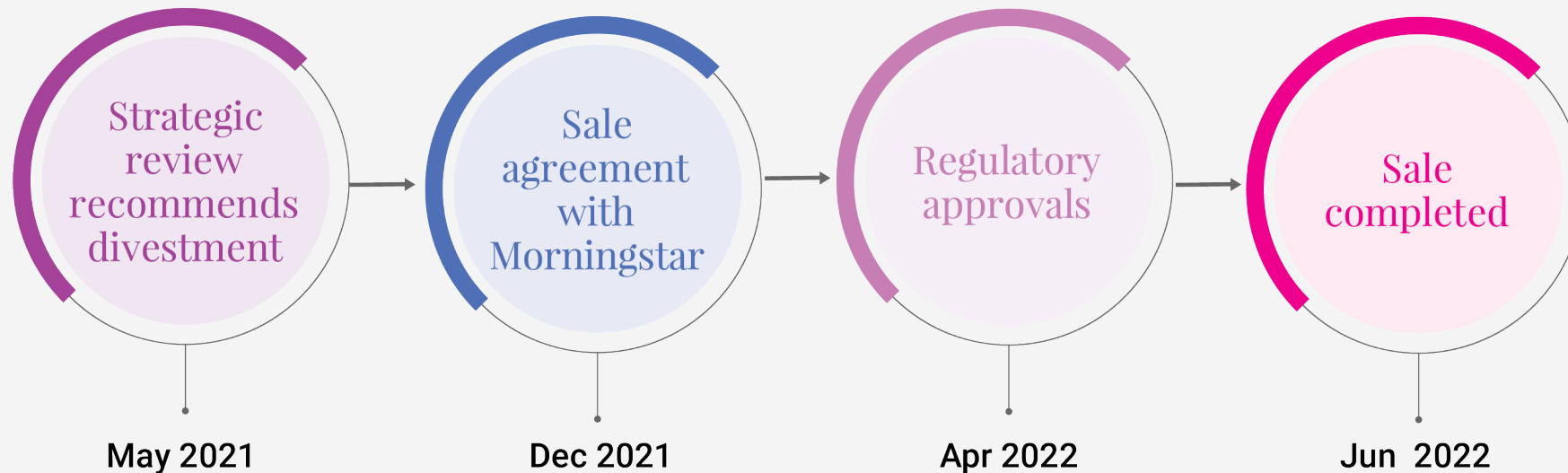
## FUA

- 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.

\*Investment Trends Competitive Analysis and Platform Benchmarking Survey 2022

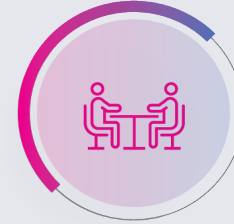
## Support the advice community



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

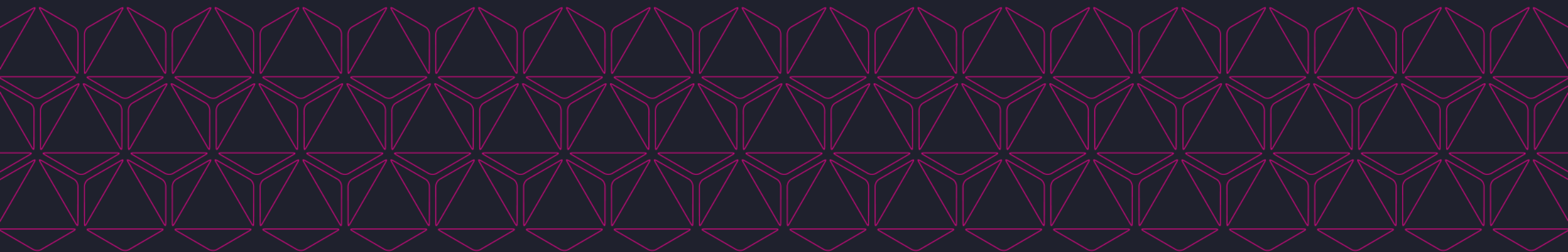


Thought leadership and research insights on HNW investors and managed accounts delivered to 11 dealer groups and over 4,000 advisers



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

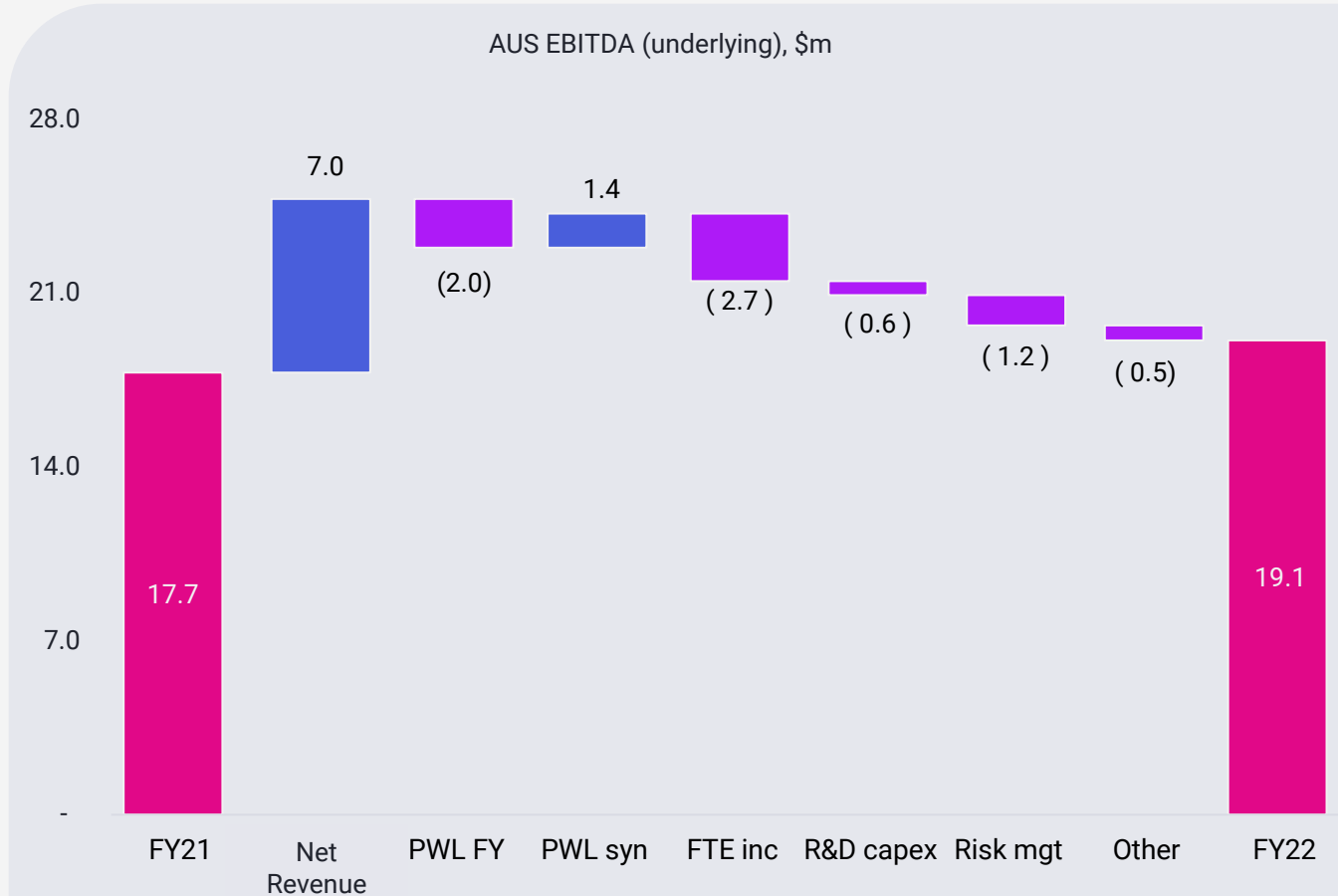
# Australian segment results (continuing business)

| 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           |
| <b>Revenue</b>             | <b>63.5</b>   | <b>52.8</b>   | <b>10.7</b>   | <b>20</b>   |
| 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)        |
| <b>Expenses</b>            | <b>(44.4)</b> | <b>(35.1)</b> | <b>(9.3)</b>  | <b>(26)</b> |
| <b>Aust Segment EBITDA</b> | <b>19.1</b>   | <b>17.7</b>   | <b>1.3</b>    | <b>7</b>    |
| EBITDA %                   | <i>30.2%</i>  | <i>33.4%</i>  | <i>(3.2%)</i> |             |
| 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 expenses<sup>1</sup> \$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%)

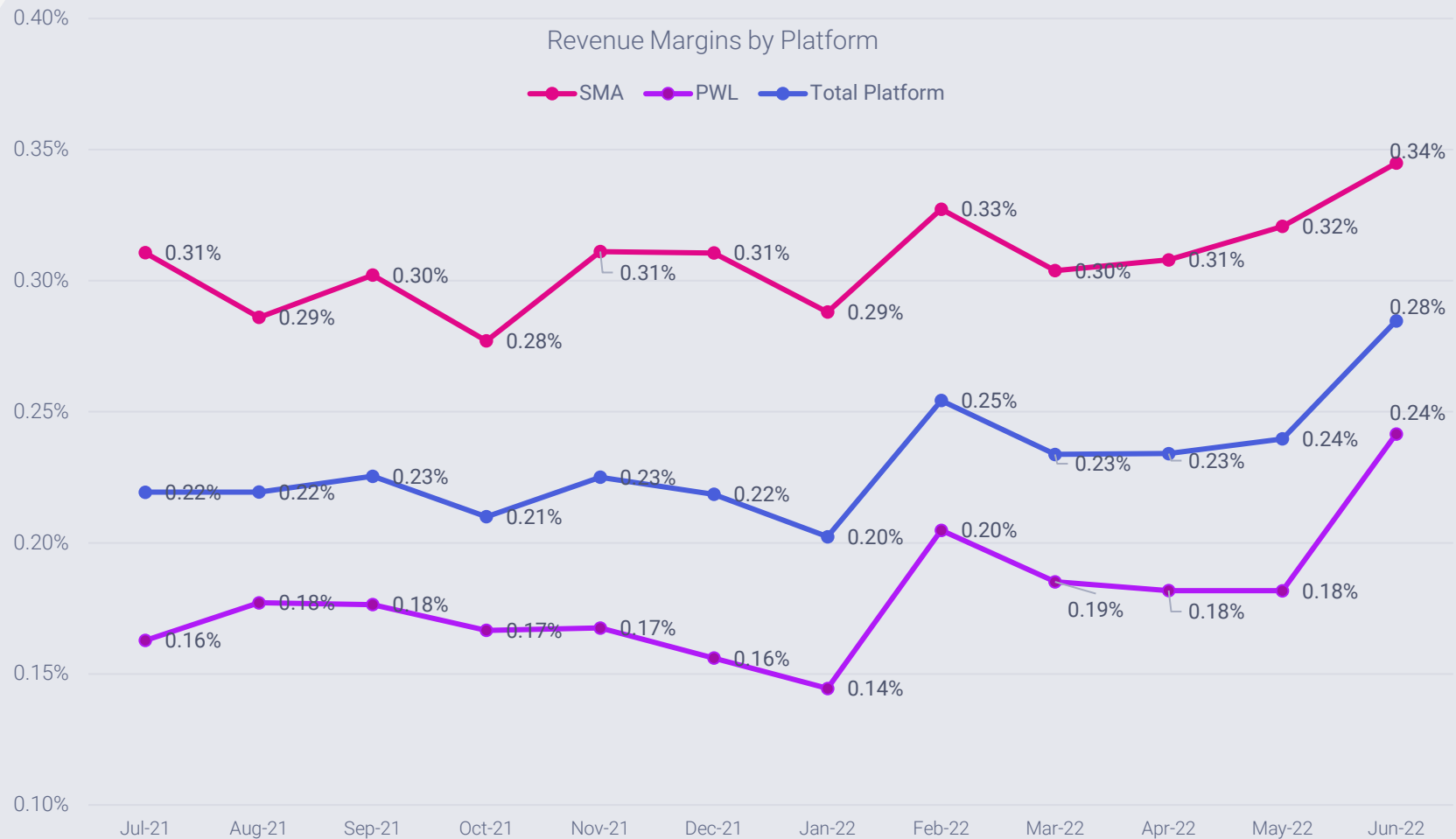


PWL FY allows for two months of incremental Powerwrap expenditure incurred in FY22, but not FY21 given PWL acquisition date of Sep 2020

- 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)        |
| <b>Net operating cashflow</b>    | <b>10.4</b>  | <b>5.9</b>   |
| Business divestment (net)        | 56.4         | 1.2          |
| Intangible capex                 | (6.0)        | (6.8)        |
| Equipment capex                  | (0.6)        | (0.4)        |
| Investments                      | -            | (0.5)        |
| <b>Net investing cashflow</b>    | <b>49.7</b>  | <b>(6.5)</b> |
| <b>Net financing cashflow</b>    | <b>(6.5)</b> | <b>11.3</b>  |
| Net cash movement                | 53.6         | 10.7         |
| Opening cash                     | 26.7         | 15.9         |
| Unrealised FX                    | 0.2          | 0.1          |
| <b>Closing cash</b>              | <b>80.5</b>  | <b>26.7</b>  |
| 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          |

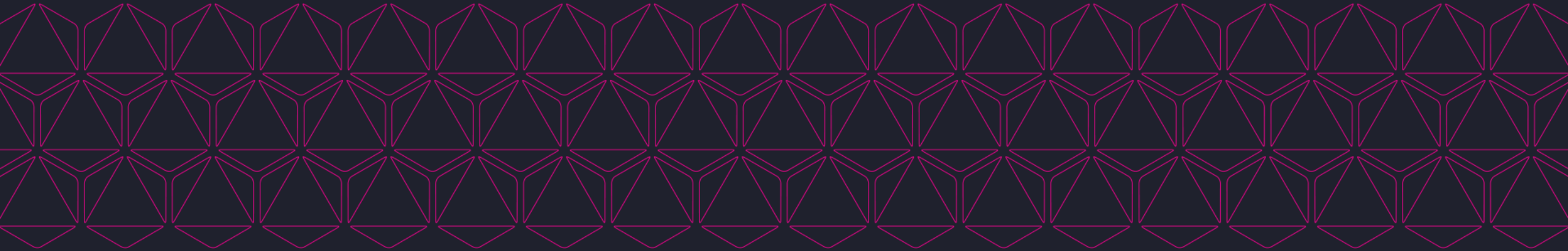
- Net operating inflow of \$10.4m million, impacted by divestment and restructuring costs, augmented by divestment proceeds
- Operating cashflow of \$16.6m matches Underlying EBITDA
- UK R&D incentives to be recompensed via completion adjustment
- Divestment proceeds of \$62m adjusted for stranded regulatory 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          |
| <b>Assets</b>       | <b>156.9</b> | <b>112.5</b> |
| Tax liabilities     | 1.7          | 0.2          |
| Borrowings          | 10.6         | 13.6         |
| Other liabilities   | 42.3         | 18.8         |
| <b>Liabilities</b>  | <b>54.6</b>  | <b>32.6</b>  |
| <b>Net Assets</b>   | <b>102.3</b> | <b>79.9</b>  |

- 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

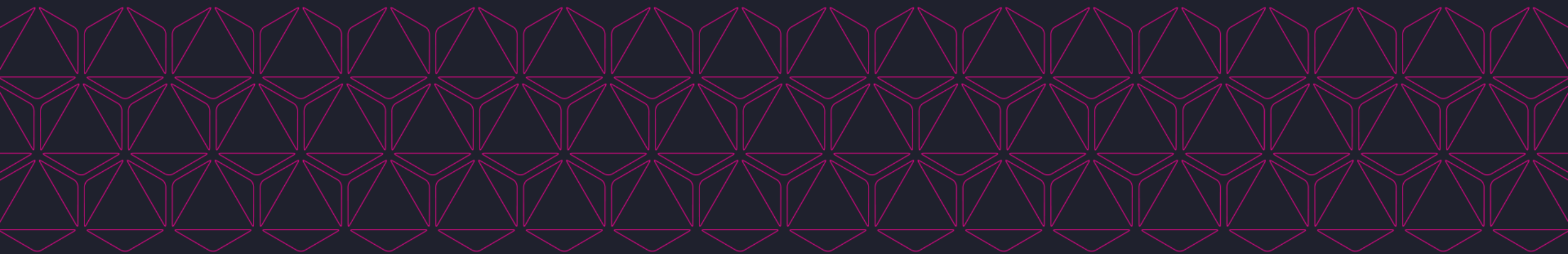
Ongoing enhancements to sustain our market-leading position in the top 6 categories of Investment Trends Platform Benchmarking Survey

## 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**

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