

FY 2019-20 H1 RESULTS



INVESTOR PRESENTATION

Indy Singh – Group Executive Chairman

Rahul Guha – Executive Chairman (Fiducian Services)

17 February 2020

- Business Overview
- Financials
- Growth Strategy and Business Outlook
- Key Dates and Contacts

Profit Generating Sustainable Business Model



Funds Management



- Process driven, client focused investment products
- 15 Managed Funds: 4 Diversified Funds, 4 Sector Funds, 7 Specialist Funds
- **\$2.97 Billion in Funds under Management (FUM) (31 December 2019: \$2.83 Billion)**

WRAP Platform



- Market competitive Wrap & Managed Discretionary Accounts (MDA) Platform, SMSF admin
- Trustee of the Fiducian Superannuation Service and IDPS Operator for Fiducian Investment Service
- **\$2.30 Billion in Funds under Administration (FUAdmin) (31 December 2019: \$2.23 Billion)**

Financial Planning



- Respected non-bank financial planning licensee with over twenty one years of experience
- 41 high quality practices, 67 representatives, national footprint
- **\$3.21 Billion Funds Under Advice (FUA) (31 December 2019: \$3.14 Billion)**

FinTech



- Specialist **Fintech** system developer
- Developer of 'FORCE' Financial Planning software
- Developer of 'FASTRACK' platform administration system

Total **FUMAA \$8.48 billion**. Fund figures are as at 31 January 2020

- 15 Funds using Fiducian’s Manage-the-Manager (MTM) system of investment
- Fiducian process delivers greater **Diversification** with lower risks
- **Consistently superior results** against the world’s best fund managers in the Australian market

Fiducian Funds	1-year return (ranking) p.a.	3-year return (ranking) p.a.	5-year return (ranking) p.a.	7-year return (ranking) p.a.	10-year return (ranking) p.a.
Growth	22.0% (1/193)	10.6% (1/175)	9.5% (1/168)	11.5% (1/162)	8.8% (3/131)
Capital Stable	10.8% (12/121)	5.8% (7/114)	5.2% (4/107)	6.2% (7/104)	5.9% (15/83)
Balanced	19.6% (10/193)	9.6% (3/175)	8.6% (3/168)	10.3% (4/162)	8.2% (19/131)
Ultra Growth	24.3% (2/126)	10.1% (20/119)	10.8% (1/107)	12.7% (2/102)	10.1% (1/83)
Other specialist MTM funds					
Technology	36.3%	19.7%	17.4%	24.6%	18.3%
India	1.1%	7.2%	6.5%	15.6%	9.3%

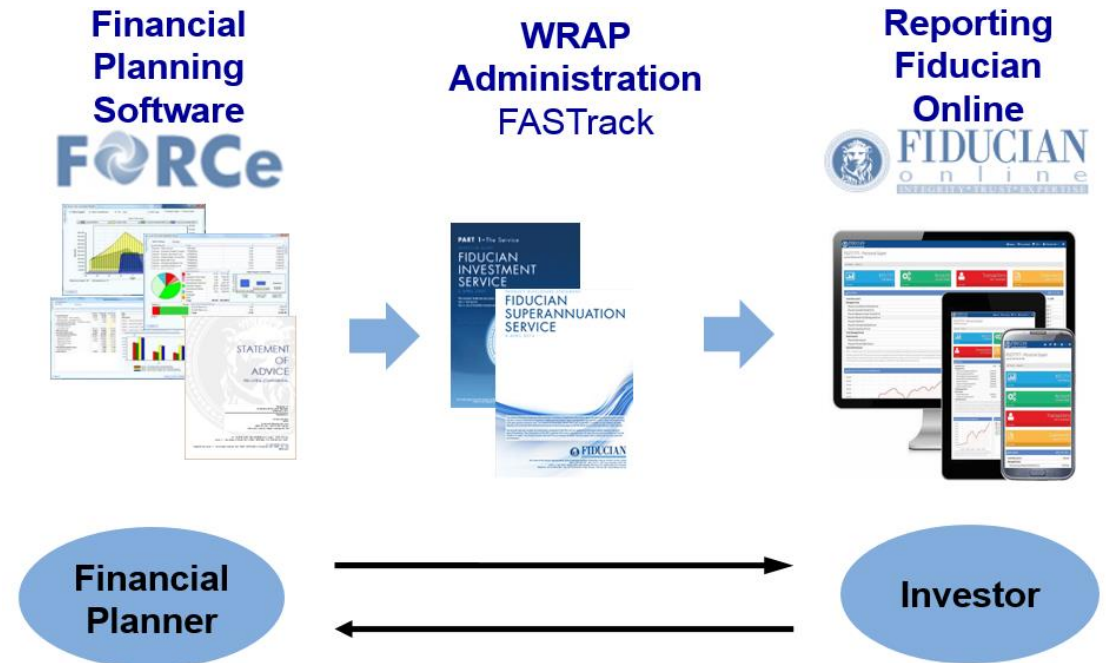
The above performances are based on independent survey conducted by Morningstar survey as at 31 December 2019

2017 FundSource Awards – International Equity Sector
 Winner: Fiducian Funds management - Technology Fund
 Finalist: Fiducian Funds management - India Fund



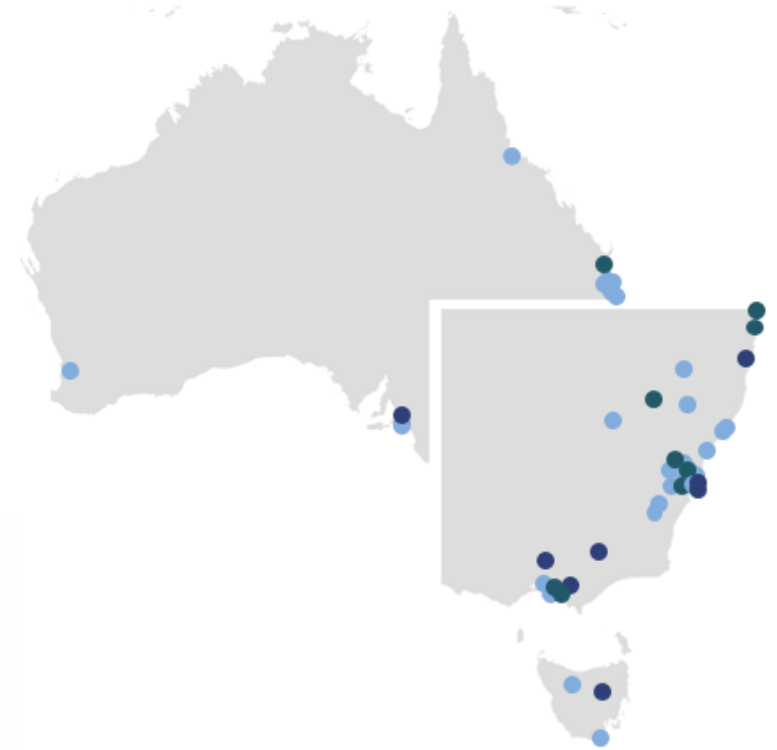
WRAP Platforms (FSSWRAP Platforms (FSS/FIS) – FinTech (FORCe & FAStTrack)

- **Competitive Fees, Flexible Structure**
- Public offer “Superannuation Fund”
- Investor Directed Portfolio Service (IDPS)
- 15 – Multi-manager Funds using the Fiducian Manage-the-Manager system
- 57 – Single Manager Fund Choices
- 10 – Managed Discretionary Accounts and Separately Managed Accounts (Direct Share Ownership)
- Term Deposits
- Investments are held by external parties – National Australia Bank, for security and safe keeping
- Administration for SMAs, IMAs and MDAs



**Fully Integrated Fintech Solution
for Advisers and Clients**

- We are selective in recruiting Financial Planners
- National footprint with 38 offices, 73 representatives
- 29 Franchised offices
- 9 Salaried offices
- **\$355 million FUA acquisitions in the first half FY2019-20**



Wealth Creation



Retirement Planning



Superannuation



Investment Advice



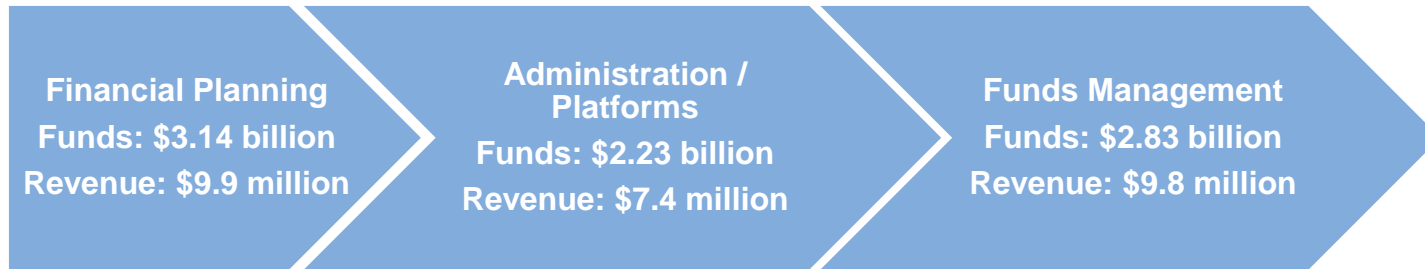
Estate Planning



Personal Insurance

Integrated Business Model

Our clients experience **the Fiducian difference**:



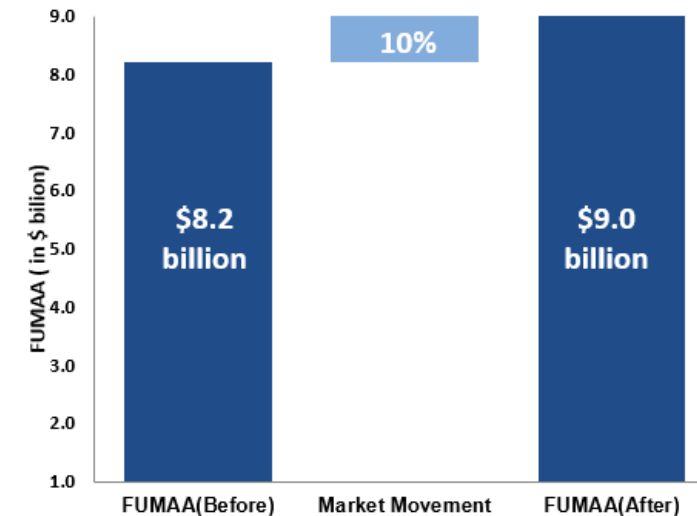
Fiducian Integrated Business Model
FUMAA \$8.20 billion
H1 Gross Revenue \$27.8 million
(includes Other Income \$0.7 million)

Revenue Growth is a function of volume of FUMAA

Example:



Plus, additional revenue growth if financial markets rise



Example:

Assets rise 10%

FUMAA of \$8.2 billion rises to \$9.0 billion

FY 2020 Highlights

UNPAT



UNPAT up
13%
to \$6.4m

FUMAA



FUMAA* up
\$1.9 billion
(by 30%) to \$8.2b

Dividends



Dividends for
half-year up to
11.50 cents
per share

Fund Performance



Growth	1/168
Ultra Growth	1/107
Balanced	3/168
Cap Stable	4/107

Flagship funds performance ranking for five years to 31 December 2019 against all funds in the Morningstar survey

Financial Planners



73
Aligned
Planners &
Associates

Offices



38 Offices
across Australia

Diversity



137 Staff around
Australia from
over **22** different
countries of origin

Acquisitions



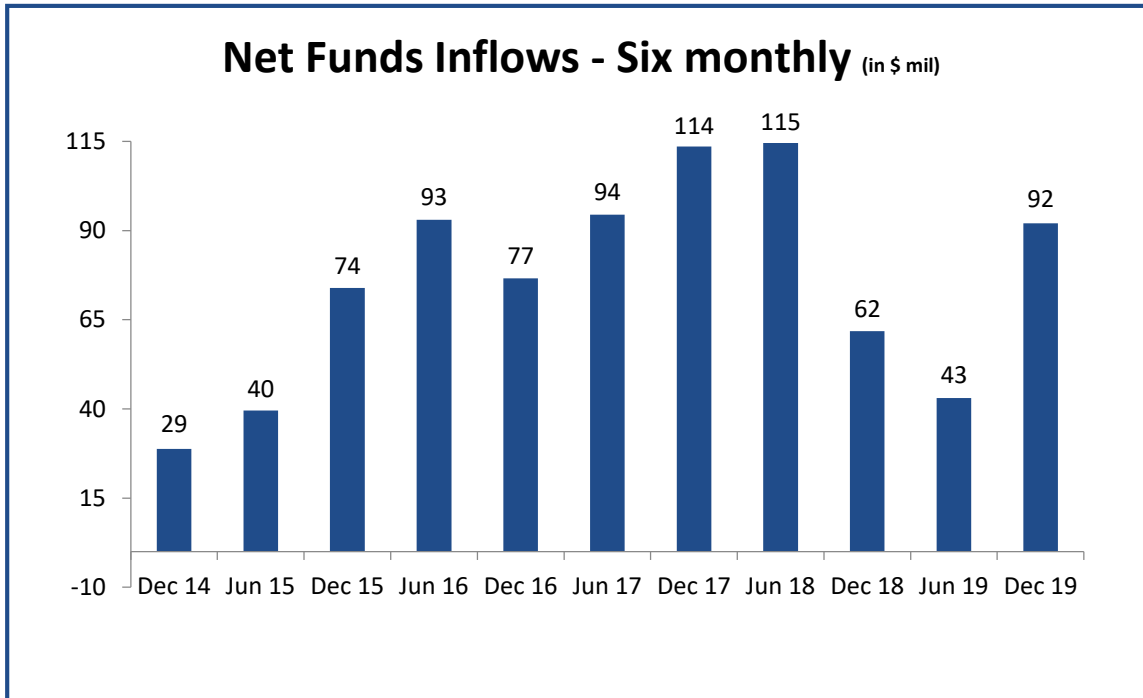
\$355 million
Funds Under Advice
acquired in H1 2020

*(FUMAA) – Funds Under Management, Advice and Administration | (FUA) – Funds Under Advice

Financial Highlights

Financial highlights			
Half-Year Ending 31 December	2019	2018	% Change
	\$'000	\$'000	
Operating Revenue	27,795	24,600	13% ↑
Fees and Charges paid	(7,484)	(6,396)	
Net Revenue	20,311	18,204	12% ↑
Gross Margin	73%	74%	
Underlying EBITDA (includes lease rent paid)	8,904	7,946	12% ↑
Underlying EBITDA Margin	32%	32%	
Depreciation	(100)	(48)	
Tax on underlying earnings	(2,373)	(2,191)	
Underlying NPAT (UNPAT)	6,431	5,707	13% ↑
Amortisation	(1,008)	(703)	
Add back lease rent paid	233	-	
Less AASB16 lease depreciation	(249)	-	
Less AASB16 interest on lease liabilities	(40)	-	
Statutory NPAT	5,367	5,004	7% ↑
Basic EPS based on UNPAT (in cents)	20.4	18.2	12% ↑
Basic EPS based on NPAT (in cents)	17.1	16.0	7% ↑
Funds under Management, Advice and Administration (FUMAA) (\$ in millions)	8,203	6,301	30% ↑

Net Fund In-Flows in Platform

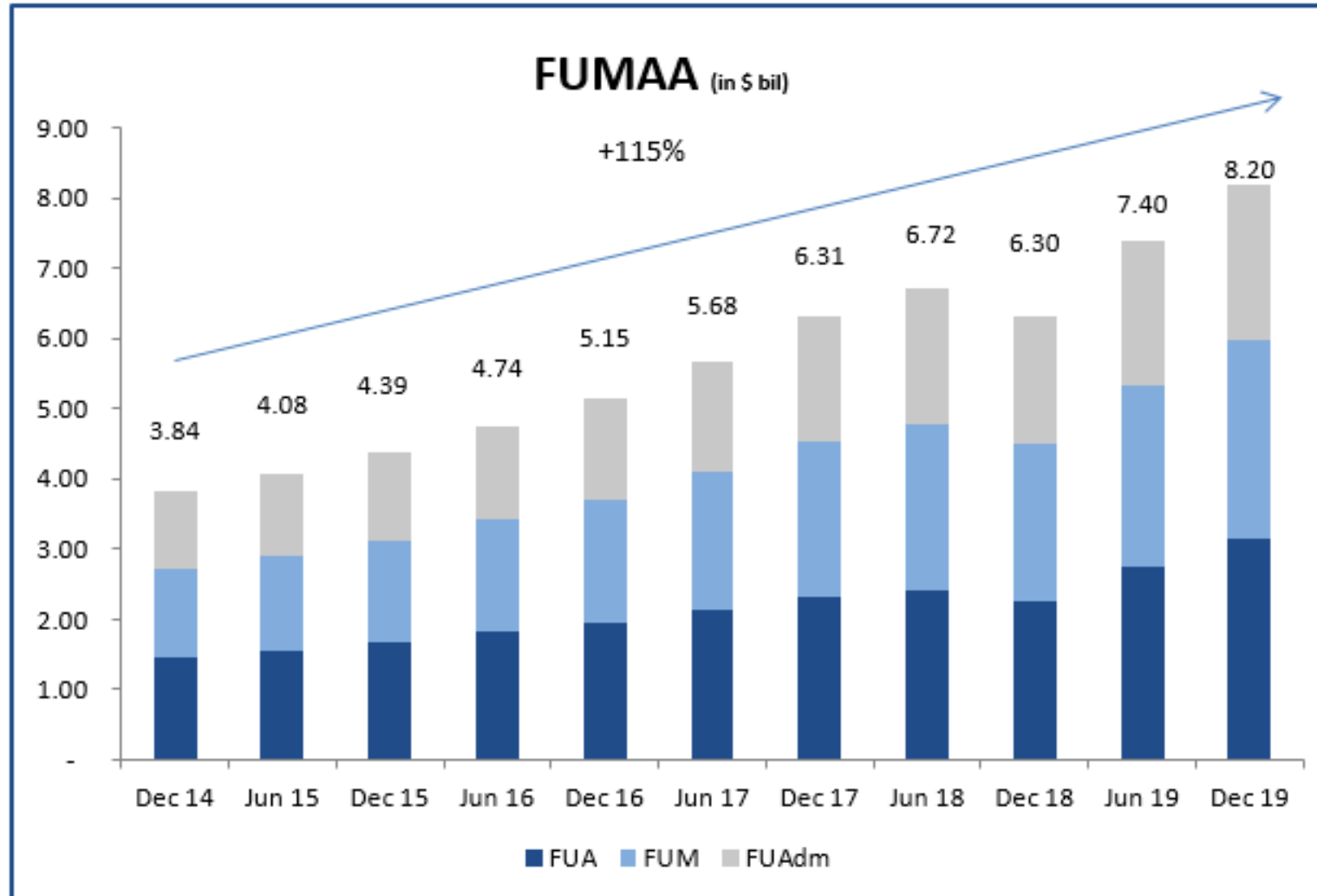


Funds Inflows and Outflows (in \$ mil)

Years	Inflows	Outflows	Net Funds Inflows
Dec 14	78	(49)	29
Jun 15	88	(48)	40
Dec 15	111	(37)	74
Jun 16	135	(42)	93
Dec 16	115	(39)	77
Jun 17	175	(80)	94
Dec 17	157	(44)	114
Jun 18	166	(51)	115
Dec 18	108	(46)	62
Jun 19	107	(64)	43
Dec 19	158	(66)	92

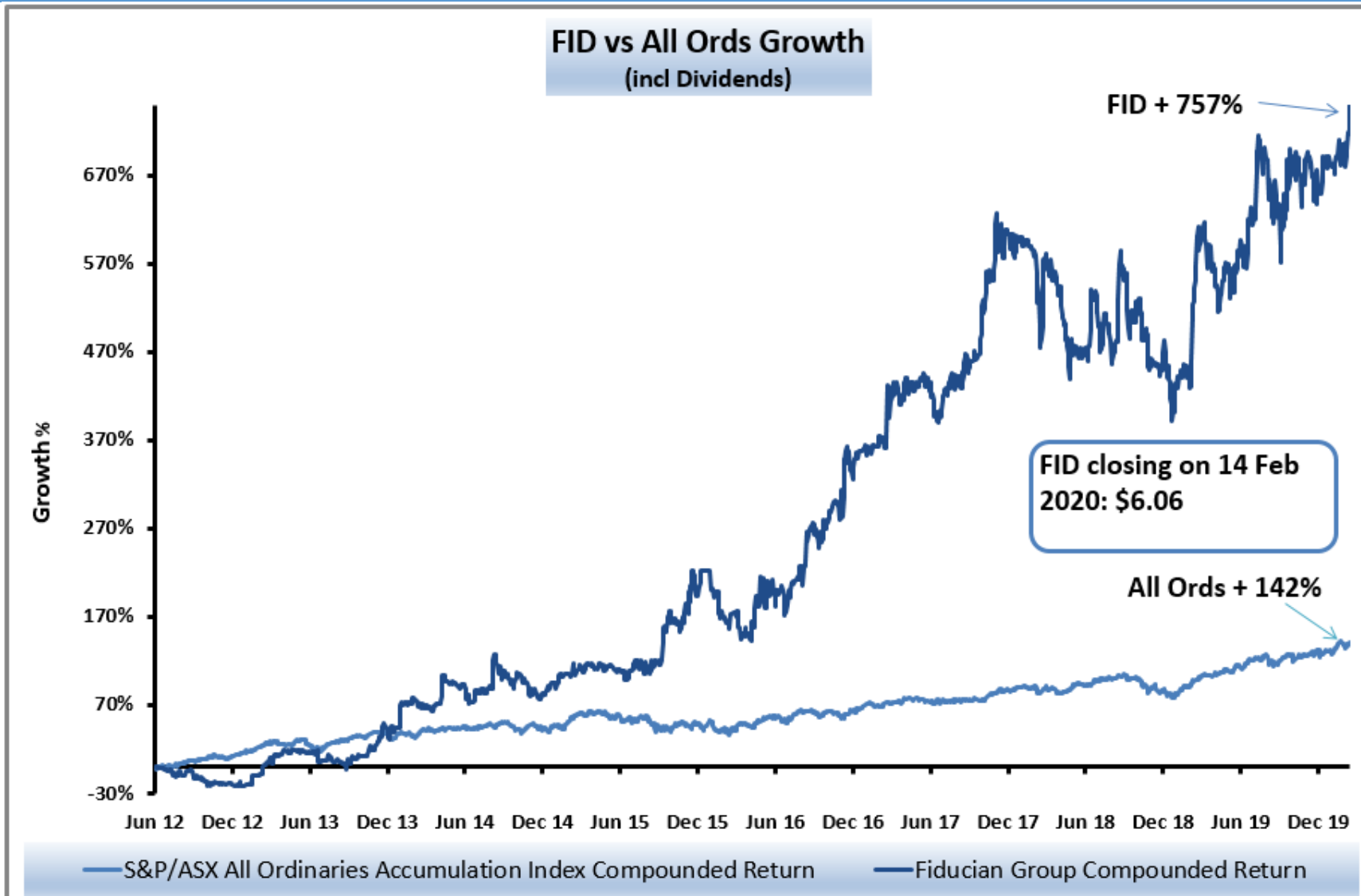
- Net In-flows of \$92 million during H1 FY 2019-20
- Both Salaried and Franchised networks contributing to the Inflows
- Combination of organic flows from active referrals and inorganic flows from strategic acquisitions

Funds Under Management, Administration and Advice (FUMAA) Growth



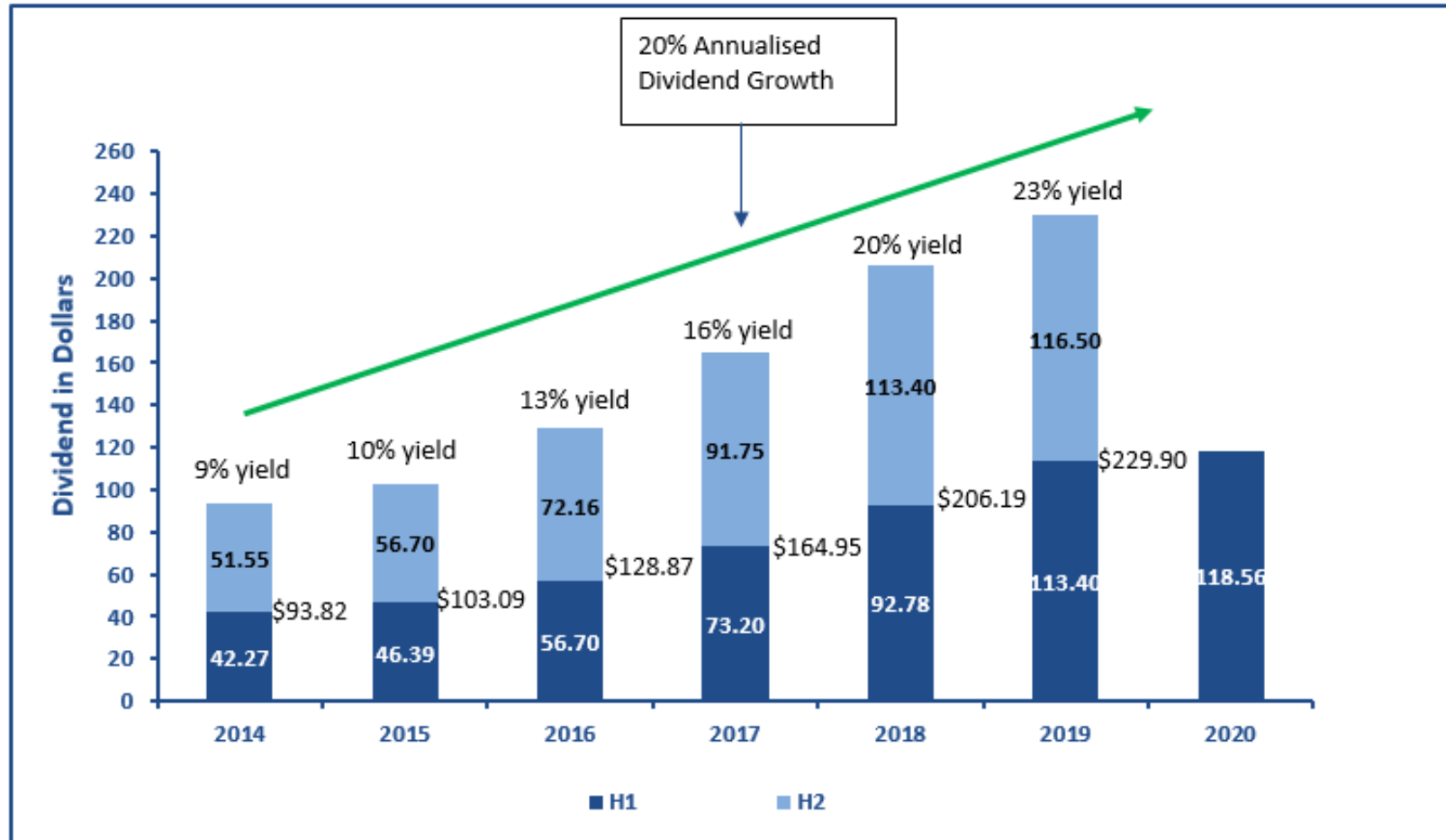
- Despite a market driven decline, the combined Funds under Management, Administration and Advice (FUMAA) was \$8.20 billion as at 31 December 2019.
- This has since grown to **\$8.48 billion as at January 2020**.

FID outperformance against All Ords Accum Index



- Since Jun 12, FID has **outperformed All Ords by 615%** (including dividend)
- Dividend pay-out policy is 60-70% of Net Profit After Tax
- H1 dividend is 11.50 cents/share

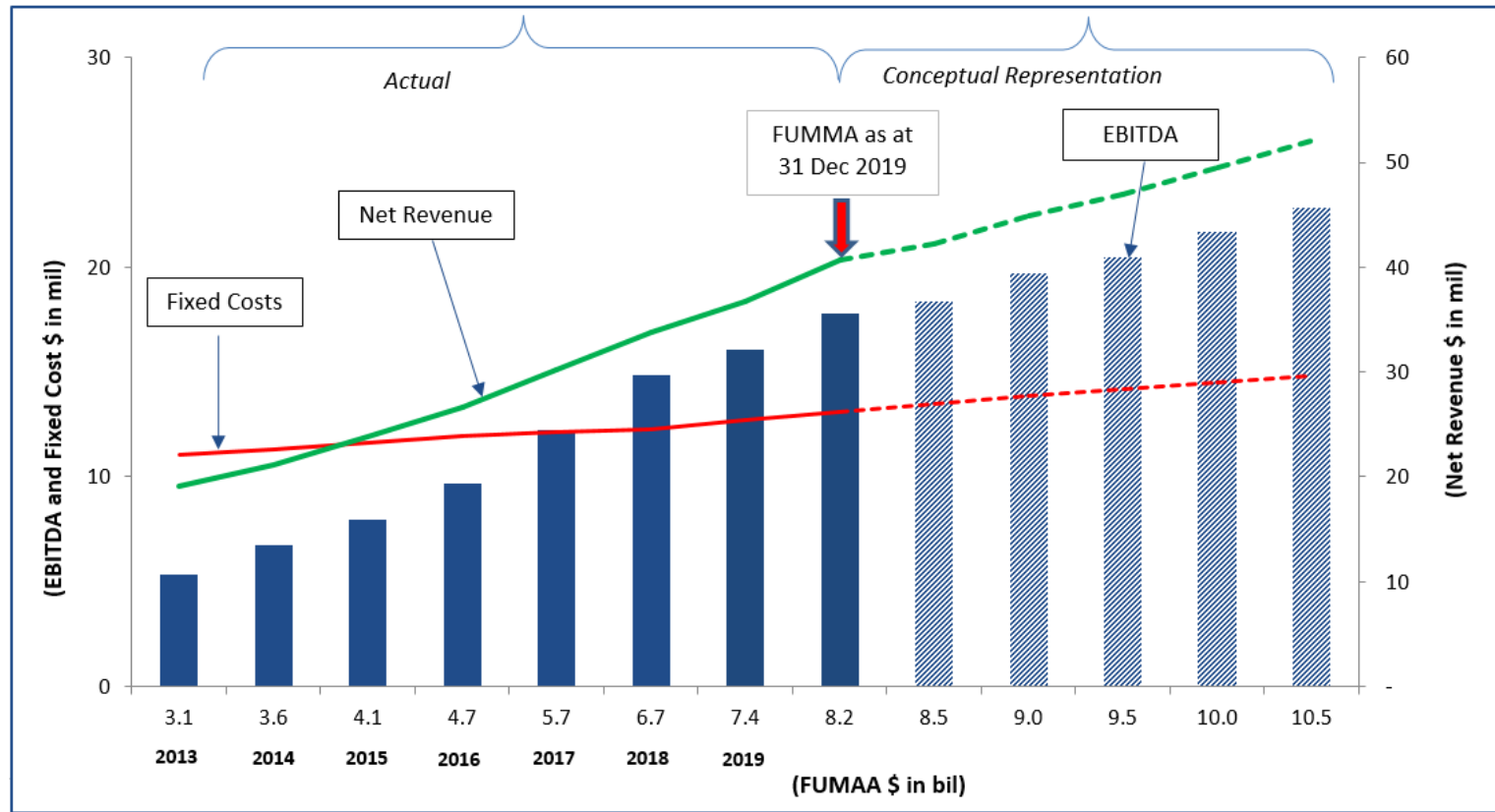
Dividends - \$1,000 invested on 1 July 2012



- The above graph shows annualised dividend yield (before franking credits) on \$1,000 invested in FID on 01/07/2012.
- Double digit EPS growth (based on UNPAT) in 15 out of 19 years since listing

The following is a concept extrapolation* of how increasing **scale lifts EBITDA at an accelerating rate** above a relatively fixed cost base:

Funds under Management, Administration and Advice (FUMAA) & EBITDA



* This is not a projection or a forward-looking statement, and should not be read or relied upon as such. This concept extrapolation may or may not be correct or accurate.

- This is simply extrapolating how revenue and EBITDA could grow and is not a forecast

- Grow Funds Under Advice organically and through strategic acquisitions of financial planning businesses.
- A number of established participants are exiting or have announced their intentions to exit the industry.
- New educational standards may expedite adviser exits in the short to medium term.
- Regulation and change in industry dynamics could lead to enhanced opportunities for Fiducian.
- Fiducian is considering a pipeline of growth opportunities in acquisition, franchised planners, white label / badged platform clients and funds distribution.
- Focus is to continue on sustainable business growth, increasing shareholder value and business profitability rather than chasing market share with limited benefit to the organisation.
- Grandfathered Trail Commission – About 3% of the Group’s net revenue is from grandfathered commissions which management estimates will largely convert to fee for service before January 2021.
- Fees for No Service – Management is confident of its tested procedures and controls on providing services for a fee.
- Adviser Education Standards – All financial planners have been assessed. Training plans implemented to ensure where required, qualifications are attained within the required timeframes.

Growth Strategy Outlook

	Funds Management	Leverage of successful Manage-The-Manager model and expand in new markets where profitable
	Administration	Distribute SMA capabilities, offer Badged solutions to IFA market and build SMSF Administration
	Financial Planning	Continue to attract high quality planners and expand through value accretive acquisitions
	IT Development	Commercialise Financial Planning software and Leverage platform administration services with new system functionality development

Key Dates

- H1 Dividend Record Date: 02 March 2020, Payment Date: 16 March 2020
- Full year results announcement date: 17 August 2020
- Annual general meeting date: 22 October 2020

Contacts

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Information provided are 6 months to/as at 31 December 2019 unless otherwise mentioned. Figures presented are subject to rounding. Prior period figures may have been restated where applicable to be on comparable basis with the current period.

The information was prepared on 17 February 2020.
