

# FY 2020-21 H1 RESULTS



## INVESTOR PRESENTATION

Indy Singh – Executive Chairman, Fiducian Group

Rahul Guha – Executive Chairman, Fiducian Services

15 February 2021

# Agenda

- Business Overview
- Financials
- Growth Opportunities
- Key Dates and Contacts



# Highlights



# H1 FY 21 Highlights

## Group Highlights

Statutory NPAT

7% ↑

Statutory NPAT up  
**7%**  
to \$5.7m

Dividends

7.1% ↑

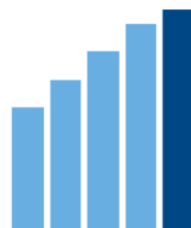
Dividends up  
**7.1%**  
to 12.30 cents/share

FUMAA

14% ↑

FUMAA\* up  
**14%**  
to \$9.3b

### Top Quartile Performance for Our Diversified Funds



	3 yrs	5 yrs	7 yrs
Growth	2/198	1/189	1/185
Balanced	6/198	1/189	2/185
Cap Stable	9/124	10/117	7/114
Ultra Growth	2/131	1/117	1/112

Flagship funds performance ranking for three, five and seven years to 31 December 2020 against all funds in the Morningstar survey.

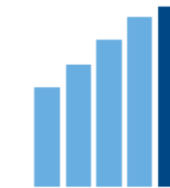
## Business Segments

Platform Administration



**\$86M**

Net FUA inflows



**\$10.3M**

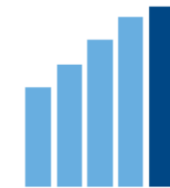
Total Revenue

Funds Management



**\$620M**

Net FUM increase



**\$8.3M**

Total Revenue

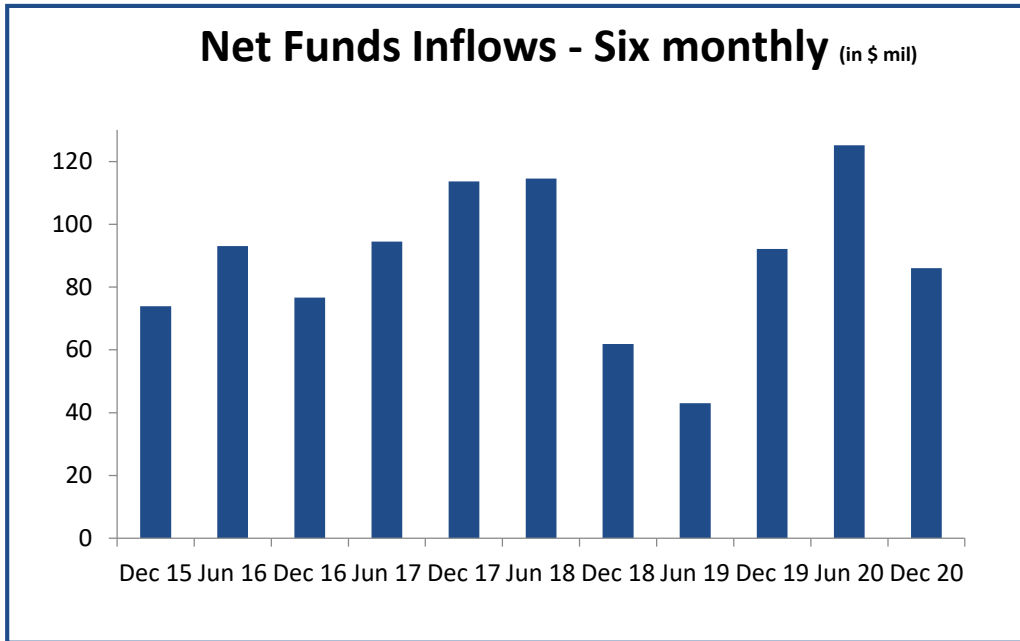
Enabling **Financial Planning** Division - \$3.42 bil in FUA  
(41 high quality practices and 70 representatives with a national footprint)

# Platform Administration Business



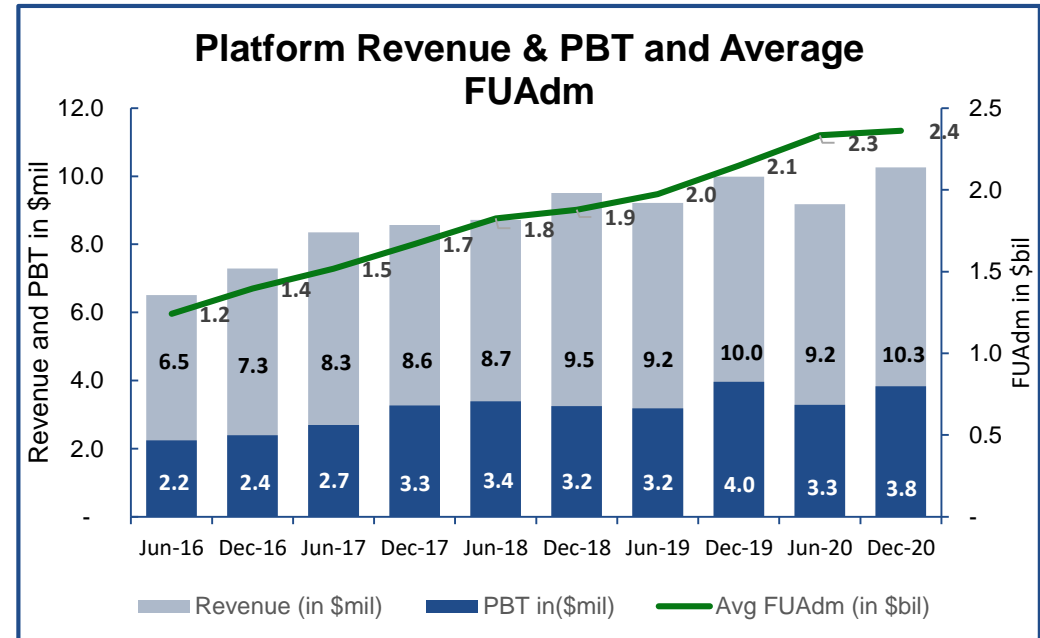
- **\$2.55 Billion in Funds under Administration (FUAdmin) as at 31 January 2021**
- Market competitive platform offering for Investments, Superannuation and SMA administration with own licences
- Investment menu includes 15 Fiducian multi-manager funds, 57 external managed funds, SMAs and Term Deposits tailored to financial adviser and client demands
- Advanced leading edge technology solutions help financial advisers
  - Electronic signatures, Digital applications with Online ID verification
  - True Straight Thru Processing (STP)
  - Multi Factor Authentication (MFA) increasing security of sensitive data and protection against frauds
  - Online Opt-in, Annual Service Agreements and Fee renewals
- Competitive Fees can be customised at client, adviser, dealer-group and product levels
- Potential for additional netflows from distribution to IFAs and white labels / badge opportunities
- IT system “FasTrack” provides cost effective automation of client administration. 20 year track record





- **Net In-flows of \$86 million** during H1 FY 2020-21
- Both Salaried and Franchised networks contributing to the Inflows
- Combination of organic flows from active referrals and inorganic flows from strategic acquisitions
- Marketing to external dealer groups and IFAs begun

- PDS Fees have recently been reduced to be in the bottom half of the industry average
- Highly scalable model generates stable margins even after fee reductions as FUAdm grows even after fee reductions
- **PBT Margins 37% of Net Revenue**



Note: Platform segment financials include Corporate



# Funds Management Business





# Fiducian Overview – Funds Management

- **\$3.41 Billion in Funds under Management as at 31 January 2021**
- Fiducian provides highly effective Manage the Manager System (Multi-Manager) with greater diversification and below average risks to generate consistent above average returns
- The investment team selects expert managers with proven performance, differing investment processes and complementary styles
- Assets are primarily held directly through mandates. Managers can be replaced without liquidating holdings
- The in-house team decides on manager allocations and tactical allocation
- Over 15 years, the four Fiducian diversified funds rank in the top quartile to top decile in 61 out of 62 readings against up to 197 fund managers on Morningstar survey



Total Revenue



Total PBT



FUM

**Fiducian Manage the Manager** Investment Philosophy  
 10 Sector Funds • 4 Diversified Funds • 42 Underlying Investment Manager Teams



# Fiducian Overview – Funds Management



- **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	7.6% (5/217)	8.4% (2/198)	9.2% (1/189)	9.4% (1/185)	9.4% (2/166)
Capital Stable	5.4% (9/134)	5.3% (9/124)	5.3% (10/117)	5.6% (7/114)	6.1% (6/102)
Balanced	7.3% (6/217)	7.8% (6/198)	8.5% (1/189)	8.6% (2/185)	8.7% (5/166)
Ultra Growth	10.5% (1/136)	8.6% (2/131)	9.9% (1/117)	10.9% (1/112)	10.5% (1/101)
<b>Other specialist MTM funds</b>					
Technology	35.1%	23.3%	19.8%	21.4%	22.1%
India	5.2%	-1.8%	6.3%	14.1%	9.7%

\*Source: Morningstar Direct December 2020

Past performance is not a reliable indicator of future performance and Fiducian does not guarantee the performance of the Funds or any specific rate of return.

2020 Money Management Fund Manager of the Year

Finalist: Fiducian Balanced Fund (Multi Asset – Balanced)

2017 FundSource Awards – International Equity Sector

Winner: Fiducian Funds management - Technology Fund

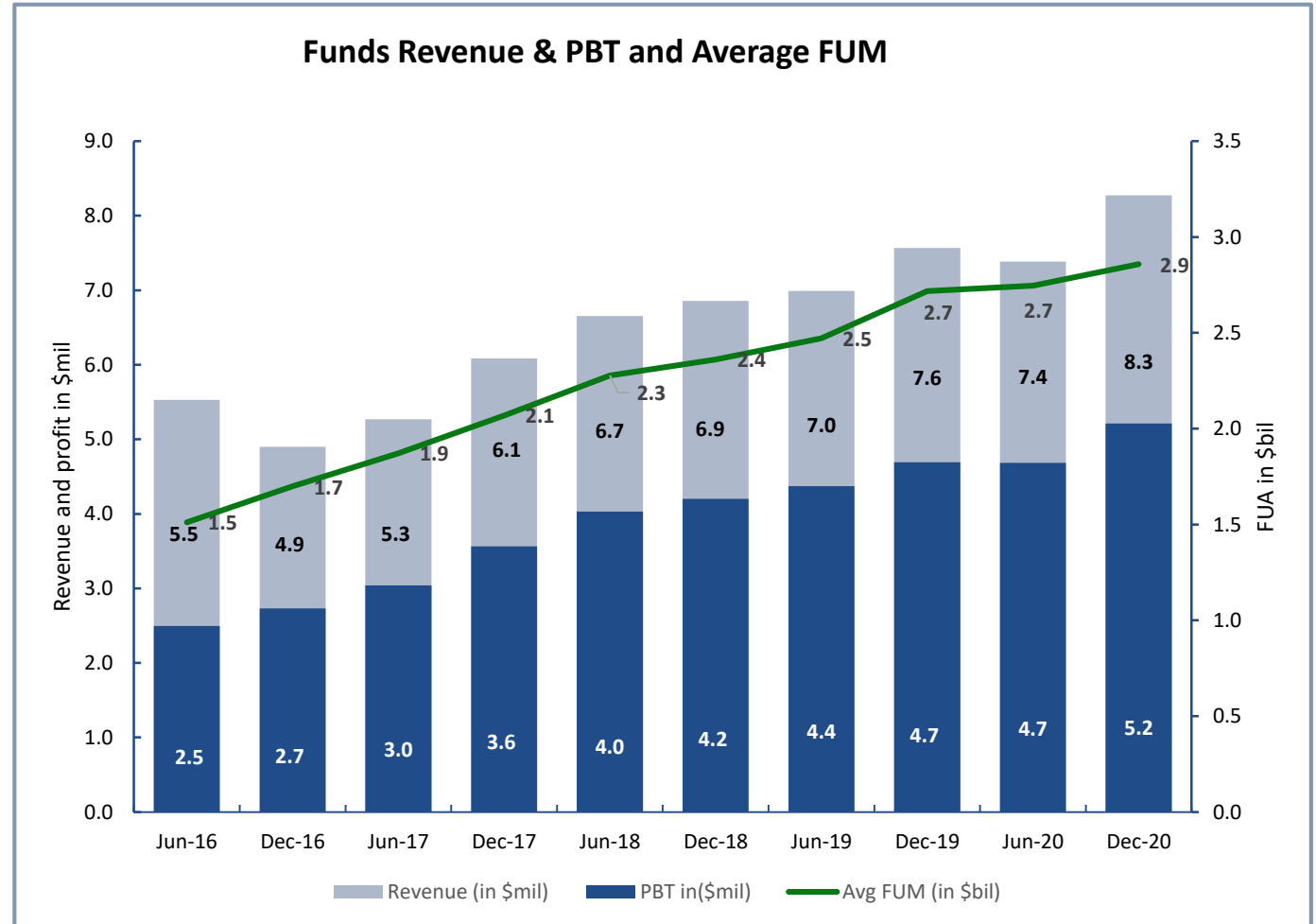
Finalist: Fiducian Funds management - India Fund



# Fiducian Overview – Funds Management



- PDS Fund Fees are in line with industry peer groups. Added benefits for clients are access to multiple managers whose fees are paid by Fiducian through the relevant Fiducian Fund
- Fiducian margins correspond to fund size. As Fiducian increases manager allocation, fees charged by managers' scales down
- **PBT margins 63% of Net Revenue**
- Closing FUM of \$3.4 bil provides a higher starting point for corresponding period



# Fintech Capabilities



# Fiducian Overview – FinTech Capabilities

- Proven and time tested Fintech capabilities underpin Fiducian’s successful business model
- Recent programming team expansion and new system development provides opportunities for commercialisation
- Market leading **Platform Administration System, ‘Fastrack’** provides an automated solution for advisers for investment execution and client registry.
  - Developed in-house since 2012 with own Intellectual Property with no legacy system issues
  - Promotion to external dealer groups and Software as a Service (SaaS) external offering now begun
- Adviser driven **Financial Planning Software, ‘FORCe’** enables efficiency
  - Modelling, CRM, Advice document generation
  - Compliance monitoring
  - Fully integrated with Fastrack and data-feed from external platforms
  - Workflow systems to monitor adviser performance and compliance
- Wholistic **‘Fiducian Online’ Client reporting**
  - Client account and transaction reporting including external holdings
  - Fully functional client reporting website
  - Front-end for advisers available across all devices



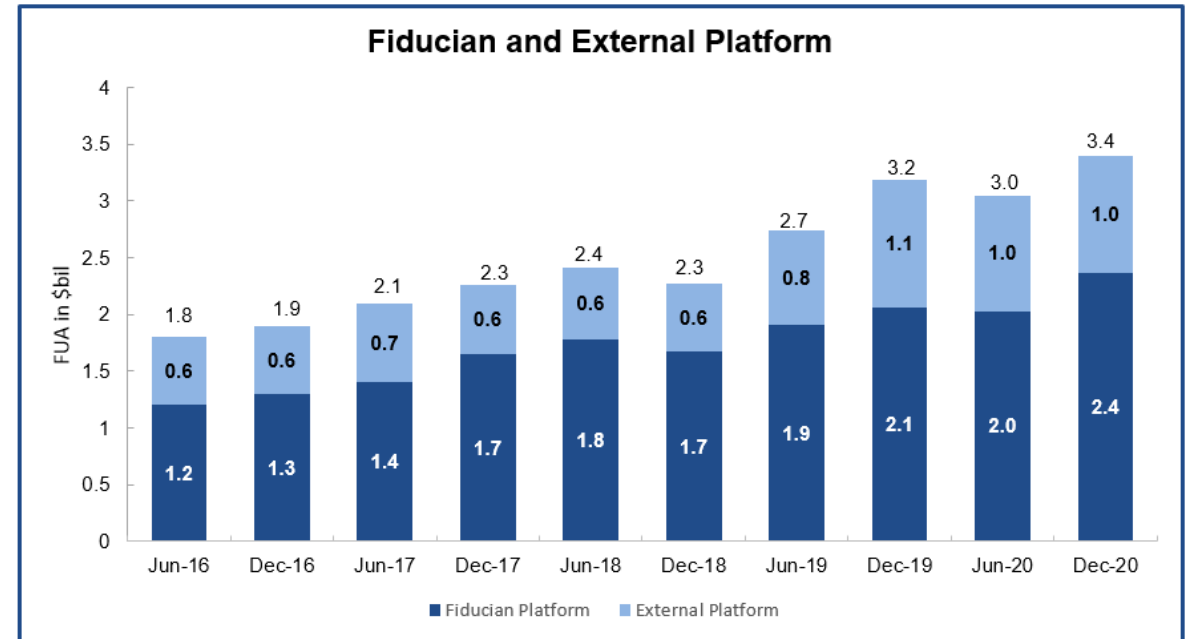
# Financial Planning Business



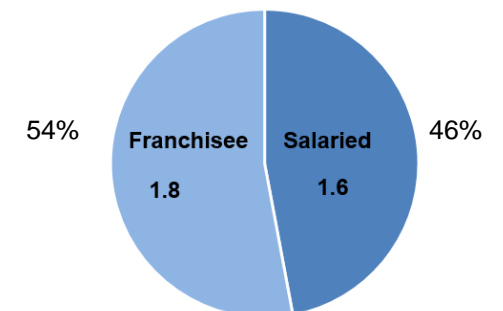


# Fiducian Overview – Financial Planning

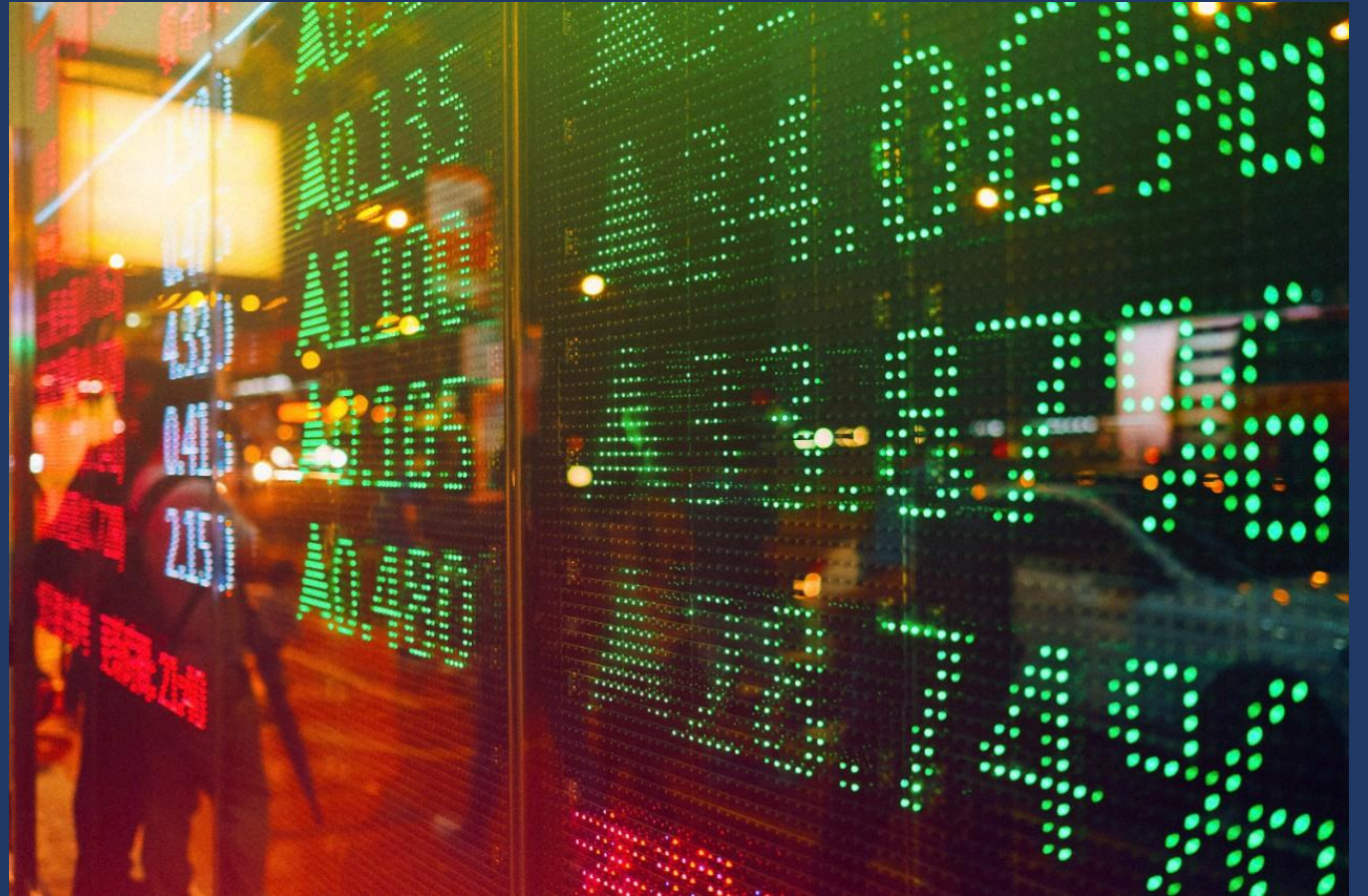
- **Enabler of steady flows** to Fiducian Funds and Platform
- Selective recruitment of Salaried and Franchised planners aligned to Fiducian culture driven by Quality and Expertise
- Planners focused on delivering outcomes aligned to Clients Best Interest obligations
- Growth through acquisitions of client books, organic referrals and recruitment of new franchisees to the network
- Acquisition driven net-flows into platform over 1 to 3 years if right for client



FUA Distribution - Dec.2020 (in \$bil)



# Financials



# Half-Year Highlights

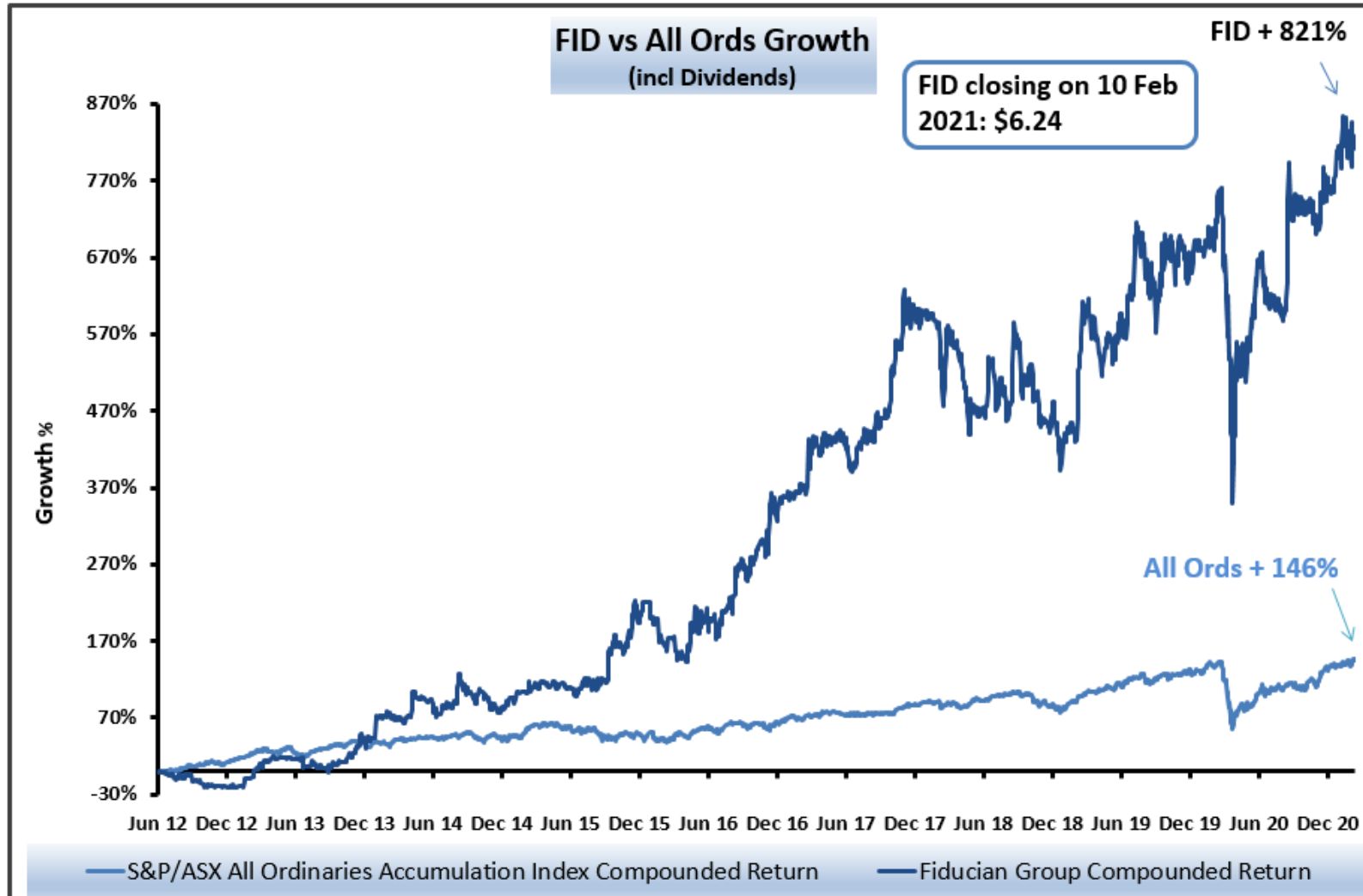
<b>Financial highlights</b>			
<b>Half-Year ending 31 December</b>	<b>2020</b>	<b>2019</b>	<b>% Change</b>
	\$'000	\$'000	
<b>Operating Revenue</b>	<b>28,346</b>	<b>27,795</b>	<b>2% ↑</b>
Fees and Charges paid	(7,638)	(7,484)	
<b>Net Revenue</b>	<b>20,708</b>	<b>20,311</b>	<b>2% ↑</b>
Gross Margin	73%	73%	
<b>Underlying EBITDA (including lease rents paid)</b>	<b>8,958</b>	<b>8,904</b>	<b>1% ↑</b>
Underlying EBITDA Margin	32%	32%	
Depreciation	(124)	(100)	
Tax on underlying earnings	(2,173)	(2,373)	
<b>Underlying NPAT (UNPAT)</b>	<b>6,661</b>	<b>6,431</b>	<b>4% ↑</b>
Amortisation	(856)	(1,008)	
AASB 16 <i>Leases</i> adjustment impacts - Office Lease	(80)	(56)	
<b>Statutory NPAT</b>	<b>5,725</b>	<b>5,367</b>	<b>7% ↑</b>
<b>Basic EPS based on UNPAT (in cents)</b>	<b>21.2</b>	<b>20.4</b>	<b>4% ↑</b>
Basic EPS based on NPAT (in cents)	18.2	17.1	
<b>Funds Under Management, Advice and Administration FUMAA (\$ in millions)</b>	<b>9,327</b>	<b>8,203</b>	<b>14% ↑</b>

# Segment Reporting



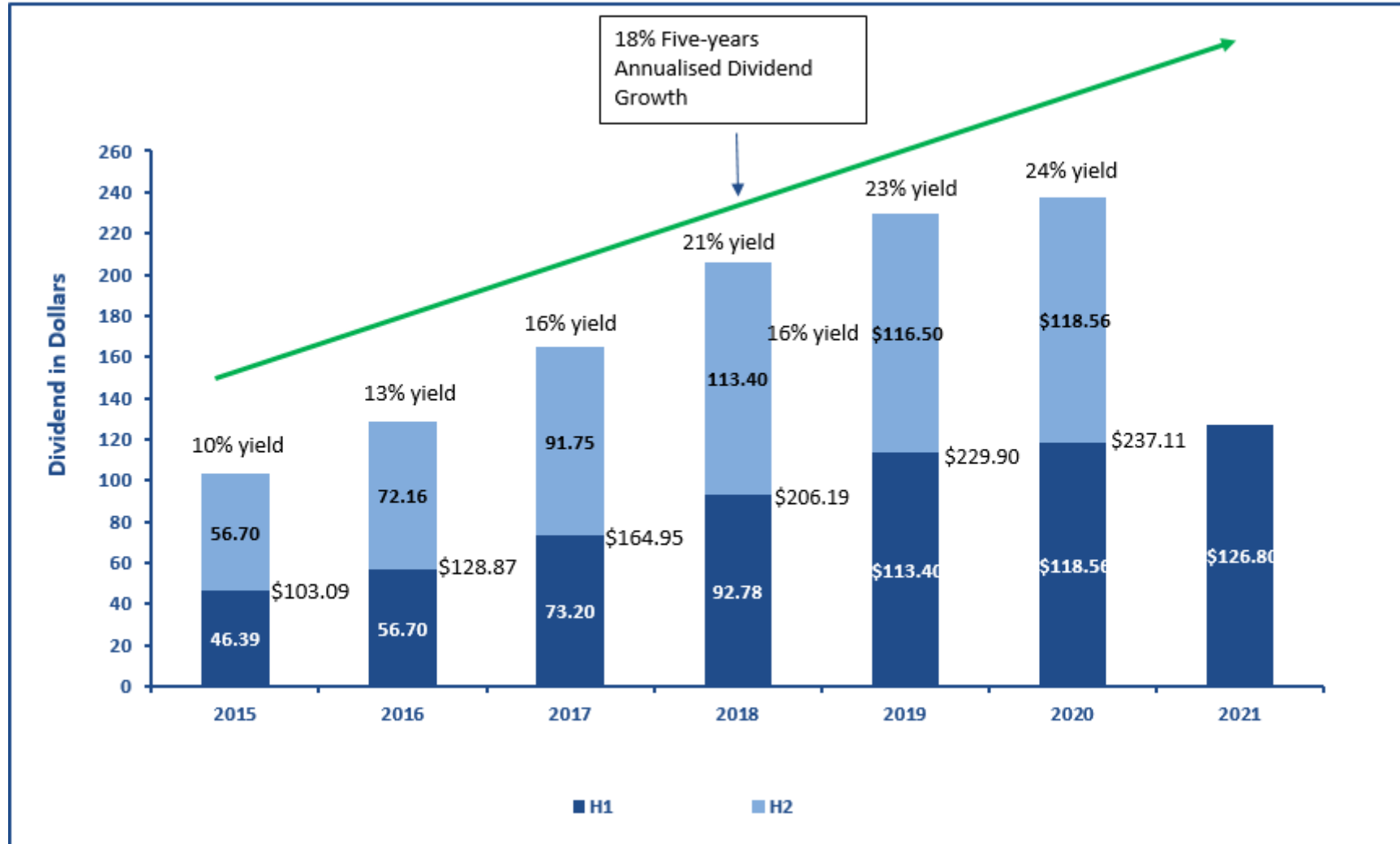
	Corporate and Platform Administration	Funds Management	Financial Planning	Consolidated
	\$'000	\$'000	\$'000	\$'000
<b>Half-year 2020</b>				
Revenue from external customers	7,720	10,733	9,250	27,703
Intersegment sales	2,532	( 2,472)	( 60)	-
Other revenue	9	13	621	643
Total segment revenue	10,261	8,274	9,811	28,346
<b>Profit Before Tax</b>	<b>3,836</b>	<b>5,213</b>	<b>( 1,193)</b>	<b>7,856</b>
<b>Half-year 2019</b>				
Revenue from external customers	7,373	9,826	9,917	27,116
Intersegment sales	2,595	( 2,295)	( 300)	-
Other revenue	22	37	621	679
Total segment revenue	9,989	7,568	10,238	27,795
<b>Profit Before Tax</b>	<b>3,964</b>	<b>4,692</b>	<b>( 916)</b>	<b>7,740</b>

# FID outperformance against All Ords Accum Index



- Since Jun 12, FID has **outperformed All Ords by 675%** (including dividend)
- Dividend pay-out policy is 60-70% of Net Profit After Tax
- H1 dividend is 12.30 cents/share

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



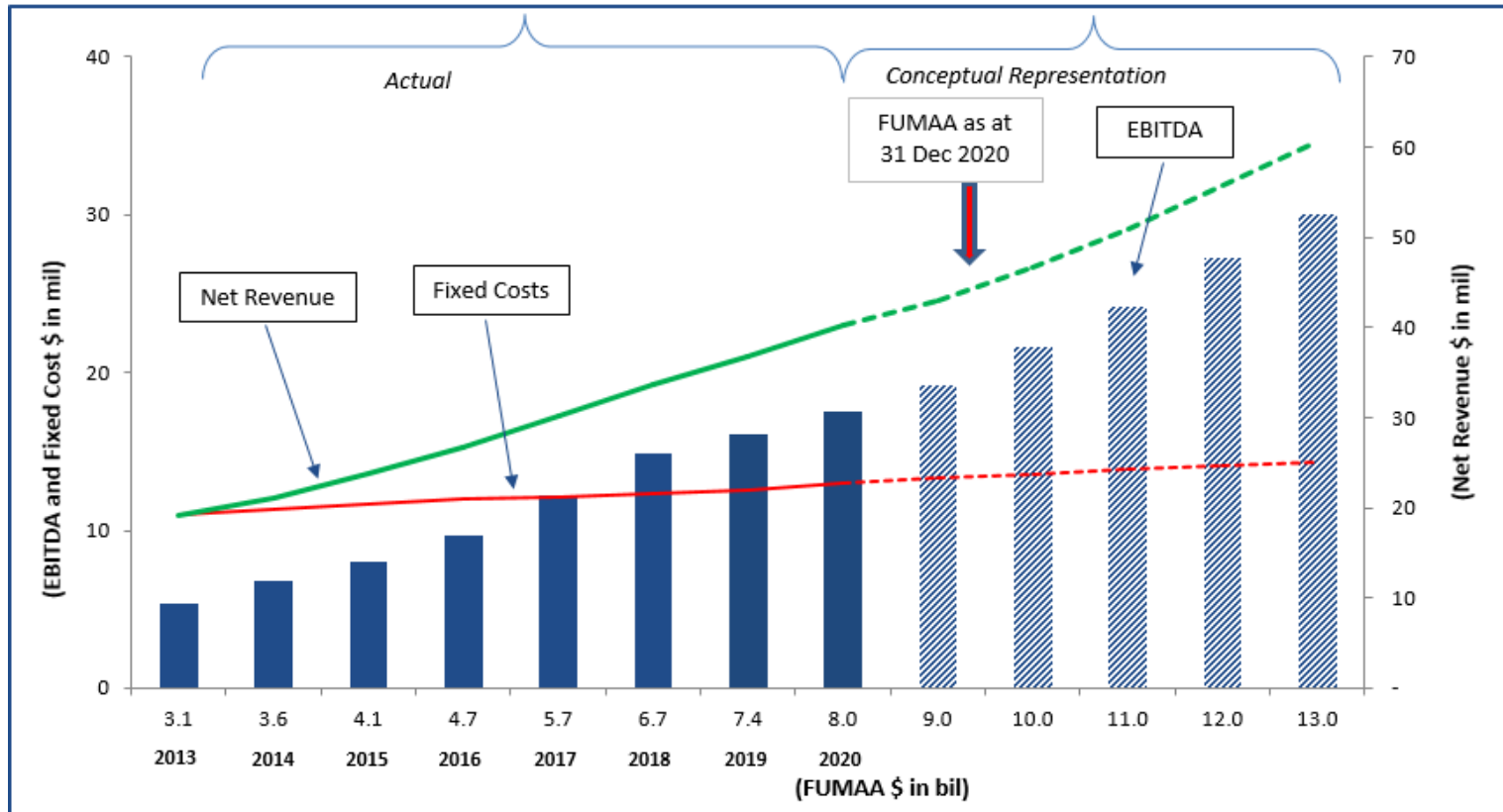
- The above graph shows annualised dividend yield (before franking credits) on \$1,000 invested in FID on 01/07/2012.
- Double digit EPS growth (based on UNPAT) in 15 out of 21 years since listing



# Projecting the Potential: Conceptual Representation

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



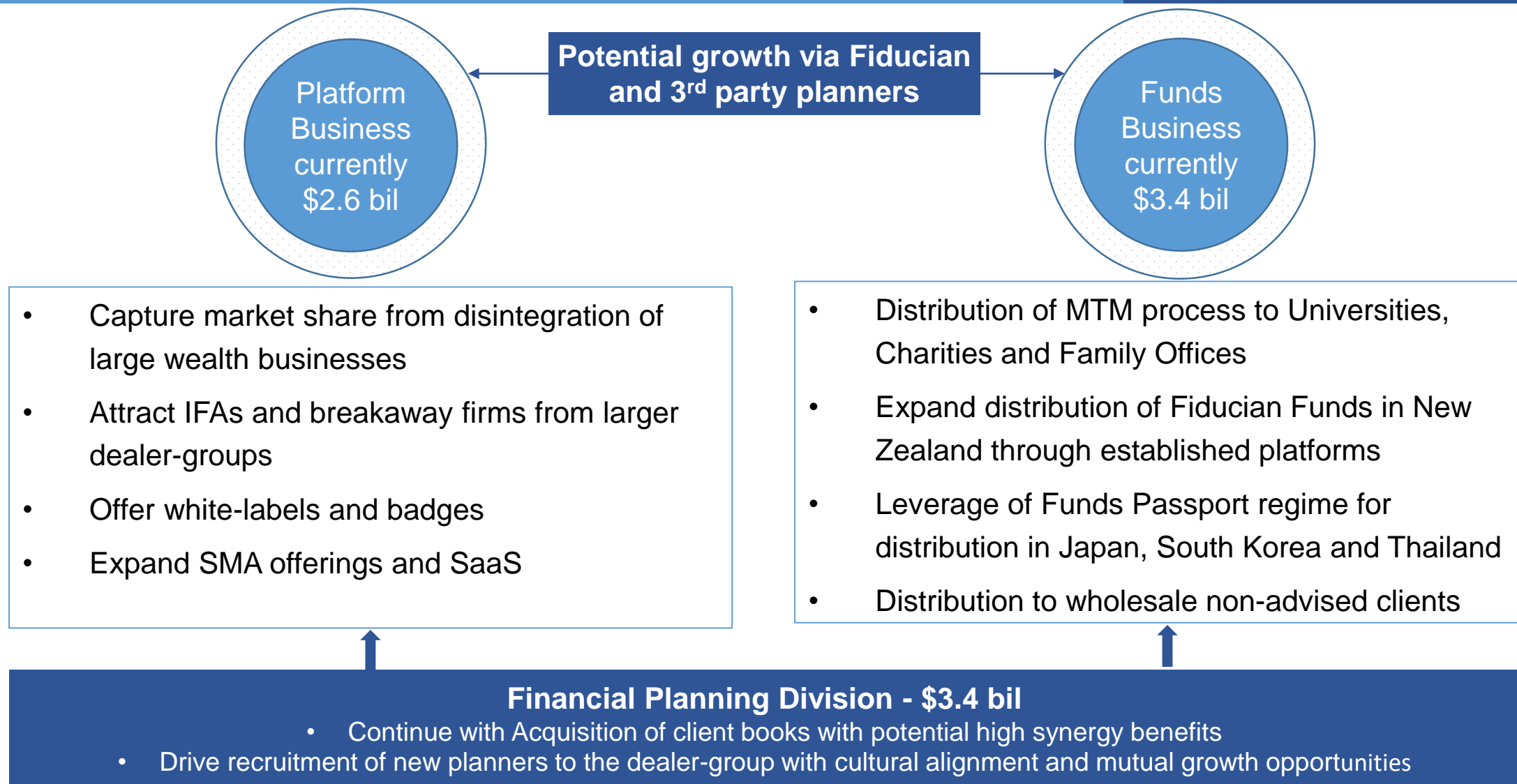
\* This is not a projection or a forward-looking statement, and should not be read or relied upon as such. This concept extrapolation may or may not be correct or accurate.

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

# Growth Opportunities



# Market Opportunities for Growth of the Business



## Retail Investor Presentation (Online)

- Time / Date: 12:30 to 1.30 pm, Thursday 18 February 2021
- Join-in details: <https://8x8.vc/fiduciangroup/investors.180221> (8x8 app or Google Chrome) or
- Dial-in: +61 2 8015 5105 Meeting ID: 303 971 224#

## Key Dates

- H1 Dividend Record Date: 01 March 2021, Payment Date: 15 March 2021
- Full year results announcement date: 16 August 2021
- Annual general meeting date: 21 October 2021

## Contacts

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The information was prepared on 12 February 2021.

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