

FY 2021-22 RESULTS

INVESTOR PRESENTATION

Indy Singh – Executive Chairman, Fiducian Group

Rahul Guha – Executive Chairman, Fiducian Services

15 August 2022

Agenda

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



Highlights



FY 22 Highlights

Group Highlights

UEBITDA

\$21.8m

▲ 13%

%

Cost to Income Ratio

55%

UNPAT

\$15.7m

▲ 11%



FUA acquired

\$1.2b

Dividends per share

29.70c

▲ 10%



Cash holding

\$13.9m

Gross Revenue

\$69.5m

▲ 18%



Total employees

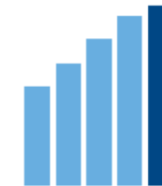
178

Business Segments

Platform Administration

\$309m

Net FUAdm inflows FY22



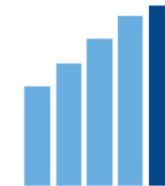
\$18.5m

Gross Revenue

Funds Management

\$3.8b

Gross FUM Jun 22



\$27.4m

Gross Revenue

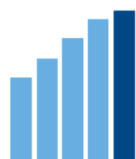
FUMAA \$11.5 billion as at July 2022 and \$10.9 billion as at June 2022 compared to \$10.4 billion as at June 2021

Enabling Financial Planning Division: \$4.4b in FUA and \$23.4m Gross Revenue (47 high quality practices and 86 representatives with a national footprint)

Platform Administration Business

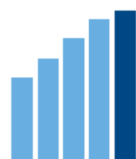


- **\$2.9 Billion in Funds under Administration (FUAdmin) as at 31 July 2022**
- Market competitive platform offering for Investments, Superannuation and SMA administration with own licences
- Investment menu includes 15 Fiducian multi-manager funds, 57 external managed funds, SMAs and Term Deposits 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
- Reduced fee scale from 1 June 2022 to assist in attracting new flows – revenue impact of \$1 million annualised expected to be absorbed through increased inflows and asset management functions
- **IFA focussed low-cost product, 'Auxilium' launched.** Potential for additional net inflows from distribution to IFAs and white labels / badge opportunities
- IT system “FasTrack” provides cost effective automation of client administration. +20 year track record



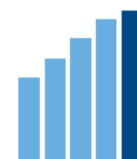
\$18.5m

Gross Revenue in FY22



\$12.2m

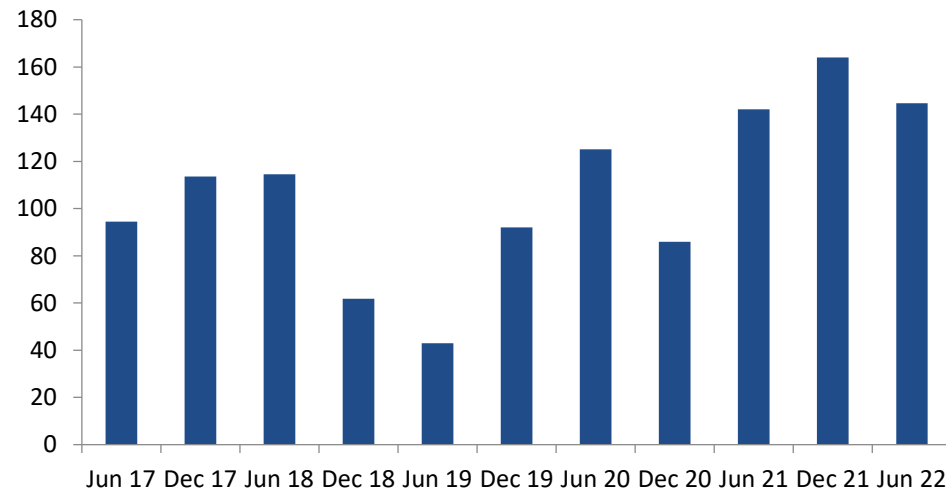
Total PBT in FY22



\$2.8b

FUAdmin Jun 22

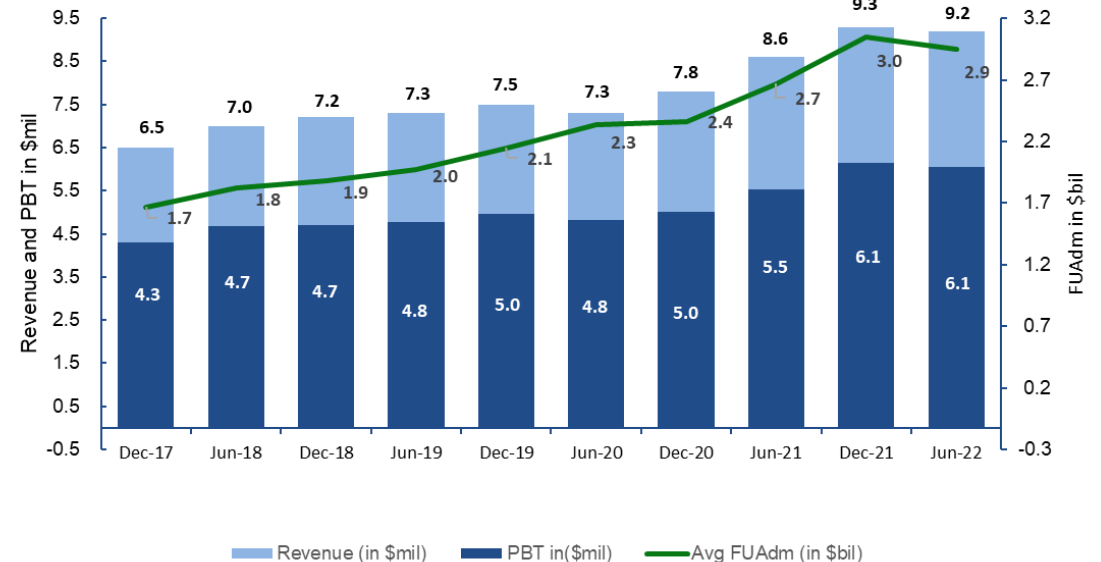
Net Funds Inflows - Six monthly (in \$ mil)



- Competitive Fees in the bottom half of the industry average
- Highly scalable model generates stable margins
- **PBT Margins 66% of Gross Revenue**

- **Net In-flows of \$309 million** during FY 2021-22
- 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

Platform Revenue & PBT and Average FUAdm



Funds Management Business



Fiducian Overview – Funds Management

- **\$3.9 Billion in Funds under Management as at 31 July 2022**
- 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 20 years, the four Fiducian diversified funds ranked in the top decile to quartile over long term in 60 out of 64 readings against up to 185 fund managers on Morningstar survey



Fiducian Overview – Funds Management



- **Consistently superior results** against the world’s best fund managers in the Australian market

Fiducian Funds	3-years return (ranking) p.a.	5-years return (ranking) p.a.	7-years return (ranking) p.a.	10-years return (ranking) p.a.
Capital Stable	0.9% 31/116	2.9% 16/110	3.3% 14/105	4.8% 11/99
Balanced	3.1% 58/185	5.6% 21/176	6.1% 9/169	8.5% 9/162
Growth	3.7% 24/185	6.3% 5/176	6.8% 3/169	9.5% 2/162
Ultra Growth	4.2% 34/131	6.1% 44/127	6.9% 15/116	10.6% 8/108
Other specialist MTM funds				
Technology	6.5%	10.0%	11.6%	18.1%
India	7.0%	5.6%	7.6%	15.3%

*Source: Morningstar Direct June 2022

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

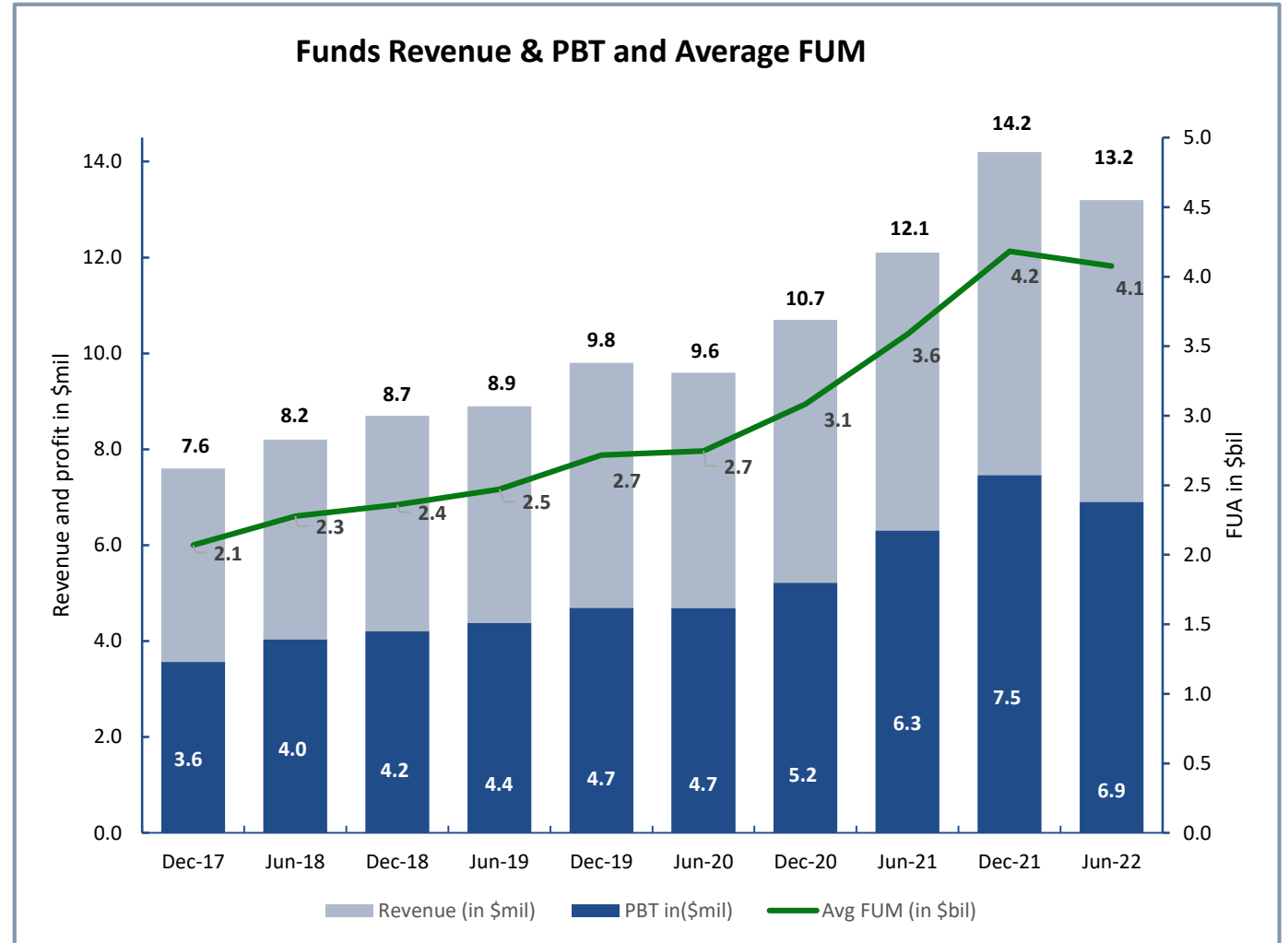
Finalist: Fiducian Funds management - India Fund



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 52% of Gross Revenue**

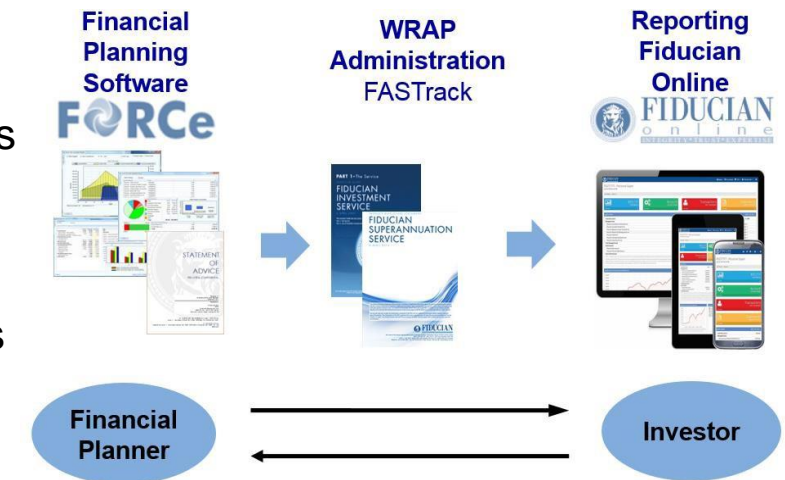


Fintech Capabilities



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
- Holistic **‘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

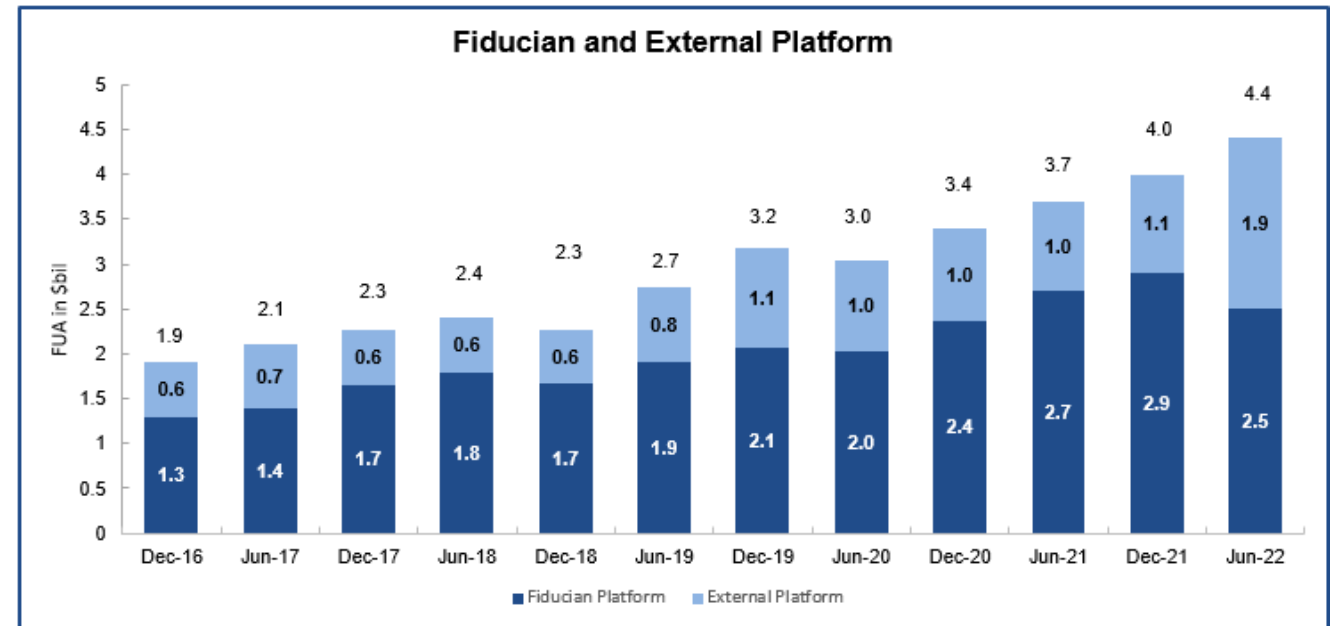


Financial Planning Business

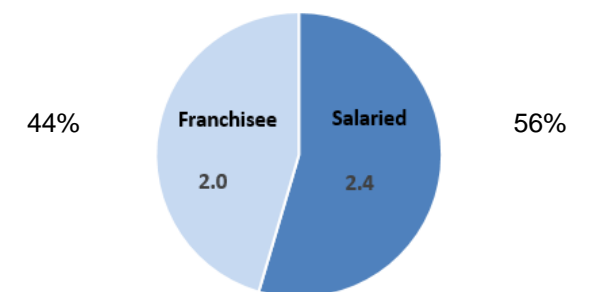


Fiducian Overview – Financial Planning

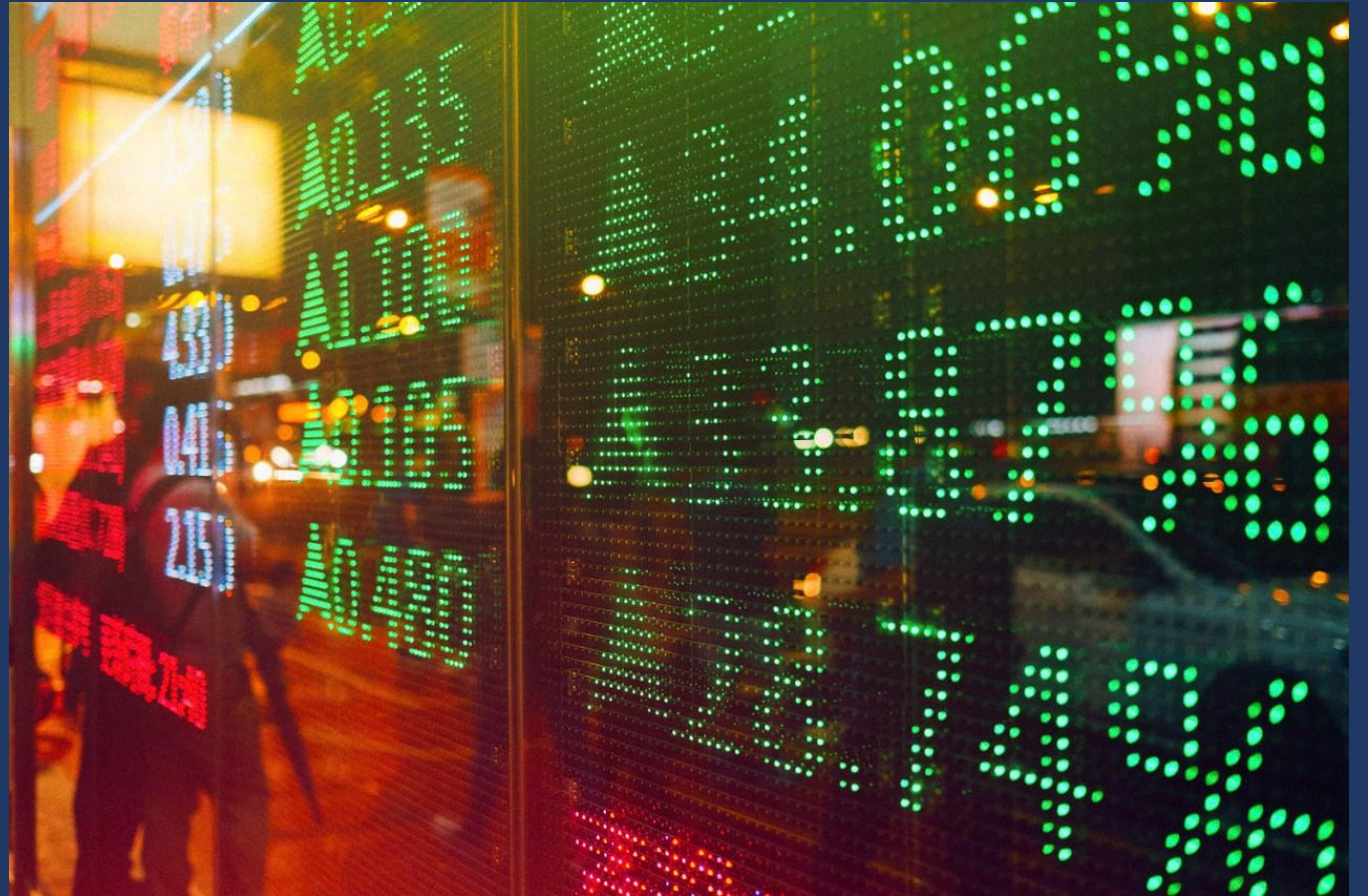
- **Enabler of steady flows** to Fiducian Funds and Platform
- 86 planners in 47 offices across Australia
- Selective recruitment of Salaried and Franchised planners aligned to Fiducian culture driven by Quality and Expertise
- Planners focused on delivering outcomes aligned to Clients Best Interest 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 - Jun 2022 (in \$bil)



Financials



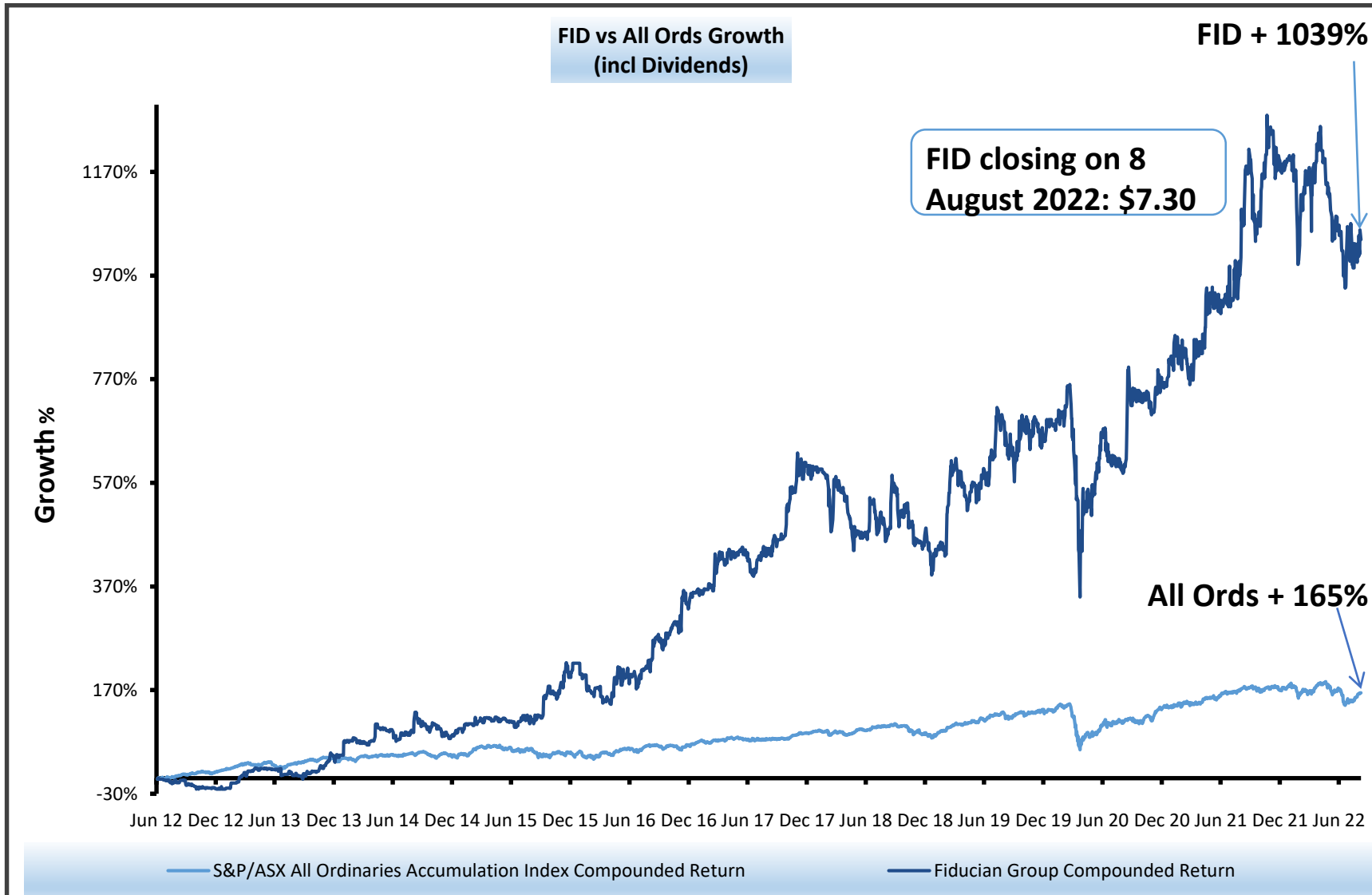
Financial Highlights

Financial highlights				
Year Ending 30 June	2022	2021	\$ Growth	% Change
Funds Under Management, Advice and Administration (FUMAA)	10.94 Billion	10.44 Billion	0.5 Billion	5% ▲
	\$'000	\$'000		
Operating Revenue	69,539	58,839	10.7 Million	18% ▲
Fees and Charges paid	(18,356)	(15,944)		
Net Revenue	51,183	42,895	8.3 Million	19% ▲
Gross Margin	74%	73%		
EBITDA	23,156	20,560	2.6 Million	13% ▲
Add back rent and deduct interest on lease liabilities	(1,365)	(1,342)		
Underlying EBITDA	21,791	19,218	2.6 Million	13% ▲
Depreciation	(303)	(255)		
Tax on underlying earnings	(5,791)	(4,832)		
Underlying NPAT (UNPAT)	15,697	14,131	1.6 Million	11% ▲
Amortisation	(2,269)	(1,788)		
AASB 16 Leases adjustment impacts - Office Lease	(111)	(164)		
Statutory NPAT	13,317	12,179	1.1 Million	9% ▲
Basic EPS based on UNPAT (in cents)	49.9	44.9		11% ▲
Basic EPS based on NPAT (in cents)	42.3	38.7		

Segment Reporting

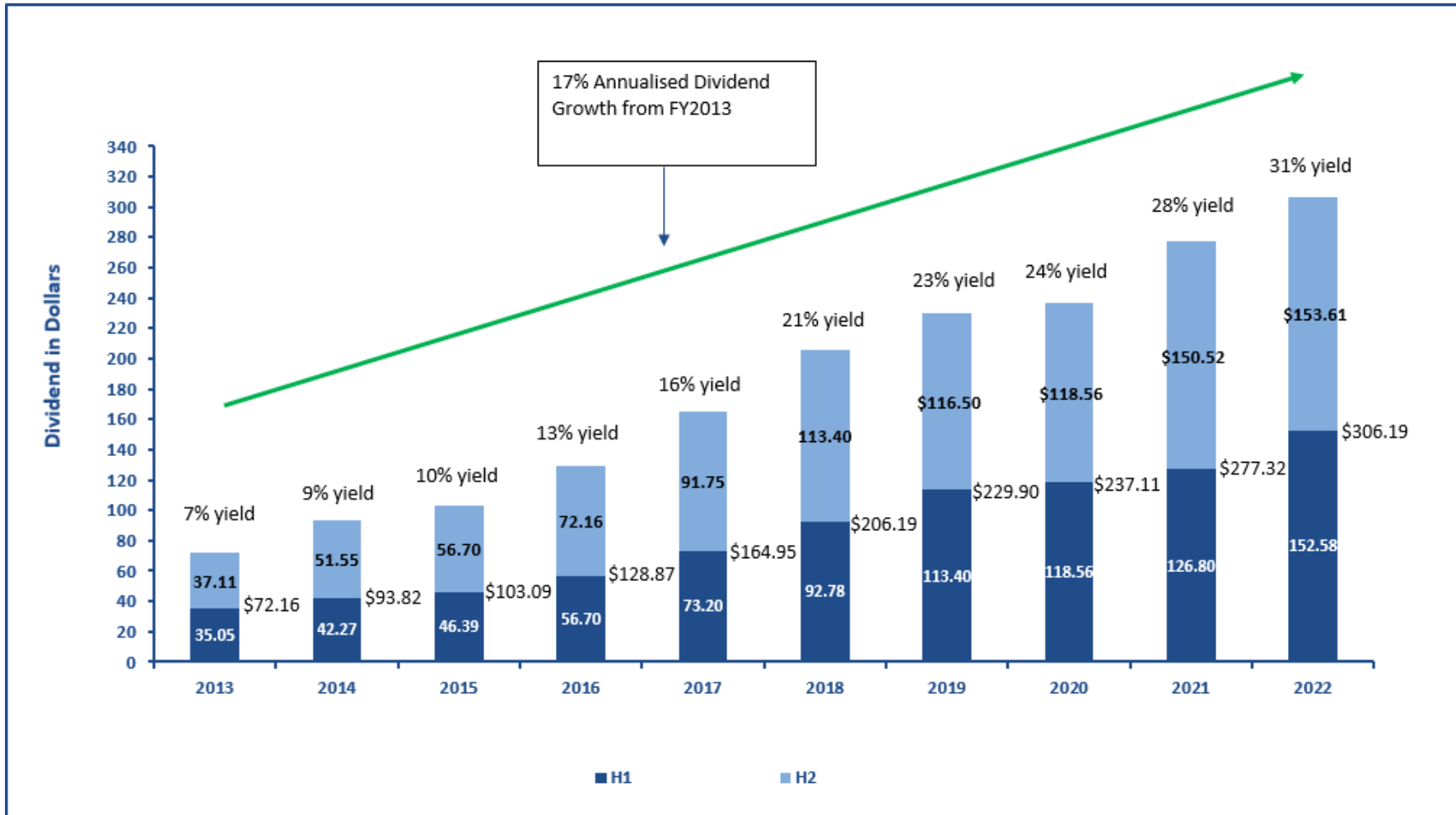
	Funds Management	Financial Planning	Platform Administration	Corporate Services	Segment Eliminations	Consolidated
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
2022						
Revenue from external customers	27,404	23,435	18,465	-	-	69,304
Inter-segment sales ¹	(5,756)	(1,350)	(4,400)	11,506	-	-
Other revenue	21	202	-	12	-	235
Total segment revenue	21,669	22,287	14,065	11,518	-	69,539
Profit from ordinary activities before income tax, depreciation and amortisation	14,366	2,996	12,172	(6,378)	-	23,156
Depreciation, amortisation and impairment						4,092
Profit from ordinary activities before income tax						19,064
Income tax expense						(5,747)
Profit from ordinary activities after income tax expense						13,317
Segment assets	11,296	47,992	2,726	93,092	(84,415)	70,691
Segment liabilities	3,290	46,832	-	46,130	(72,693)	23,559
Acquisitions of plant and equipment, intangible and other non-current segment assets	-	15,170	-	573	-	15,743

FID outperformance against All Ords Accum Index



- Since Jun 12, FID has **outperformed All Ords by 874%** (including dividend)
- Dividend pay-out policy is 60-70% of Net Profit After Tax
- Full year dividend is **29.70 cents**, a growth of **10%** over the comparable period

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

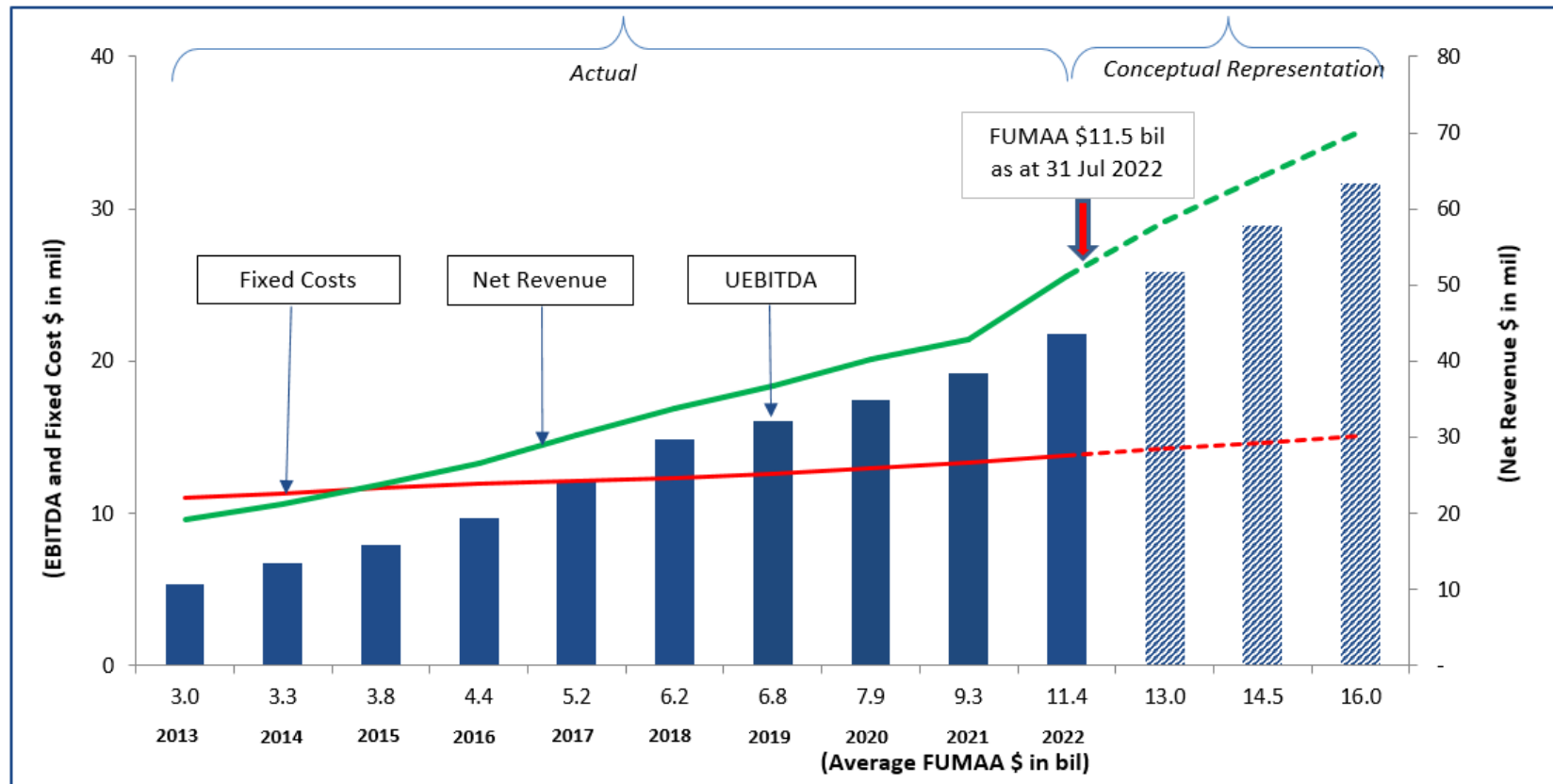


- The graph shows dividend of \$306.19 (before franking credits) on \$1,000 invested in FID on 01/07/2012.
- Double digit EPS growth (based on UNPAT) in 17 out of 22 years since listing

Projecting the Potential: Conceptual Representation

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

Average Funds under Management, Administration and Advice (FUMAA) & UEBITDA



* This is not a projection or a forward-looking statement, and should not be read or relied upon as such. This conceptual 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



- Capture market share from disintegration of large wealth businesses
- Attract IFAs and breakaway firms from larger dealer-groups
- Offer white-labels and badges
- Expand SMA offerings and SaaS

- Distribution of MTM process to Universities, Charities and Family Offices
- Expand distribution of Fiducian Funds in New Zealand through established platforms
- Leverage of Funds Passport regime for distribution in Japan, South Korea and Thailand
- Distribution to wholesale non-advised clients

Financial Planning Division – \$4.7 bil*

- Continue with Acquisition of client books with potential high synergy benefits
- Drive recruitment of new planners to the dealer-group with cultural alignment and mutual growth opportunities

Key Dates and Contacts

Retail Investor Presentation (Online)

- Time / Date: 12:30 to 1.30 pm AEST, Thursday 18 August 2022
- Join-in details: <https://zoom.us/j/99963970685?pwd=Tk9XLzhNcSs2QWtQdUw3L2JXZzltUT09> or
- Dial-in: +61 2 8015 6011 Meeting ID: 999 6397 0685 Passcode: 680509

Key Dates

- Final Dividend Record Date: 29 August 2022, Payment Date: 12 September 2022
- Annual General Meeting date: 20 October 2022

Contacts

Investor Relations:

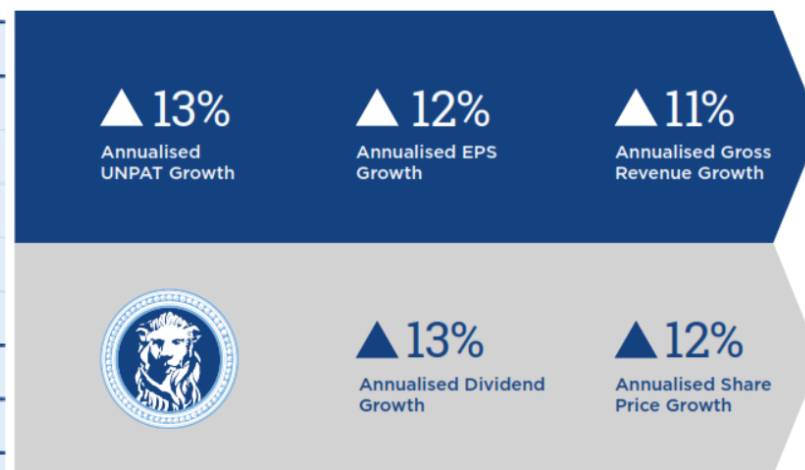
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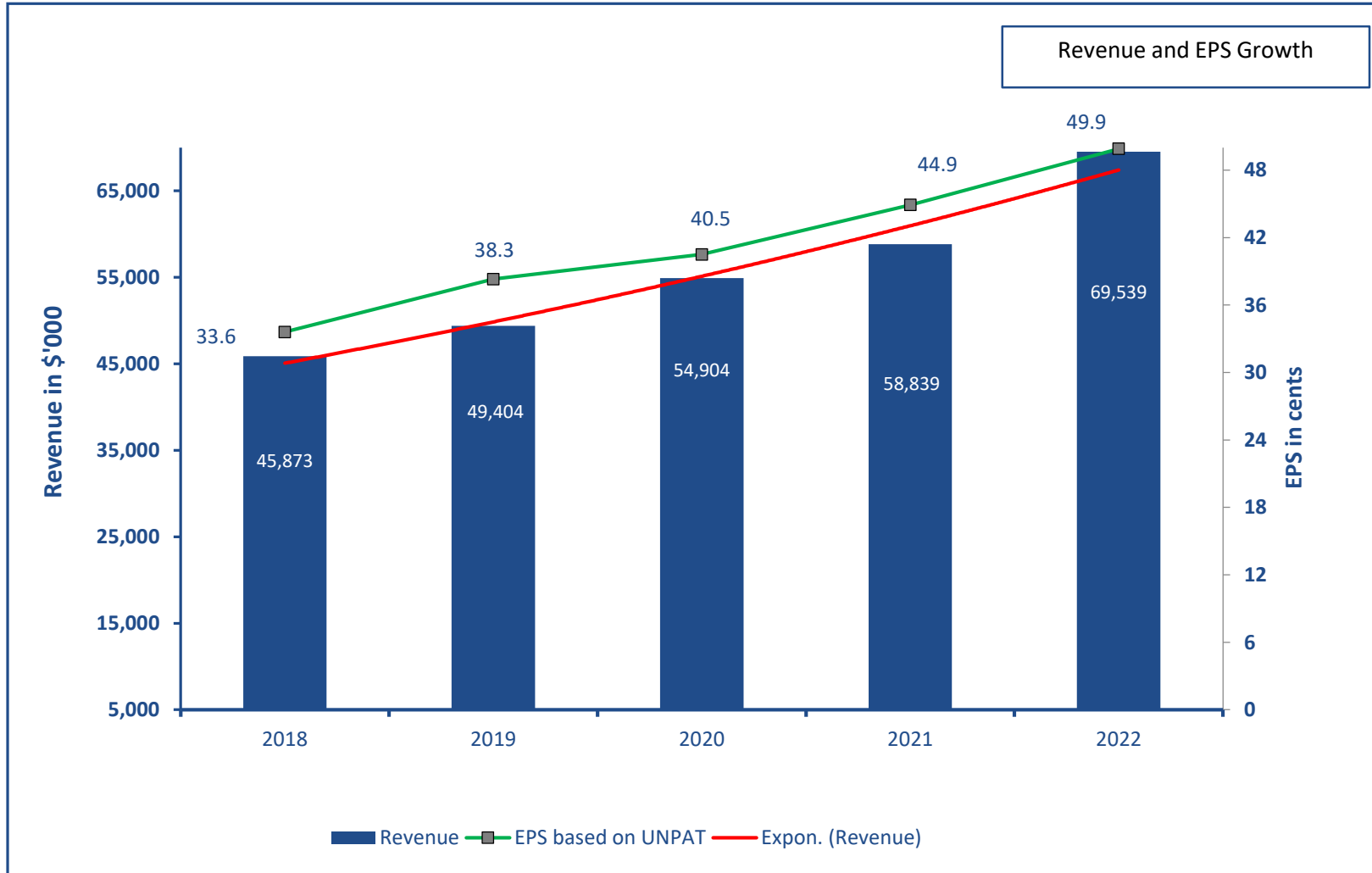
Five Year Summary: Financials

Financial History					
	2018	2019	2020	2021	2022
	\$'000	\$'000	\$'000	\$'000	\$'000
Financial Performance					
Gross Revenue	45,873	49,404	54,904	58,839	69,539
Underlying EBITDA (UEBITDA)	14,832	16,065	17,499	19,218	21,791
Underlying Net Profit After Tax (UNPAT)	10,505	12,047	12,725	14,131	15,697
Statutory Net Profit After Tax (NPAT)	9,198	10,350	10,463	12,179	13,317
Cost To Income Ratio (CTI) - ex amortisation %	56%	56%	55%	53%	55%
Financial Position					
Total Assets	40,561	45,899	54,653	58,595	70,691
Total Equity	31,131	34,826	38,123	42,869	47,132
Cash	13,885	11,792	13,961	19,316	17,484



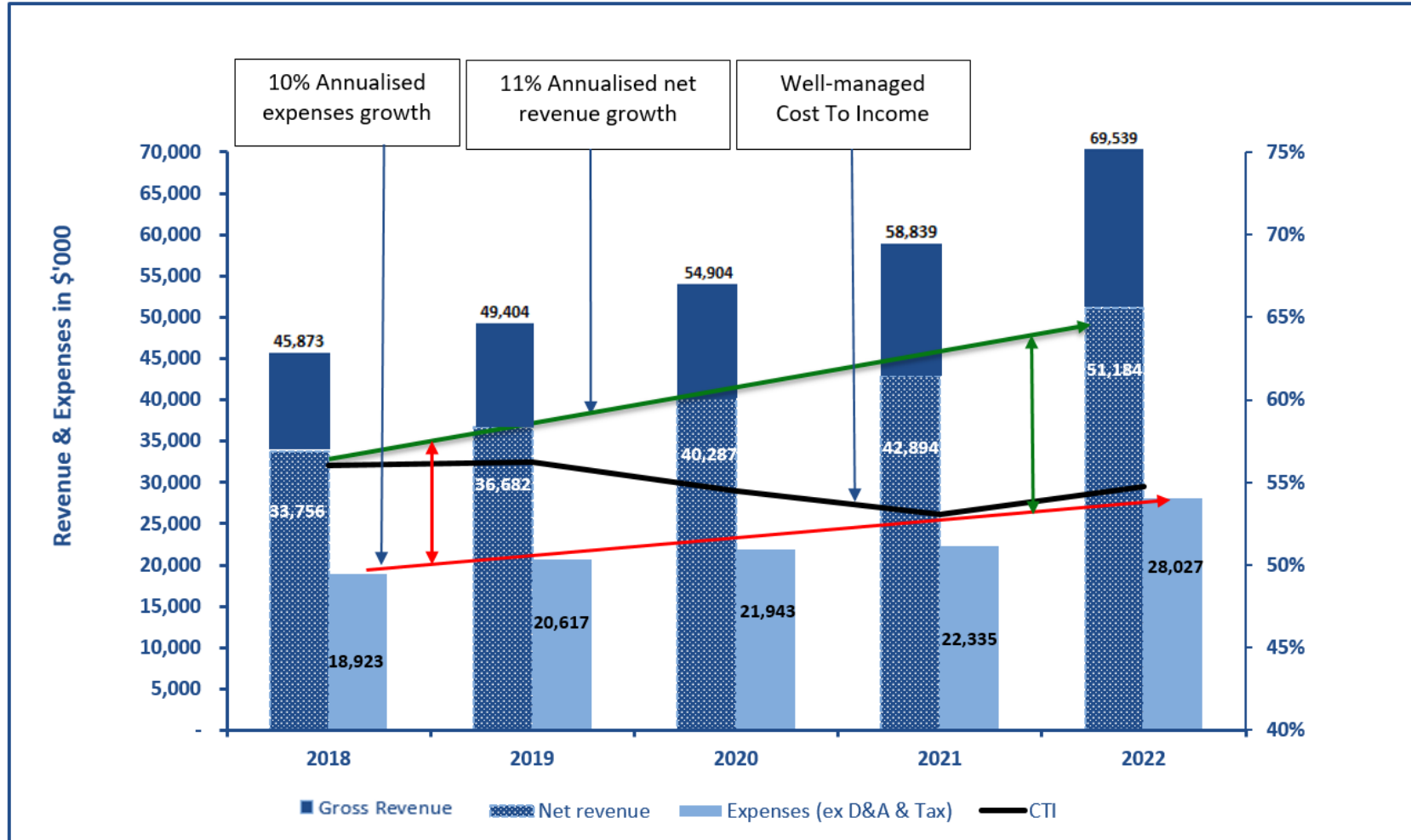
✓ Sustainable Growth history consistently over the long term

Five Year Summary: Revenue and EPS Growth



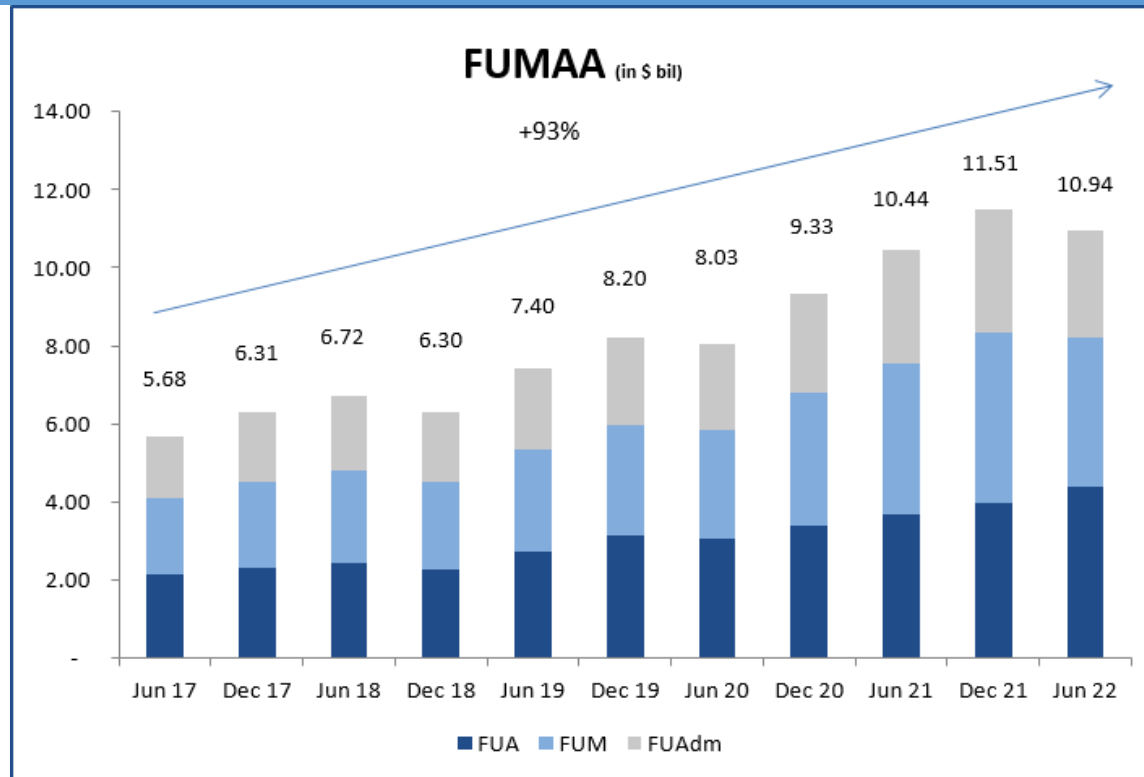
- ✓ Top-line Revenue Growth: 11% annualised
- ✓ Underlying EPS Growth: 12% annualised
- ✓ Sustainability: Double-digit Growth in 17 out of 22 years since listing

Five Year Summary: Expense Management



- ✓ Expanding Jaws: Revenue growth faster than Expense growth
- ✓ Carefully managed expenses to support growth in infrastructure and revenue generating functions

Funds Under Management, Administration and Advice (FUMAA) Growth



FUMMA Closing Balance (in \$ bil)

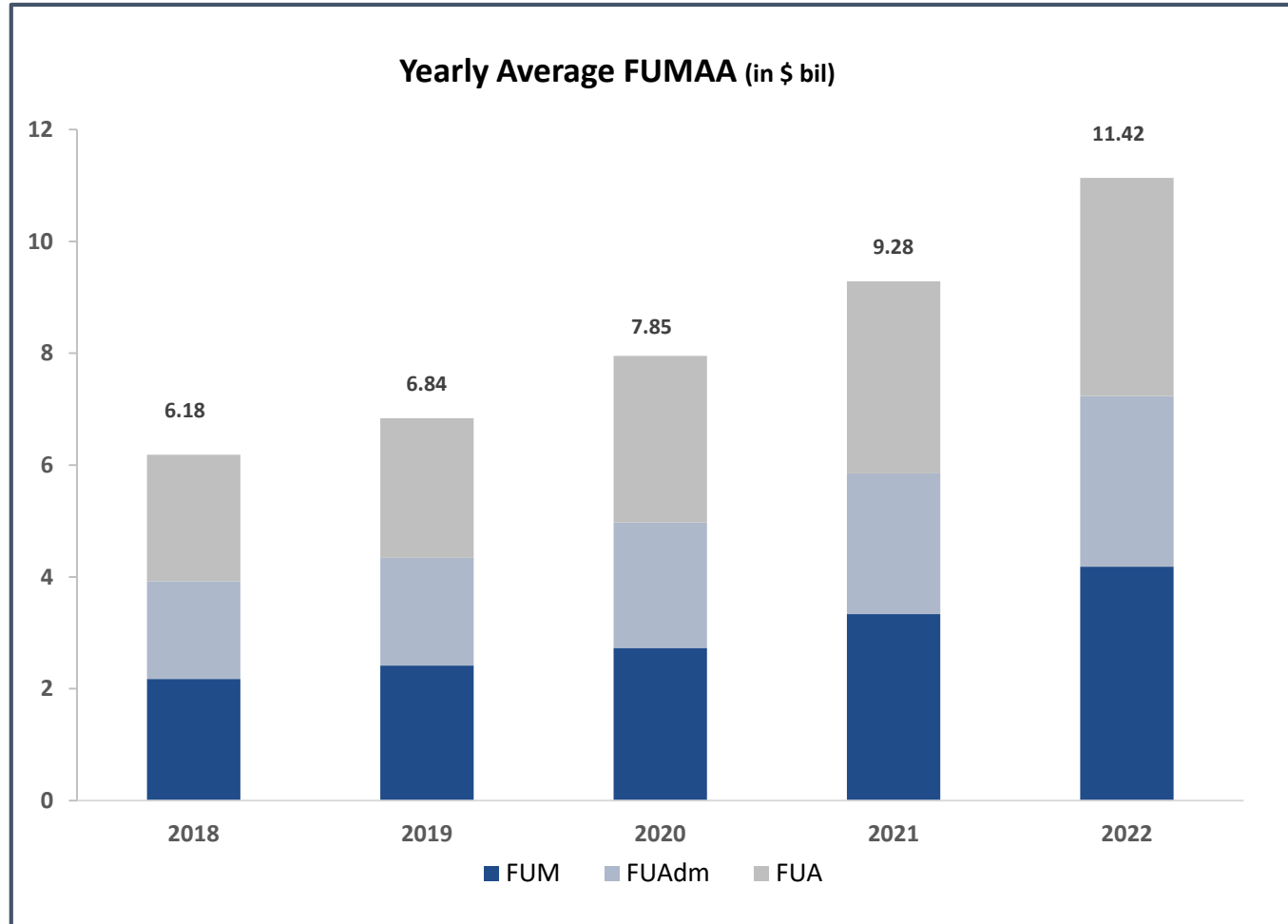
Years	FUA	FUM	FUAdm	Total
Jun 17	2.14	1.96	1.58	5.68
Dec 17	2.31	2.21	1.79	6.31
Jun 18	2.41	2.37	1.94	6.72
Dec 18	2.27	2.22	1.82	6.30
Jun 19	2.74	2.60	2.06	7.40
Dec 19	3.14	2.83	2.23	8.20
Jun 20	3.05	2.79	2.19	8.03
Dec 20	3.40	3.38	2.55	9.33
Jun 21	3.67	3.89	2.88	10.44
Dec 21	3.98	4.36	3.17	11.51
Jun 22	4.39	3.80	2.75	10.94

- ✓ Consistent FUMAA growth from strong organic and inorganic inflows
- ✓ Increase in FUA as proportion of FUMAA reflects recent acquisition

Explanatory Notes:

- FUM includes cross holdings from diversified funds into sector/specialised funds. Excluding cross holdings, FUM is \$2.48 billion
- FUA includes assets held in Fiducian and External platforms
- FUAdm includes Aligned Fiducian Advisers and IFAs

Funds Under Management, Admin and Advice (FUMAA) Yearly average Growth



FUMMA Average Balance (in \$ bil)

Years	FUM	FUAdm	FUA	Total
2018	2.17	1.75	2.26	6.18
2019	2.42	1.93	2.49	6.84
2020	2.73	2.24	2.98	7.85
2021	3.34	2.52	3.43	9.28
2022	4.13	3.00	4.29	11.42

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Information provided is current as at 30 June 2022 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 15 August 2022.

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