

2017 Half Year Results Presentation

27 February 2017



**Growth
Innovation
People**

Who we are

Prime is an Integrated Accounting, Wealth Management and Capital Advisory firm that operates a B2C direct client advice model and a B2B partnership model with Accounting & Advisory firms

Prime's goal is for clients to receive complete Accounting, Wealth Management & Capital Advice

PERSONALISED **ADVICE**



ASX LISTED



TRULY INTEGRATED
WEALTH MANAGEMENT

\$1BILLION+
CLIENT FUNDS
UNDER MANAGEMENT

ESTABLISHED 1998

» *Accounting Heritage* «



30+ ACCOUNTING FIRM EQUITY PARTNERS

1H2017 Results Summary

- Members of the Parent Entity (After Outside Equity Interest)
 - Profit Before Income Tax **up 12%** to \$2.15M compared to 1H2016 of \$1.92M
 - Excluding Net Benefit from Restructuring Investments of \$0.46M in 1H2016, Profit Before Income Tax **up 47%** to \$2.15M compared to \$1.46M
 - Profit After Income Tax **up 9%** to \$1.76M compared to 1H2016 of \$1.61M
- Earnings Per Share (EPS) **1.16 up 4%** compared to 1H2016 of 1.12 Cents Per Share (CPS)
- **Interim Dividend of 0.40 CPS** (Paid 28 April 2017)
- **Income up 34%** versus 1H2016 principally due to consolidation of MPR Group (MPR)
- 1H2017 **Net Profit Margin of 33%**
- **Net Debt of \$6.6M** up from \$2.3M at 30 June 2016 (Due to acquisition activity)
- Group FUM **increased by \$63M** to \$1.04B
- During the period **MPR became a subsidiary company**, rather than an equity accounted investment. The effect of this is that all income, expenses, assets and liabilities of MPR are now consolidated at 31 December 2016, versus previously, as an equity accounted profit and “Investments accounted for using the equity method”

1H2017 Results Summary

FINANCIAL RESULTS	1H17 \$M	1H16 \$M	% CHANGE 1H17 v 1H16
Consolidated Entity			
Profit Before Income Tax	3.02	2.95	2%
Profit After Income Tax	2.37	2.34	1%
Members of the Parent Entity (After Outside Equity Interest)			
Profit Before Income Tax	2.15	1.92	12%
Profit After Income Tax	1.76	1.61	9%
Basic & Diluted Earnings (cents per share)	1.16	1.12	4%
Dividend Paid & Proposed (cents per share) (Fully franked)	0.40	0.40	-

1H2017 Results Summary

DETAILED FINANCIAL RESULTS	Note	1H17 \$M	1H16 \$M	% CHANGE 1H17 v 1H16
Wealth Management Income				
New Business Income	Note 1	1.15	1.10	5%
Recurring Income	Note 2	3.61	3.72	(3%)
Total Wealth Management Income		4.76	4.82	(1%)
Accounting Income				
Accounting & Business Advisory	Note 3	3.52	-	-
Equity Accounted Profit	Note 4	0.57	1.28	(55%)
Total Accounting Income		4.09	1.28	220%
Other Income		0.22	0.21	5%
Profit on Sale of Investments		-	0.46	(100%)
Total Income		9.07	6.77	34%
Less Group Overheads		(6.05)	(3.82)	(58%)
Profit Before Income Tax		3.02	2.95	2%
Less Non-Controlling Interest		(0.87)	(1.03)	16%
Members of the Parent Entity (After Outside Equity Interest)				
Profit Before Income Tax		2.15	1.92	12%
Profit After Income Tax		1.76	1.61	9%

Income

NOTE 1 NEW BUSINESS INCOME	1H17	1H16	% CHANGE 1H17 v 1H16
Investment Brokerage & Implementation Fees (\$'000)	875	865	1%
Life Insurance (\$'000)	134	150	(11%)
Other (\$'000)	140	80	75%
Total New Business Income (\$'000)	1,149	1,095	5%

NOTE 2 RECURRING INCOME	1H17	1H16	% CHANGE 1H17 v 1H16
Funds Under Management (FUM) (\$'000)	2,925	3,185	(8%)
Life Insurance (\$'000)	321	297	8%
Other (\$'000)	362	241	50%
Total Recurring Income (\$'000)	3,608	3,723	(3%)

NOTE 3 ACCOUNTING INCOME	1H17	1H16	% CHANGE 1H17 v 1H16
Total Accounting & Business Advisory Income (\$'000)	3,519	-	-

NOTE 4 EQUITY ACCOUNTED PROFIT	1H17	1H16	% CHANGE 1H17 v 1H16
Total Equity Accounted Profit (\$'000)	568	1,278	(55%)

1H2017 Results Summary

SUMMARY BALANCE SHEET	31/12/16 \$M	30/06/16 \$M
Current Assets		
Cash & Cash Equivalents	0.7	1.3
Trade & Other Receivables	3.2	1.6
Other Current Assets	1.5	1.4
Non Current Assets	5.4	4.3
Plant & Equipment	0.6	-
Investments	51.6	46.8
Other	0.1	0.1
Total Assets	57.7	51.2
Current Liabilities		
Bank Overdraft	0.4	-
Payables & Provisions	4.6	2.8
Non Current Liabilities	5.0	2.8
Borrowings	6.9	3.6
Total Liabilities	11.9	6.4
Equity	45.8	44.8

FY2017 Progress & Focus

- Integrate MPR into Prime
- Continue to proactively undertake acquisitions
- Invest further in Technology and Prime Client Engagement Platforms
- Build and market the Prime brand to support Complete Accounting, Wealth Management and Capital Advice
- Continue to differentiate at a client solution level
- Foster a culture of innovation



Contact

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Additional Information

Strong, Entrepreneurial & Experienced Board

The Board has the background, proven track record & vision to succeed



Simon Madder
Managing Director
& CEO

Co-founder, Managing Director & CEO of Prime Financial Group Ltd (Prime) since 1998

20 years' experience in Wealth Management & Accounting Services across Operations, Strategy & Acquisitions



Peter Madder
Executive Director
& CFO

Previously Managing Partner of 2 Accounting Firms

Chartered Accountant with 50+ years' experience in Corporate Structuring & Acquisitions, Finance & Operations



Paul Cowan
Independent Non-Executive
Chairman

Executive Director River Capital (Funds Management)

Previously Director of Brumby's Bakeries Holdings Ltd and Cash Converters International Ltd

Chartered Accountant with 30+ years' experience inc. Funds Management & Corporate Advisory



Tim Carroll
Independent Non-Executive
Director

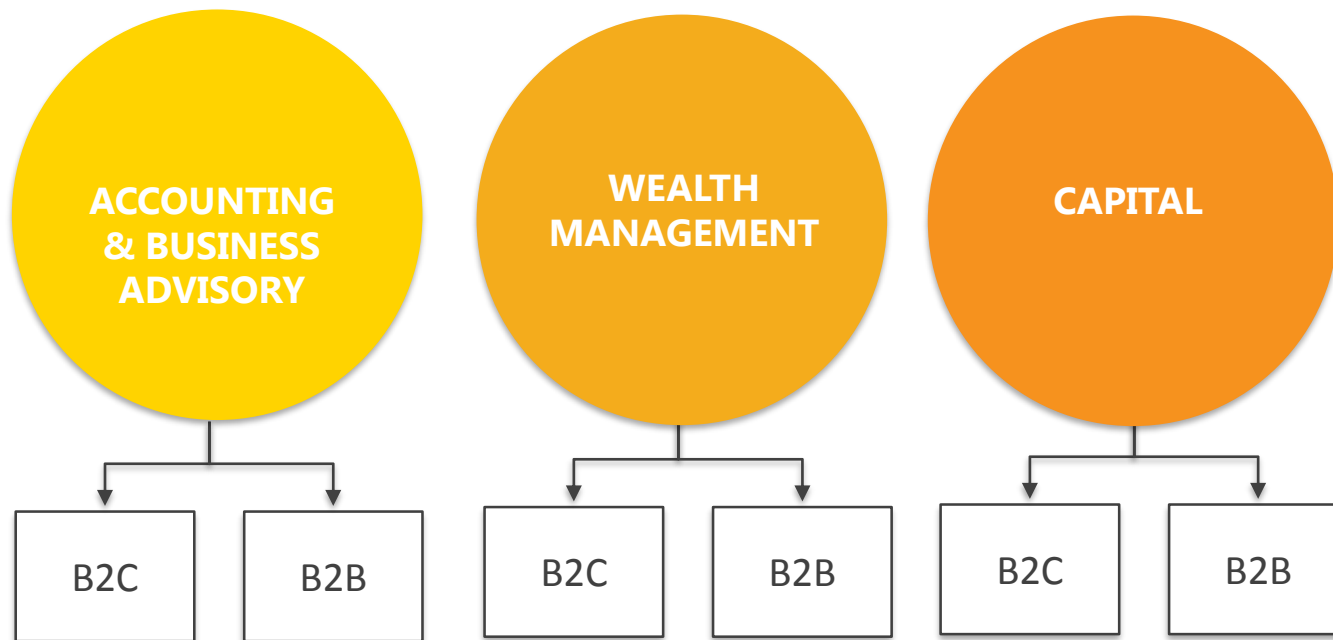
CEO of BUCKiTDREAM Inc (Entertainment & Digital Marketing Company)

Previously Chief Global Marketing Officer Village Roadshow Corporation (2000 to 2011)

20+ years' experience in Marketing & Customer Relationship Management, expert in Entertainment, Brand, Digital & Social, Loyalty Marketing and Media

Prime's business model

Integrated Accounting & Business Advisory, Wealth Management & Capital Advice



B2C: Business to Client
B2B: Business to Business

Prime has a growing and connected ecosystem for



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Our Clients receive:

1. Wealth Management & Superannuation Advice
2. Business and Personal; Planning, Management and Accounting
3. Protection for Business and Personal Capital
4. Access to Capital for Growth and Innovation



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