

21 June 2017

Company Announcements Office
Australian Securities Exchange Limited

Prime Financial Group Ltd
ACN 009 487 674

Level 17, Como Office Tower
644 Chapel Street
South Yarra VIC 3141

Tel 03 9827 6999
Fax 03 9827 9100

enquiries@primefinancial.com.au
www.primefinancial.com.au

Presentation – 11th microEQUITIES Rising Stars Microcap Conference 27th June 2017

Please find attached a copy of the presentation that Simon Madder (Managing Director & CEO) of Prime Financial Group Ltd (Prime - ASX code PFG) will be making on 27 June at 10.00am at the 11th microEQUITIES Rising Stars Microcap Conference held at the Four Seasons Hotel in Sydney.

About Prime Financial Group

Prime Financial Group Ltd (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 and Advisory firms. Prime's goal is for clients to receive complete Accounting, Wealth Management and Capital Advice.

For more information on this announcement please contact **Simon Madder (Managing Director / CEO) on (03) 9827 6999.**



Prime Financial Group Ltd (ASX PFG)

27 June 2017

Important Notice And Disclaimer

This investor presentation (**Presentation**) has been prepared by Prime Financial Group Limited (**PFG**).

Summary information

This Presentation contains summary information about PFG. The information in this Presentation is general background information and does not purport to summarise all information that an investor should consider when making an investment decision. It should be read in conjunction with PFG's other periodic and continuous disclosure announcements lodged with the Australian Securities Exchange (**ASX**), which are available at www.asx.com.au or www.primefinancial.com.au. Not all assets depicted in the Presentation are necessarily owned by PFG or any entity managed by PFG. Figures may not sum due to rounding. Currencies are generally presented in Australian dollars and times are references to Melbourne times except where the context requires otherwise.

Forward Looking Statements

This Presentation contains forward looking statements which may be subject to significant uncertainty outside of PFG's control. No representation is made as to the accuracy or reliability of the forecasts or the assumptions on which they are based.

Actual future events may vary from these forecasts. Users of this information are cautioned against placing undue reliance on any forward looking statements.

Not investment advice

This Presentation is for information purposes only and is not financial product or investment advice or a recommendation to acquire entitlements or shares. This Presentation is not a prospectus or a product disclosure statement under the *Corporations Act 2001* (Cth) (**Corporations Act**) nor is it an offering document under any other law, and has not been lodged with ASIC. The information in this Presentation has been prepared without taking into account the investment objectives, financial circumstances, taxation position or particular needs of investors. Before making an investment decision, prospective investors should consider the appropriateness of the information having regard to their own objectives, financial situation and needs and seek appropriate legal, financial and taxation advice appropriate to their jurisdiction.

Disclaimer

No representation or warranty, express or implied, is made as to the fairness, accuracy, completeness or correctness of the information, opinions and conclusions contained in this Presentation. To the maximum extent permitted by law, none of PFG nor any of its related bodies corporate, shareholders or respective directors, officers, employees, agents or advisors (collectively, **Related Parties**), nor any other person accepts any liability, including, without limitation, any liability arising out of fault or negligence for any loss arising from the use of information contained in this Presentation. To the fullest extent permitted by law, PFG and its Related Parties:

- do not accept any responsibility for any interpretation that any recipient or any other person may place on this Presentation or for any opinion or conclusion that any recipient or any other person may form as a result of examining the information contained in this Presentation; and
- do not accept any liability, whether direct or indirect or consequential, for any loss, damage, cost, expense, outgoing, interest, loss of profits or loss of any kind (**Losses**) suffered or incurred by any person (whether foreseeable or not) as a result of or by reason of or in connection with the provision or use of information contained (or not contained) in this Presentation, or of any recipient or its representatives or advisers acting on or relying on any information provided or referred to in or omitted from this Presentation or any other written or oral opinions, whether the Losses arise in connection with any negligence, default or lack of care on the part of PFG and its Related Parties or any other cause.

Any recipient of this presentation acknowledges and agrees that:

- they will rely entirely upon their own assessment and advice in relation to the business, assets, financial position and affairs of PFG, including conducting independent inquiries, due diligence or analysis with appropriate legal, financial, taxation and other advice, as required; and
- any opinions expressed in this presentation are based on the knowledge and approach of the persons forming the opinion at the date that the opinion was formed and may have ceased or may in the future cease to be appropriate in the light of subsequent knowledge or attitudes.

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 and Capital advice

Prime At A Glance



ASX Listed

- Established in 1998
- Accounting & Wealth Management Heritage
- Market Cap: \$27m



National

- 80+ Team Members
- Personalised & Integrated Advice
- Leading Innovation Partner to Entrepreneurs



\$1.0+ Billion Funds Under Management

- Partner to 30+ Accounting Firms

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



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



Peter Madder
Executive Director
& CFO

Previously Managing Partner of 2 Accounting Firms

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



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

Services We Offer



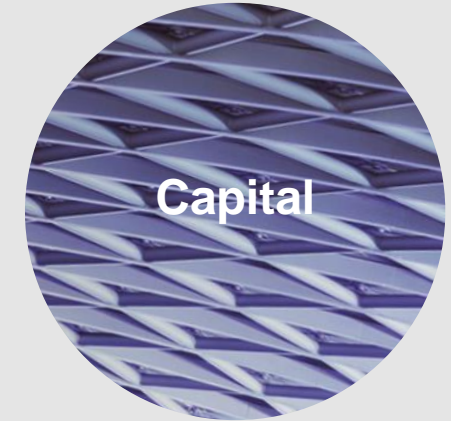
Whether you are a Business Owner, Founder, CEO, CFO – a start up; U.S. biotech looking to R&D in Australia; a small privately held business; to larger family enterprise; to unlisted or listed public company – through innovation and services we help you grow your enterprise

- Accounting & Tax Compliance
- Director & Board Services
- Management Advisory
- Start Up Services
- Outsourced CFO & Accounting Services
- SME Advisory
- Grants & Tax Incentives
- Innovation & Commercialisation



Professionals, Executive's, Business Owner's, Family Groups and Retirement orientated clients seek guidance and advice to manage and grow wealth to plan and protect for the future

- Financial & Retirement Planning
- Investment Advice
- Life Insurance
- Estate Planning, incl. Legal Services
- Superannuation incl. SMSF
- Lending & Finance
- Budgeting & Cashflow






Whether accessing Equity Capital for growth or selling to realise value, we work with your aspirations to achieve your goals and objectives

- Corporate Advisory
- Transactions & Restructuring
- Capital Raising

Prime's Business Model

- Deliver Integrated Advice across Prime's three core service lines through Prime's national office structure to Prime's Direct Client base
- Partner with Accounting & Advisory Firms to help them deliver Integrated Advice across the three service lines, to their client base

How We Generate Income

			
Fee for Service	✓	✓	✓
Ongoing Retainer	✓	✓	✓
Success Fees	✓		✓
Asset Based Fees		✓	
Investment Brokerage		✓	
Insurance Commission		✓	

- Approximately 80% of Prime's income is recurring from the same client base
- The typical client across the group pays \$10,000 - \$20,000 a year in fees

How We Operate

- Prime operates a 'Hub and Spoke' model
- Core teams and infrastructure are centralized wherever possible, typically in Melbourne where Prime's head office is located
- Scalability of service line is a central theme
- Increasingly, Prime is a technology led but people driven business - Automation through technology is a priority, outsourcing is also utilised
- Personalised service and advice across common areas of expertise

Key Developments and FY2017 Progress



Corporate Development

- Acquisition of MPR
- Additional services, R & D and EMDG
- New division, Capital
- Acquisition of Altezza
- Acquisition of Equity Crowdfunding Platform (via Altezza)



People

- Increased team members from 35 to 80
- Brisbane presence through acquisition of Altezza (10 of 80 team members)



Investment Advice & Funds Management

- FUM of \$1.1Billion @ 31 May 2017
- Substantially increased use of Prime Separately Managed Accounts (SMA's) from \$96M in June 2016 to \$151M in May 2017
- \$1 Billion FUM advisory role (external)

Opportunities

- Leading Innovation Partner to Entrepreneurs and a Key Service Provider
- A Capital Facilitator for Early Stage Companies
- Significant Wealth Management & Superannuation Provider in the Non-Bank Advice Channel
- Provider of Scaled Investment and Funds Management Solutions
- Cornerstone Partner to Accounting & Advisory Firms for Integrated Advice
- 30,000+ clients of Prime's 30+ Accounting 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

DETAILED FINANCIAL RESULTS	1H17 \$M	1H16 \$M	% CHANGE 1H17 v 1H16
Wealth Management Income			
New Business Income	1.15	1.10	5%
Recurring Income	3.61	3.72	(3%)
Total Wealth Management Income	4.76	4.82	(1%)
Accounting Income			
Accounting & Business Advisory	3.52	-	-
Equity Accounted Profit	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%

Market Update – 20 June 2017 (Forecast)

- **Profit Before Income Tax** from continuing operations expected to **increase by 21 - 26%**
- Increased Debt Facility from **\$7.7m to \$12.0m** (expected debt at 30 June 2017 \$8.25m (approx.))
- Consolidated Group **Income expected to increase by 35%** (approx.)
- **Stronger than normal Net Inflows of FUM**
- **Final Dividend** expected to **increase** from 0.40cps to **0.45cps**
- Prime's focus in the 2018 financial year will be directed to the **integration of recent acquisitions**, the further **deployment of Prime's expanded business and service model** across both owned and partner firms and the **identification of new partners** to join the Group

Contact

Simon Madder

Managing Director/CEO

Prime Financial Group Ltd

(T) (03) 9827 6999

(E) simonm@primefinancial.com.au

(W) www.primefinancial.com.au



**Accounting &
Business Advisory**
1800 317 005

Wealth Management
1800 064 959

Capital
1800 317 006