

29 November 2019

Company Announcements Office
Australian Securities Exchange Limited

Prime Financial Group Ltd
ACN 009 487 674

Level 17, HWT Tower
40 City Road
Southbank VIC 3006

Tel 03 9827 6999
Fax 03 9827 9100

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

**Prime Financial Group Ltd (Prime – ASX code PFG)
2019 Annual General Meeting**

In accordance with the requirements of the ASX Listing Rules, Prime Financial Group Ltd (ASX: PFG) is pleased to provide a copy of the presentation to be given by Prime's Interim Chairman, Mr Tim Carroll, and its Managing Director/CEO, Mr Simon Madder at the Company's Annual General Meeting (which will commence at 9.00am this morning).

About Prime Financial Group

Prime is 'One Connected' professional services firm, operating across four key areas in Accounting & Business Advisory, Wealth Management, SMSF and Capital in its three core locations of Melbourne, Sydney and Brisbane.

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

29 November 2019

2019 ANNUAL GENERAL MEETING

Chairman's Address

Good morning Ladies and Gentlemen. On behalf of my fellow Directors, Mr Simon Madder and Mr Peter Madder, it gives me great pleasure to welcome you to the 2019 Annual General Meeting of Prime Financial Group Limited. My name is Tim Carroll, and I have the honour of being your Interim Chairman.

I would also like to take the opportunity to welcome the members of our team who are in attendance this morning, as well as representatives from our auditors, EY, and from our legal advisers, HFW Australia. I would also like to welcome representatives of Computershare, who will be counting votes on resolutions to be considered this morning.

The agenda for this meeting will comprise of my address, followed by our Managing Director/CEO, Mr Simon Madder's presentation on the business and the results for the 2019 financial year. Mr Simon Madder will also provide an update for the current financial year. We will then allow time for questions on the business of Prime.

The formal business of the meeting will then be conducted which will include resolutions for the adoption of the 2019 Annual Financial Statements and the Remuneration Report, followed by the re-election of Mr Peter Madder as a Director of the Company.

On behalf of shareholders, I would like to thank our Managing Director/CEO, Mr Simon Madder for his dedication and leadership, my fellow Director Mr Peter Madder, our management team and staff for their passion and commitment, and also our 30+ partner firms across the country. Simon has successfully led the company and with his team built the foundations for greater revenue and EBITDA performance in the coming years.

In the year ended 30 June 2019 (FY19), Prime are pleased to report increased earnings and the completion of the restructure of the firm, a significant milestone. Prime is now 'One Connected' professional services firm, operating across four key areas in Accounting & Business Advisory, Wealth Management, SMSF and Capital in its three core locations of Melbourne, Sydney and Brisbane.

Our goal has consistently been to deliver a complete service offering that encompasses our core service areas to provide clients with a seamless and high-quality experience, empowering them to achieve their aspirations.

We would like to thank our clients for their ongoing custom, our team for their dedication and flexibility through the recent change process and our Accounting Firm relationships for their support.

Mr Simon Madder will elaborate further on the performance of Prime and our financial results for the year during his presentation.

In closing, I would like to thank our shareholders for their continued support of Prime during the year and in particular those shareholders who have been able to attend today's meeting.

Your Board and Management Team are working hard to realise Prime's potential to grow our business and service offerings, and to see these efforts recognised by way of increased earnings, and consequential growth in value attributed to the Prime business.

Tim Carroll
Interim Chairman



Prime Financial Group Ltd (ASX: PFG)

AGM Presentation

29 November 2019



Welcome

Directors



Tim Carroll

Independent Non-Executive
Chairman (Interim)



Simon Madder

Chief Executive Officer
& Managing Director



Peter Madder

Executive Director



Auditors

EY



Legal Advisors

HFW



Share Registry

Computershare Investor Services

Agenda

1. Independent Non-Executive Chairman's (Interim) Address – Tim Carroll
2. Managing Director/CEO's Presentation – Simon Madder
3. Business of the Meeting



Prime Financial Group Ltd (ASX: PFG)

Managing Director/CEO's Presentation



FY19 Highlights

Organic revenue growth accelerating (contracts with customers) ✓

- H1 FY19 revenue was 2% higher than H1 FY18
- H2 FY19 revenue was 9% higher than H2 FY18
- FY19 revenue was 5% higher than FY18

Earnings growth for members/shareholders; ✓

- Underlying EBITDA increased by 9% in FY19 vs FY18
- Reported NPAT for members/shareholders increased from a loss of (\$1.1) million to a profit of \$1.3 million in FY19

Integration has been prioritised over acquisition ✓

Final minority equity interest divested ✓

Closure of PWM finance structure ✓

Now 'One Connected' professional services firm across offices in Melbourne, Sydney & Brisbane ✓

Key Takeaways

- ✓ **Completion of Restructure & Repositioning**
- ✓ **Focused Earnings & Revenue Growth**
- ✓ **Integration Accelerating**
- ✓ **Leveraging existing Services Platform, Team & Cost Base**

aspire, innovate, grow

Key Financial Metrics

FY19 versus FY18

FY19 Financial Highlights*	Prime Financial – Members/Shareholders			Prime Financial – Group		
	FY19	FY18	Change	FY19	FY18	Change
Underlying						
Revenue - contracts with customers	\$20.7m	\$19.7m	↑ 5%			
Revenue - total	\$21.8m	\$21.3m	↑ 3%			
EBITDA*	\$4.1m	\$3.8m	↑ 9%	\$5.4m	\$5.5m	↓ (2%)
Margin	19%	18%	↑ 1%	25%	26%	↓ (1%)
NPAT	\$2.4m	\$2.2m	↑ 8%	\$3.3m	\$3.5m	↓ (5%)
Diluted EPS (cents per share)	1.39	1.29	↑ 8%			
Reported						
NPAT	\$1.3m	(\$1.1m)	N/A	\$2.2m	\$0.1m	N/A
Diluted EPS (cents per share)	0.77	(0.67)	N/A			
Dividends paid (cents per share)	0.40	0.90	↓ (56%)			

Prime's key profitability measure is underlying EBITDA for members/shareholders

Underlying EBITDA for members/shareholders removes the impact of financing costs, movements in the non-cash items such as depreciation, amortisation and one-off items, and focuses on the earnings available to shareholders

FY19 Underlying EBITDA for members/shareholders includes non-recurring expenses of \$1.6 million

*EBITDA is defined as earnings before interest, tax, depreciation and amortisation.

Note: to nearest AUD \$million and as such subject to rounding differences when calculating variances and totals.

aspire, innovate, grow

Performance by Segment

FY19

Prime has two reporting segments from previously one reporting segment;

- **Wealth Management & SMSF** – Wealth Management, Financial Planning plus SMSF services and advice
- **Accounting, Business Advisory plus Capital** – Accounting, Tax and Advisory services, plus Capital and Corporate advice

FY19	Wealth & SMSF \$m	ABA & Capital \$m	Corporate \$m	Group \$m
Segment Revenue	10.3	10.5	-	20.8
Other & Interest Income	0.5	0.5	-	1.0
Total Segment Revenue	10.8	11.0	-	21.8
Segment Expenses	(8.3)	(8.4)	(1.0)	(17.7)
Segment Profit/(Loss)	2.5	2.6	(1.0)	4.1

Key Takeaways

- Segment performance is evaluated based on segment profit/loss. The Group's financing, taxes, depreciation and professional fees, are managed on a Group basis and are not allocated to reporting segments

Please refer to Note 30 in the Prime FY19 Financial Report for further information and analysis on performance.

Note: to nearest AUD \$million and as such subject to rounding differences when calculating variances and totals.

aspire, innovate, grow

Balance Sheet, Cash Flow & Net Debt

FY19 versus FY18



Balance Sheet

Group (AUD million)	At 30 June 2019	At 30 June 2018
Cash	0.2	0.9
Total assets	55.5	60.5
Borrowings	(9.6)	(8.6)
Total liabilities	(16.0)	(20.7)
Net assets	39.5	39.8
Non-controlling interests	1.2	6.1
Equity attributable to Members/Shareholders	38.2	33.7
Group net debt	(9.4)	(7.7)

Key Takeaways

- Operating cash inflow difference largely due to the increase in non-recurring expenses
- Investing cash outflow of \$2.6 million includes business acquisitions & disposals and dividends to non-controlling interests
- Finance cash inflow was substantially the drawdown of the debt facility & sale of treasury shares partially offset by dividends paid to members/shareholders
- Prime is targeting a net debt to underlying EBITDA ratio of 2 - 2.5 times. At 30 June 2019 this was 2.3 times

Note: to nearest AUD \$million and as such subject to rounding differences when calculating variances and totals.

Cash Flow

Group (AUD million)	FY19 Reported	FY18 Reported
Operating cash flow	1.6	2.7
Investing cash flow	(2.6)	(0.7)
Financing cash flow	0.3	(1.7)
Net cash flow - for financial year	(0.7)	0.3
Cash	0.2	0.9

aspire, innovate, grow

Outlook for Members/Shareholders – FY20



Continued organic
earnings growth

- Revenue from contracts with customers 5% + (v FY19)
- Reported EBITDA 30% + (v FY19)
- Underlying EBITDA 5% + (v FY19)



Improved cash flow &
dividends

- Group operating cashflow + \$1.5 million (v FY19)
- FY20 Interim dividend to match FY19 (0.20 cents per share) & Final dividend expected to increase (subject to debt reduction)

Outlook for Members/Shareholders – FY20



Reduce debt

- Reduce Group net debt by up to 5% (v FY19)
- Target net debt to underlying EBITDA ratio of 2.0 - 2.5 times (v 2.3 times FY19)



Accelerate
integration & client
service

- Empowering our clients to achieve their aspirations through additional Prime services & value

Business Of The Meeting

1. Consideration of the Financial Statements

Note: There is no requirement for the shareholders to approve these statements

2. Adoption of the Remuneration Report

3. Re-Election of Director – Mr Peter Madder



Resolution 1

Remuneration Report

- The first item on the agenda is the resolution concerning the Remuneration Report
- Article 37.2 of the Company's Constitution states that a resolution put to the vote of a meeting is decided on a show of hands unless a poll is demanded. As Chairman, I have elected that the resolution be put to vote as a poll

Resolution 2

Re-election of Director Mr Peter Madder

- The second item on the agenda is the resolution concerning the Re-election of Mr Peter Madder as a Director of the Company
- Article 37.2 of the Company's Constitution states that a resolution put to the vote of a meeting is decided on a show of hands unless a poll is demanded. As Chairman, I have elected that the resolution be put to vote as a poll

Contact



Simon Madder
Managing Director/CEO
Prime Financial Group Ltd

T (03) 9827 6999
E simonm@primefinancial.com.au
W www.primefinancial.com.au



Rory McLaughlin
Group Financial Controller
Prime Financial Group Ltd

T (03) 9827 6999
E rorym@primefinancial.com.au
W www.primefinancial.com.au



Ben Priestley
Head of Finance
Prime Financial Group Ltd

T (03) 9827 6999
E benp@primefinancial.com.au
W www.primefinancial.com.au

Important Notice & 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.