

ASX RELEASE.

BELL FINANCIAL GROUP

12 August 2020

Bell Financial Group reports an interim profit of \$23.5 million before tax, and a 4 cents per share fully franked dividend

Key Highlights

- \$129.6 million revenue, a 7.4% increase on the previous corresponding period (pcp).
- \$23.5 million profit before tax (pbt), a 5% increase on pcp.
- 4 cents per share fully franked dividend, a 14% increase on pcp.
- Margin Lending, Cash and Structured Products net revenue increased 50% to \$7.5 million, and pbt increased 120% to \$2.4 million.
- Platforms and Technology revenue increased 42% to \$12.2 million, and pbt increased 140% to \$3.3 million.
- Strong Balance Sheet with \$88 million net cash and no core debt.
- A significant contribution from Equity Capital Markets.
- ASX approval received to commence Third Party Clearing.

Executive Chairman Alastair Provan said, "Given the circumstances we've found ourselves in over the past few months, it's very pleasing to be in a position to report such a strong half-year result. Both our Retail and Wholesale broking divisions performed well, and our continued investment in Products, Services, Technology and Platforms is being rewarded.

I confirm that throughout Covid-19, when required, our technology has provided us with the ability to efficiently operate remotely across the entire business. I can also confirm that our result has been achieved without having to apply for Government assistance of any description."

See attached presentation.

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This announcement was authorised for release by the Board.

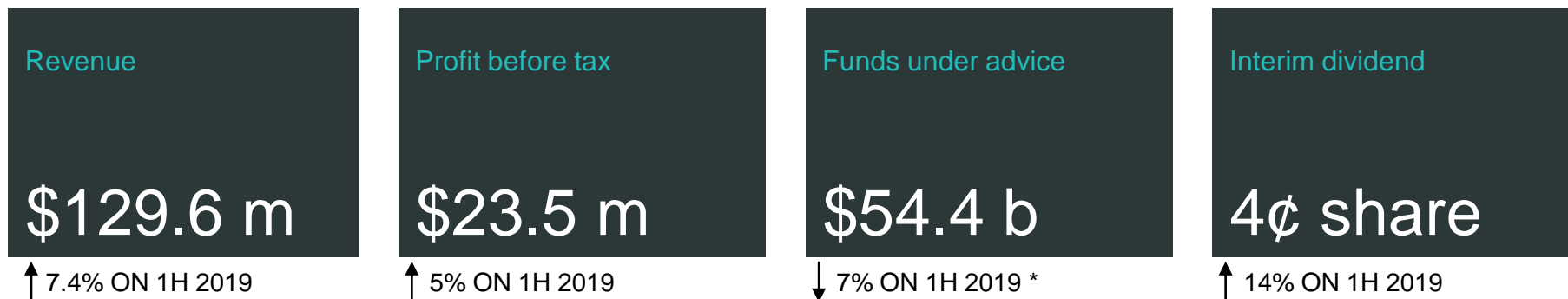
ABOUT BELL FINANCIAL GROUP

Bell Financial Group Ltd (ASX:BFG) is an Australian-based provider of stockbroking, investment and financial advisory services to private, institutional and corporate clients. Bell Financial Group has over 680 employees, operates across 15 offices in Australia and has offices in New York, London, Hong Kong and Kuala Lumpur.

BELL FINANCIAL GROUP **(ASX:BFG)** **HALF YEAR RESULTS**

12 AUGUST 2020

KEY HIGHLIGHTS



- First half revenue \$129.6 million, up 7.4% on the previous corresponding period (p.c.p).
- First half profit before tax \$23.5 million, up 5% on the p.c.p.
- We continue to invest in our proprietary platforms and technology, and our in-house products and services. The benefits are tangible:
 - Revenues in this segment increased 39% to \$36.8 million, representing 28% of total Group revenue.
 - Net Revenue in our Margin Lending, Cash and Structured Products business increased 50% to \$7.5 million and profit before tax increased 120% to \$2.4 million.
 - Revenue in our Platforms & Technology business (Third Party Platform) increased 42% to \$12.2 million and profit before tax increased 140% to \$3.3 million.
- A strong Balance Sheet with \$88 million net cash and no core debt.
- Equity Capital Markets made another significant contribution.
- Third Party Platform received ASX approval to commence Third Party Clearing.

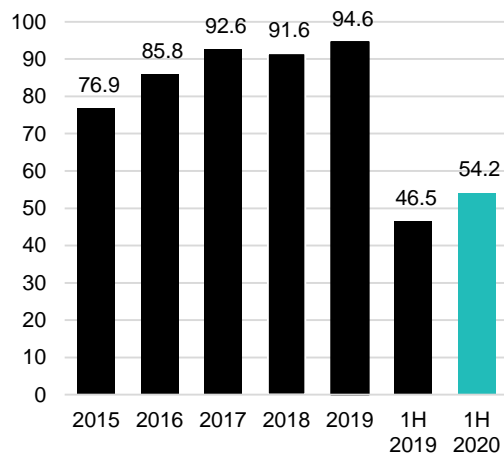
- F.U.A. down 7% on 1H 2019 compared with the S&P/ASX200 benchmark down 12%

OUR BUSINESSES

RETAIL / WHOLESALE		RETAIL
BELL POTTER	THIRD PARTY PLATFORM	BELL POTTER CAPITAL
<ul style="list-style-type: none"> — Retail Equities — Institutional Equities — International Equities — 24-hour Futures & FX Desk — Equity Capital Markets (ECM) — Research — Portfolio Administration — Superannuation 	<div> <div>desktopbroker</div> <div>belldirect</div> <div>MACQUARIE</div> <div>HSBC</div> <div>BELL POTTER ONLINE</div> <div>THIRD PARTY CLEARING</div> </div> <div> <div>Institutional & Financial Planners online share trading</div> <div>Private Client online share trading</div> <div>White label online share trading</div> <div>Third Party Clearing</div> </div>	<ul style="list-style-type: none"> — Margin Lending — Cash Accounts — Structured Products

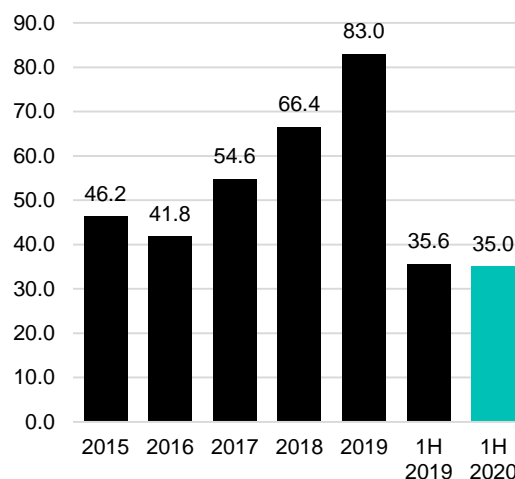
One of Australia's largest full service broking, Equity Capital Markets and financial advisory firms.

BROKERAGE REVENUE (RETAIL & WHOLESALE) (\$M)



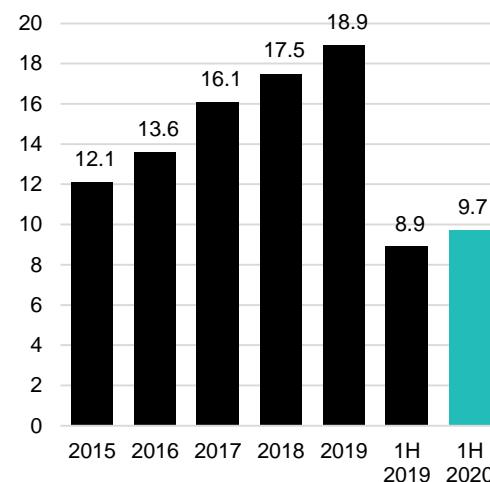
- 325 Financial Advisers servicing 500,000 retail, wholesale and institutional client accounts.
- \$54.2 million in gross brokerage revenue in 1H 2020, up 17%.

ECM REVENUE (\$M)



- Successfully executed more than 50 transactions in the first half.
- Raised in excess of \$1.1 billion in new equity capital.
- \$35 million in fee income earned, consistent with the p.c.p.

PAS & SUPER SOLUTIONS REVENUE (\$M)



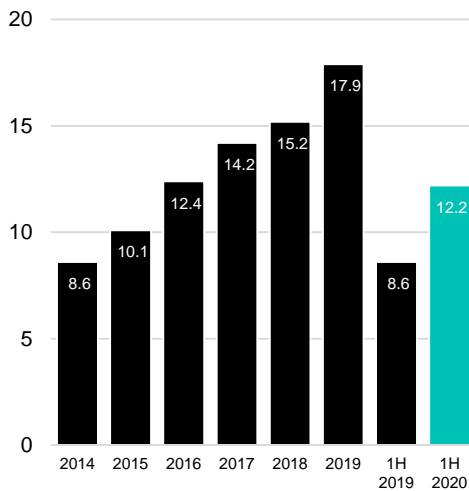
- Consistent long term growth.
- \$3.6 billion in F.U.A.
- \$9.7 million revenue 1H 2020, up 8% on the p.c.p.

THIRD PARTY PLATFORM

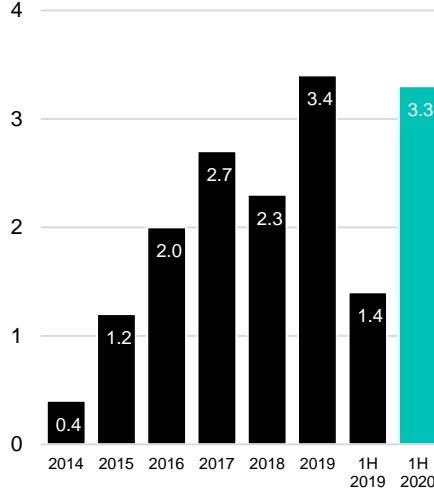
Consistent growth in revenue, profit, sponsored holdings and client accounts over an extended period.

- \$12.2 million revenue 1H 2020, up 42% on p.c.p.
- \$3.3 million profit before tax 1H 2020, up 140% on the p.c.p.
- \$21.3 billion in Sponsored Holdings, up 6% on p.c.p.
- 193,000 client accounts.

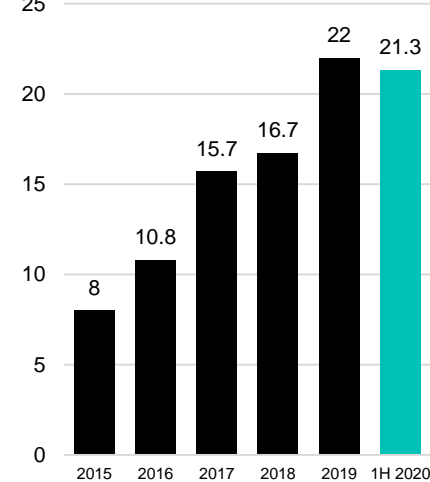
REVENUE (\$M)



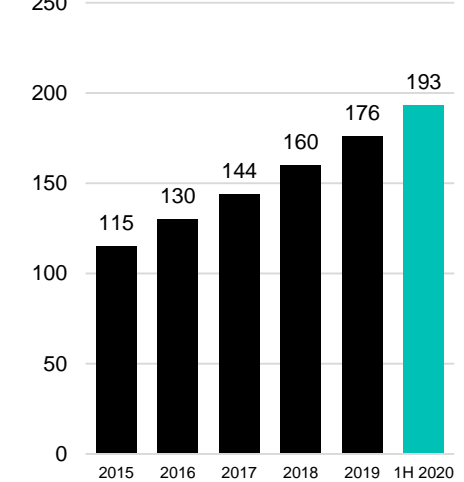
PROFIT BEFORE TAX (\$M)



SPONSORED HOLDINGS (\$B)



CLIENT ACCOUNTS ('000)

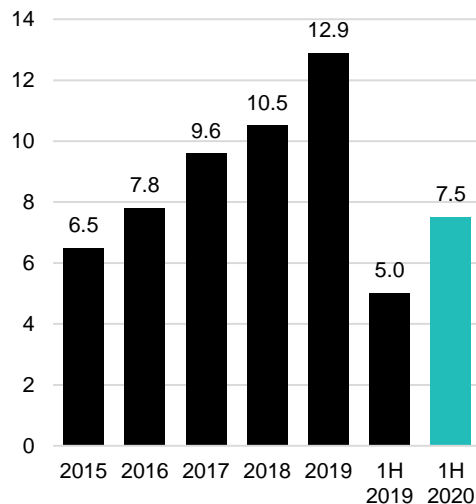


BELL POTTER CAPITAL

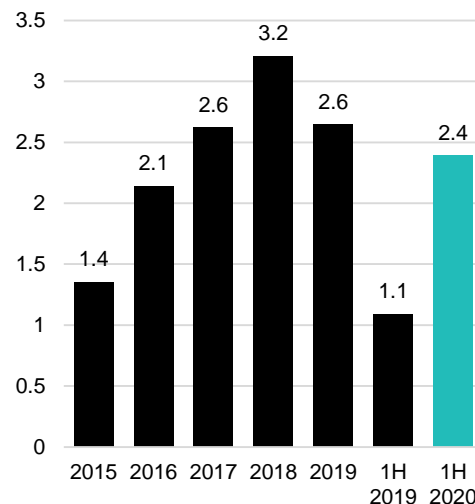
The only non-bank margin lending business in Australia.

- \$7.5 million revenue 1H 2020, up 50% on 1H19
- \$2.4 million profit before tax 1H 2020, up 120% on the p.c.p
- \$447 million loan book 1H 2020, up 65% on the p.c.p
- \$472 million cash book 1H 2020, up 51% on the p.c.p
- Consistent revenue and earnings growth

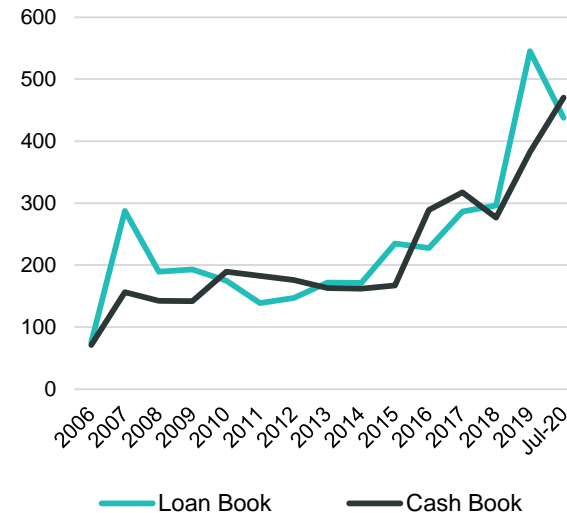
NET REVENUE (\$M)



PROFIT BEFORE TAX (\$M)



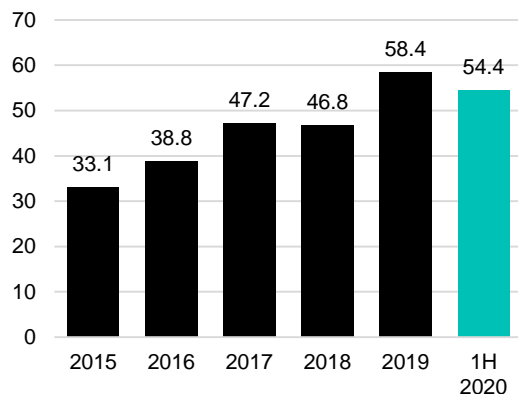
LOAN & CASH BOOK (\$M)



GROUP FUNDS UNDER ADVICE

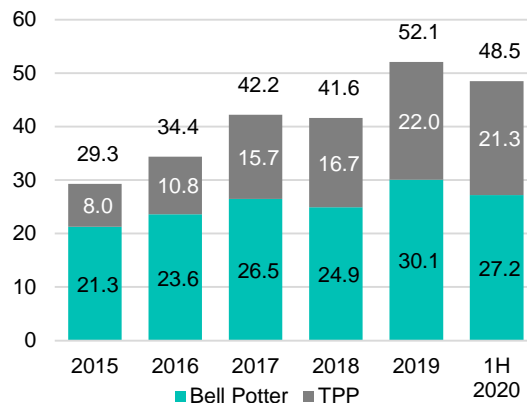
FUNDS UNDER ADVICE (\$B)*

↓ 7% on December 2019



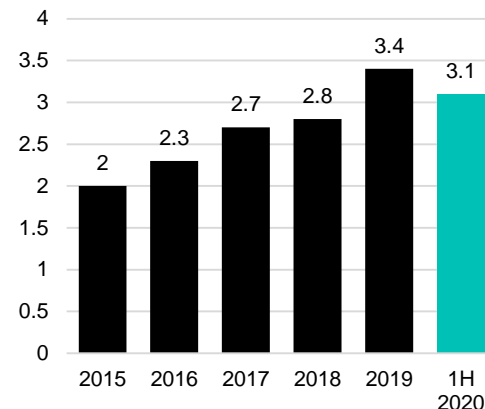
CHESS SPONSORED HOLDINGS (\$B)

↓ 7% on December 2019



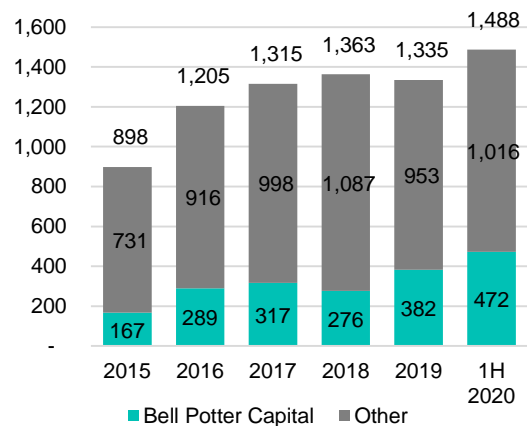
PAS (\$B)

↓ 7% on December 2019



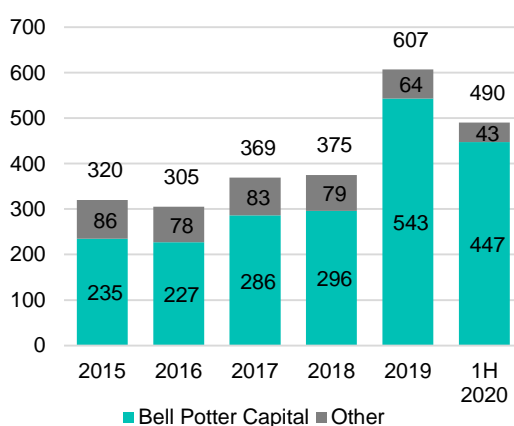
CASH DEPOSITS (\$M) *

Bell Potter Capital ↑ 24% on December 2019



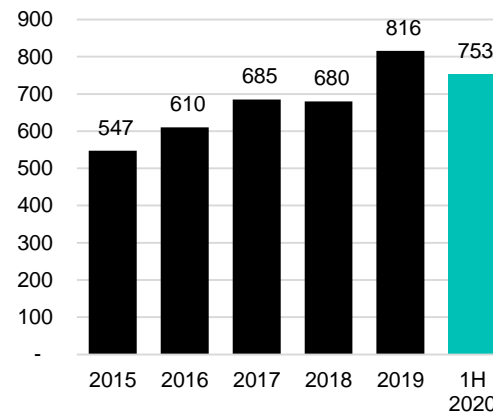
MARGIN LOANS (\$M)*

Bell Potter Capital ↓ 18% on December 2019



SUPERANNUATION ASSETS (\$M)*

↓ 8% on December 2019



- FUA down on average 7% for the 6 months to 30 June versus the S&P/ASX200 benchmark down 12% over the same period.
- Client deleveraging has resulted in a reduction in the margin loan book and a similar increase in cash deposits.

STRATEGY

1. Technology and Proprietary Platforms

Committed to investment in market leading technology and proprietary platforms.

2. Products and Services

Development of quality in-house products and services.

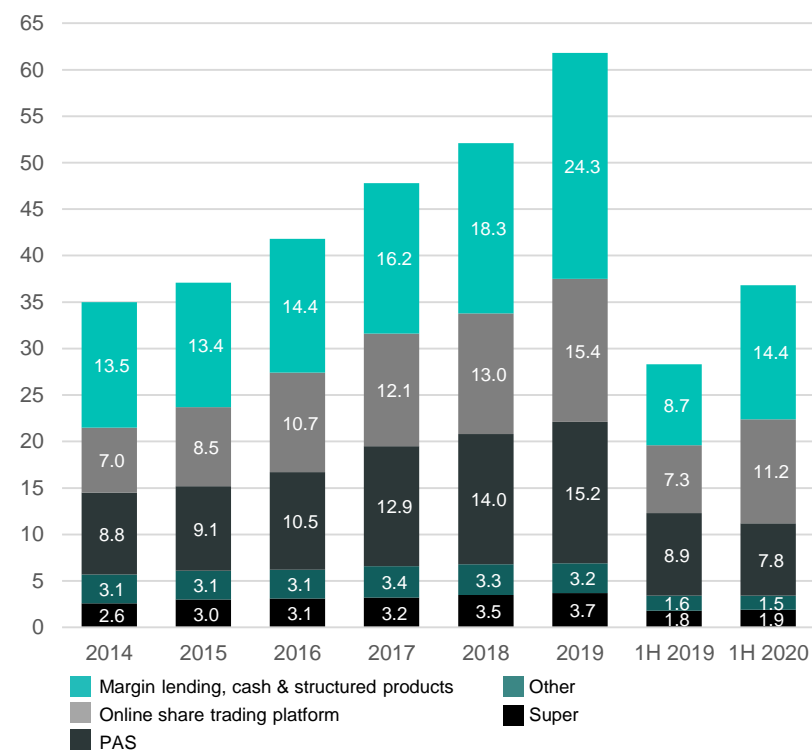
TECHNOLOGY AND PLATFORMS		PRODUCTS AND SERVICES
FUSION – CRM	TPP and Third Party Clearing	Research
<p>FUSION is a desktop application covering all aspects of the Adviser's day to day functions in one fully integrated convenient application covering:</p> <ul style="list-style-type: none">• Compliance – SOA, ROA, Profile• Research – BPS, Citi, Morningstar• Markets – Local & International• Term Deposits / Cash Management / Margin Lending• ECM• CRM – Prospector• Comprehensive Reporting• Workflow• Operations <p>We believe FUSION provides our Advisers with measurable efficiencies in relation to compliance and client management and gives us a real market edge.</p>	<p>TPP has recently been approved as a General Market Participant of ASX and will become the clearing platform for the Bell Group and selected external clients.</p> <p>Represents an opportunity to not only reduce Bell Potter's cost of producing a contract note but also provides TPP with an additional revenue stream.</p> <p>We remain committed to ongoing investment in technology. We currently have 75 full-time programmers, developers and IT staff across the Group.</p> IQ	Portfolio Administration Service
		Cash Accounts
		Superannuation
		Margin Lending
		Structured Products

STRATEGY (CONT.)

Investment in Technology and Platforms, and Products and Services businesses is producing material growth in recurring revenues.

- Approximately 11% of Group FUA, \$5.9 billion, currently use our various technology and platforms, products and services.
- Recurring revenue of \$36.8 million for the six months to 30 June 2020, 39% higher than previous corresponding period.
- Recurring revenues represent approximately 28% of total revenue.
- This initiative is a significant component of our ongoing business development with increased leverage to technology producing better outcomes for our staff and clients.

RECURRING PLATFORMS & TECHNOLOGY AND PRODUCTS & SERVICES REVENUE (\$M)



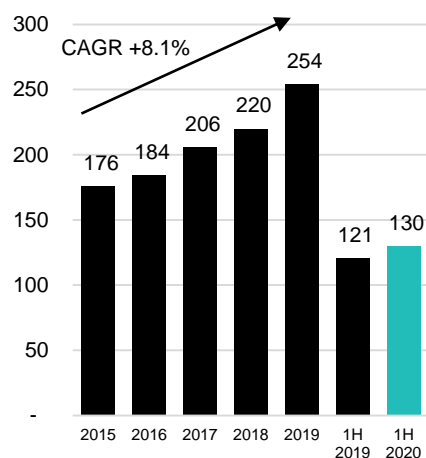
BELL FINANCIAL GROUP (ASX:BFG)
HALF YEAR RESULTS

FINANCIAL SUMMARY

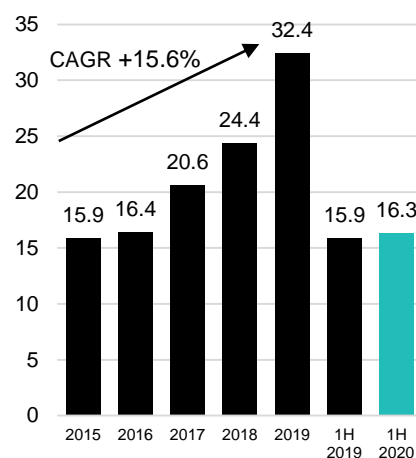
FINANCIAL SUMMARY

Consistent growth across all business divisions over an extended period.

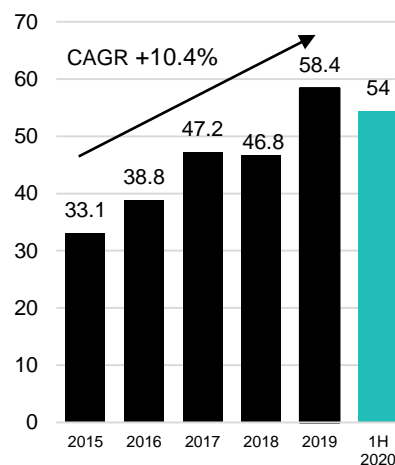
REVENUE (\$M)



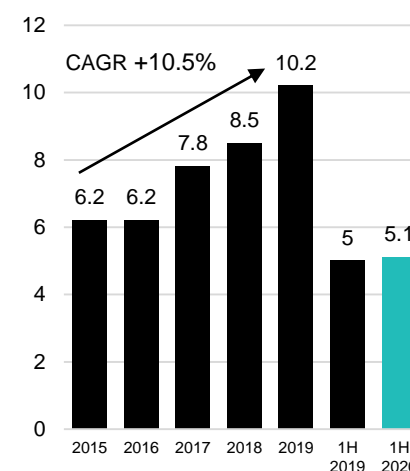
NPAT (\$M)



FUNDS UNDER ADVICE (\$B)*



EARNINGS PER SHARE (CENTS)



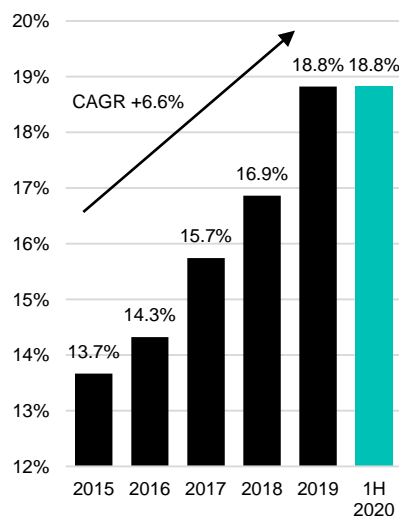
CAGR calculation based on 1H 2020 annualised

- FUA down on average 7% for the 6 months to 30 June versus the S&P/ASX200 benchmark down 12% over the same period.

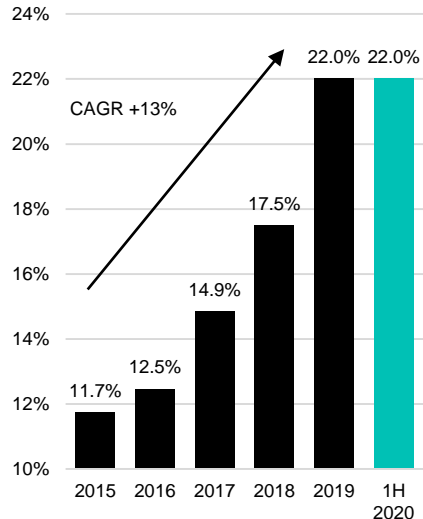
FINANCIAL SUMMARY (CONT.)

We have a solid cash-backed balance sheet with no core operating debt

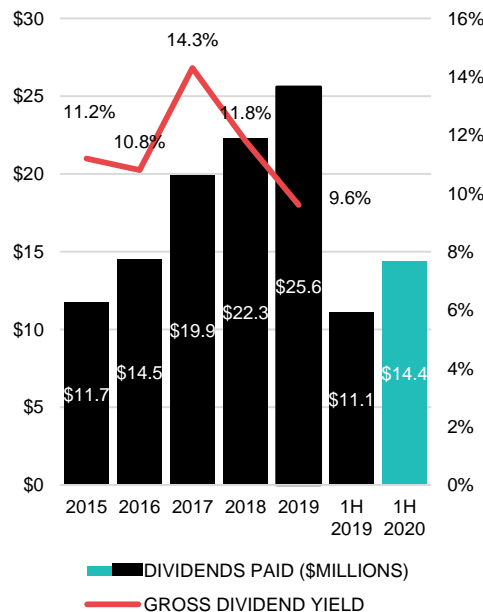
EBITDA MARGIN



RETURN ON EQUITY



DIVIDENDS PAID (\$M) AND GROSS DIVIDEND YIELD (%)



BALANCE SHEET

As at 30 June 2020

	\$M
Cash	88.2
Net assets	213.4
Net tangible assets	69.8
Borrowings	Nil

A strong cash-backed Balance Sheet with no core debt, and \$88.2 million net cash at 30 June.

CAGR calculation based on 1H 2020 annualised

FINANCIALS

Market capitalisation	\$398m
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EV/EBITDA multiple ¹	6.5x
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Dividend yield (gross) ²	9.8%
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Price earnings ratio (PE) ³	12.1x
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¹ based on 12 month EBITDA to 30 June 2020, and BFG share price at 11 August 2020

² based on final 2019 and interim 2020 dividends paid, divided by BFG share price at 11 August 2020

³ based on market capitalisation at 11 August 2020 and 12 month earnings to 30 June 2020

BFG SHARE PRICE
JUNE 2015 – JUNE 2020



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