

ASX RELEASE.

BELL FINANCIAL GROUP

11 August 2021

Bell Financial Group reports an interim profit of \$16.8 million (after tax), and a 4.5 cents per share fully franked dividend

Key Highlights

- \$130.5 million revenue, a 1% increase on the previous corresponding period (pcp).
- \$16.8 million profit after tax, a 3% increase on the pcp.
- 4.5 cents per share fully franked dividend, a 12.5% increase on the pcp.
- Technology & Platforms and Products & Services revenue increased 8% to \$32.2 million.
- Funds under Advice increased 13% in the 6-months to 30 June 2021 and now exceed \$72 billion.
- A strong Balance Sheet with \$95 million net cash and no core operating debt.

See attached presentation.

ABOUT BELL FINANCIAL GROUP

Bell Financial Group (BFG) is an Australian-based provider of stockbroking, investment and financial advisory services to private, institutional and corporate clients.

BFG develops proprietary technology, platforms, products and services for the Australian stockbroking market, has over 700 employees, and operates across 15 offices in Australia and has offices in New York, London, Hong Kong and Kuala Lumpur.

This announcement was authorised for release by the Board.

For more information, contact:

Cindy-Jane Lee, General Counsel & Company Secretary, cjlee@bellfg.com.au, +61 3 9235 1961

BELL FINANCIAL GROUP (ASX:BFG)

FIRST-HALF 2021 RESULTS

Australian owned, we provide traditional stockbroking, investment and financial advisory services to private, institutional and corporate clients.

A developer of proprietary technology, platforms, products and services for the Australian stockbroking market.

11 AUGUST 2021

CONTENTS

1	Key Highlights	2
2	Financial Summary – 1H 2021	5
3	Our Operating Divisions	9
4	Our Strategy	20

1

KEY HIGHLIGHTS

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- 1H revenue \$130.5 million, up 1% on the previous corresponding period (p.c.p).
- 1H profit after tax \$16.8 million, up 3% on the p.c.p.
- Funds Under Advice increased 13%, compared with the S&P/ASX200 benchmark up 11%.
- Earnings per Share 5.2 cents, up 3% on 1H 2020.
- 4.5 cents fully franked Dividend per Share, up 12.5% on 1H 2020.
- Our strategy is one of continuous investment in proprietary platforms and technology and in-house products and services. The benefits are real and measurable. This now represents 25% of Group revenue.
- A strong cash-backed Balance Sheet with no core operating debt and \$95 million net cash at 30 June 2021.

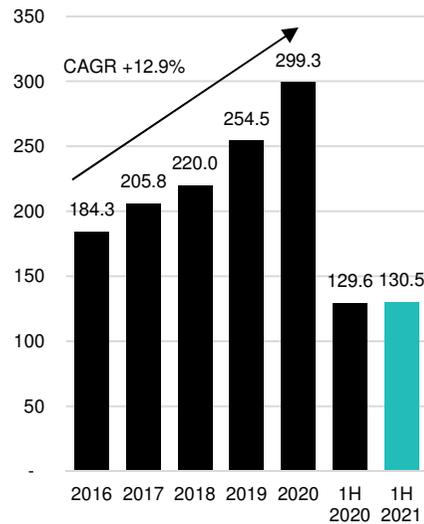
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FINANCIAL SUMMARY
1H 2021

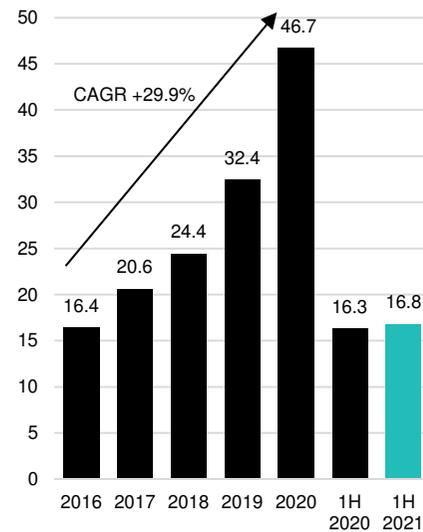
FINANCIAL SUMMARY

Consistent growth in Revenue and Earnings over an extended period.

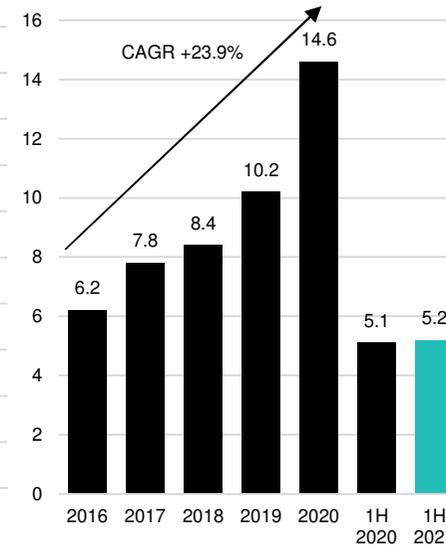
REVENUE (\$M)



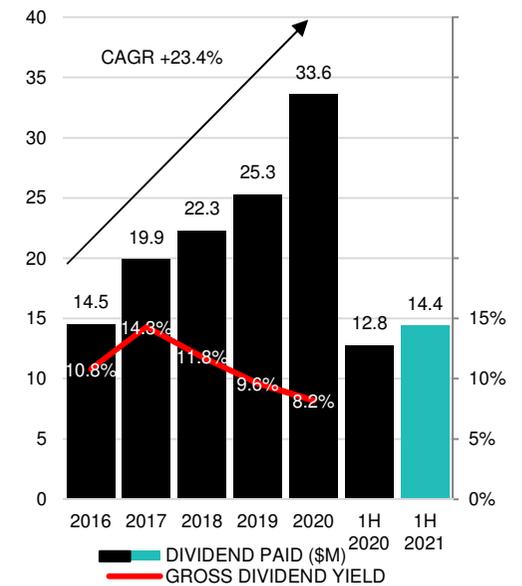
NPAT (\$M)



EARNINGS PER SHARE (CENTS)



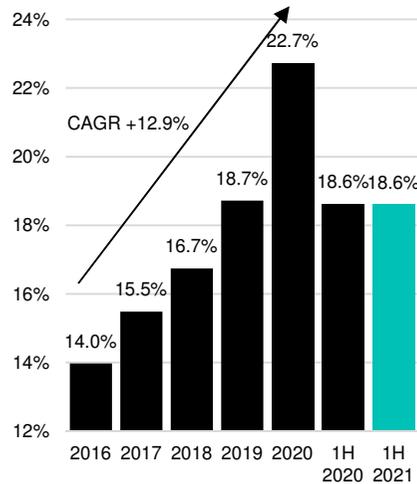
DIVIDEND PAID (\$M) AND GROSS DIVIDEND YIELD (%)



FINANCIAL SUMMARY (CONT.)

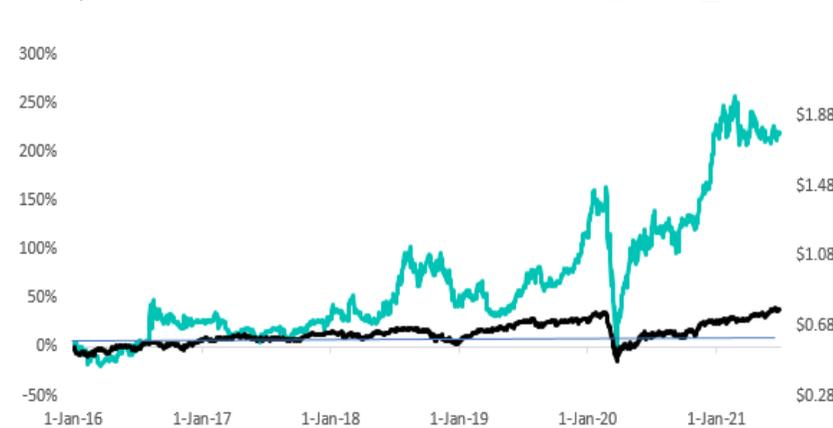
We have a solid cash-backed balance sheet with no core operating debt

EBIT MARGIN

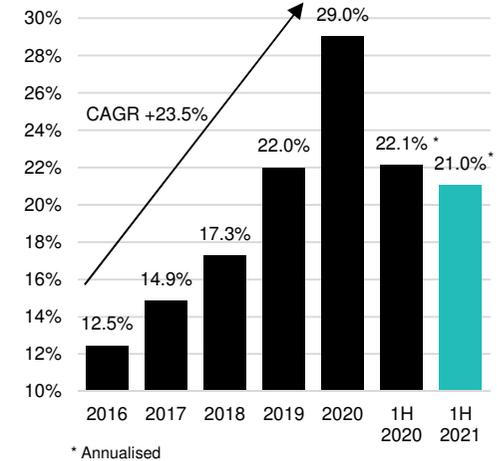


BFG SHARE PRICE MOVEMENT

January 2016 – June 2021



RETURN ON EQUITY



BALANCE SHEET

As at 30 June 2021

	\$M
Cash	95.5
Net assets	227.2
Net tangible assets	83.4

A strong cash-backed Balance Sheet with no core operating debt, and \$95.5 million net cash at 30 June.

Calculations are based on the BFG Share Price as at 30 June 2021: \$1.785

Market capitalisation	\$573m
EV/EBITDA multiple ¹	6.9x
Dividend yield (gross) ²	8.8%
Price earnings ratio (PE) ³	12.1x

¹ Based on 12 month EBITDA to 30 June 2021, and BFG share price at 30 June 2021

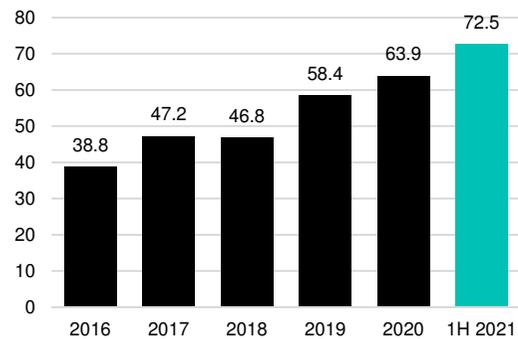
² Based on final 2020 dividend paid and interim 2021 dividend payable, divided by BFG share price at 30 June 2021

³ Based on market capitalisation at 30 June 2021 and 12 month earnings to 30 June 2021

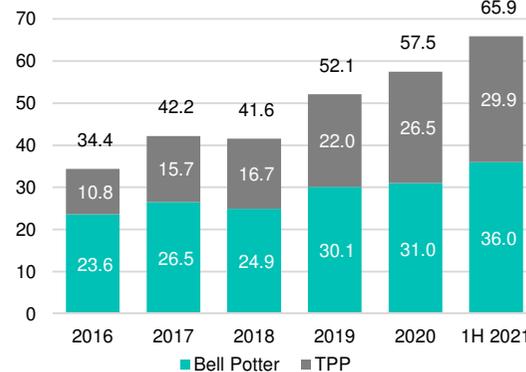
FINANCIAL SUMMARY (CONT.)

GROUP FUNDS UNDER ADVICE AS AT 30 JUNE 2021

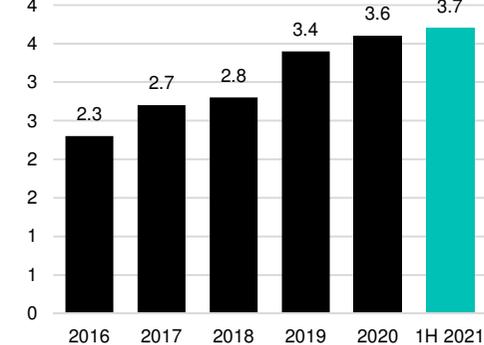
FUNDS UNDER ADVICE (\$B)*
13.5% increase on 31 December 2020



CHESS SPONSORED HOLDINGS (\$B)
14.6% increase on 31 December 2020



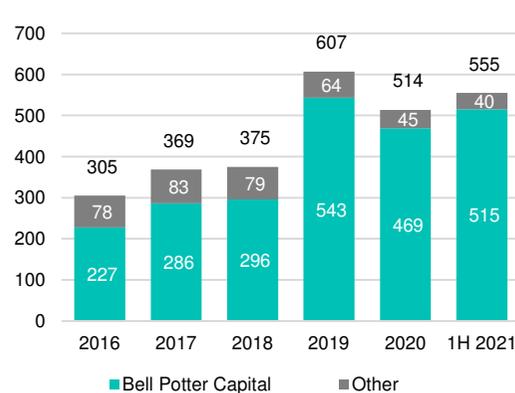
PAS (\$B)
2.8% increase on 31 December 2020



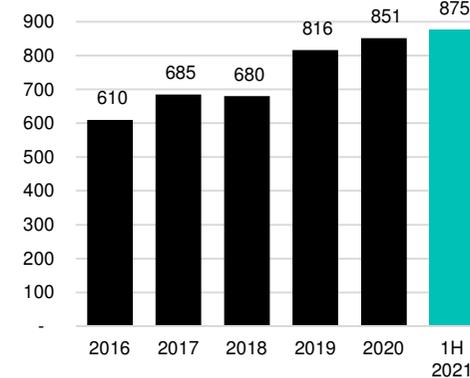
CLIENT FUNDS AT CALL (\$M) *
Bell Financial Trust 5.8% increase on 31 December 2020



MARGIN LOANS (\$M)*
Bell Potter Capital 8% increase on 31 December 2020



SUPERANNUATION ASSETS (\$M)*
2.8% increase on 31 December 2020



- FUA up on average 13% for the 6 months to 30 June 2021 versus the S&P/ASX200 benchmark up 11% over the same period.

3

**OUR OPERATING
DIVISIONS**

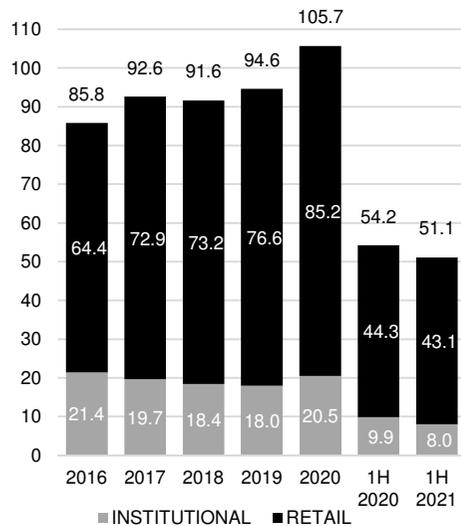
CORPORATE STRUCTURE & BUSINESS UNITS

BROKING RETAIL & INSTITUTIONAL	TECHNOLOGY & PLATFORMS	PRODUCTS & SERVICES
		
<ul style="list-style-type: none"> – Retail Equities (Domestic & International) – Institutional Equities – 24-hour Futures & FX Desk – Syndication – Equity Capital Markets (ECM) 	<p>Five distinct business units operate within Third Party Platform:</p> <ol style="list-style-type: none"> 1.  Institutional & Financial Planners online share trading 2.  Private Client online share trading platform 3.    White label online share trading platform 4.  Third Party Clearing 5. Technology – Continuous development of proprietary software applications for TPP and the wider BFG Group. 	<ul style="list-style-type: none"> – Margin Lending – Structured Loan Products – Bell Financial Trust – Portfolio Administration Service (PAS) – Superannuation – Equities Research – Guided Portfolio Service

BROKING – RETAIL & INSTITUTIONAL

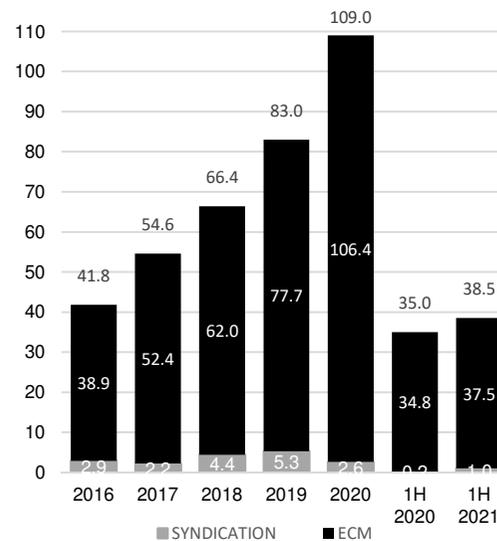


**BROKERAGE REVENUE
(RETAIL & INSTITUTIONAL) (\$M)**



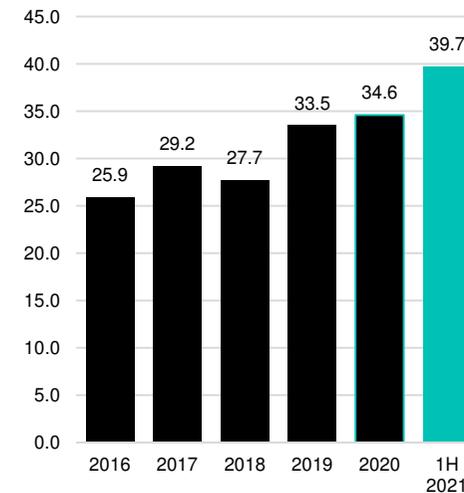
- 360 Financial Advisers servicing retail, wholesale and institutional client accounts.
- \$51.1 million gross brokerage revenue, down 5.7% on the p.c.p. 1H 2020 included extreme COVID-19 related volatility.

**ECM AND SYNDICATION
REVENUE (\$M)**



- Successfully executed 48 transactions across 1H 2021.
- Raised in excess of \$1 billion in new equity capital.
- \$38.5 million in fee income, up 10% on the p.c.p.

SPONSORED HOLDINGS (\$B)



- \$39.7 billion in Sponsored Holdings at 30 June 2021.
- Consistent growth over an extended period.

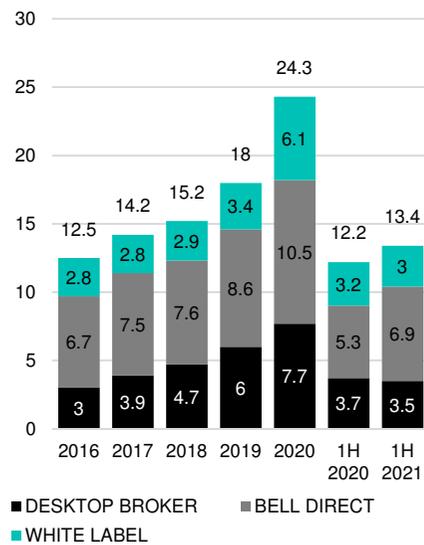
TECHNOLOGY & PLATFORMS

THIRD PARTY PLATFORM

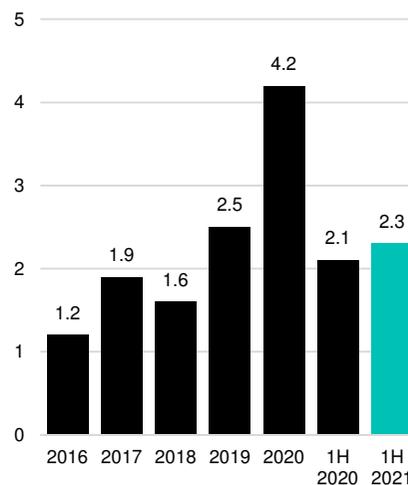
Consistent growth in revenue, profit, sponsored holdings and client accounts over an extended period.

- \$29.9 billion in Sponsored Holdings.
- 220,000 client accounts.
- Strong revenue growth over an extended period.

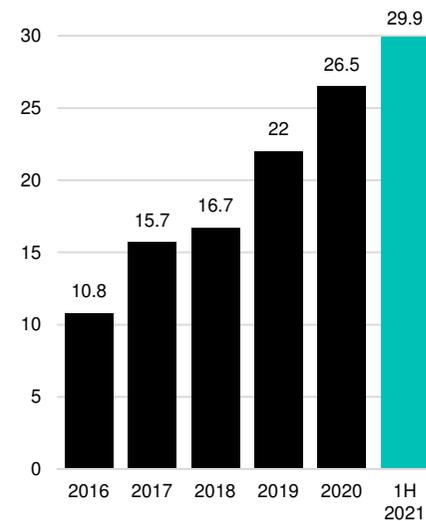
REVENUE (\$M)



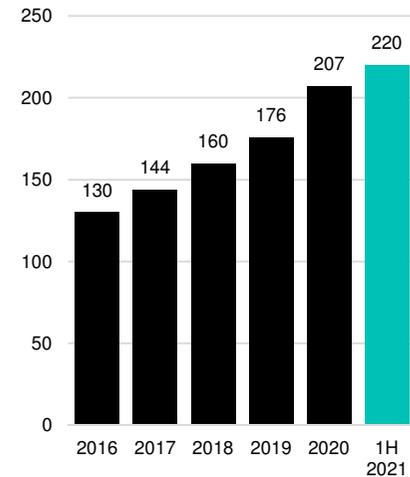
PROFIT AFTER TAX (\$M)



SPONSORED HOLDINGS (\$B)



CLIENT ACCOUNTS ('000)



TECHNOLOGY & PLATFORMS (CONT.) **THIRD PARTY PLATFORM**

Third Party Platform operates five distinct businesses:

Bell Direct

Provides execution and clearing services to the Financial Planning industry. Desktop Broker has agreements with over 3,200 Financial Planners, servicing more than 42,000 clients.



Desktop Broker

Our proprietary online retail broking business has won numerous industry awards including 'Investment Trends' Highest Overall Client Satisfaction' award from 2013-2019. This business services more than 55,000 retail clients.



White Label Online Broking

TPP's turn key online broking solution. Current clients include Macquarie, HSBC and Bell Potter Online.



Third Party Clearing

TPP is an ASX General Participant and is preparing to provide third party clearing services to the Australian stockbroking industry. TPP is currently clearing for a pilot programme of Bell Potter Securities clients, and we expect to start clearing for external clients in 2H 2021.



Technology

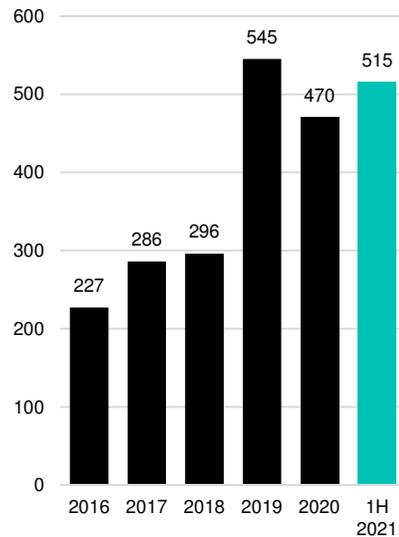
Continuous development of proprietary software applications for TPP and the wider BFG Group. We anticipate this will lead to third party distribution opportunities in the future.



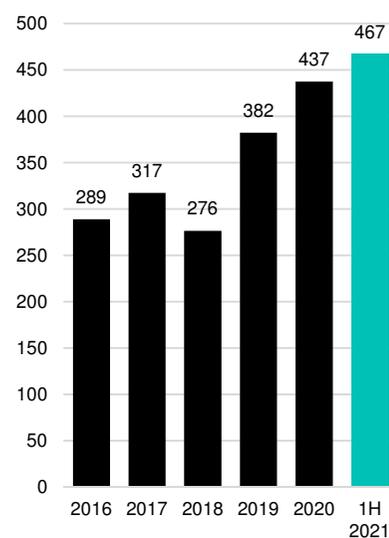
PRODUCTS & SERVICES

- The only non-bank margin lender in the Australian marketplace
- Consistent revenue and earnings growth
- \$515 million loan book at 30 June 2021.
- \$467 million client funds at call at 30 June 2021.
- Conservatively managed with an average LVR of 21% across the loan book

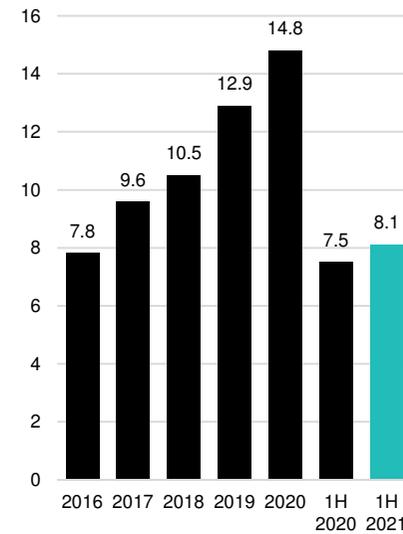
LOAN BOOK (\$M)



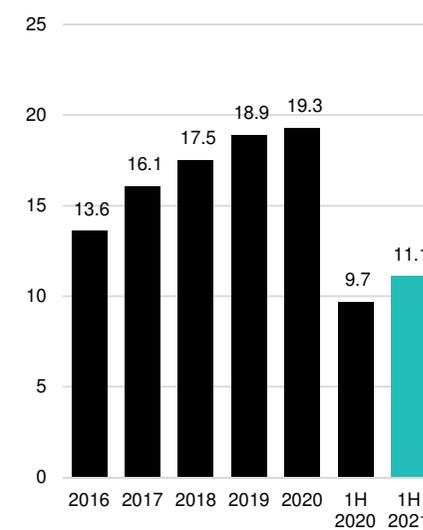
BELL FINANCIAL TRUST (\$M)



**REVENUE (\$M)
MARGIN LENDING & CASH**



**REVENUE
PAS & SUPER SOLUTIONS (\$M)**



4

OUR STRATEGY

GROWTH THROUGH INVESTMENT IN PROPRIETARY TECHNOLOGY, PLATFORMS, PRODUCTS & SERVICES

We have a simple strategy. Growth through our traditional full service broking businesses augmented by investment in leading edge technology through our ongoing commitment to the continuous development of our proprietary systems and platforms and suite of products and services.

Our investment in technology, platforms, products and services benefits not only our internal broking businesses, it has broader application for third parties in the Australian financial services and broking market.

SYSTEMS & PLATFORMS

FUSION

- **FUSION** – In-house desktop application covering all aspects of adviser day-to-day functions



- **IQ** – Price discovery and trade execution platform.

THIRD PARTY PLATFORM

- **TPP** – Our market leading fully integrated online trading platform
-

PRODUCTS & SERVICES

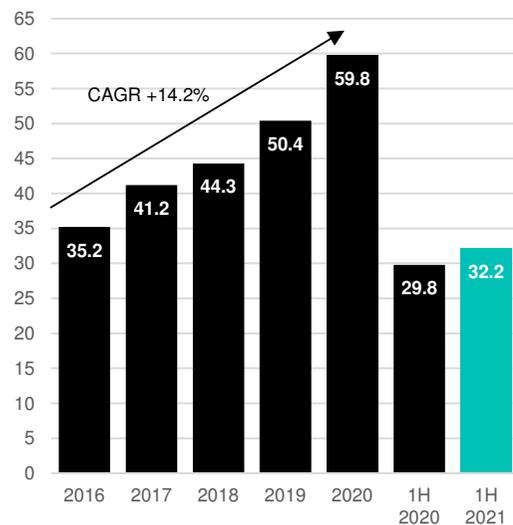
- **BELL POTTER PORTFOLIO ADMINISTRATION SERVICE (PAS)**
 - **BELL POTTER PERSONAL SUPERANNUATION SOLUTIONS**
 - **BELL FINANCIAL TRUST**
 - **BELL POTTER PORTFOLIO LENDING**
 - **BELL GEARED EQUITIES INVESTMENT**
 - **BELL EQUITY LEVER**
-

INVESTMENT IN GROWING REVENUE STREAMS

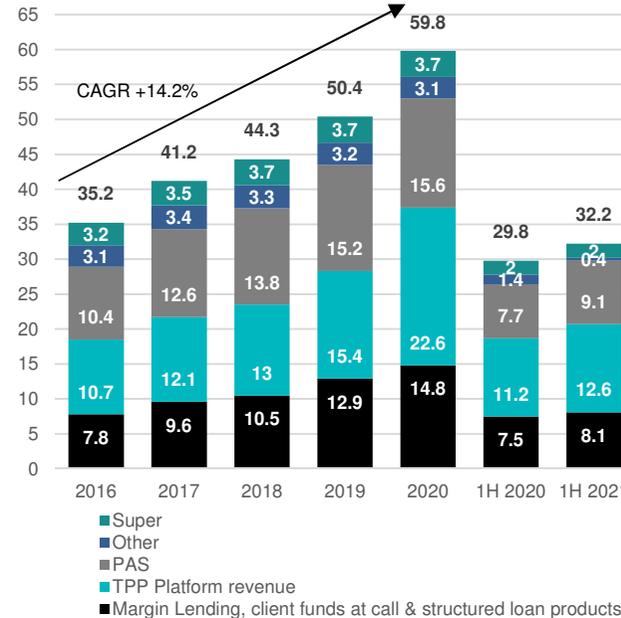
Ongoing investment in proprietary technology platforms, products and services is a significant component of our ongoing business development. Increased leverage to technology is producing better outcomes for our staff and clients resulting in material growth in revenues and profit across the Group.

- Approximately 9% of Group FUA, \$6.7 billion, currently use our various technology and platforms, products and services.
- Recurring revenue streams of \$32.2 million for the 6 months to 30 June 2021, a 7.7% increase on the previous corresponding period.
- Recurring revenues represent approximately 25% of total revenue.
- Recurring profit after tax of \$7.4 million for the 6 months to 30 June 2021 has grown 4.2% p.c.p., and represents 44% of total profit.

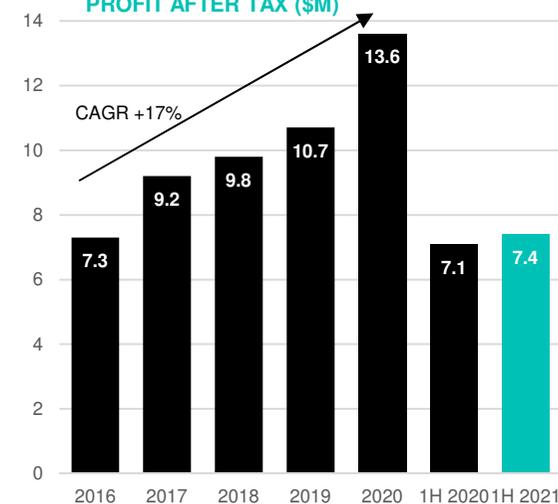
TECHNOLOGY & PLATFORMS AND PRODUCTS & SERVICES REVENUE (\$M)



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



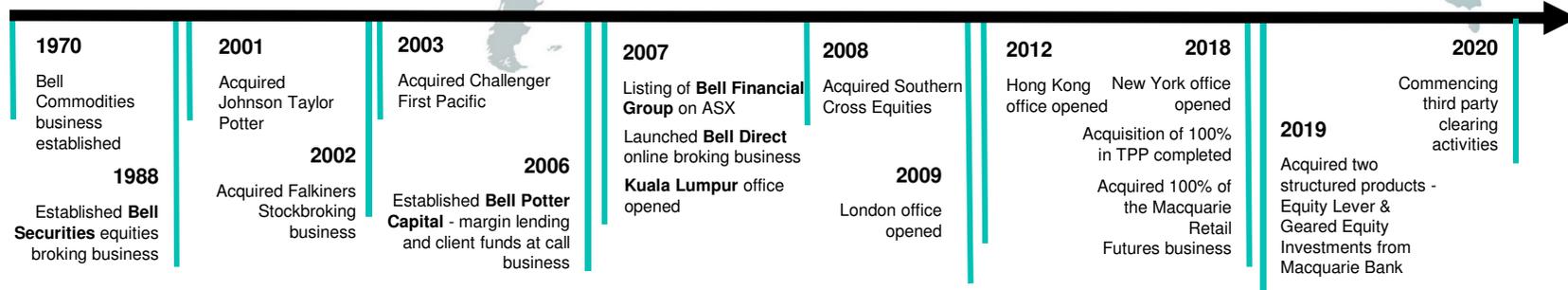
TECHNOLOGY & PLATFORMS AND PRODUCTS & SERVICES PROFIT AFTER TAX (\$M)



ABOUT BELL FINANCIAL GROUP

Established in 1970 and publicly listed in 2007, Bell Financial Group is an Australian owned provider of stockbroking (full service and online) and investment and financial advisory services to private, institutional and corporate clients.

- 14 offices across Australia plus offices in London, New York, Hong Kong and Kuala Lumpur
- 760 staff including 360 Financial Advisers



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