

# ASX Announcement

Prime Financial Group Ltd (Prime – ASX: PFG)  
25 November 2022



## Prime Financial Group Ltd (Prime – ASX code PFG)

### 2022 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 Chairman and 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 an Advisory & Capital Group, 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 (Chairman & Managing Director/CEO)** on (03) 9827 6999.

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PRIME FINANCIAL GROUP LTD  
ACN 009 487 674

# ASX Announcement

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25 November 2022



## 2022 Annual General Meeting

### Chairman's Address

Good morning Ladies and Gentlemen. On behalf of my fellow Directors, Mr Matt Murphy and Mr Tim Bennett, it gives me great pleasure to welcome you to this Hybrid 2022 Annual General Meeting of Prime Financial Group Limited. My name is Simon Madder, and I have the honour of being your Chairman.

I would also like to take the opportunity to welcome the members of our team who have joined us virtually and in person 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 a presentation on the business and the results for the 2022 financial year. I will also provide an update for the current financial year. We will then allow time for questions.

The formal business of the meeting will then be conducted which will include resolutions for the adoption of the 2022 Annual Financial Statements and the Remuneration Report, the re-election of Mr Matt Murphy as a Director of the Company, followed by the approval of the issue of Performance Rights under the Performance Rights Plan to the directors, Mr Simon Madder and Mr Tim Bennett, and finally the approval for the purposes of section 260B(2) of the Corporations Act 2001, Intello Pty Ltd providing financial assistance in connection with the Acquisition on 4 October 2022.

### Overview

The prevailing message for this year's annual address is one of strength, conviction, optimism, opportunity, and performance. This is Prime Financial Group Ltd (Prime's) fourth consecutive year of earnings (Underlying EBITDA) growth since repositioning our firm as 'OneConnected' future focussed Advisory & Capital Group.

Our exceptional team of collegiate professionals and experts have worked hard every day to move past obstacles and adjust to the varying environment to deliver for our clients, partners, each other and shareholders.

The combination of our team, strategy and growing number of ideal clients has enabled us to deliver a full year result (FY22) that includes revenue growth of 18%, earnings growth of 15%, improved operating cashflow up 11%, dividends up 57% and debt down 26%.

Our plan is to continue this momentum through four key areas; organic divisional revenue growth, the recruitment of new growth orientated team members, new service lines and an appropriate acquisition strategy that allows us to increase the audience we can offer group services to. We will do this whilst reinforcing our flexible and respectful team operating model that includes and encourages ownership in Prime.

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As a group we will continue to aspire, innovate, and grow whilst focussing on our purpose of empowering our team and clients to achieve their aspirations through access to resources, advice, services and capital.

We are also aware as to the impact we as a team and firm can have and are turning our attention to amplifying this through a greater focus on our Environmental, Social & Governance (ESG) strategy and structure.

The current economic environment and persistent health challenges for the community and the impact for business are not without risk, risks will continue to emerge, but we are confident that our culture, financial strength, and operating model supported by high levels of recurring revenue positions us well.

To end where we started this address. We are focussed, believe we see where opportunities are emerging, we research, test, engage and recruit additional expertise to support our vision and our clients and we encourage our growing and developing team to own part of the future we are all helping to co-create.

This vision is not possible without the support of our shareholders, partners and our broader network, thank you for your continuing support.



**Simon Madder**  
**Chairman**

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PRIME FINANCIAL GROUP LTD  
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Prime Financial Group Ltd  
(ASX:PFG)

# AGM Presentation

Simon Madder – Chairman, Managing Director & CEO  
[simonm@primefinancial.com.au](mailto:simonm@primefinancial.com.au)  
25 November 2022

*aspire, innovate, grow*



# Important Notice & Disclaimer

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

## Summary Information

This Presentation contains summary information about Prime. 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 Prime's other periodic and continuous disclosure announcements lodged with the Australian Securities Exchange ('ASX'), which are available at [www.asx.com.au](http://www.asx.com.au) or [www.primefinancial.com.au](http://www.primefinancial.com.au). Not all assets depicted in the Presentation are necessarily owned by Prime or any entity managed by Prime. 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 Prime'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.

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- 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.

# | Welcome

## Directors



Simon Madder

Chairman, Managing Director  
& CEO



Matt Murphy

Executive Director



Tim Bennett

Executive Director



Auditors  
EY



Legal Advisors  
HFW



Share Registry  
Computershare Investor  
Services

# Agenda



01.  
Chairman's Address - Simon  
Madder



02.  
Managing Director & CEO  
Presentation – Simon Madder



03.  
Business of the Meeting

# Online attendees Voting process

01.

## Step 1

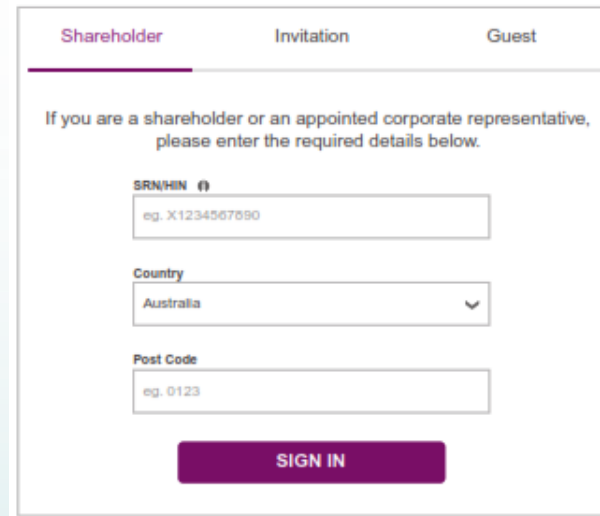
Visit <https://meetnow.global/MKQLSVF>

02.

## Step 2

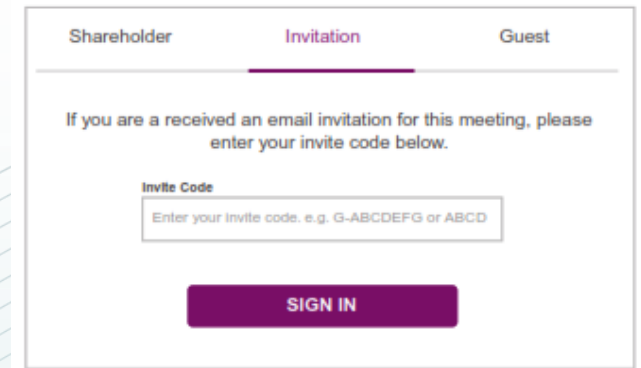
Enter Username (SRN or HIN) and  
Password (Postcode or Country Code).

### Shareholder View



The Shareholder View login form features a header with three tabs: 'Shareholder' (selected), 'Invitation', and 'Guest'. Below the header, a message states: 'If you are a shareholder or an appointed corporate representative, please enter the required details below.' The form contains three input fields: 'SRN/HIN' with a placeholder 'eg. X1234567890', 'Country' with a dropdown menu showing 'Australia', and 'Post Code' with a placeholder 'eg. 0123'. A purple 'SIGN IN' button is positioned at the bottom.

### Proxyholder View



The Proxyholder View login form features a header with three tabs: 'Shareholder', 'Invitation' (selected), and 'Guest'. Below the header, a message states: 'If you are a received an email invitation for this meeting, please enter your invite code below.' The form contains one input field labeled 'Invite Code' with a placeholder 'Enter your invite code, e.g. G-ABCDEFGH or ABCD'. A purple 'SIGN IN' button is positioned at the bottom.




# Online attendees Voting process


03.


## Step 3


When the poll is open, the vote will be accessible by selecting the voting icon at the top of the screen.

To vote simply select the option you wish to send, the selected option will change colour. There is a message at the top of screen indicating the number of resolutions you have voted on.

Broadcast

Vote

Q & A

Documents

Items of Business


2A Re-elect Mr Sam Sample as a Director

FOR

AGAINST

ABSTAIN

2B Re-elect Ms Jane Citizen as a Director



We have received your vote **For**  
[Click here to change your vote.](#)

# Proxies received for Resolution 1: Remuneration Report

In favour	Against	Proxy's discretion	Abstention
61,829,860 (94.24%)	3,396,433 (5.18%)	383,282 (0.58%)	159,250

\* Includes open proxies directed to the Chairman. The Chairman intends to vote all available undirected proxies in favor of all the resolutions.

## Proxies received for Resolution 2: Re-election of Mr Matt Murphy

In favour	Against	Proxy's discretion	Abstention
111,273,741 (99.59%)	77,700 (0.07%)	383,282 (0.34%)	0

\* Includes open proxies directed to the Chairman. The Chairman intends to vote all available undirected proxies in favor of all the resolutions.

## Proxies received for Resolution 3: Issue of Performance Rights to Mr Simon Madder

In favour	Against	Proxy's discretion	Abstention
61,496,157 (93.84%)	3,655,386 (5.58%)	383,282 (0.58%)	46,199,898

\* Includes open proxies directed to the Chairman. The Chairman intends to vote all available undirected proxies in favor of all the resolutions.



## Proxies received for Resolution 4: Issue of Performance Rights to Mr Tim Bennett

In favour	Against	Proxy's discretion	Abstention
61,496,157 (93.84%)	3,655,386 (5.58%)	383,282 (0.58%)	46,199,898

\* Includes open proxies directed to the Chairman. The Chairman intends to vote all available undirected proxies in favor of all the resolutions.

## Proxies received for Resolution 5: Approval of Financial Assistance

In favour	Against	Proxy's discretion	Abstention
107,964,156 (96.76%)	3,234,778 (2.90%)	383,282 (0.34%)	152,507

\* Includes open proxies directed to the Chairman. The Chairman intends to vote all available undirected proxies in favor of all the resolutions.



# Managing Director & CEO Presentation

*aspire, innovate, grow*



# | Who we are



BRISBANE

SYDNEY

MELBOURNE

## Purpose

Empowering you to achieve your aspirations.

## Our Services

Integrated Accounting & Business Advisory, Wealth Management, SMSF and Capital Services with over \$1.1 billion of client funds under management (FUM).

## Our Operations

Advisory & Capital Group with 130+ team members primarily across Melbourne, Sydney and Brisbane.

Continued focus on growing Melbourne, Sydney and Brisbane for all four service lines.

Centralised Services (IT, Finance, Marketing & HR) based in Melbourne plus an increasing presence in the Philippines to support team growth.



# 2022 Highlights

## Financial Performance

PFG's (Prime) 2022 full year report summarises our activities and performance for the financial year ended 30 June 2022. It provides a snapshot of our strategy and our operations across all areas of our business.

+15% to  
\$7.8m

Underlying EBITDA\* Growth

+18% to  
\$26.3m

Revenue Growth

+14% to  
1.93 cps

Reported Earnings  
Per Share (EPS)

+57% to  
1.10 cps

Full Year Dividend Up

30%

Margin Maintained

-26% to \$5.2m  
(0.67X EBITDA\*)

Reduction in Net Debt

+11% to  
\$6.1m

Increase in Net  
Operating Cashflow

\*Underlying EBITDA (members/shareholders)

## Other Important Information

Team has grown by 30%+ (flexible operating structure) plus Melbourne office space reduced by 50% (\$300k+ annual saving)

Organic and inorganic initiatives are accelerating as part of Prime's program to scale and differentiate our offering

Full year dividends increased by 57% in FY22 – forecast to increase by 36% in FY23

Share buyback ongoing – 5m shares purchased and approximately \$900k spent to date\*

\*18 November 2022 closing

# Prime's 5 year Performance

- Positive momentum across all metrics

	2022	2021	2020	2019	2018
Underlying EBITDA to members/shareholders (\$,000's)*	7,770	6,778	5,533	4,099	3,772
Reported Profit/(loss) after tax attributable to members/shareholders (\$,000's)	3,814	3,074	2,132	1,315	(1,135)
Basic earnings per share (cents)	1.93	1.69	1.21	0.77	(0.67)
Dividend per share (cents)	1.10	0.70	0.45	0.40	0.90
Share price at the end of the financial year (\$)	0.170	0.097	0.070	0.065	0.125

\*Excluding the impact of AASB-16 lease standard for 2019 and prior years.

# How we are growing

‘Our goal is to double group revenue over three years to \$50 million (FY22: \$26 million) through organic and inorganic activity’



01.

## Organically

(Across all 4 Service Lines - New Clients & Cross-Referral)



02.

## New Revenue Contributors

(Accountants & Advisers with an existing client base joining Prime)



03.

## New Service Lines

(Develop New Services appropriate for Prime's Business, Corporate & Family Group client base)



04.

## Acquisitions

(Like Intello - First acquisition in 4 years completed on 4 October 2022 - SMSF)



## Recent Announcements: October 2022

### Prime acquires 100% of Intello

On 4 October 2022 Prime completed the 100% acquisition of Queensland based Intello, a market leading B2B SMSF Administrator providing services to Accountants, Financial Advisers and their clients across Australia.

#### Key transaction details

- Revenue of approximately \$3.0 million per annum
- Full year EBITDA contribution of \$900,000 + (once fully integrated)
- Highly EPS accretive transaction providing strong earnings growth in FY23 and beyond
- Purchase price of approximately \$4.6 million (subject to standard closing adjustments)
- Cash transaction (funded from operating cash flow plus existing and new facilities, whilst remaining within the target Debt to EBITDA range of 0.5 – 1.0 times as measured annually)
- 70% of consideration paid upfront and 30% subject to performance over a twelve month period

Approximately 10% (\$2.8 million) of Prime's FY22 revenue was generated through the SMSF service line. With the addition of Intello (\$3.0 million of annualised revenue) the SMSF service line will represent approximately 20% of group revenue.

A photograph of a modern building with a glass facade, showing reflections of the sky and other buildings. The building has a grid-like structure of windows and frames.

## Recent Announcements: October 2022

### Completion of new Acquisition Facility

#### On 4 October 2022

- Prime agreed a new \$10.0 million financing facility with Westpac Banking Corporation (Westpac)
- The facility is to be used for future acquisitions, the first of which was Intello (announced on 4 October 2022 for \$4.6 million)
- Prime now have a total limit of approximately \$20.6 million
- Prime intends to remain in the target Debt to EBITDA range of 0.5 – 1.0 times (measured annually)



# | Outlook & Update – FY23

## Increased Earnings & Revenue Growth

- Revenue Growth 15%+ (confirmed)
- Growth in Underlying EBITDA 5% to 10% (confirmed)
- EPS growth 15%+ (confirmed)

## Actively exploring Growth Opportunities

- Organic and inorganic initiatives are accelerating as part of Prime's program to scale and differentiate our offering (continuing)
- Intello acquisition 4 October 2022 (completed – integration well advanced)

## Increased Dividends - from 1.10cps (FY22) to 1.50cps (FY23) +36%

- Interim Dividend +40% to 0.70cps (confirmed)
- Final Dividend +33% to 0.80cps (confirmed)

## Net Debt to Underlying EBITDA to remain within the target range

- 0.5 to 1.0 times, measured annually (confirmed)

## Capital Management

- Buyback commenced on 1 October 2021
- Approx. \$900k spent on the buyback since inception at an average share price of 18.0 cents
- Buyback shares when the share price does not reflect fair value (continuing)

## Other items

- Prime's Team, Equity and Business ownership structure continues to provide alignment and incentive for growth, recruitment, retention and performance improvement (continuing)

# Investment Case - Prime

01.

Continued Growth in  
Earnings Profile &  
Diversified Recurring  
Revenue

02.

Maintain strong margins and  
Cashflow

03.

Recent highly EPS accretive  
transaction (Intello)

04.

Opportunity for M&A,  
utilising a scalable  
operating structure

05.

Buyback ongoing  
(commenced 1 October  
2021)

06.

Growth in Professional  
Services Demand & Resilient  
through various Economic  
Cycles

07.

Dividends continue to  
increase

08.

Trading on lower multiple  
than comparable companies

09.

44% owned by Team –  
Strong alignment with  
shareholders





# | Business of the meeting

01.

## Consideration of the Financial Statements

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

02.

## Adoption of the Remuneration Report

03.

## Re-election of Director – Matt Murphy

04.

## Approval of issue of Performance Rights to Mr. Simon Madder

05.

## Approval of issue of Performance Rights to Mr. Tim Bennett

06.

## Approval of Financial Assistance

# Business of The meeting

## Resolution 1

### Remuneration Report

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The second 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 Matt Murphy)

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The third item on the agenda is the resolution concerning the re-election of Mr Matt Murphy 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.

## Resolution 3

### Issue of Performance Rights to Mr Simon Madder

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The fourth item on the agenda is the resolution concerning the approval to issue Performance Rights to Mr Simon Madder

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.

# Business of The meeting

## Resolution 4

### Issue of Performance Rights to Mr Tim Bennett

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The fifth item on the agenda is the resolution concerning the approval to issue Performance Rights to Mr Tim Bennett.

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 5

### Approval of Financial Assistance

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The sixth item on the agenda is the resolution concerning the approval of Financial Assistance.

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.





Thank you





# Contact

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## Simon Madder

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**Contact Ben Priestley for Investor Relations queries**



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achieve your aspirations*

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