



Full Year 2024 (FY24) Results Presentation

Prime Financial Group Ltd (ASX:PFG)

22 August 2024

aspire, innovate, grow & impact

Who We Are

Connecting Aspirations, Opportunities & Expertise

PFG are a market leading Advice, Capital & Asset Management Group.

Our focus is on Emerging Businesses, Founders and High Net Worth Investors.

We believe in uncapped opportunities, prosperous and sustainable financial futures and impactful corporate citizenship.



\$1.2B FUM

196+ Team Members

Global Footprint

4 Service Lines

26-Year History

What We Do

PFG has two segments and four key service lines plus a centralised/shared services structure

Business Segment		
Prime Accounting & Business Advisory (PABA)	Accounting & Tax Compliance, Business Growth Advisory & Strategy, Outsourced CFO & Accounting Services plus Grants and R&D Tax Incentives	32% of Group Revenue 63 Team Members
Capital & Corporate Advisory	Equity & Debt Capital Advisory, Finance, Corporate Development, M&A, Valuations, Consulting and Remuneration Strategies and Employee Share Plan Management	22% of Group Revenue 27 Team Members
Wealth Segment		
Wealth Management	Over \$1.2 billion in Funds Under Management Strategic Financial Advice, Superannuation, Life Insurance, Investment Planning and Funds Management for High Net Worth and Wholesale Investors, with a diverse investment offering including access to Property-Backed Debt, Equity and Alternative Investments including Private Credit and Equity	34% of Group Revenue 35 Team Members
SMSF	Advice, Establishment, Administration & Compliance Services	12% of Group Revenue 41 Team Members
Centralised/Shared Services Structure (Finance, IT, HR, Marketing & Operations)		
30 Team Members		

How We Do It

Building scale organically, and via acquisition to add capabilities and clients

Complete solutions for Business & Wealth

Business Segment



Wealth Segment



Financial Results FY24

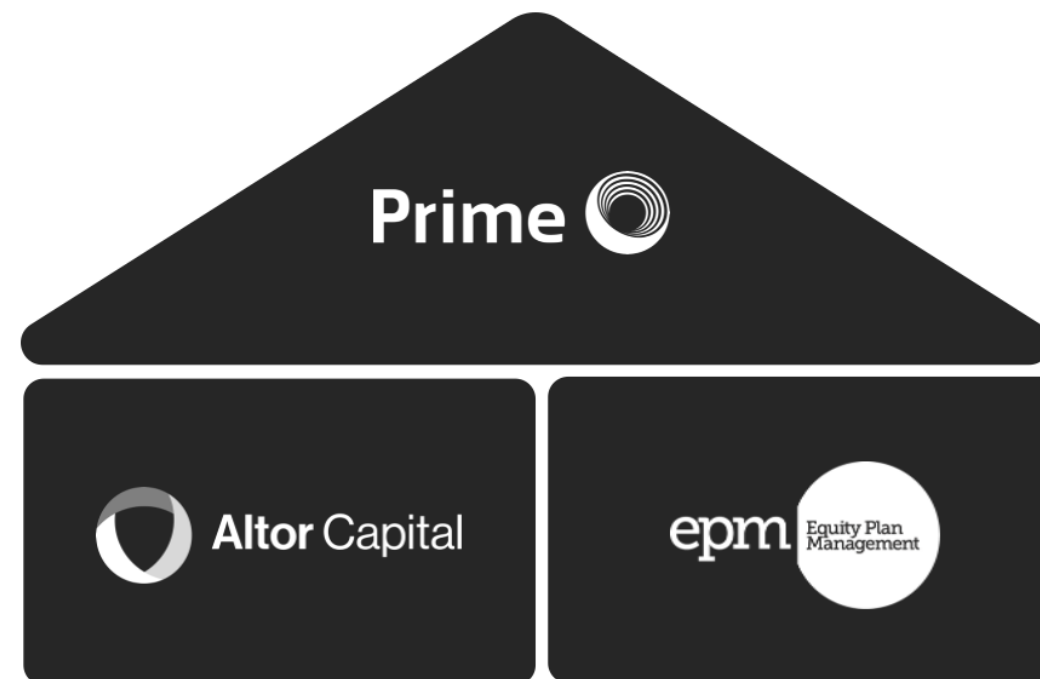
Delivering on guidance

FY24 Financial Highlights: Delivering on guidance

<div>+21% to \$40.8M</div> <div>Total Revenue</div>	<div>+18% to \$10.2M</div> <div>Underlying EBITDA (members/shareholders)</div>	<div>25% (FY23: 26%)</div> <div>Underlying EBITDA Margin</div>
<div>1.37 cps (vs 2.22 cps)</div> <div>Reported Earnings per Share (EPS)</div>	<div>+7% to 1.60 cps</div> <div>Full Year Dividend Up</div>	<div>1.1x Underlying EBITDA to Net Debt Ratio</div> <div>Net Debt of \$11.3M</div>

FY24 Operational Highlights: Building scale

- Strong revenue growth across both of our operating segments
 - Wealth up 24%
 - Business up 19%
- Integration of acquisitions progressing successfully, with new businesses seamlessly fitting into the “OneConnected” model
 - Funds Management (Altor), Capital & Property teams collaborating on transactions, including the establishment of a Property based Social Infrastructure Fund
 - Employee Share Plan Administration & Remuneration Strategies teams (EPM) working well within the Business segment with cross-referrals occurring
- Very strong H2 FY24 performance providing high level of confidence in ability to drive cross-sell and continue to deliver improved margins and profit
 - To be supported by further acquisitions



Profit & Loss

Delivering on guidance

- **Revenue – up 21%**
 - Strong revenue growth across both operating segments, driven by organic and inorganic growth
- **Expenses – increased 22%**
 - Increase driven largely by higher headcount, cost of sales, and non-recurring expense items
- **H1 v H2 performance**
 - Strong H2 performance, generating \$6.4M in Underlying EBITDA
 - One-off adjustments split \$2.1M in H1 and \$0.5M in H2, which reflects a more normalised operating rhythm
 - Higher H2 revenue the key driver to improved H2 Underlying EBITDA
- **Underlying EBITDA – up 18%**
- **The increase in amortisation unfavourably impacted NPAT and EPS by 15%**

*Please see slide 26 for reconciliation of Reported and Underlying EBITDA to NPAT
 **EBITDA is defined as earnings before interest, tax, depreciation and amortisation
 Note: Rounding is to nearest AUD \$M and as such subject to rounding differences when calculating variances and totals

Financial Highlights	FY23	FY24			YoY Change
		H1	H2	Total	
Underlying					
Revenue – Wealth	\$15.2M	\$8.5M	\$10.3M	\$18.8M	24% ↑
Revenue – Business	\$18.3M	\$9.7M	\$12.1M	\$21.8M	19% ↑
Revenue (Contracts with Customers)	\$33.5M	\$18.2M	\$22.4M	\$40.6M	21% ↑
Expenses - Total	(\$25.1M)	(\$14.5M)	(\$16.1M)	(\$30.6M)	(22%) ↓
EBITDA**	\$8.6M	\$3.8M	\$6.4M	\$10.2M	18% ↑
EBITDA Margin	26%	21%	28%	25%	(1%) ↓
Reported					
EBITDA	\$8.4M	\$1.7M	\$5.9M	\$7.6M	(9%) ↓
NPAT*	\$4.4M	\$0.0M	\$2.9M	\$2.9M	(35%) ↓
Diluted EPS - cents per share (cps)	2.21	(0.02)	1.39	1.37	(38%) ↓

History of Strong Revenue Growth



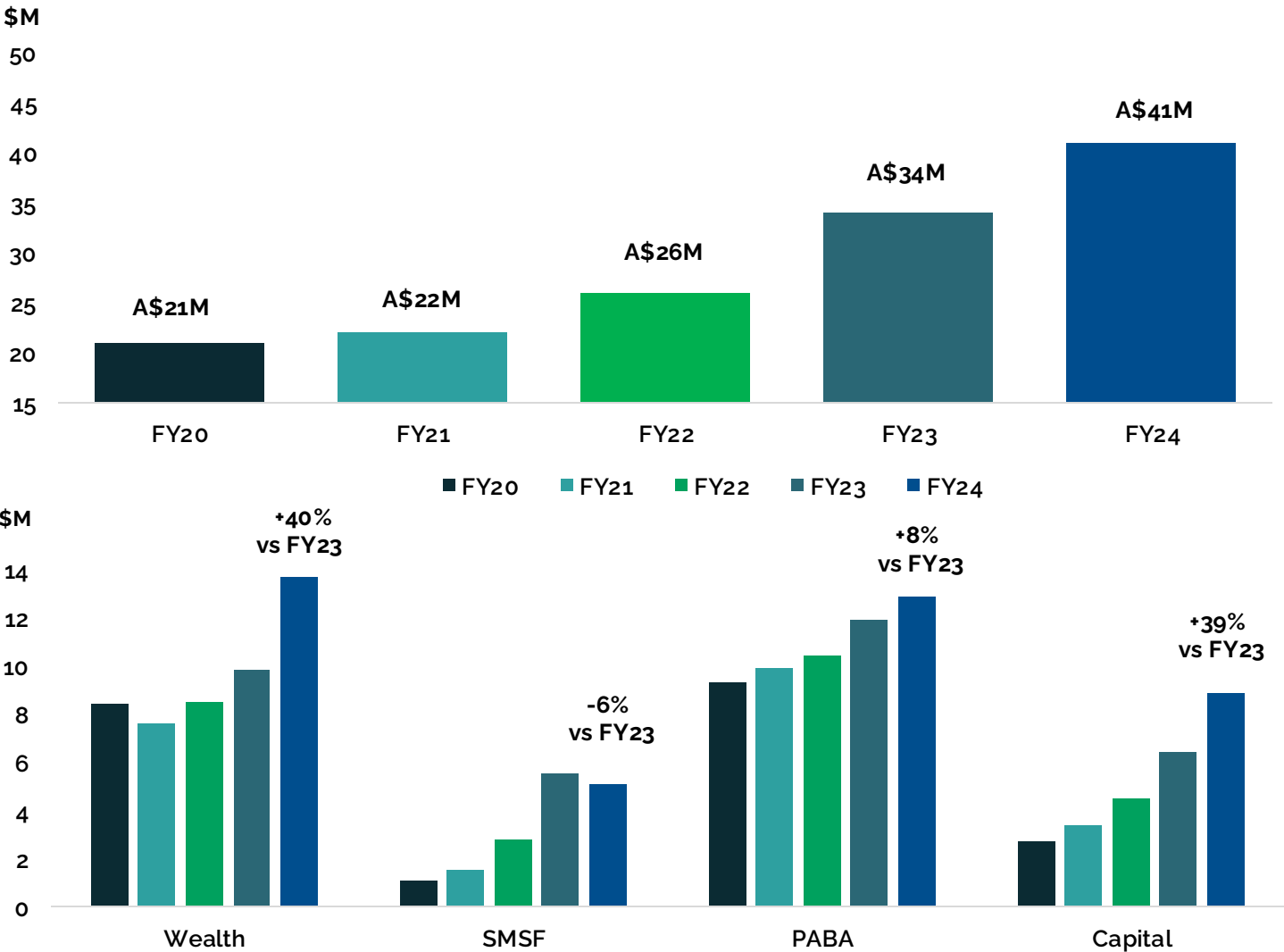
70%+ of total revenue is generated from existing clients on a recurring basis



Revenue growth has accelerated over the past 3 years vs the prior periods



On target to achieve \$50M in revenue by FY25

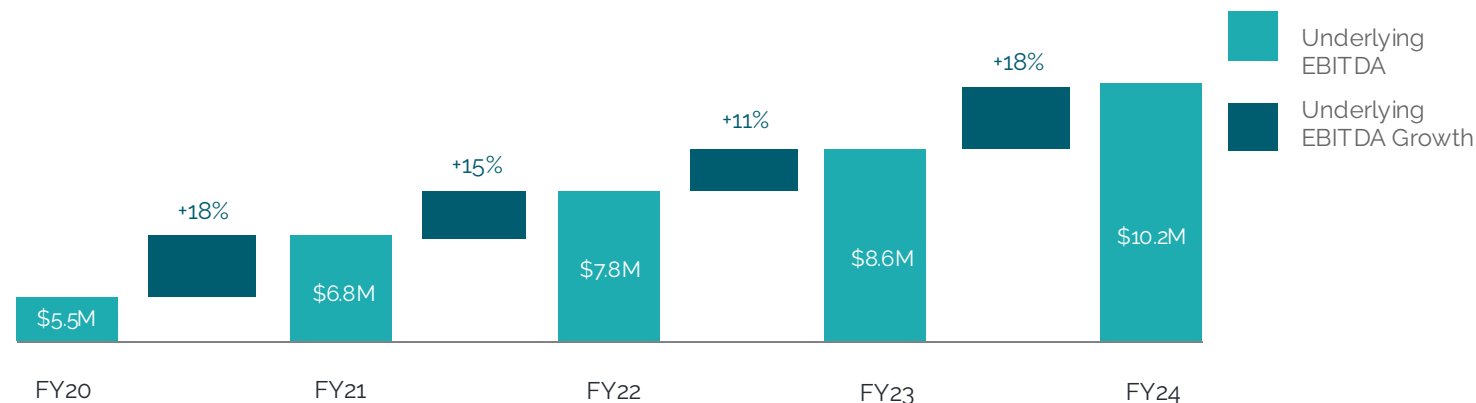


Underlying EBITDA and Margin

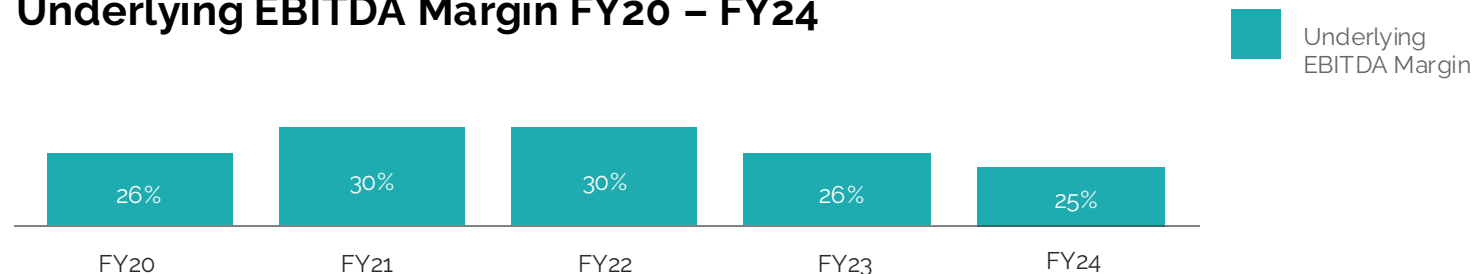
Investing for growth – proven model

- **Underlying EBITDA was \$10.2M, up 18%**
 - Reflects continued investment in building out service offerings, growth in existing service lines and a positive contribution from acquisitions
- **Reported EBITDA was \$7.6M, down 9%**
 - \$2.6M in one-off costs associated with Altor and EPM acquisition, as well as restructuring & repositioning costs and investment in new service offerings
 - One-off costs were split \$2.1M in H1, and \$0.5M in H2 reflecting a more normalised operating rhythm in H2
- **Team headcount increased to support revenue growth**
- **Investment in IT (scalability for growth plus IT security)**

Underlying EBITDA FY20 – FY24



Underlying EBITDA Margin FY20 – FY24



Note: Rounding is to nearest \$M and as such subject to rounding differences when calculating variances and totals. Breakdown can be found in appendices.

Balance Sheet, Group Net Debt & Cashflow

Substantial balance sheet flexibility

- **Group Net Debt/Underlying EBITDA was 1.1X Underlying EBITDA**
 - Reflects investment in growth, final Intello payment (\$0.8M), plus Altor and EPM initial payments (\$2.7M).
- **Successful completion of fully underwritten non-renounceable entitlement offer, raising \$3.3M, late in FY24**
 - Post completion of the capital raise, proforma Net Debt/Underlying EBITDA was 0.9X Underlying EBITDA.
- **Net Operating Cashflow of \$5.7M, up 36% on FY23**
 - Driven by revenue and profit improvement; \$4.6M generated in H2 FY24.

Group Balance Sheet	At 30 Jun 2024 \$	At 30 Jun 2023 \$
Cash	0.5	1.0
Total assets	82.1	67.1
Borrowings	(11.8)	(10.5)
Total liabilities	(29.4)	(17.8)
Net assets	52.7	49.3
Non-controlling interests	0.6	0.6
Equity attributable to members/shareholders	52.1	48.7
Group Net Debt	(11.3)	(9.5)
Group Net Debt post-capital raise completion	(9.3)	

Net Operating Cashflow FY20 – FY24

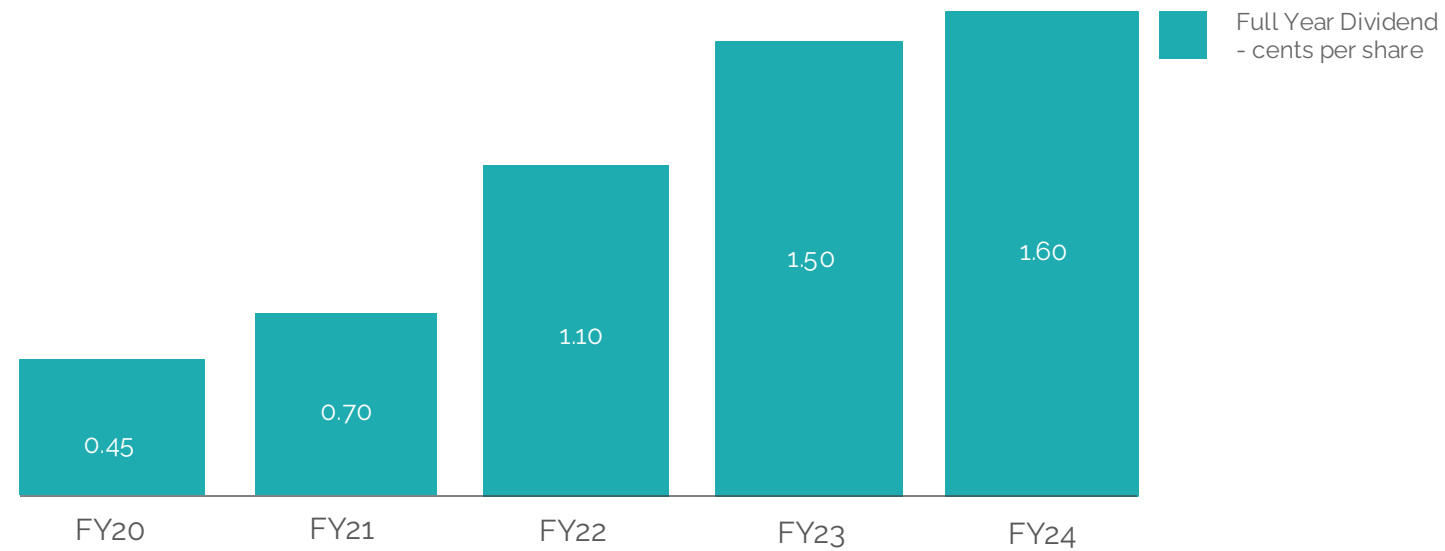
YEAR



Dividends

- Final dividend of 0.85 cps, up 6.3% on pcp (FY23: 0.80 cps)
- Full year dividend declared of 1.60 cps, up 7.0% on pcp (FY23: 1.50 cps)
- Dividends fully franked
- Dividend Reinvestment Plan (DRP) available for Final FY24 Dividend

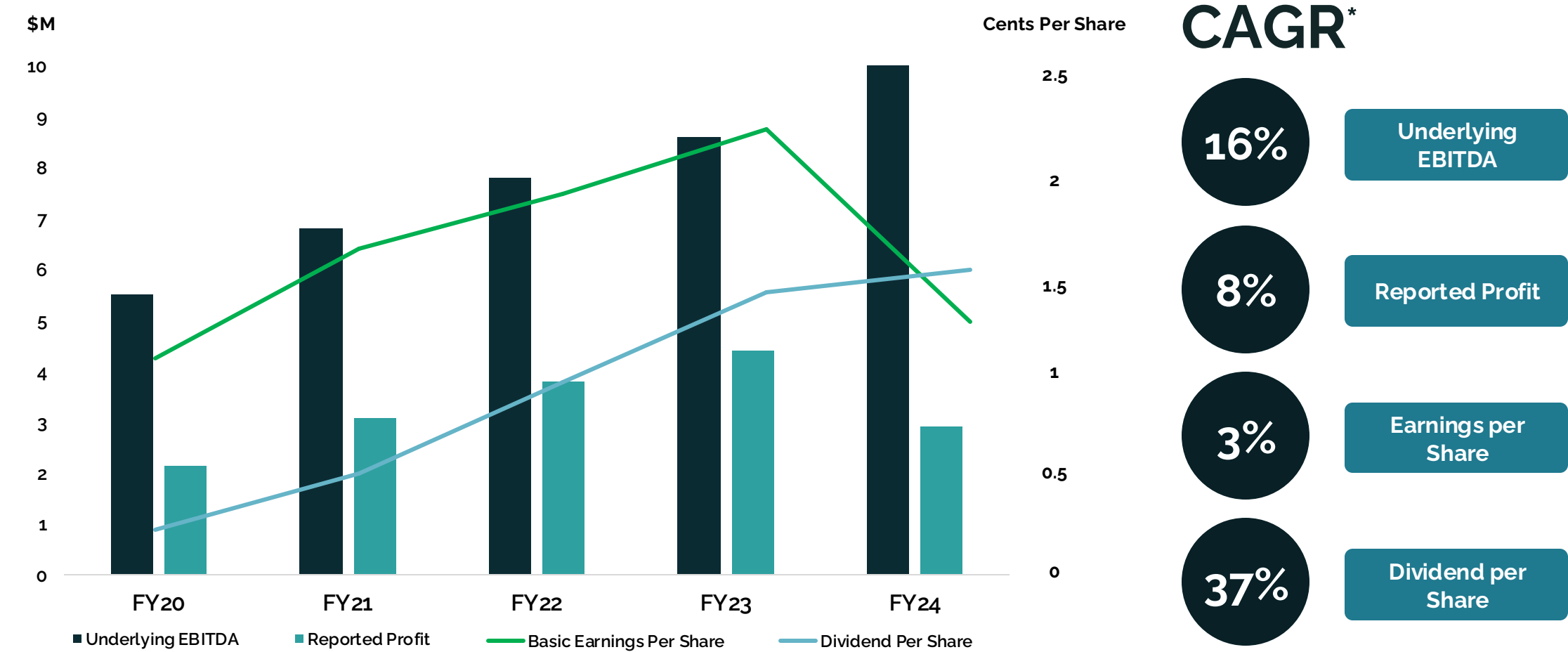
Dividends FY20 – FY24



Key Dates for Dividends

Dividend	
Record Date	3 September 2024
Payment Date	26 September 2024

Prime's 5-year Performance



*Compound Annual Growth Rate




Strategy & Outlook

Operating in Attractive Markets

Our 'OneConnected' solution focuses on Emerging Businesses, Founders and High Net Worth Investors

- Two large and high growth segments – Wealth and Business
- Level of affluence amongst Australians continues to grow – in 2023, 45,000 new individuals moved into the \$2.5M-\$5M wealth bracket, taking the number of individuals in this category up to 635,000
 - This will continue to grow with the “great wealth transfer”, with High Net Worth (HNW) investors expected to bequeath over \$1.5 trillion of assets to family beneficiaries
 - Much of this growth in wealth is in “unadvised” individuals who need professional guidance
- In addition, much of this HNW segment are business owners and/or operate SMSFs, creating multiple opportunities for the PFG business model
 - Sale/changeover of business ownership – corporate advisory, business advisory, advising on wealth management
 - SMSF services
- There are approx. 2.5 million SMEs in Australia, accounting for over 98% of all businesses
 - These businesses need Advice across compliance, strategy/growth through to transactions and succession

Demographic profile of Australia's affluent investor segment

	Emerging Affluent \$1m-\$2.5m	Established Affluent \$2.5m-\$5m	Established Affluent \$5m-\$10m	UHNW \$10m-\$70m
 Average age	63	66	66	70
 % that have SMSF	56%	69%	77%	90%
 Business ownership	39%	51%	65%	70%

* Source: praemium strategies for High-Net-Worth Investors report 2023

Our Strategic Pillars – How We Think About The Business

Prime Place To Be

Our people & culture

Compel The Client

Growth,
OneConnected,
Integrated Solutions

Simplify The Business

Business efficiency
driving bottom line
results

Grow Revenue Streams

Through organic
growth and
acquisitions

Strategy for Growth – Business & Wealth

Organic Growth



- Organic growth in existing service lines and new services
- Recruiting people with an existing revenue and client base
- Cross-delivery of additional services to existing clients
- Stable and growing recurring revenue across Advice, Accounting, Wealth & Asset Management
- Revenue diversification through emerging strategies and solutions

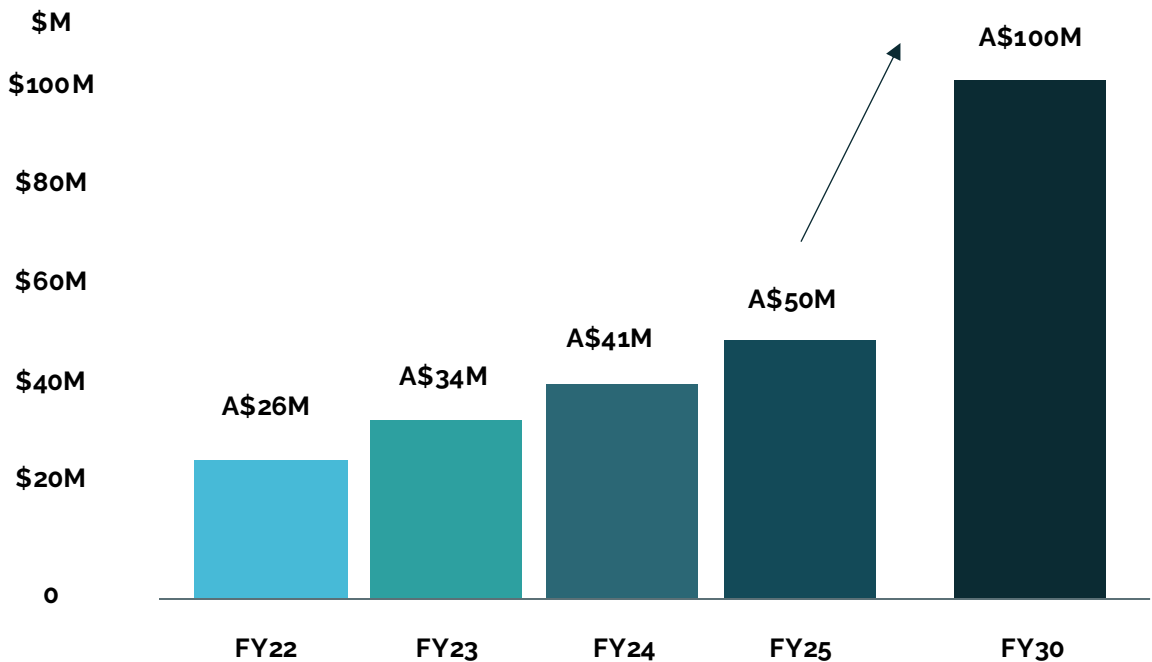
Inorganic Growth



- Intello SMSF (Wealth) acquired Oct 2022 – added new capability and scaled the client base for services and product
- Altor (Wealth), an Asset Manager acquired in Feb 2024 – added new capabilities in alternative assets and business growth funding solutions, plus grew the client base
- EPM (Business) acquisition in Jun 2024 – added new employee ownership and administration services and client base
- Will continue to pursue EPS-accretive acquisitions that add new capabilities, scale and client base. Note: PFG currently has an NBIO signed for a business operating in the Wealth segment

Our goal is to double revenue from \$26M in FY22 to \$50M in FY25 – on track

And then double revenue again to \$100M within 3-5 years – on track



Outlook: Expect To Generate 15-20% Revenue Growth In FY25

1

Strong Organic Growth

- Organic growth to be driven across core services plus scaling up recent service offerings
- Cross-sell strategy to drive further organic growth

2

Delivering Accretive Acquisitions

- Continued integration of Altor and EPM acquisitions
- Continuing to explore EPS accretive acquisitions – NBIO signed in the Wealth Segment

3

Scale Efficiencies to Drive Earnings

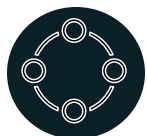
- Investment in team, IT and infrastructure to drive efficiencies

4

Driving Growth in Revenue, Earnings & Dividends

- Prime philosophy is to generate 15-20% revenue growth each year
- Further guidance to be provided at the 2024 AGM

Summary



Market-leading Advice, Capital and Asset Management Group

- Provides full-service Advisory, Capital and Asset Management in the Business & Wealth segment
- 26-year history, \$1.2 billion FUM and a global footprint



Strong track record of revenue, earnings and dividend growth

- Revenue growth has accelerated over the 5 years
- 70%+ of total revenue is generated from existing clients on a recurring basis
- Consistent earnings and dividend growth over the last 5 years



Continued execution of organic and inorganic growth opportunities

- Organic growth opportunities driven by core services plus new service offerings within existing verticals
- Acquisition of EPM (Business) follows Intello SMSF (Wealth) and Altor Asset Management (Wealth) added capability, client base, revenue and earnings
- PFG is focused on its strategy of pursuing further EPS-accretive acquisitions with the aim of increasing the client base it can offer current services to and provide access to distribution for PFG originated products, services and transactions.
Note: PFG currently has an NBIO signed for a business operating in the Wealth segment



Strong Board, Management & Ownership Culture

- Experienced Board and Management with significant industry experience spanning Wealth, M&A, Accounting Services, Corporate Finance and Global Growth
- 45% of Prime is owned by the staff and associates, fostering an 'ownership' mentality

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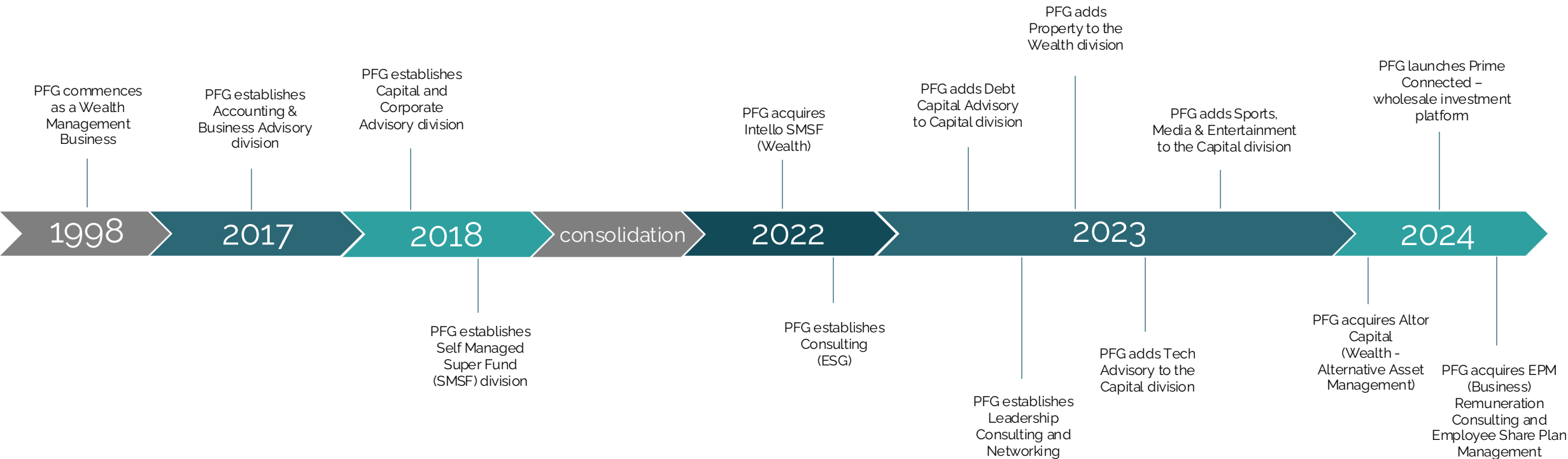
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Appendices

Our Journey



A Real-Life Case Study Highlighting The Cross-Sell Strategy

		Revenue
2018	ABC Corp engaged PFG's Accounting & Business Advisory division	
2018 - 2021	<p>\$6k compliance engagement in 2018 grew to circa \$100k p.a. and \$300k+ across the client's broader network</p> <p>Services provided: Accounting Services, Outsourced CFO Services, Business Advisory, R&D, Growth Funding Solutions</p>	\$6k growing to \$100k p.a. (total \$337k 2018-2023)
2021	Client introduced to the Capital team for a potential capital raise. Client decided to self fund	
2022	<p>ABC was approached by a buyer offering \$25M plus retention bonuses. Reconnection was made with the Capital team</p> <p>By PFG's Accounting and Capital teams working closely together, the client achieved a sale price of \$35M plus retention bonuses – a 40% uplift in value</p>	\$640k
2023	Two founders of ABC invested some of their sale proceeds into one of PFG's property opportunities in the Wealth division	\$33k
Total revenue (including GST) generated was \$640k for Capital, \$337k in Accounting & Business Advisory, \$33k for Wealth = \$1.01M		

"Our work with ABC provides an excellent example of how PFG's divisions work together as a OneConnected Group.

"It also illustrates how we provide a full suite of services that are complementary, which is the key driver for our cross-sell strategy."

- Simon Madder

Executing on Acquisition Strategy – PFG looks for a 1 + 1 = 3 opportunity

PFG is focused on pursuing further EPS-accretive acquisitions to increase the client base it can offer products and services and scaling those currently offered by the acquisition

Recent Acquisitions

Altor (Wealth) (Alternative asset manager – Private Credit & Equity, acquired Feb 2024) offered:

- Additional capability in Asset Management – specifically Private Credit & Equity, plus Distribution
 - \$1.8M revenue (annualised)
 - 40 Financial Planning/Services Firms
 - 110 Accounting & Professional Services Firms plus Direct Relationships
- Alternative Asset Management platform and track record of performance allowing ability to:
 - Launch new products
 - Undertake M&A to continue to scale capability and funds under management (FUM)
 - Past 'Property' funds management that can be re-launched
- Additional 'Distribution' for:
 - Property
 - Equity & Debt Capital Advisory transactions
- 'Growth Funding Solutions' (Equity & Credit) for Emerging Businesses

Intello (Wealth) (SMSF administration - B2B Model for Financial Planners & Accountants, acquired Oct 2022) offered:

- SMSF additional 'Scale' and 'Distribution':
 - \$3M revenue (annualised)
 - 130 Financial Planning/Services Firms
 - 60 Accounting Firms
- Additional Distribution for:
 - Alternative Asset Management
 - Property
 - Equity & Debt Capital Advisory transactions

EPM (Business) (Remuneration and employee share plan management administrators, acquired June 2024)

- EPM combined are one of Australia's most experienced remuneration and employee share plan management administrators
- Total consideration of up to \$5.7 million, initial consideration of \$2.8 million (50% in cash and 50% in PFG shares), \$100,000 cash payment on 30 April 2025 and potential deferred payments of up to \$2.8 million (\$1.4 million at first and second anniversaries) (50% in cash and 50% in PFG shares)
- Compelling acquisition opportunity:
 - Revenue and earnings run rate of \$2.2+ million and \$1.3+ million p.a. respectively
 - Further expands capability within PFG's Business segment for Emerging Businesses
 - Complementary to PFG's existing Capital & Corporate Advisory capability
 - Increased customer diversification with significant cross selling opportunities into the wider PFG
 - Favourable financial profile with strong recurring revenues and margins

Potential Acquisition

NBIO signed

- Wealth segment
- Australian based
- If the potential transaction proceeds, the acquisition would represent a material contribution to revenue in FY25. The target is expected to generate approximately \$11 million in FY24
- Operational, client and capability synergies
- Likely to be funded 50% cash and 50% PFG shares with payments to be made over a 3-year period
- The potential transaction is incomplete and remains subject to satisfaction of further conditions including completion of due diligence, agreement of final terms, execution of final binding transaction documentation and obtaining necessary shareholder approval

Why Ownership Matters

Our people are our biggest asset

- Currently 45% of our company is owned by the staff and associates
- We encourage our staff to have an 'ownership' mentality and to work collaboratively, enabling them to help co-create the firm of the future
- We do this through our equity/business ownership plan (Long Term Incentive (LTI)/Performance Rights) that connects team members through the same shared growth orientated financial goals as OneConnected team
- This philosophy is maintained in our acquisition strategy where a typical acquisition consideration structure is 50/50 cash and shares in PFG with part of the share consideration earned based on performance over time. This structure continues the 'ownership' mentality and vested interest in the future success of PFG as an owner



EBITDA & NPAT

\$'000 AUD	FY23	FY24
Reported net profit after tax from operations (Group)	4,983	3,419
Add: Tax expense	1,694	1,450
Add: Interest expense/ (income)	706	1,213
EBIT (Group)	7,383	6,082
Add: Depreciation	71	152
Add: Amortisation*	1,696	2,122
Reported EBITDA (Group)	9,150	8,356
Reconciliation of Reported to Underlying EBITDA		
Non-recurring expenses including, Acquisitions, Investment in New Service Offerings, Restructuring & Repositioning	854	2,388
Fair value movements on financial assets	(146)	77
Fair value movement on contingent consideration	(475)	101
Underlying EBITDA (Group)	9,384	10,922
Underlying EBITDA (members/shareholders)	8,619	10,165
Reported EBITDA (members/shareholders)	8,385	7,599

*The increase in amortisation unfavourably impacted NPAT and EPS by 15%

Non-Recurring Expense Items

- FY24 was unfavourably impacted by the following non-recurring expense items, totalling \$2.6M
- One-off adjustments split \$2.1M in H1 and \$0.5M in H2, which reflects a more normalised operating rhythm

Acquisitions, Restructuring & Repositioning \$1.6M

- Intello, Altor and EPM acquisition expenses
- Offer Entitlement expenses
- Business & Wealth repositioning including non-recurring salaries
- Excess share-based-payment (SBP)
- Training & Education and Tech Implementation
- Fair Value movements

Investment in New Service Offerings \$1.0M

- Establishment expenses
- Wholesale Platform expenses

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