

FY 2024 H1 RESULTS

INVESTOR PRESENTATION

Indy Singh – Executive Chairman, Fiducian Group

Rahul Guha – Executive Chairman, Fiducian Services

Sydney, 12 February 2024



FIDUCIAN
INTEGRITY • TRUST • EXPERTISE

FY2024 Half Year Update

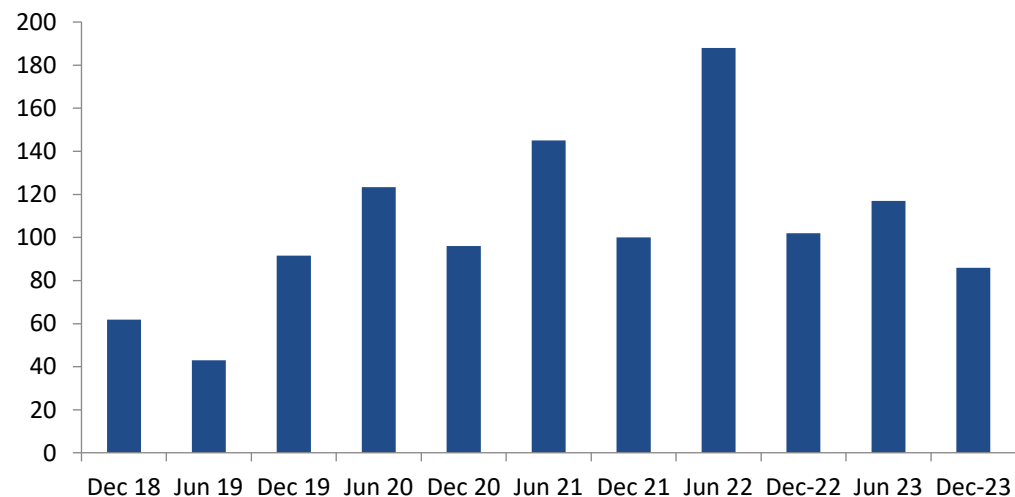
- Business Overview
- Financials
- Key Dates and Contacts



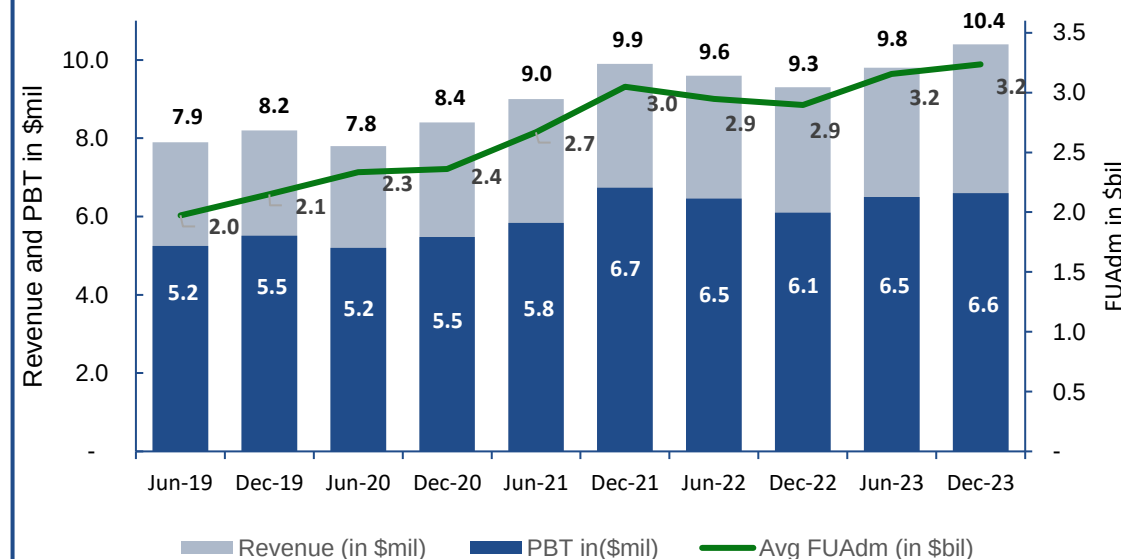
Core Fiducian platform

- **Net inflows \$121 million** in first half from aligned financial advisers
- Almost 100% of new Inflows are invested through Fiducian platform and in Fiducian multi-manager funds
- Funds Under Administration (FUAdm):
 - \$2,619 million as at December 2022 (\$2,613 million 6 monthly average)
 - \$2,965 million as at December 2023 (\$2,840 million 6 monthly average)
 - \$3,031 million as at January 2024, an increase of 16% over December 2022 6 monthly average
 - **Potentially contributing to additional annualised revenue of \$2 million compared to six- month average to December 2022**
- Advanced leading-edge technology platform linked to financial planning software
- Fiducian branded Core platform primarily catered towards the requirements of aligned Advisers: Investment menu comprising Fiducian Funds and Managed Accounts, over 60 external Managed Funds, Shares and Term Deposits tailored to financial adviser and client demands

Core platform Net Inflows - Six monthly (in \$ mil)



Platform Revenue & PBT and Average FUAdm



- **PBT Margins 63% of Gross Revenue** including margins from cash held in the platform
- Both Salaried and Franchised networks contributing to the Net Inflows
- Combination of organic flows from active referrals and inorganic flows from strategic acquisitions

- Low-cost value proposition, **Auxilium**, directly competing to disrupt the existing disruptor platforms through in-house technology, extensive product menu, advanced reporting capabilities and high standard of service
- Total of **five badges gaining momentum** for external dealer-groups
- Strong pipeline in distribution and relationship building – industry approximately 10,000 Authorised Representative (AR)
- Excellent response from users in relation to product offering, features and level of service received
- **Extensive investment menu**: ASX listed and International shares, over 75 Exchange Traded Funds, 300 Managed funds, 25 Managed Accounts and Bank Term Deposits. Capability to add further investment options based on adviser demands
- **FUAdm \$383 million from non-aligned IFA** including in Core, Auxilium and Badged products
- Potential negotiations underway with advisers to use financial planning software, FORCEe

FY2024 Half-Year: Funds Management

- Funds Under Management (FUM):
 - \$4,083 million as at December 2022 (\$3,949 million 6 monthly average)
 - \$4,819 million as at December 2023 (\$4,561 million 6 monthly average)
 - \$4,895 million as at January 2024, an increase of 24% over December 2022 6-monthly average
 - **Potentially contributing to additional annualised revenue of \$4 million compared to six-month average to December 2022**
- **Inflows started in new Investment Bond** badged through Generation Life offering Fiducian Growth Fund to pre-empt the Government's proposed \$3 million cap to superannuation balances for tax concession
- Fiducian Deep Green portfolio Managed Account offering continues
- Comprehensive offerings of Manage-The-Manager funds: 14 Managed Investment Schemes and 5 Managed Accounts



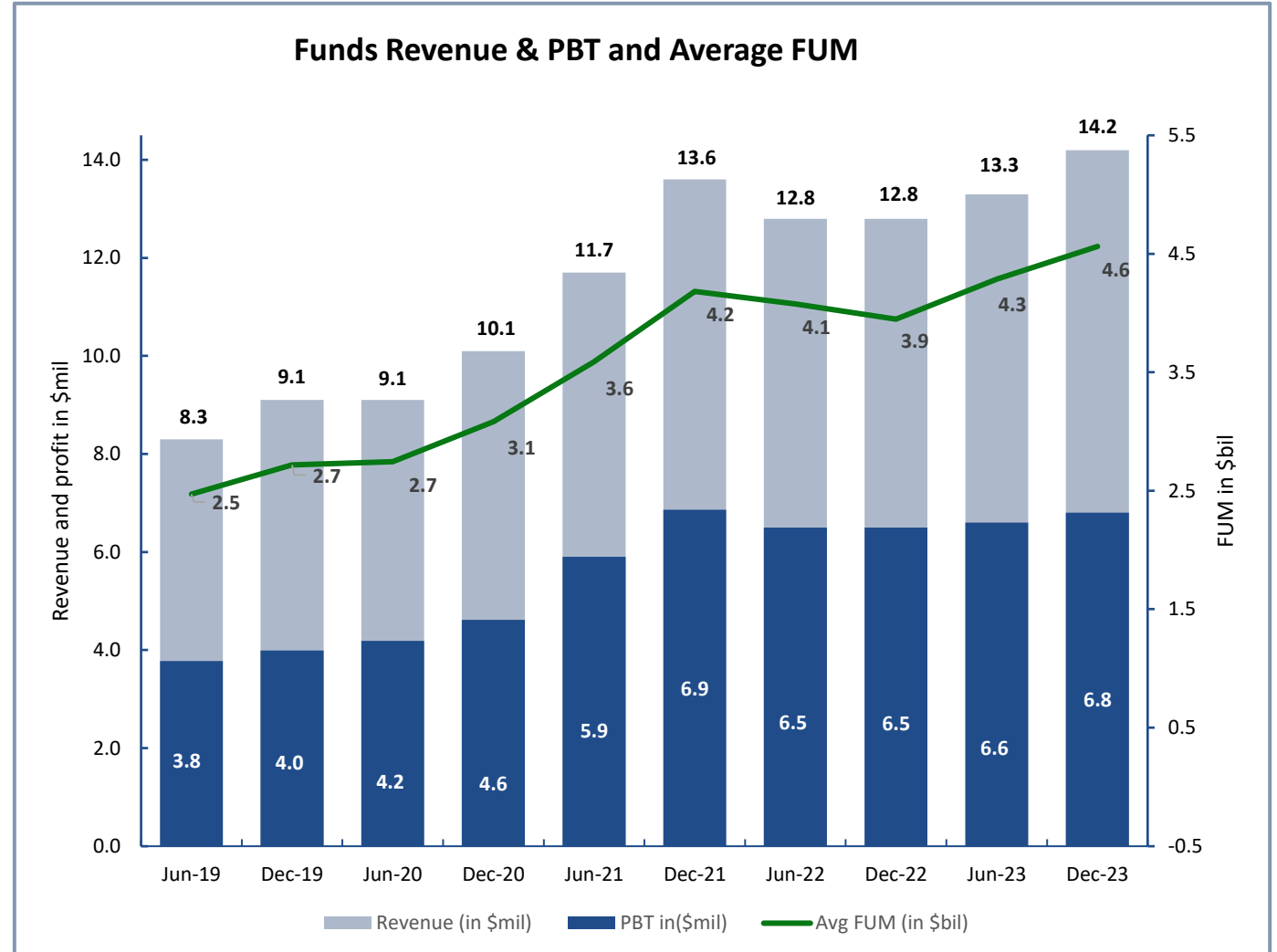
- **Consistently superior results over long term** against the world's best fund managers in the Australian market over long term
- Over 20 years, the four Fiducian diversified funds ranked in the top decile to top quartile in **41 out of 64** readings against up to **162** fund managers on Zenith survey

Fiducian Funds	1-year return (ranking) p.a.		3-years return (ranking) p.a.		5-years return (ranking) p.a.		7-years return (ranking) p.a.		10-years return (ranking) p.a.	
Capital Stable	7.7%	5/42	1.4%	16/37	4.0%	7/35	3.8%	6/34	4.4%	3/29
Balanced	11.6%	10/116	4.1%	43/111	7.7%	3/102	6.9%	3/94	7.2%	2/82
Growth	12.7%	31/162	5.0%	83/152	8.7%	6/146	7.7%	5/140	8.0%	3/130
Ultra Growth	9.1%	83/89	2.5%	79/80	8.2%	47/75	6.8%	38/71	8.4%	4/65
Other specialist MTM funds										
Technology	22.7%		-2.8%		11.1%		11.4%		13.6%	
India	21.0%		17.3%		11.4%		11.1%		15.0%	

*Source: Zenith December 2023

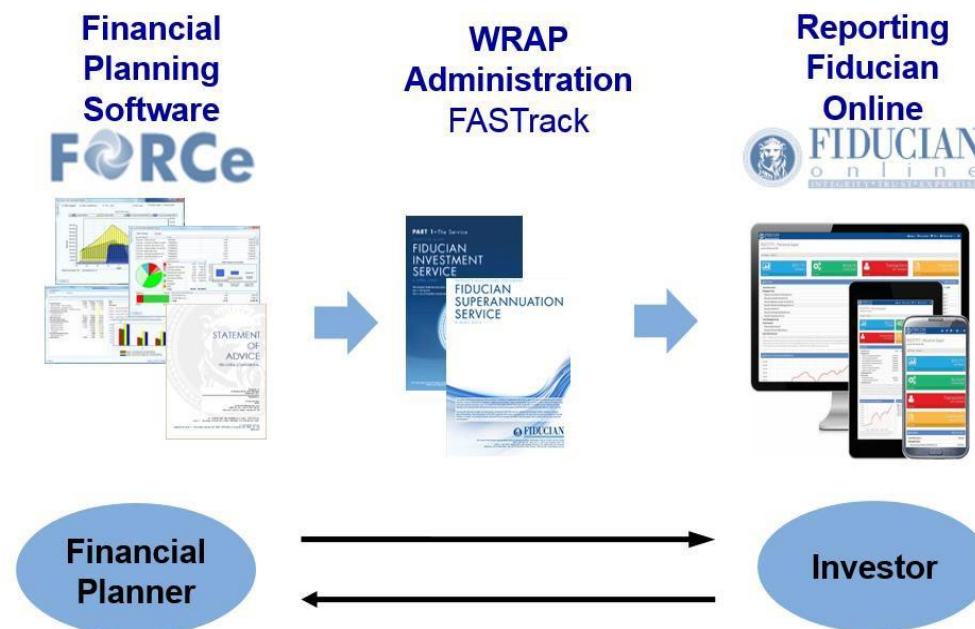
Past performance is not a reliable indicator of future performance and Fiducian does not guarantee the performance of the Funds or any specific rate of return.

- Fiducian fund fees are similar to other single manager funds fees
- Highly defensible products for Advisers (RG175.346)
- Added benefits for clients are access to multiple managers whose fees are paid by Fiducian through the relevant Fiducian Funds
- As volumes increase Fiducian margins increase
- New Zealand distribution continues through webinars and electronic direct marketing to financial advisers
- **PBT margins 48% of Gross Revenue** including margins from cash held in the funds.



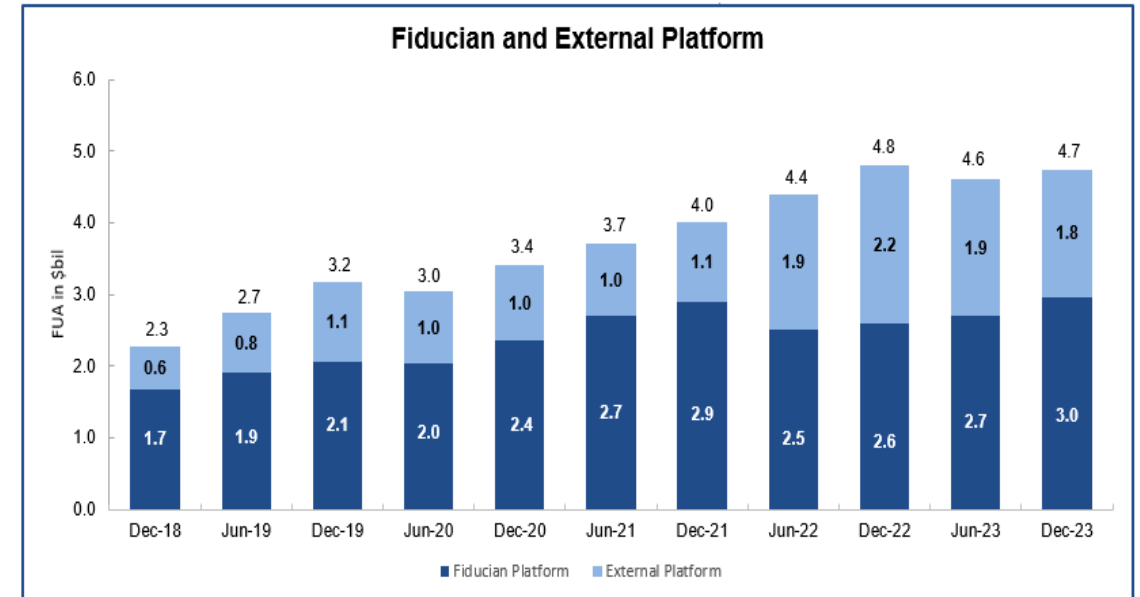
FinTech Capabilities

- Proven and time tested Fintech capabilities underpin Fiducian's successful business model
- Market leading in-house systems:
 - **'Fastrack'** Platform Administration System
 - **'FORCE'** Adviser driven Financial Planning Software
 - **'Fiducian Online'** Holistic Client reporting
- Internal development team facilitated quick release of Auxilium and badges to market
- Promotion of FORCE to external dealer groups and Software as a Service (SaaS) external offering now begun
- Cyber security strengthened through Multi-Factor Authentication

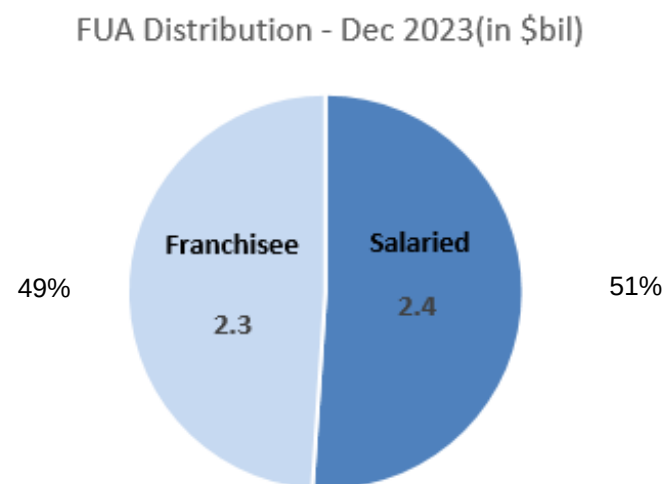
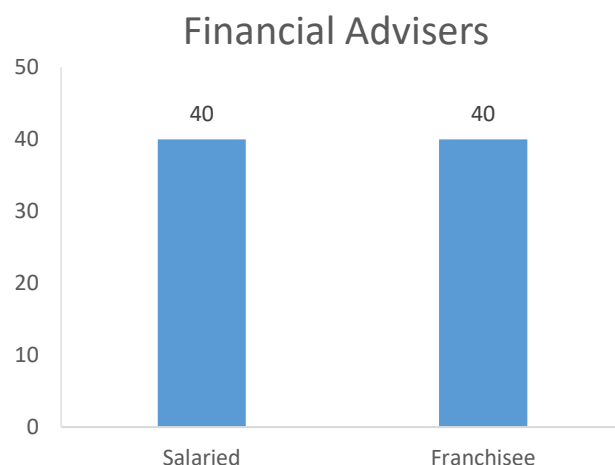


FY2024 Half-Year: Financial Planning

- **Enabler of steady flows** to Funds and Platform
- 80 Financial Advisers numbers and 45 offices
- Inflow targets raised up to \$6 million for each Financial Adviser
- Revenue targets raised 10% to 20% per annum for Salaried Advisers

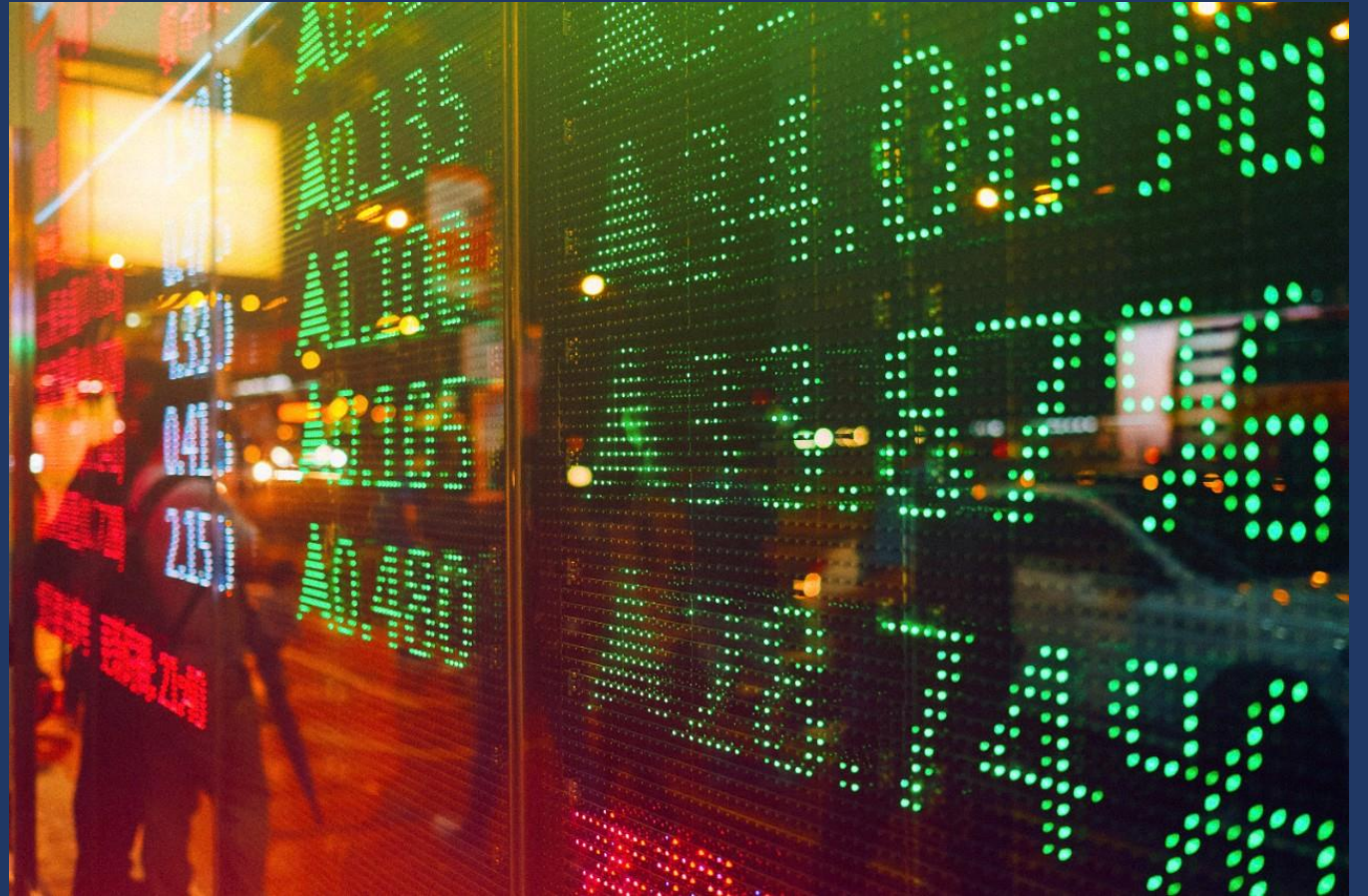


- Funds Under Advice (FUA):
 - \$4,798 million as at December 2022
 - \$4,737 million as at December 2023
- \$1,774 million in external platforms – work underway to transition to proven & successful compliant Fiducian process where in clients' best interest
- Estimated \$0.7 billion non-fee paying non-advised clients are in the process of being engaged or being removed – no revenue impact anticipated for the latter



- December 2023 staff number 167 (compared to 177 in December 2022). Efficiencies through:
 - Enhancements to our financial planning software adding several efficiencies
 - Right sizing through natural attrition as we bedded down the loss in client base from our Adelaide acquisition
- Staff loyalty and knowledge base remain high. Continuing Training and professional development assist with growth, efficiency and motivation
- Staff retention is key – increase of salary in July 2023 to remain competitive
- Staff costs being managed – salary increases mostly absorbed by efficiency gains

Financials



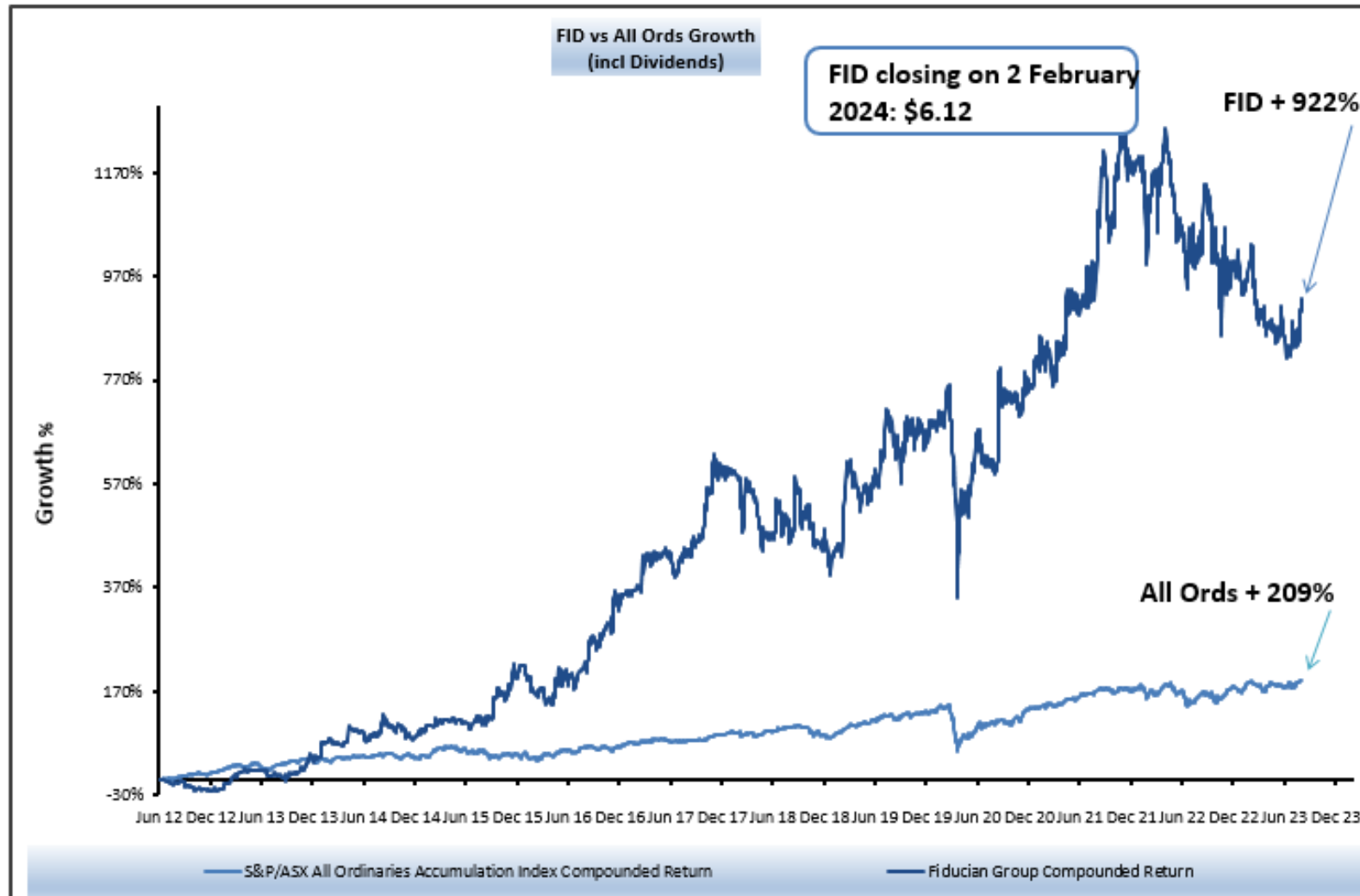
FY 2024 Half-Year Financial Highlights

Financial highlights			
Half-year ending 31 December	2023	2022	% Change
	\$'000	\$'000	
Operating Revenue	39,003	35,438	10% ▲
Fees and Charges paid	(9,787)	(8,916)	
Net Revenue	29,216	26,522	10% ▲
Gross Margin	75%	75%	
Underlying EBITDA (including lease rents paid)	11,205	9,637	16% ▲
Underlying EBITDA Margin	29%	27%	
Depreciation	(170)	(183)	
Tax on underlying earnings	(2,817)	(2,431)	
Underlying NPAT (UNPAT)	8,218	7,023	17% ▲
Amortisation	(1,404)	(1,451)	
AASB 16 Leases adjustment impacts - Office Lease	25	(28)	
Statutory NPAT	6,839	5,544	23% ▲
Basic EPS based on UNPAT (in cents)	26.1	22.3	17% ▲
Basic EPS based on NPAT (in cents)	21.7	17.6	
Funds Under Management, Advice and Administration FUMAA (\$ in millions)	12,910	11,850	9% ▲

Segment Reporting

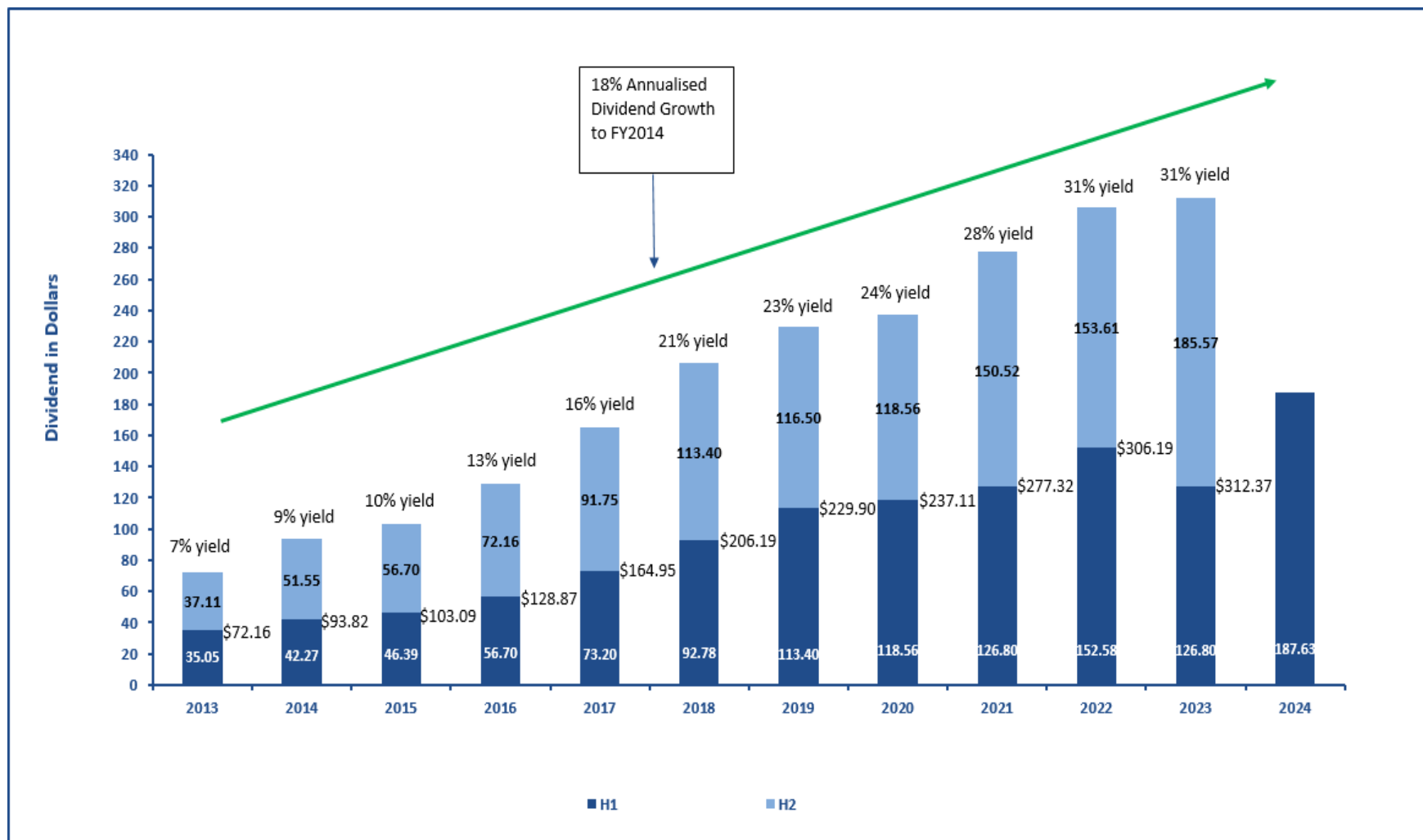
	Funds Management	Financial Planning	Platform Administration	Corporate Services	Consolidated
	\$'000	\$'000	\$'000	\$'000	\$'000
Half-year December 2023					
Revenue from external clients	13,986	13,273	10,365	-	37,624
Inter-segment sales	(3,788)	(900)	(2,675)	7,363	-
Other revenue	234	1,027	-	118	1,379
Total segment revenue	10,432	13,400	7,690	7,481	39,003
Profit from ordinary activities before income tax, depreciation and amortisation	6,777	1,614	6,674	(3,034)	12,031
Depreciation and amortisation					(2,364)
Profit from ordinary activities before income tax expense					9,667
Income tax expense					(2,828)
Profit from ordinary activities after income tax expense					6,839
Segment assets	17,441	39,737	3,359	8,676	69,214
Segment liabilities	9,243	37,691	-	(29,799)	17,135
Acquisitions of plant and equipment, intangible and other non-current segment assets	-	-	-	9	9

FID outperformance against All Ords Accum Index



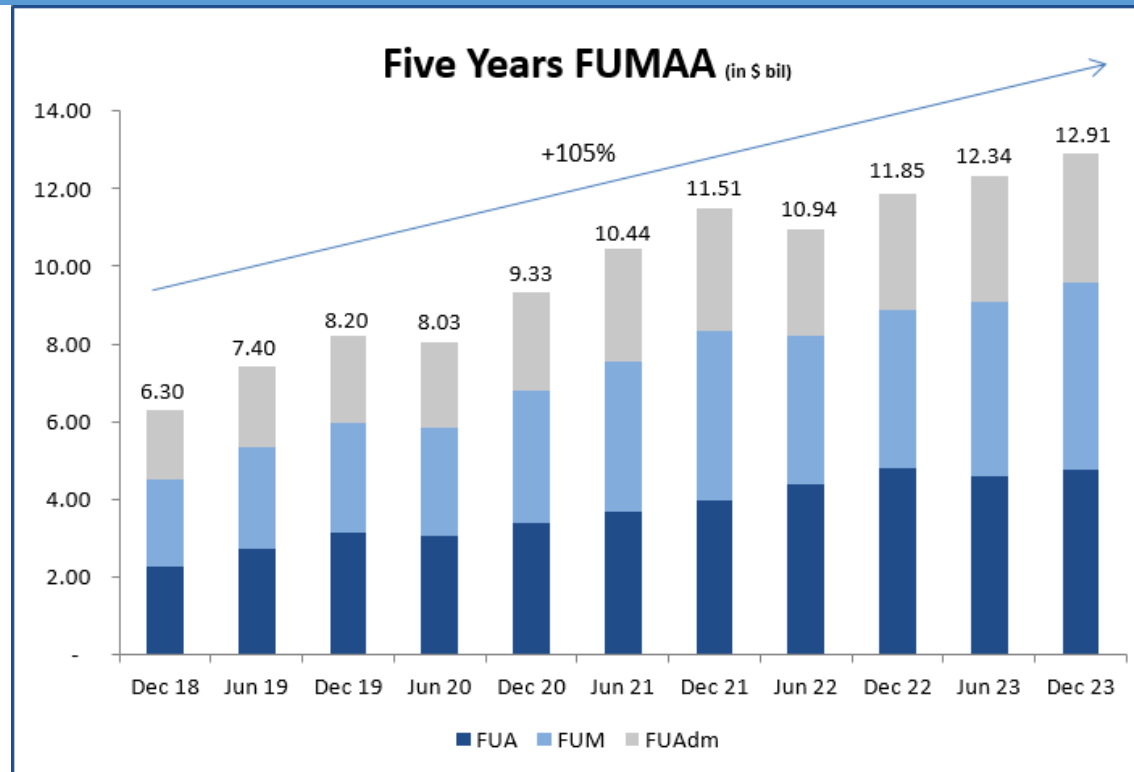
- Since Jun 12, FID has **outperformed All Ords by 713%** (including dividend)
- Dividend pay-out policy is 60-80% of Underlying Net Profit After Tax
- H1 2024 dividend is **18.20 cents**

Dividends – \$1,000 invested on 1 July 2012



- The graph shows that **\$1,000 invested** in FID on 1 July 2012 delivered a fully franked dividend of **\$373.22** in last two half-year periods
- **Double digit EPS growth** (based on UNPAT) in 18 out of 24 years since listing

Funds Under Management, Administration and Advice (FUMAA) Growth



FUMAA Closing Balance (in \$ bil)				
Years	FUA	FUM	FUAdm	Total
Jun 18	2.41	2.37	1.94	6.72
Dec 18	2.27	2.22	1.82	6.30
Jun 19	2.74	2.60	2.06	7.40
Dec 19	3.14	2.83	2.23	8.20
Jun 20	3.05	2.79	2.19	8.03
Dec 20	3.40	3.38	2.55	9.33
Jun 21	3.67	3.89	2.88	10.44
Dec 21	3.98	4.36	3.17	11.51
Jun 22	4.39	3.80	2.75	10.94
Dec 22	4.80	4.08	2.97	11.85
Jun 23	4.61	4.46	3.27	12.34
Dec 23	4.74	4.82	3.35	12.91

- ✓ Consistent FUMAA growth from strong organic and inorganic inflows
- ✓ Increase in FUA as proportion of FUMAA reflects recent acquisition

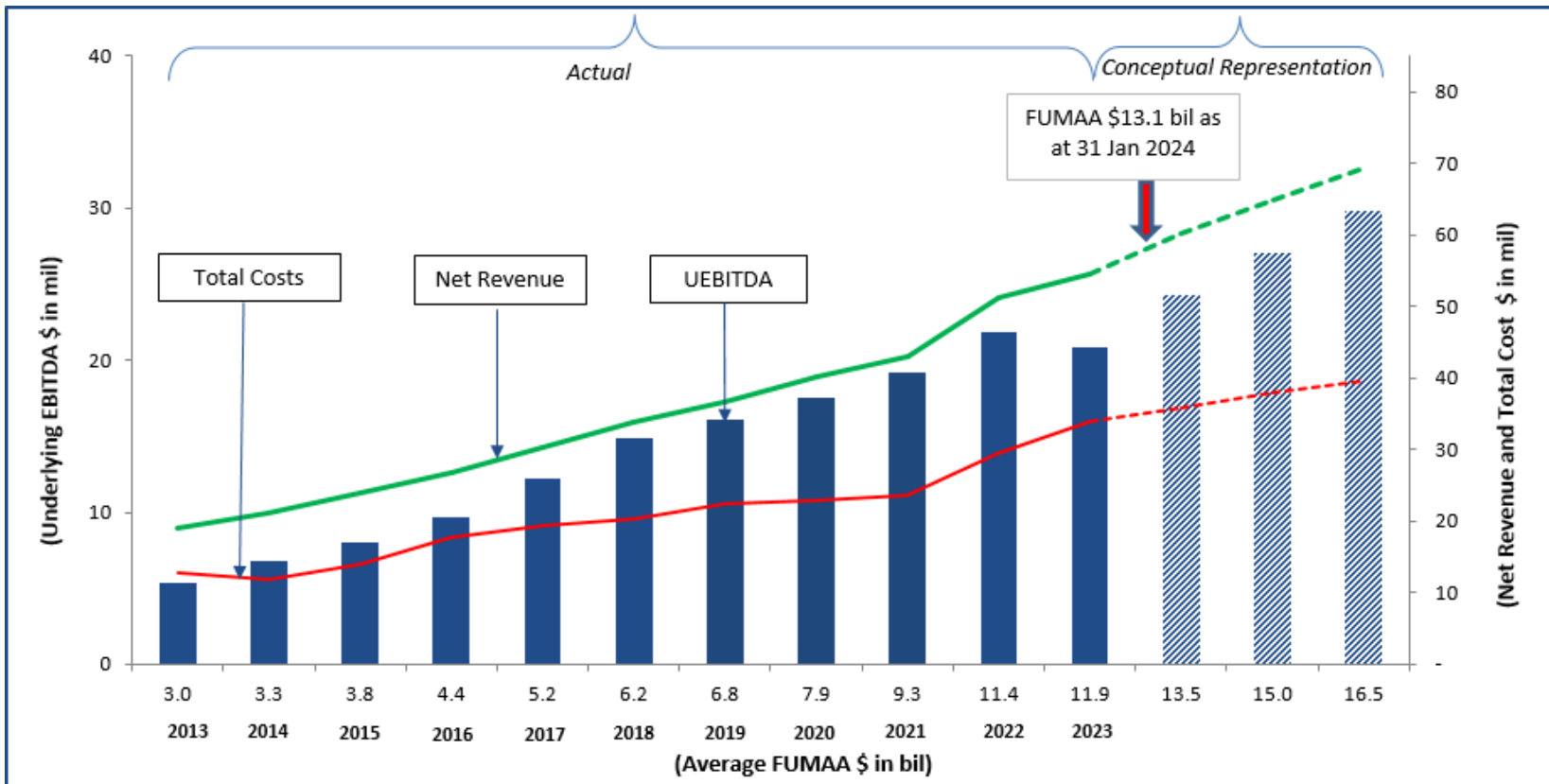
Explanatory Notes:

- FUA includes assets held in Fiducian and External platforms
- FUM includes cross holdings from diversified funds into sector/specialised funds. Excluding cross holdings, FUM is \$2,963 million
- FUAdm includes Aligned Fiducian Advisers \$2,965 million and IFAs / Auxilium / badges \$383 million

Projecting the Potential: Conceptual Representation

The following is a conceptual extrapolation* of how increasing **scale lifts EBITDA at an accelerating rate** above a relatively fixed cost base:

Funds under Management, Administration and Advice (FUMAA) & EBITDA



- This is not a projection or a forward-looking statement and should not be read or relied upon as such. This conceptual extrapolation may or may not be correct or accurate
- **Acquisition of PCCU could further accelerate our journey along the green line**

- This is simply extrapolating how revenue and EBITDA could grow and is not a forecast
- FUMAA balances are as at end of the Financial Year

Retail Investor Presentation (Online)

- Time / Date: 12:30 to 1.30 pm AEST, Tuesday 13 February 2024
- Join-in details (Zoom): <https://zoom.us/j/94893110991?pwd=SUIJZ1d4eld5RGJGcGxsQXB1LzRHQT09>
- Dial-in: +61 2 8015 6011 Meeting ID: 948 9311 0991 Passcode: 002452

Key Dates

- H1 Dividend Record Date: 26 February 2024, Payment Date: 11 March 2024
- Full year results announcement date: 15 August 2024
- Annual General Meeting (Hybrid) date: 17 October 2024

Contacts

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Information provided is current as at 31 December 2023 unless otherwise mentioned. Figures presented are subject to rounding. Prior period figures may have been restated where applicable to be on comparable basis with the current period.

The information was prepared on 09 February 2024.

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Source: Zenith funds survey.

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