



2023 AGM – Chairman and CEO Address

22 November 2023: Praemium Limited (ASX: PPS) (Praemium) will today address shareholders at its Annual General Meeting, commencing at 11:30am (AEDT).

In accordance with ASX Listing Rule 3.13.3, please see attached the addresses to shareholders to be delivered by Barry Lewin, Chairman, and Anthony Wamsteker, CEO. Also enclosed are the slides to be presented at today's meeting.

This announcement is authorised by the Board of Praemium Limited.

For further information contact Anthony Wamsteker, CEO / Executive Director on 1800 571 881

About Praemium (ASX: PPS): Praemium is the leading investment platform in Australia, catering to the emerging and established HNW investor market. Servicing Private Wealth firms, intermediaries, and some of the world's largest financial institutions, Praemium offers access to a comprehensive suite of investment solutions which cater for all investor structures.

Praemium Limited (ABN 74 098 405 826), Level 19, 367 Collins Street, Melbourne VIC 3000 Australia

2023 ANNUAL GENERAL MEETING

CHAIRMAN'S ADDRESS

The 2023 financial year has seen Praemium deliver record earnings per share, reflecting a simplified business model following the divestment of the international business, allowing a much sharper focus in the Australian market, without the drag on earnings caused by the business we divested.

Today's Annual General Meeting, and the Annual Report formally adopted at this meeting, provide an opportunity for your Board to update you on the progress that occurred throughout the 2023 financial year.

With the record results, Praemium has created a solid foundation upon which to build further growth in market share.

Highlights from the 2023 financial year include:

- A 23% increase in underlying EBITDA to \$23.4 million, up 41% when compared to group EBITDA in financial year 2022
- Total funds administration of \$44.0 billion, up 9% from financial year 2022, and a strong 17% revenue growth
- Continued strong growth of the SMA platform business, having generated \$1.4 billion in net flows and growth in funds under administration of 14%
- Completion of all material Powerwrap integration initiatives, marked by fully vacating its Melbourne office and surrendering the lease in January 2023
- Powerwrap delivering \$0.5 billion in net flows from an \$11.4 billion base due to its bespoke capabilities and sophisticated investment options
- Revitalisation of the leadership of the business with several key appointments and internal promotions
- A return of \$37.3million to shareholders from the sale of Praemium's international operations in the UK, Jersey, Hong Kong and Dubai
- The announcement of a 5 cents per share fully franked dividend, which was paid on 10 August 2022, full repayment of \$10.6million in borrowings and the commencement of an on-market share buy-back with \$11.5 million deployed to 30 June 2023. The buyback is on-market and therefore transparent to all market participants whilst affording Praemium maximum flexibility.

The Company continues to build and grow its capability, and its strong performance over the past year is marked by being ranked by Investment Trends as the number one platform for Decision Support Tools and Security, Data and Integration.

Particularly exciting is the revitalised executive leadership team appointed under the leadership of our CEO Anthony, which is comprised of individuals with a wide range of senior experience and capability. Praemium also continues to be the leading technology choice for Australia's most successful financial advisers with nearly half of Barron's top 100 advisers using our technology in their practices. Praemium has built technology-based solutions to meet the needs of financial advisers and their clients and we are now sharply focused on scaling our service and building on the offerings we provide in the Australian market.

I would like to thank my board colleagues for their support and the entire Praemium team for their committed efforts. My fellow directors and I also wish to express our sincere gratitude to all shareholders, both new and existing, for your support. We are confident you will benefit from your investment in Praemium in the years ahead.

I would now like to ask our CEO Anthony Wamstekker, to present his report to the meeting.

CEO'S ADDRESS

I mentioned at last year's AGM that Praemium is a growth business and that we plan our business activities accordingly. The growth we achieved in financial year 2023 demonstrates that this remains the appropriate management mindset for us to adopt. I will take a few moments to update you on our current business plans and the outcomes we expect.

Our last presentation to the market was in August when we released the 2023 financial results. At that time, I discussed our new executive team. Each executive has now had the opportunity to review their area of responsibility, establish their top priorities and develop plans that will allow us to continue our trajectory of strong and profitable growth. I am pleased to report that we have seen tremendous progress in each functional area because of the leadership provided by our executive team. I will now discuss that progress.

This slide is also from the results presentation in August. It identifies our main strategic initiatives for this year.

The development of our next generation IDPS continues to track to schedule with launch anticipated in the first half of 2024. This product will complete our platform range, complementing the SMA and Powerwrap schemes. We are confident that the next generation IDPS will allow us to accelerate our already solid growth in market share.

We have now completed a project to review all our operational processes and compare similarities and differences between the two platform products and the portfolio administration service, or VMAAS. This has identified numerous opportunities for further efficiency and productivity gains which are in the process of being implemented.

The next phase of the operational transformation review is occurring within the technology department with an examination of the IT operating model.

In addition to the anticipated cost savings, the operational transformation is a key component of the group wide service enhancements. The other major component is the HR and training improvements that have been identified under the new leadership team.

The final strategic initiative I want to comment on is the acquisition opportunities. Since divesting the international business, we have been inundated with a wide range of proposals. Whilst the vast majority have been discarded, I would be surprised if one or two important and accretive transactions did not materialize over the balance of this financial year. That said, nothing has yet been conclusively negotiated and resolved on this front.

I will now turn to the financial outlook for Praemium. This slide shows our revenue margin on our two platform products and has been a part of our recent half and full year result presentations. We have updated the slide for the first 4 months of this financial year to give further insight into our financial outlook. The average revenue margin is about 2 basis points lower than the average for the period from January to June, i.e. 25 basis points compared to 27 basis points in H2 FY23. This decline predominantly reflects lower trading volumes and cash balances than the previous six months. It is not clear how long this relatively subdued activity is likely to persist.

The comprehensive program of work on the five strategic initiatives under the leadership of the new executive team has required a level of investment in the business. Each project within the overall program has been commenced and monitored with a robust business case. Each project is required to deliver improvements in one or more of the areas of revenue enhancement, cost reduction and risk management, especially cyber risk. In addition, there must be an expected return on investment above a significant hurdle rate.

Internal management projections of the financial impact of the changes, once fully implemented, indicate that we should expect a material increase in the underlying EBITDA based on the current business size and mix, and assuming no material changes in our client base or market conditions. Some of this benefit is

expected to arrive in the second half of this financial year and most of the benefit is expected to be realized over the next full financial year and each year thereafter.

The cost of this change program is composed of three key elements:

- some is arising in the usual capital expenditure allocation budget. Overall capital expenditure, however, is not currently expected to be materially different from last year, other than due to inflation;
- some is part of the usual capacity expansion that arises as the business grows and is treated as a recurring expense item. This component is fully accounted for in the internal management projections described above, but will negatively impact EBITDA in the first half of FY24 because the expenditure has arisen in advance of the financial improvements that expenditure will generate; and
- some is non-recurring and is a one-off expense associated with the need for some external expertise and capability not needed within the business on a permanent basis.

Coupled with the ongoing and relatively high rate of inflation that persists, it is expected that operating costs in this current half year will be around 10% higher than the previous half year – i.e. January to June. The one-off, non-recurring costs are expected to amount to around \$1 million over the full year.

Based on the impact of these costs and the revenue margin decline mentioned earlier, we currently expect that EBITDA for the first half of FY24 will be approximately 20% lower than the corresponding half last year. That said, based on the long-term increase in EBITDA expected, the return on investment of the overall change program implemented by the new executive team is well above our internal hurdle rate.

Allow me to finish by adding my thanks to everyone in the Praemium team for their contribution to the results we have achieved. I would also like to thank our clients for their ongoing support and suggestions on how we can further improve our product and service offering. And, finally, thank you to our shareholders for your investment in the business over many years.

That concludes the business update, and I hand back to Barry.



PRESENTED BY
Praemium

2023 Annual General Meeting

Praemium Limited ACN 098 405 826

22 November 2023

At Praemium we acknowledge the Traditional Custodians of Country.
We pay our respect to their Elders past, present, and emerging for they hold
the memories, traditions, and culture of First Nations People.



Welcome and introductions

Praemium Directors

Barry Lewin, Chairman
Stuart Robertson, NED
Daniel Lipshut, NED
Claire Willette, NED

Praemium Management

Anthony Wamsteker, CEO & MD
David Coulter, CFO

Auditors: Grant Thornton

Crystel Gangemi, Partner

Registry: Link Market Services

Andrew Farrell, Relationship Manager



How to ask questions - Online attendees

- » To ask a question, click on the 'Ask a Question' button either at the top or bottom of the webpage.
- » The 'Ask a Question' box will then pop up with two sections for completion.
- » In the 'Regarding' section click on the drop down arrow and select the category / resolution for your question.
- » Click in the 'Question' section and type your question and click on 'Submit'.
- » All questions will be submitted to the call moderator who will present them to the Chair.

Ask a Question

We welcome any questions that you may have and will endeavour to answer all questions during the AGM. To submit a question, please select what the question pertains to and type your question in the provided area. If you have multiple questions please submit each individually.

Regarding Nothing selected ▾

Question

Type your question here...

Characters left: 532 Characters : 0

Submit Question



How to ask questions – Via Phone

Phone Number:

**1800 416 518 (Within Australia) or
+61 2 9189 8864 (Outside Australia)**

- » You will be greeted with a welcome message and provided with instructions on how to participate in the Meeting. Please listen to the instructions carefully.
- » At the end of the welcome message you will be asked to provide your PIN by the moderator. This will verify you as a securityholder and allow you to ask a question on the resolutions at the Meeting.
- » To obtain your unique PIN, please contact Link Market Services on +61 1800 990 363.
- » When the Chairman calls for questions or comments on each item of business, press *1 on your keypad for the item of business that your questions or comments relates to.
- » If at any time you no longer wish to ask a question or make a comment, you can lower your hand by pressing *2 on your keypad.
- » When it is time to ask your question or make your comment, the moderator will introduce you to the meeting. Your line will be unmuted and you will be prompted to speak. If you have also joined the Meeting online, please mute your laptop, desktop, tablet or mobile device before you speak to avoid technical difficulties for you and other shareholders.
- » **Your line will be muted once your question or comment has been asked / responded to.**



How to Vote - Online attendees

- » To register to vote – click on the
- » 'Get a Voting Card' button.
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- » Once you have finished voting on the resolutions scroll down to the bottom of the box and click on the 'Submit Vote' or 'Submit Partial Vote' button.

Voting Card

Please provide your Shareholder or Proxy details

SHAREHOLDER DETAILS

Shareholder Number

Post Code

SUBMIT DETAILS AND VOTE

OR

PROXY DETAILS

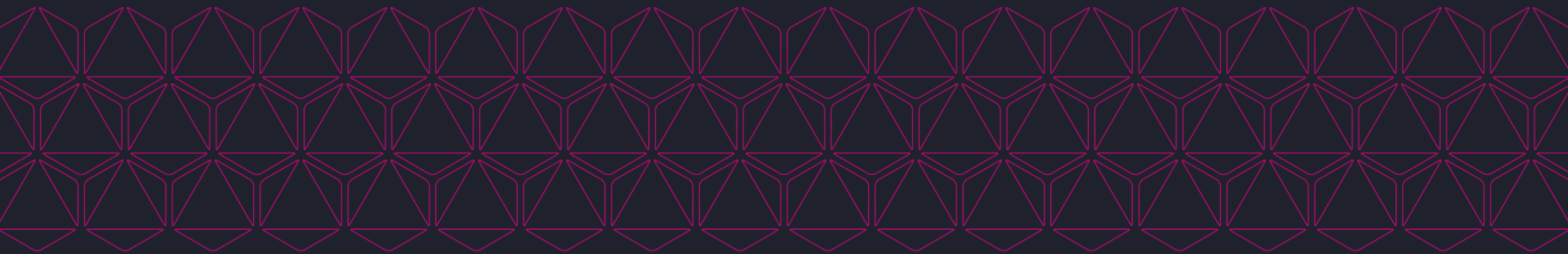
Proxy Number

SUBMIT DETAILS AND VOTE

Agenda

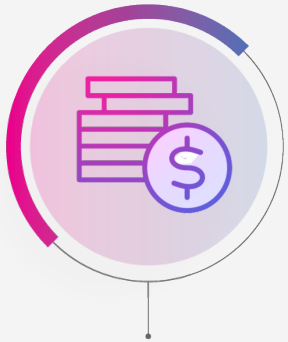
- » Chairman's Address
- » CEO's Report
- » Business of the Meeting

Chairman's Address



Barry Lewin
Chairman

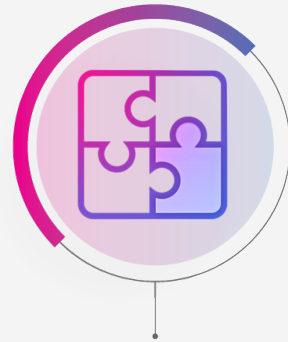
Chairman's Address



23% increase in
underlying EBITDA



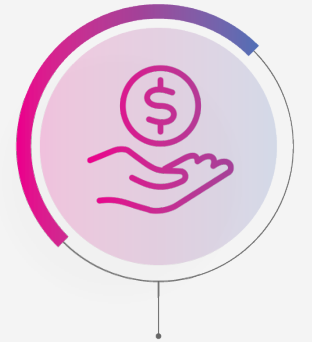
Total FUA of \$44bn
\$1.4bn in SMA net flows



Completion of Powewrap
integration and \$0.5bn in
net flows

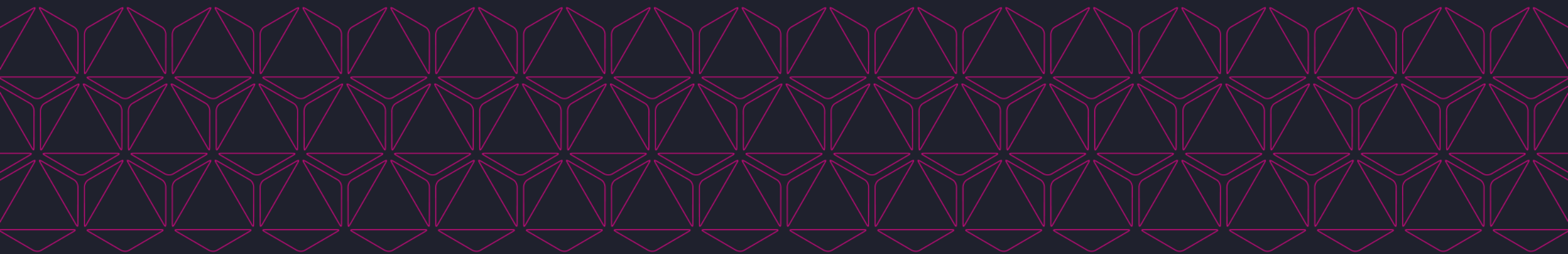


Executive
leadership team
revitalisation



\$37.3m returned to
shareholders & 5c per
share fully franked
dividend paid

CEO Report



Anthony Wamsteker
CEO & Managing Director

Refreshed executive team with extensive experience across the sector



Anthony Wamsteker
Chief Executive Officer



David Coulter
Chief Financial Officer

Cost discipline and
M & A expertise



Richard Large
Chief Technology Officer

Technology transformation



Rachel Axton
Chief Risk & Governance Officer

High growth business and
superannuation



James Edmonds
Chief Operating Officer

Product innovation and
operation excellence



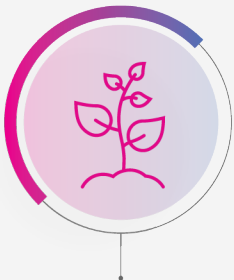
Denis Orrock
Chief Strategy Officer

Customer success and
strategic initiatives



Angela Godfrey
Chief People Officer

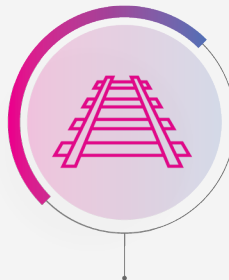
Culture refresh and people
policy enhancements



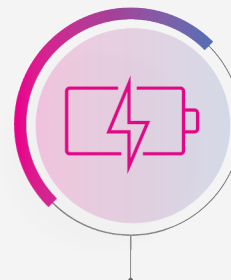
Growth focused



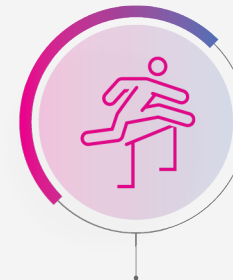
Client centric



Clear lines of
accountability



Productive and
efficient teams



Capability-led

Five key strategic initiatives in progress

01.

**Expand
strengths:
Next-generation
Powerwrap &
Non-custodial**

02.

**Operational
transformation**

03.

**Group-wide
service
enhancements**

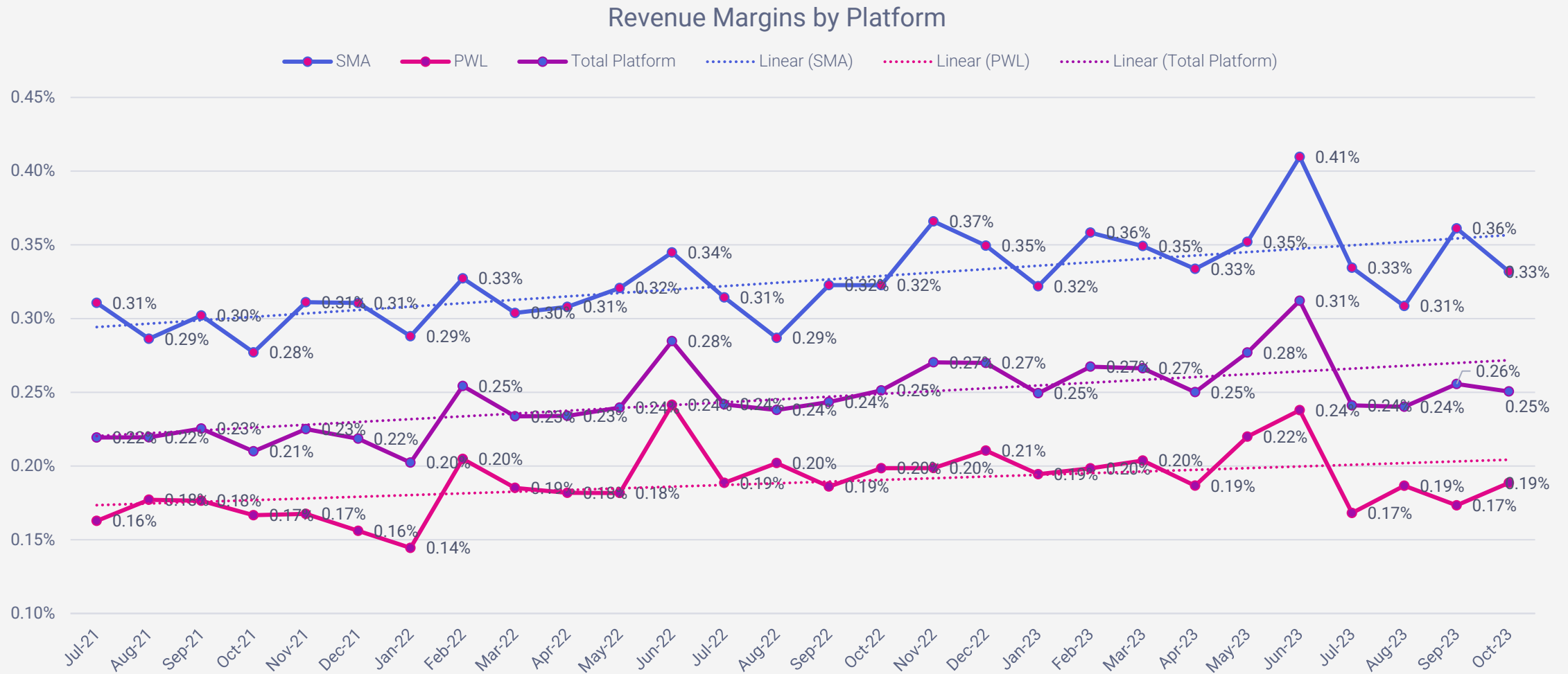
04.

**Superannuation
advances**

05.

**Acquisition
opportunities**

Platform Revenue Margins



Outlook

- » Capex budget is expected to increase in line with wages inflation and is increasingly well directed at projects with high target ROI
- » Usual business capacity expansion occurring to continue to facilitate strong growth with a modest step-up in 1H24
- » Circa \$1 million in one-off, non-recurring costs expected in FY24
- » Current initiatives expected to material uplift in EBITDA (based on internal business case methodology and assuming current scale, no material changes in client base or market conditions)
- » 1H24 underlying EBITDA expected to be approximately 20% lower than corresponding prior half year EBITDA



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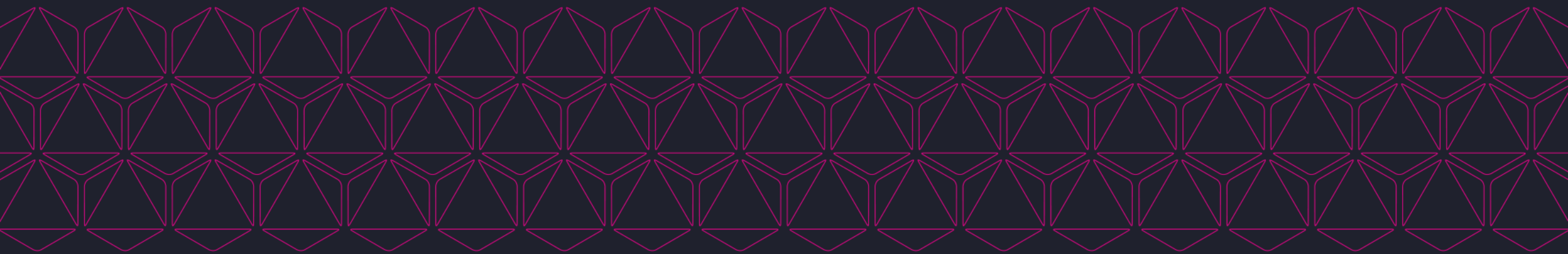
Question

Type your question here...

Characters left: 532 Characters : 0

Submit Question

Business of the Meeting



Barry Lewin
Chairman



Praemium Financial Report

Consideration of Financial Statements & Reports

“To receive the Financial Statements, Directors’ Report and the Independent Auditor’s Report for Praemium and its controlled entities for the year ended 30 June 2023.”

Note: There is no requirement for shareholders to approve these reports. [approve these reports](#)



Remuneration Report

Resolution 1

Adoption of Remuneration Report

To consider and, if thought fit, to pass the following advisory resolution:

“That, the Remuneration Report for the financial year ended 30 June 2023 (set out in the 2023 Annual Report) be adopted.”



Voting received prior to meeting

Resolution 1

Adoption of Remuneration Report

		Number	%
FOR		141,538,949	81.49
AGAINST		31,361,602	18.06
OPEN	- Chair	508,607	0.29
	- Other Nomination	272,850	0.16
ABSTAIN		78,174	



Election of Director

Resolution 2

Re-election of Daniel Lipshut as a Director

To consider and, if thought fit, to pass the following ordinary resolution:

“To re-elect Daniel Lipshut, who retires by rotation in accordance with clause 9.1(d) of the Constitution, and being eligible, offers himself for re-election as a director of Praemium Limited.”



Voting received prior to meeting

Resolution 2

Adoption of Remuneration Report

		Number	%
FOR		162,031,008	88.73
AGAINST		19,844,314	10.87
OPEN	- Chair	456,776	0.25
	- Other Nomination	272,850	0.15
ABSTAIN		0	



Election of Director

Resolution 3

Approval of new Praemium Directors and Employee Benefits Plan

To consider and, if thought fit, to pass the following ordinary resolution:

“That, for the purposes of Exception 13 of ASX Listing Rule 7.2, sections 260C(4), 200B and 200E of the Corporations Act 2001 (Cth), and for all other purposes, approval is hereby given for the renewal and the grant or issuance of securities under the ‘Praemium Directors and Employee Benefits Plan’ (as amended), the terms and conditions of which are summarised in the accompanying Explanatory Statement.”



Voting received prior to meeting

Resolution 3

Adoption of Remuneration Report

		Number	%
FOR		177,391,204	98.10
AGAINST		2,719,003	1.50
OPEN	- Chair	456,776	0.25
	- Other Nomination	272,850	0.15
ABSTAIN		87,750	



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Voting Card
Please provide your Shareholder or Proxy details

SHAREHOLDER DETAILS

Shareholder Number Post Code

SUBMIT DETAILS AND VOTE

OR

PROXY DETAILS

Proxy Number

SUBMIT DETAILS AND VOTE

End of Meeting Thank you

contact us

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præmium.com.au



twitter.com/præmium



linkedin.com/præmium