

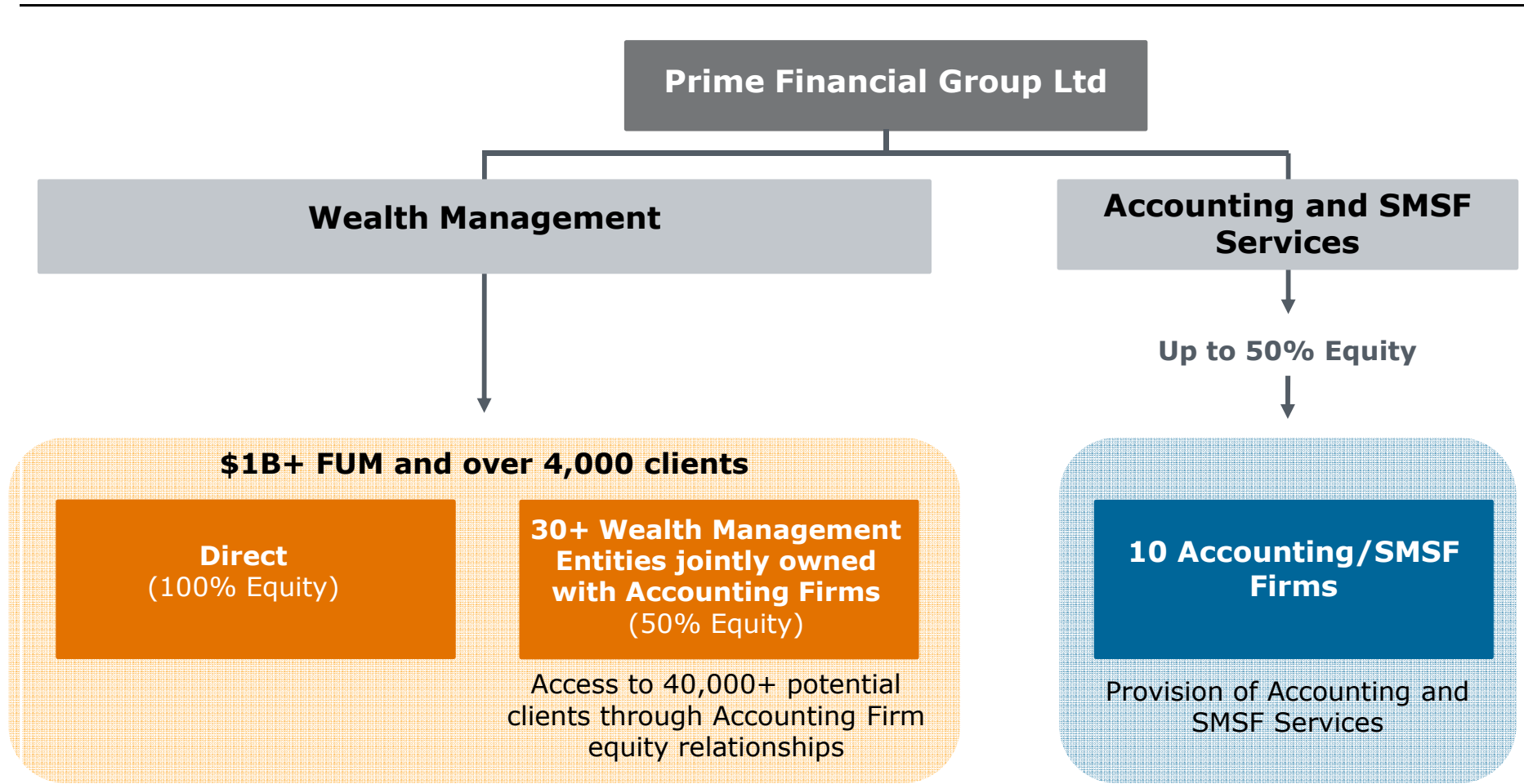
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Half Year Results Presentation 26 February 2015

Helping Clients Protect Assets And Build Wealth



Structure Chart



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1H2015

- EBIT DOWN 5% to \$1.75M compared to 1H2014;
- NPAT FLAT AT \$1.16M compared to 1H2014;
- EPS DOWN 4% to 0.79 CPS;
- Interim Dividend FLAT at 0.40 CPS;
- Overheads DOWN 4% (excluding interest) on 1H2014;
- New FUM +\$24.5M;
- Lost FUM for 1H2015 of approx. \$33.8M; and
- Total FUM 31 December 2014 = \$1.031B (DOWN \$27M from 30 June 2014)

1H2015 – Wealth Management (WM)

- 83% of Revenue;
- Revenue DOWN 6% (including CEM Licensing Fees) compared to 1H2014; and
- Revenue DOWN 9% (excluding CEM Licensing Fees)

1H2015 – Accounting & SMSF Services (AS)

- 17% of Revenue; and
 - Revenue FLAT compared to 1H2014
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Key Developments - Operational & Investment Focus 1H2015

1H2015

- Completion of funding structure for growth in Accounting and Wealth Management entities – PWM (Prime Accounting & Wealth Management Pty Ltd)
- Continued investment in Accounting Firm & related Wealth Management entities as the pipeline is built up
- FUM;
 - Building an increasingly diversified advisory offering across additional Asset Classes
 - New FUM +\$24.5M for 1H2015
 - Lost FUM for 1H2015 of approx. \$33.8M
- Steady cost base – 4% drop compared to 1H2014; and
- Maintain half-year dividend at 0.40CPS

Summary Half Year Results

Financial	1H14	1H15	% Change
Earnings Before Interest & Tax (EBIT) (\$M)	1.84	1.75	-5%
Net Profit After Tax (NPAT) (\$M)	1.16	1.16	0%
Basic & Diluted Earnings (cents per share)	0.82	0.79	-4%
Dividend Paid & Proposed (cents per share) (fully franked)	0.40	0.40	0%

Operational	30/6/14	31/12/14	% Change
Group Operating Margin	29%	29%	0%
Total FUM (\$B)	1.058	1.031	-3%
Net Debt (\$M)	6.1	6.6	+8%

Summary Profit & Loss

	1H14	2H14	1H15	% Change 1H15 v 1H14
Wealth Management – New Business Revenue (\$M)	1.34	0.93	1.01	-25%
Wealth Management – Recurring Revenue (\$M)	3.84	3.79	3.69	-4%
Wealth Management – Licensing Revenue (\$M)	0.20	0.30	0.35	+75%
Total Wealth Management Revenue (\$M)	5.38	5.02	5.05	-6%
Accounting and SMSF Investees (\$M)	1.05	0.78	1.05	0%
Other Revenue (\$M)	0.17	0.21	0.20	+18%
Total Accounting, SMSF & Other Revenue (\$M)	1.22	0.99	1.25	+2%
Gross Revenue (\$M)	6.60	6.01	6.30	-5%
Less Group Overheads (excl. Interest) (\$M)	(4.21)	(3.75)	(4.06)	-4%
Less Non-controlling Interest (\$M)	(0.55)	(0.38)	(0.49)	-11%
Earnings Before Interest & Tax (EBIT) (\$M)	1.84	1.88	1.75	-5%
Group Operating Margin	28%	30%	29%	+4%
Dividend Paid & Proposed (cents per share) (fully franked)	0.40	0.40	0.40	0%

Wealth Management Revenue

Wealth Management

Wealth Management Revenue represents 83% of Prime's Revenue

New Business Revenue	1H14	2H14	1H15	% Change 1H14 v 1H15
Investment Brokerage (\$'000)	815	604	713	-13%
New Issues & IPO's (\$'000)	230	115	51	-78%
Asset Protection & Life Insurance (\$'000)	238	156	186	-22%
Other (\$'000)	56	57	58	+4%
Total New Business Revenue (\$'000)	1,339	932	1,008	-25%

Recurring Revenue	1H14	2H14	1H15	% Change 1H14 v 1H15
Funds Under Management (FUM) (\$'000)	3,419	3,328	3,271	-4%
Asset Protection & Life Insurance (\$'000)	231	252	273	18%
Other (\$'000)	186	213	149	-20%
Total Recurring Revenue	3,836	3,793	3,693	-4%

Wealth Management Revenue

Wealth Management Licensing Revenue

	1H14	2H14	1H15	% Change 1H14 v 1H15
Licensing Revenue (\$'000)	200	300	350	75%
Total (\$'000)	200	300	350	75%

Commentary

The pipeline of Wealth Management only JV's with Accounting Firms and combined Accounting Firm Investment and Wealth Management JV's continues to build – the timing of these investments however is difficult to predict

Key Metrics – FUM Net Inflows and Net Margin

Funds Under Management (FUM)

	1H14	2H14	1H15
• Opening FUM (\$M)	1,098	1,077	1,058
• FUM - New (\$M)	38.8	45.6	24.5
• FUM - Outflow (\$M)	(117.1)	(32.9)	(33.8)
• Implied Market Movement (\$M)	57.3	(31.7)	(17.7)
FUM – Net Inflow (\$M)	21.0	(19.0)	(27.0)
• Closing FUM (\$M)	1,077	1,058	1,031

Wealth Management Net Margin

	1H14	2H14	1H15
• New Business Revenue (\$M)	1.34	0.93	1.01
• Recurring Revenue (\$M)	3.84	3.79	3.69
• Total (\$M)	5.18	4.72	4.70
• Average FUM	1.088B	1.068B	1.045B
Annualised Net Margin	0.95%	0.88%	0.90%

Accounting and SMSF Services Investees

Accounting and SMSF Services Revenue

Prime's now 10 Accounting and SMSF Investees represent 17% of Prime's Revenue

	1H14	1H15	% Change 1H14 v 1H15
Accounting and SMSF Revenue (\$M)	1.05	1.05	0%
Total	1.05	1.05	0%

Note

- Prime's Accounting and SMSF Service Investees Revenue is Prime's profit from its equity (up to 50% in Investees)

Commentary

Underlying Accounting and SMSF Services Revenue was flat.

With the addition of new Accounting Investee's, plus others over time as part of Prime's expansion plan, this Revenue line is expected to increase.

Summary Balance Sheet

	30/06/14	31/12/14
Current Assets		
Cash	0.3	0.2
Other current assets	4.4	3.7
Non Current Assets		
Receivables	4.0	4.6
Plant & Equipment	1.1	1.1
Investments	62.4	62.9
Total Assets	72.2	72.5
Current Liabilities		
Payables/Provisions	2.9	3.3
Borrowings	-	8.0
Non Current Liabilities		
Borrowings	7.5	-
Total Liabilities	10.4	11.3
Equity	61.8	61.2

FY2015

The plan for FY2015 is to continue to;

- Build Prime's presence by communicating the difference and distinct value Prime offers clients' in all key markets.
- Provide clients with an increasingly diversified advisory offering across asset classes.
- Recruit:
 - New Accounting Firms and Financial Advisory Groups for Wealth Management;
 - New Accounting Firms (Investees) for investment; and
 - New Team members that reflect our culture and commitment.
- Secure new clients for Wealth Management services.
- Retain existing clients and expand the Wealth Management services provided to them.
- Deliver integrated advice to clients using Prime's Client Engagement Model.
- Diversify revenue streams; and
- Invest in our people, processes and systems.

Simon Madder

Managing Director / CEO
Prime Financial Group Ltd

Level 17, Como Office Tower
644 Chapel Street
South Yarra VIC 3141

Tel 03 9827 6999
Fax 03 9827 9100
simonm@primefinancial.com.au
