



2022 Interim Results

10 August 2022

Quilter

Disclaimer

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Presentation agenda

Business review

Paul Feeney

Financial review

Mark Satchel

Strategic outlook

Paul Feeney

Q&A

H1 2022 summary: resilient performance in a challenging environment

Financial momentum

- Robust gross flows and improved persistency resulting in:
 - £1.6bn Platform net flows
 - £0.5bn High Net Worth net flows
- 9% increase in adjusted profit before tax to £61m reflecting cost discipline and stable revenues
- Two percentage point operating margin improvement to 20%
- £350m Quilter International net proceeds returned to shareholders

Operational improvement

- Optimisation initiatives complete, delivering c.£65m cost saves
- Accelerating next phase of savings, Simplification, where possible
 - Annualised run-rate savings of £13m achieved to date
- Simplified process agreed to allow acceleration of QFP back book transfers

Strategic progress

- Number 1 for Platform industry Retail Advised gross sales in Q1 & Q2¹
- Converted 80+ IFA growth targets to Platform as platform of choice
- Enhanced WealthSelect investment solution offering, adding full ESG overlay
- Mobile app delivery and hybrid advice plans making good progress

Leveraging business model to drive growth and efficiency

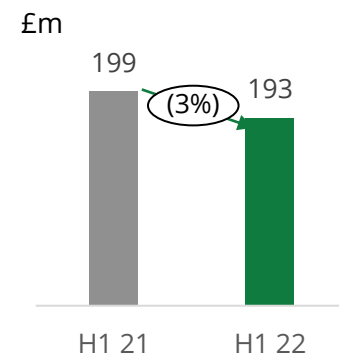
Affluent: strategic advances and improving profitability



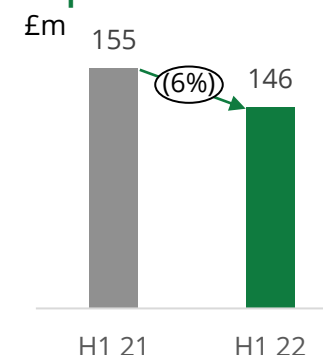
H1 2022 highlights

- Resilient flows through tax year-end
- Strategic delivery:
 - RFP back-books moving to the Platform
 - Positive feedback to launch of enhanced WealthSelect
- Beneficiary of Simplification programme savings

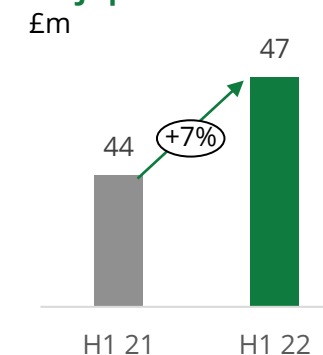
Revenues



Expenses



Adj. profit

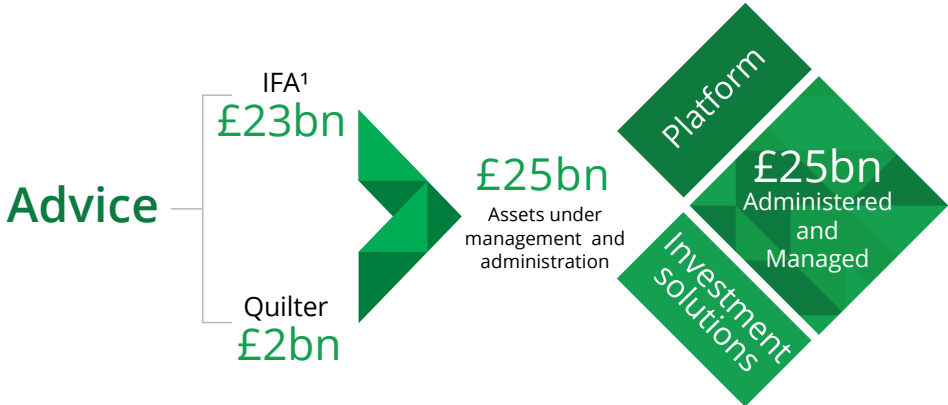


Investment performance

- WealthSelect, Cirilium Blend and Passive continue to deliver good investment returns
- Cirilium Active quality growth and mid-cap style affecting near-term performance

Note: Assets rounded to the nearest billion.
 Past performance is not a guide to future performance and may not be repeated. UK: Suitable for professional clients.
 1. Includes "non-core" assets.

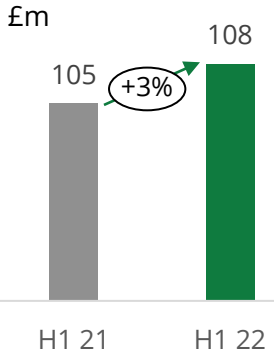
High Net Worth: investment for growth bearing fruit



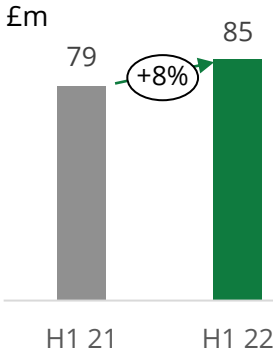
H1 2022 highlights

- 8 new Investment Manager hires y-o-y
- Building out advice capabilities in Dublin and recruiting financial planners in UK
- Quilter Private Client Advisers / Quilter Cheviot joint business development delivering early flows
- Re-launched Managed Portfolio Service contributing positive net flows

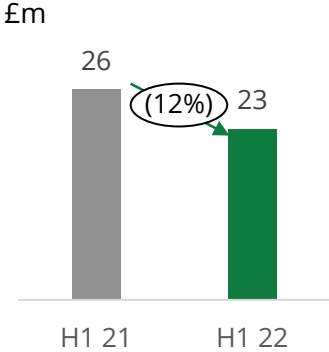
Revenues



Expenses



Adj. profit



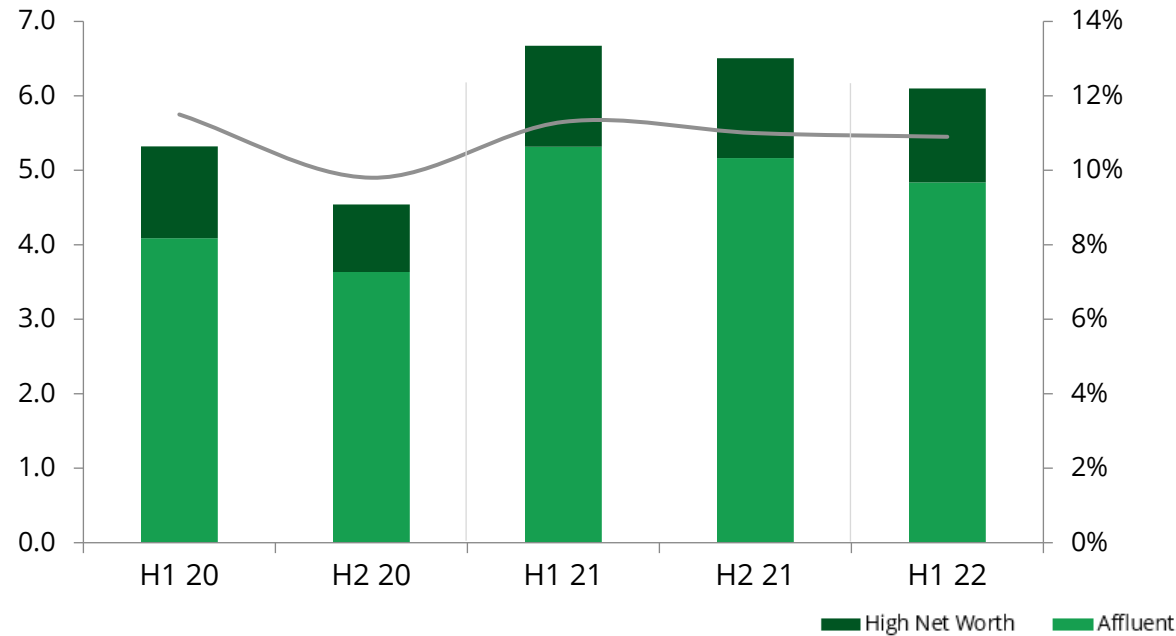
Investment performance

- Outperformed peer group across the three ARC PCI indices
- First or second quartile across all time periods and ARC PCI indices

Note: Past performance is not a guide to future performance and may not be repeated. UK: Suitable for professional clients.
 1. Including Direct.

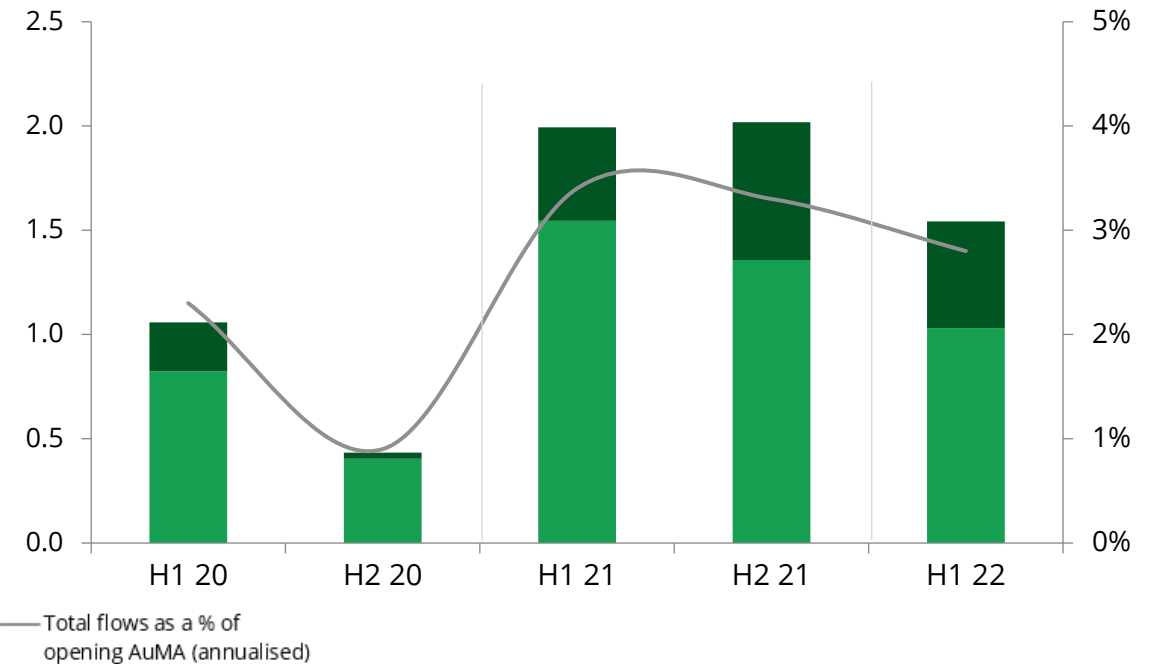
Flow performance

Gross flows £bn



- *Affluent*: New Platform delivering higher sustainable level of flows
- *High Net Worth*: Good performance

Net flows £bn



H1 21 Persistency	
Affluent	90%
High Net Worth	92%
Total	91%

H1 22 Persistency	
Affluent	91%
High Net Worth	94%
Total	92%

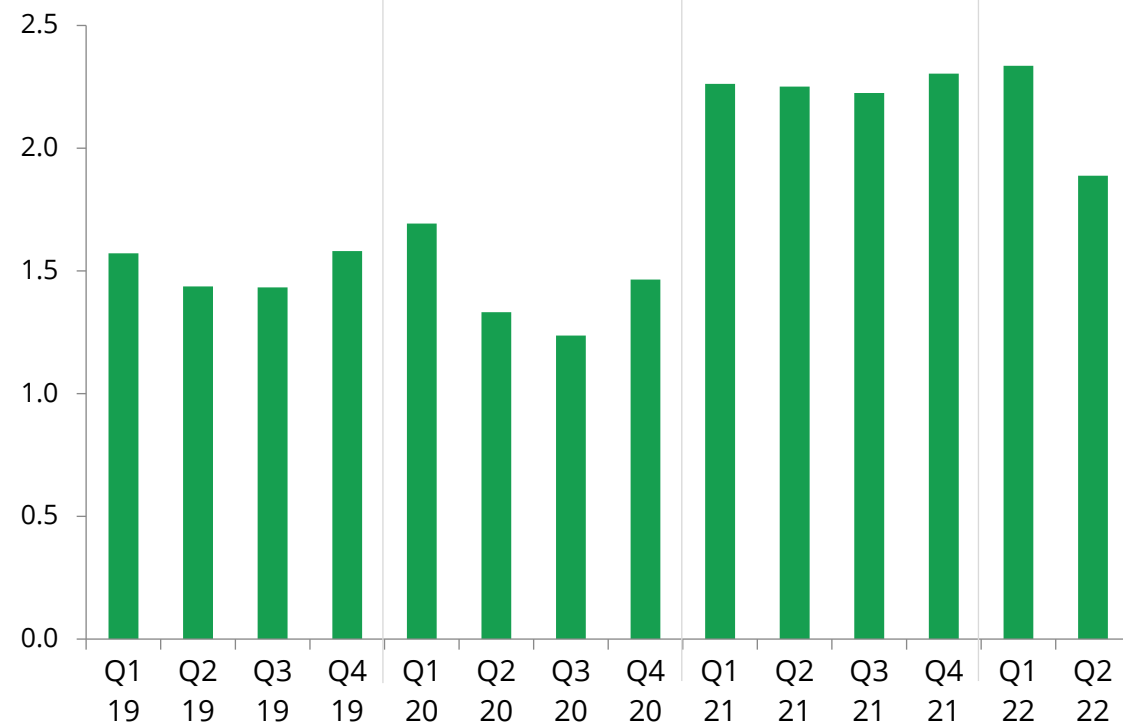
- *Affluent*: improved Platform persistency offset by third-party platforms outflows
- *High Net Worth*: improved persistency supports improved outturn

Note: Business area net flows represent figures before eliminations while total net flows includes impact from eliminations. 'Affluent' includes inter segment dual assets from Q1 2020 to Q1 2022.

Focusing on the core operations: £1.6bn net Platform inflows

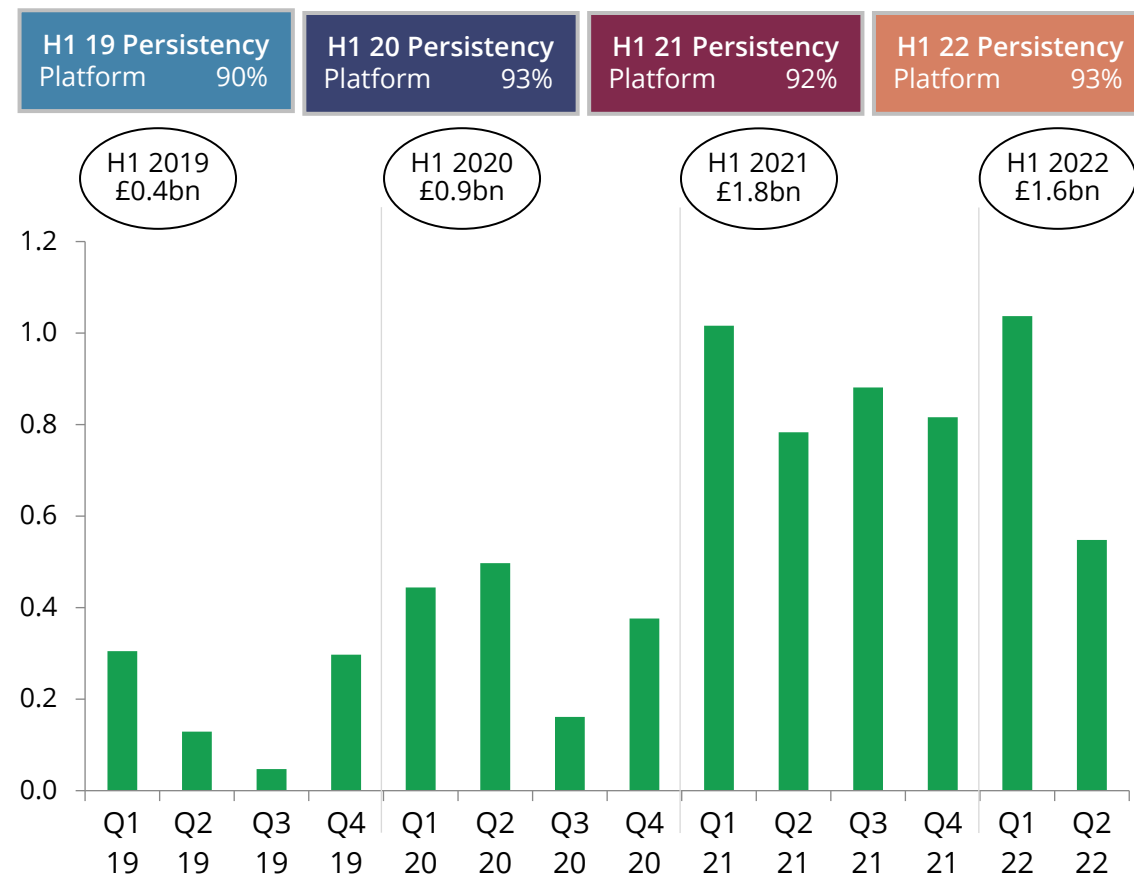
Platform gross flows

£bn



Platform net inflows

£bn



H1 19 Persistency Platform 90%

H1 20 Persistency Platform 93%

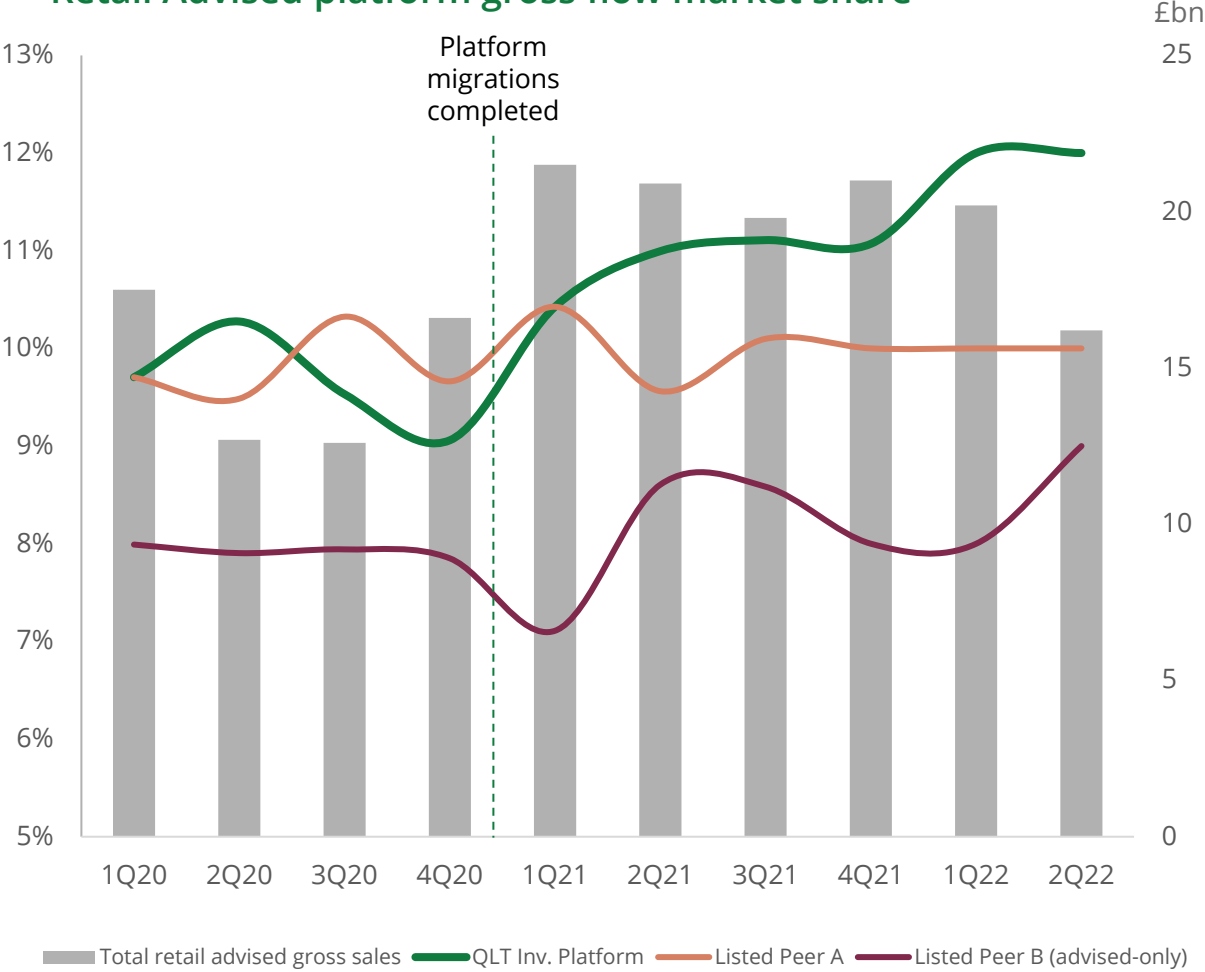
H1 21 Persistency Platform 92%

H1 22 Persistency Platform 93%

Note: H1 2019 and H1 2020 persistency restated further to the sale of Quilter International in November 2021.

Platform flows: growing market share, performing well against peers

Retail Advised platform gross flow market share¹

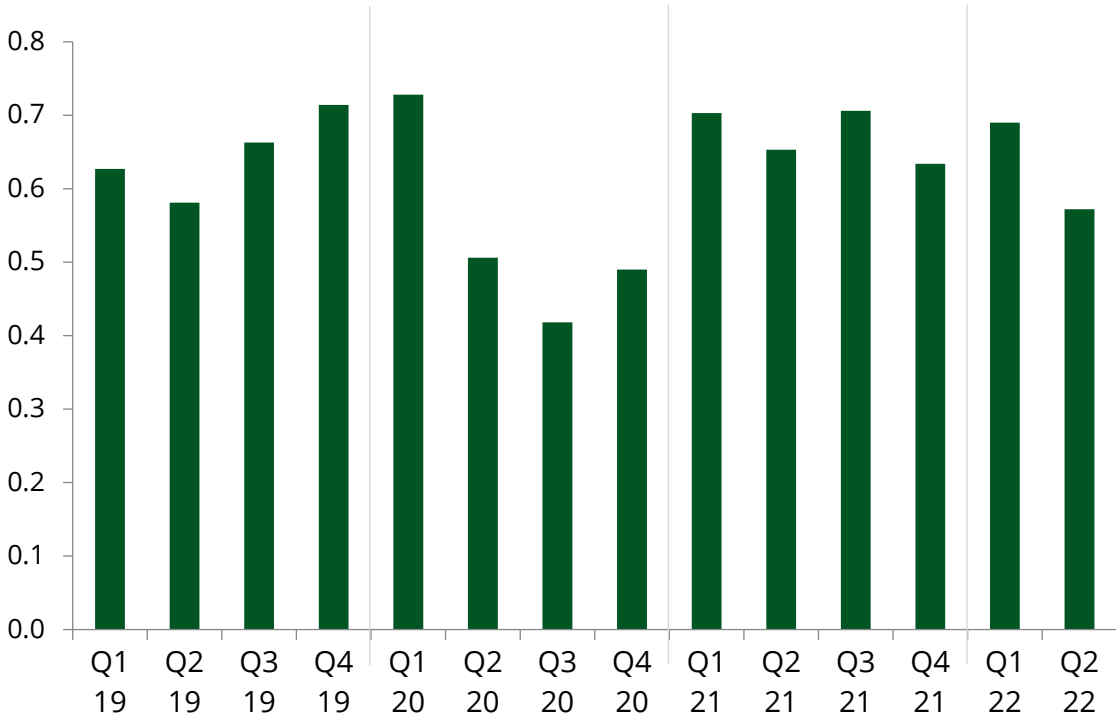


- Marked improvement in gross and net flows post-PTP completion
- Ranked first in industry gross flows, according to Fundscape data
- Sales initiatives focused on driving growth momentum further

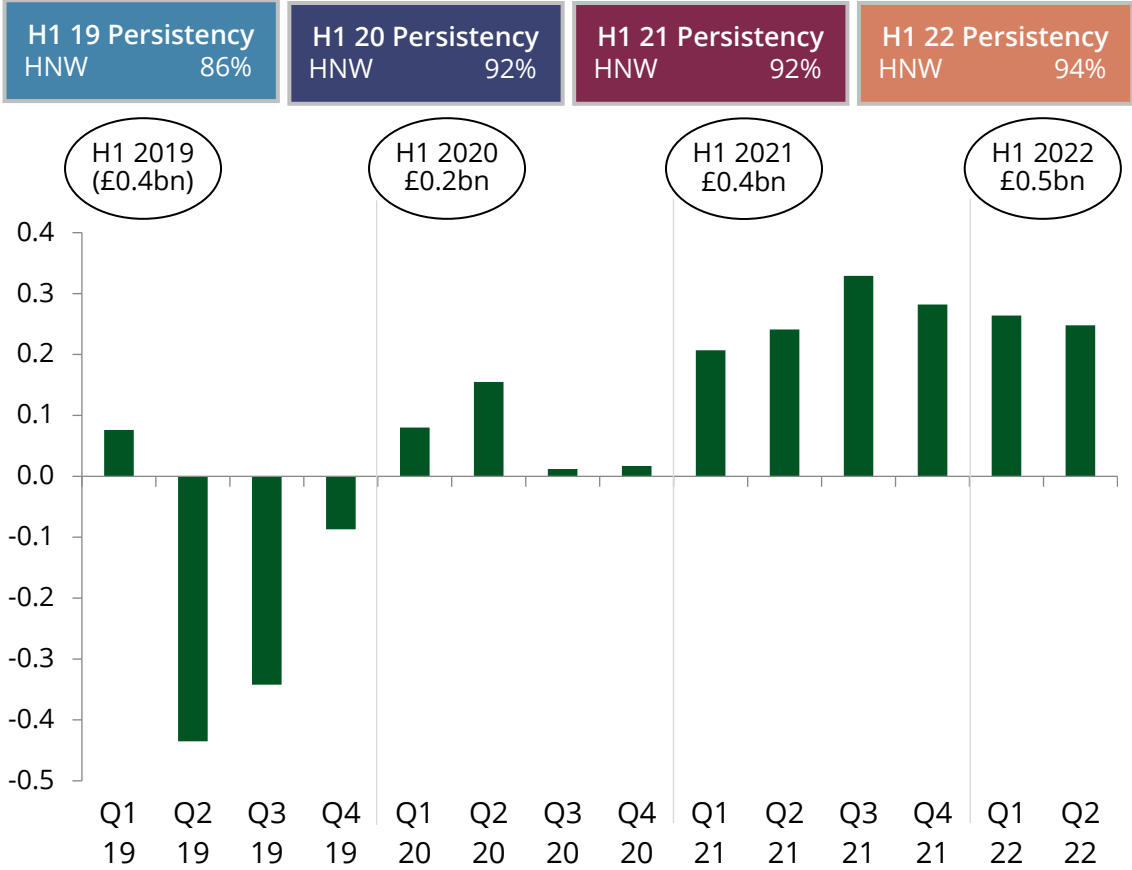
1. Total retail advised gross sales – Fundscape.
 Note: Reported gross flows as a percentage of Total Retail Advised gross sales (per Fundscape quarterly reporting), annualised.

Focusing on the core operations: £0.5bn net High Net Worth inflows

High Net Worth gross flows
£bn



High Net Worth net inflows
£bn



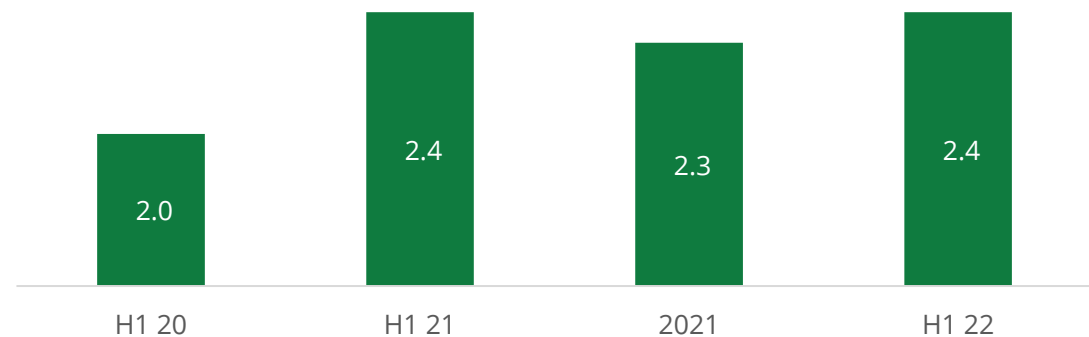
Quilter Financial Planning: focused on growing RFPs and driving productivity

Quilter advisers (RFPs)¹



Adviser productivity

Gross sales per Quilter adviser, £m

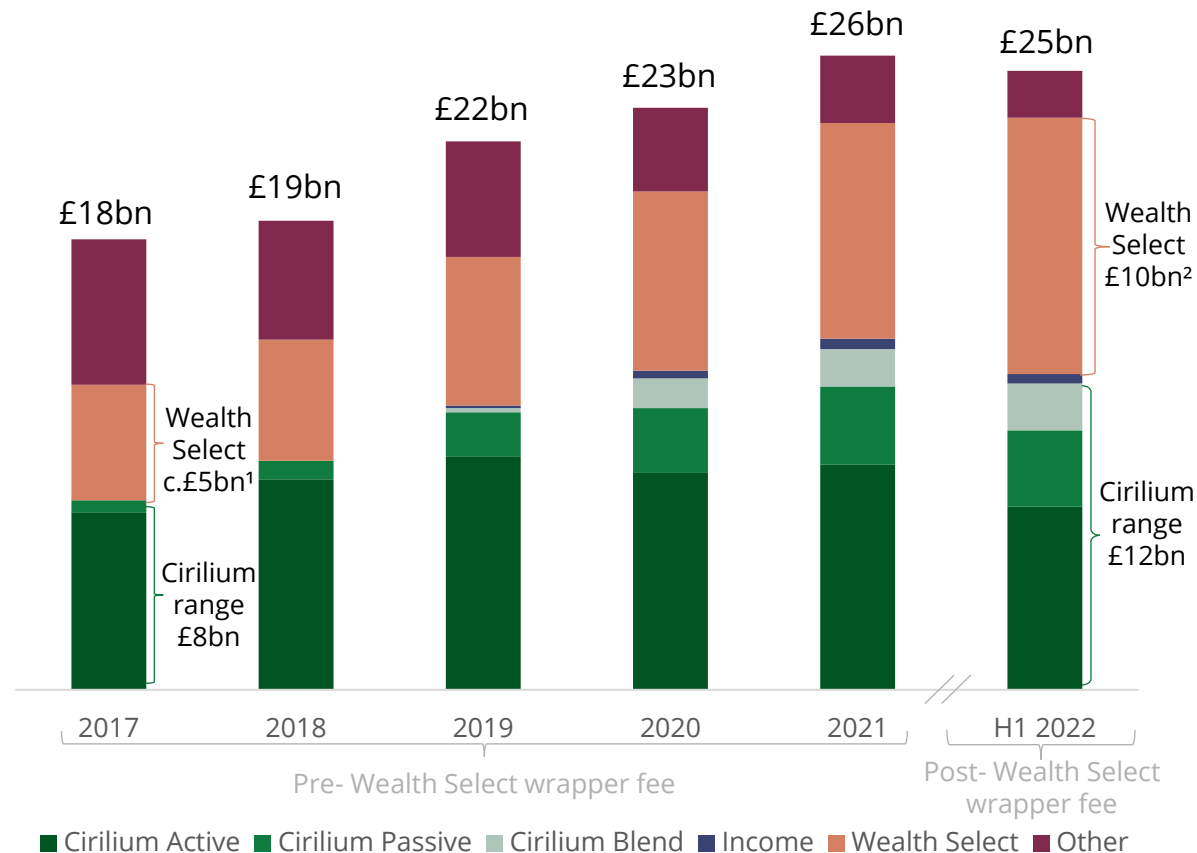


- Resilient adviser productivity: Quilter channel adviser flows onto Platform up 10% y-o-y to £954m
- Adviser attrition back to normalised levels
- Modest YTD net reduction in Quilter advisers due to challenges in external recruitment and speed of regulatory authorisations
- Launched programmes to support recruitment and retention given increased competitive landscape
- Stream-lined process to support advisers transferring back-books to the Platform

1. Includes RFPs who are part of the Affluent and High New Worth segments.

Affluent Managed performance

Strong investment performance from largest product



- **WealthSelect (£10bn)**
 - MPS with strong and consistent track record
 - Positive feedback from launch of Responsible, Sustainable and Passive portfolios
- **Cirilium Active (£7bn)**
 - 10-year track record remains strong
 - Quality growth and mid-cap style currently out of favour, affecting near-term performance
- **Cirilium Passive (£3bn)**
 - Strong 3- and 5-year performance
- **Cirilium Blend (£2bn)**
 - Strong performance with all funds 1st or 2nd quartile since inception

Note: numbers rounded to billions. H1 2022 figures represent restated Affluent Managed assets and include total WealthSelect AuM; prior periods reflect Quilter Investors managed assets and do not include WealthSelect AuM not directly managed by Quilter Investors.

1. 2017 to 2021 does not include WealthSelect AuM which is not directly managed by Quilter Investors.
2. Includes WealthSelect AuM which is not directly managed by Quilter Investors after a wrapper fee was applied to the assets from June 2022.

Quilter actions to navigate through market volatility





Financial review

Mark Satchel
10 August 2022

Quilter

H1 2022 results: summary

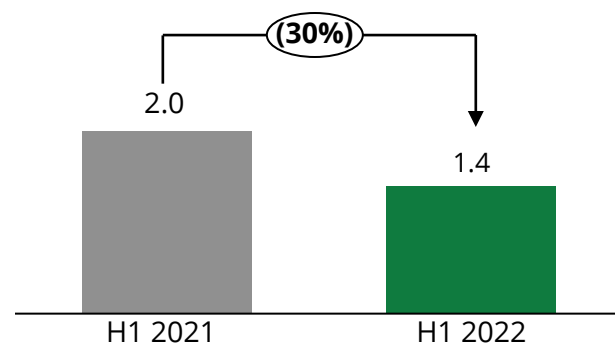
- Robust gross flows and improved persistency
- Revenue margins in line with guidance
- Cost discipline in tough revenue environment, delivering resilient adjusted profit before tax
- Remain well capitalised with a strong balance sheet

Key financials

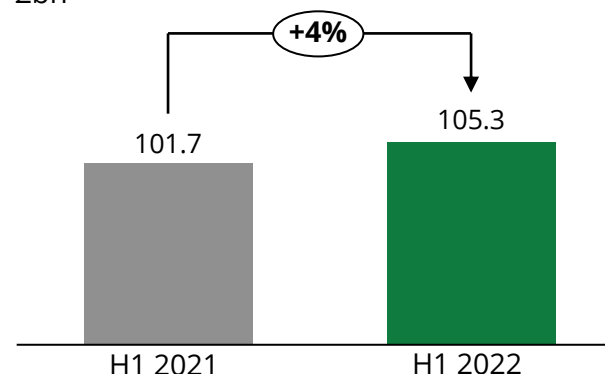
Continuing operations		H1 2022	H1 2021	Δ
Net flows / opening AuMA	%	3	4	(1ppt)
Adjusted profit before tax	£m	61	56	+9%
IFRS profit/(loss) after tax	£m	151	(13)	-
Operating margin	%	20	18	+2ppt
Adjusted diluted earnings per share	p	3.7	3.9	(5%)
<i>Key performance indicators</i>		<i>H1 2022</i>	<i>FY 2021</i>	<i>Δ</i>
AuMA	£bn	98.7	111.8	(12%)
Total Restricted Financial Planners ('RFPs')	#	1,567	1,623	(3%)
Investment Managers ('IMs')	#	176	170	+4%

Stable revenue and cost discipline driving increase in adjusted profit

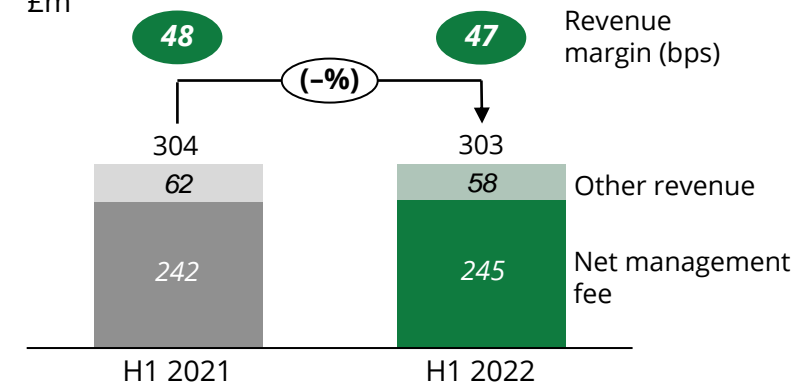
Net inflows
£bn



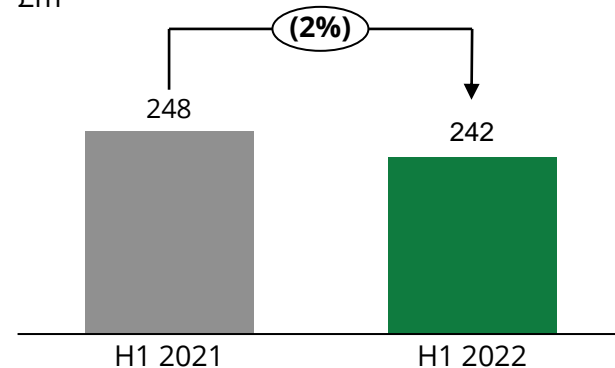
Average AuMA
£bn



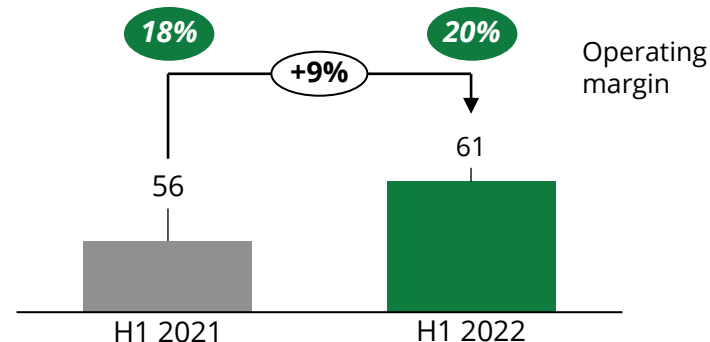
Revenue
£m



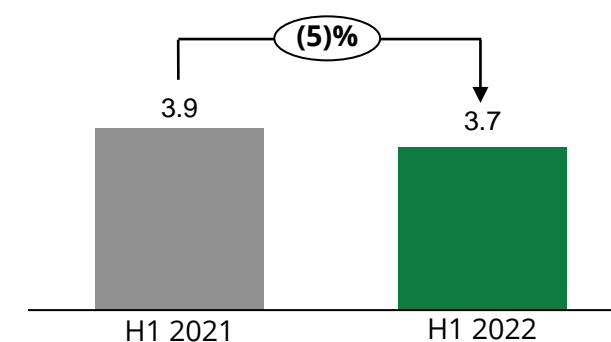
Expenses
£m



Adjusted profit before tax
£m

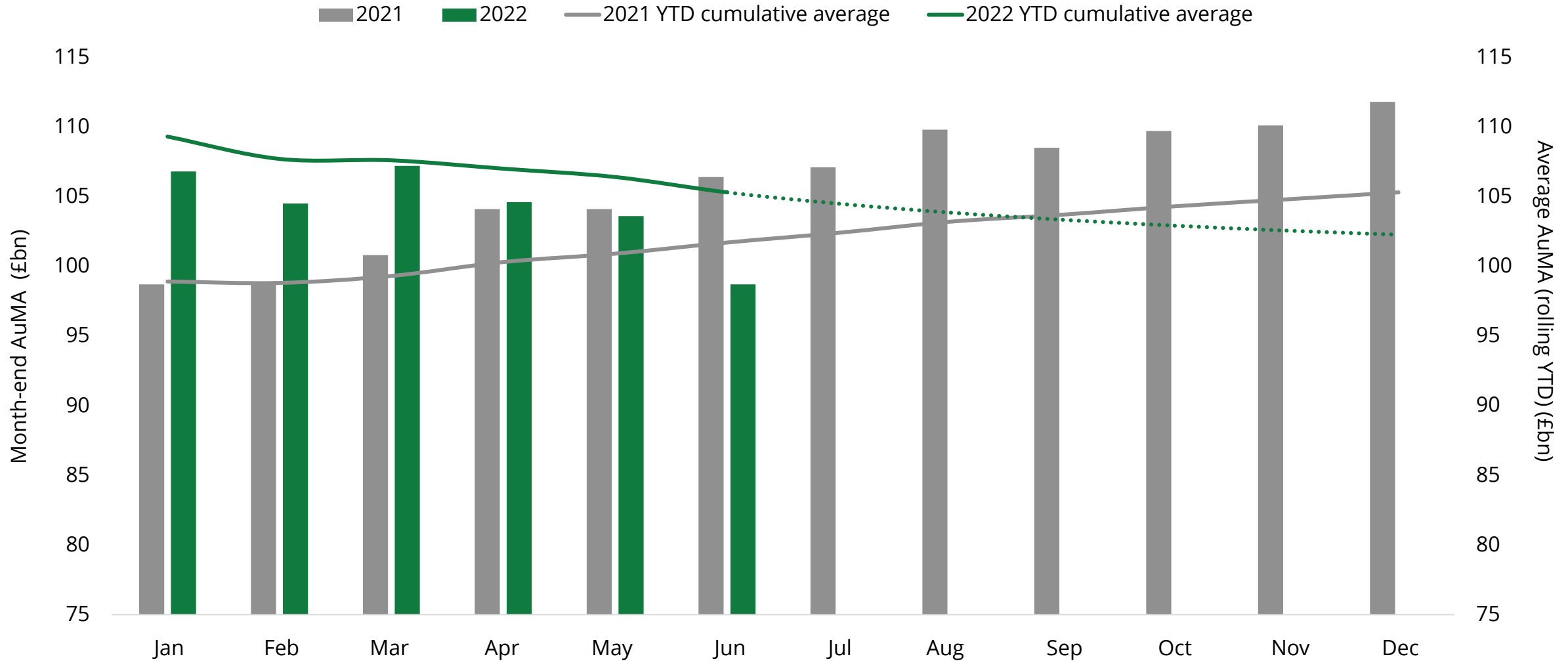


Adjusted diluted EPS
Pence



Note: Historic figures exclude contribution from Quilter International.

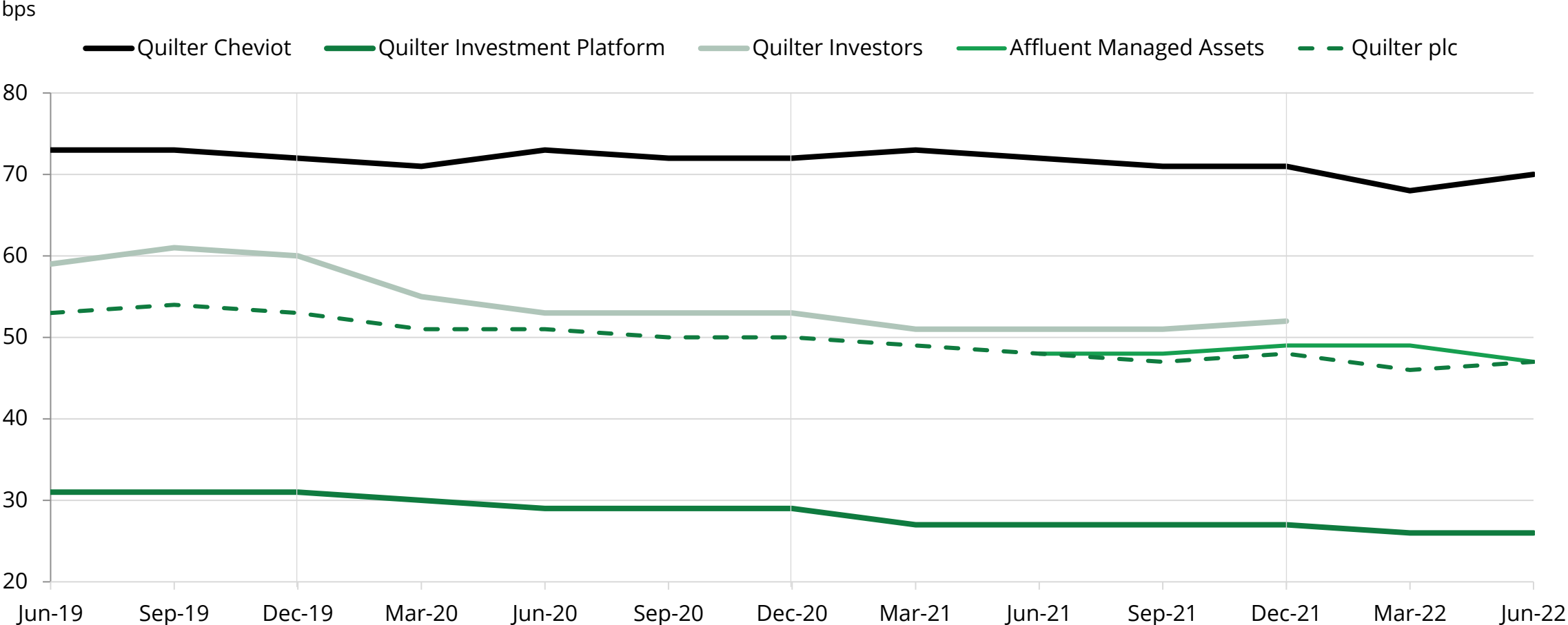
AuMA: 2022 average converging with 2021 levels



Note: Average AuMA calculated on a 7 point average for H1 2022 and 13 point average for FY 2021. 'Rolling YTD' averages commence from the prior-year closing i.e. December 2020 for 2021 and December 2021 for 2022. H2 2022 hypothetical average assumes markets remain at end-June 2022 levels.

Revenue margin progression in line with long-standing guidance

Revenue margin



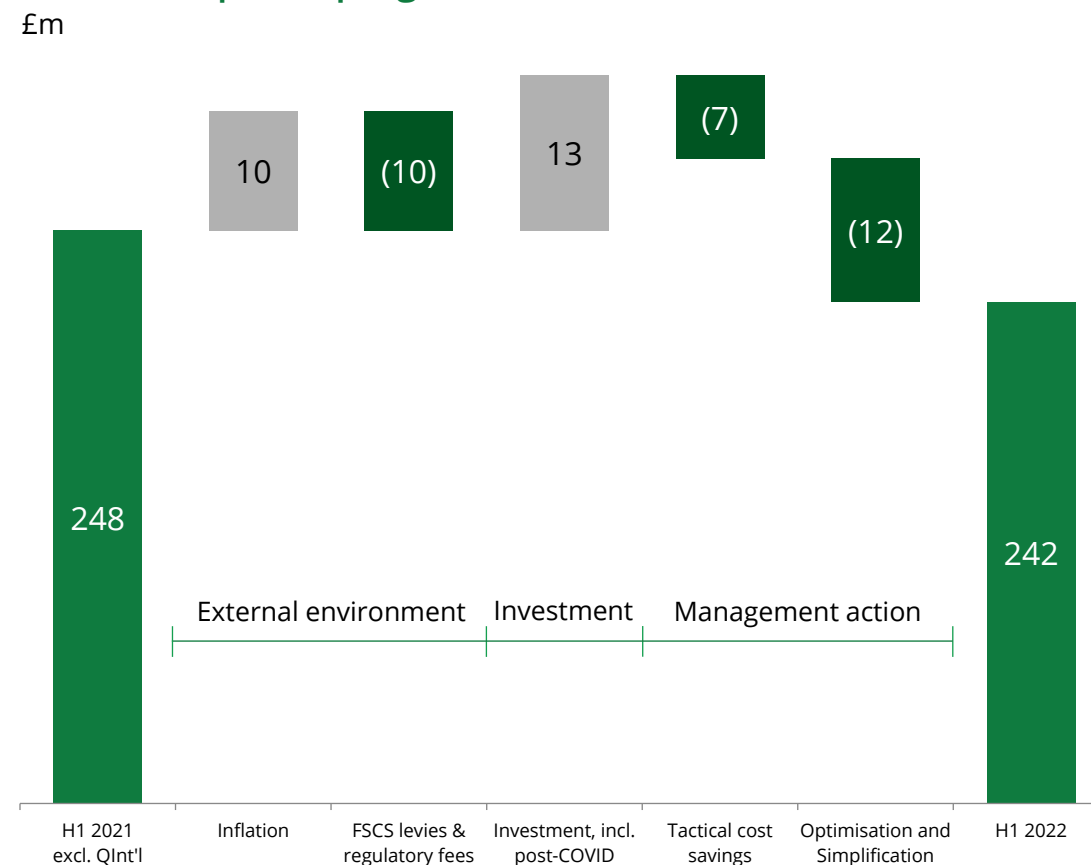
Note: Quilter plc revenue margin progression excludes any contribution from Quilter International.

Expense discipline

	Cost analysis (£m)		As a percentage of revenues	
	H1 2022	H1 2021	H1 2022	H1 2021
Support staff costs	58	63		
Operations	9	13		
Technology	14	16		
Property	16	15		
Other base costs ¹	15	13		
Sub-total base costs	112	120	37%	39%
Revenue-generating staff base costs	49	46	16%	15%
Variable staff compensation	39	39	13%	13%
Other variable costs ²	26	17	9%	6%
Sub-total variable costs	114	102	38%	34%
Regulatory/ PI costs	16	26	5%	9%
Total operating expenses	242	248	80%	82%

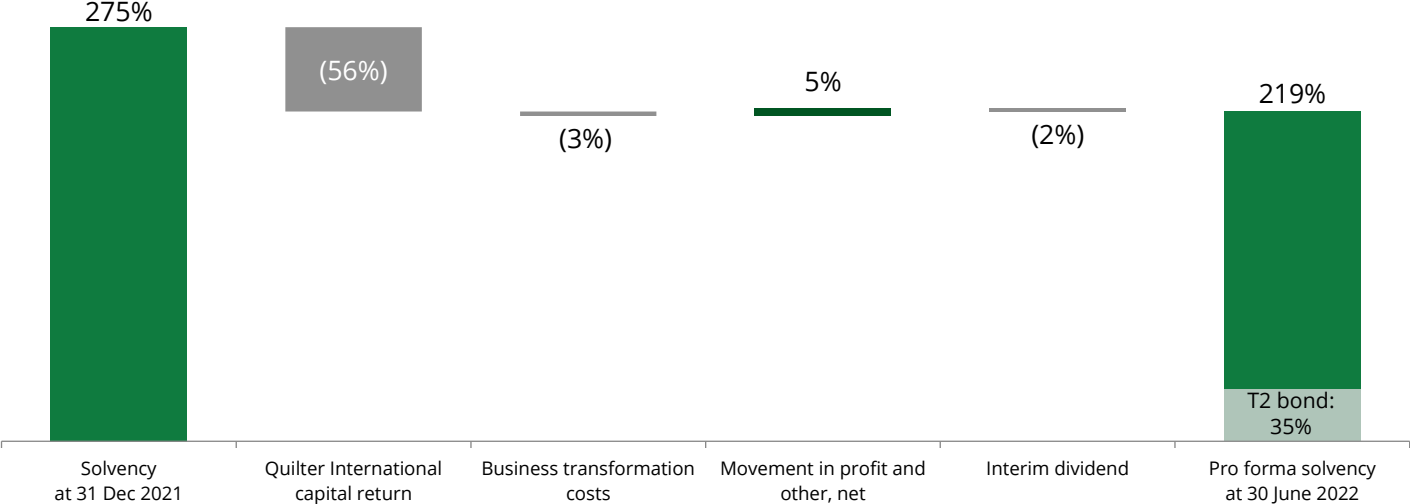
1. 'Other base costs' includes depreciation and amortisation, audit fees, shareholder costs, Listed Group costs and governance.
2. 'Other variable costs' includes variable technology including FNZ costs, development spend, and corporate functions variable costs.

H1 2022 expense progression



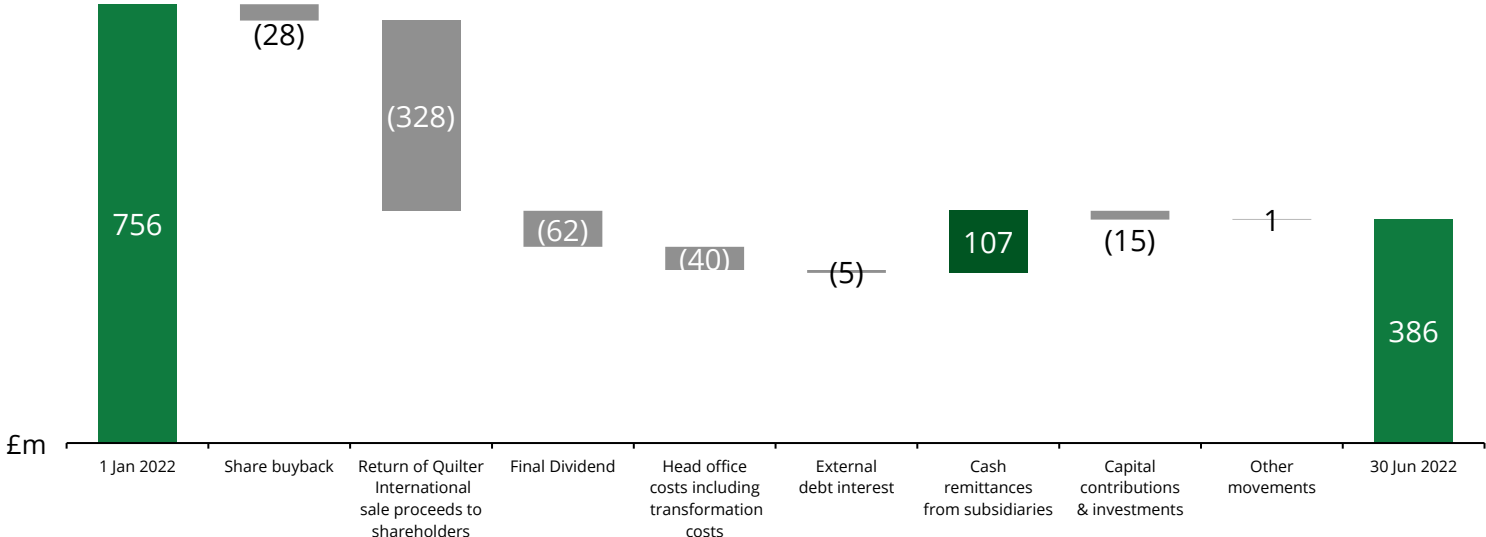
Continued strong solvency and holding company cash position

Solvency II ratio



- Pro forma Solvency II ratio remains strong after completion of capital return programmes
- Decision on Tier 2 Bond to be finalised – call date in early 2023

Holding company cash



- c.£120m of holding company cash reserved for
 - Interim dividend
 - Business Simplification costs
 - Select growth investment

Note: Solvency II chart figures may not sum to totals due to rounding.

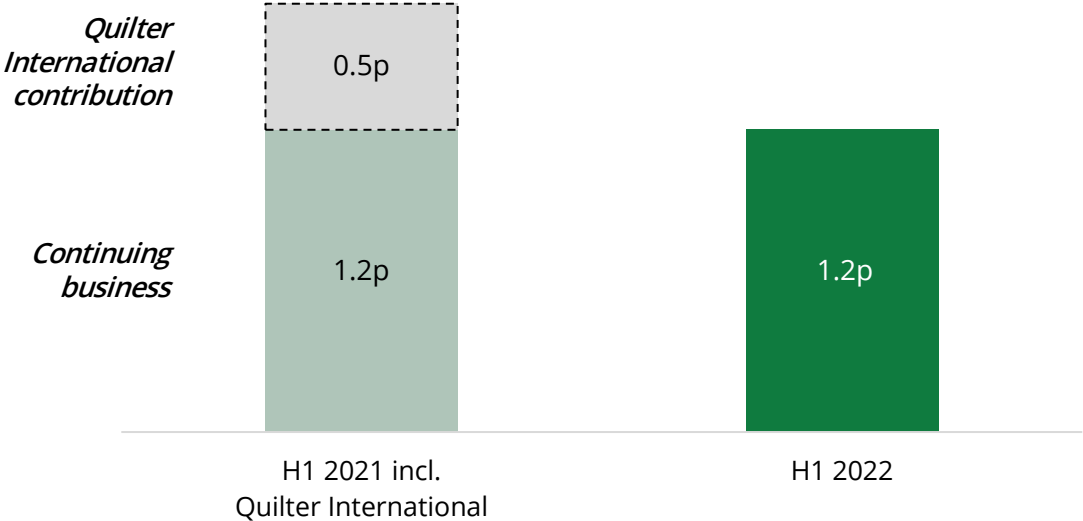
H1 2022 dividend and capital returns

Dividend

- Board declared 2022 interim dividend of 1.2p, unchanged on a continuing basis
- Broadly unchanged dividend pay-out ratio versus 2021
- Board expects to continue moving up the pay-out range, over time

Return of Quilter International proceeds

- £328m capital return via 'B' share mechanism and share consolidation
- 'B' shares issued on a 1:1 basis with each 'B' share redeemed for 20 pence
- 6 for 7 share consolidation completed: 1.404 billion issued shares



Capital Markets Day targets

Net flows	<ul style="list-style-type: none">➤ Target net inflow growth of at least 6% of opening AuMA per annum over medium-term, with a higher percentage growth rate from the Affluent segment
Revenue margins	<ul style="list-style-type: none">➤ High Net Worth managed assets (Quilter Cheviot) broadly stable around 70bps➤ Affluent managed assets mix dependent, between low 40s to mid 40s bps➤ Affluent administered assets (Quilter Platform) trending down c.1bp p.a.
Adjusted profit	<ul style="list-style-type: none">➤ Expect to double adjusted pre-tax profit by 2025 from 2020 continuing business base, in stable markets
Operating margin	<ul style="list-style-type: none">➤ Targeting steady improvement to at least 25% in 2023 and 30%+ in 2025, with operating leverage to drive further improvement➤ Assuming broadly stable markets and net flows in line with Group target
Earnings per share	<ul style="list-style-type: none">➤ Expect to deliver mid-teens growth on average through to 2025, from 2020 continuing business base
Dividend	<ul style="list-style-type: none">➤ Policy pay-out range revised to 50% to 70% of post-tax, post-interest adjusted profit
Below the line items	<ul style="list-style-type: none">➤ c.£55m cost to achieve in respect of Simplification, £12m spent to date➤ c.£35m revenue/capability investment

Outlook and financial summary

Outlook

- Improving productivity and driving flow momentum
- Expense discipline maintained – focused efficiency and profit growth

Earnings

- Adjusted profit +9% to £61m
- 3.7p adjusted diluted EPS, with a normalised tax rate offsetting share count reduction

Expenses

- Cost discipline credentials maintained
- Bringing forward Simplification plans to support sustainable efficiency

Balance sheet

- Prudently capitalised liquid balance sheet
- Strong capital discipline – £356m of special capital returns in H1



Concluding remarks

Paul Feeney
10 August 2022

Quilter

Our 2022 priorities remain true in a challenging environment

- Revenues: target improving net flows and higher proportion of Quilter-managed flows
- Costs: enhancing efficiency through strong cost management and Simplification
- Operating leverage: from growing Platform and investment solutions
- Moving up dividend pay-out ratio, £350m capital returned



Q&A

Quilter

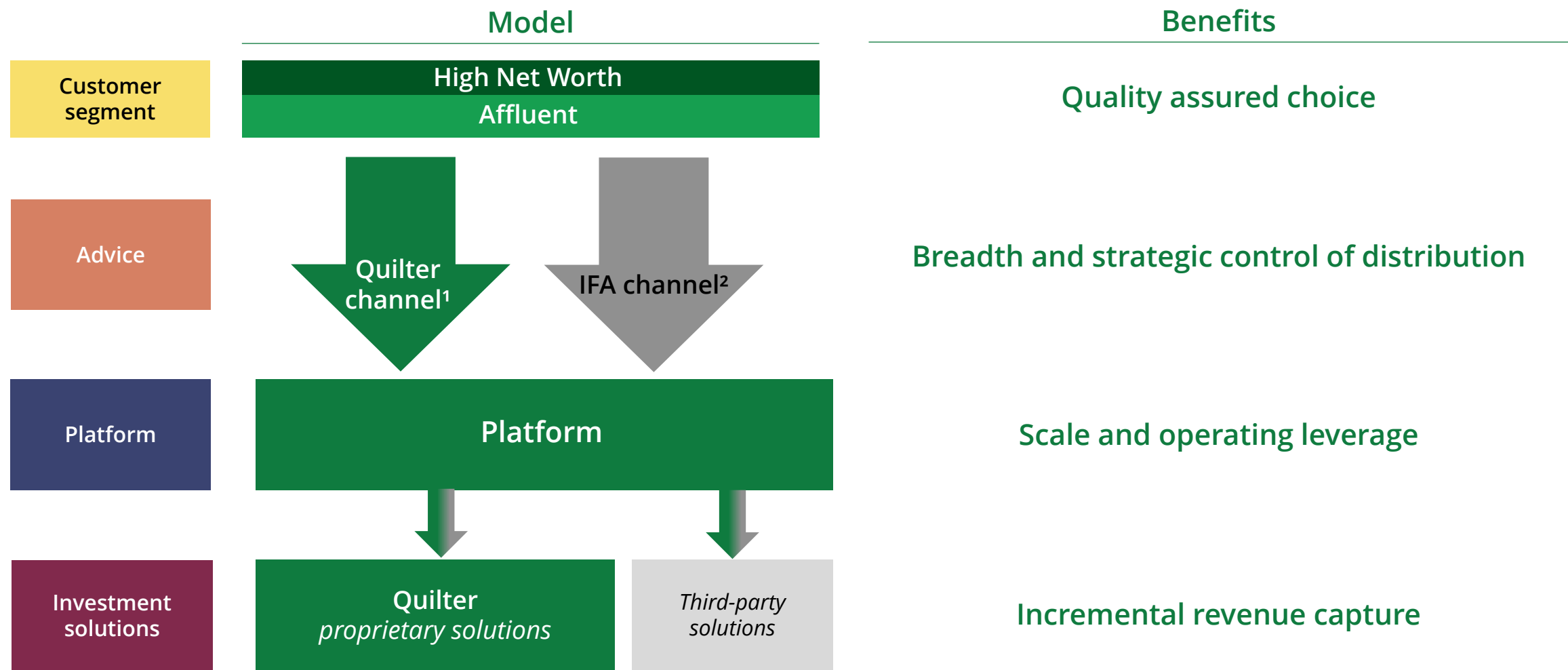


Appendix

10 August 2022

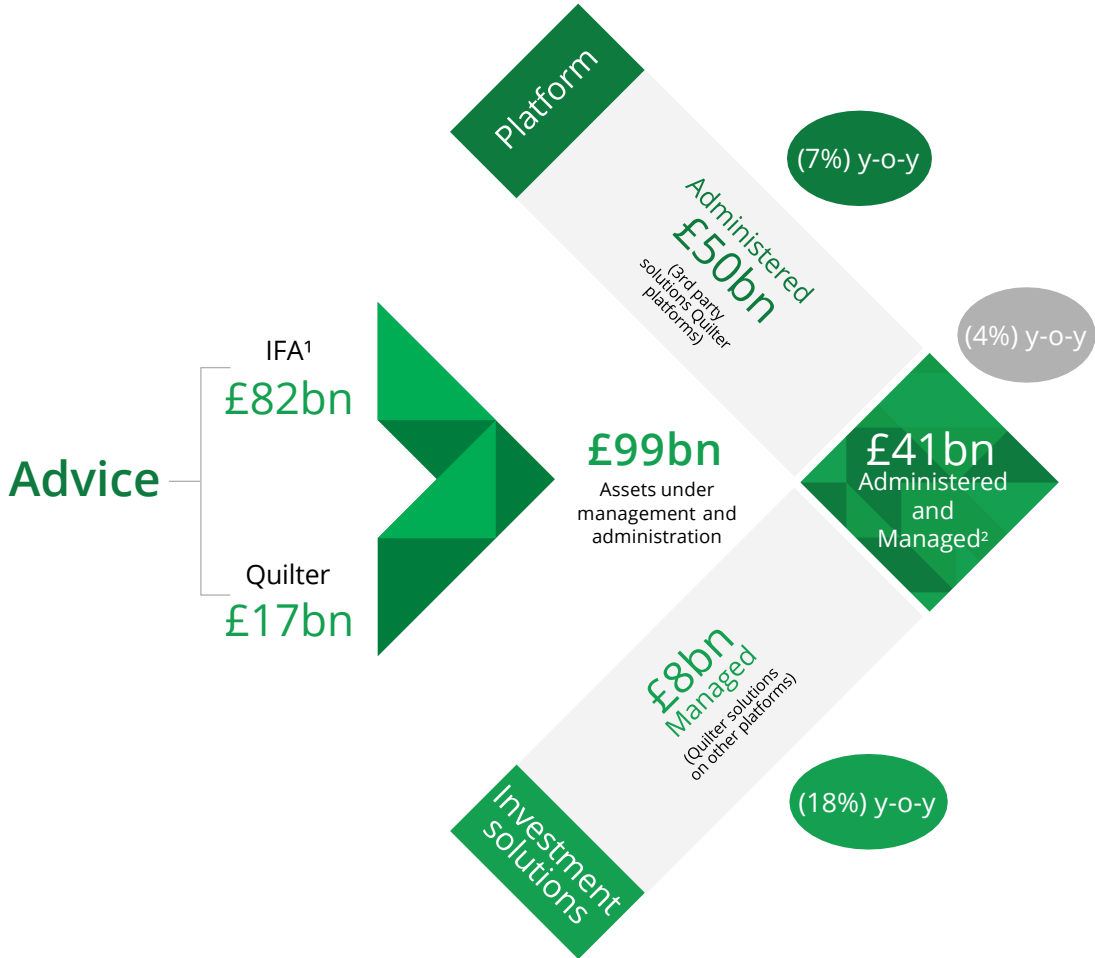
Quilter

Quilter: a differentiated model with clear benefits to clients and shareholders



1. Restricted financial planners (“RFPs”) within Affluent and High net worth segments: 1,623 as at 31 December 2021.
 2. Channel includes Direct clients within High Net Worth.

Quilter: a value-adding integrated model



- ### What we do?
- Originate client assets: £99bn total assets
 - Administer client assets: £75bn under administration
 - Manage client assets: £50bn under management

Note: Assets rounded to nearest billion.
 1. Including Direct.
 2. Includes High Net Worth managed assets together with Affluent assets administered by Quilter Platform and managed in Quilter investment solutions.

Movement in assets and flows

2022 YTD gross flows, net flows & AuMA (£bn), unaudited	AuMA* as at 31 December 2021	Gross flows* (£m)	Net Flows* (£m)	AuMA* as at 30 June 2022	Of which managed by Quilter AuM as at 30 June 2022
AFFLUENT SEGMENT					
Quilter channel	11.7	1,323	954	10.8	7.4
IFA channel	60.0	2,874	654	53.7	8.7
Non-core business	1.5	27	(23)	1.3	-
Sub-total (Quilter Platform)	73.2	4,224	1,585	65.8	16.1
Via other platforms					
Quilter channel ¹	4.9	390	(88)	4.0	4.0
IFA channel	2.5	141	(326)	2.2	2.2
Non-core businesses	2.7	82	(141)	2.2	2.2
Sub-total	10.1	613	(555)	8.4	8.4
Total Affluent Segment	83.3	4,837	1,030	74.2	24.5
HIGH NET WORTH SEGMENT					
Quilter channel	2.5	194	160	2.3	2.3
IFA channel incl. Direct	26.2	1,068	352	22.9	22.9
Total High Net Worth Segment	28.7	1,262	512	25.2	25.2
Inter-segment dual assets¹	(0.2)	(190)	(150)	(0.7)	(0.2)
Quilter plc	111.8	5,909	1,392	98.7	49.5

1. Inter-segment dual assets reflect funds sold by Quilter Cheviot and managed by Quilter Investors and the Quilter Cheviot bespoke MPS solution available to advisers on the Quilter Investment Platform. This is excluded from total AuMA to ensure no double count takes place.

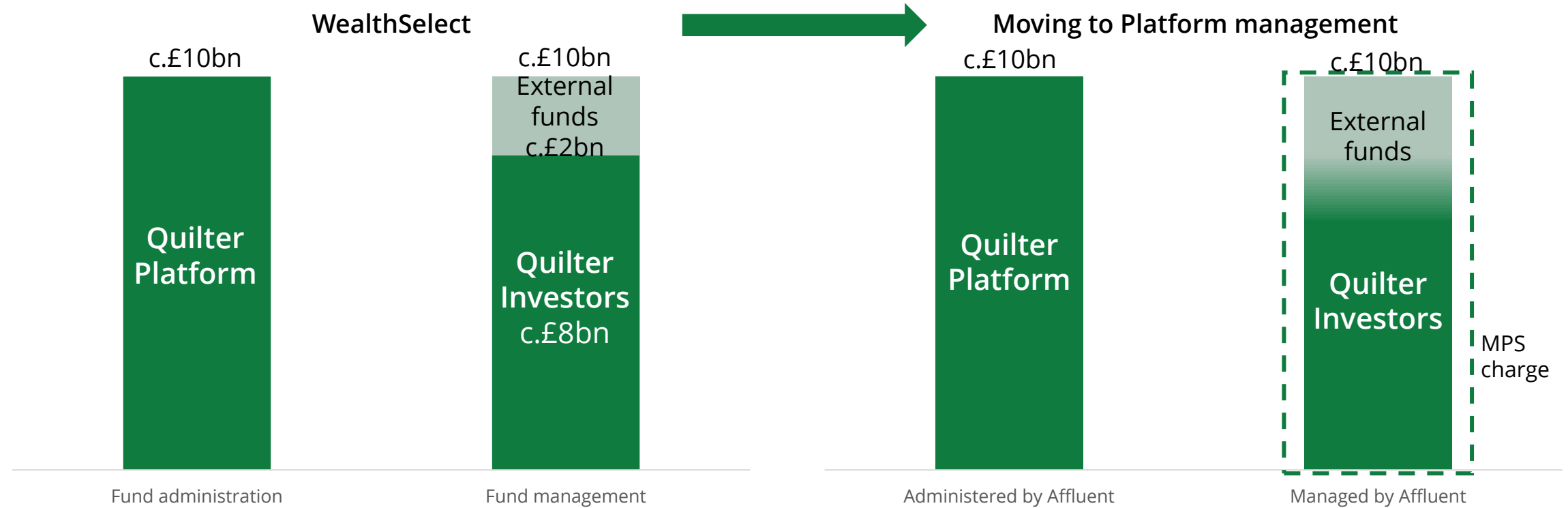
Quilter Investors: investment performance

	Fund vs IA sector benchmark	June-22 YTD	3Y	5Y	10Y	Since inception ¹
Conservative	Cirilium Active Conservative Portfolio	3	3	4	1	1
	Cirilium Blend Conservative Portfolio	1				1
	WealthSelect Managed Active 3	1	1	1		1
	WealthSelect Managed Blend 3	1	1	1		1
Balanced	Cirilium Active Balanced Portfolio	4	3	3	1	1
	Cirilium Blend Balanced Portfolio	1				2
	WealthSelect Managed Active 4	1	2	1		1
	WealthSelect Managed Blend 4	1	2	1		1
	WealthSelect Managed Active 5	1	1	1		1
	WealthSelect Managed Blend 5	2	1	1		1
Moderate	Cirilium Active Moderate Portfolio	4	4	4	2	1
	Cirilium Blend Moderate Portfolio	1				2
	WealthSelect Managed Active 6	1	2	2		2
	WealthSelect Managed Blend 6	1	2	2		1
	WealthSelect Managed Active 7	1	2	1		1
	WealthSelect Managed Blend 7	1	2	1		1
Dynamic	Cirilium Active Dynamic Portfolio	4	3	4	2	1
	Cirilium Blend Dynamic Portfolio	2				2
	WealthSelect Managed Active 8	2	2	2		2
	WealthSelect Managed Blend 8	2	2	1		1
	WealthSelect Managed Active 9	2	1	1		1
	WealthSelect Managed Blend 9	2	1	1		1
Adventurous	Cirilium Active Adventurous Portfolio	4	3	3		3
	Cirilium Blend Adventurous Portfolio	2				2
	WealthSelect Managed Active 10	1	2	3		3
	WealthSelect Managed Blend 10	2	3	3		3

Note: Cirilium Passive is unclassified in the IA sector classification and hence does not have an IA benchmark.

1. Cirilium Active launched on 2nd June 2008, with the Adventurous portfolio launching in June 2017. Cirilium Blend launched on 27th July 2019 and WealthSelect launched on 28th February 2014.

Organising Affluent's proposition to better serve clients



- Generate Platform fee on £10bn
- Generate Quilter Investors fee on £8bn

- Generate Platform fee on £10bn
 - Generate MPS charge on £10bn
 - Generate lower Quilter Investors fund fee
 - Customer all-in cost unchanged
- Management revenue broadly unchanged

High Net Worth: solid investment performance

Solid investment performance

Quilter Cheviot performance vs. ARC Sterling PCI Index, at 31 March 2022

3 year	<i>Relative % vs ARC PCI</i>	Balanced	Steady Growth	Equity Risk
	Quilter Cheviot	14.5%	20.3%	23.7%
	ARC PCI	15.3%	19.3%	23.5%
	<i>Relative</i>	<i>(0.8%)</i>	<i>+1.0%</i>	<i>+0.2%</i>

5 year	<i>Relative % vs ARC PCI</i>	Balanced	Steady Growth	Equity Risk
	Quilter Cheviot	19.7%	28.1%	33.8%
	ARC PCI	19.7%	26.7%	33.3%
	<i>Relative</i>	<i>+0.05%</i>	<i>+1.4%</i>	<i>+0.5%</i>

10 year	<i>Relative % vs ARC PCI</i>	Balanced	Steady Growth	Equity Risk
	Quilter Cheviot	68.6%	91.1%	109.9%
	ARC PCI	60.2%	82.4%	102.0%
	<i>Relative</i>	<i>+8.4%</i>	<i>+8.7%</i>	<i>+7.9%</i>

Note: Past performance is not a guide to future performance and may not be repeated. UK: Suitable for professional clients.

Environmental, Social & Governance credentials

Quilter's management of ESG issues set out in our Responsible Wealth Manager framework

By acting and investing responsibly...

Acting responsibly:

- Customer focused underpinned by business ethics and our values
- Creating an inclusive culture that embraces diversity
- Promoting responsible business practices in our supply chain
- Maintaining high standards of corporate governance
- Supporting our communities

Investing responsibly:

- Embedding responsible investment considerations into advice process
- Enhancing responsible investment options and information on our platform
- Integrating ESG factors into investment decision making and being an active owner
- Offering responsible and sustainable investment solutions

...we can deliver against our environmental and social priorities...

Enable customers to experience **financial wellbeing**

Drive **inclusive growth** for our colleagues

Take **climate action** for our environment

Create a positive **social impact** in our communities

... measured against targets and KPIs:

(Additional responsible investment KPIs under consideration for 2022)

- Customer asset retention (%)
- Number of restricted financial planners

- Increase female representation Senior Leadership Community to 38-43% by 2024
- Increase ethnic minority representation in Senior Leadership Community to 5% by 2024

- Reduce Scope 1 & 2 greenhouse gas emissions by 80% by 2030, from 2020 baseline
- Scope 3 (operations) and responsible investment KPIs in development for 'climate action'

- Number of young people supported by the Quilter Foundation

External ratings and benchmarks



FTSE4Good

Included in FTSE4Good Index Series



ESG rating: **BBB**
(Nov 2021)



ESG risk rating: **23.6/100**
(Feb 2021)



Rated **A**
for Strategy & Governance
(July 2020*)



UK Stewardship Code
Signatory
(September 2021)



* Due to technical issues, PRI are not due to not release 2021 ratings for any signatory, including Quilter, until summer 2022.



Quilter