



# UBS Investor Roadshow

14 June 2022

Quilter

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# Agenda

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11.00am	<b>Welcome</b>	Paul Feeney – Chief Executive Officer
11.30am	<b>High Net Worth</b>	Andy McGlone – Head of High Net Worth Michelle Andrews – Managing Director, Advice
12.15pm	<i>Break</i>	
12.30pm	<b>Affluent</b>	Steven Levin – Head of Affluent Stephen Gazard – Head of Quilter Advice channel
1.45pm	<b>Financials and efficiencies</b>	Mark Satchel – Chief Financial Officer Karin Cook – Chief Operating Officer
2.30pm	<b>Closing remarks</b>	Paul Feeney – Chief Executive Officer

*Lunch will be served during the Affluent session.*



# Welcome

Paul Feeney

# Quilter

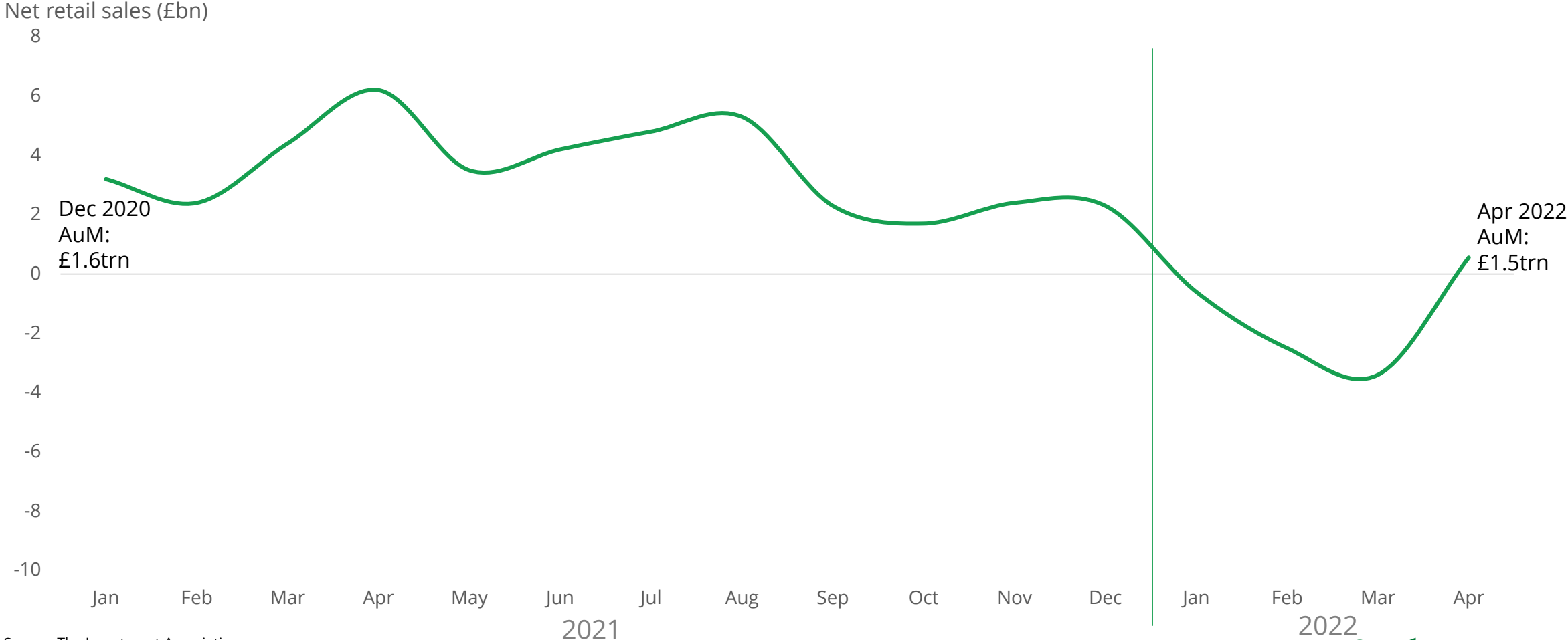
## Our 2022 priorities remain true in a challenging environment

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- Revenues: target improving net flows and higher proportion of Quilter-managed flows
- Costs: enhancing efficiency through Simplification
- Operating leverage: from growing Platform and investment solutions
- Moving up dividend pay-out ratio, £328m capital returned

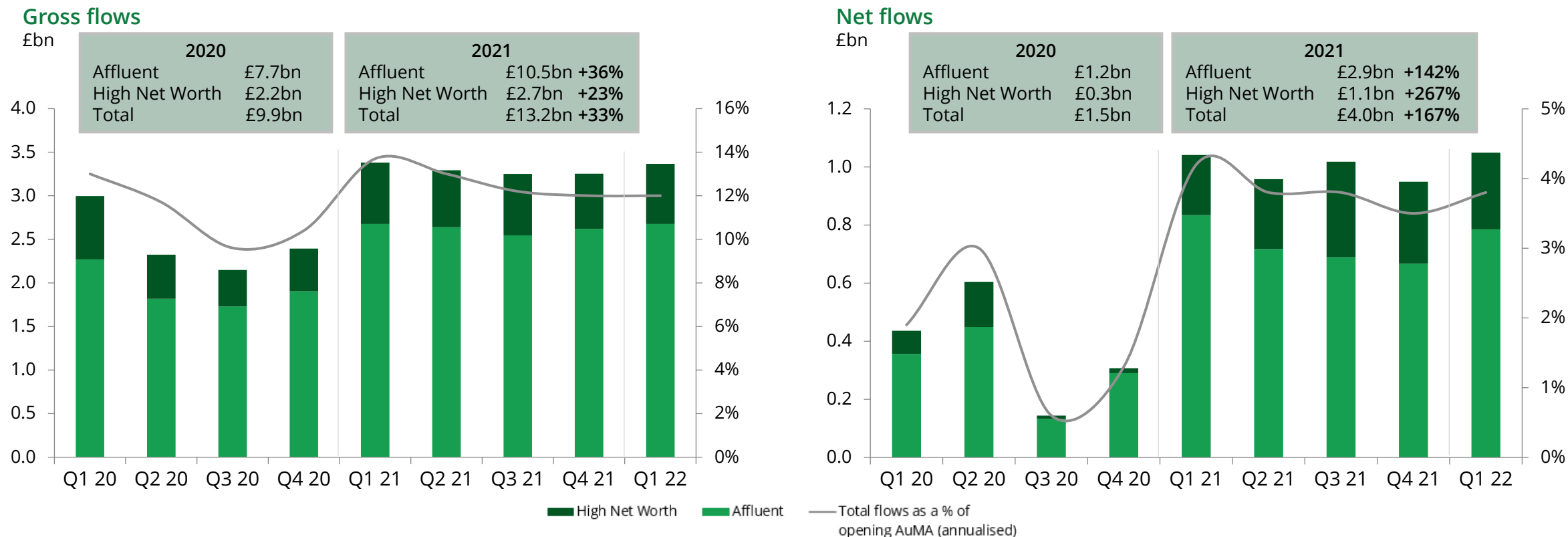
# UK market retail sales: net outflows 2022 YTD

While pandemic news introduced unseasonal volatility, UK net retail sales remained strong through 2021. 2022 YTD has been tough for the market, with the industry seeing net outflows from Equity, Money Market and Fixed Income funds.



Source: The Investment Association

# Quilter flow performance: a satisfactory start to 2022



- Affluent momentum driven by Platform performance
- High Net Worth gross flows supported by channel diversity

- To end-April, YTD Platform and High Net Worth net inflows both broadly in line with the comparable period of 2021
- Negative impact on AuMA from lower equity markets and higher bond yields

Note: Business area net flows represent figures before eliminations while total net flows includes impact from eliminations.



# High Net Worth

Andy McGlone  
Michelle Andrews

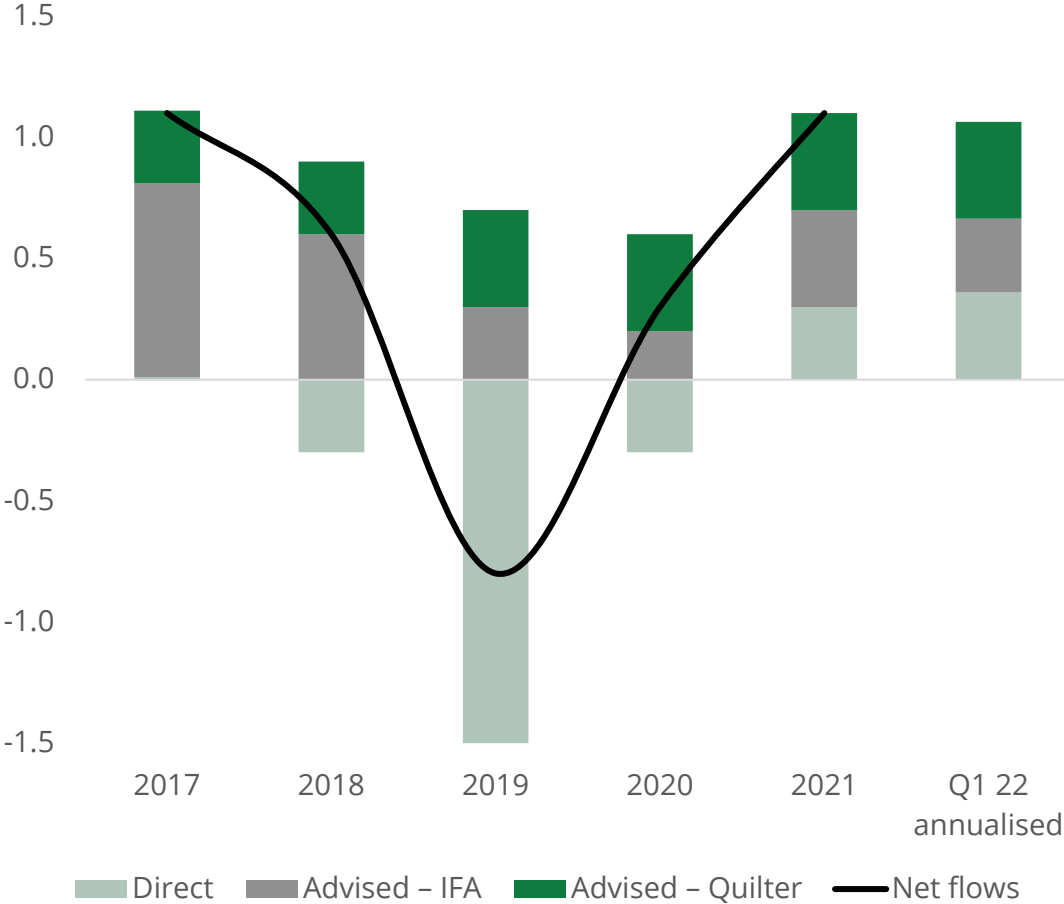
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# High Net Worth: building a bigger business

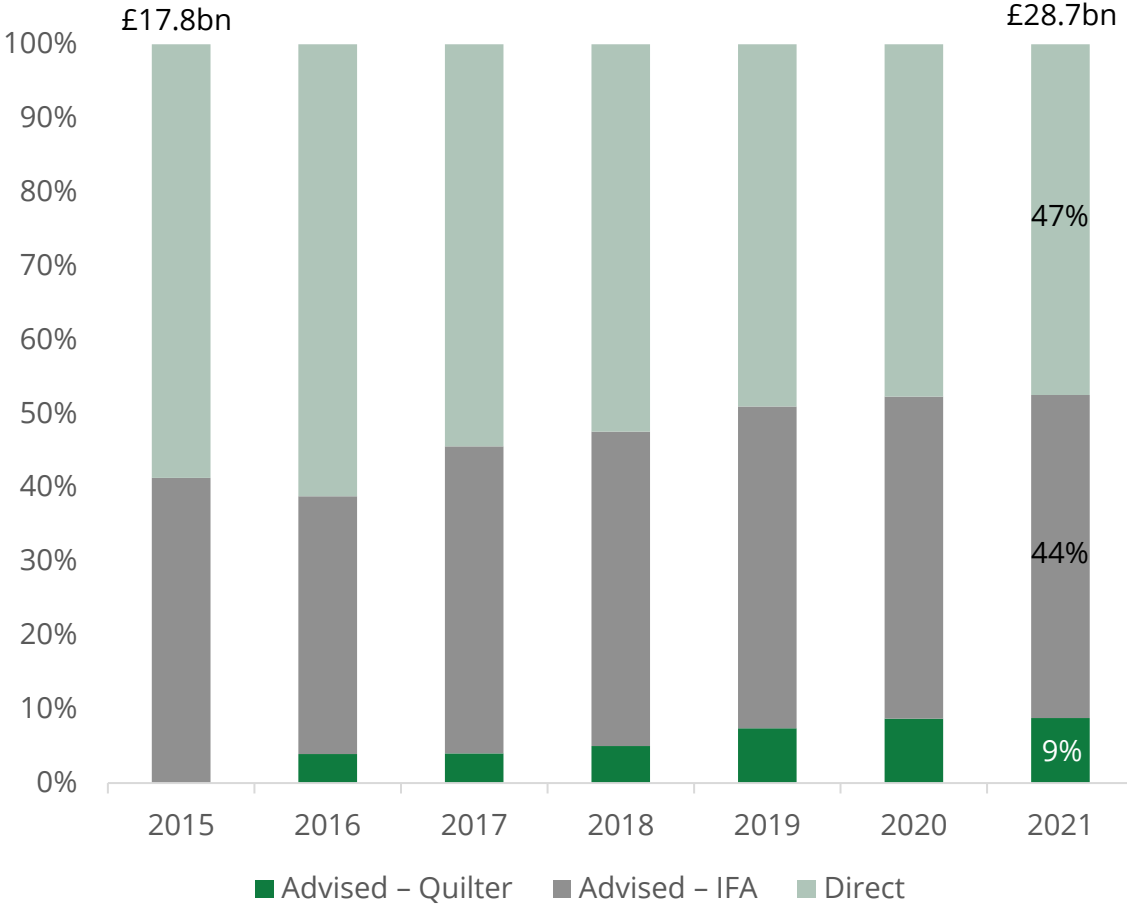
## Steady contributor to Group net flows

Net flows, £bn



## In-house advice proposition growing quickly from a low base

AuM by channel



# High Net Worth: the value of growing our own advice channel

## The High Net Worth Proposition

- A strong established multi-channel business
- Responsible for Quilter's own adviser and IFA channels for clients with more complex needs and larger sums to invest
- Own advice channel provides a combined financial planning and investment management offering for clients at a competitive price point
- Introductions from direct clients, professional connections, charities and trustees remain integral to growth plans

## Focus areas since transition

- Engagement and cultural alignment of advisers and investment managers, supported by joint business development initiatives and co-locations
- Significant financial adviser and investment manager number growth
  - Organic growth focus near-term
  - Professional connections lead hired
- Quilter Cheviot solutions onto QPCA investment matrix



# High Net Worth: examples of the proposition coming together

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## Joint business development training bearing early fruit

### Case study: Leeds

- Investment Manager long-term 'direct' client, £300k ISA and £300k execution only
- IM suggested joint meeting with a Quilter adviser having raised a query about their trust structure
- Now a Quilter advised-client, with additional £600k under Quilter Cheviot management
- Power of trusted relationship with the investment manager and knowledge of the financial adviser

### Case study: Manchester

- Investment Manager's general investment and ISA client expressed wish to better understand retirement planning
- IM identified the value of advice, introducing client to a Quilter adviser
- Adviser developed financial plan, advising alignment of pension and investments under Quilter Cheviot increasing AUA to £2.7m.
- A year later client referred a colleague with £2.5m where adviser and IM recommended improved solutions aligned to attitude to risk
- Power of integrated service, founded on pragmatism, value and trust



*Break*

Please join us back in the room at 12.30pm

*Quilter*



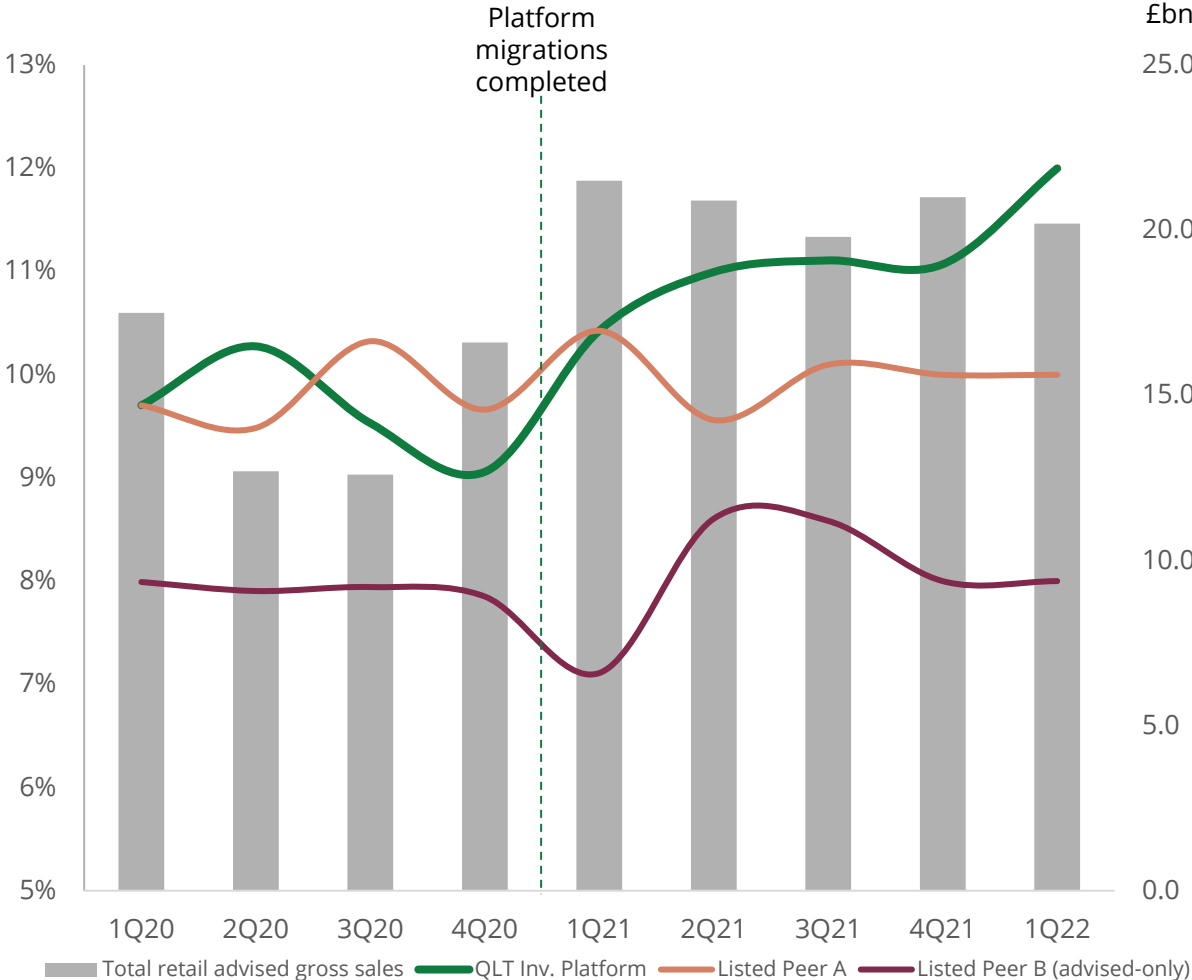
# Affluent

Steven Levin  
Steve Gazard

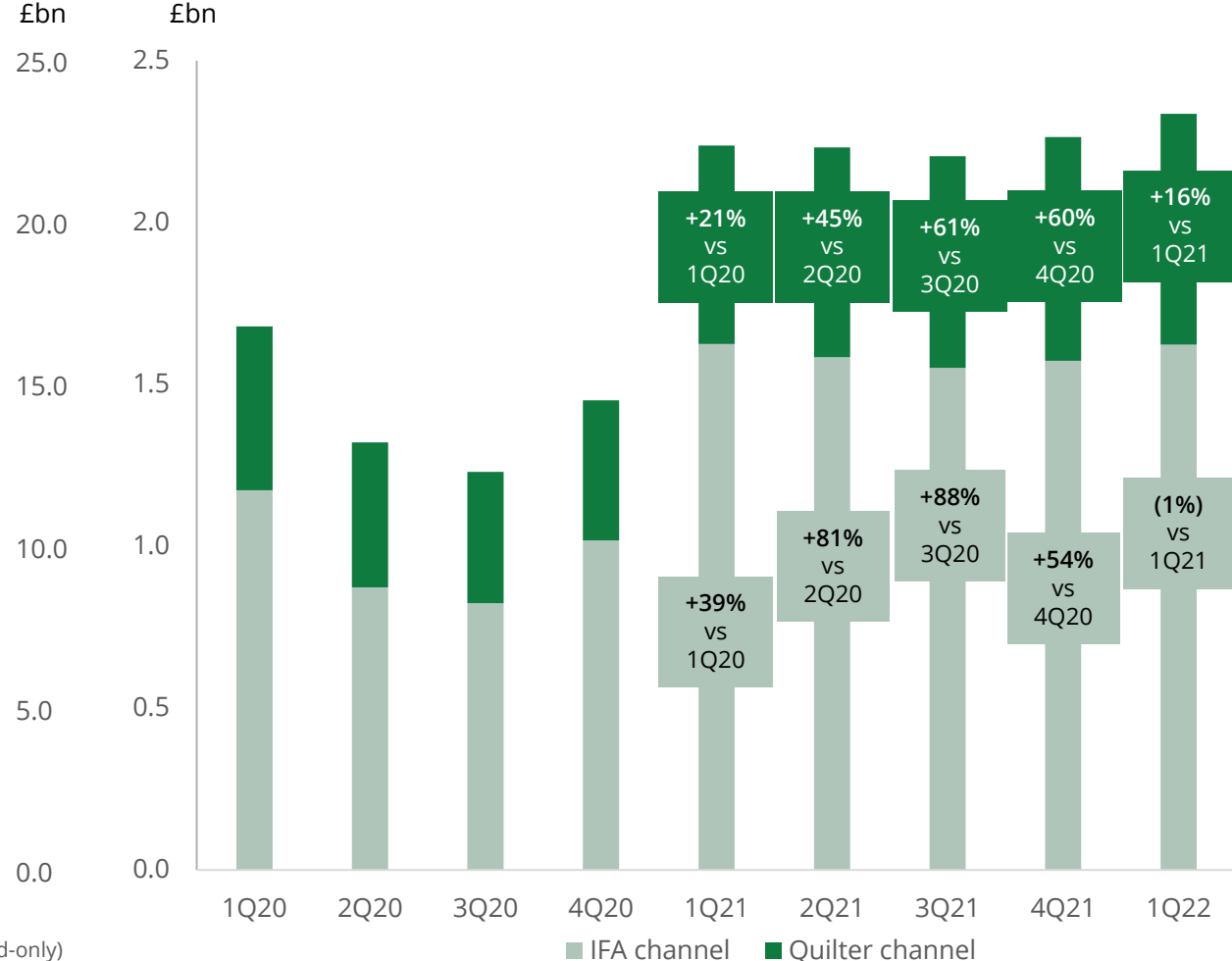
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# Investment Platform: regaining market share

Retail Advised platform gross flow market share

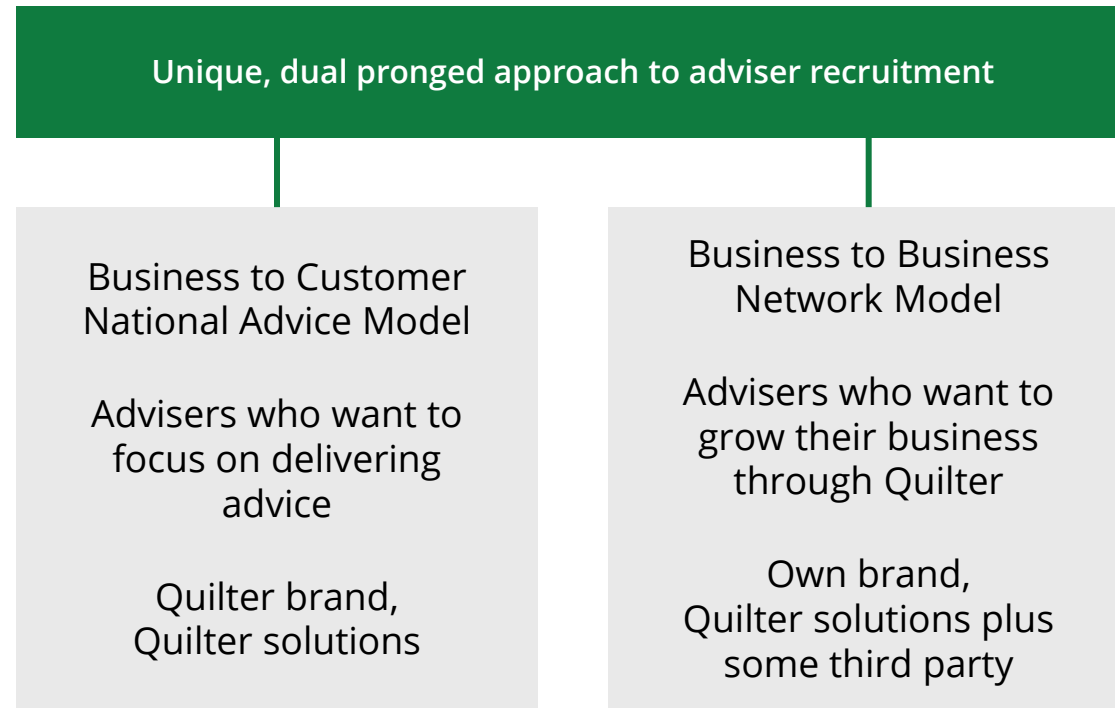


Investment Platform gross flow quarterly progress by channel



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

# Quilter Financial Planning: maintaining focus on quality



- ### CORE PRIORITIES
1. Continued development of enhanced & efficient control environment to minimise risk
  2. Retention & growth of adviser base
  3. Increased productivity and integrated flows

- ### PROGRESS
- Development of automated front and back office in motion
  - Recruitment team expanded and refocused with appointment of lead Director in Q1 2022
  - Pipeline of new recruits growing but against challenging consolidation market background
  - Existing proposition strengthened including exit strategies for firms and advisers
  - Adviser productivity continues to remain strong despite macro economic background
  - Revised processes, technology and centralised services driving progress with back-book transfers



# Financials and efficiencies

Mark Satchel  
Karin Cook

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# Track record of disciplined expense management through the cycle

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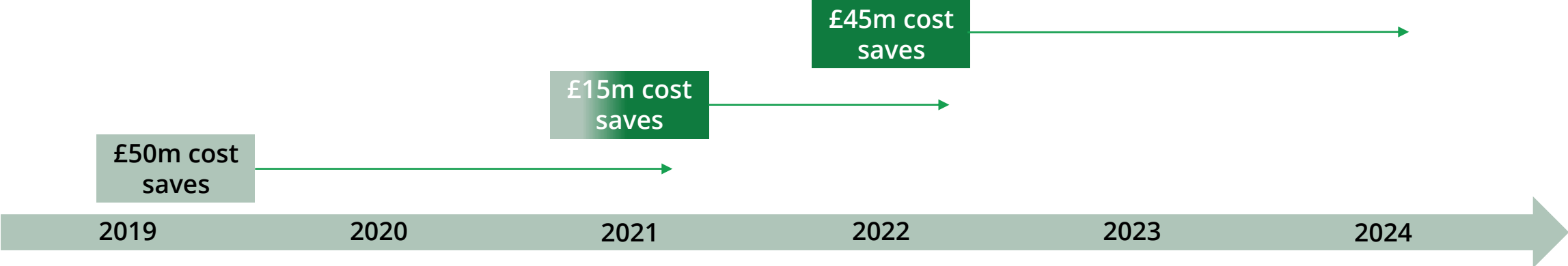
## Focused on growth and efficiency

- Focussed on growth plans and delivering 2023 / 2025 operating leverage targets
- Average 2022 market levels to date and market flows are lower than expected at the beginning of the year
- Inflation generally running ahead of March guidance
- Maintaining cost focus and delivery of Simplification plans
- Prudently capitalised liquid balance sheet
  - £328m Quilter International net proceeds returned to shareholders by early June
  - 1.404bn issued share count, post-consolidation

# Delivering the next stage of efficiency improvements

Optimisation (2019 launch): Benefit – £65m<sup>1</sup>

Simplification (2021 launch): Benefit – £45m



Phase:	<b>1. Operational efficiencies</b>
Focus on:	<ul style="list-style-type: none"> <li>Operational efficiency initiatives</li> <li>Support services focused</li> </ul>
Impact/outcome:	<ul style="list-style-type: none"> <li>Efficiency savings and paves the way for phase 2</li> </ul>

Phase:	<b>2. Enhancing efficiency</b>
Focus on:	<ul style="list-style-type: none"> <li>Reduce complexity</li> <li>IT &amp; operating model focused</li> </ul>
Impact/outcome:	<ul style="list-style-type: none"> <li>Underpins 2023 and 2025 operating margin targets</li> </ul>

1. Includes £15m announced with FY 2020 results in March 2021.

# Business Simplification focused in 4 key areas

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## A simplified operating model: Refocussed on 2 segments

### Focused on:

- Organising around our customers
- Reduced duplication, better use of capacity

## Simplifying our IT estate: applications and infrastructure

### Focused on:

- Decommissioning after recent transformations & disposals
- Reducing infrastructure and storage costs
- Replacing expensive legacy tech with modern equivalents

## Leveraging technology to reduce Operations costs

### Focused on:

- Integrated workflow capability across core Operations teams
- Automated case checking in Quilter Financial Planning
- Modern Voice technology in call centre

## Streamlined cost base in central functions

### Focused on:

- Matching activity to reduced scope and complexity post-Quilter International disposal
- Reducing hand-offs and further streamlining processes

Delivery well underway and benefits already accruing



# Concluding remarks

Paul Feeney

Quilter



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