

Quilter

Interim Results

7 August 2024

2024

Disclaimer

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This presentation may contain forward-looking statements with respect to certain Quilter plc's plans and its current goals and expectations relating to its future financial condition, performance and results.

By their nature, all forward-looking statements involve risk and uncertainty because they relate to future events and circumstances which are beyond Quilter plc's control including amongst other things, international and global economic and business conditions, the implications and economic impact of the conflicts in the Ukraine and the Middle East, economic political uncertainty, market related risks such as fluctuations in interest rates and exchange rates, the policies and actions of regulatory authorities, the impact of competition, inflation, deflation, the timing and impact of other uncertainties of future acquisitions or combinations within relevant industries, as well as the impact of tax and other legislation and other regulations in the jurisdictions in which Quilter plc and its affiliates operate. As a result, Quilter plc's actual future financial condition, performance and results may differ materially from the plans, goals and expectations set forth in Quilter plc's forward-looking statements.

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Nothing in this presentation should be construed as a profit forecast.

Nothing in this presentation shall constitute an offer to sell or the solicitation of an offer to buy any securities.

Business update

Quilter



Steven Levin

Chief Executive Officer

Introduction

Quilter

Results overview: H1 2024, continued strong delivery

Highlights H1 2024:

Core net flows

£1.7bn
+164% y-o-y

Adjusted PBT

£97m
+28% y-o-y

Operating margin

29%
+5ppts

Adjusted diluted EPS

5.2p
+21%

Dividend

1.7p
+0.2p

Delivering against our three strategic priorities

Building Distribution



- Meaningfully higher gross and net flows
- Largest advised Platform by flows¹
- Continued investment in Quilter Partners

Enhancing Propositions



- Growing CashHub balances on Platform
- WealthSelect on third party platforms
- Continued investment to extend digital capabilities

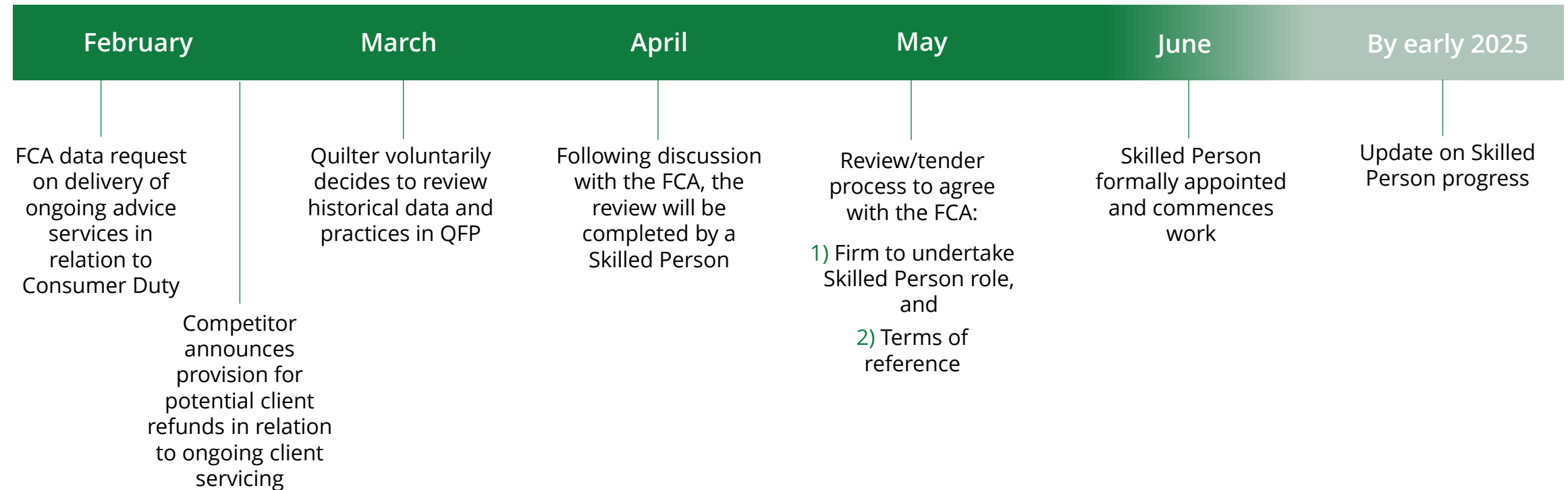
Driving Efficiency



- Delivered £26m of £50m target cost savings
- 29% operating margin
- QC authorised to provide advice from H2 2024

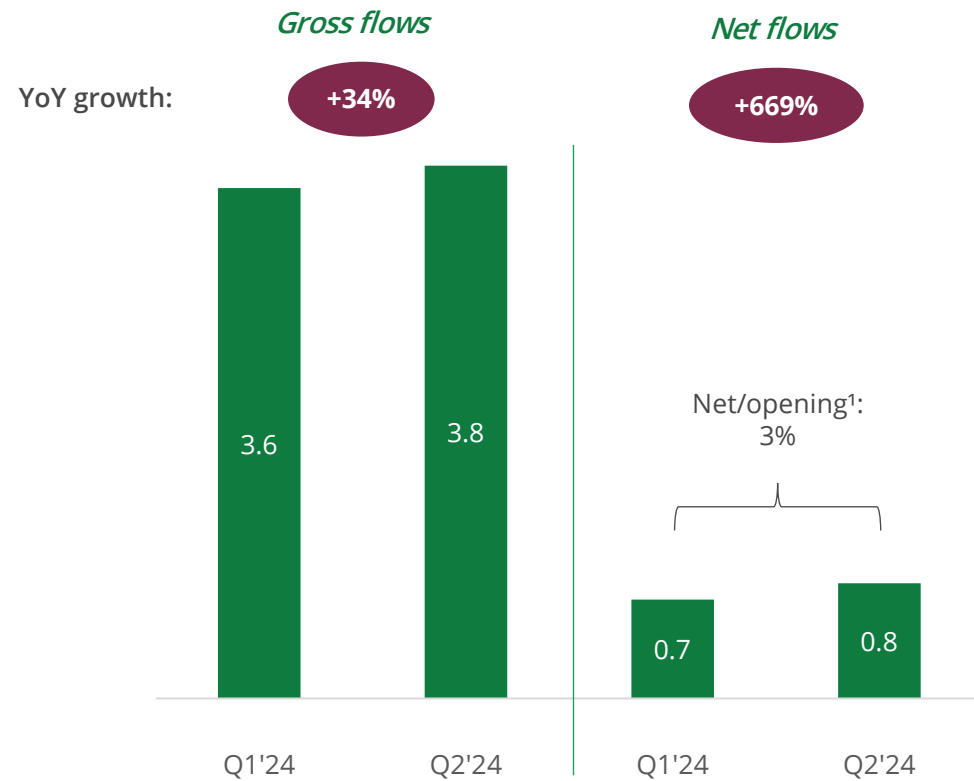
1. Fundscape, Q1'24.

Ongoing Advice Evidence Review

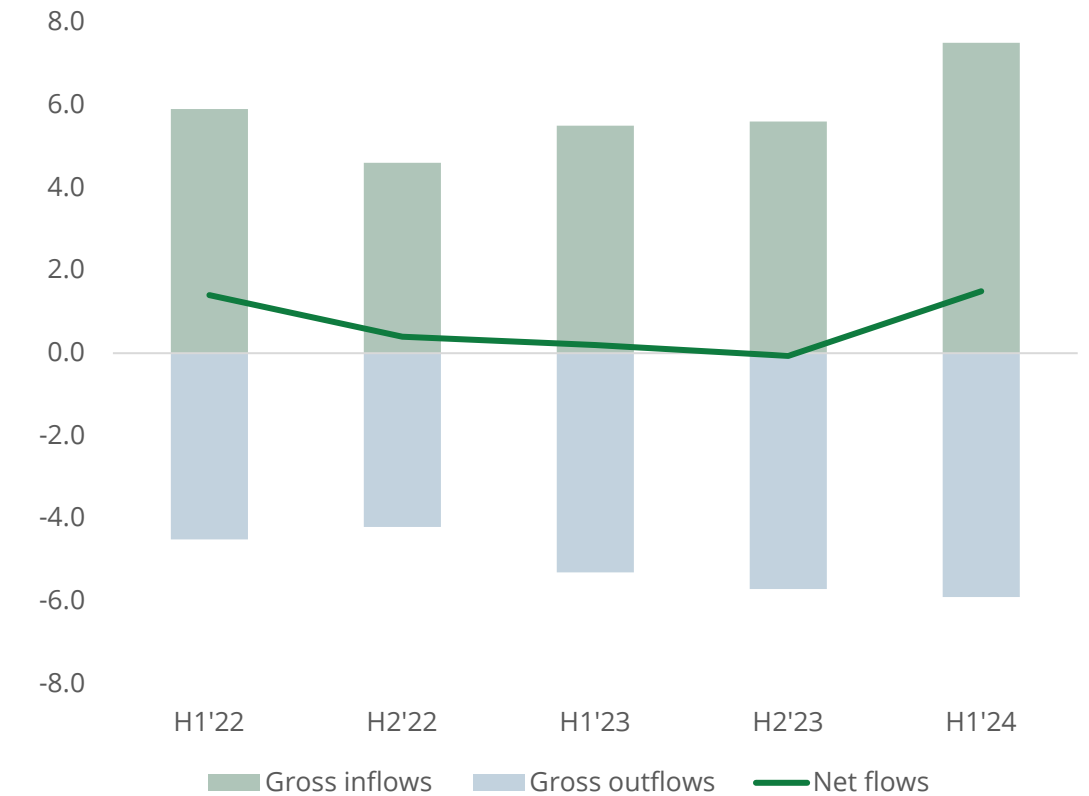


H1 2024 flows: Group perspective – strong YoY growth

Quilter plc reported £bn



Quilter plc reported – long-term flow trend £bn

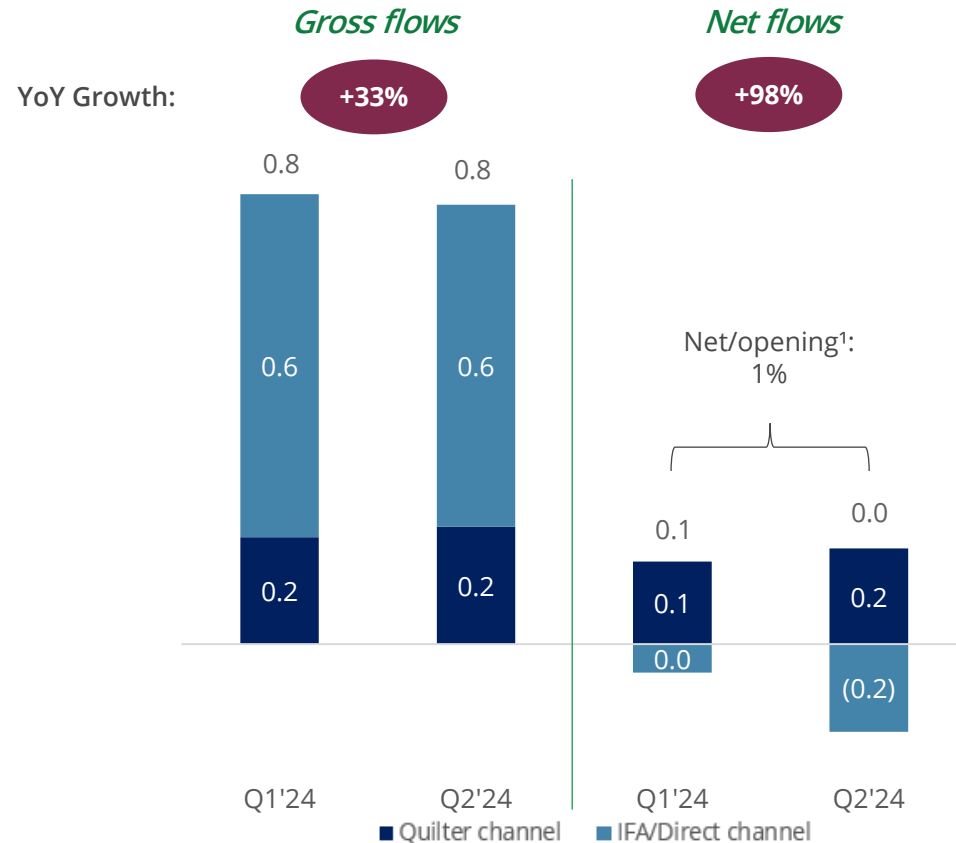


Note: Numbers may not cast to H1 2024 release due to rounding.
1. H1 2024, annualised.

H1 2024 flows: High Net Worth – consistent strong new business momentum

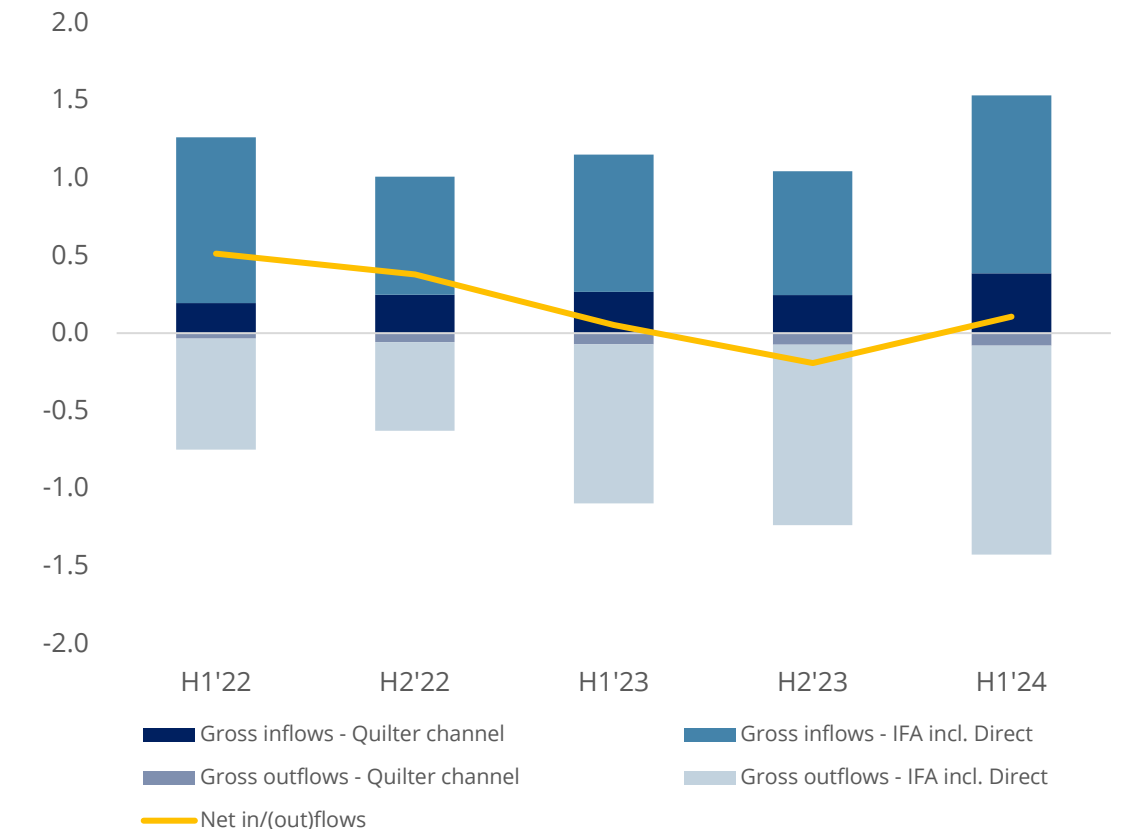
High Net Worth

£bn



High Net Worth flows by channel

£bn

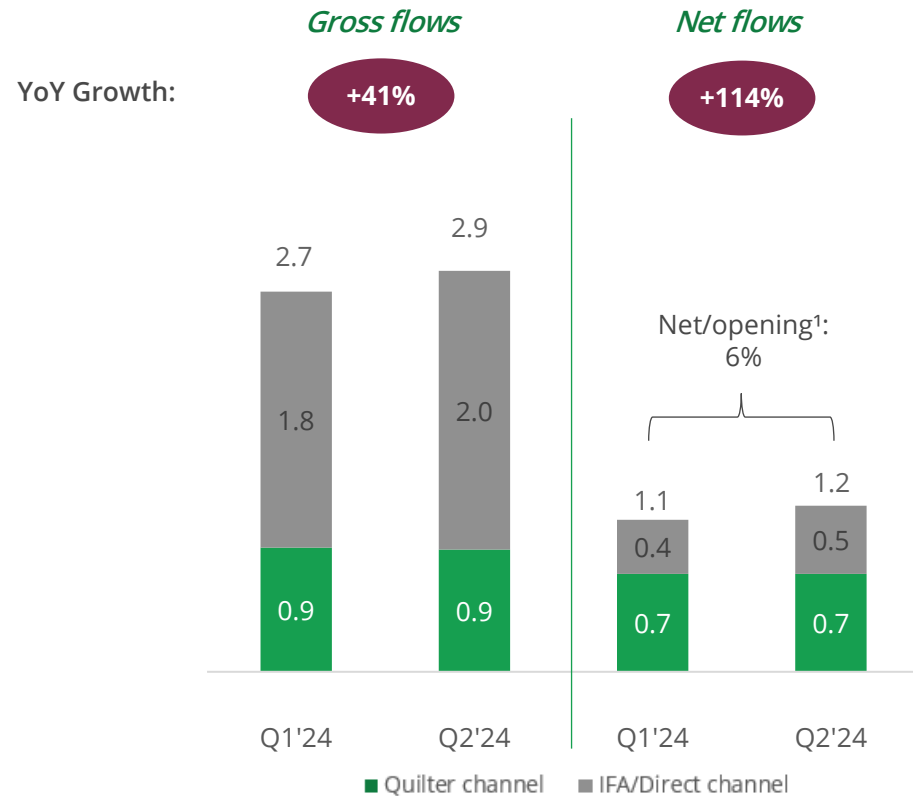


Note: Numbers may not cast to H1 2024 release due to rounding.

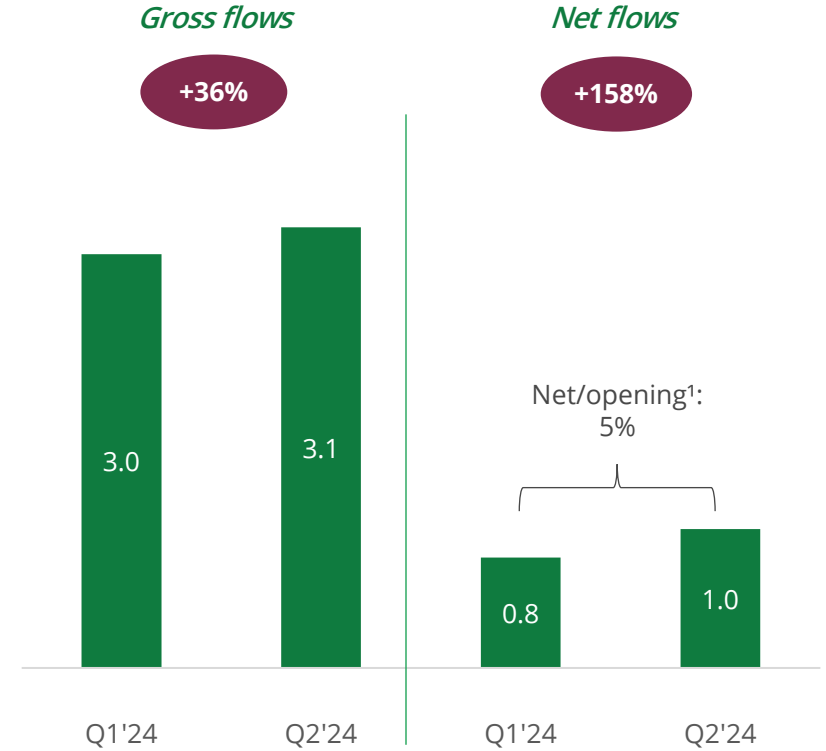
1. H1 2024, annualised.

H1 2024 flows: Affluent – strong momentum increasing into Q2

Affluent: Quilter Platform £bn

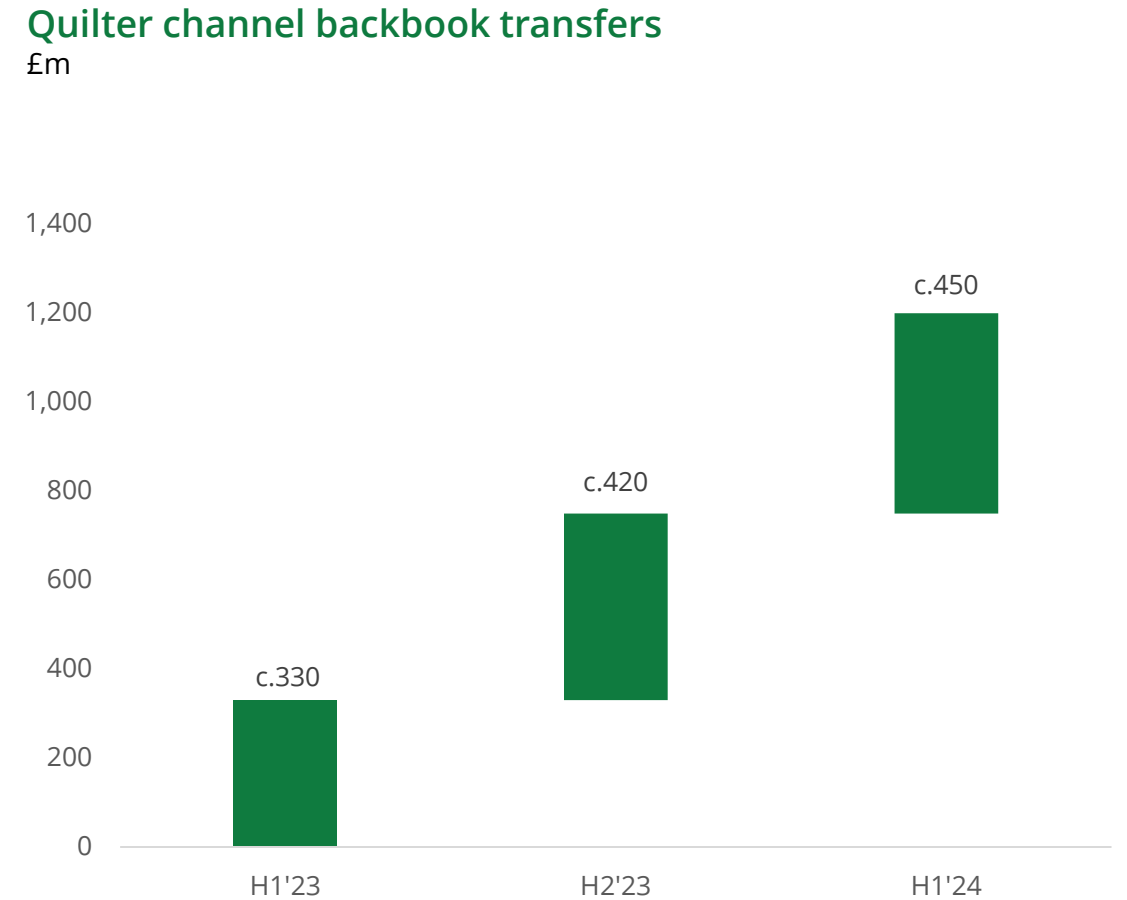
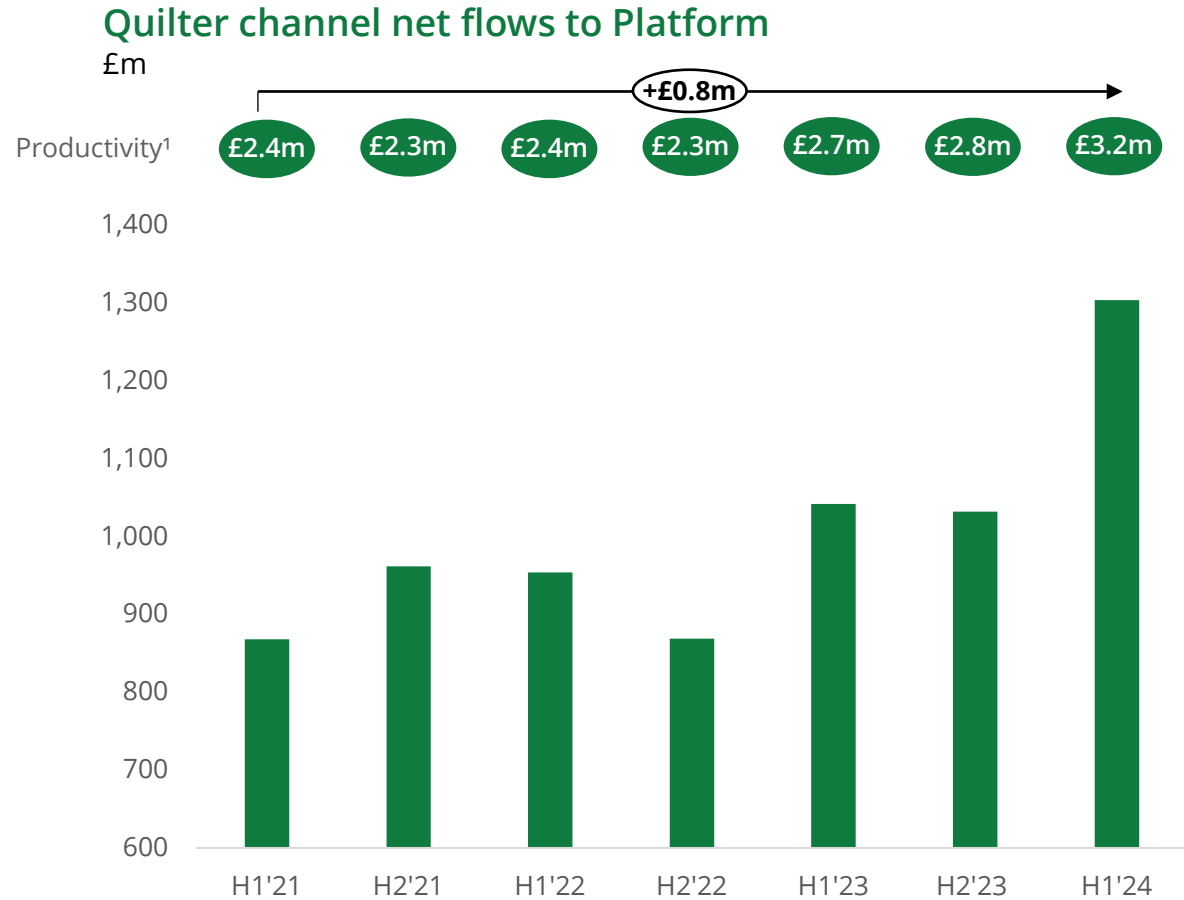


Affluent: including funds on third-party platforms £bn



Note: Numbers are on a Core basis and may not cast to H1 2024 release due to rounding.
1. H1 2024, annualised.

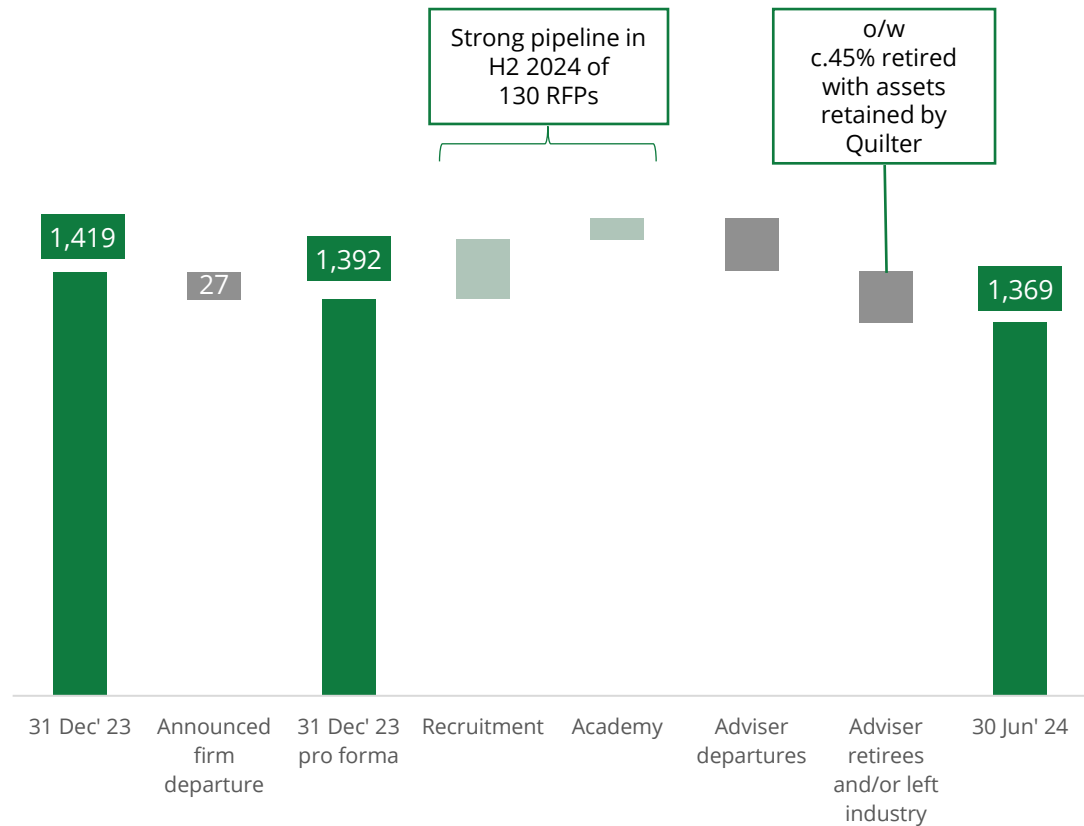
Affluent: Quilter channel – higher productivity and stronger flows



1. Gross flows per adviser. Calculated as gross flows generated by the Quilter channel through the Quilter Platform, Quilter Investors or Quilter Cheviot (annualised) per average Restricted Financial Planner in both segments.

Affluent adviser recruitment and Academy update

RFP headcount movement highlights¹



1. Figures reflect Affluent RFPs only. Figures previously included RFPs who are now part of the High Net Worth segment, Quilter Cheviot Financial Planning.

New adviser recruitment team gaining momentum with firms

- RFP joiner pipeline more than doubled since December 2023
- Attracting greater number of Advice Firms

Financial Adviser Academy foundations laid for future RFP success

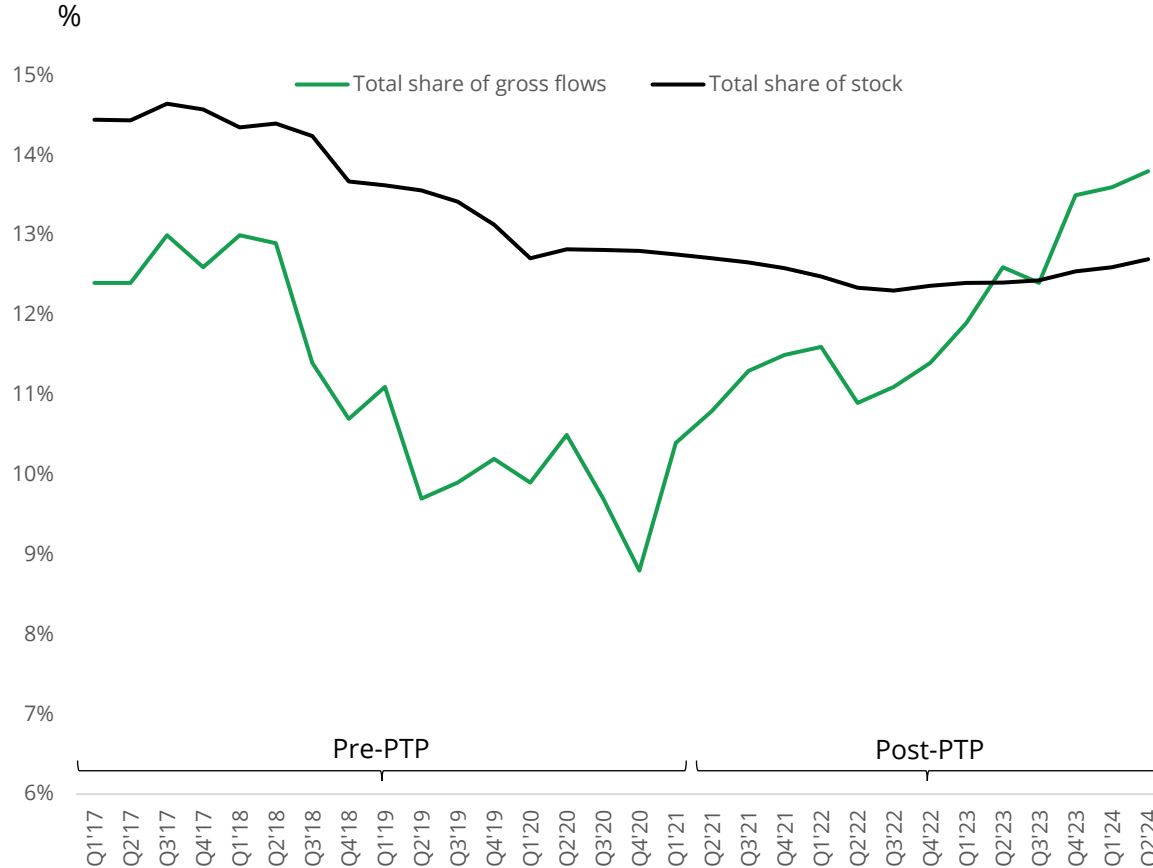
Expanded capacity to deliver greater number and quality of RFPs

- New management team in place
- New recruitment and selection process implemented, improving quality and quantity of recruits
- Launched full-time course for new-to-industry students as well as 'bridge' course for pre-trained individuals

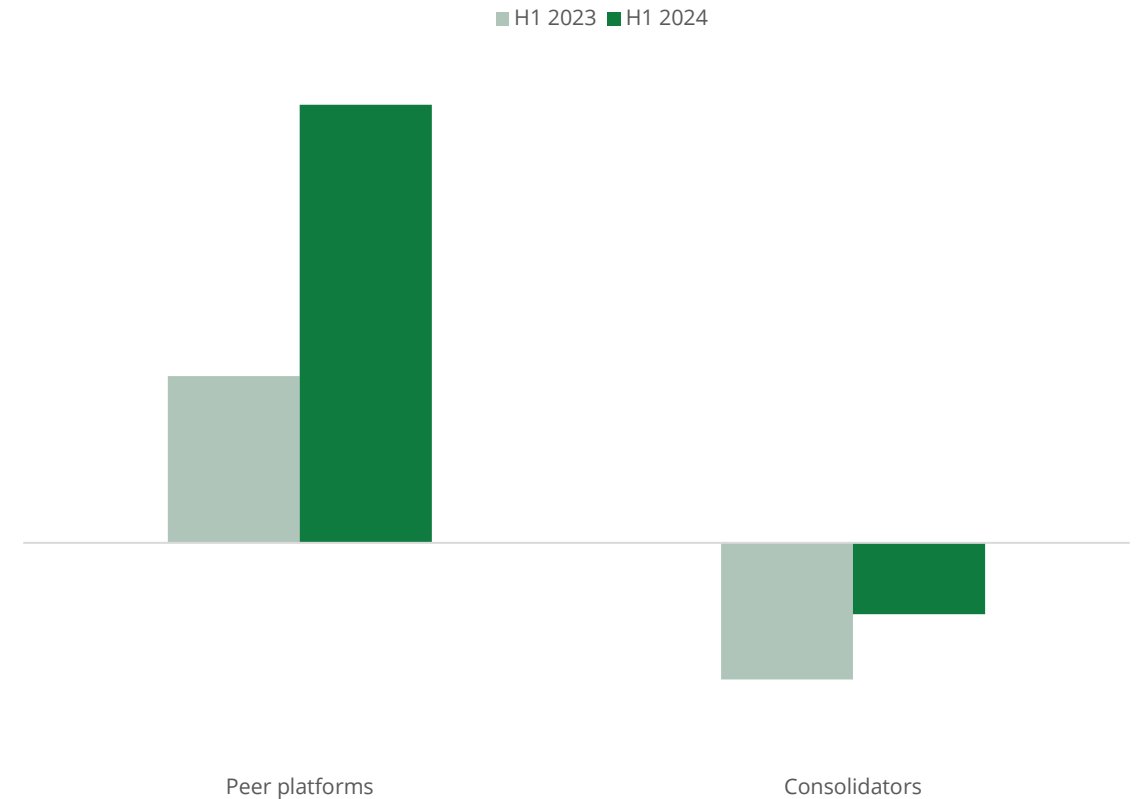


Affluent: Continued improvement in IFA market share

Quilter Platform market share¹: gross flows and assets



Quilter Platform IFA channel net transfer trends by source of funds²
H1 2023 vs H1 2024

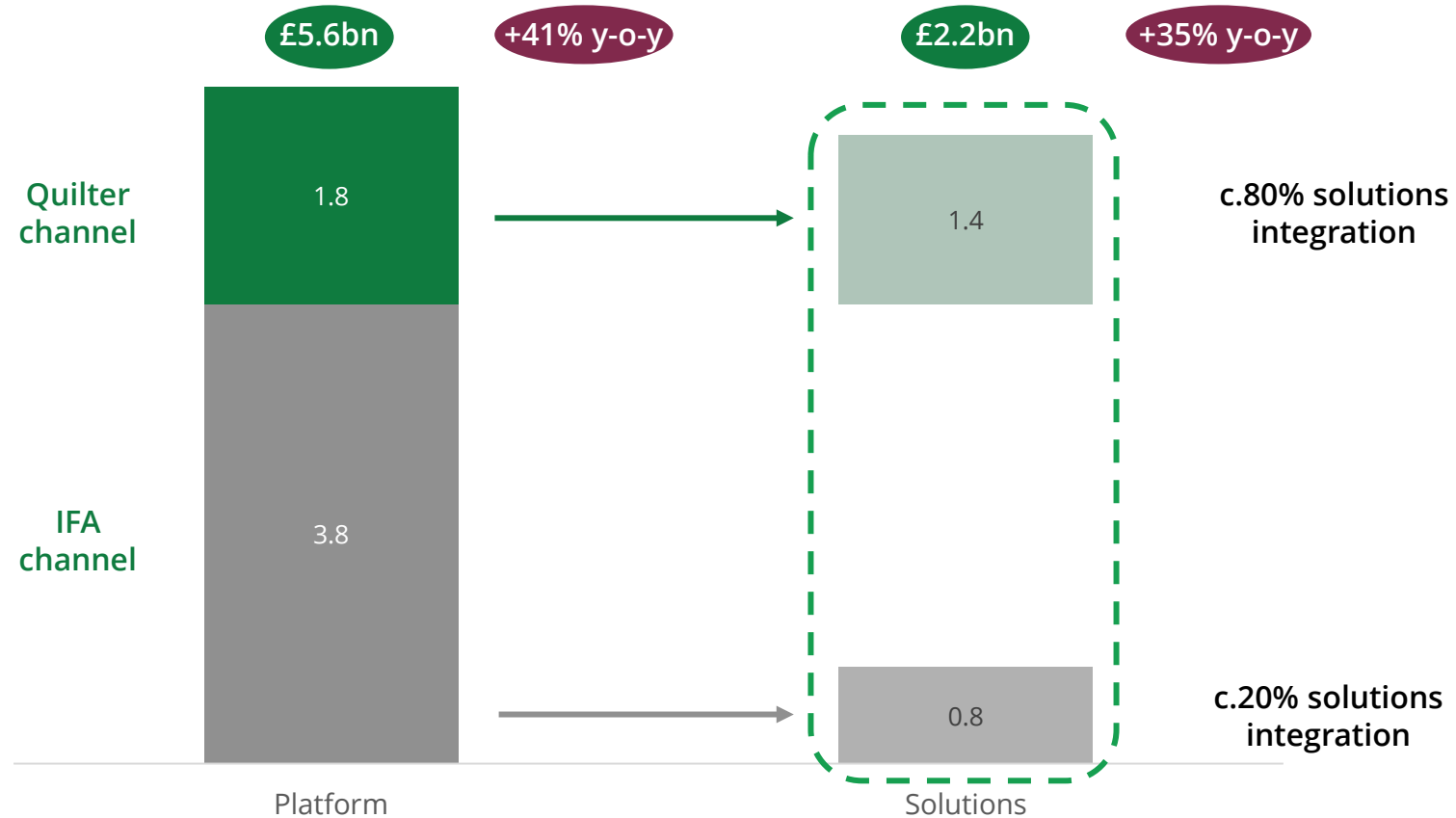


1. Source: Fundscape. 2024 market figure excludes the addition of Curtis Banks in order to maintain consistency of historical profile.
2. Presentation provides a snapshot of flows. Excludes regular payments and flows from pension providers and other payments to/from clients.

Affluent: Benefits from integration

Gross flows onto Platform and into Quilter managed solutions

£bn



Note: Year-on-year growth is calculated on a £m basis.

Affluent: Step change in IFA net Platform flows

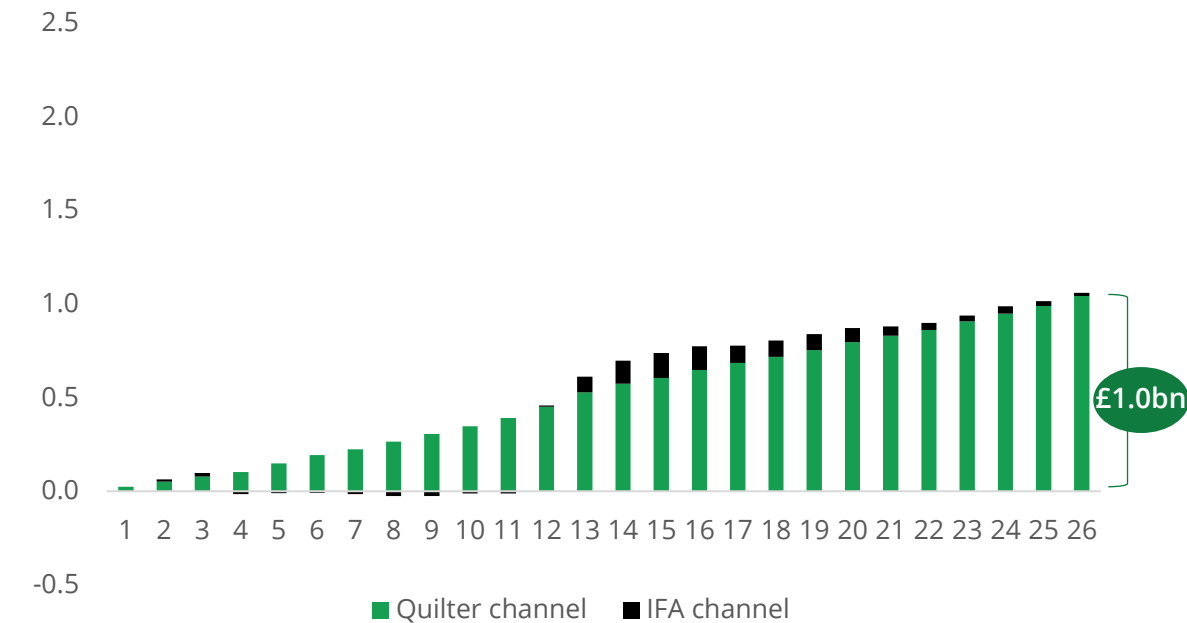
Initiatives driving year-on-year improvement

- Refocused sales incentives on deepening relationships with existing advisers on Platform
- Reviewed sales segmentation model
- Changes to leadership and sales team structures

Cumulative Platform weekly net flows by channel

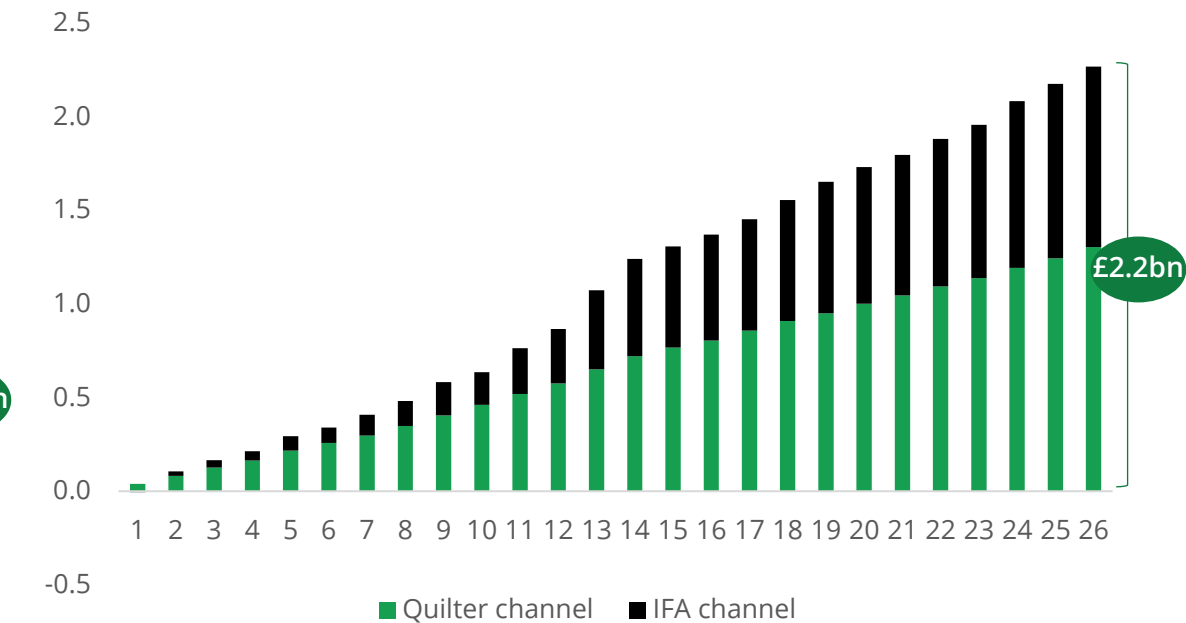
2023

£bn



2024

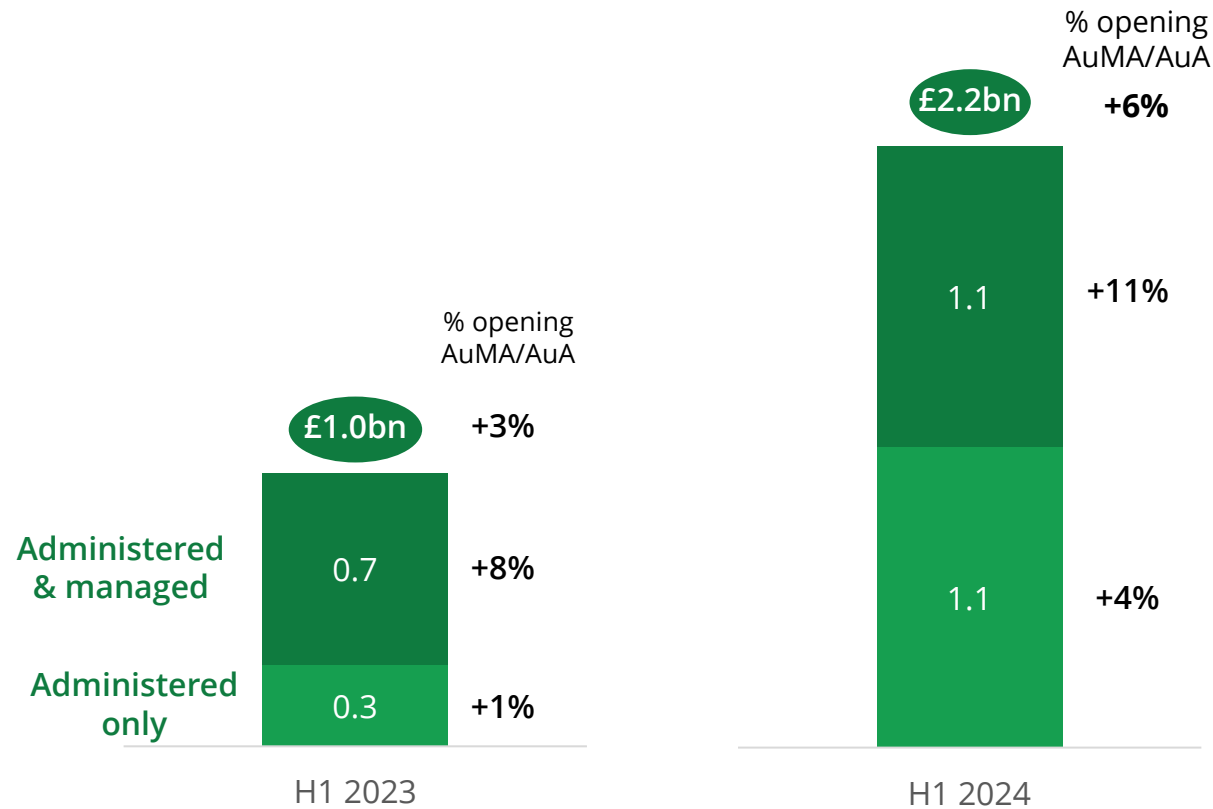
£bn



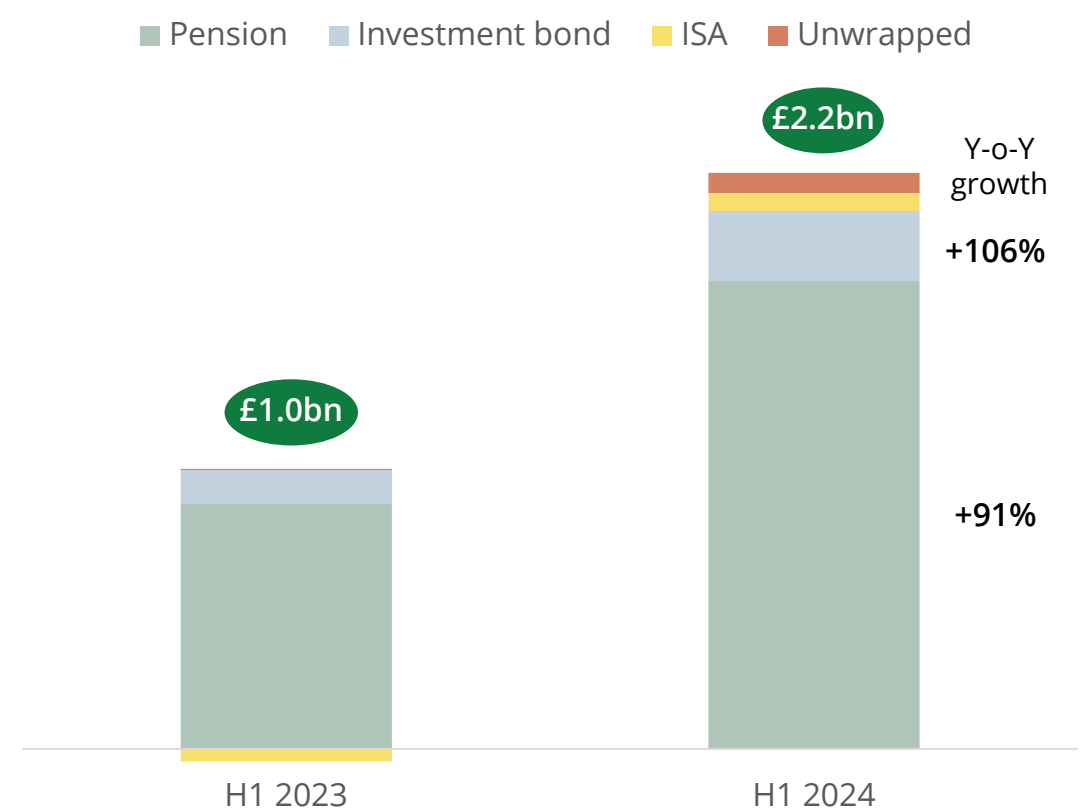
Note: Numbers reflective of 'Reported' basis.

Affluent: Faster growth in higher margin, longer duration assets

Quilter Platform net flows by relationship
£bn



Quilter Platform net flows by product
£bn



Transformation: Building a scalable and efficient operating model

Advice Transformation Programme

Transforming our advice technology and processes to improve client experience and deliver proposition and cost benefits

Integrated technology framework

Back office operating efficiency

Improve adviser/client experience

High Net Worth evolution

Evolving our commercial proposition and ensuring clearer demarcation between DPS and MPS propositions

Single legal/regulatory entity

Evolving towards a higher target value client base

Improve adviser/client experience

Organisational simplification

Continuing our efficiency journey towards a 30% operating margin in the medium-term

Phase Two: £50m cost saving on 2022 cost base



1. On a run-rate basis.

What we are driving for ...

Net flows/opening AuMA

- Building on H1 2024 flow momentum
- 4-5% net flows/opening AuMA as markets normalise

Operating margin

- Above 2025 target, focused on 30% medium-term goal
- Simplification phase two: targeted savings of £50m to be delivered by the end of 2025

Financial review

Quilter



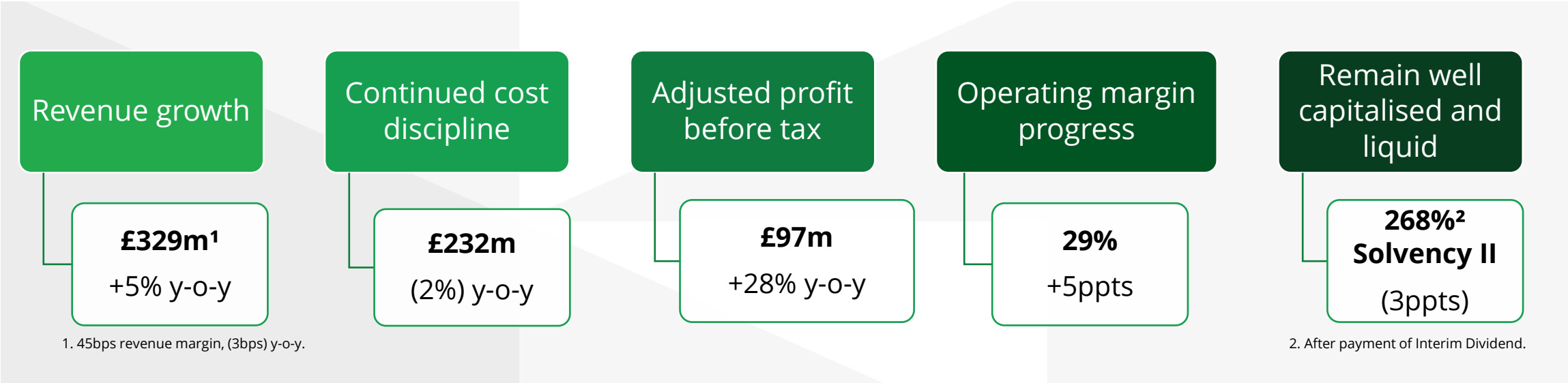
Mark Satchel

Chief Financial Officer

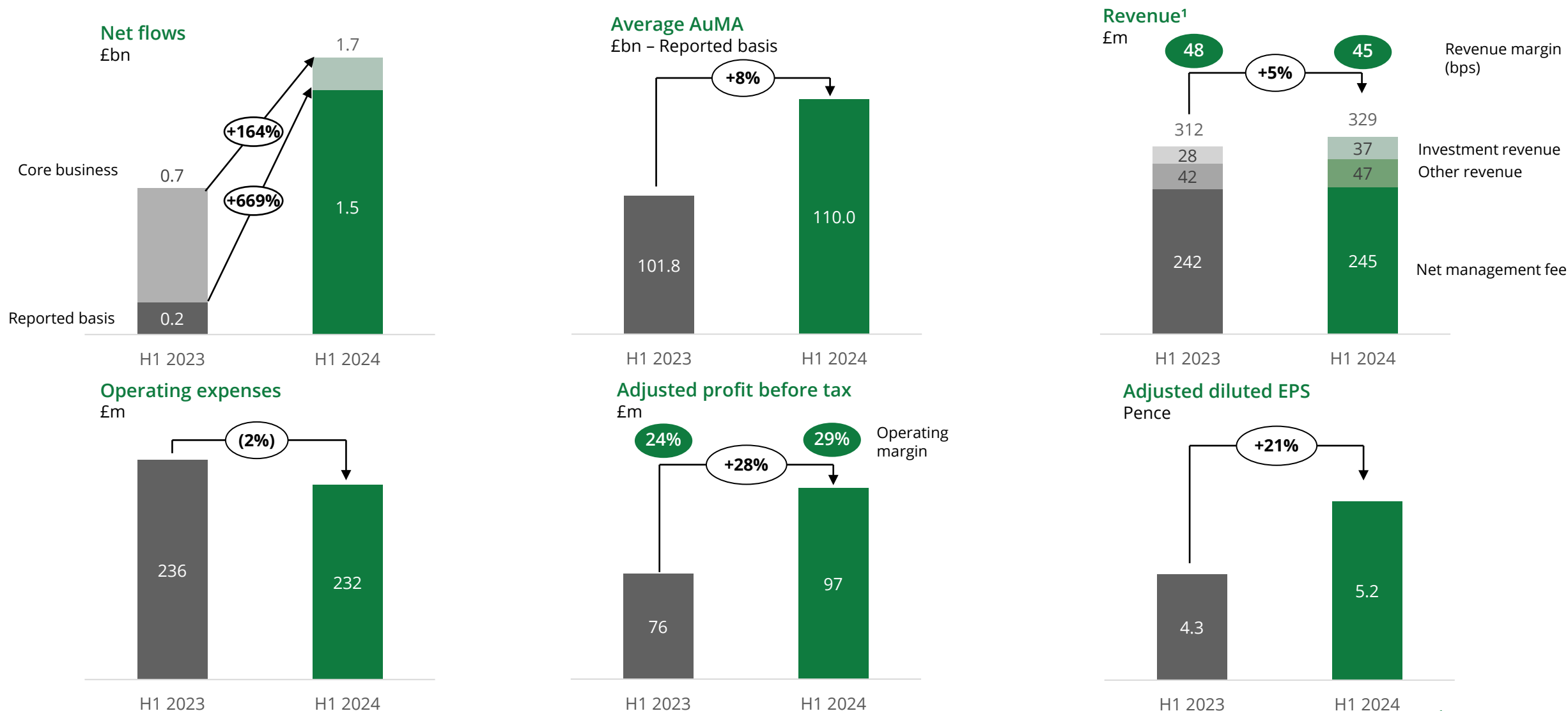
Introduction

Quilter

H1 2024 results: Continued strong delivery



Operating leverage drives strong growth in adjusted profit and EPS



1. Net management fee includes the interest earned on client holdings in Quilter Cheviot and Quilter Investment Platform. Investment revenue includes interest on shareholder cash balances (including cash at bank and money market funds).

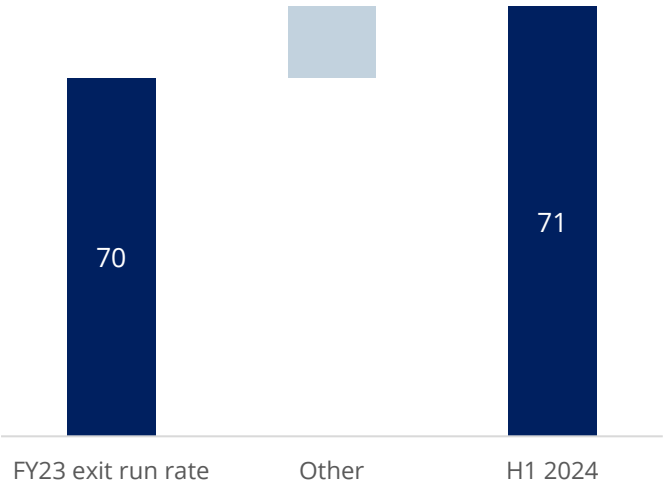


Revenue margins tracking in line with expectations

High Net Worth

Managed

Revenue margin progression
bps

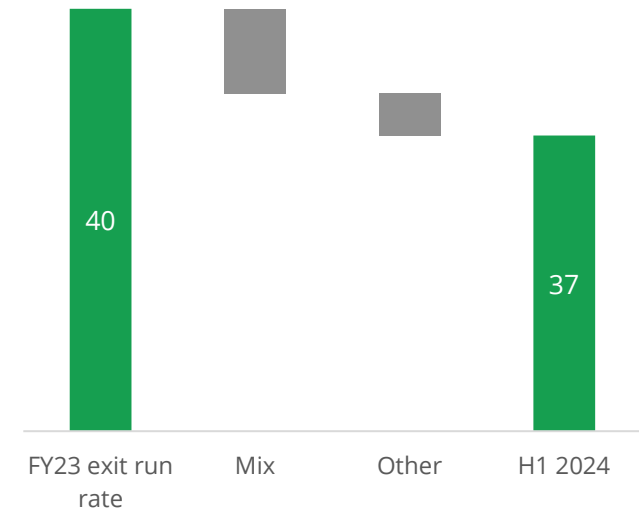


- Margin remained broadly consistent through period

Affluent

Managed

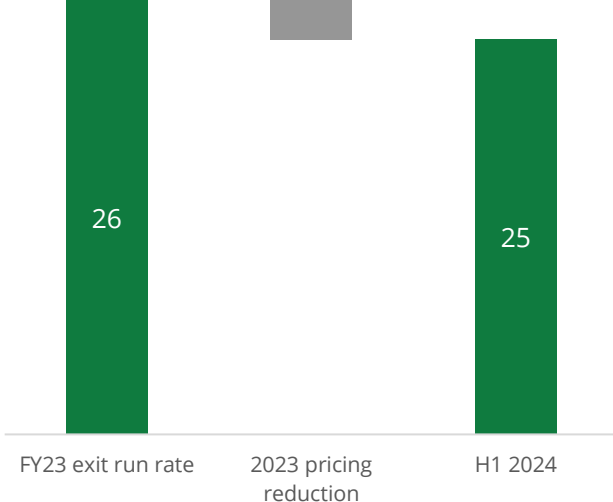
Revenue margin progression
bps



- Mix effect from switching out of Cirilium Active into other Quilter solutions
- AuM scale discounts and pricing changes resulted in 1bp reduction

Administered

Revenue margin progression
bps

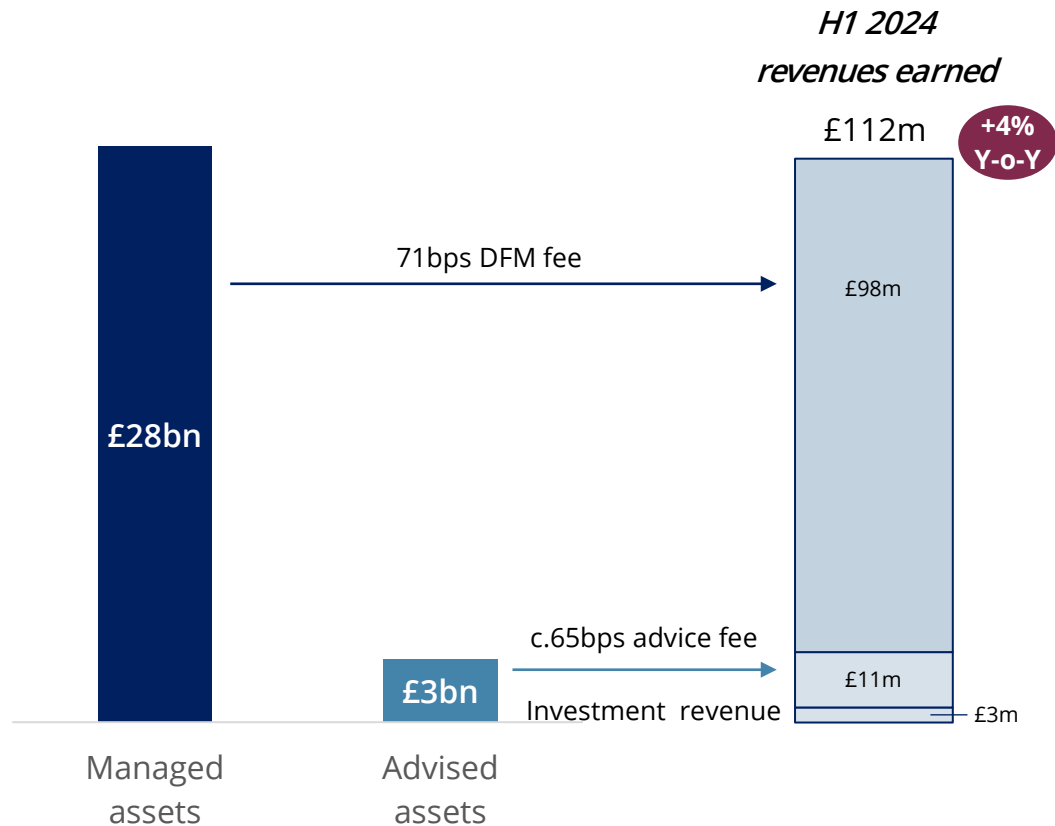


- Trend in line with c.1bp per year guidance

Segment revenues: Solid performance

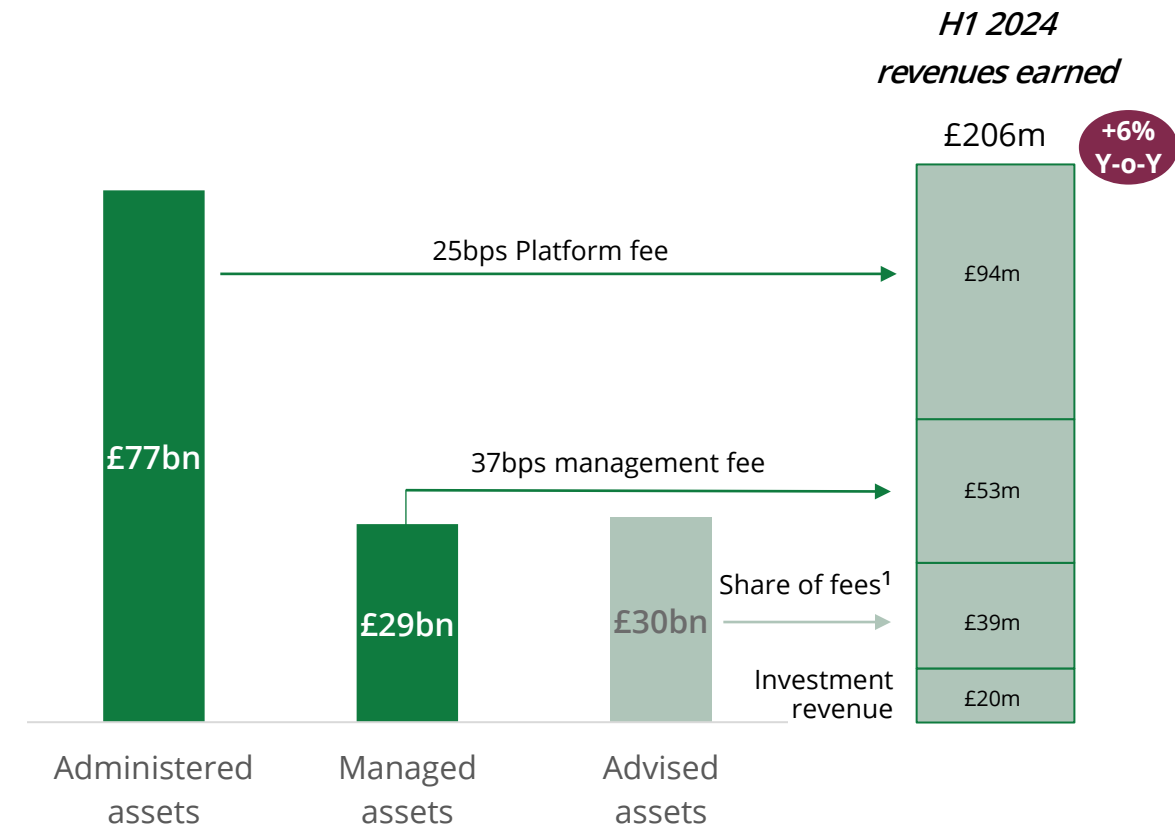
High Net Worth

Average AuMA



Affluent

Average AuMA



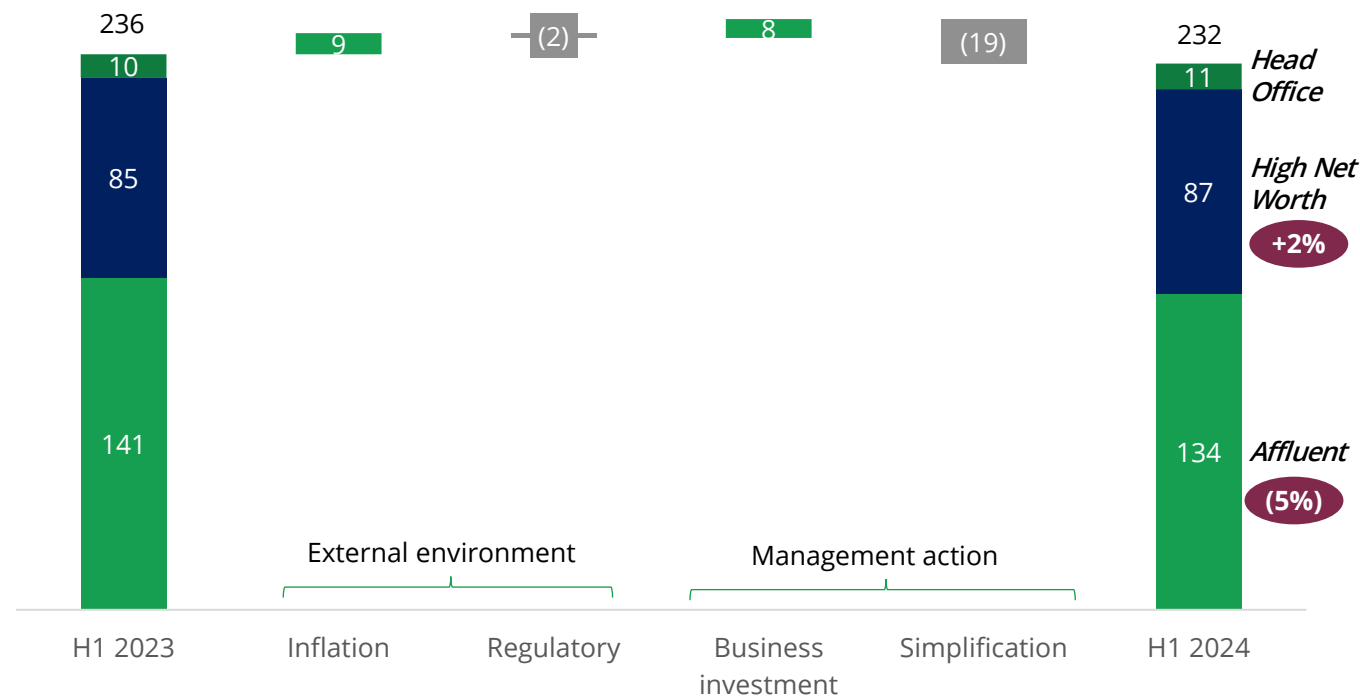
1. Quilter retains 15-20% of all fees generated by Quilter Financial Planning advisers.

Simplification: Efficiency driving capacity to invest and grow



	Cost analysis (£m)		As a percentage of revenues	
	H1 2024	H1 2023	H1 2024	H1 2023
Support staff costs	51	54		
Operations	6	8		
Technology	10	12		
Property	14	15		
Other base costs ¹	17	16		
Sub-total base costs	98	105	30%	34%
Revenue-generating staff base costs	54	51	16%	16%
Variable staff compensation	38	38	12%	12%
Other variable costs ²	30	28	9%	9%
Sub-total variable costs	122	117	37%	38%
Regulatory/ PI costs	12	14	4%	4%
Total operating expenses	232	236	71%	76%

H1 2024 expense progression £m



Numbers may not cast due to rounding.

1. Other base costs includes depreciation and amortisation, audit fees, shareholder costs, listed Group costs and governance.

2. Other variable costs includes FNZ costs, development spend and corporate functions variable costs.

Segment financials: Strong year-on-year growth

High Net Worth

Revenues



Expenses

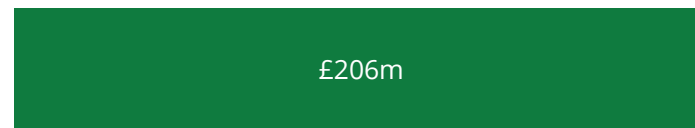


Profit before tax

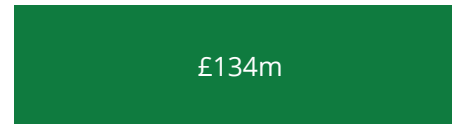


Affluent

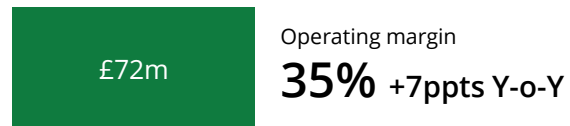
Revenues



Expenses

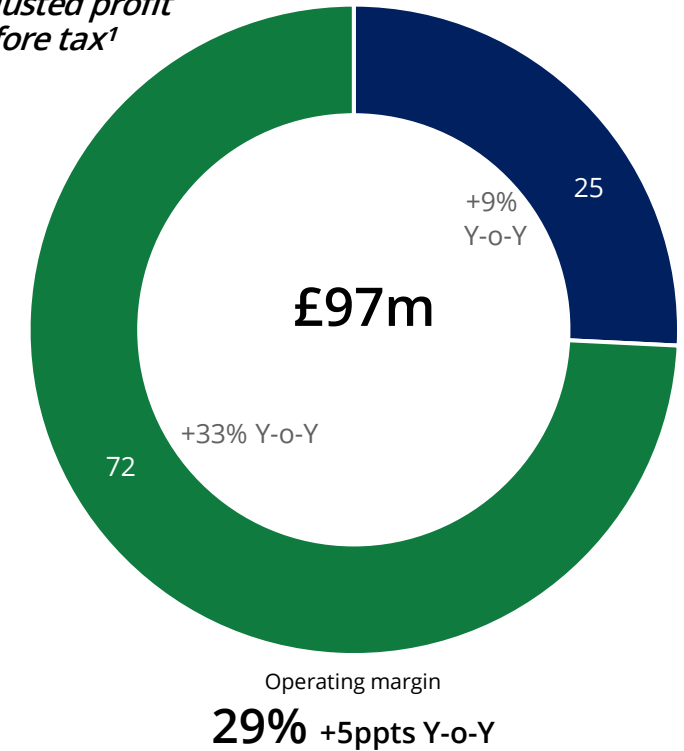


Profit before tax



Group

Adjusted profit before tax¹

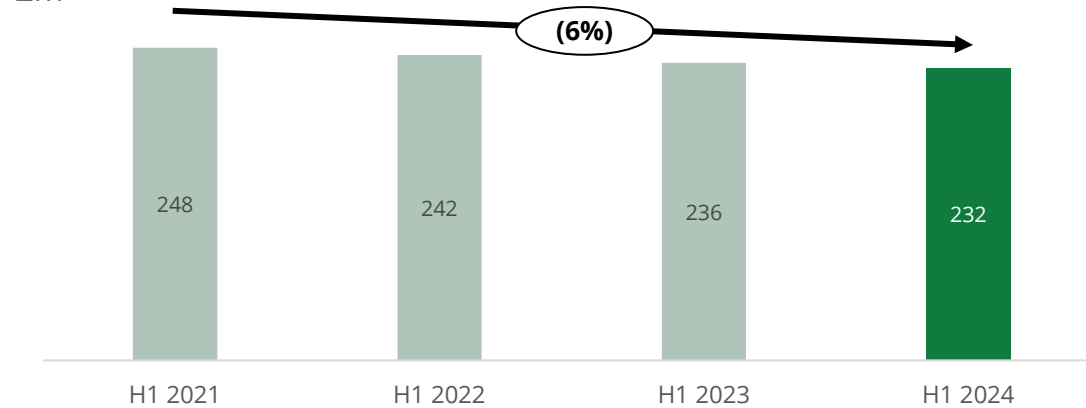


1. Includes Head Office £11m net revenue and £11m operating expenses.

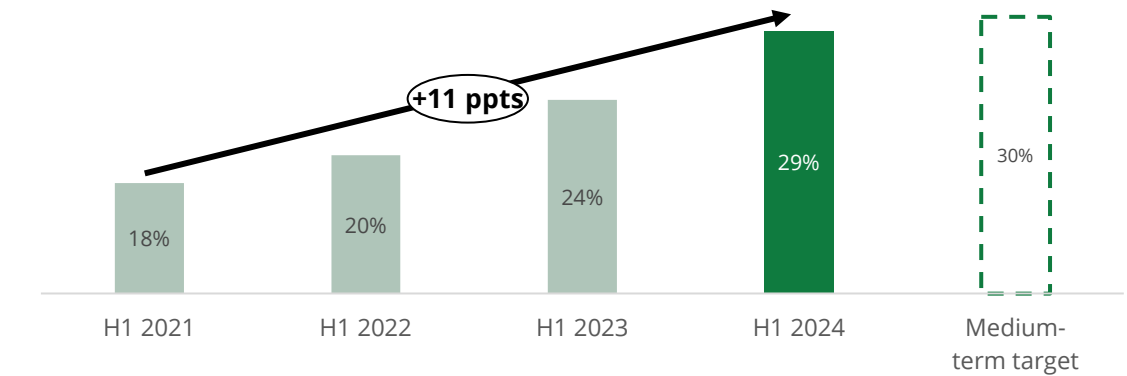
Driving continuous efficiency and profitability improvements



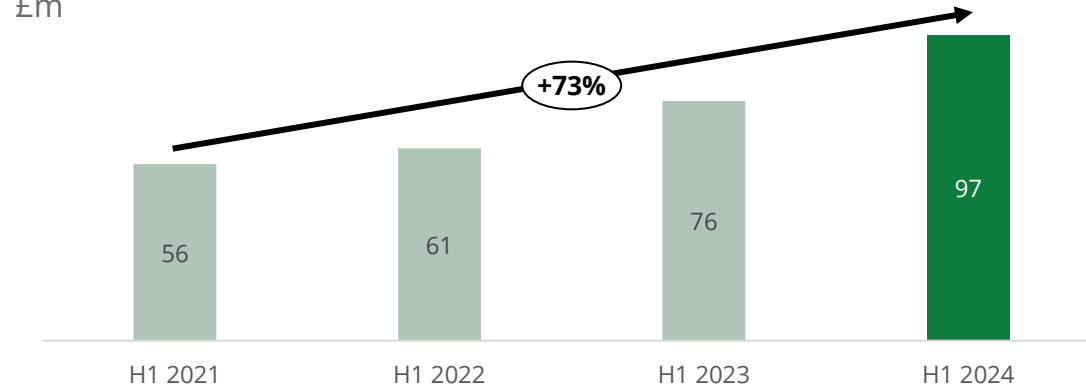
Operating expenses
£m



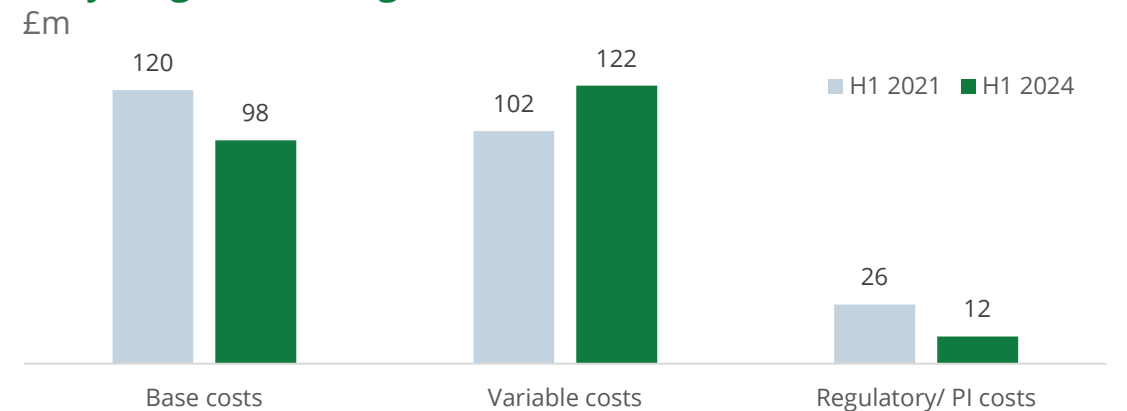
Operating margin



Adjusted profit before tax
£m

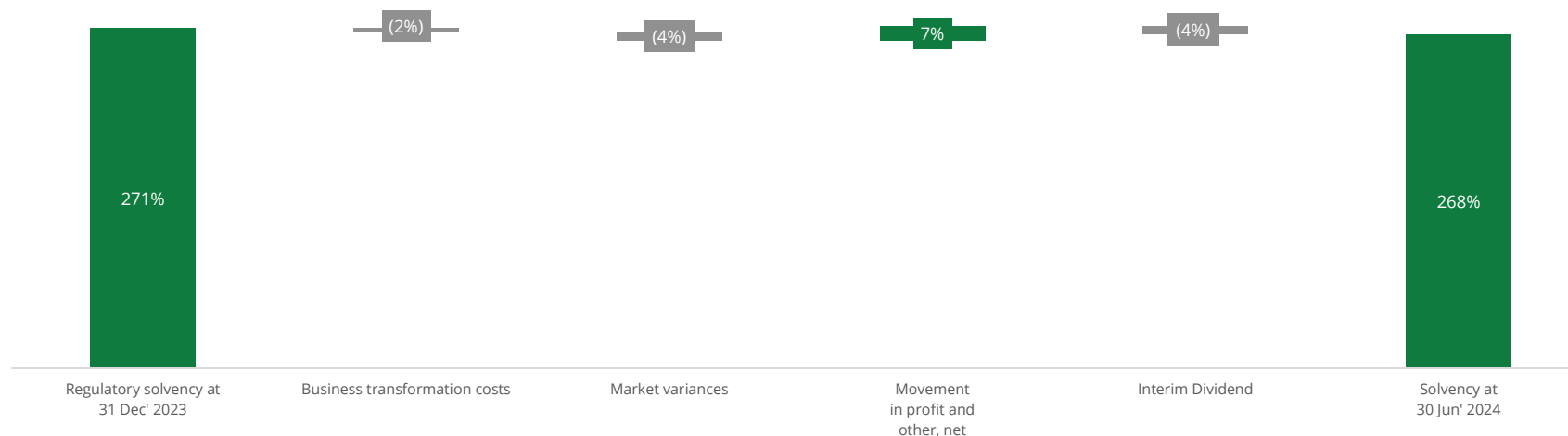


Recycling cost savings into investment: 2021 vs 2024



Strong solvency ratio and robust cash position

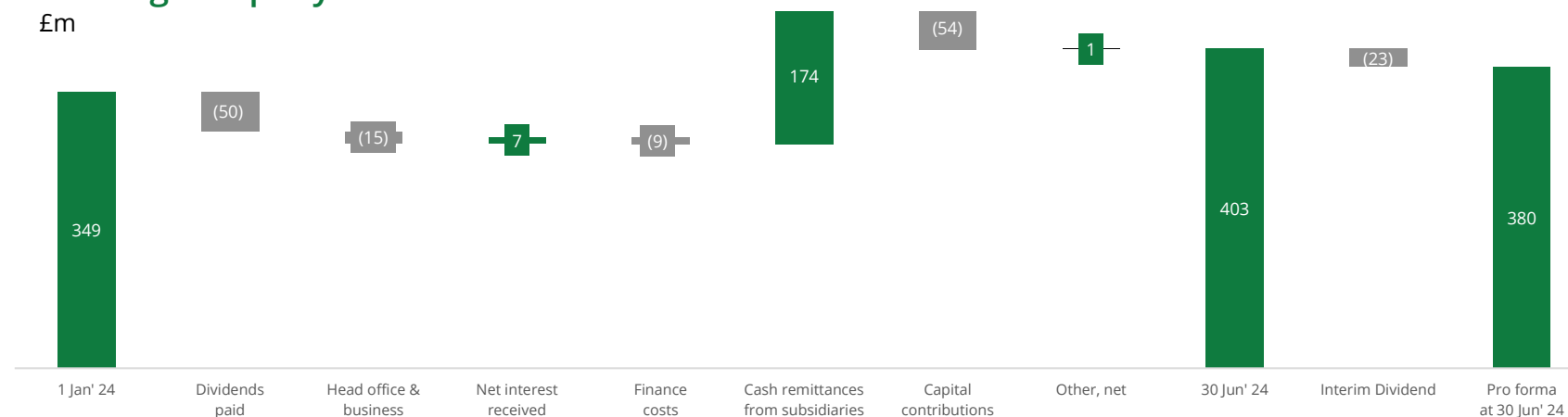
Solvency II ratio



- Strong Solvency II ratio
- Tier 2 capital represents 20% of Group Solvency II surplus

Holding company cash

£m

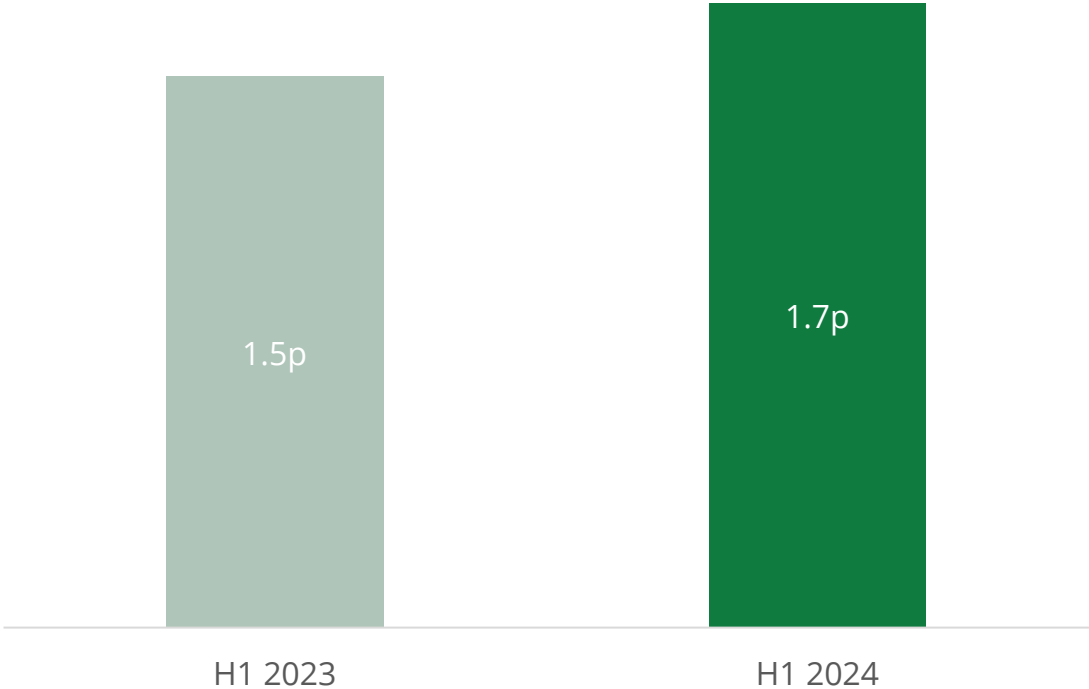


- Holding company cash reserved for
 - Simplification costs, c.£70m
 - Select growth investment
 - Liquidity management

Dividend

Dividend

- 2024 Interim Dividend set at a third of 2023 Total Dividend
- Board will decide on 2024 Total Dividend after considering:
 - underlying business performance
 - operating environment
 - balance sheet strength, and
 - outcome of the Ongoing Advice Evidence review
- Dividend pay-out ratio of 52% (H1 2023: 61%)
- Board expects to continue moving up the pay-out range, over time



Group targets and H2 2024 guidance

	FY 2024 guided Group targets	Group target
Net flows	<ul style="list-style-type: none"> ➤ c.4-5% of opening AuMA per annum as markets normalise, and aspire to build momentum further 	<ul style="list-style-type: none"> ➤ Unchanged
Revenue margins	<ul style="list-style-type: none"> ➤ High Net Worth managed assets stable around 70 bps ➤ Affluent managed assets – around mid 30 bps, mix dependent ➤ Affluent administered assets trending down c.1 bp p.a. 	<ul style="list-style-type: none"> ➤ Unchanged
Operating margin	<ul style="list-style-type: none"> ➤ Building towards 30% in the medium-term¹ 	<ul style="list-style-type: none"> ➤ Unchanged
Dividend and capital return	<ul style="list-style-type: none"> ➤ Policy pay-out range of 50% to 70% of post-tax, post-interest adjusted profit 	<ul style="list-style-type: none"> ➤ Unchanged
Below the line items	<ul style="list-style-type: none"> ➤ £120m total Simplification costs, inclusive of cost of Advice transformation and High Net Worth evolution 	<ul style="list-style-type: none"> ➤ Unchanged – £53m spent to date, £67m to be spent
H2 2024 guidance		
Net flows	<ul style="list-style-type: none"> ➤ Building towards medium-term targets ➤ Expect flows and market levels to improve as interest rates fall 	
Adjusted profit	<ul style="list-style-type: none"> ➤ Expect decline in investment income from lower interest rates/capital spend and normal levels of revenue margin attrition ➤ Anticipate higher costs reflecting business investment and brand spend 	

1. Excludes costs associated with the Ongoing Advice Evidence review, which are taken below the line.



Steven Levin

Chief Executive Officer

Concluding remarks

Quilter

Summary: Quilter is a high quality, scaled and diversified business

The Quilter logo is written in a green, serif font. To its right is a large, thin green arc that curves from the top to the bottom, partially enclosing the text.

Quilter

Structural growth in a large fragmented UK wealth management market

Scaled and integrated dual distribution, full-service model

Clear success from strategic transformation driving total shareholder returns

Q&A

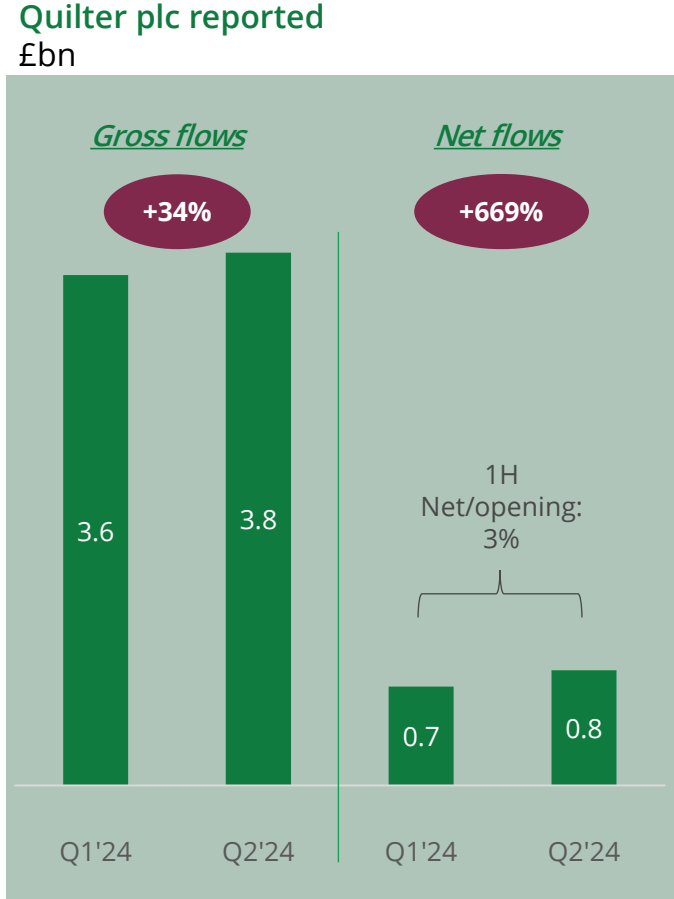
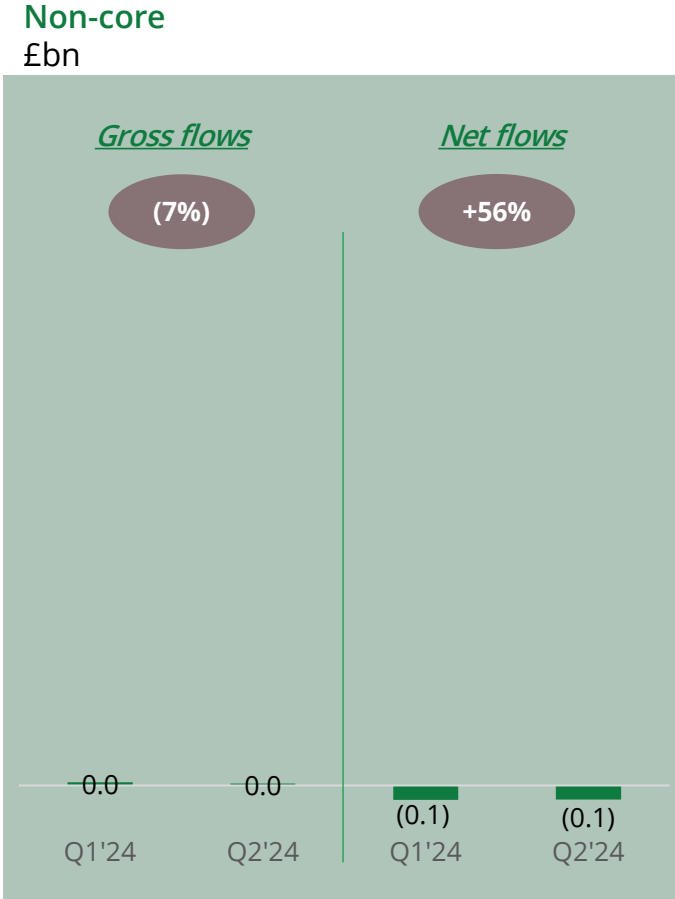
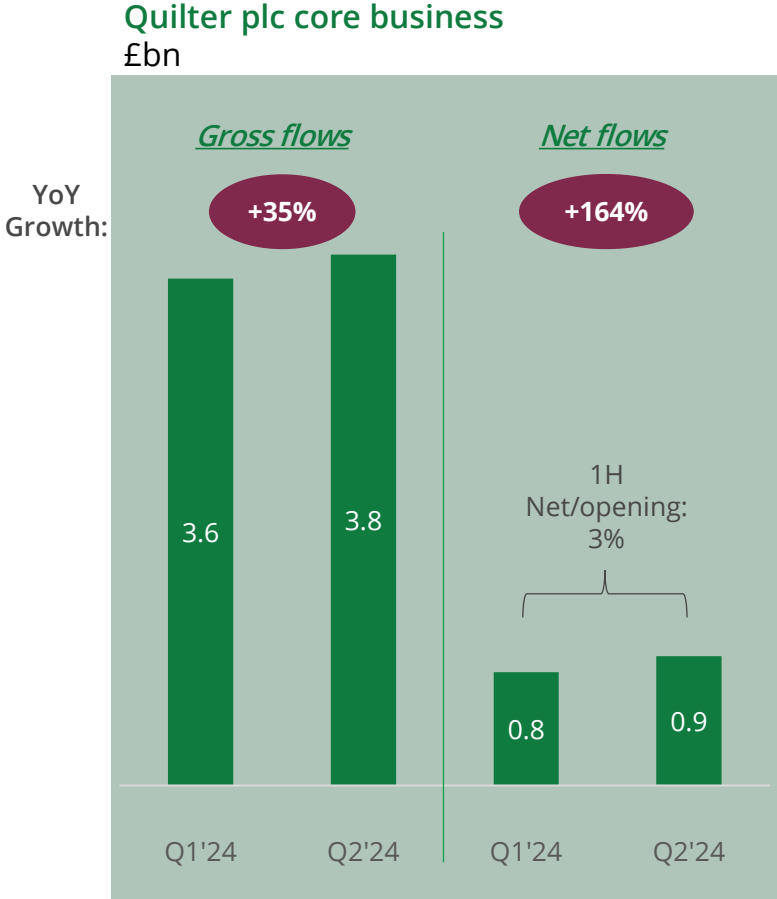
Quilter



Appendix

Quilter

H1 2024 flows: Group perspective – strong YoY growth



Note: Numbers may not cast to H1 2024 release due to rounding.

Movement in assets and flows

	AuMA as at 31 December 2023	Gross flows (£m)	Net flows (£m)	AuMA as at 30 June 2024	Of which managed by Quilter AuM as at 30 June 2024
2024 YTD gross flows, net flows & AuMA (£bn), unaudited					
AFFLUENT SEGMENT					
Quilter channel ¹	17.2	2,053	1,056	17.9	14.0
IFA channel on Quilter Investment Platform	58.7	3,846	964	63.6	11.8
Funds via third-party platform	1.6	204	(241)	1.9	1.9
Total Affluent segment core business	77.5	6,103	1,779	83.4	27.7
HIGH NET WORTH SEGMENT					
Quilter channel	2.9	386	307	3.3	3.3
IFA channel incl. Direct	24.1	1,146	(200)	25.4	25.4
Total High Net Worth segment	27.0	1,532	107	28.7	28.7
Inter-Segment Dual Assets²	(1.1)	(221)	(153)	(1.5)	(0.5)
Quilter plc core business	103.4	7,414	1,733	110.6	55.9
Non-core	3.3	38	(202)	3.2	2.0
Quilter plc reported	106.7	7,452	1,531	113.8	57.9
Affluent AuMA breakdown (incl. Non-core):					
Affluent administered only	53.2	3,441	1,115	56.9	
Affluent managed and administered	20.6	2,190	1,097	23.1	
Quilter Platform Sub-Total³	73.8	5,631	2,212	80.0	
Affluent external platform	7.0	510	(635)	6.6	
Affluent Total (Including Non-core)	80.8	6,141	1,577	86.6	

1. Quilter channel YTD Platform discrete gross flows and net flows were £1,777 million and £1,304 million respectively, with closing AuMA of £15.2 billion.

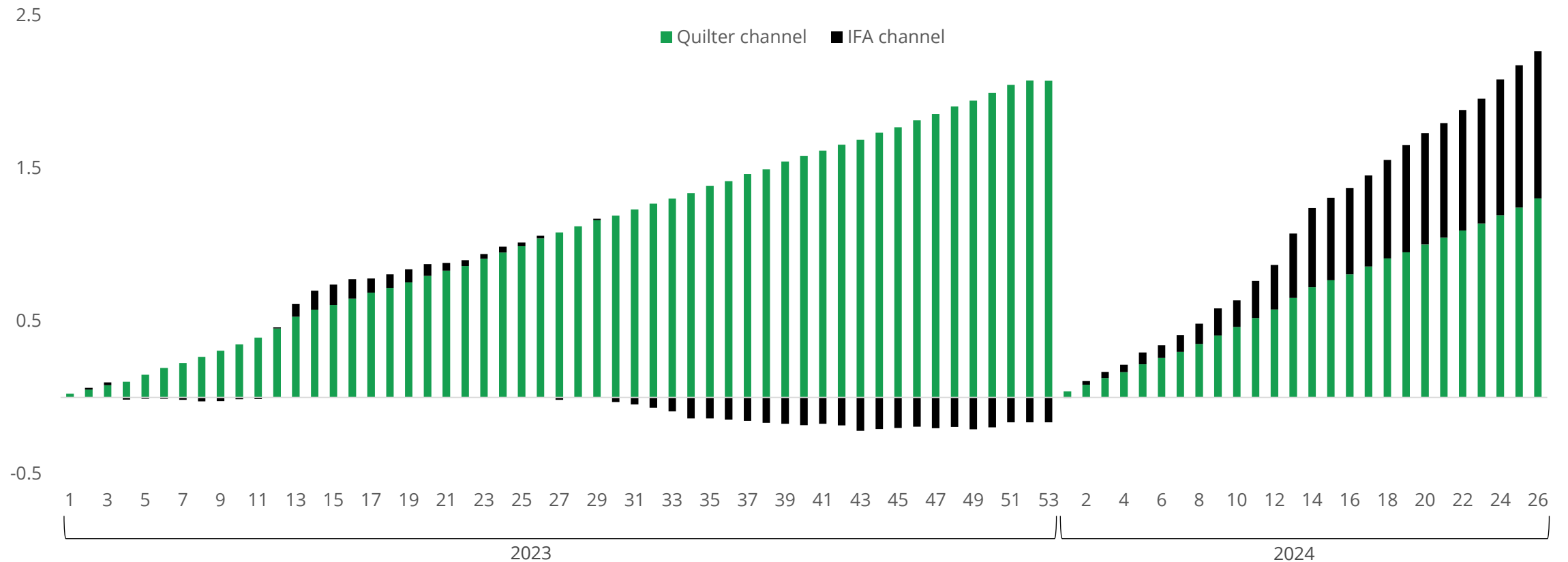
2. Inter-segment dual assets reflect funds managed by Quilter Cheviot and administered by Quilter Investors and the Quilter Cheviot managed portfolio service solutions available to advisers on the Quilter Investment Platform. This is excluded from total AuMA to ensure no double count takes place.

3. The Quilter Platform includes £8 million of gross flows, £56 million of net outflows and £1.2 billion of closing AuA related to non-core assets.

Affluent: momentum building in both Platform channels

2023 to H1 2024 cumulative weekly net flows by channel

£bn



Quilter Investors: investment performance

As at 30 June 2024

	Fund vs IA Sector comparator	1Y	3Y	5Y	10Y	Since inception ¹
Cirilium Active	Cirilium Conservative Portfolio	4	4	4	2	2
	Cirilium Balanced Portfolio	4	4	4	2	1
	Cirilium Moderate Portfolio	4	4	4	3	1
	Cirilium Dynamic Portfolio	3	4	3	3	1
	Cirilium Adventurous Portfolio	3	4	3		3
Cirilium Blend	Cirilium Conservative Blend Portfolio	4	3			2
	Cirilium Balanced Blend Portfolio	4	2			1
	Cirilium Moderate Blend Portfolio	3	2			2
	Cirilium Dynamic Blend Portfolio	3	1			2
	Cirilium Adventurous Blend Portfolio	2	1			1
WealthSelect Managed Active	WealthSelect Managed Active 3	1	1	1	1	1
	WealthSelect Managed Active 4	3	1	1	1	1
	WealthSelect Managed Active 5	3	1	1	1	1
	WealthSelect Managed Active 6	3	2	2	2	2
	WealthSelect Managed Active 7	3	1	1	1	1
	WealthSelect Managed Active 8	2	1	1	1	1
	WealthSelect Managed Active 9	2	1	1	1	1
	WealthSelect Managed Active 10	3	2	3	3	3
WealthSelect Managed Blend	WealthSelect Managed Blend 3	1	1	1	1	1
	WealthSelect Managed Blend 4	2	1	1	1	1
	WealthSelect Managed Blend 5	1	1	1	1	1
	WealthSelect Managed Blend 6	3	2	2	2	1
	WealthSelect Managed Blend 7	2	1	1	1	1
	WealthSelect Managed Blend 8	2	1	1	1	1
	WealthSelect Managed Blend 9	1	1	1	1	1
	WealthSelect Managed Blend 10	2	2	3	3	3

Investment performance

- WealthSelect managed portfolio continued to deliver a strong performance
- Cirilium Passive and Blend also performed well during the period
- Cirilium Active is well diversified and tends to lag in markets where performance is driven by narrow breadth from relatively few stocks. As a result, investment performance over the last 6 months lagged due to the strong performance of the “Magnificent 7” stocks in the US equity market where the funds remain underweight.

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

Note: Rankings represent Quartile rankings against respective IA sectors. Cirilium Passive is not measured against an IA comparator and hence does not appear in this table.

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.

High Net Worth: investment performance

Investment Performance

31 March 2024	Absolute Performance		
	1 Year	3 Year	5 Year
Quilter Cheviot DPS Client Growth	13.6%	11.8%	31.5%
Quilter Cheviot DPS Client Balanced	11.1%	9.7%	25.4%

31 March 2024	Benchmark/Peer		
	1 Year	3 Year	5 Year
ARC PCI Equity Risk Index	11.0%	11.0%	30.7%
ARC PCI Steady Growth Index	9.2%	9.2%	24.4%

Highlights

- Steady Growth and Equity Risk clients received good absolute returns and relative to Asset Risk Consultants PCI peer group returns year-on-year
- Steady Growth and Equity Risk clients are ahead of the peer group average over 1, 3 and 5 years

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

Investor Relations programme

Financial calendar

Date	Event
16 October 2024	Q3 2024 trading statement
January 2025	Q4 2024 trading statement
5 March 2025	2024 full-year results

Upcoming investor roadshows and conferences in H2 2024

Date	Event
4 – 6 September	South African shareholder roadshow, Cape Town
16 September	RMB Morgan Stanley conference, virtual
24 September	Bank of America Financials CEO conference, London
7 November	BNP Paribas Wealth conference, London
18 November	Investec CEO conference, London
20 November	JP Morgan European Financials conference, London