

Quilter

Sell side presentation

December 2024

2024

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

Quilter

Q3 Flows: Out-performing peers in HNW and across both Affluent channels

Applying like for like peer multiples to Quilter implies upside potential from current rating

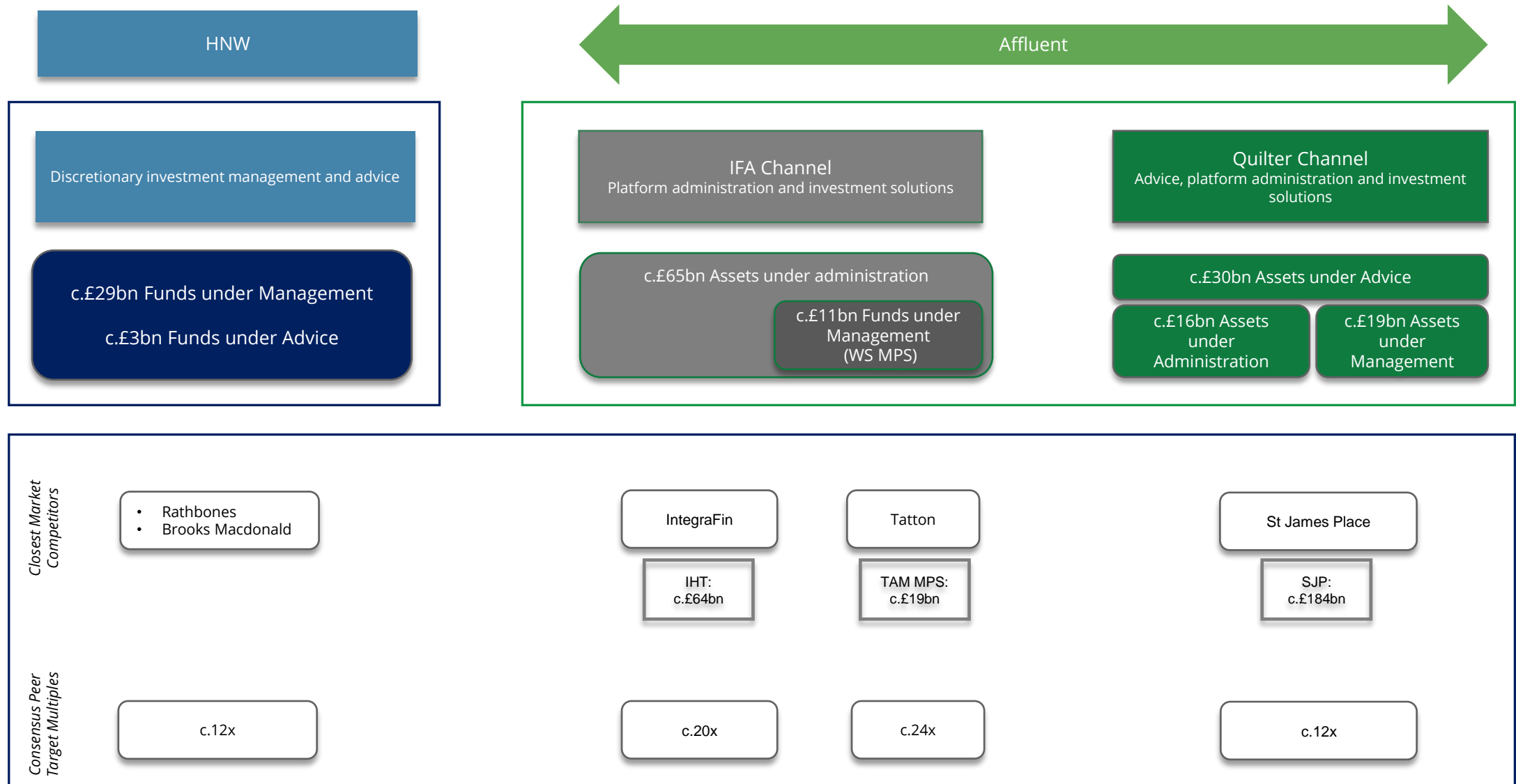
Adviser review is progressing to plan, but timing of resolution remains uncertain



Business Positioning

Quilter

Competitor landscape



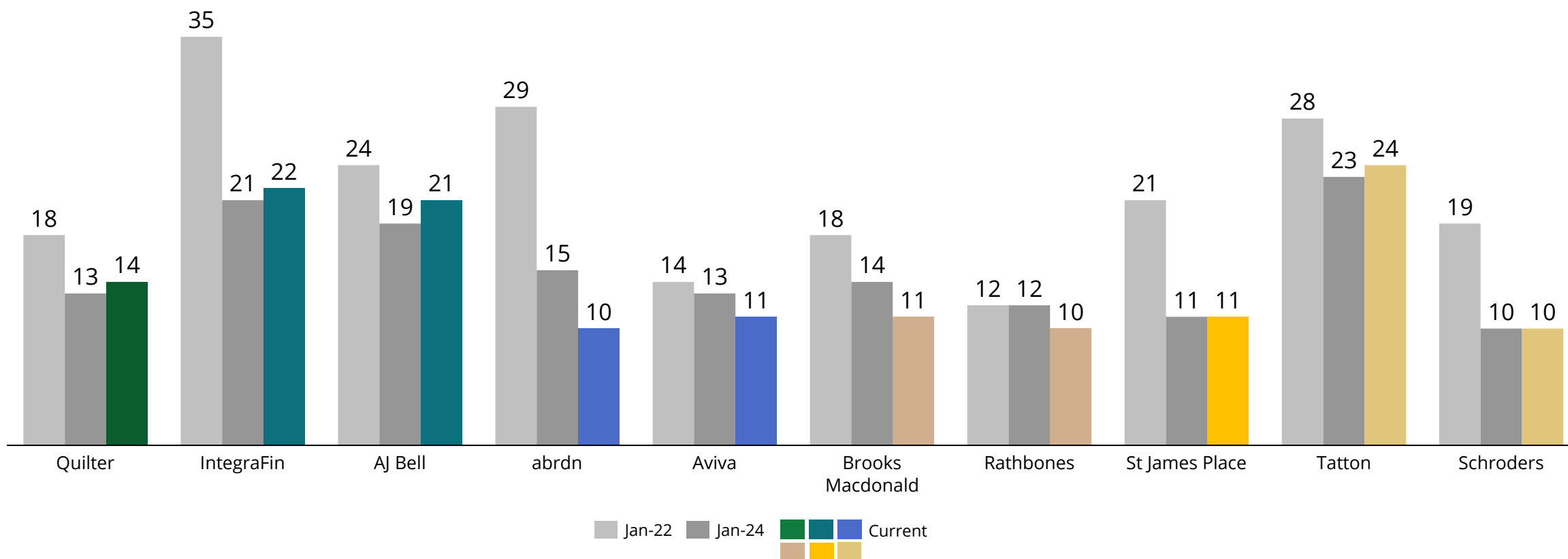
Source: Average taken from analyst reports November 2024

Wealth management multiples – Peer weighted QLT multiple c.17x

- Quilter outperforms: Platforms, DFMs and VI peers on flow momentum in 2024
- Quilter MPS demonstrates similar growth and investment performance to Tatton



NTM P/E



Source: Factset
December 1 2024



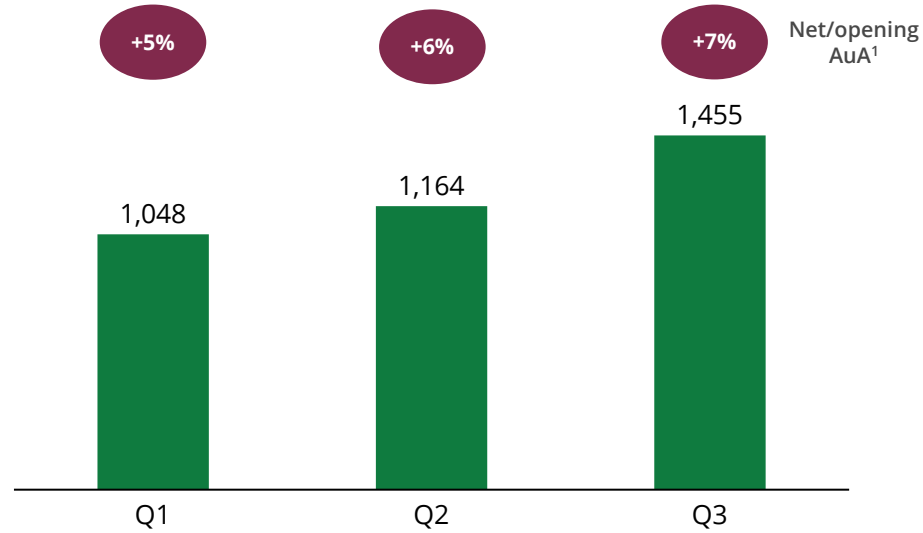
Flows

Quilter

Quarterly Net Flows 2024 vs 2023

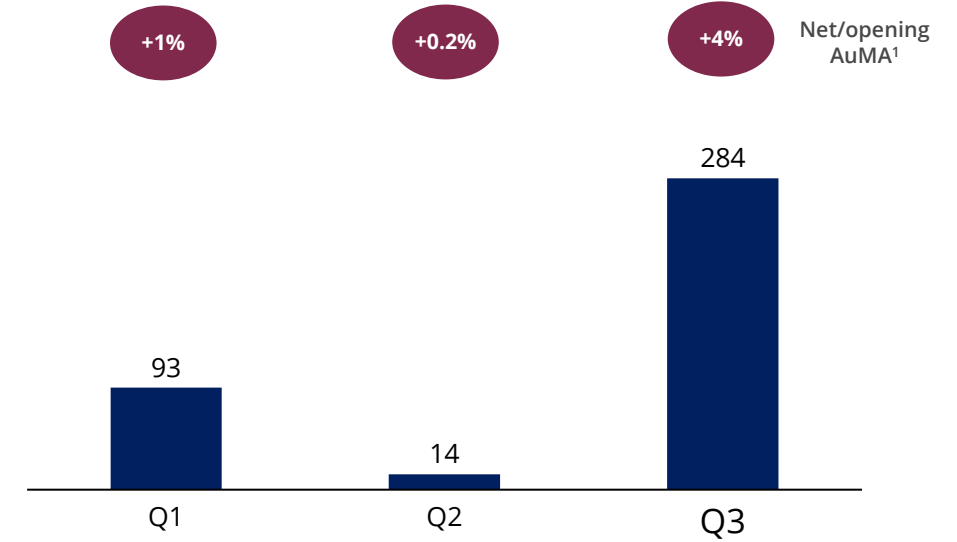
2024: UK Platform

£m



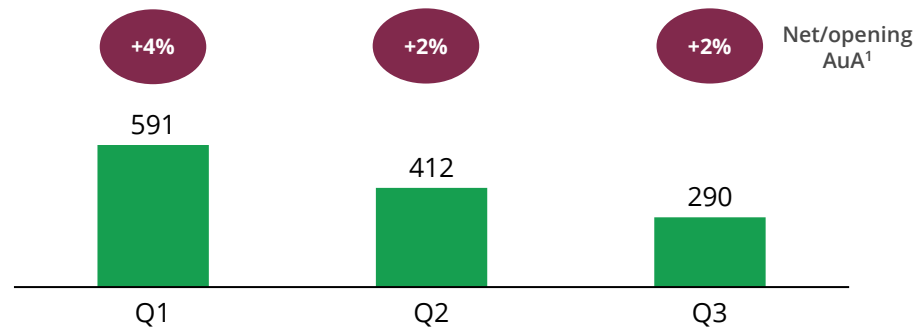
2024: High Net Worth

£m



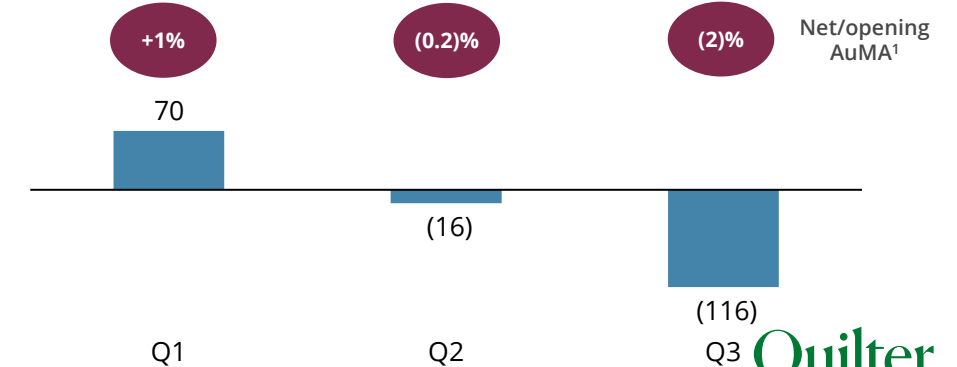
2023: UK Platform

£m



2023: High Net Worth

£m



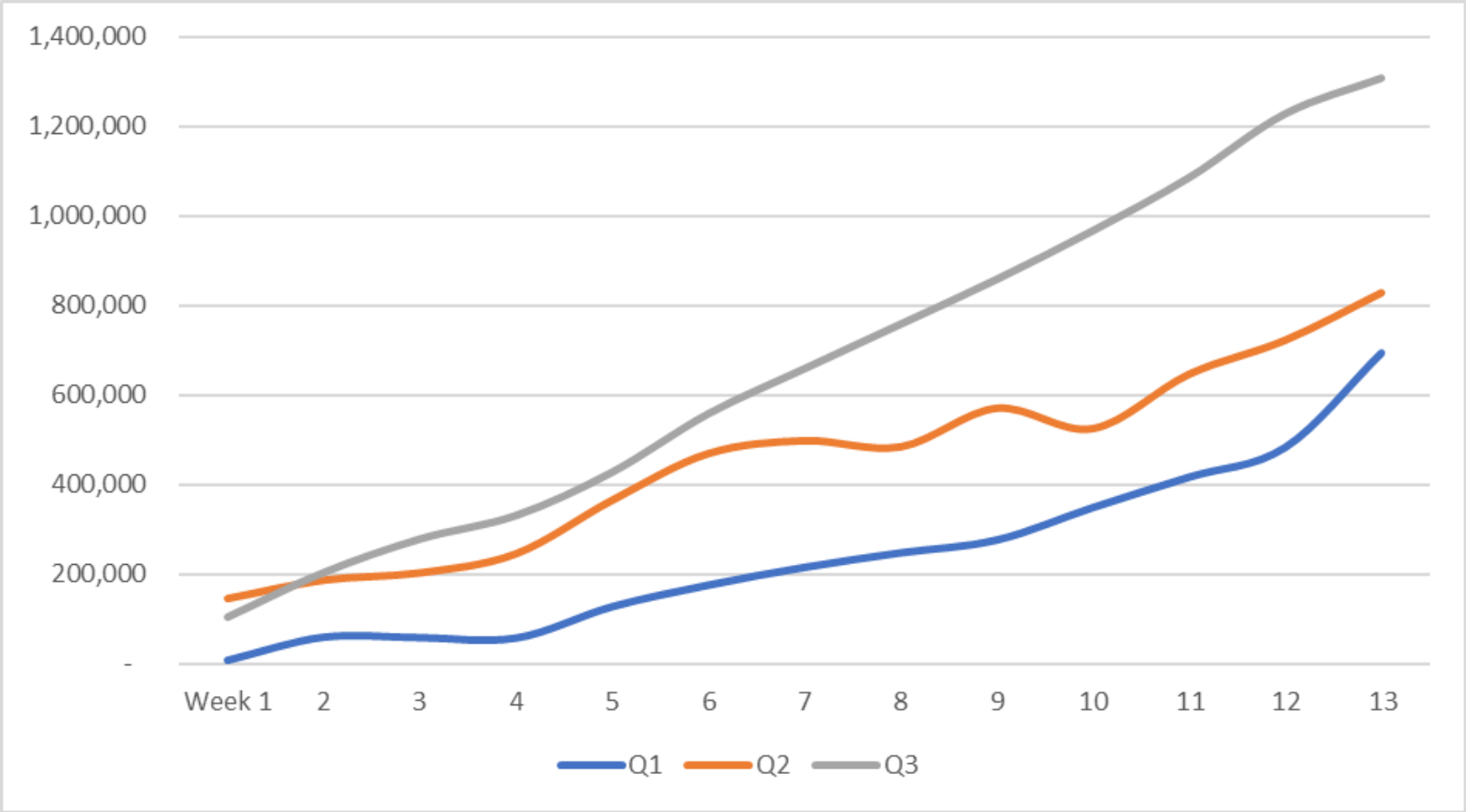
¹ Quarter discrete net flows annualised/opening AuMA

Quilter plc: Net inflow trend

- Quarter on quarter improvement in net flows over 2024
- Third quarter net flows broadly double of the first quarter

Quilter weekly net inflows by Quarter

2024
£000





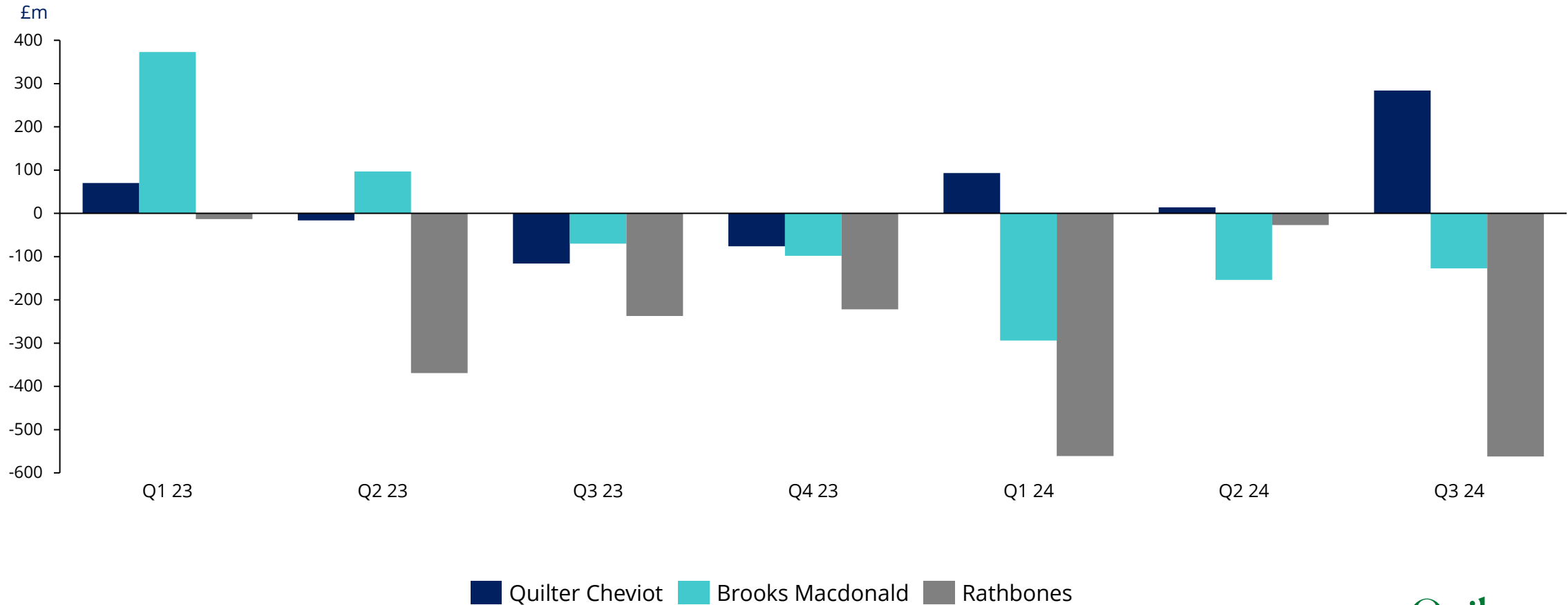
HNW

Quilter

HNW net inflows vs peers

- Sequential quarterly improvement in net flows over 2024 (excl notable client account loss in Q2)
- Third quarter 2024 strongest quarter for new business since Q3 2021

Net Flows





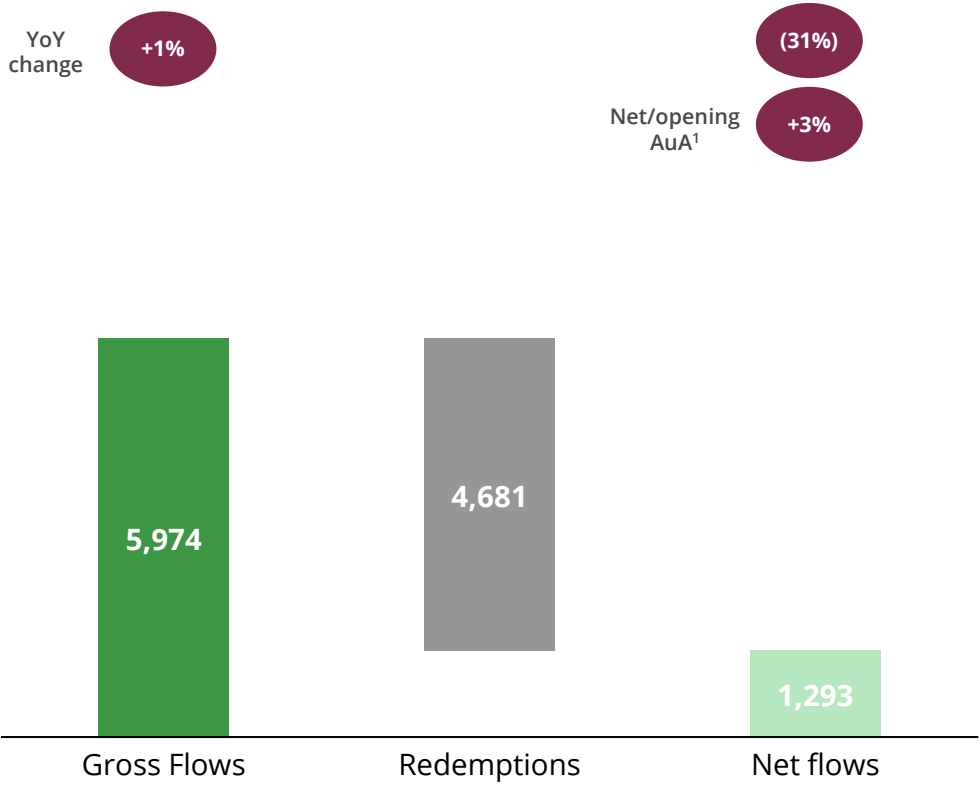
Platform

Quilter

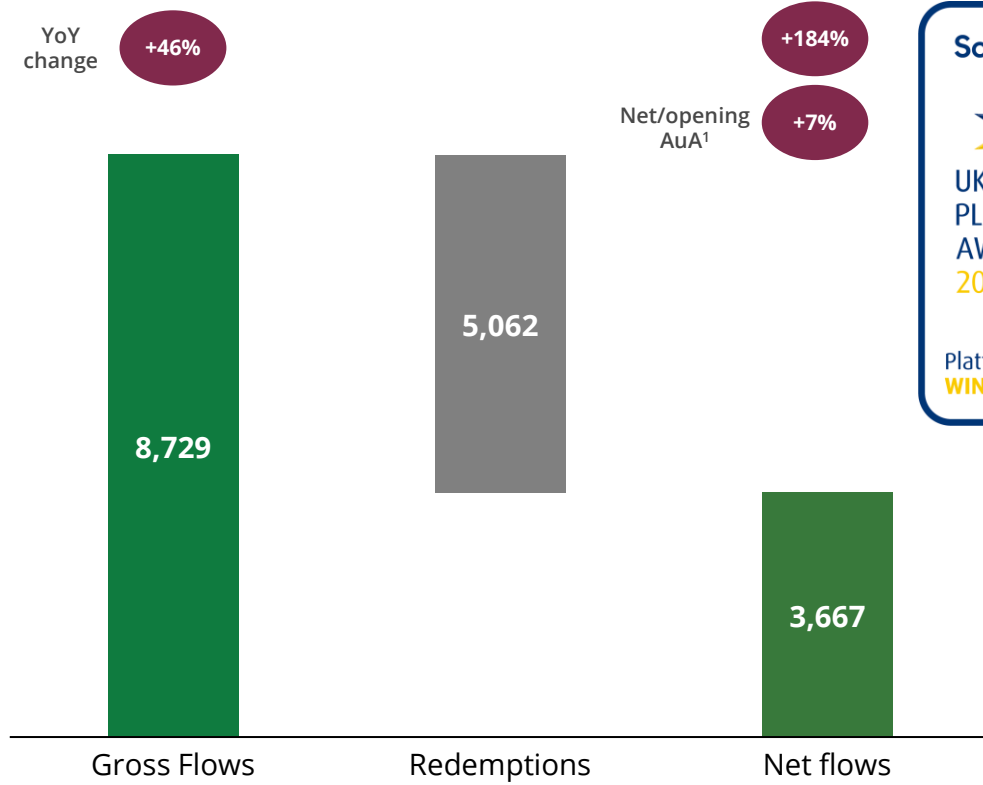
UK Platform Q3 YTD inflows: 2024 vs 2023

- Significant quarter on quarter improvement in net Platform inflows over 2024
- Strong YoY increase in new business flows underpinned by improved market share and YoY market growth

2023 Q3 YTD £m



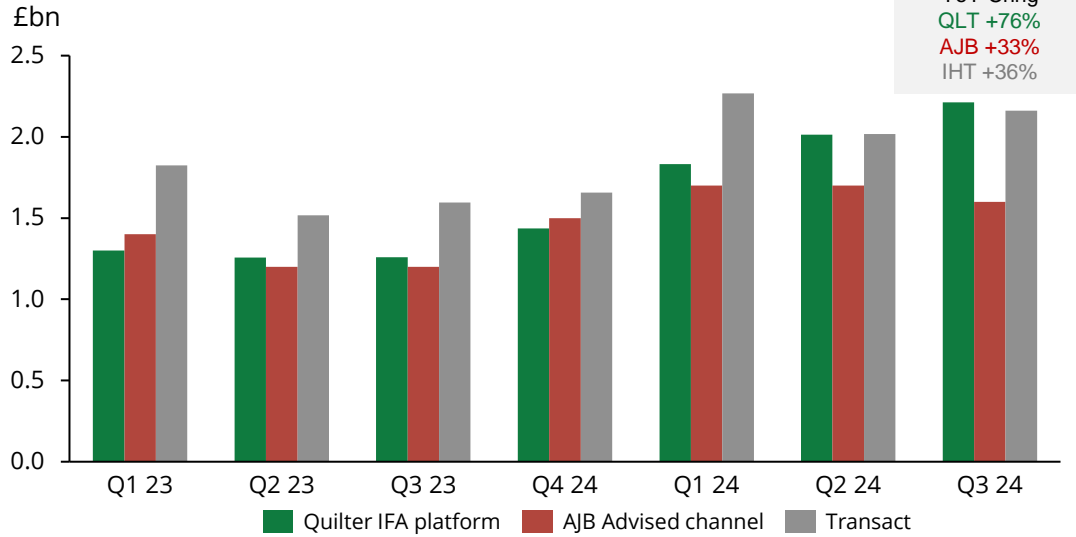
2024 Q3 YTD £m



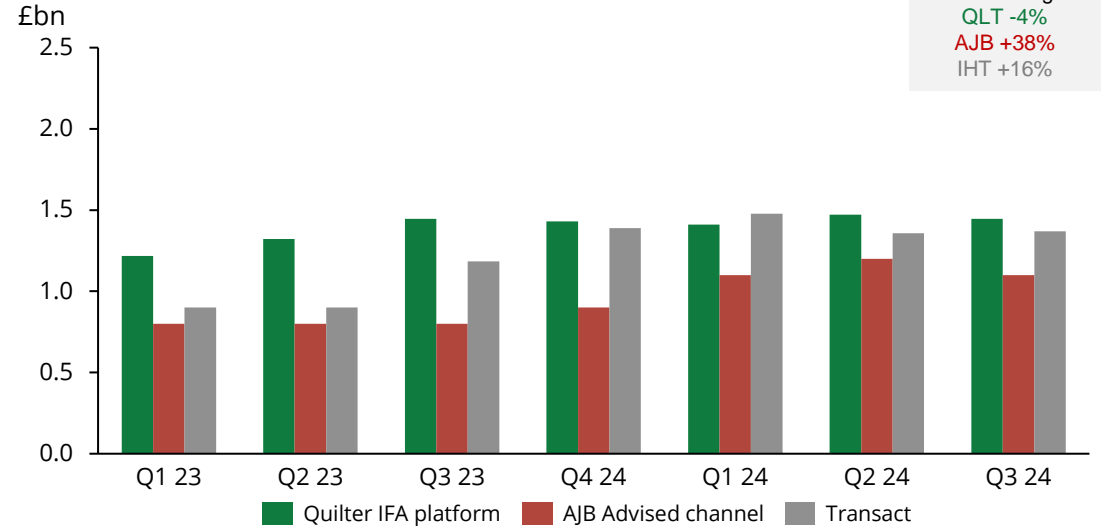
¹ Q3 YTD net flows annualised/opening AuA

IFA flows only - Peer Platform comparison

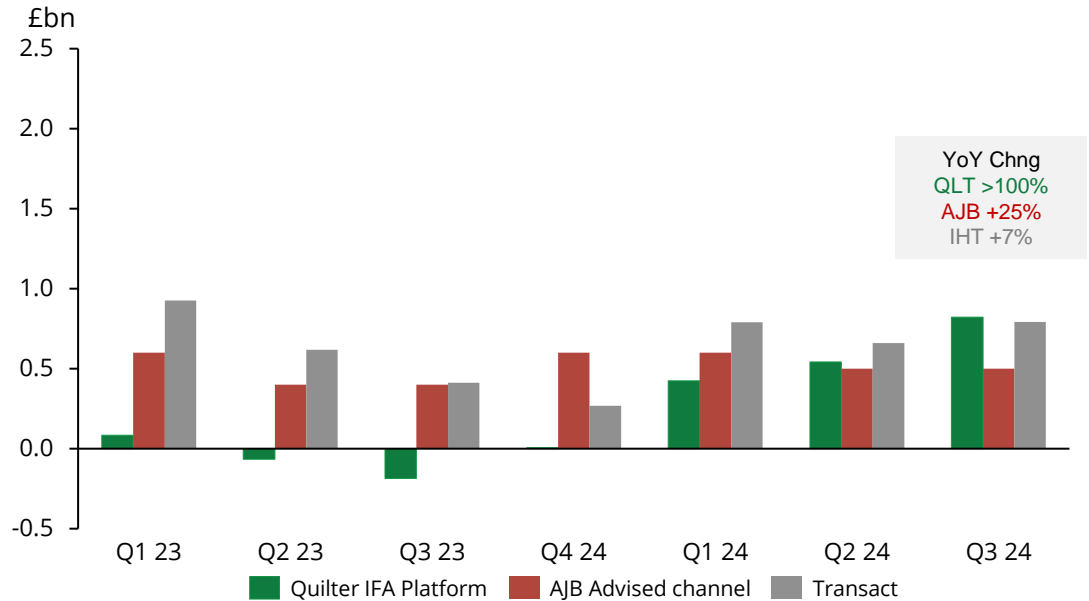
Gross inflows



Gross Outflows

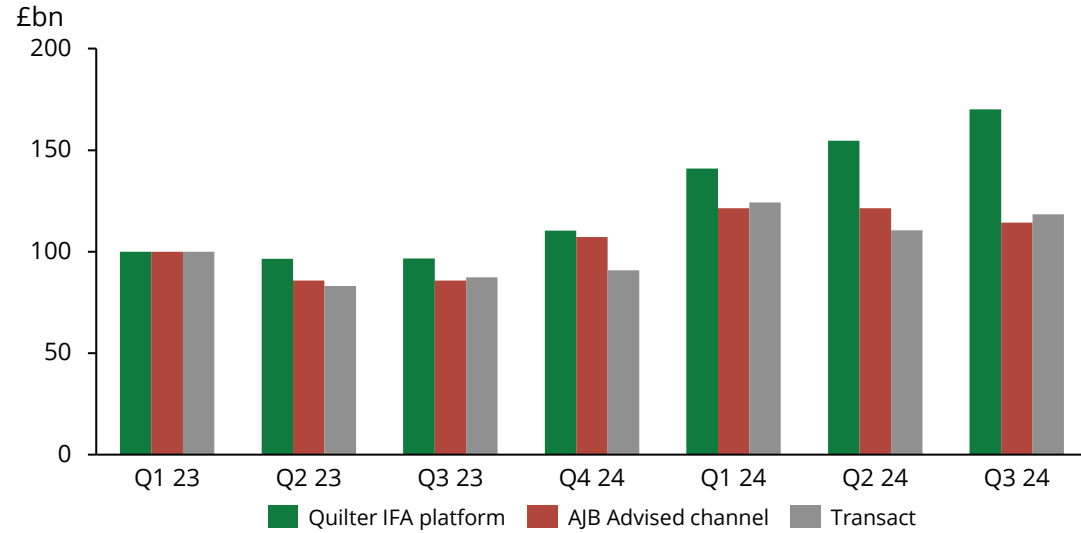


Net inflows

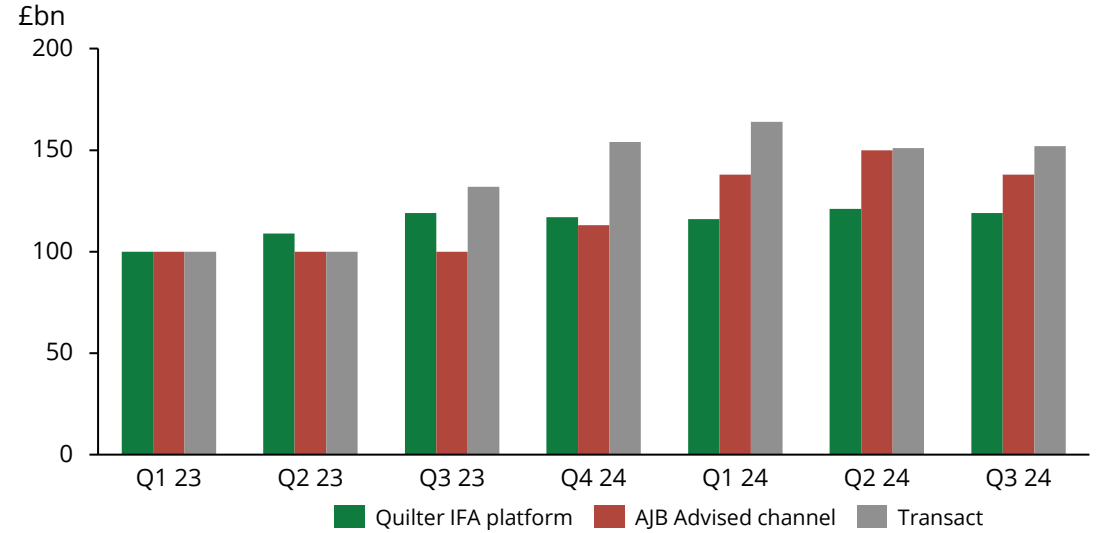


IFA flows only - Peer Platform comparison (rebased to Q1 2023 = 100)

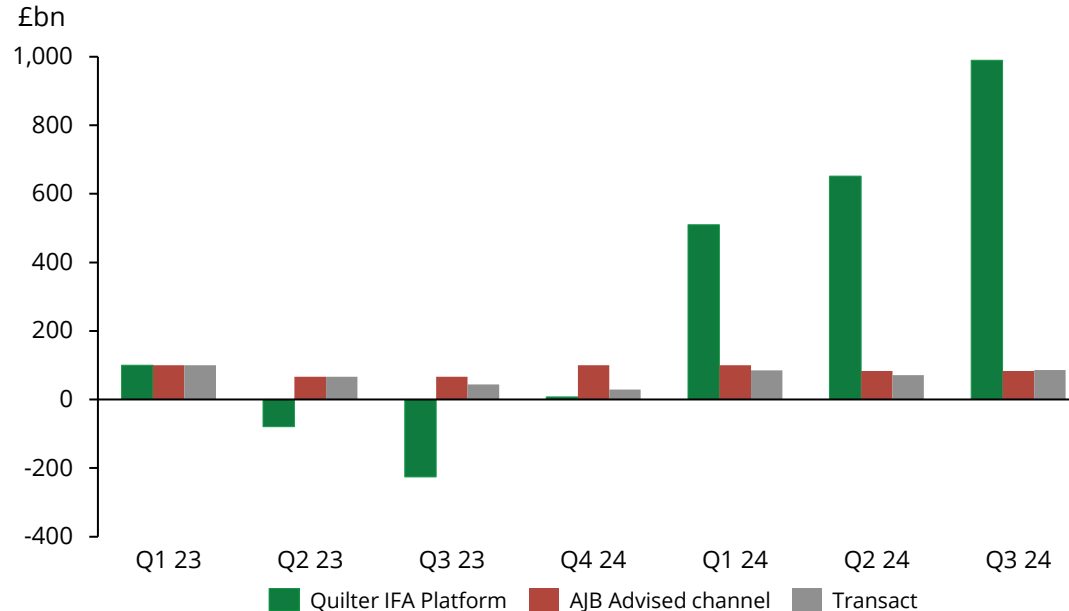
Gross inflows



Gross Outflows

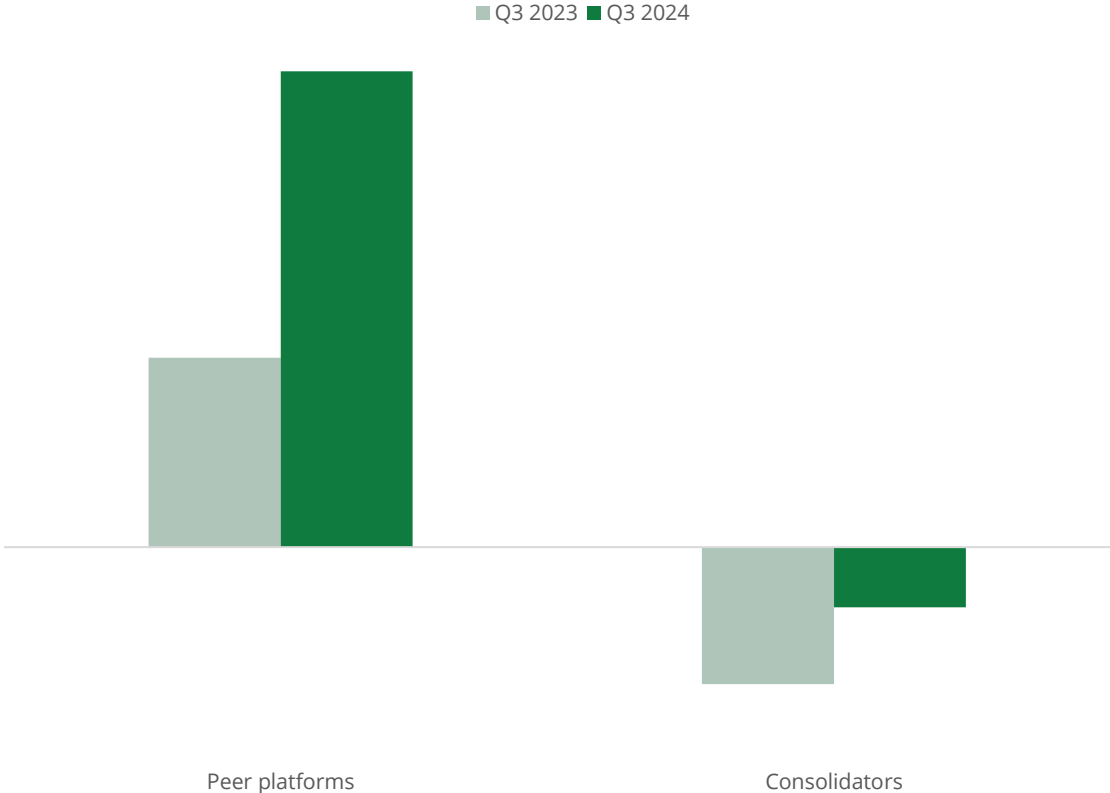


Net inflows



Continued improvement in net flows from other IFA Platforms

Quilter Platform IFA channel net transfer trends by source of funds²
Q3 2023 vs Q3 2024



Step change in IFA net Platform flows

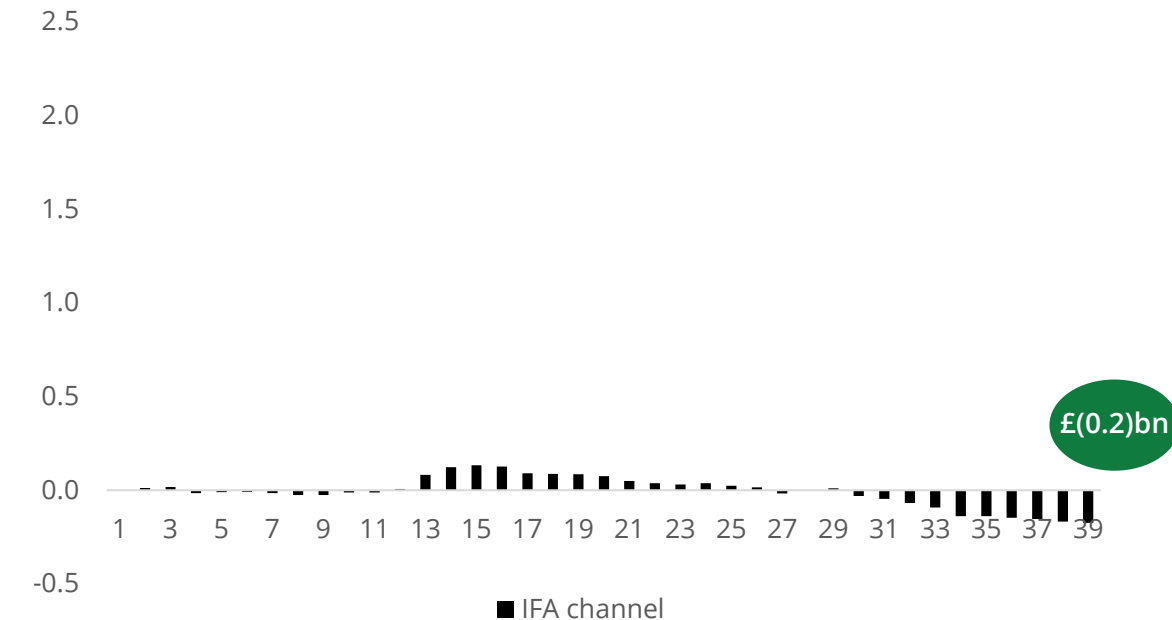
Initiatives driving year-on-year improvement

- 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 IFA net flows

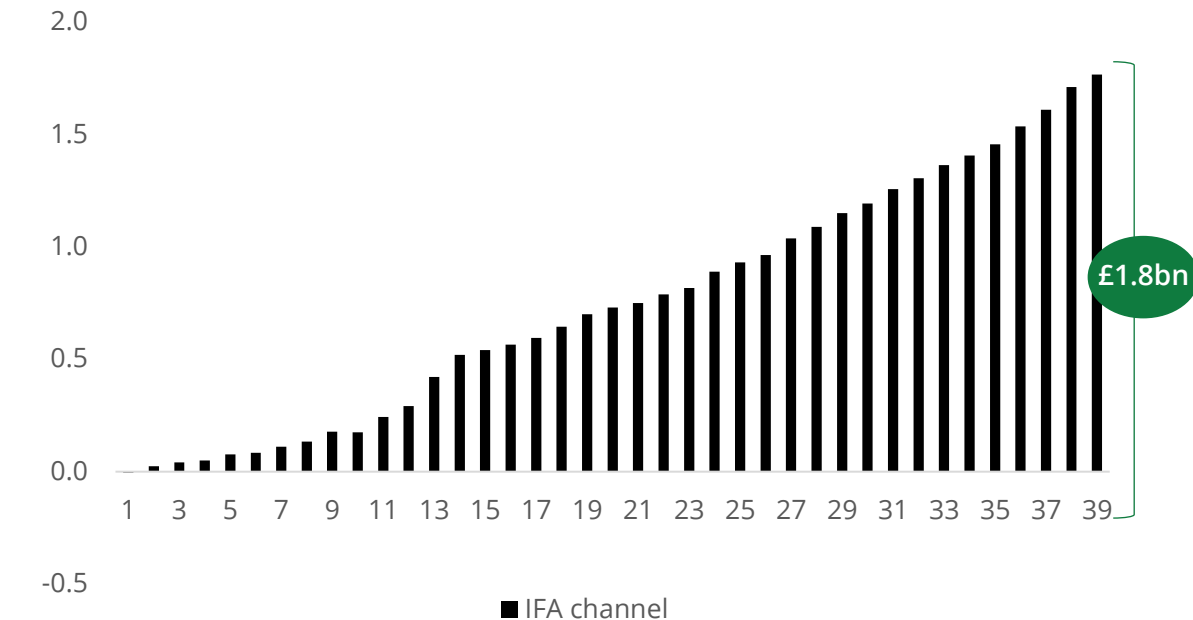
2023

£bn



2024

£bn



Note: Numbers reflective of 'Reported' basis.



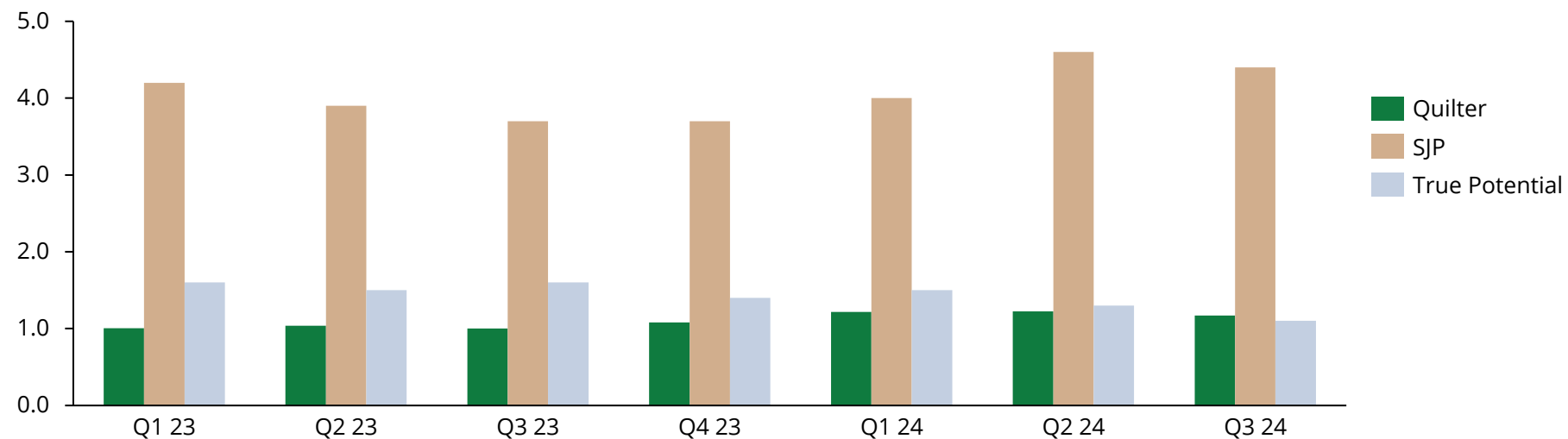
Quilter Channel

Quilter

Quilter channel gross and net inflows vs peers

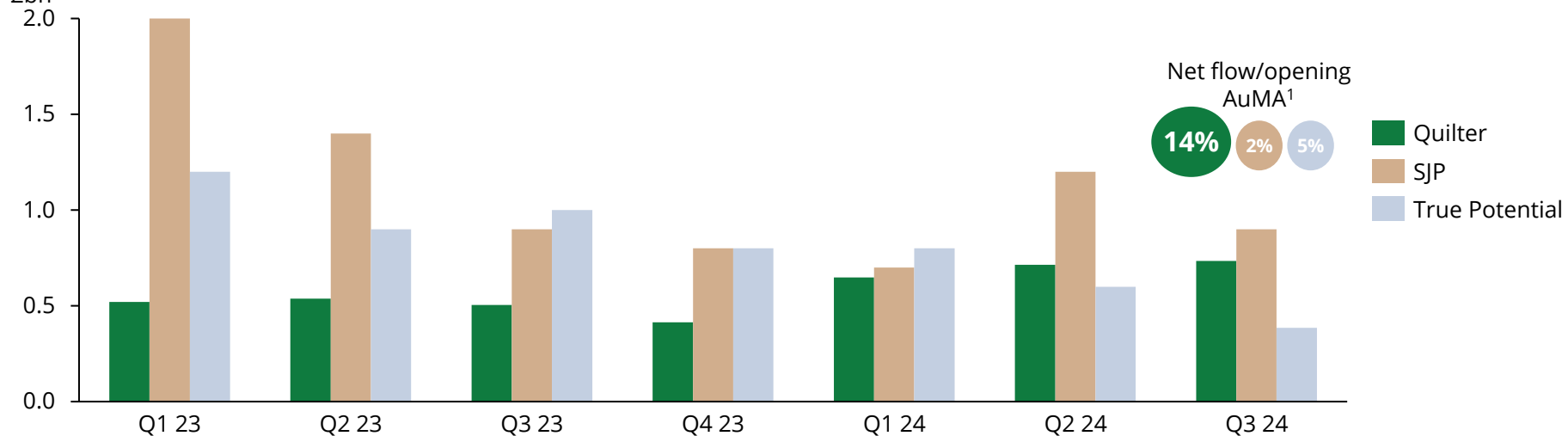
Gross inflows

£bn



Net inflows

£bn



1. Discrete quarter annualised

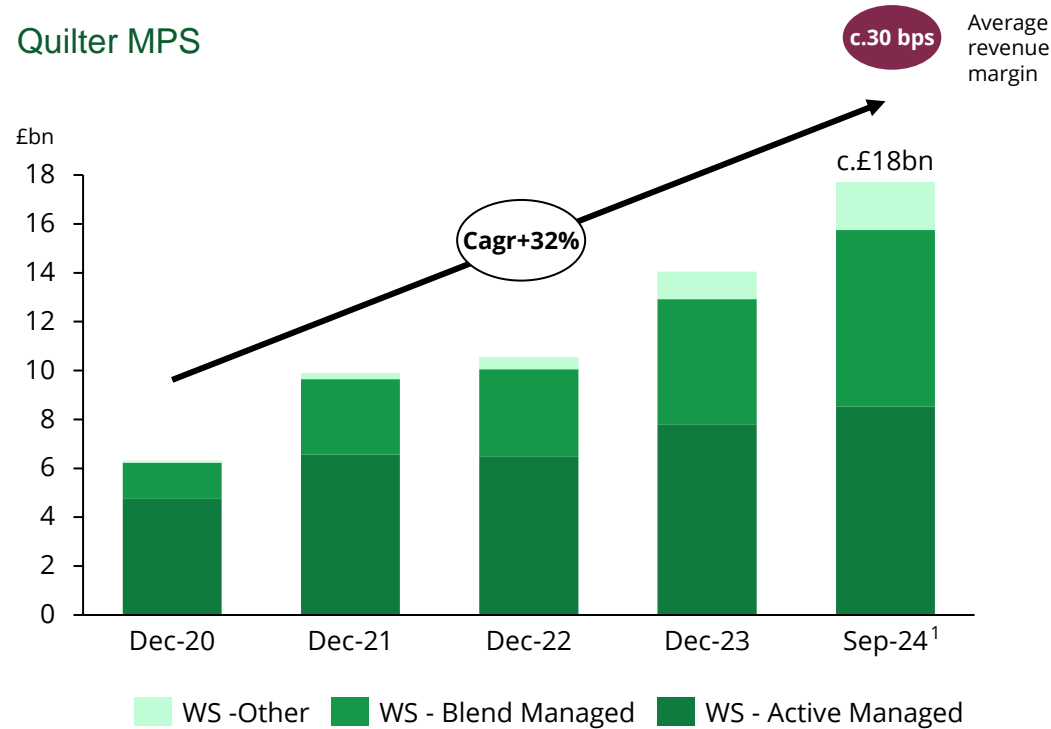


Solutions

Quilter

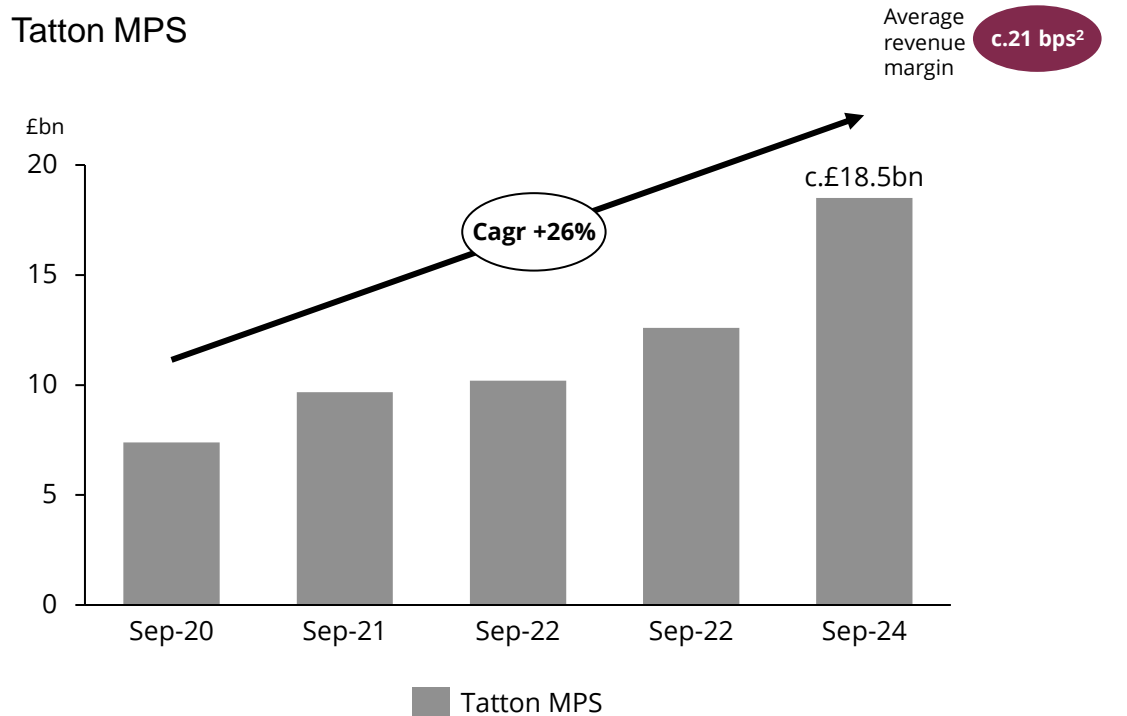
Wealth Select MPS growth vs Tatton

Quilter MPS



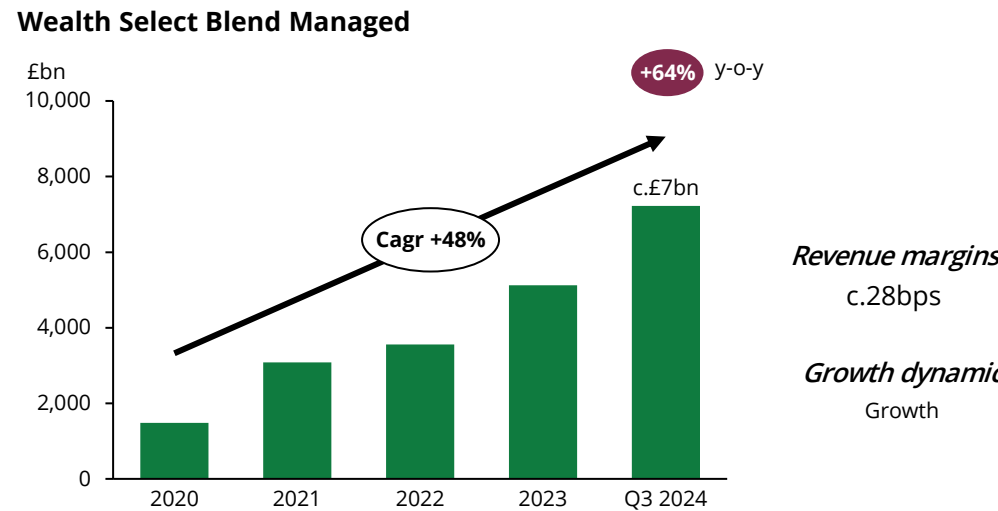
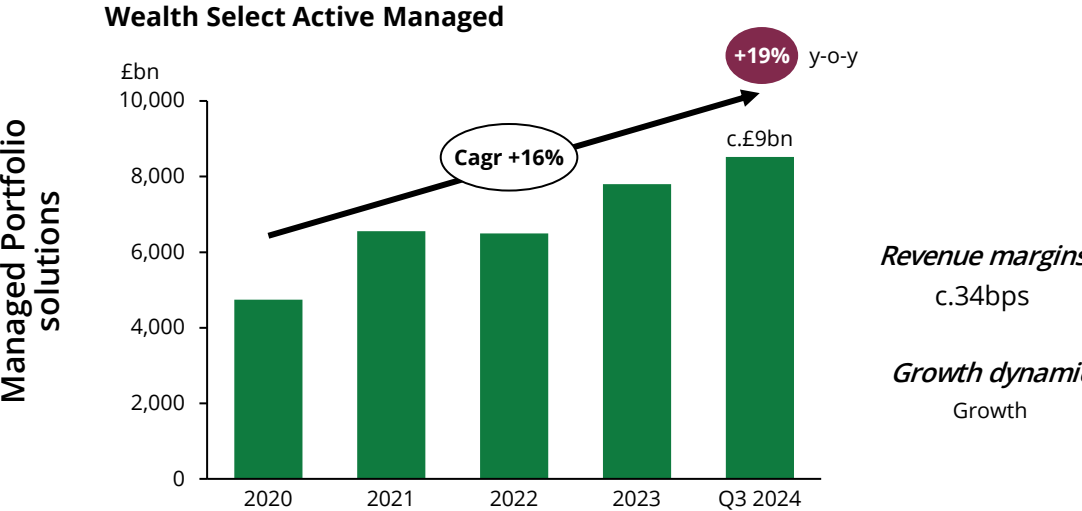
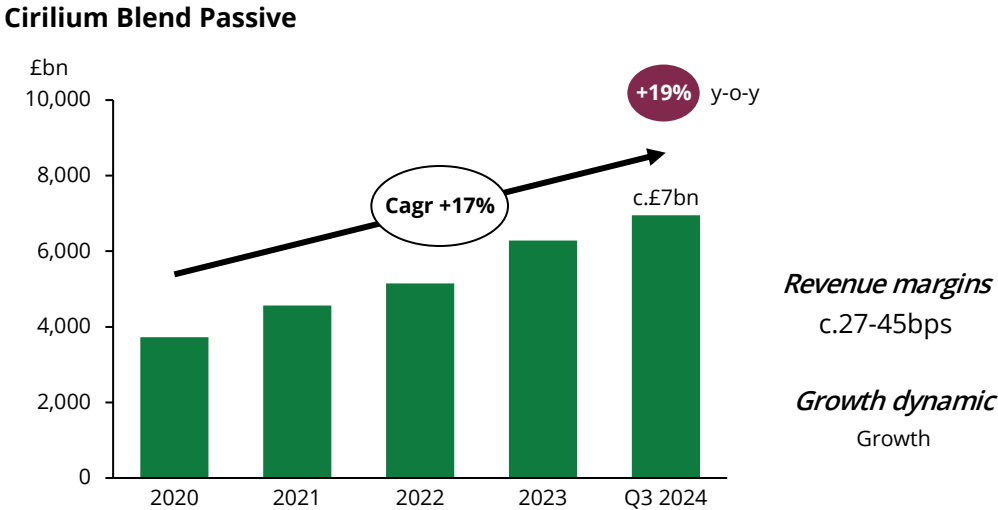
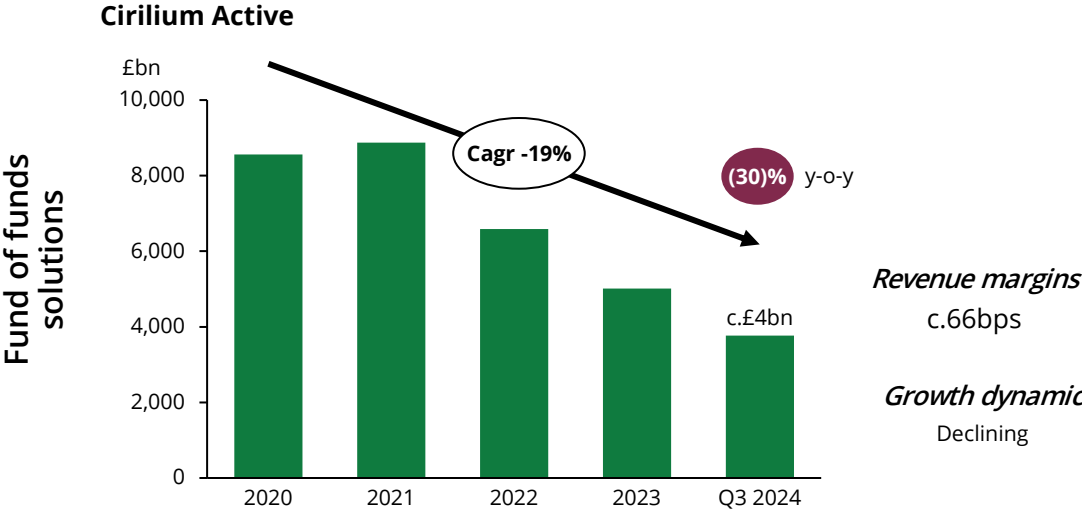
1. Sep-2024: AuMA split c.61% IFA channel and c.39% Quilter channel

Tatton MPS



2. Average revenue margin of 21bps based on Total AuMA of £19.9bn, of which £18.5bn is MPS

Principal solutions – Mirroring industry trends towards MPS and Passives



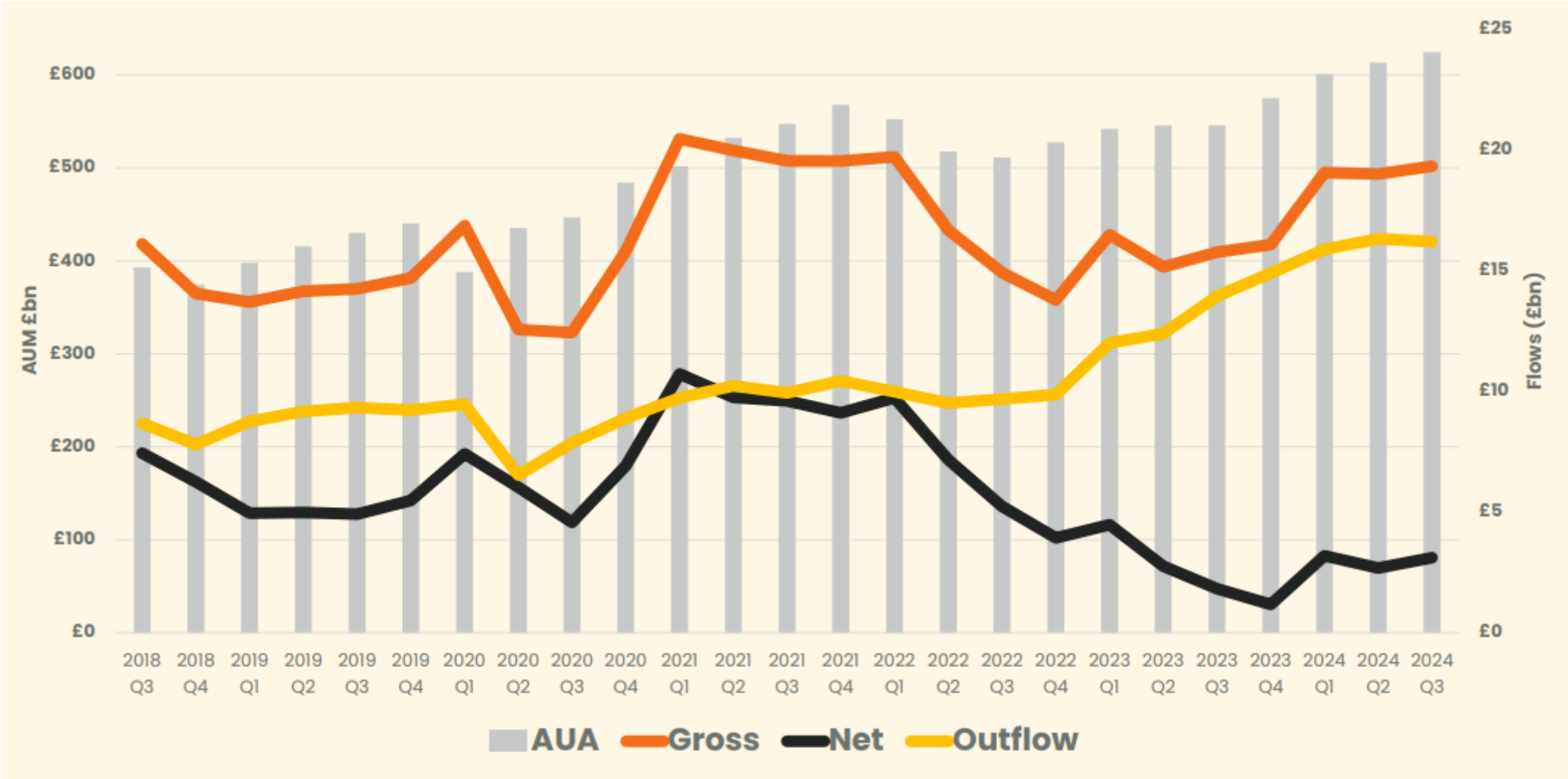
AuMA figures as at 30 September 2024; revenue margins depend on asset allocations and sub-mandates.



Industry

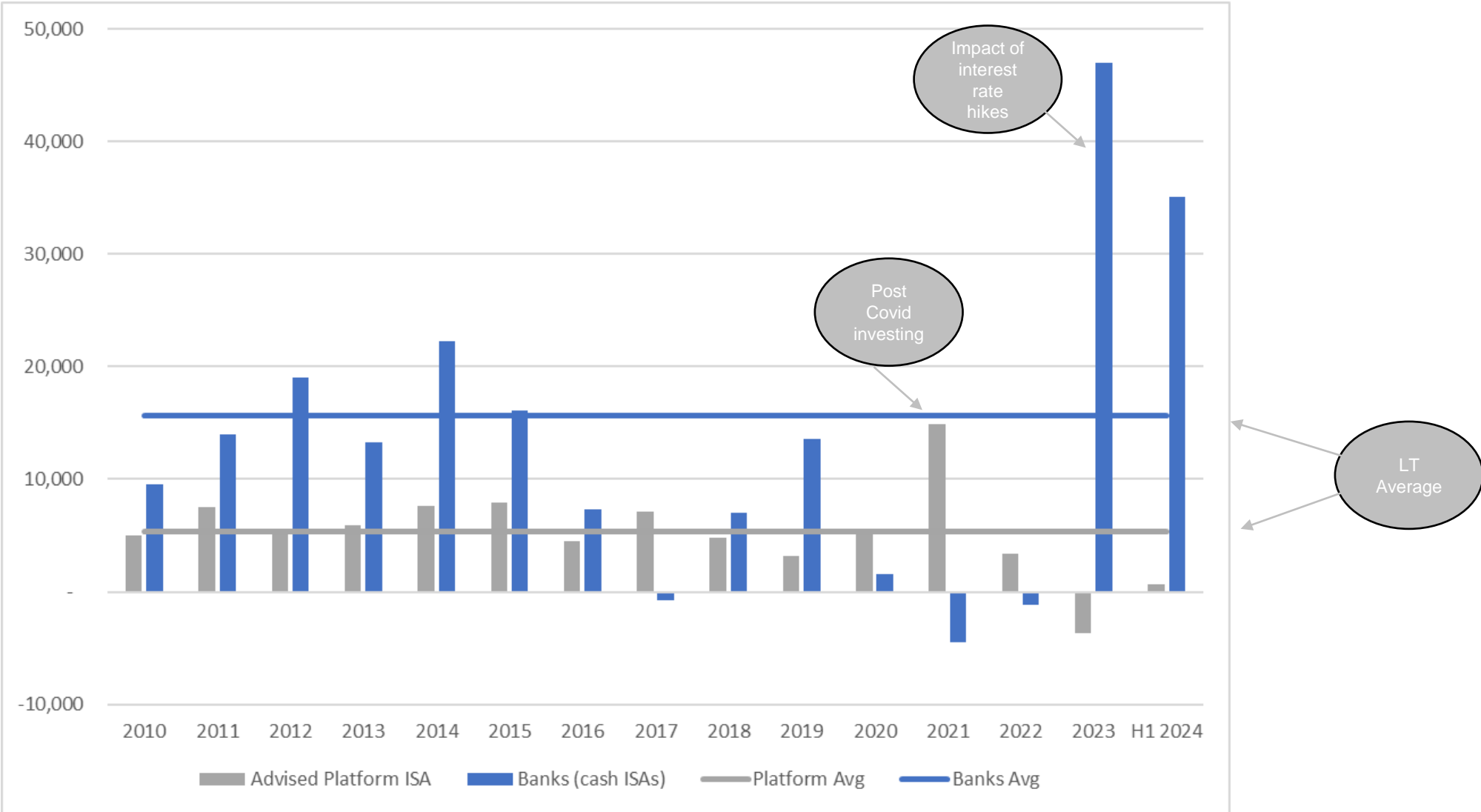
Quilter

Industry insight: advised Platform sales trends



Source: The Lang Cat

Banks cash ISAs vs Advised Platform Industry ISA flows



Source: BoE Statistics, Fundscape - note the above excludes D2C industry flows



Guidance Reminder

Quilter

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.

Below the line costs and other items

Below the line costs:

Simplification costs:

- c.£28m for 2024, c.£15m for 2025 and c.£12m for 2026/2027.

Intangible amortisation:

- Reducing from c.£40m in 2024 to c.£18m in 2025, then c.£12m from 2026.

Ongoing Advice Evidence review:

- Cost of skilled person review mid to high single digit millions for 2024.
- This reflects resource and consultancy costs of completing the review only and does not include any additional costs that may arise from the outcome of the review.

Other items:

Shareholder Interest Income:

- 25bps base rate reduction reduces interest income by c.£3.5m - £4m per annum on an annualised basis.

UK Budget – National Insurance impact:

- Expected impact in 2025 of c.£4m (annualised impact of c.£5m) based on 1st April introduction.

NuWealth:

- Acquisition cost – mid single digit millions
- Above the line costs – low single digit millions for 2024.

Share count:

- Weighted average number of ordinary shares of £1,404m.
- Expected diluted weighted average number of Ordinary Shares of £1,393m.

Tax rate:

- Effective Tax Rate (ETR) of 25% for 2024 to 2027.



Summary

Quilter

What differentiates Quilter?

Balanced business mix covering the entire UK wealth spectrum

Dual channel: strong market positions in IFA and restricted channels

Open, unbundled business model with transparent pricing

All products/ services available to our advisers and IFAs – ensures they are market competitive and regulatory transparent

No client or adviser lock-ins

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