

Quilter plc Annual General Meeting 2024 Speeches

Thursday 23 May 2024

Quilter plc Annual General Meeting (“AGM”) 2024 Chair and Chief Executive Officer speeches

Ruth Markland, Quilter Chair’s AGM speech

Good morning everybody, and thank you to those in the room and those on the phone for making time to join us today for our AGM.

Let me introduce my Board colleagues. On my right is Tim Breedon, our Senior Independent Director. On my left is Steven Levin, our Chief Executive Officer, and to Steven’s left is Mark Satchel, our Chief Financial Officer.

We also have some Board colleagues sitting in the front row, except for Paul Matthews who is unable to attend today. Also in attendance is Mark Pugh, our Audit Partner from PwC.

I may invite my colleagues to help me answer your questions today.

Before I handover to Steven, there are two areas that I want to cover this morning:

First, I’ll run through the main changes to your Board announced in January and April of this year.

Secondly, I’ll comment on dividends.

Let me take each of those in turn:

We had no changes to the Board membership in 2023 but, since year end, we have announced the following Board changes.

We welcomed Chris Hill to the Board in March and he will stand for re-election by Quilter’s shareholders for the first time at this AGM.

Chris’ extensive experience across a range of sectors together with his considerable financial expertise and deep knowledge of the wealth management industry will be of significant value to the Board.

Chris is a member of the Board Audit Committee and the Board Remuneration Committee.

We announced last month that Alison Morris has been appointed as an independent Non-executive Director and is expected to join the Board on 9 September 2024.

Alison will also join the Board Audit Committee and the Board Risk Committee.

Alison’s deep financial expertise and audit experience in the financial services sector will be invaluable to us as we continue to invest in our business and deliver our strategic ambitions.

Tazim Essani, who is present, and Paul Matthews will both stand down from the Board at the conclusion of this meeting. I’d like to thank them both for their contributions to Quilter and wish them well for the future.

Next, I’d like to say a few words on the Final Dividend.

In respect of the 2023 financial year, your Board is recommending a Final Dividend of 3.7 pence per share which, if approved later in this meeting, will bring our total dividend for 2023 to 5.2 pence per share. That will take our overall pay-out ratio just above the mid-point of the range.

On behalf of the Board, I would like to thank our management team and all our colleagues for their effort, focus and commitment to achieving our goals despite continued challenging markets in 2023.

Thank you also to our shareholders for your continued support.

Now, I am delighted to hand over to our Chief Executive Officer, Steven, who will provide you with his report on the progress we have made during his first full year leading your Company.

Steven Levin, Quilter Chief Executive Officer's AGM speech

Thank you Ruth.

Good morning, everyone.

Thank you for joining us today - let me add my welcome to our 2024 AGM.

I will do two things this morning:

- I'll take you through the business highlights for 2023;
- And I'll update you on our three strategic priorities.

2023 results were really strong.

We achieved a 25% increase in adjusted profit to £167 million.

Taking you through the details -

In 2023, we enjoyed net flows into the core business of £0.8 billion. That was just under half of the level we saw in 2022.

Despite that, our average AUMA was broadly stable year-on-year.

We delivered a 3% increase in our revenues with lower management fee revenue more than offset by higher other revenue, principally interest generated on shareholder funds employed in the business.

Costs were down 3% to £458 million versus £472 million in the prior year. We largely offset expected expense increases by accelerating some of our simplification initiatives and maintaining cost discipline.

So lower costs and higher revenues led to a strong increase in adjusted profit, up by 25% to £167 million.

And I'm pleased to report that our operating margin at 27%, was above our 2025 target.

That translated into Adjusted Diluted Earnings per share of 9.4 pence, an increase of 19%. A rise in the UK tax rate meant that this was lower than the rate of increase in profit.

So, all in all, a year of strong progress.

We delivered good returns for shareholders over the last year with our share price outperforming our main peers during 2023.

Now, let me turn to strategy – last year, I set out my key priorities for taking our business forward.

My focus has been on building Distribution, enhancing our Propositions, and continuing to drive Efficiency.

Let me draw out a few things we are particularly proud of:

- First, in Building Distribution
 - Quilter Partners moved from pilot to implementation
 - We built-out our High Net Worth financial planning offering in Dublin and Jersey
 - We completed around £750 million of Quilter channel backbook transfers to our Platform, and
 - We overtook our nearest Platform peer to become the largest adviser platform by assets and new business flows.
- Secondly, we've materially enhanced our propositions with our CashHub, tiered adviser charging and adviser co-branding.
- Thirdly, we've worked hard on efficiency. I'm particularly pleased that we've delivered our 25% by 2025 operating margin target ahead of schedule.

We've got a great platform and we've got a great asset management business. Both of those businesses are hugely scalable.

We've got an excellent proposition for our High Net Worth clients in Quilter Cheviot.

And we've got the UK's second largest advice business.

We're one year into the changes I want to implement at Quilter, and tighter execution of our strategy is what really matters!

This is a business with a huge amount of potential and I want to see that delivered.

And with that, let me hand back to our Chair.

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