



# Investor presentation

Spring 2020

Quilter



# Investment overview and Quilter's journey to date

Quilter

# Quilter: a leading, UK-centric full-service wealth manager

- ✓ Leading UK and cross-boarder wealth manager with £100bn+ of customer assets
- ✓ Advice-led investment solutions for customers in the UK and selected international markets
- ✓ LSE and JSE listed, ~£2.2bn market cap<sup>1</sup>
- ✓ A proven track-record, with scale in a growing market and momentum for future profit growth

| Key Performance Indicators from continuing operations excluding QLA |     | 2019  | 2018 | Δ     |
|---|-----|-------|------|-------|
| <b>Adjusted profit:</b>   |     |       |      |       |
| Adjusted profit before tax incl. QLA                                | £m  | 235   | 233  | +1%   |
| - o/w QLA   | £m  | 53    | 57   | (7%)  |
| Adjusted profit before tax <sup>2</sup>                             | £m  | 182   | 176  | +3%   |
| - o/w reallocation of QLA costs                                     | £m  | 26    | 28   | (7%)  |
| Adjusted profit before tax after reallocation of QLA costs          | £m  | 156   | 148  | +5%   |
| <b>Other financial KPIs:</b>  |     |       |      |       |
| IFRS (loss)/profit after tax  | £m  | (28)  | 66   | -     |
| Operating margin  | %   | 26    | 26   | -     |
| Adjusted diluted earnings per share <sup>3</sup>                    | p   | 8.6   | 8.9  | (3%)  |
| <b>AuMA and flows:</b>  |     |       |      |       |
| NCCF  | £bn | 0.3   | 4.7  | (94%) |
| Integrated net flows  | £bn | 2.6   | 4.7  | (45%) |
| AuMA  | £bn | 110.4 | 97.7 | +13%  |

1. As at March 2020.  
 2. Before reallocation of QLA costs.  
 3. Adjusted diluted EPS including QLA of 11.3p (2018: 13.5p).

# Quilter has scale and leading position in chosen capabilities

## Comparison with listed UK peers

|   | Total AuMA <sup>1</sup><br>(£bn) |
|---|----------------------------------|
| <b>Quilter</b>                            | <b>£110bn<sup>3</sup></b>        |
| <b>St. James's Place</b>                  | £117bn                           |
| <b>Standard Life Aberdeen<sup>4</sup></b> | £545bn                           |
| <b>Hargreaves Lansdown</b>                | £105bn                           |
| <b>Rathbones</b>                          | £50bn                            |
| <b>AJ Bell</b>                            | £55bn                            |
| <b>Brewin Dolphin</b>                     | £49bn                            |
| <b>Integrafin</b>                         | £39bn                            |

| Advice                              |                         | Platforms                               |                | Solutions      |                             |
|-------------------------------------|-------------------------|---|----------------|----------------|-----------------------------|
| Restricted<br>(CF30's) <sup>2</sup> | Independent<br>advisers | Advised<br>Platform                     | International  | Multi-asset    | Discretionary               |
| ✓ 2,703                             | ✓ 4,000+<br>firms       | ✓ £57bn<br>AuA                          | ✓ £21bn<br>AuA | ✓ £21bn<br>AuM | ✓ £24bn<br>AuM              |
| ✓ 3,810                             |                         | <i>Restricted<br/>only<br/>platform</i> |                | ✓              | <i>Rowan<br/>Dartington</i> |
| 80                                  | ✓                       | ✓                                       |                | ✓              | <i>SL Wealth</i>            |
| 167                                 |                         | <i>Direct<br/>platform</i>              |                | ✓              |                             |
| <i>n.a.</i>                         |                         |   |                |                | ✓                           |
| <i>n.a.</i>                         |                         | ✓ <i>Direct &amp;<br/>Restricted</i>    |                |                |                             |
| 430                                 |                         |   |                |                | ✓                           |
| <i>n.a.</i>                         |                         | ✓                                       |                |                |                             |

✓ Indicates capability **and** scale within capability

1. Includes closing AuA and / or closing AuM for competitors as at 31 December 2019.

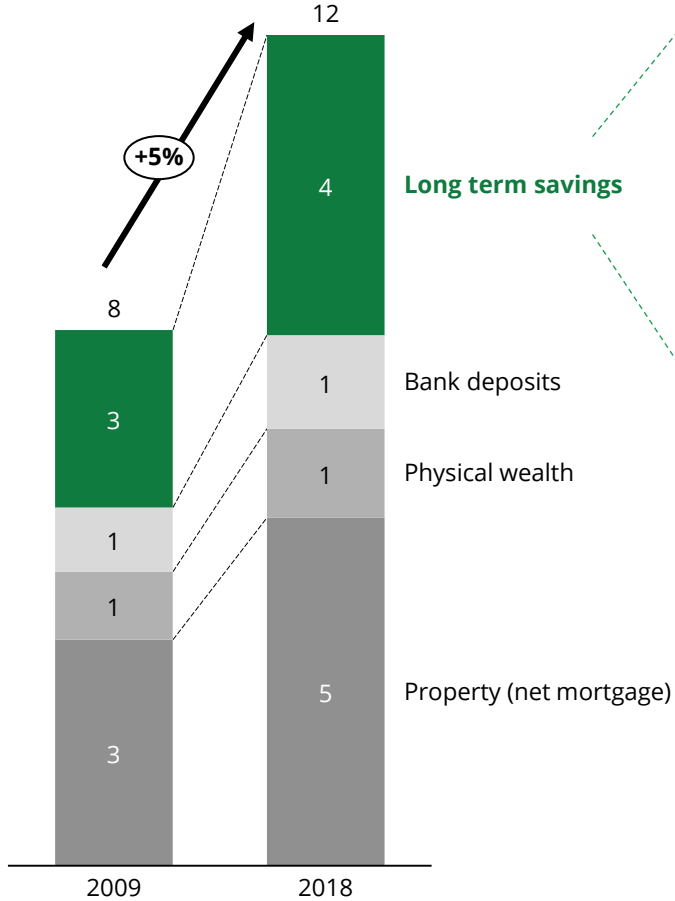
2. FT Top 100 financial advisers 30 June 2018 includes all CF30's for businesses, not only financial adviser, such as Quilter Cheviot investment managers. Quilter figure includes Lighthouse CF30s to reflect acquisition in June 2019.

3. Total Quilter closing AuMA excludes Quilter Life Assurance but includes Quilter Financial Planning and intra-group eliminations.

4. Platform & Wealth-only assets total £86.0bn as at 31 December 2019; Adviser figure as quoted in SLA's 2018 Annual Report and Accounts.

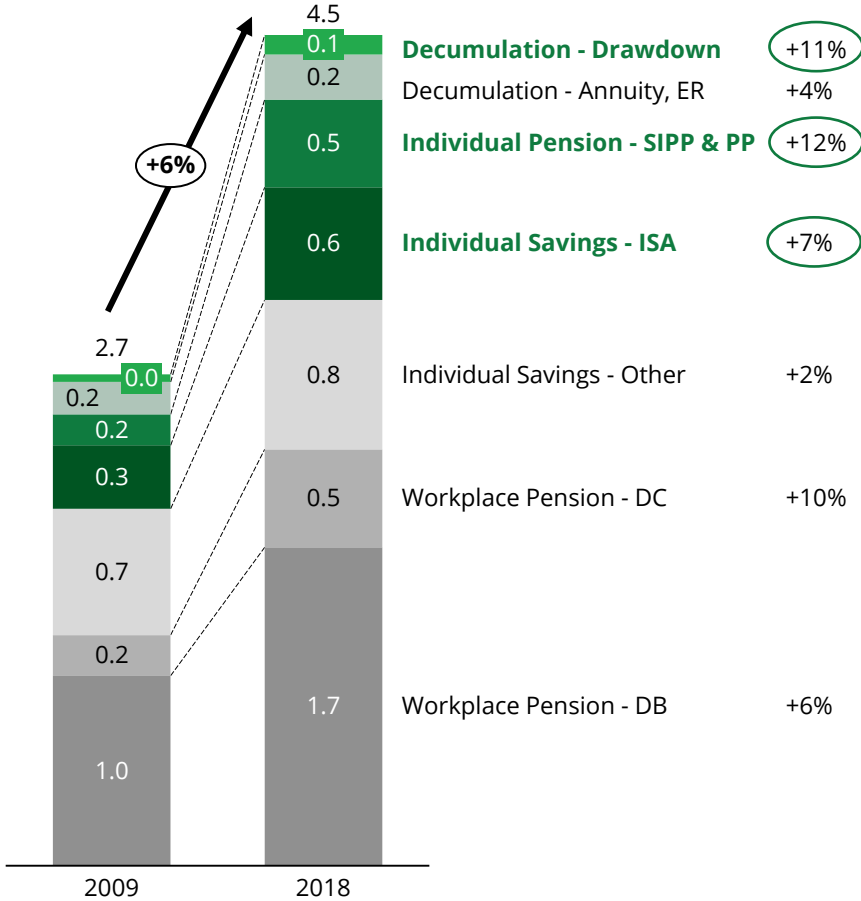
# Large and growing UK wealth market

## UK national wealth<sup>1</sup>



## Long-term savings market<sup>2</sup>

(AUM, £trn)



- Growth driven by structural trends, including:
  - Demographics
  - Need for financial advice
  - Pensions and investment consolidating onto Platforms

- Growing and changing market provides opportunity to support clients through their savings and investment life cycle

1. Source: ONS, NMG UK Stock & Flow Model. 2018 figures based on estimates  
 2. Note: Property Wealth is defined as any property owned, both main residence plus any other land or property owned in the UK or abroad, net of outstanding mortgage value. Physical Wealth is defined as household contents, possessions and valuables owned, such as antiques, artworks, collections and any vehicles owned by individuals. Pensions excludes retained rights in pension schemes and pensions expected from former spouse/partner. Individual Savings - Other includes Onshore and Offshore bonds, endowments, direct shares and unwrapped funds. ER = Equity Release; Workplace pension - DB includes Bulk annuities

# Regulatory and fiscal changes driving disruption

---

## Pension reform

- Provides customers with opportunity for **consolidation and flexibility** to manage retirement assets
- Demand and complexity driving **need for advice**
- Increased **longevity of client relationships** for wealth managers versus compulsory annuitisation

## Government initiatives

- **Auto-enrolment** increasing flows into pensions, albeit slowly – future customers for wealth managers
- Increase in **ISA allowances** and introduction of JISA and NISA and Junior SIPPS
- Continually **changing tax and allowances** on savings, pension and IHT driving need for advice

## FCA thematic reviews

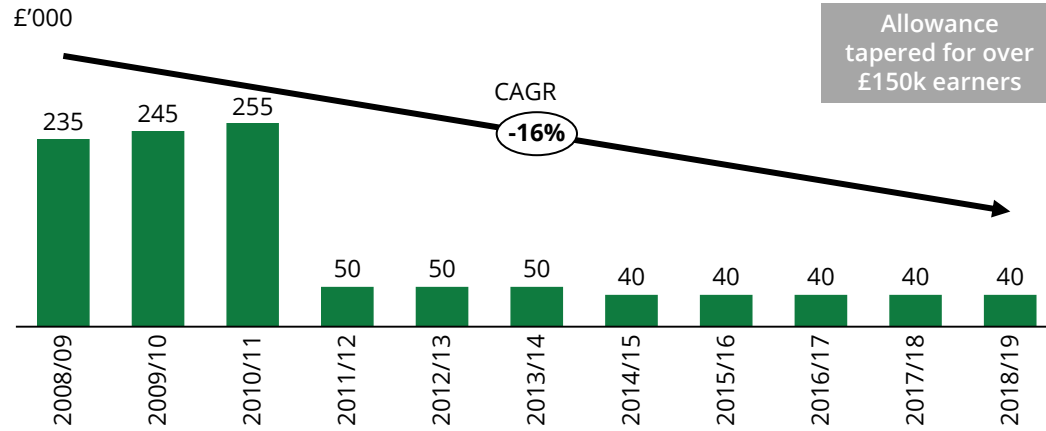
- **Asset management market study** remedies focussed on driving competitive pressure in asset management, investor value for money and effectiveness of intermediaries
- **Investment Platform study** focused on improving competition and better consumer outcomes
- **DB pension transfer advice** proposals designed to improve quality of advice and help consumers get better value for their pensions

## MiFID II, GDPR & SMCR

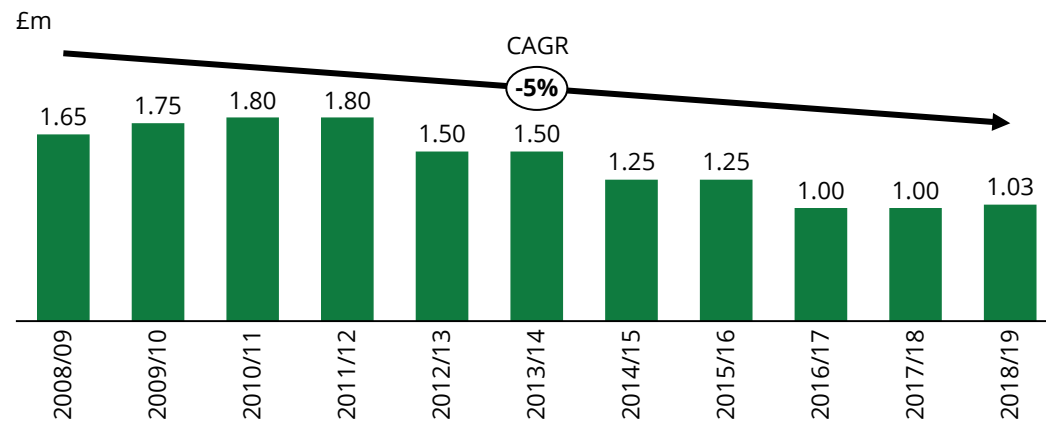
- Further **increase in regulatory burden** for advisers, particularly low scale players and new entrants
- MiFID II further **increase transparency** for customers
- GDPR clarifies existing requirements and **increases costs of non-compliance**
- SMCR strengthens individual accountability within the financial services industry

# Fiscal changes driving complexity, changing client behaviour and need for advice

## Annual pension allowance

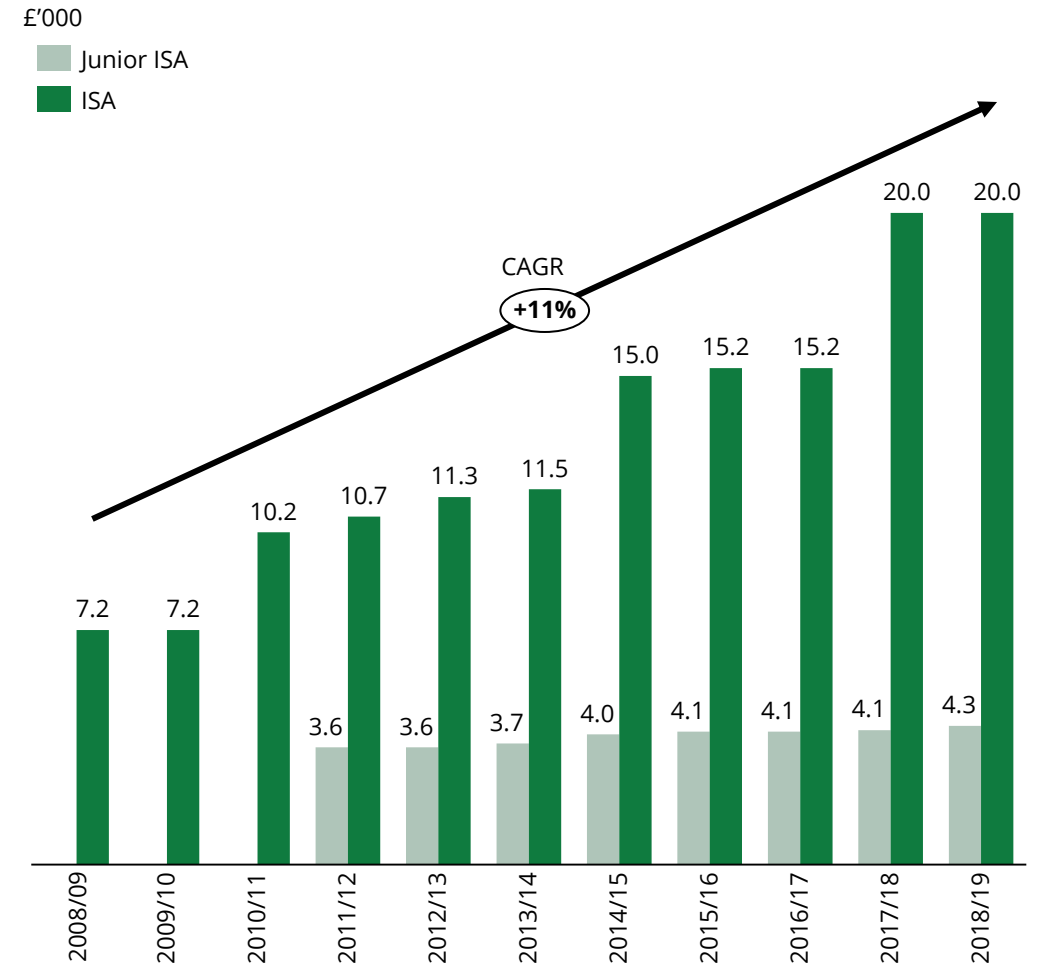


## Pension lifetime allowance



Source: HMRC

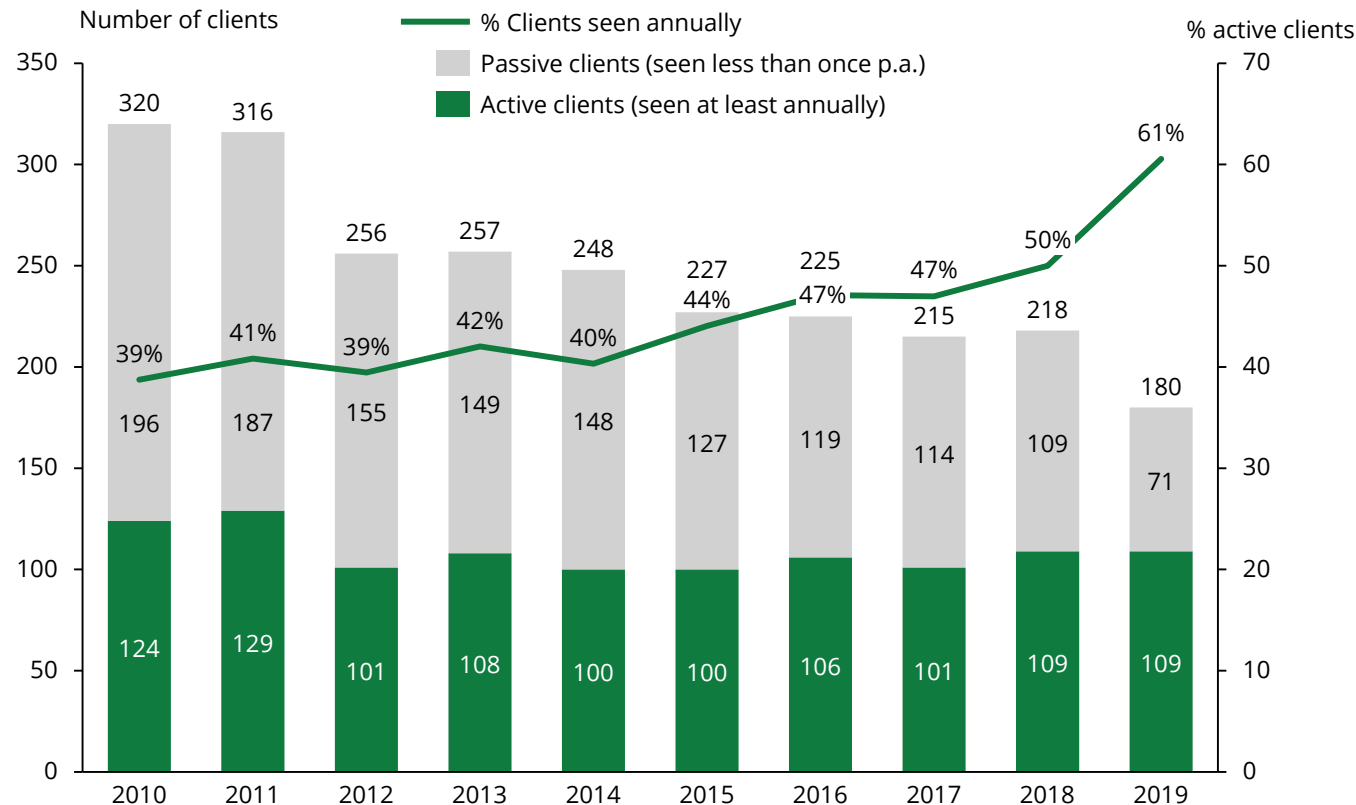
## ISA annual allowance



# Advice: shift in how advisers serve their clients

Regulatory and market changes driving better quality of advice for fewer clients

## Adviser average client portfolio<sup>1</sup>



- Adviser trend to serve fewer active clients:
  - Change in compensation model from commission to fees
  - Smaller number of those with higher investable assets
  - Opportunity to serve customers' wealth needs for longer
  
- Potentially more customers left without access to advice... at a time when the need for advice is increasing

1. Source: Investment Trends. March 2019 UK Adviser Technology & Business Report, based on a survey of 1,216 advisers. Passive clients considered to be those the adviser sees less than once a year; Active clients considered to be those the adviser sees as least annually. Based on annual survey of c.600-800 advisers

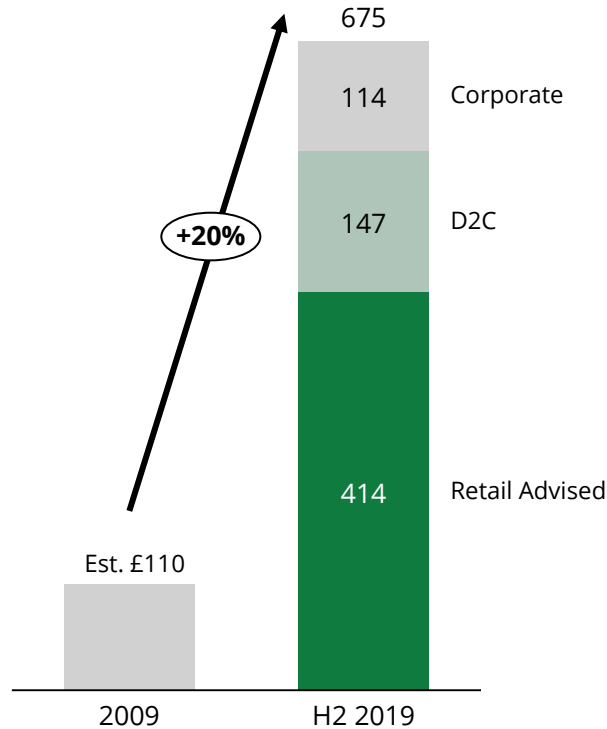


# Platform: savings and investments consolidating onto Platforms, particularly pensions

## Pensions and investments consolidating onto platforms

### Total UK platform market

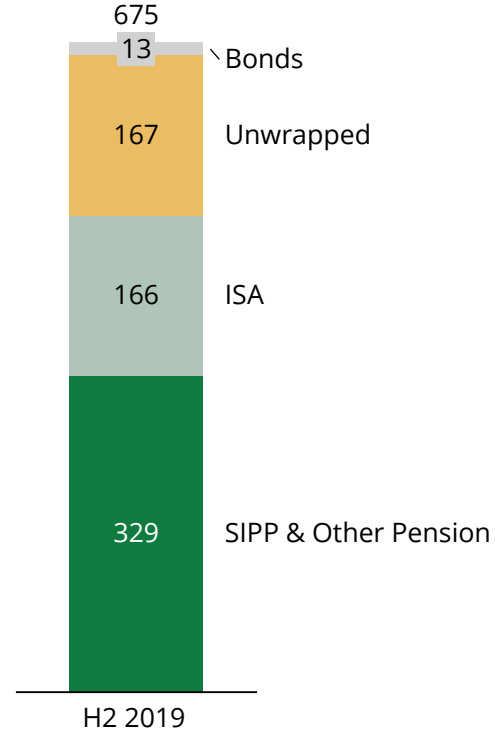
AUA £bn<sup>1</sup>



## Pension is 'anchor' product on Platform

### Fund platforms by product

AUA £bn<sup>2</sup>



## Platforms play an important role in modern wealth management

### For Advisers

- Tools and technical support
- Customer relationships in one place
- Deliver back office functionality
- Custody, settlement and reporting

### For Customers

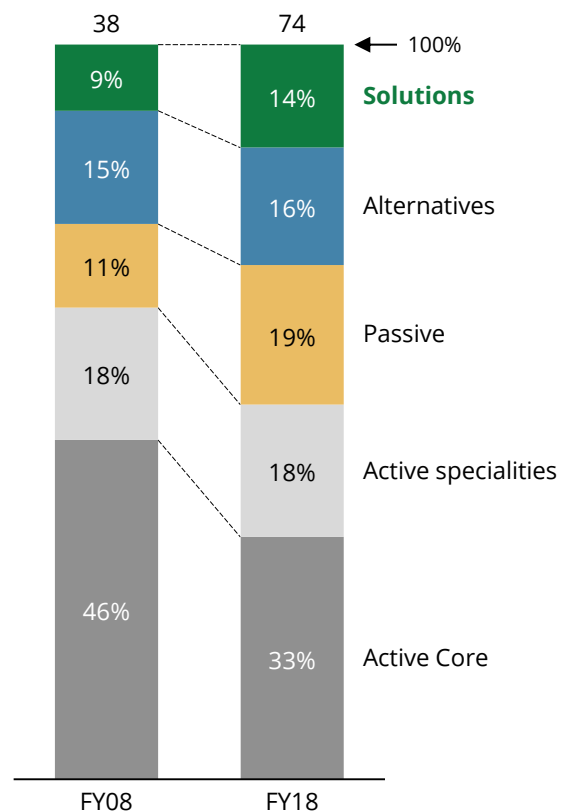
- Holdings in one place
- Tax-efficient wrappers
- Customer service including reporting and transactions

1. Source: Platform 2009 Total Platform AuM £92bn excluding D2C; Fundscape 2019 Q2  
 2. Source: Fundscape 2019 Q2

# Investment Solutions: continued growth in outcome-based, client-focussed solutions

## Global AuM split<sup>1</sup>

% / US\$ trn



## Quilter Solutions

### Discretionary portfolio service

- Dedicated Quilter investment manager to design bespoke portfolios
- Tailored approach considering client personal investment objectives, attitude and risk tolerance
- Service for clients with more than £200k to invest

### Managed portfolio service ("MPS")

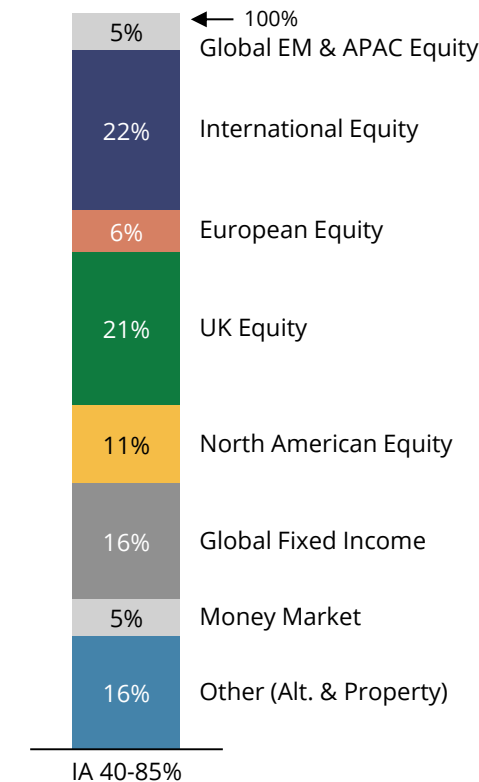
- Outsourcing portfolio construction and management to Quilter's multi-asset investment specialists
- Active and Passive Blend portfolios that risk-matched portfolios from Global Partner fund ranges

### Multi Asset funds

- Range of multi-asset funds including Cirilium Active, Passive and Blend
- Fund range differs in terms of breadth of investment proposition
- Customer needs include accumulation, decumulation, income & international

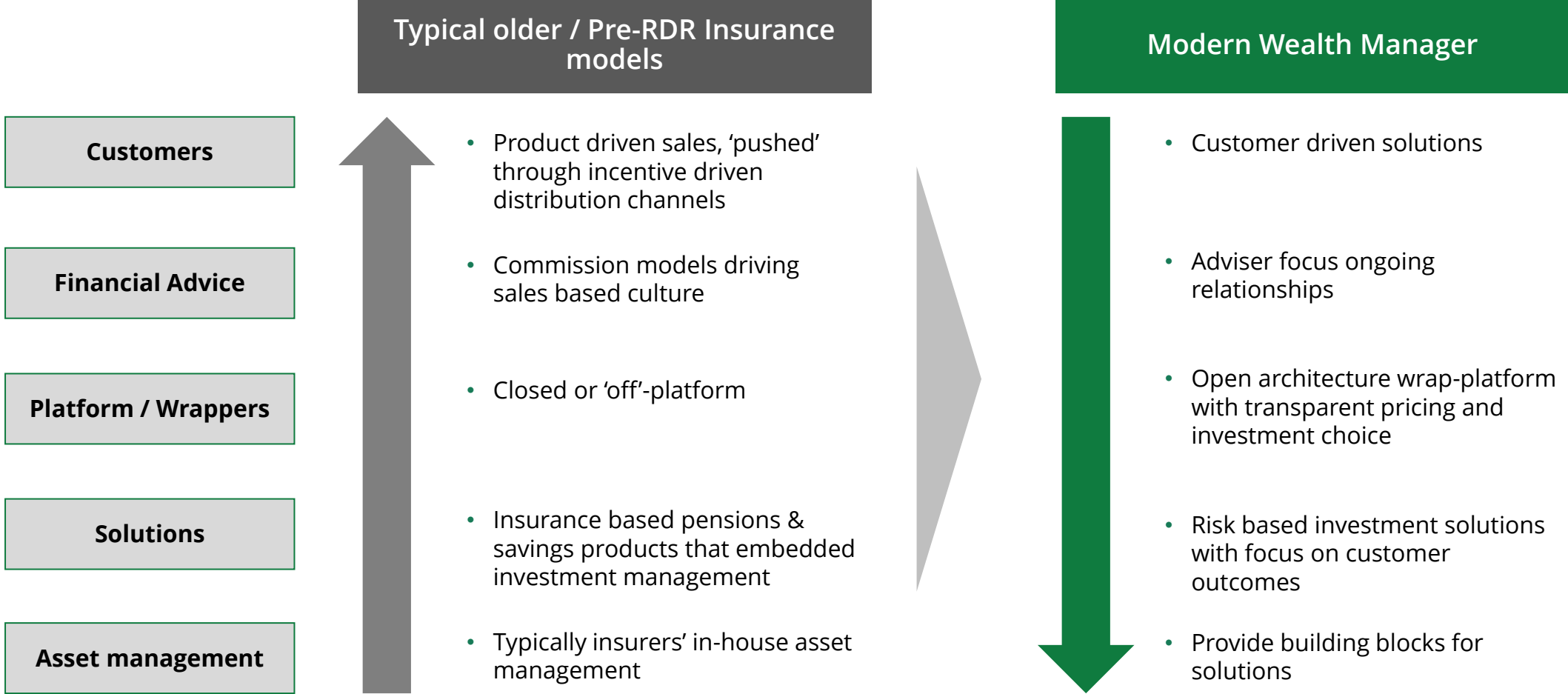
## Typical asset allocation<sup>2</sup>

Typical 40-85% mixed asset fund asset allocation



1. Source: BCG Global Asset Management Benchmarking 2019; Solutions Includes target-dated, global asset allocation, flexible, income, liability-driven, and traditional balanced investments. Alternatives includes hedge funds, private equity, real estate, infrastructure, commodities, private debt, and liquid alternative mutual funds (such as absolute return, long and short, market-neutral, and trading-oriented); private equity and hedge fund revenues do not include performance fees. Active specialties includes equity specialties (foreign, global, emerging markets, small and mid caps, and sectors) and fixed-income specialties (emerging markets, global, high yield, and convertibles). Active core Includes actively managed domestic large-cap equity, domestic government and corporate debt, money market, and structured products.  
 2. Financial Express Analytics, Sept. 2019

# Business models adapted to changing regulation and evolving value chain



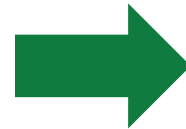
# Quilter has adapted its business model

## Our journey to deliver a modern UK focussed wealth manager

### UK & European Life Assurer

|                  |
|------------------|
| Italy            |
| Switzerland      |
| Austria          |
| Poland           |
| Germany          |
| France           |
| Liechtenstein    |
| Luxembourg       |
| Finland          |
| OMGI             |
| Heritage         |
| Wealth Platforms |

2012



### Modern UK-focussed wealth manager

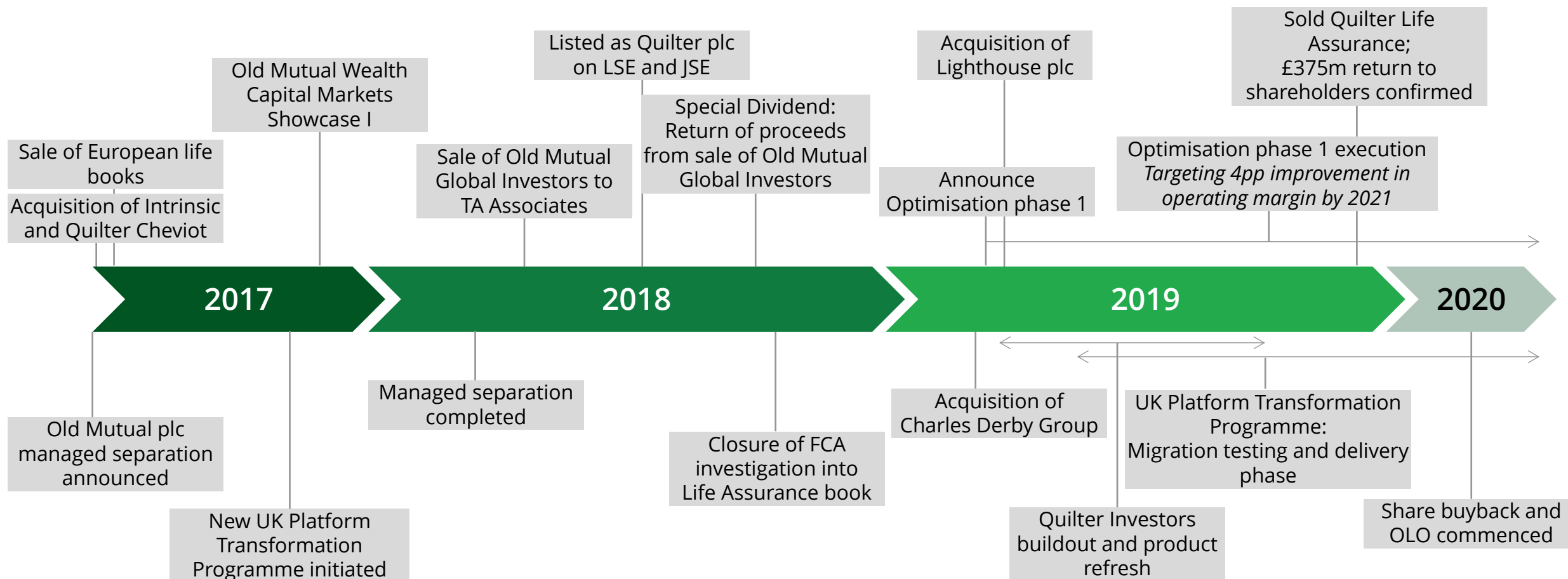
|  |
|--|
| Acquired and built<br>Advice Network & National  |
| Built<br>multi-asset solutions business  |
| Acquired<br>Quilter Cheviot  |
| Investing<br>in Platform transformation<br><br>Growing<br>UK & International platforms |

Today

### Our transition to becoming 'one Quilter'

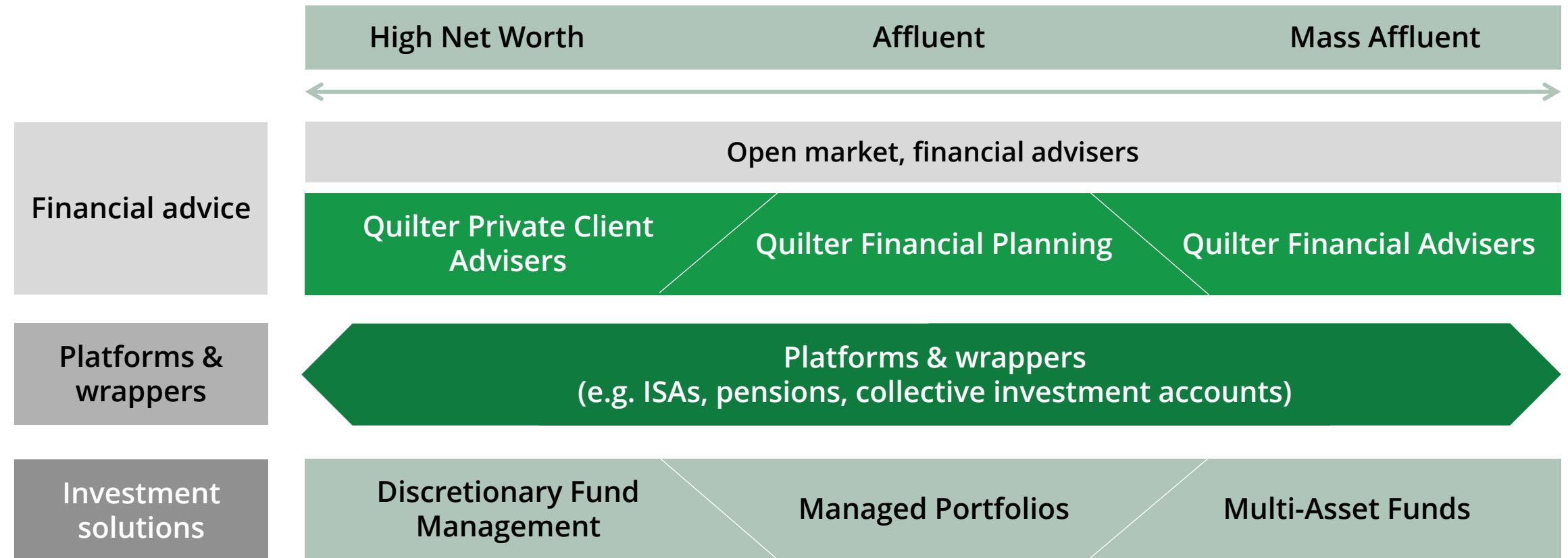
- Sold European life books, single strategy asset management business
- Acquired Intrinsic, Sesame, Caerus, Charles Derby and Lighthouse
- Acquired Quilter Cheviot and built Quilter Investors
- Initiated new UK Platform Transformation Programme and entered migration testing/delivery phases
- Announced and completed 'managed separation' from Old Mutual
- Listed as Quilter plc on LSE and JSE
- Largely re-branded businesses to 'Quilter'
- FCA investigation into Quilter Life Assurance closed and business sold to ReAssure
- Initiated Optimisation phase 1

# Our journey to deliver a focussed UK wealth management business



# Quilter's multi-channel advice-led model

An open, transparent, full-service model serving customers across the wealth spectrum





**Performance**

**Quilter**

# 2019 highlights: pivotal year for Quilter

## Solid financial performance

- Robust revenue growth & disciplined cost management
- Good organic profit growth: adjusted PBT £182m, +3% y-o-y
- £110.4bn AuMA, +13% y-o-y
- Strong integrated flows, £2.6bn



## Continued strategic progress

- First PTP migration completed
- Invested in revenue generation capability
  - Growth in RFPs; Lighthouse, Charles Derby Group & Prescient acquired
  - Added 12 Investment Managers
  - Launched new solutions
- Continued optimisation
- Sold Quilter Life Assurance



## Delivering for shareholders

- 3.5p final dividend per share
  - 46% pay-out ratio
- Planned £375m capital return to shareholders, initiating a share buyback shortly
- Odd-Lot Offer of up to c.£30m launched
  - Potentially reduces 50% of share register and c.1% of market cap

Note: All figures within the presentation exclude Quilter Life Assurance ("QLA") unless otherwise stated.



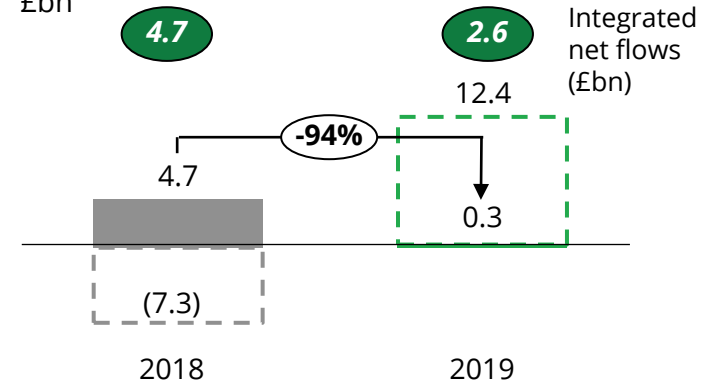
# What drives our business: 2019 results

|   | Advice and Wealth Management<br>£45.8bn |                            |                              | Wealth Platforms<br>£77.7bn |                                  | Head office       |
|---|---|----------------------------|------------------------------|-----------------------------|----------------------------------|-------------------|
| AuMA <sup>1</sup>   |   |                            |                              |                             |                                  |                   |
| Revenue   | £407m                                   |                            |                              | £302m                       |                                  | £3m               |
| AuMA  | Financial Planning<br>£0.8bn            | Quilter Cheviot<br>£24.2bn | Quilter Investors<br>£20.8bn | Wealth Solutions<br>£57.2bn | Quilter International<br>£20.5bn |                   |
| NCCF  |   | (£0.8bn)                   | £0.5bn                       | £0.9bn                      | £0.5bn                           |                   |
| Revenue   | £105m                                   | £178m                      | £124m                        | £177m                       | £125m                            |                   |
| Revenue margin  |   | 72bps                      | 63bps                        | 31bps                       | 56bps                            |                   |
| Expense   | £304m                                   |                            |                              | £190m                       |                                  | £36m <sup>2</sup> |
| Total expense base drivers:<br>59% : Front office & operations; 23% : IT & development; 14% : Support services; 4% : Other                |   |                            |                              |                             |                                  |                   |
| Adjusted Profit   | £103m<br>Y-o-Y growth: 1%               |                            |                              | £112m<br>Y-o-Y growth: 7%   |                                  | (£33m)            |
| <div style="border: 1px solid black; padding: 5px; width: fit-content; margin: 0 auto;"> <b>£182m</b><br/>Y-o-Y growth: 3%         </div> |   |                            |                              |                             |                                  |                   |

1. Group AUMA totals £110.4bn after (£13.1bn) elimination of intra-Group items.
2. Includes head office and recurring standalone expenses but excludes debt interest costs.

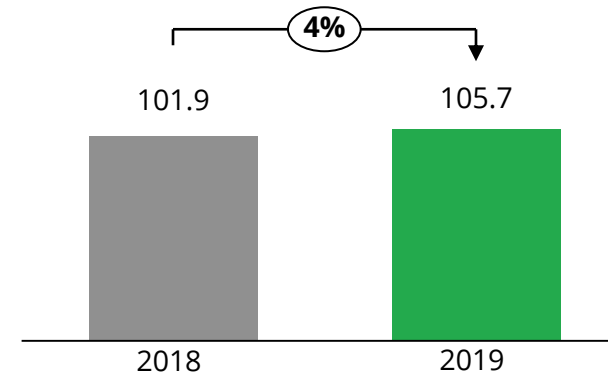
# 2019: Robust performance

**NCCF**  
£bn

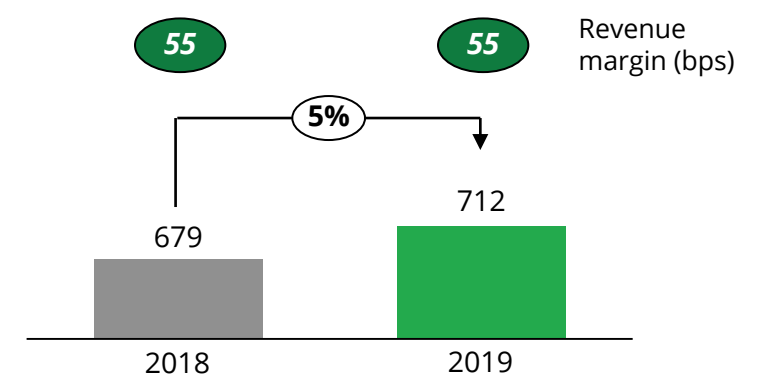


Market movement contribution

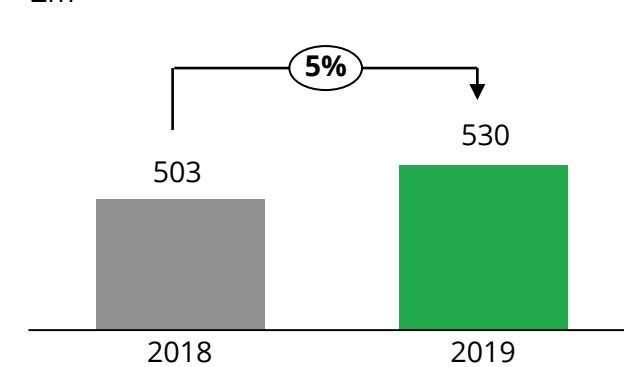
**Average AuMA**  
£bn



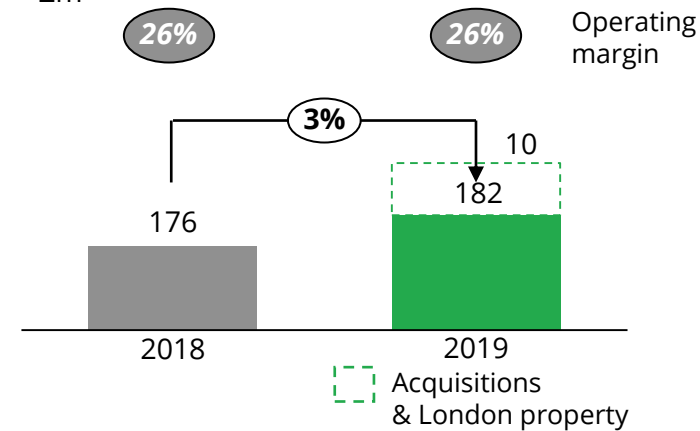
**Total net fee revenue**  
£m



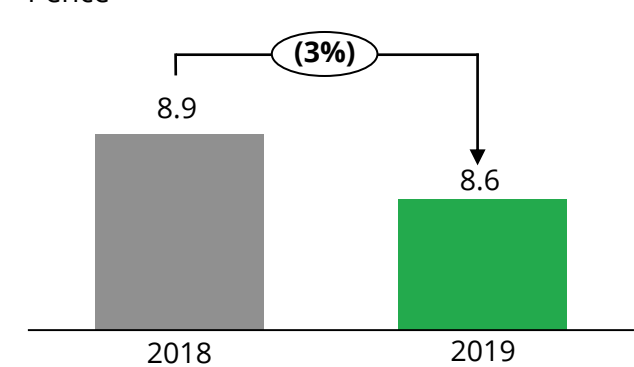
**Expenses**  
£m



**Adjusted profit**  
£m

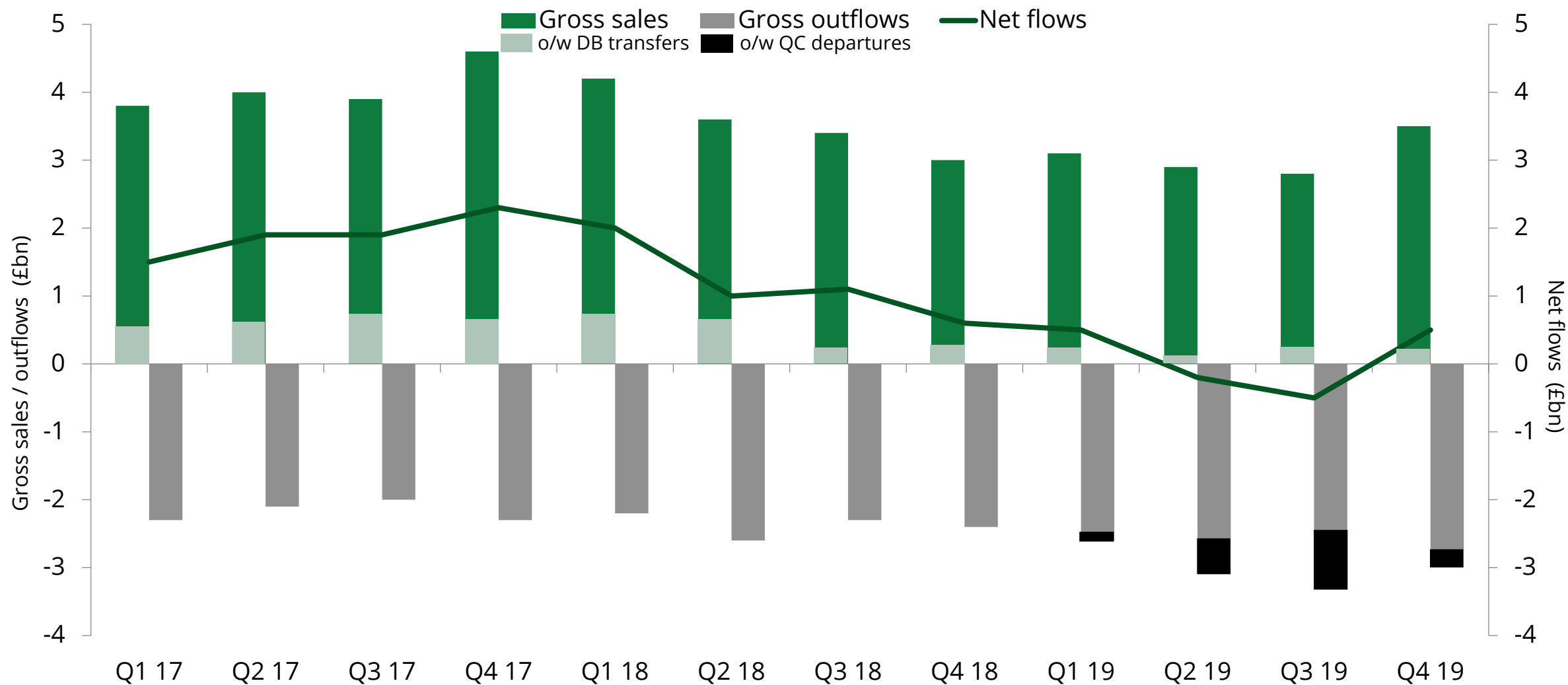


**Adjusted diluted EPS**  
Pence



Note: All figures exclude QLA. This analysis is excluding any impact from reallocated costs - see page 16 of the Market Announcement for reconciliations.

## 2019 flows: flow trends impacted by lower DB transfers and IM departures



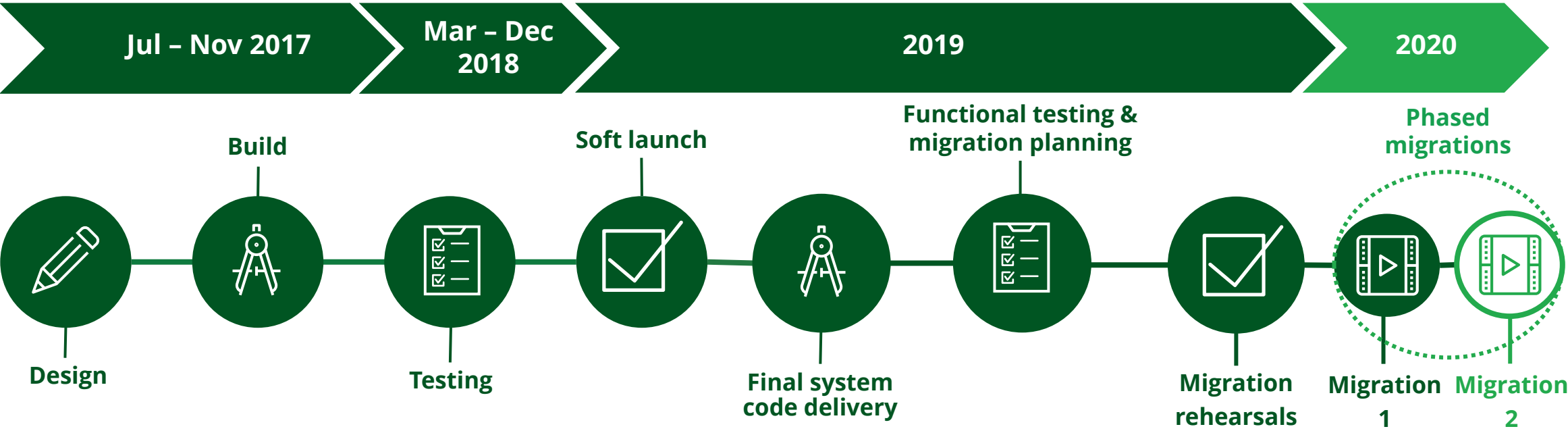
Note: All figures exclude QLA; Highlighted QC outflows comprise IM departures and Institutional mandate redemption.



# Business initiatives

Quilter

# UK Platform Transformation Programme



**Final mile of the journey...**

First migration implemented, with positive early feedback

Final testing / learning from the first migration to inform the second migration, on track for end-Summer 2020

Reaffirm £185m programme budget

**Excited by the growth opportunities the new Platform will bring ... the beating heart of the Group**

● Complete   ● In progress   ○ Not started

# UK Platform Transformation Programme: first migration achieved

- Delivers the full experience to first phase of advisers and their customers in a controlled, measured way
- Pleased with supportive early feedback
- Enhanced monitoring and support in place to identify and manage areas requiring service improvement
- Customers and advisers continue to be supported every step of the way
- Feedback and learnings refining first phase support and second phase planning



25,000  
customers

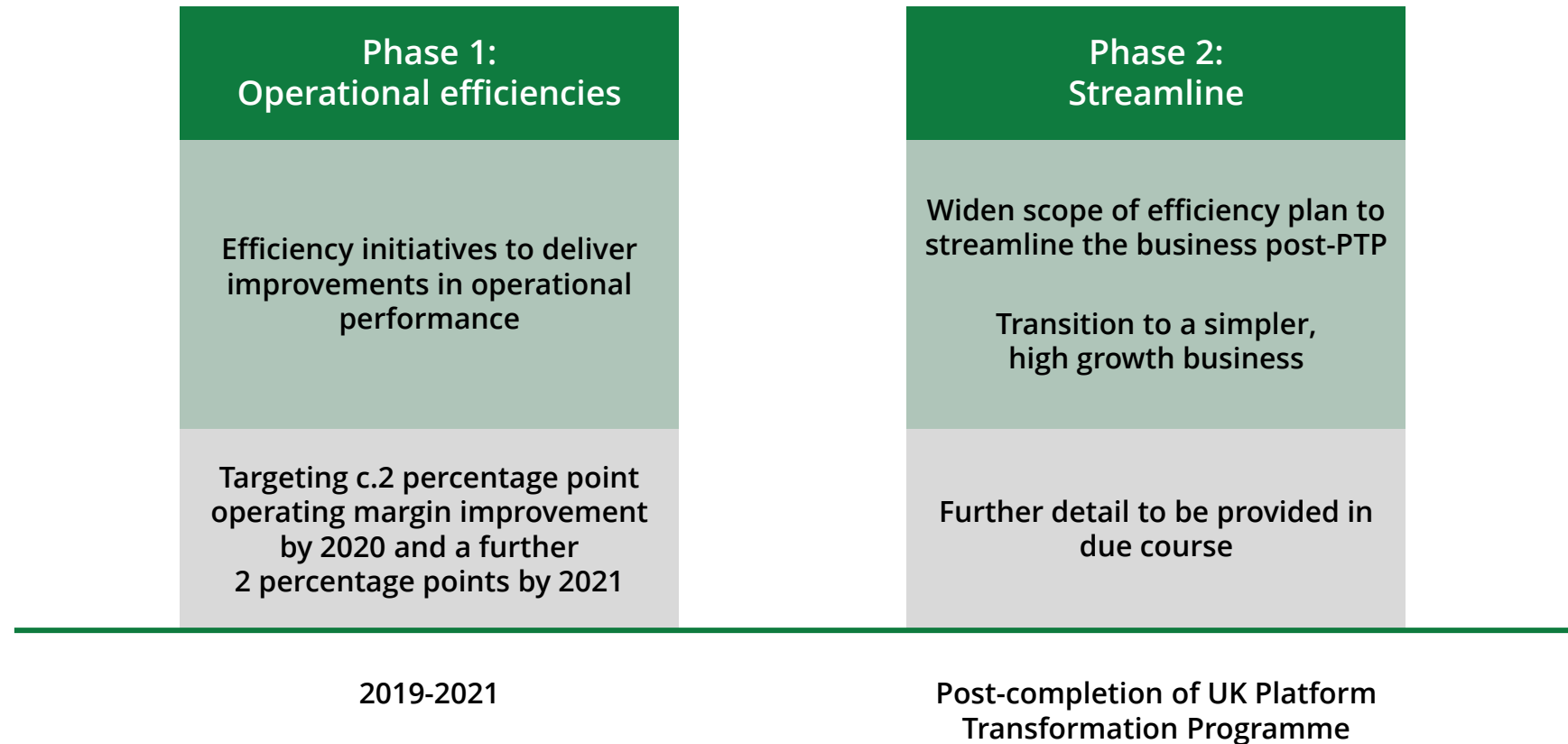
206m+  
rows of  
data

38,500+  
accounts

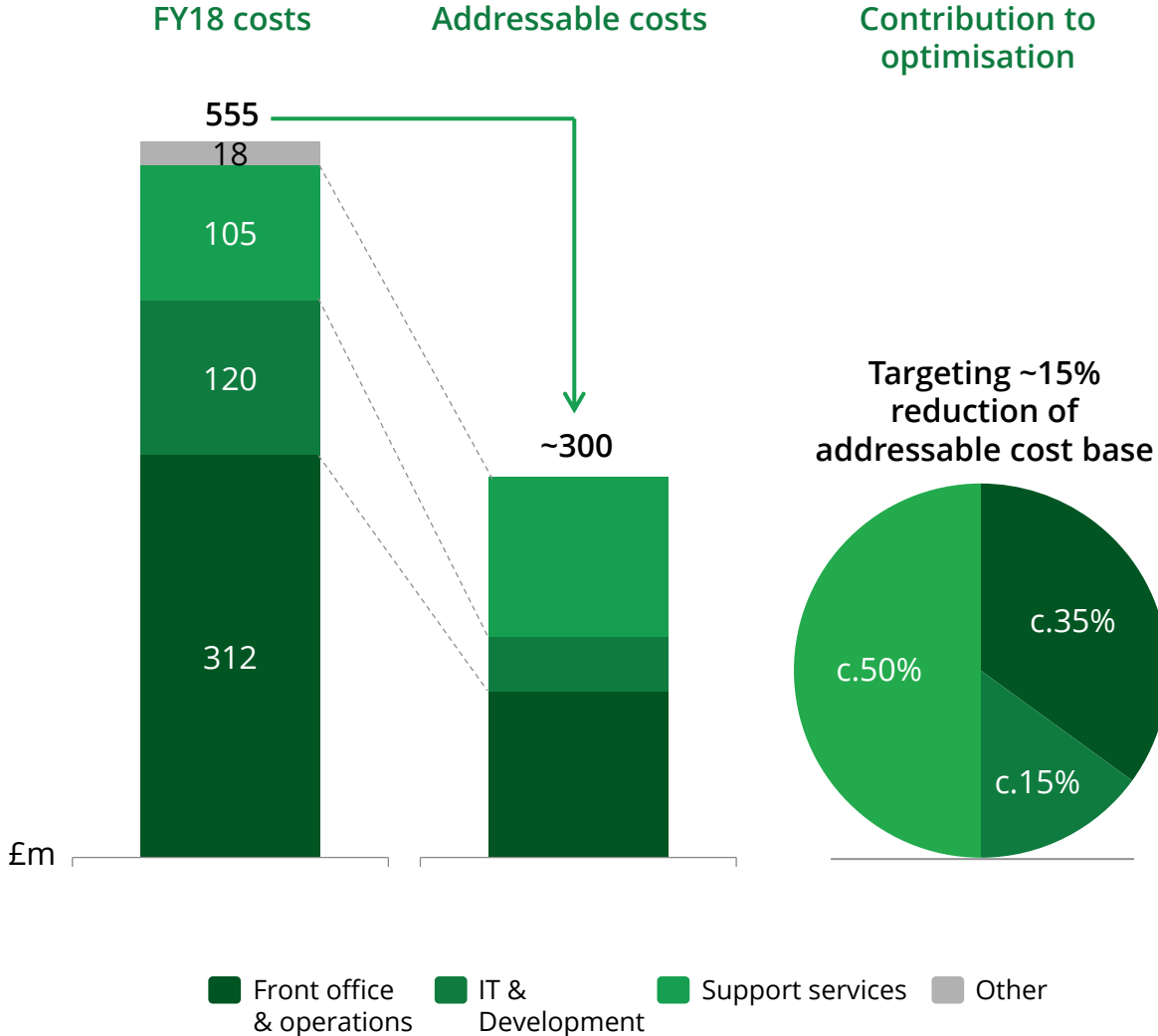
£4.3bn  
AUA  
(8%)

# Optimisation: a phased, multi-year programme

Laying the path to Quilter becoming the best version of itself that it can be



# Optimisation focussed on addressable cost base



## Optimisation: A phased, multi-year approach

|                               |   |
|-------------------------------|---|
| <b>Phase:</b>                 | <b>1. Operational efficiencies</b>  |
| <b>Programme of activity:</b> | <ul style="list-style-type: none"> <li>Efficiency initiatives to deliver improvements in operational performance</li> <li>Support services focussed</li> </ul>  |
| <b>Impact/outcome:</b>        | <ul style="list-style-type: none"> <li>Targeting c.2 percentage point improvement in operating margin by 2020 and a further 2 percentage points by 2021</li> <li>c.£75m<sup>1</sup> one-off costs to deliver</li> </ul> |
| <b>Timeline:</b>              | 2019-2021   |

1. Includes £7m incurred in 2018.



# Optimisation Phase 1: £14m saving delivered, £24m run-rate achieved

| What we have done   | What we have left to do  |   |
|---|--|---|
| <ul style="list-style-type: none"> <li>➤ Simplification and unification of central support functions commenced</li> <li>➤ Quick win tactical efficiencies delivered</li> <li>➤ Staff restructuring initiated</li> <li>➤ Day-rate contractor reductions and third-party contracts renegotiated</li> <li>➤ System changes to support further rationalisation commenced</li> <li>➤ £14m saving delivered in 2019, with run-rate efficiencies of £24m achieved<sup>1</sup> by 31 December 2019</li> </ul> | <ul style="list-style-type: none"> <li>➤ Fully transform our support functions into centres of excellence</li> <li>➤ General ledger and integrated HR and Procurement system build</li> <li>➤ Automate more of the Advice process</li> <li>➤ Odd-lot Offer and legal entity rationalisation</li> <li>➤ Standardise processes and automate operations as appropriate</li> </ul> |   |
| <p><b>Operating margin progress</b></p>   | <p style="text-align: center;"><b>2019</b></p> <p style="text-align: center;"><b>Programme initiated</b><br/><b>Year-end margin: 26%<sup>2</sup></b></p>   | <p style="text-align: center;"><b>2020</b></p> <p style="text-align: center;"><b>Target: 27%</b></p> <p style="text-align: center;"><b>2021</b></p> <p style="text-align: center;"><b>Target: 29%</b></p> |

1. Together with initiatives delivered in 2018.  
 2. Excluding Quilter Life Assurance (QLA).

# Quilter Life Assurance sale complete: capital return

| Sale proceeds available for distribution (£m)   |  |     |
|---|--|-----|
| Sale price                                      | 425  |     |
| Interest accrued to completion                  | 21   |     |
| <hr/>   |  |     |
| Cash received                                   | 446  |     |
| Dividend contribution                           | (23)   |     |
| Expenses, deal costs etc.                       | (23)   |     |
| Capital dis-synergies                           | (15)   |     |
| <i>Restructuring costs still to be incurred</i> | <i>(10)</i>                                  |     |
| Available for distribution                      | 375  |     |
| <hr/>   |  |     |
| 2019 Quilter Life Assurance (£m)                |  |     |
| Accounting perspective                          | Profit before tax                            | 53  |
|   | Profit after tax                             | 50  |
|   | Contribution to 2019 Dividend                | 23  |
| Economic perspective                            | Cash receipt based on Jan 2019 balance sheet | 425 |
|   | Interest accrued to completion               | 21  |

- £375m surplus net proceeds to be returned; consulted shareholders on method of return
- Rolling share buyback<sup>1</sup> programme to commence imminently
- Conducted concurrently on the LSE and JSE
- Will be subject to staged Board review to ensure programme remains the most effective and timely method of return
- £10m restructuring costs to be expensed below-the-line in 2020 and 2021

1. Subject to staged regulatory and Board approval.

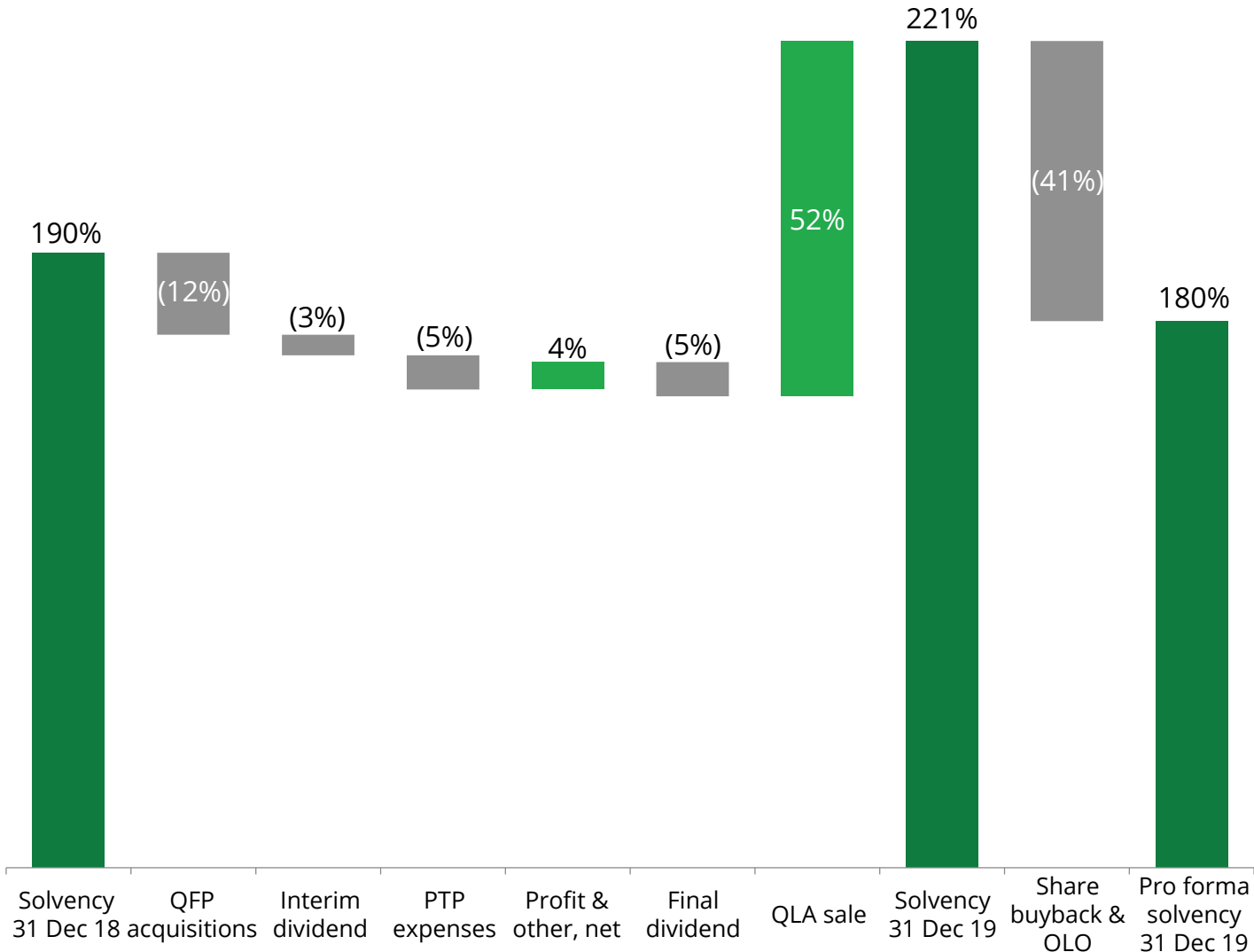


Cash and capital

Quilter

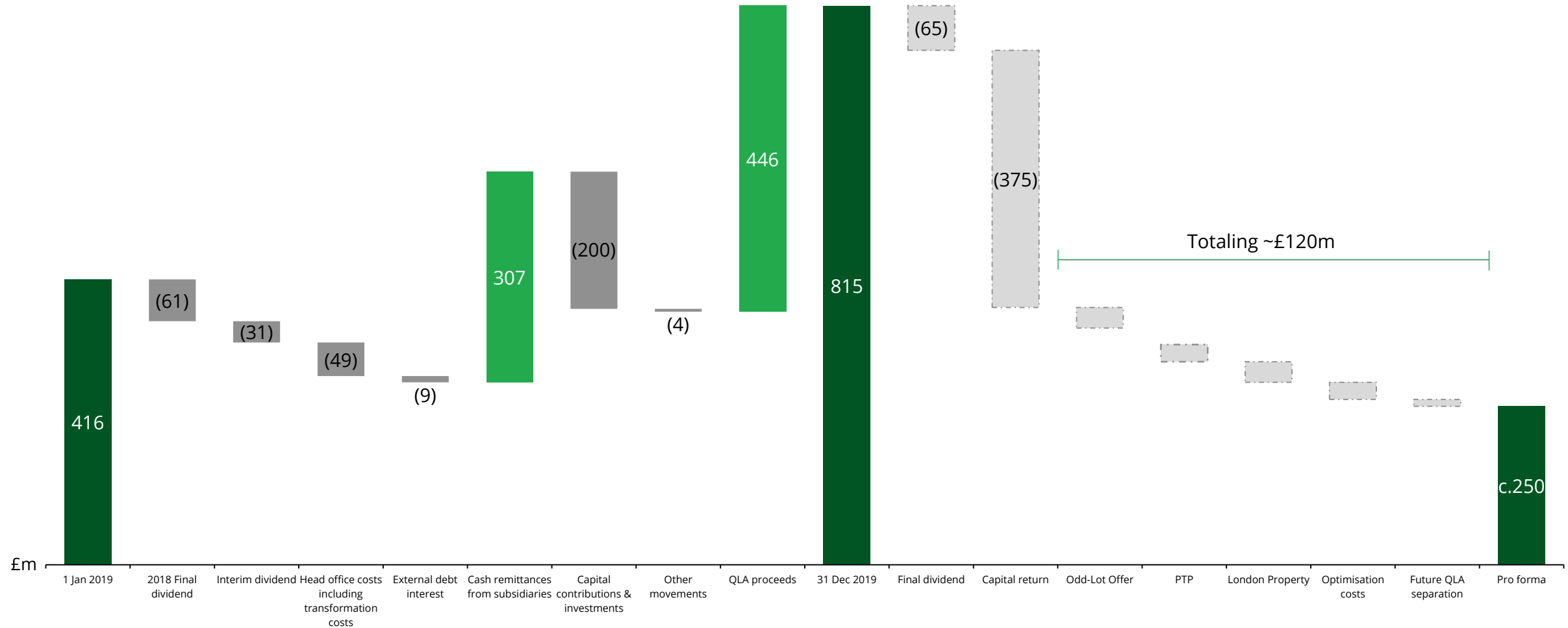
# Continued strong solvency position

## Solvency II ratio

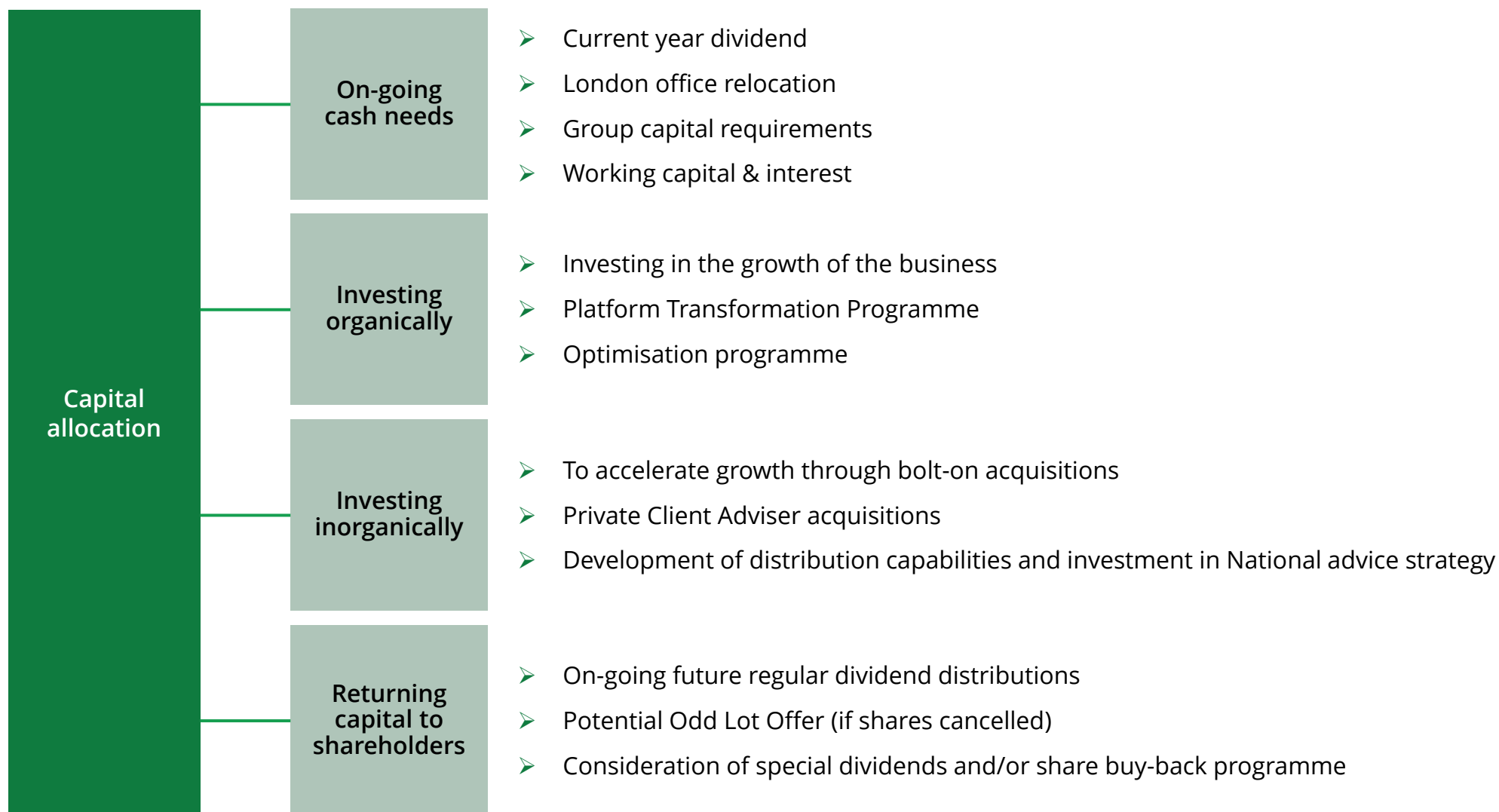


- Solvency II ratio reduced by 10% (pro forma) principally due to QFP acquisitions
- Provides capacity for strategic investments including UK Platform Transformation Programme and bolt-on advice acquisitions
- Liquidity a greater constraint than capital ratio

# Holding company cash



# Capital management philosophy





# Investment case and 2020 outlook

Quilter

# Quilter investment case

A unique combination of capabilities, scale and market positions

---

1

Full service wealth manager providing choice and delivering good customer outcomes

2

Leading positions across one of the world's largest wealth markets with strong structural growth drivers

3

Multi-channel proposition and investment performance driving integrated flows and long term customer and adviser relationships

4

Attractive top-line growth and the opportunity for operating leverage

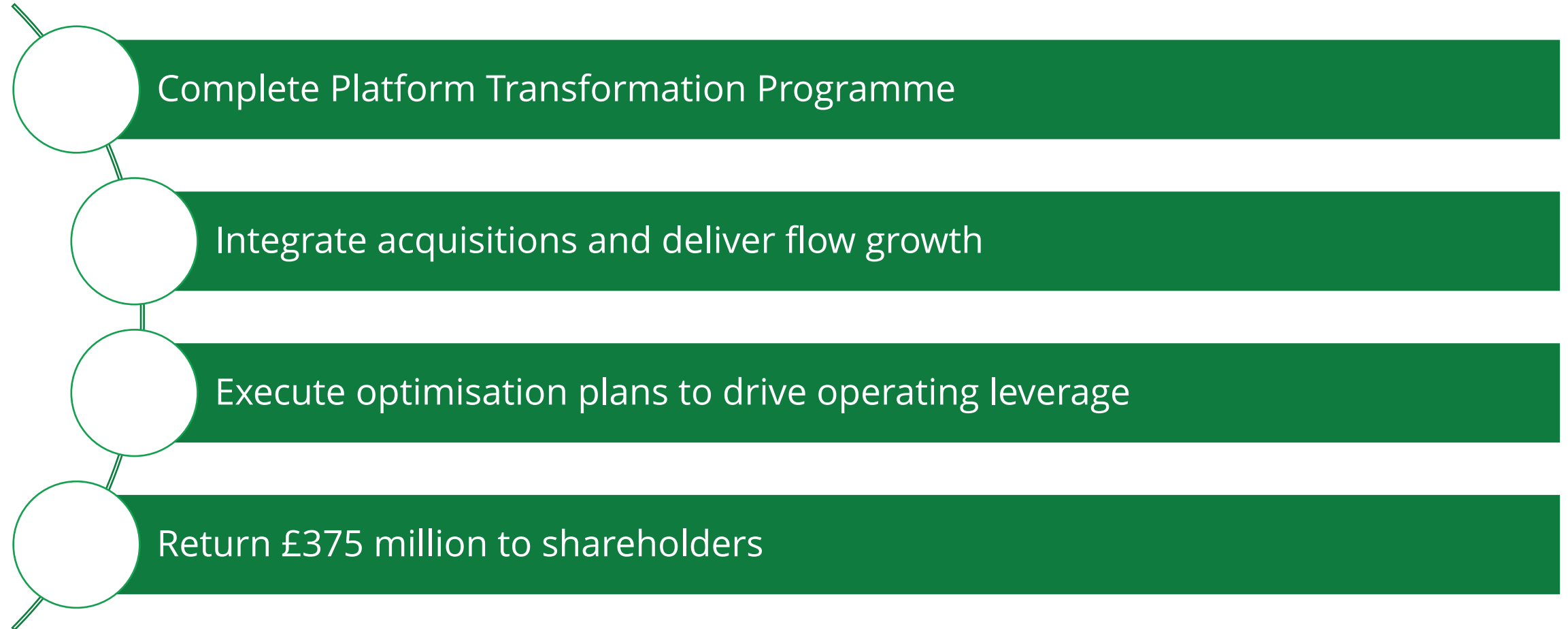
5

Strong balance sheet with low gearing and improving cash generation to drive shareholder returns



## Key focus for 2020

---



# Building a modern, advice-led wealth manager



## 2017 & prior

- Managed separation announced
- PTP launched
- Sold European life books
- Advice ambitions developed
- Acquired Intrinsic
- Private Client Advisers build-out initiated
- Acquired Quilter Cheviot

## 2018

- Managed separation completed
- Listed on LSE/JSE
- Single Strategy Asset Manager sold
- £221m special dividend paid
- Repaid £300m debt
- FCA investigation into Life Assurance closed
- Quilter Investors build-out commenced
- Quilter International refocused

## 2019

- Quilter Life Assurance sold
- New UK Platform in soft launch; Migration preparations carried out
- Lighthouse plc & Charles Derby Group acquired
- Quilter Investors build-out completed & proposition expanded
- Focus on Quilter Cheviot IM recruitment
- Optimisation Phase 1 commenced
- Rebranded Quilter Financial Planning

## 2020 & beyond

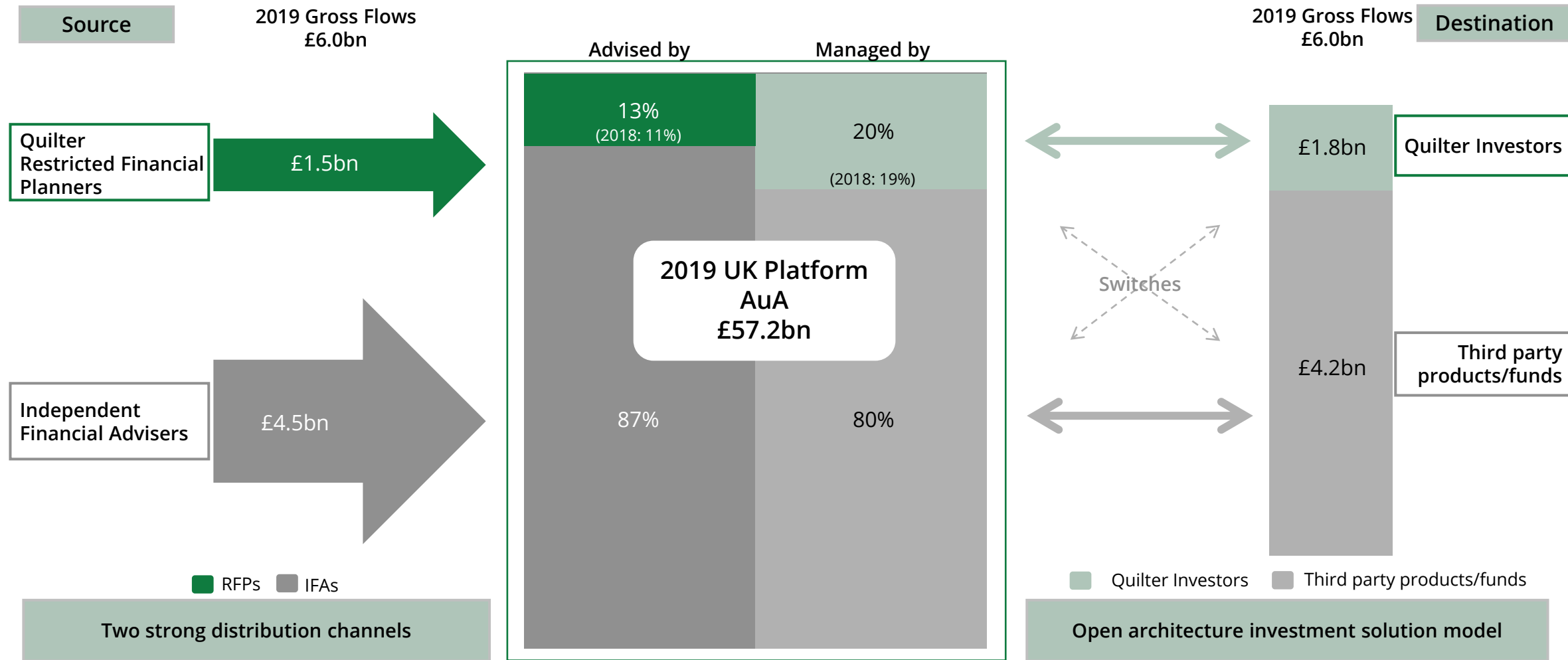
- Migrate remaining UK Platform
- Rebrand UK Platform & International
- Support adviser acquisitions to drive flow
- Leverage new UK Platform's capabilities
- Broaden Quilter Investors' proposition
- Complete Optimisation Phase 1
- Commence Optimisation Phase 2 planning
- Deliver further operational leverage
- Return QA proceeds to shareholders



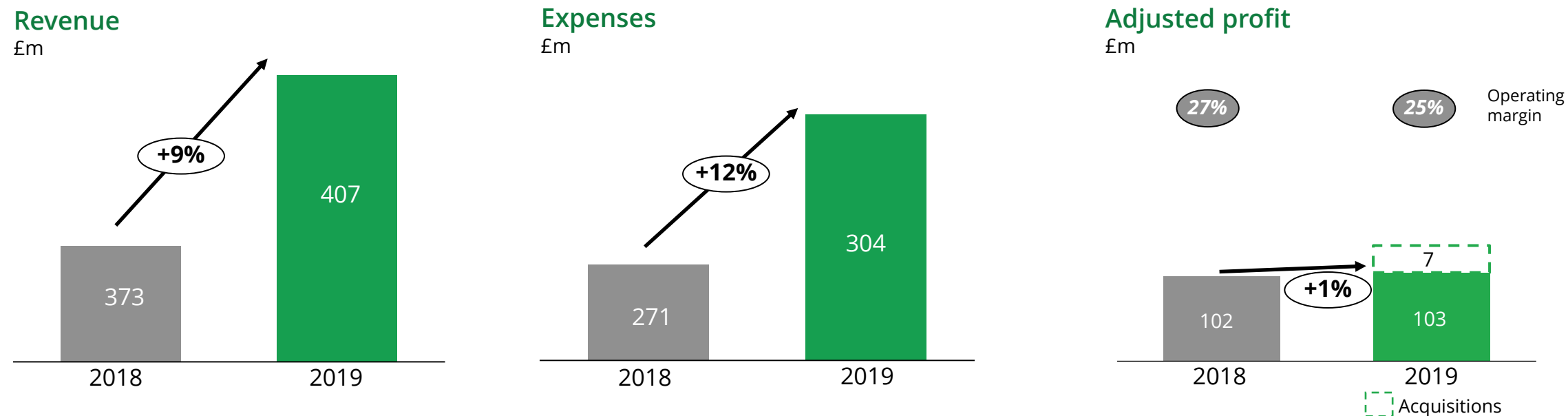
**Appendix**

**Quilter**

# The new UK Platform is the heart of Quilter



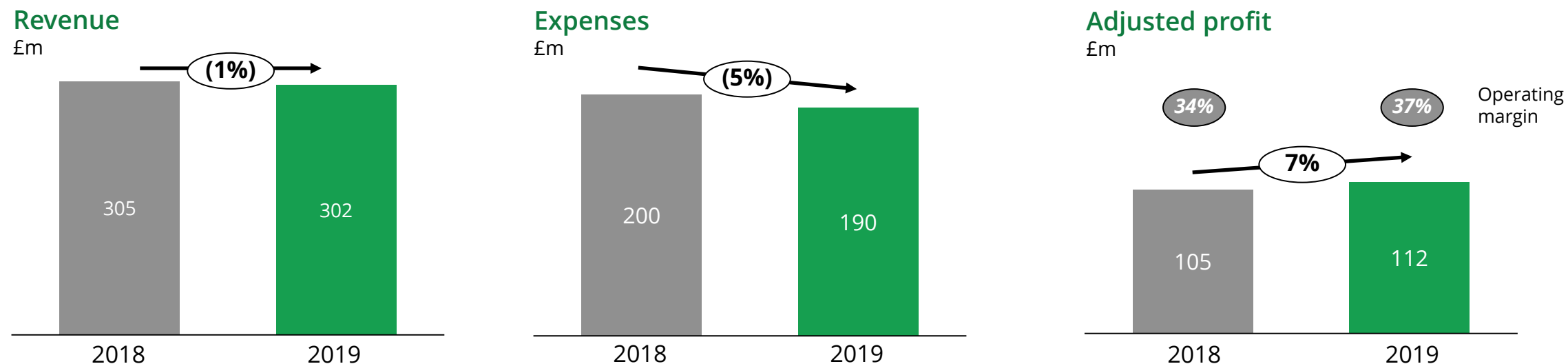
# Advice and Wealth Management: building foundations for growth



- Advice revenues up 18%, of which 16% from acquisitions
- Lower productivity in Quilter Financial Planning resulting from acquisition integration drag and general market sentiment
- Quilter Investors' revenue margin supported by additional income in relation to Merian separation; stable margins in Quilter Cheviot
- 9% expense increase due to investment in distribution

| KPIs               |     | 2018 | 2019  |
|--------------------|-----|------|-------|
| Revenue margin     | bps | 65   | 67    |
| NCCF               | £bn | 3.5  | (0.3) |
| NCCF / Opening AuM | %   | 8    | (1)   |
| Closing AuM        | £bn | 40.7 | 45.8  |
| Average AuM        | £bn | 42.3 | 44.0  |

# Wealth Platforms: solid performance, improved profitability



- Wealth Solutions' revenues up 4%
- International revenues declined, with improved NCCF performance offset by lower margin new business
- Expense reductions achieved in International, driving positive operating leverage
- Asset retention remained strong
- Revenue margin decrease in line with expectations
  - Continue to reinvest in customer proposition

| KPIs                     |     | 2018 | 2019 |
|--------------------------|-----|------|------|
| Revenue margin           | bps | 40   | 38   |
| NCCF                     | £bn | 3.4  | 1.4  |
| NCCF / Opening AuA       | %   | 5    | 2    |
| Closing AuA <sup>1</sup> | £bn | 67.7 | 77.7 |
| Average AuA <sup>1</sup> | £bn | 70.0 | 73.7 |

Note: All figures exclude QLA unless otherwise stated.  
 1. Based on gross AuA excluding eliminations.

# Updated financial guidance

|  | Previous guidance  | Updates to guidance   |
|--|--|---|
| Optimisation & operating margin target (pre-tax) | <ul style="list-style-type: none"> <li>➤ <b>Optimisation:</b> £75m one-off costs to deliver optimisation phase 1 initiatives, with c.50% incurred by end of 2019</li> <li>➤ <b>Target:</b> Targeting c.2 percentage point improvement in operating margin by 2020 (27%) and a further 2 percentage points by 2021 (29%), assuming broadly normal market performance from around current levels, together with steady net flows</li> <li>➤ 2018 &amp; 2019 will bear full impact of standalone costs, likely leading to a small decrease in our current operating margin prior to 2020</li> </ul> | <ul style="list-style-type: none"> <li>➤ No change. Coronavirus-induced correction makes this a challenge if market levels remain depressed</li> </ul>  |
| Tax rate   | <ul style="list-style-type: none"> <li>➤ Corporate tax rate to remain below UK marginal rate, due to profit mix and lower tax rate in International</li> </ul>   | <ul style="list-style-type: none"> <li>➤ ETR expected to trend to 10-13% reflecting International's profits, use of capital losses as well as the UK corporation tax rate (reduction to 17% from 1 April 2020 was enacted in 2016)</li> </ul> |
| Share count                                      | <ul style="list-style-type: none"> <li>➤ Shares in respect of staff share schemes expected to vest over the next two years. Future share awards will then be satisfied through on-market purchases</li> </ul>  | <ul style="list-style-type: none"> <li>➤ OLO shares to be housed in Treasury to fund future staff share schemes</li> <li>➤ Buyback shares to be cancelled at purchase</li> </ul>  |
| London relocation                                | <ul style="list-style-type: none"> <li>➤ Relocation anticipated to increase property costs by £10m in 2020 while we incur some dual-running costs, and c.£5m of ongoing additional costs thereafter</li> </ul>   | <ul style="list-style-type: none"> <li>➤ No change</li> </ul>   |
| UK Platform Transformation Programme             | <ul style="list-style-type: none"> <li>➤ Costs incurred to be approximately £185m in total over the programme</li> </ul>   | <ul style="list-style-type: none"> <li>➤ No change</li> </ul>   |

# Updated financial guidance continued

|                                       | Previous guidance   | Updates to guidance  |
|---------------------------------------|---|--|
| Net client cash flow                  | <ul style="list-style-type: none"> <li>➤ <b>Target:</b> NCCF of 5% of opening AuMA (excluding QLA) per annum over medium-term</li> </ul>  | <ul style="list-style-type: none"> <li>➤ No change to target over the medium-term and expect to build back to target by mid-2021 following PTP completion and once impact of departed IMs fades</li> </ul> |
| Revenue margin                        | <ul style="list-style-type: none"> <li>➤ Subject to delivering expected AuMA volumes and mix, overall Quilter annual rate of revenue margin decline to slow</li> <li>➤ Sale of Quilter Life Assurance will reduce the Group revenue margin by c.1bp and the Wealth Platforms segment revenue margin by c.3bp</li> </ul> | <ul style="list-style-type: none"> <li>➤ Continue to expect gradual decline, as guided, given Platform repricing and expectation for normalisation of Quilter Investors' margin progression</li> </ul>     |
| Managed separation & standalone costs | <ul style="list-style-type: none"> <li>➤ Standalone listed group operating costs now reflected in cost base at full run-rate</li> <li>➤ Further c.£12m below-the-line costs in 2019, principally in re-branding</li> </ul>  | <ul style="list-style-type: none"> <li>➤ Remaining £6m managed separation costs to be incurred in 2020, principally re-branding</li> </ul>   |
| LTIP costs                            | <ul style="list-style-type: none"> <li>➤ New Quilter Performance Shareplan will result in additional LTIP staff costs in 2018 and later years</li> <li>➤ LTIP costs to increase steadily on a phased basis to approximately £15m per annum by 2020</li> </ul>   | <ul style="list-style-type: none"> <li>➤ No change</li> </ul>  |








# Updated financial guidance continued

|                          | Previous guidance  | Updates to guidance   |
|--------------------------|--|---|
| <b>Debt costs</b>        | <ul style="list-style-type: none"> <li>➤ £200m subordinated debt at 4.478%</li> </ul>  | <ul style="list-style-type: none"> <li>➤ No change</li> </ul>   |
| <b>Cash conversion</b>   | <ul style="list-style-type: none"> <li>➤ Approximately 80% of post-tax operating profit from continuing operations into free cash, partially used to fund debt servicing costs and targeted distribution acquisitions</li> <li>➤ Distribution acquisitions expected to be up to £20m p.a.</li> </ul> | <ul style="list-style-type: none"> <li>➤ No change</li> <li>➤ No change</li> </ul>  |
| <b>Dividend</b>          | <ul style="list-style-type: none"> <li>➤ Board to walk up the target 40-60% pay-out ratio from point of Listing</li> </ul>   | <ul style="list-style-type: none"> <li>➤ Expect 2020 dividend pay-out ratio to be at the top end of target pay-out range</li> <li>➤ Dividend per share growth dependant on pace of share buyback</li> </ul> |
| <b>Capital</b>           | <ul style="list-style-type: none"> <li>➤ Subordinated debt security issued to ensure sufficient capital and liquidity to maintain strong capital ratios and free cash balances to withstand severe but plausible stress scenarios</li> </ul>   | <ul style="list-style-type: none"> <li>➤ No change</li> </ul>   |
| <b>Other items</b>       |  |   |
| <b>Seasonal dynamics</b> | <ul style="list-style-type: none"> <li>➤ FSCS levies paid in first half of year</li> </ul>   | <ul style="list-style-type: none"> <li>➤ No change</li> </ul>   |

# Environmental, Social & Governance credentials

Quilter's ESG strategy is set out in our Shared Prosperity Plan

| Theme                        | 2025 commitments   | Lead KPIs   | UN SDGs   |
|------------------------------|--|---|---|
| Financial wellbeing          | <ul style="list-style-type: none"> <li>Improve access to financial guidance and advice for customers</li> <li>Promote financial wellbeing for all our colleagues</li> <li>Empower young people to manage their money well for life</li> </ul>      | <ul style="list-style-type: none"> <li>Financial Adviser School graduates</li> <li>Colleagues in share save scheme</li> <li>Number of young people benefiting from financial education</li> </ul> |   |
| Inclusive growth             | <ul style="list-style-type: none"> <li>Create an inclusive culture at work that embraces diversity</li> <li>Enable colleagues and communities to thrive in work</li> <li>Empower customers to be more engaged in their financial future</li> </ul> | <ul style="list-style-type: none"> <li>% of women in senior management</li> <li>Colleague engagement NPS score</li> <li>% customers digital access</li> </ul>                                     |   |
| Responsible investment       | <ul style="list-style-type: none"> <li>Embed responsible investment principles across our business</li> <li>Exercise active stewardship of our customers' assets</li> <li>Reduce the environmental intensity of our activities</li> </ul>          | <ul style="list-style-type: none"> <li>PRI score</li> <li>Voting &amp; engagement</li> <li>Tonnes CO<sub>2</sub>e per colleague</li> </ul>  |   |
| Responsible business conduct | <ul style="list-style-type: none"> <li>Operate responsibly</li> </ul>  | <ul style="list-style-type: none"> <li>% colleagues code of conduct training</li> </ul>   |   |



FTSE4Good  
Included in FTSE4Good  
Index Series



ESG rating: BBB



ESG risk rating:  
28/100  
Overall ESG score: 51



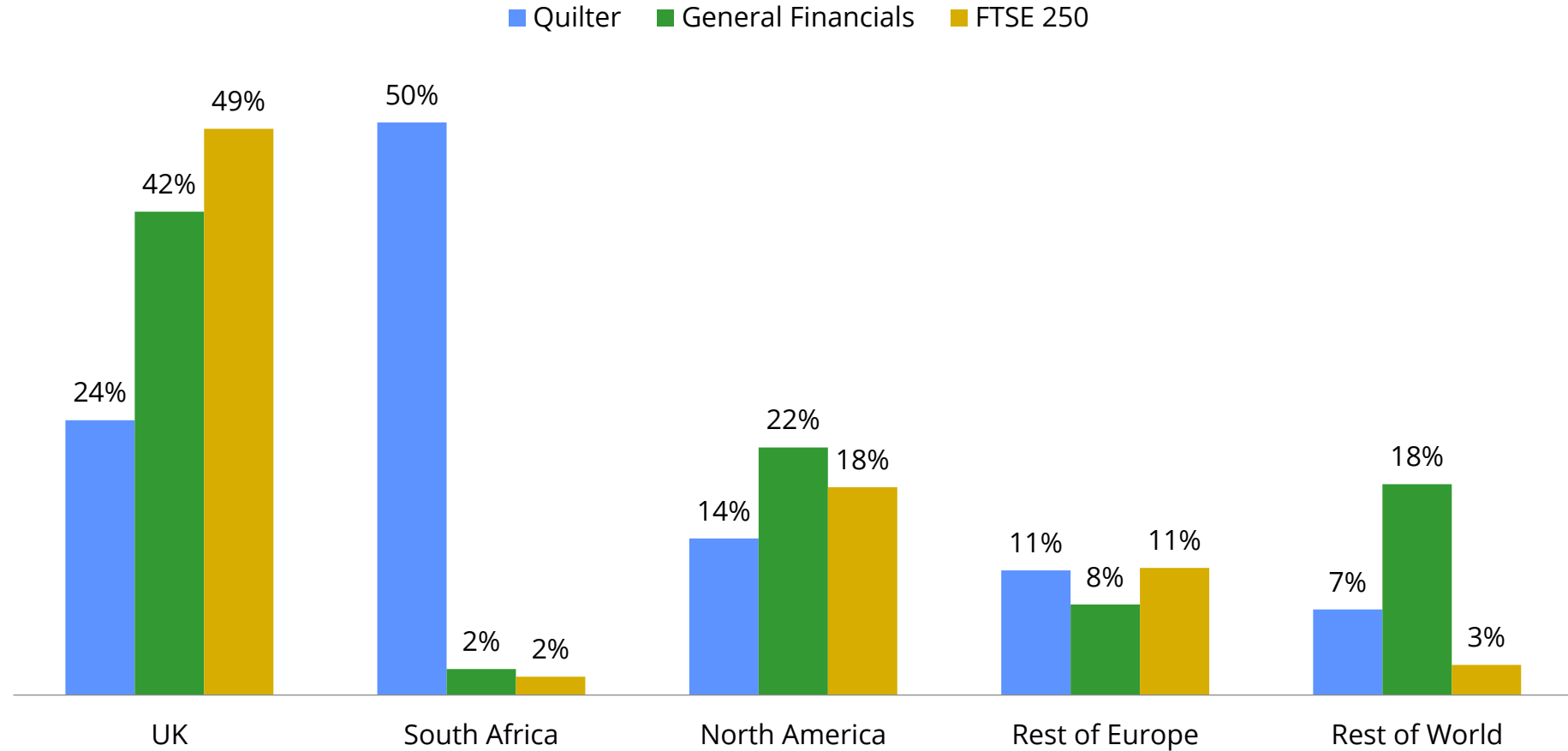
First disclosure due  
March 2020



Environmental  
stewardship score: B-

# Register structure by geography

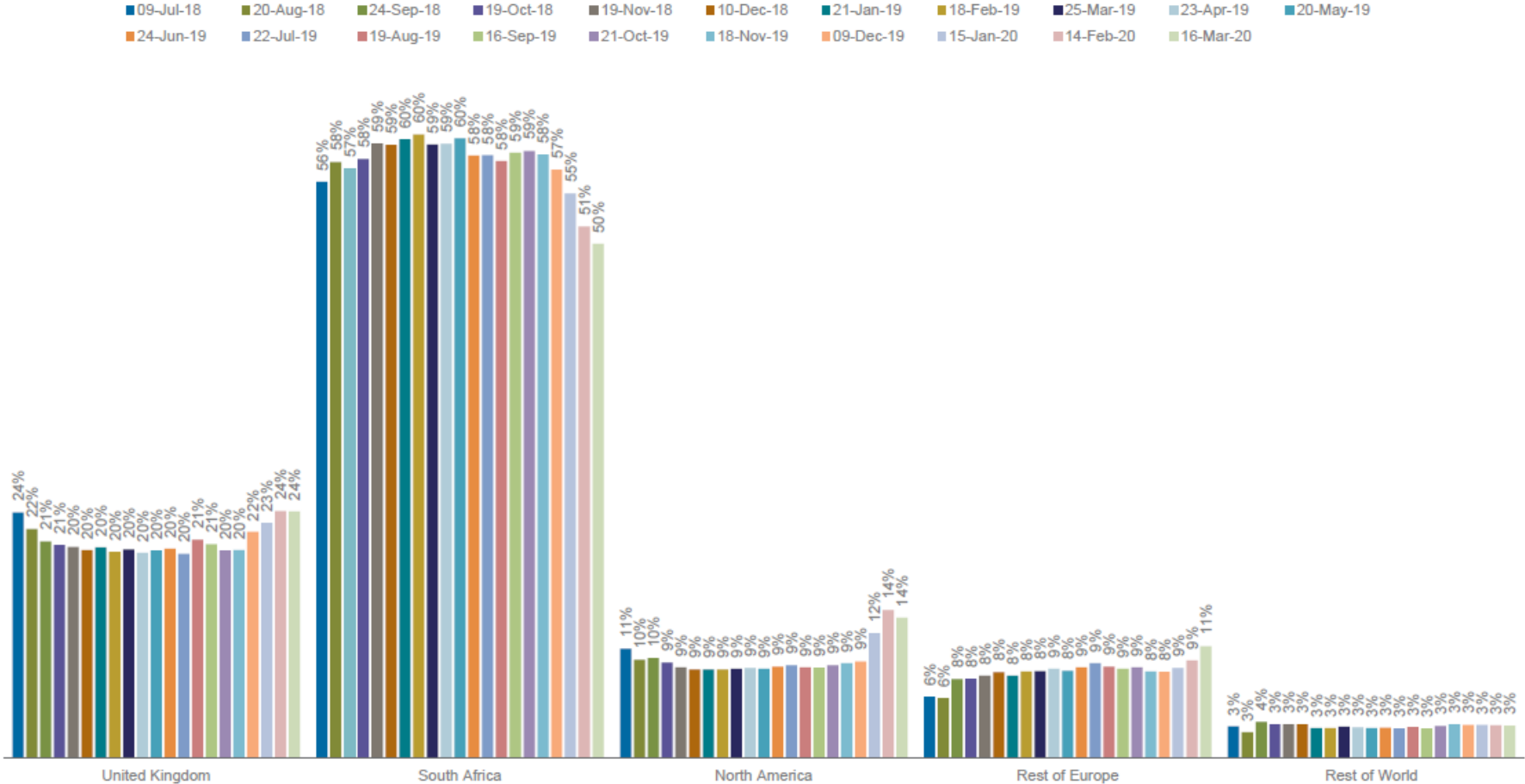
## Company analysis vs key benchmark data



As at 16 March 2020

# Register structure over time

## Company analysis over time



As at 16 March 2020

# Contacts

---

## Investor enquiries

|                     |    |  |
|---------------------|----|--|
| John-Paul Crutchley | UK | +44 207 002 7016<br><a href="mailto:john-paul.crutchley@quilter.com">john-paul.crutchley@quilter.com</a> |
| Keilah Codd         | UK | +44 207 002 7054<br><a href="mailto:keilah.codd@quilter.com">keilah.codd@quilter.com</a>                 |

## Media enquiries

|                   |    |  |
|-------------------|----|--|
| Jane Goodland     | UK | +44 77 9001 2066<br><a href="mailto:jane.goodland@quilter.com">jane.goodland@quilter.com</a>         |
| Tim Skelton-Smith | UK | +44 78 2414 5076<br><a href="mailto:tim.skelton-smith@quilter.com">tim.skelton-smith@quilter.com</a> |

### *Camarco*

|                      |    |                  |
|----------------------|----|------------------|
| Geoffrey Pelham-Lane | UK | +44 203 757 4985 |
|----------------------|----|------------------|

### *Aprio*

|                |    |                 |
|----------------|----|-----------------|
| Julian Gwillim | SA | +27 11 880 0037 |
|----------------|----|-----------------|

# Disclaimer

---

This presentation should be read in conjunction with the announcement published by Quilter plc on 11 March 2020.

This presentation may contain certain 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 several scenarios of the UK's future relationship with the EU in relation to financial services, 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.

Quilter plc undertakes no obligation to update the forward-looking statements contained in this presentation or any other forward-looking statements it may make.

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.



Quilter