



UBS Investor Presentation

7 June 2023

Quilter

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Agenda

Time	Session	Presenter
13:00-13:30	Welcome	Steven Levin
13:30-14:00	Distribution	Steve Gazard
14:00-14:25	Proposition	Marcus Brookes
14:25-14:35	<i>Break</i>	
14:35-15:00	High Net Worth	Andy McGlone
15:00-15:30	Finance and operations	Mark Satchel Karin Cook Hanlie van Staden



Steven Levin, CEO

Quilter

Industry context – secular growth with cyclical challenges

UK Wealth market has strong secular growth potential

Market headwinds in 2022 – expect gradually improving sentiment over 2023

Economic downturn, higher interest rates, cost-of-living challenges have impacted flows – expect 2023 to be a year of gradual improvement. Targeting c.2%+ net flows

Adviser consolidation causing market disruption

Business reshaped towards a UK centric focus since Listing

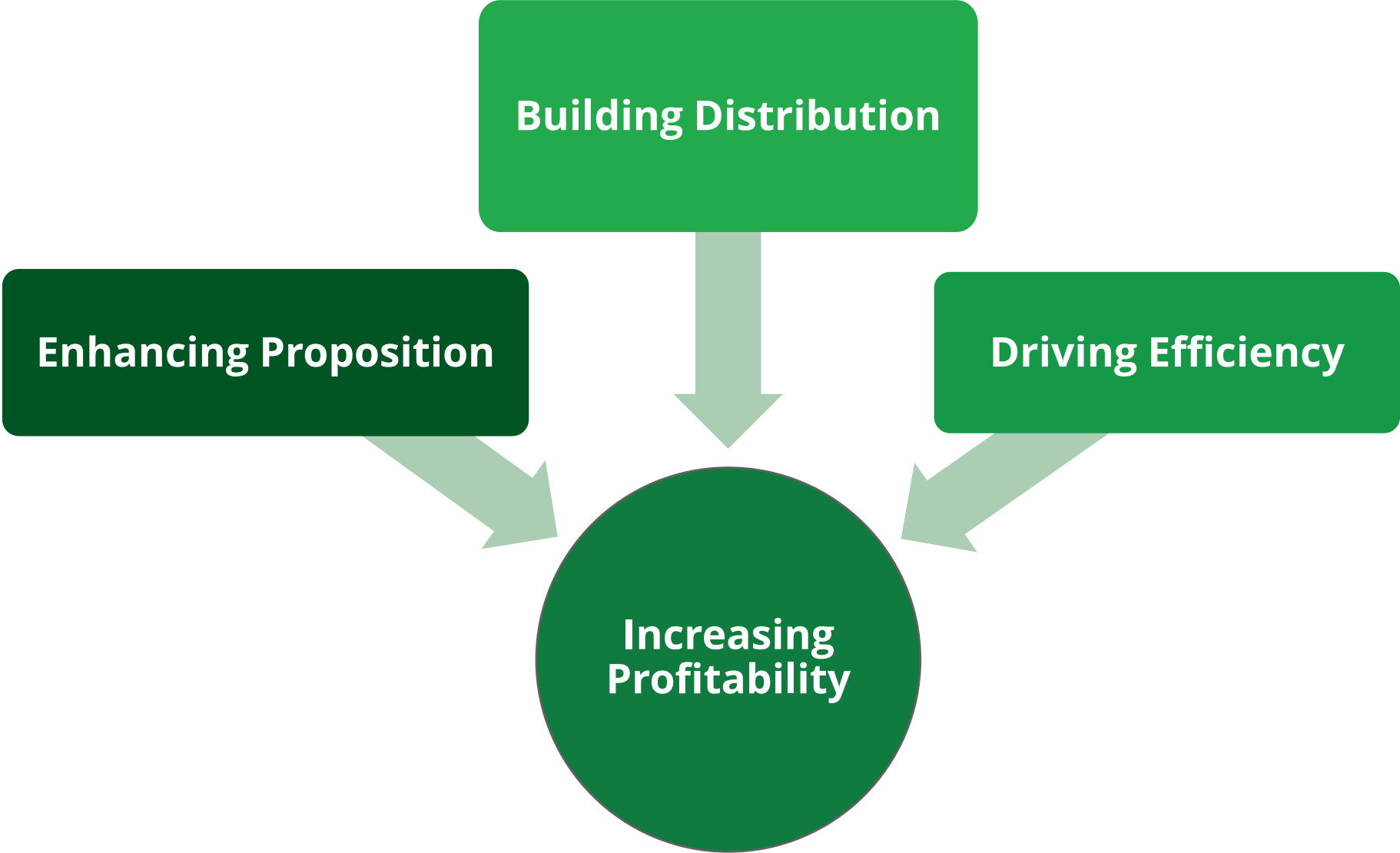
**Refocused on High Net Worth
and Affluent segments
Two scale distribution channels**

**Market leading platform
built on robust technology**

**Significant cost reduction
programmes**

**Capital discipline
c.£1bn returned to shareholders
since Listing**

Focus areas to drive fundamental business improvement



What we are driving for

Operating margin

- 25% in 2025
- 30% longer term goal

Net flows / opening AuMA

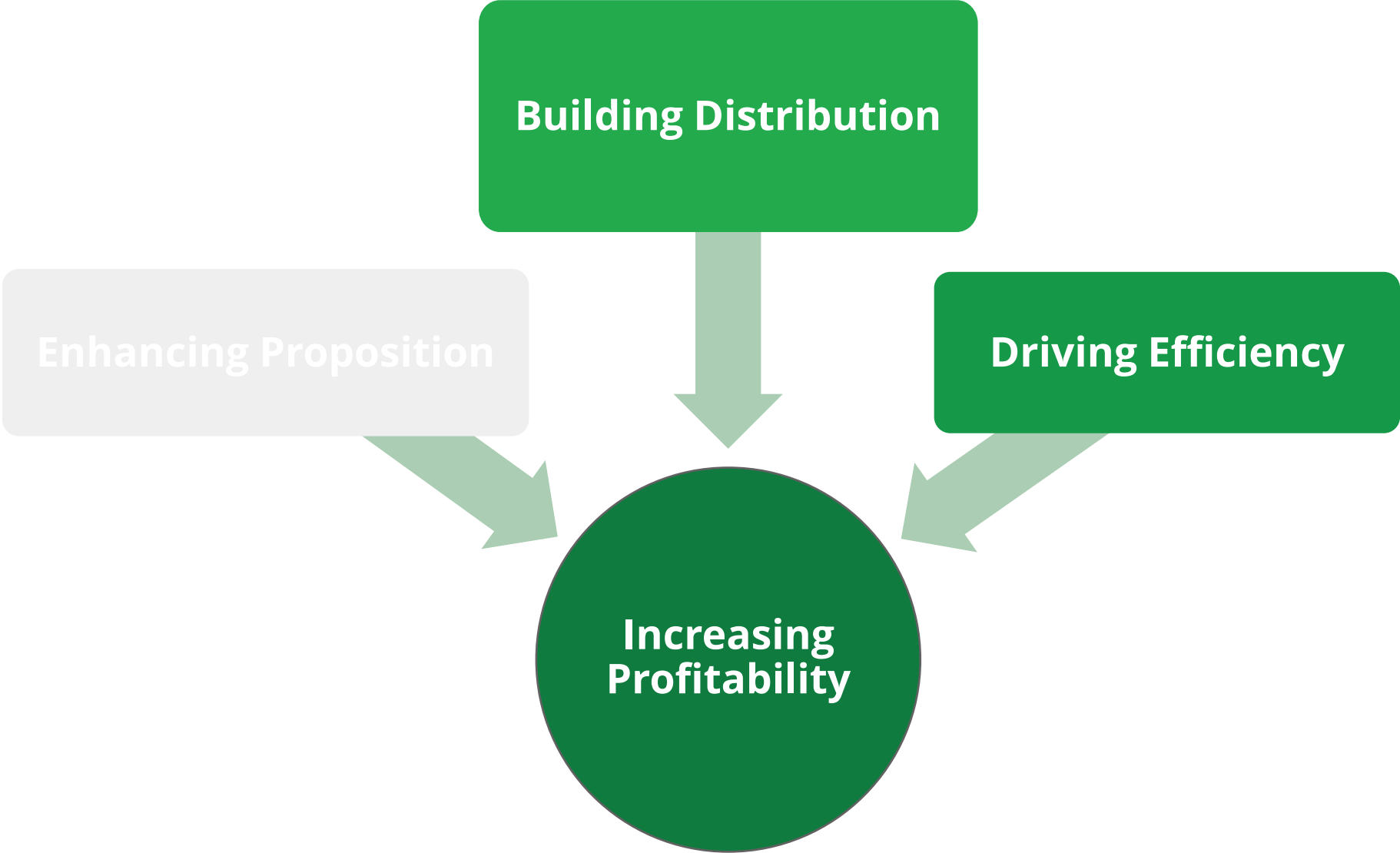
- Incremental improvement in 2023, targeting 2%+ flows
- 4-5% net flows / opening AuMA when markets normalise, and aspire to build momentum further



Distribution Stephen Gazard

Quilter

Focus areas to drive business improvement

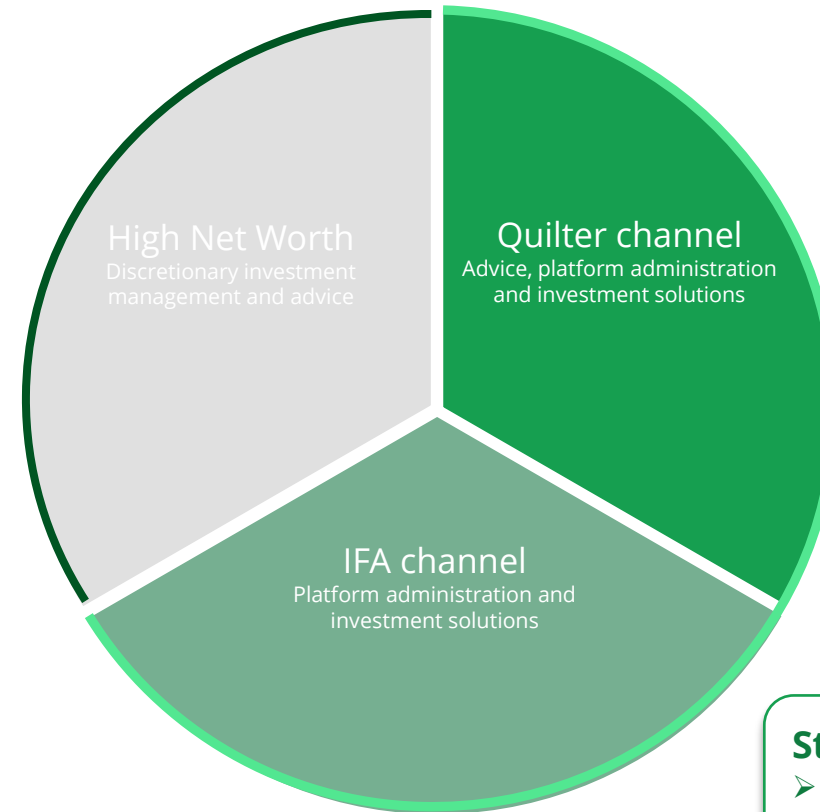


Quilter: strategically well positioned across the UK wealth industry

Three broadly equal revenue streams from our three core franchises

High Net Worth c.£200m

Affluent c.£400m



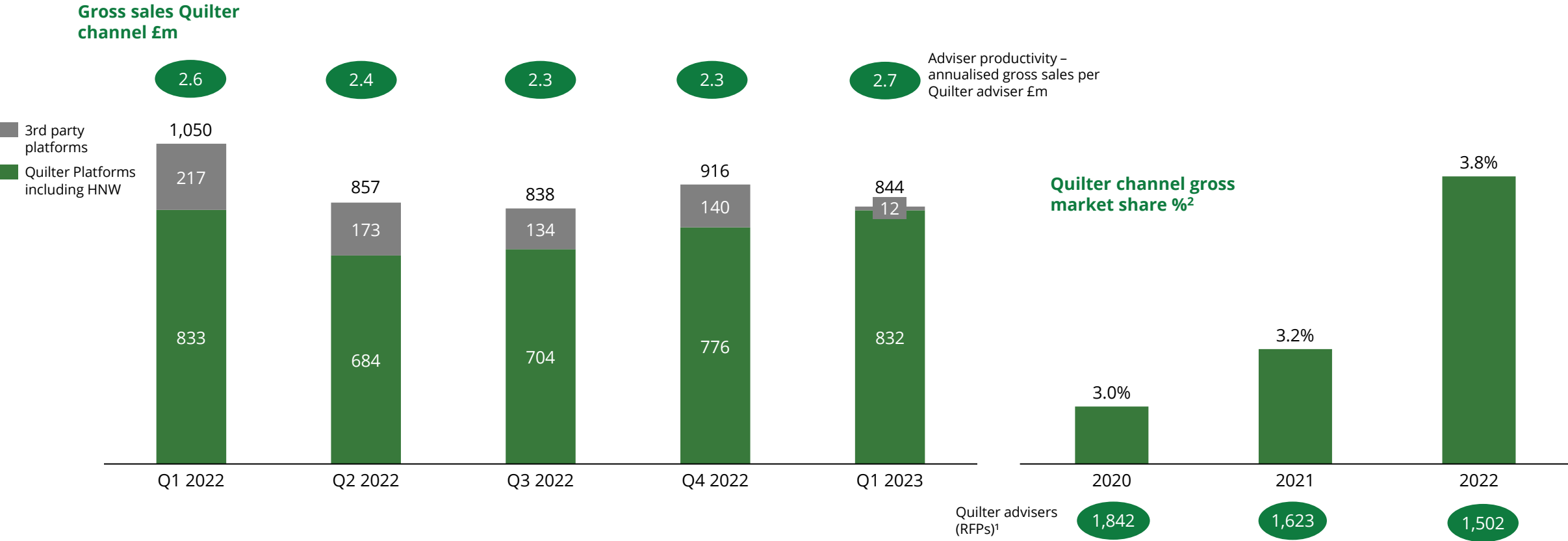
Strategic focus:

- Enhance Quilter advice proposition to increase alignment/retention
- Eliminate IT duplication
- Simplification, business integration and cost reduction

Strategic focus:

- Grow base of larger firms
- Increase strategic partnerships

Focus on driving Quilter channel growth and adviser productivity



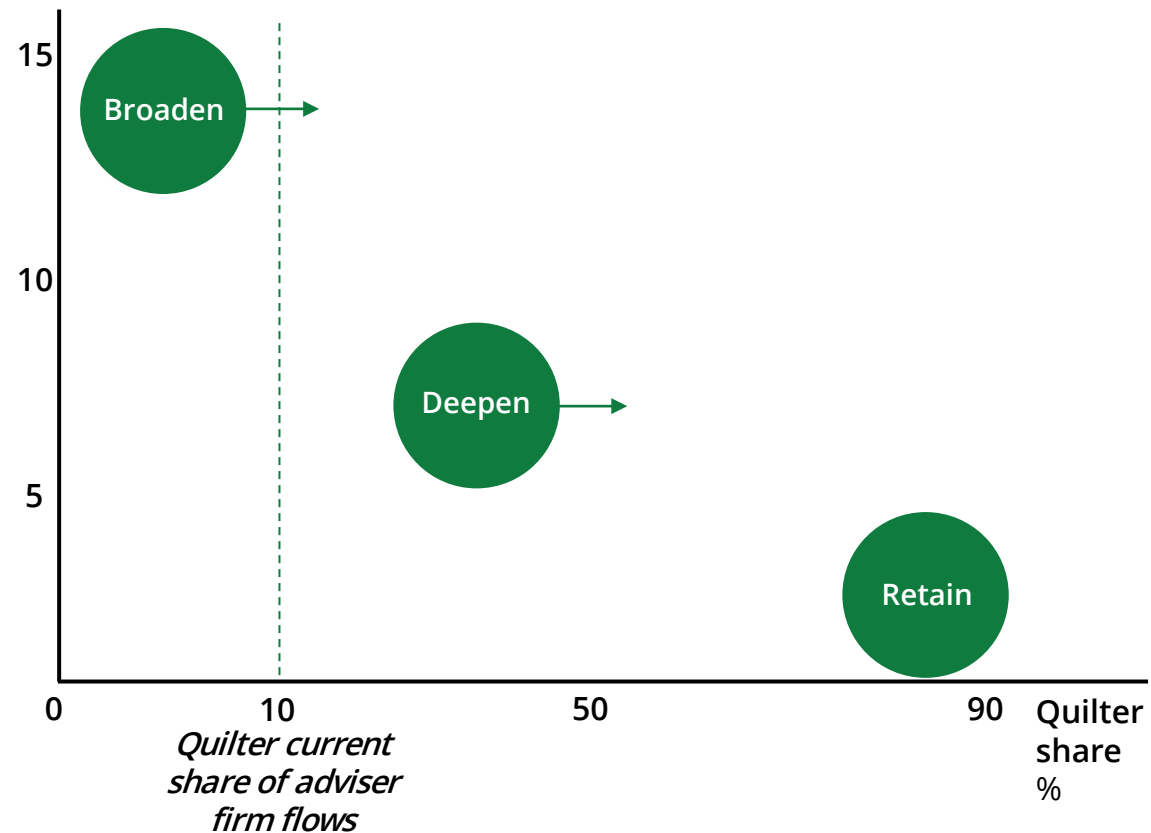
- Focus on strategic alignment and propositions within Quilter Financial Planning, as well as adviser growth
- Investing in our systems to improve quality and adviser experience
- Reducing leakage and removing complexity
- Driving adviser productivity and flows

1. Includes RFPs who are part of the Affluent and High New Worth segments
 2. Based on Quilter channel gross flows as a percentage of total retail gross flows per Fundscape reports – 2020 to 2022

IFA channel growth strategy: broaden, deepen, retain

Accessible market opportunity by targeted adviser firm

Firms' market flows
£bn, annually



“Retain”: Core supporters

- Smaller IFAs where Quilter is principal Platform
- **Service well in a cost efficient manner**

“Deepen”: Large, existing supporters

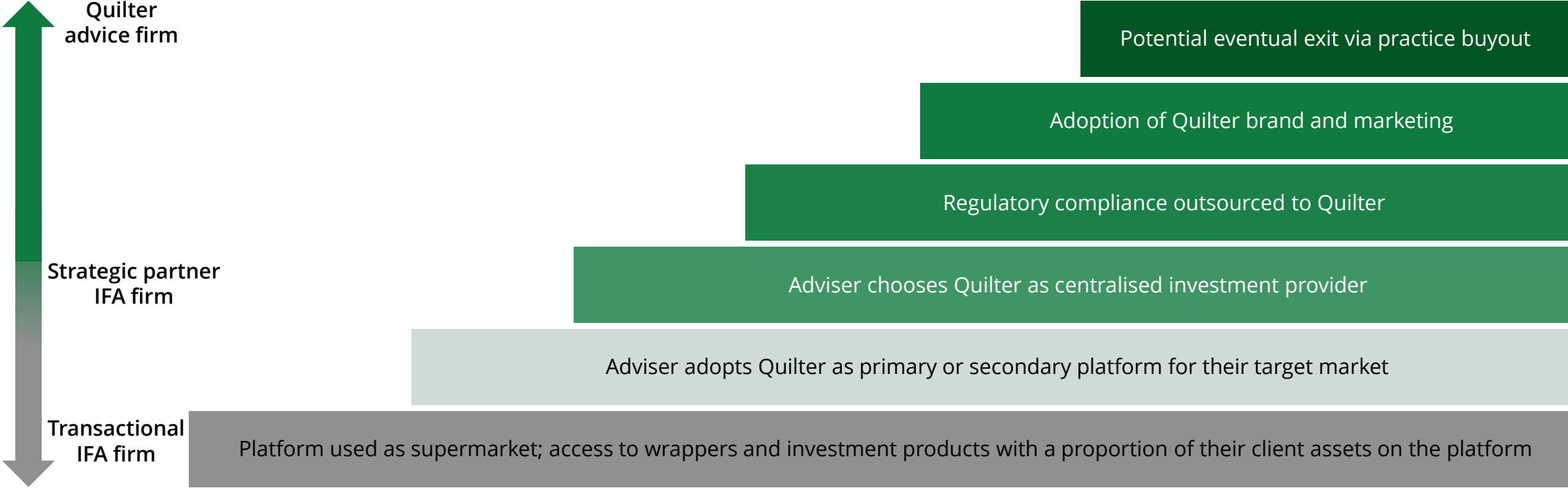
- Large IFAs where Quilter has strong relationship
- **Deepen relationship and grow market share**

“Broaden”: Large, non-supporting advisers

- Large IFAs where Quilter has limited relationship
- c.700 IFA firms
- **Aim to gain significant new market share**

An integrated approach to adviser relationships

Differentiated ability to support advisers across the market unique to Quilter



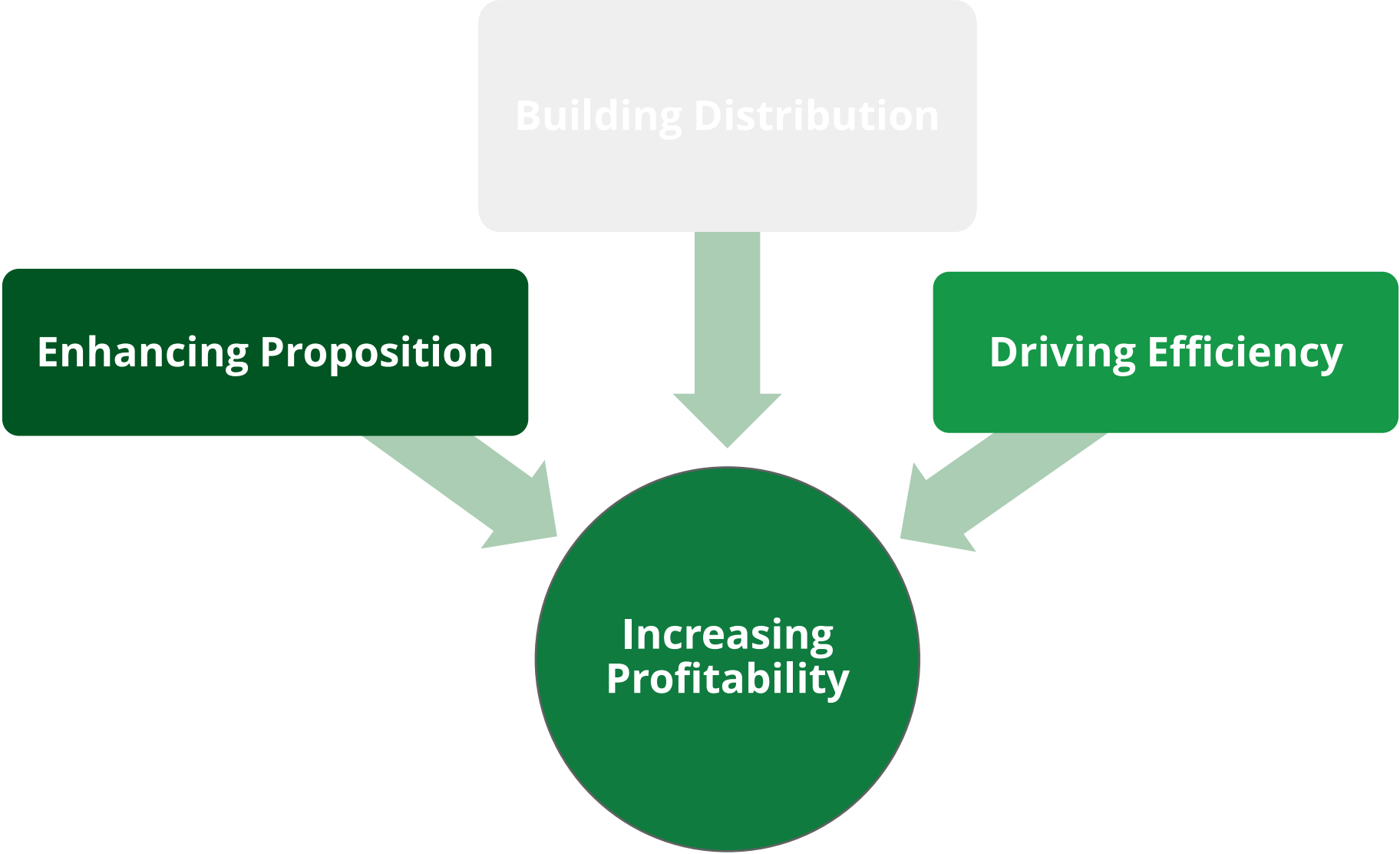


Investment Propositions

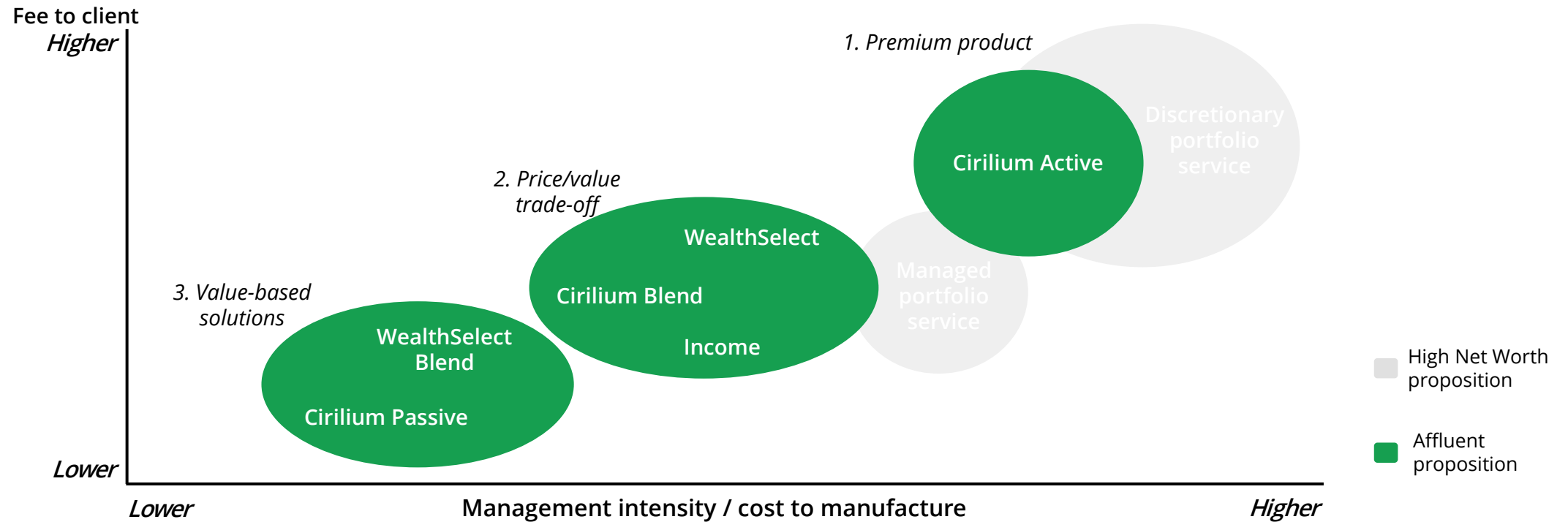
Marcus Brooks

Quilter

Focus areas to drive business improvement



Our solutions strategy to meet client needs



What we have done

1. Changed Cirilium Active portfolio management team to improve consistency and performance
2. Built out new fund research hub
3. Reduced Cirilium Active and Blend charges

Next steps

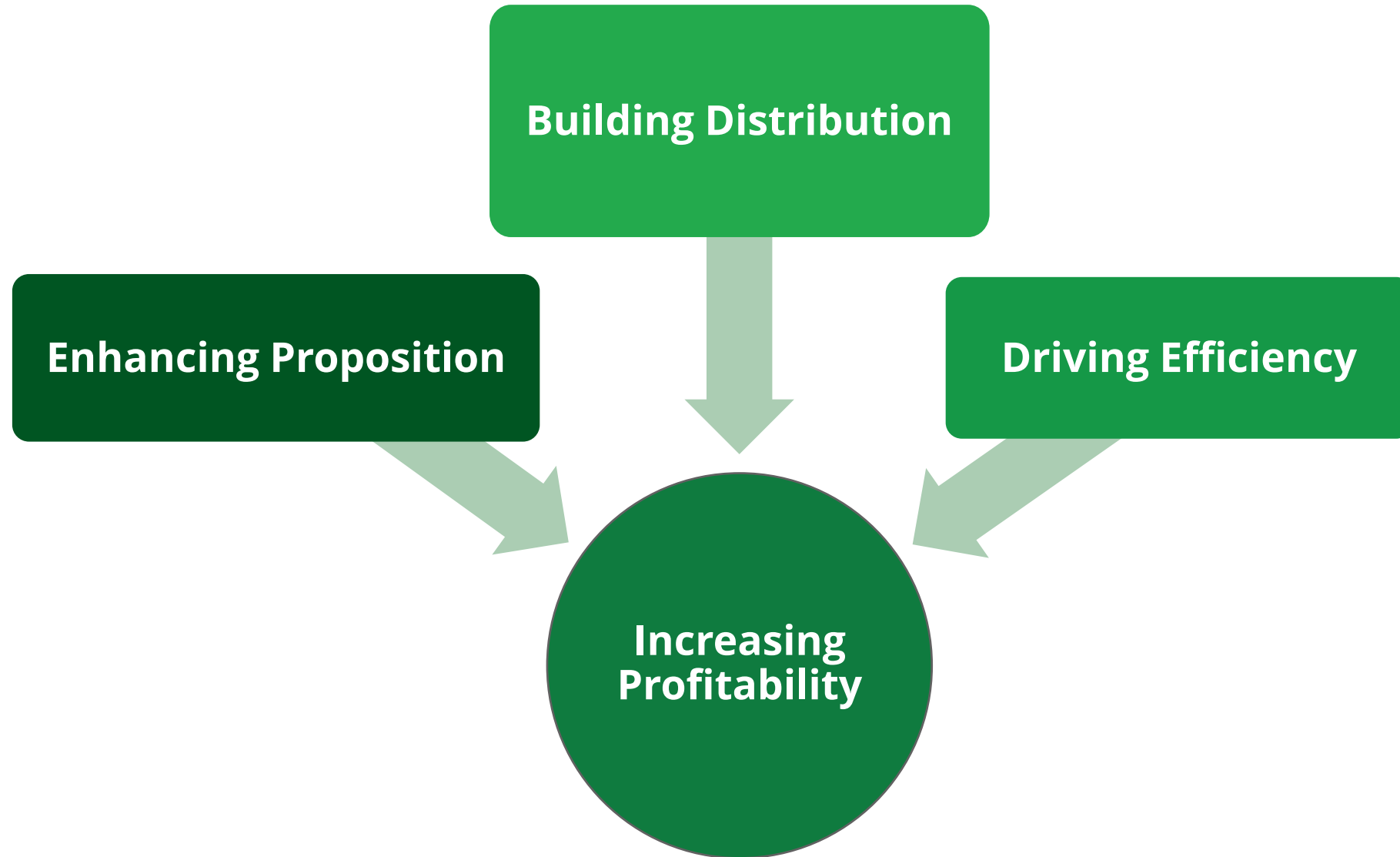
1. Consider WealthSelect on third party platforms
2. Expansion of Cirilium fund range to provide ESG options (Responsible / Sustainable)



High Net Worth Andy McGlone

Quilter

Focus areas to drive business improvement



Quilter: strategically well positioned across the UK wealth industry

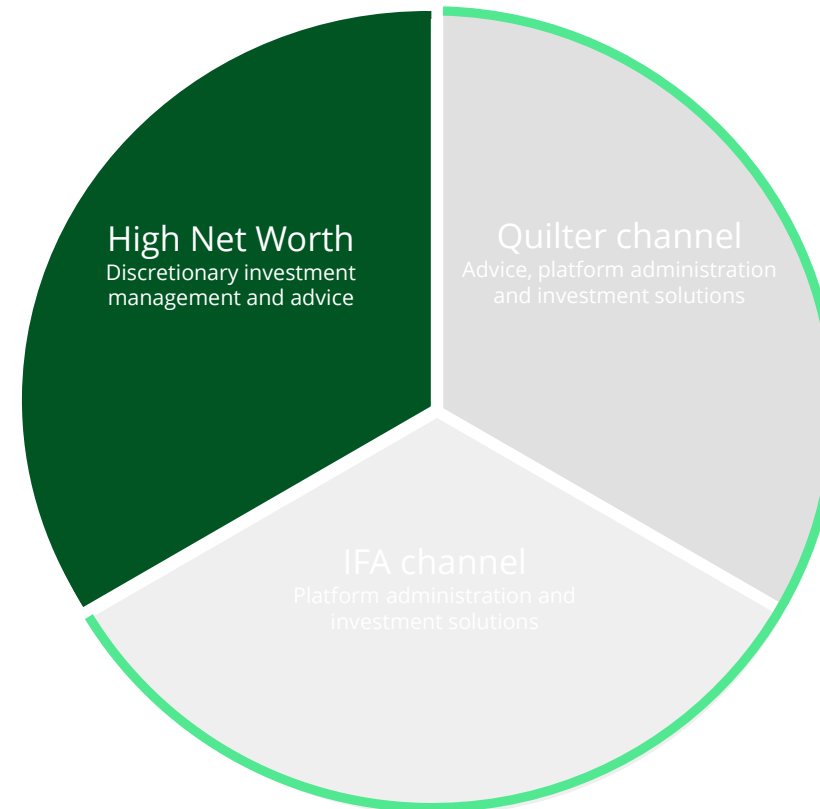
Three broadly equal revenue streams from our three core franchises

High Net Worth c.£200m

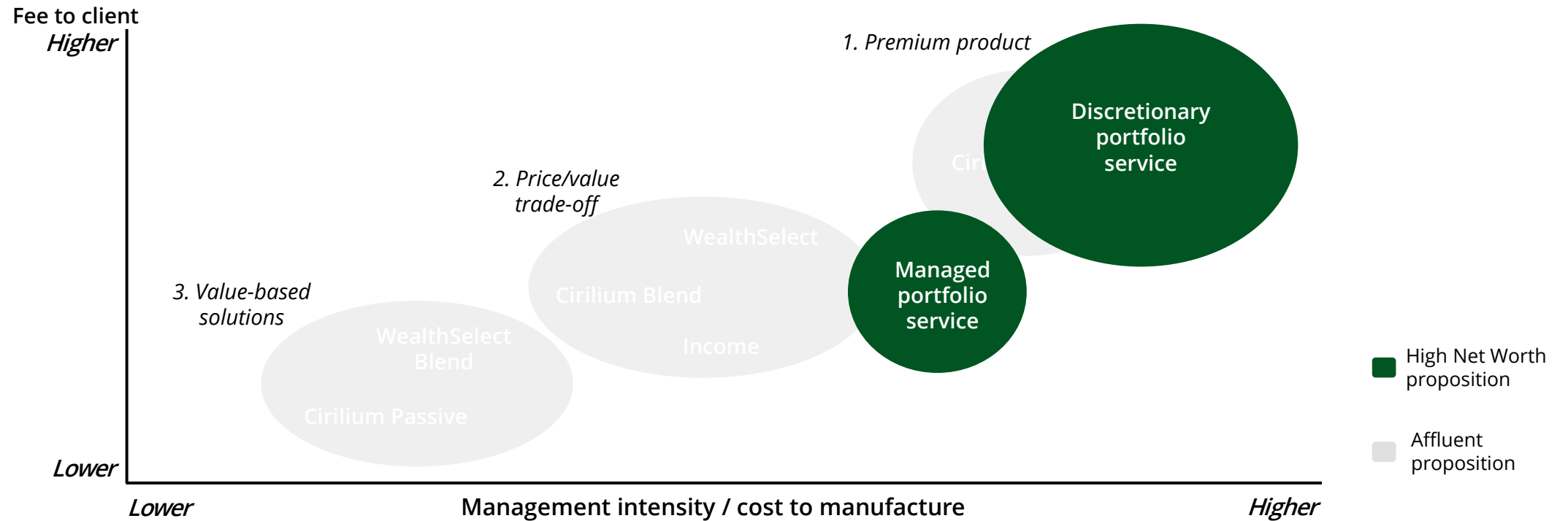
Affluent c.£400m

Strategic focus:

- Improving productivity
- Adding Investment Managers and Advisers

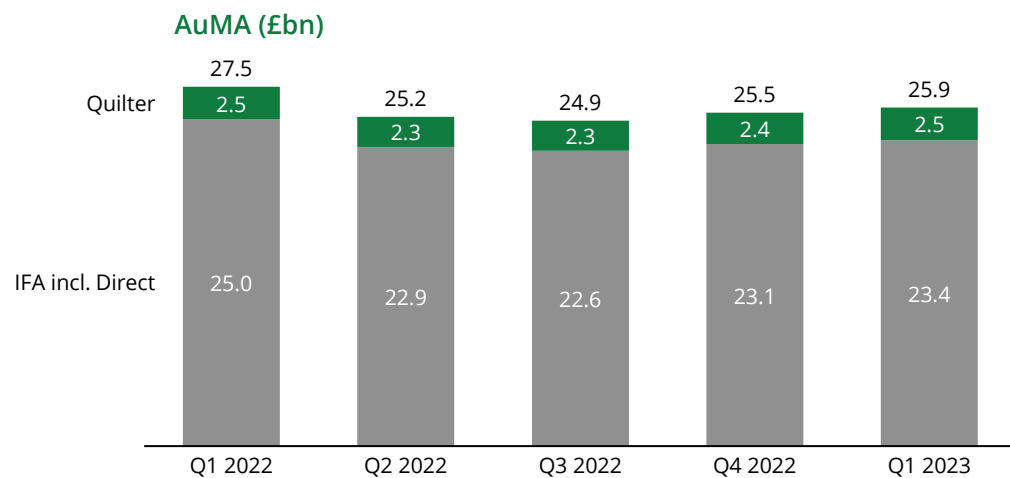
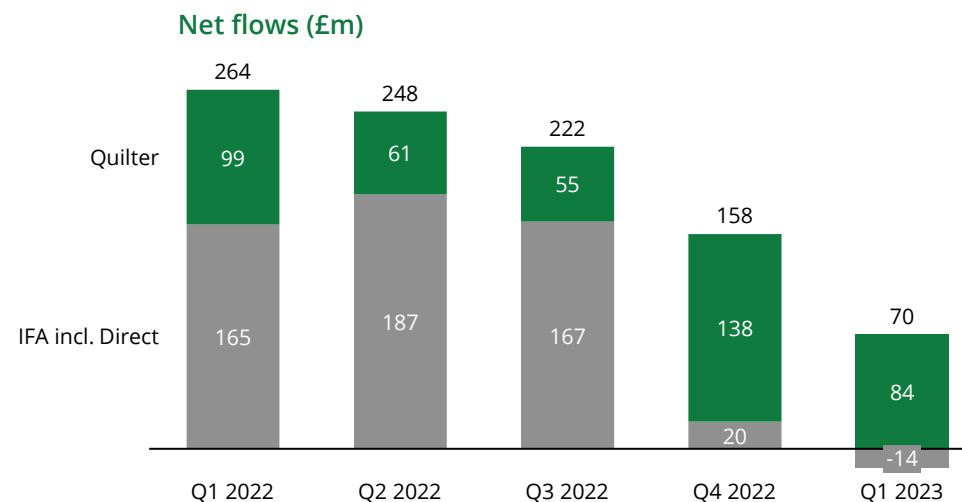
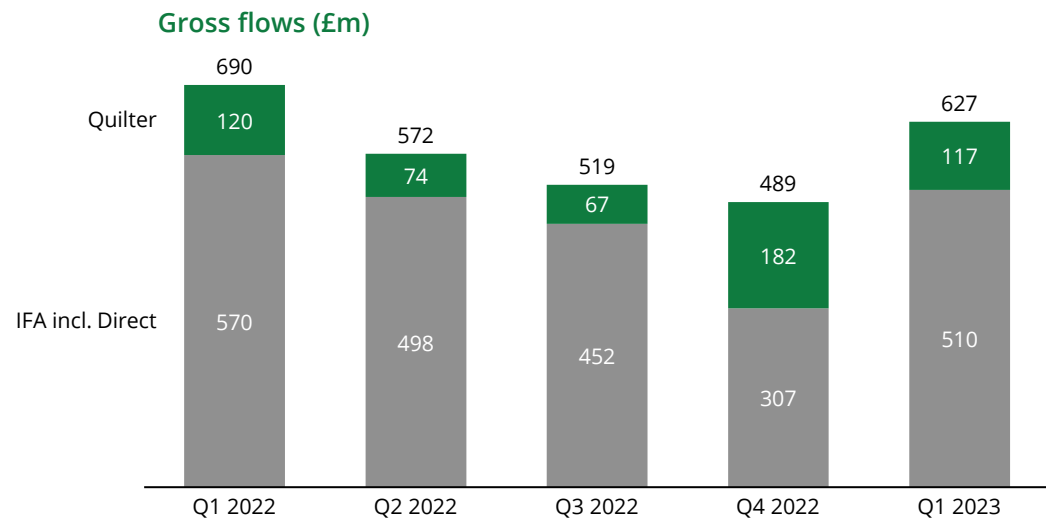


Our solutions strategy to meet client needs



1. Higher pricing differential for more bespoke and actively managed services
2. Offer propositions with appropriate price/ value/ cost to manufacture trade-off for clients who are more value conscious
3. Provide a range of lower fee/ lower cost to manufacture solutions for clients focussed on competitive pricing

High Net Worth – Q1 2023 AuMA and flows



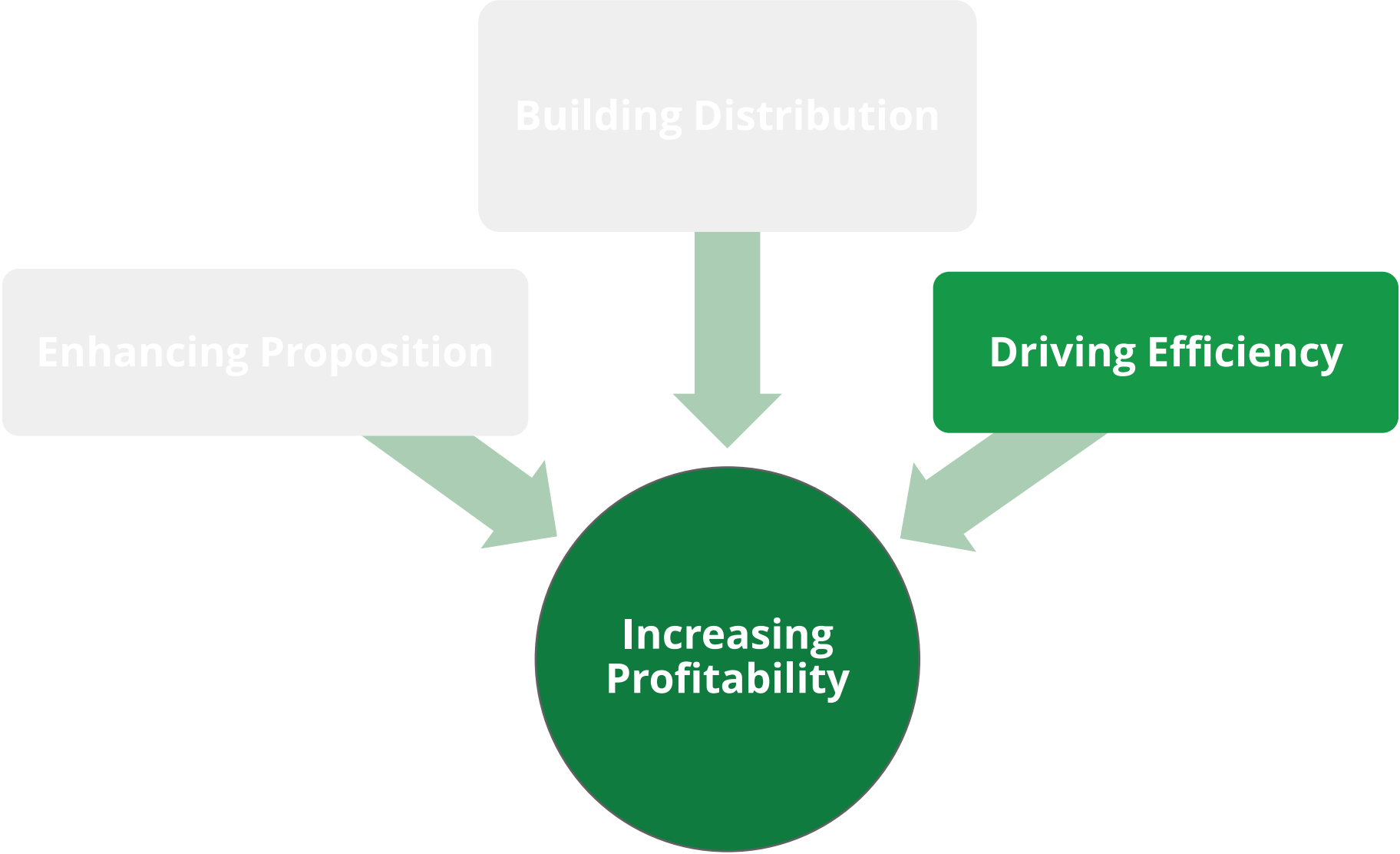
- High Net Worth segment delivered an increase of 28% in gross flows to £627 million (Q4 2022: £489 million), although higher redemptions led to net flows for the quarter of £70 million (Q4 2022: £158 million).
- AuMA as at 31 March 2023 stable at £25.9 billion



Finance and Operations
Mark Satchel
Karin Cook
Hanlie van Staden

Quilter

Focus areas to drive business improvement



Track record of disciplined expense management through the cycle

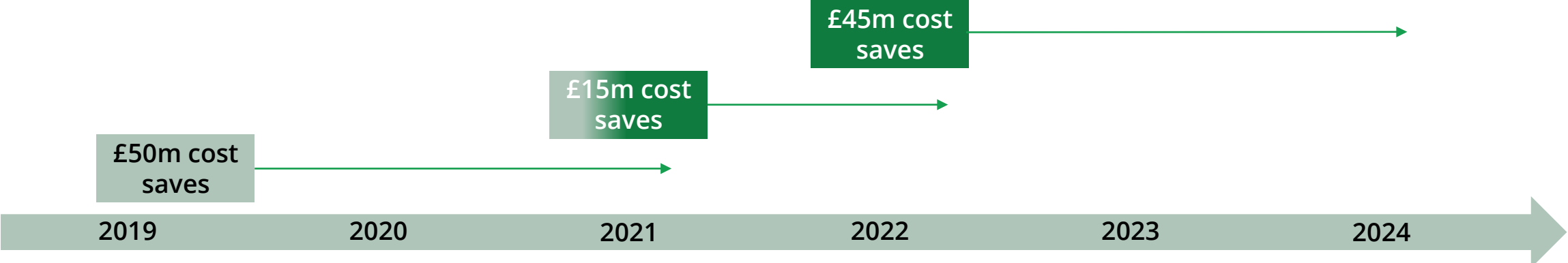
Driving efficiency:

- Focussed on delivering 2025 (and beyond) operating leverage targets
- Average 2023 market levels to date broadly in line with expectations but flow environment still challenging
- Inflation easing but still running at relatively high levels
- Maintaining cost focus and delivery of Simplification plans
- Prudently capitalised liquid balance sheet
- Will update on further cost initiatives at the interims

Delivering the next stage of efficiency improvements

Optimisation (2019 launch): Benefit – £65m¹

Simplification (2021 launch): Benefit – £45m



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

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

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

Business Simplification focused in four key areas

Simplified two segment Operating Model

Focused on:

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

Simplifying our IT estate: Applications and Infrastructure

Focused on:

- Decommissioning IT following exit from disposal related TSA
- Reducing infrastructure and storage costs
- Replacing expensive legacy tech with modern equivalents

Leveraging technology to reduce costs

Focused on:

- Integrated workflow capability across core Operations teams
- Simplification of QFP CRM and IT architecture
- Modern Voice technology in call centre

Streamlined cost base in central functions

Focused on:

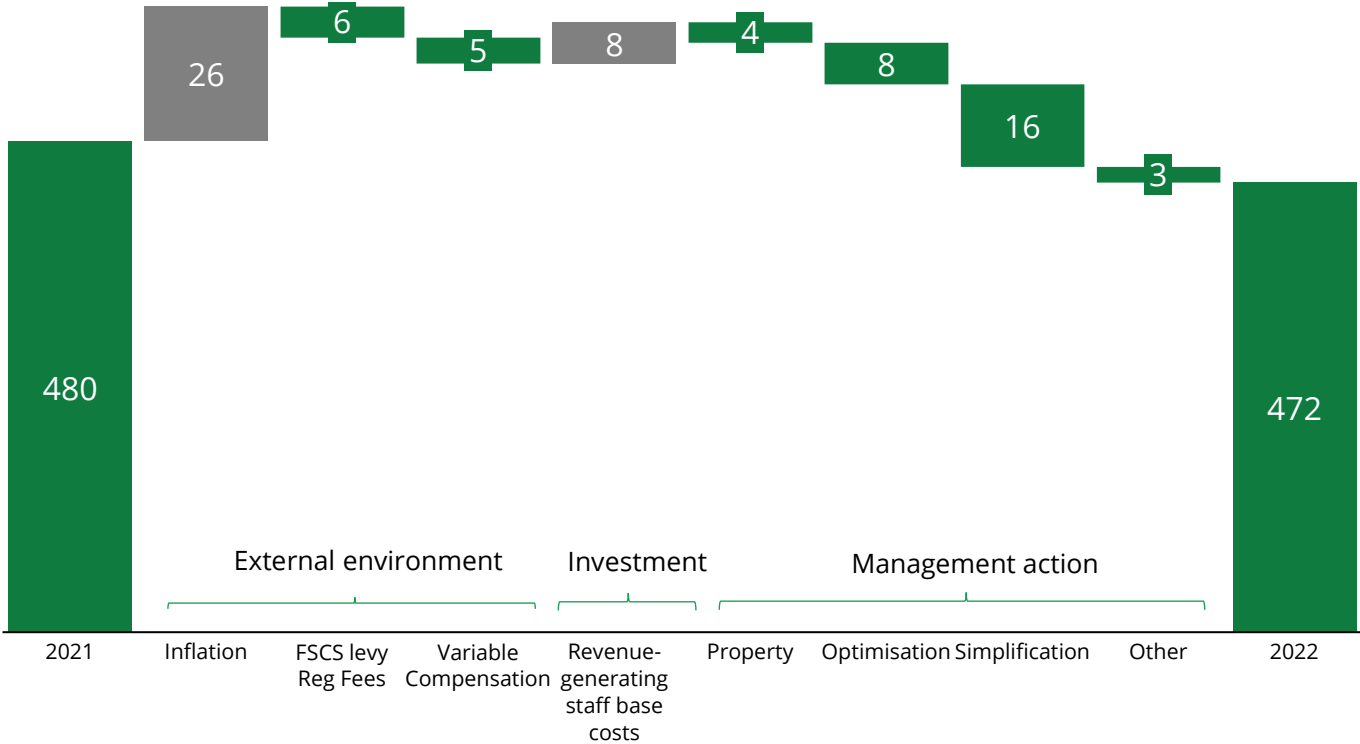
- Simplifying control and internal process to match activity to reduced scope and complexity of the new Quilter

Delivery well underway and benefits already accruing

Expense discipline contributing to lower cost outcome

	Cost analysis (£m)		As a percentage of revenues	
	FY 2022	FY 2021	FY 2022	FY 2021
Support staff costs	118	127		
Operations	22	27		
Technology	35	42		
Property	31	31		
Other base costs ¹	30	25		
Sub-total base costs	236	252	39%	41%
Revenue-generating staff base costs	92	83	15%	13%
Variable staff compensation	75	80	12%	13%
Other variable costs ²	46	36	8%	6%
Sub-total variable costs	213	199	35%	32%
Regulatory/ PI costs	23	29	4%	5%
Total operating expenses	472	480	78%	78%

FY 2022 expense progression £m

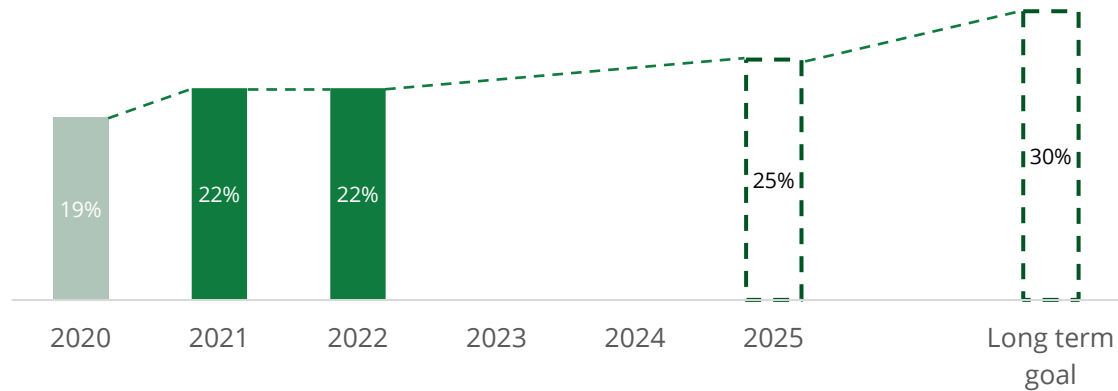


¹Other base costs includes depreciation and amortisation, audit fees, shareholder costs, listed-related costs and governance

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

Stable operating margin and EPS progression

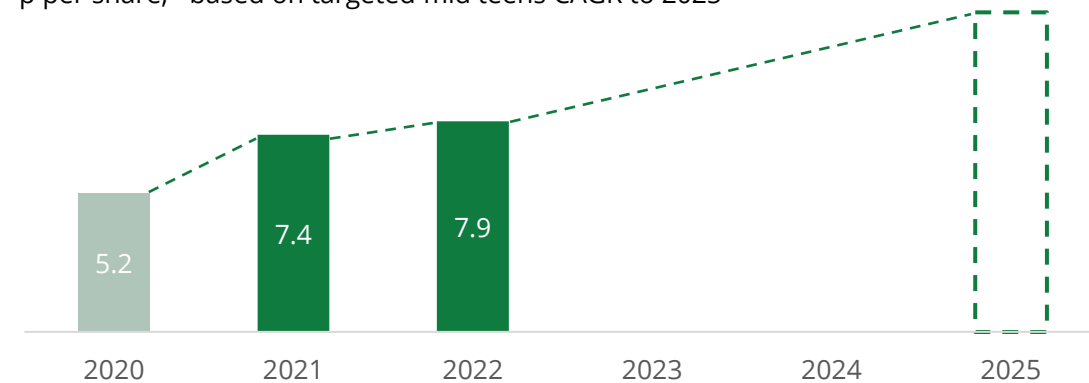
Stable operating margin with positive forward trends



- Stable operating margin of 22%, in line with the prior year
- Revised target of 25% in 2025, with 30% still our aspiration

Adjusted diluted EPS momentum: indicative trajectory*

p per share, *based on targeted mid teens CAGR to 2025



- Compound growth of 23% from 2020, representing a strong performance versus mid-teens target



Questions

Quilter

Notes

Notes
