

16 September 2020

ASX Market Announcements Office
ASX Limited
20 Bridge Street
Sydney NSW 2000

BELL POTTER EMERGING LEADERS CONFERENCE 2020

Attached is the presentation that Bell Financial Group Executive Chairman, Alastair Provan will give at 8:30am today at the Bell Potter Emerging Leaders Conference.

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General Counsel & Company Secretary
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This announcement was authorised for release by the Executive Chairman.

BELL FINANCIAL GROUP (ASX:BFG)

An Australian owned provider of stockbroking, investment and financial advisory services to private, institutional and corporate clients

September 2020

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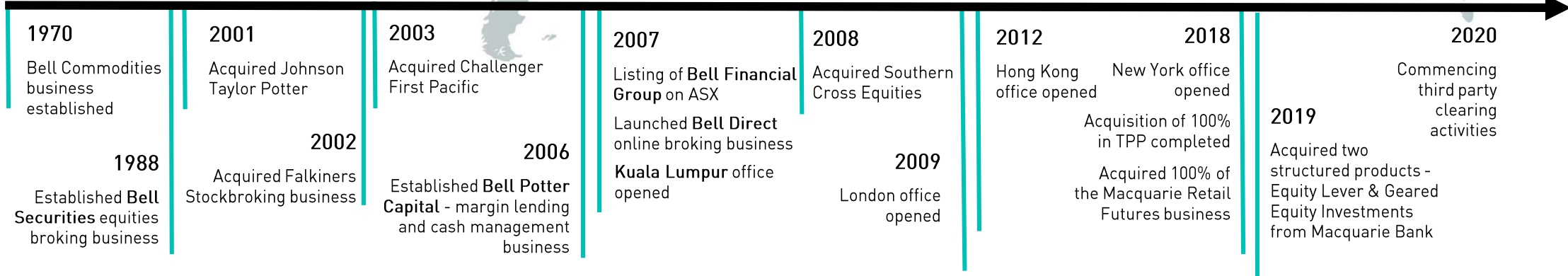
OVERVIEW

OVERVIEW

Bell Financial Group is a leading Australian financial services business

Established in 1970 and publicly listed in 2007, Bell Financial Group is an Australian owned provider of stockbroking (full service and online) and investment and financial advisory services to private, institutional and corporate clients.

- 14 offices across Australia plus offices in London, New York, Hong Kong and Kuala Lumpur
- 730 staff including 325 Financial Advisers



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CORPORATE STRUCTURE & BUSINESSES

CORPORATE STRUCTURE & BUSINESSES

BELL POTTER

- Retail Equities
- Institutional Equities
- International Equities
- 24-hour Futures & FX Desk
- Equity Capital Markets (ECM)
- Research
- Portfolio Administration
- Superannuation

THIRD PARTY PLATFORM

desktopbroker >

belldirect >

MACQUARIE

HSBC

BELL POTTER ONLINE

THIRD PARTY CLEARING

BELL POTTER GPS
GUIDED PORTFOLIO SERVICE

Institutional & Financial Planners online
share trading

Private Client online share trading

White label online share trading

Third Party Clearing

Guided Portfolio Service

BELL POTTER CAPITAL

- Margin Lending
- Cash Accounts
- Structured Loan Products

MANAGEMENT

Professional board with deep industry understanding.

A deliberately flat management structure that is experienced, stable and has a substantial shareholding in the business

BELL FINANCIAL GROUP BOARD

Alastair Provan
Executive Chairman
+35 years' industry
experience

Craig Coleman
Non-Executive Director
+30 years' industry
experience

Graham Cubbin
Non-Executive Director
+18 years' industry
experience

Brian Wilson AO
Non-Executive Director
+40 years' industry
experience

Christine Feldmanis
Non-Executive Director
+30 years' industry
experience

SENIOR MANAGEMENT

Alastair Provan
Executive Chairman
+35 years' industry
experience

Andrew Bell
BPS Director
+40 years' industry
experience

Lewis Bell
BPS Director
+35 years' industry
experience

Dean Davenport
Group COO & CFO
+25 years' industry
experience

Arnie Selvarajah
BPS Director &
CEO of TPP
+27 years' industry
experience

Dean Surkitt
BPS Director &
Managing Director of
Retail Equities
+34 years' industry
experience

James Unger
BPS Director &
Head of ECM
+25 years' industry
experience

Rowan Fell
Director & CEO
Bell Potter Capital
+36 years' industry
experience

Brendan Goff
Group Head of Compliance
+20 years' industry
experience

James Gordon
Head of Australian
Institutional Broking
+26 years' industry
experience

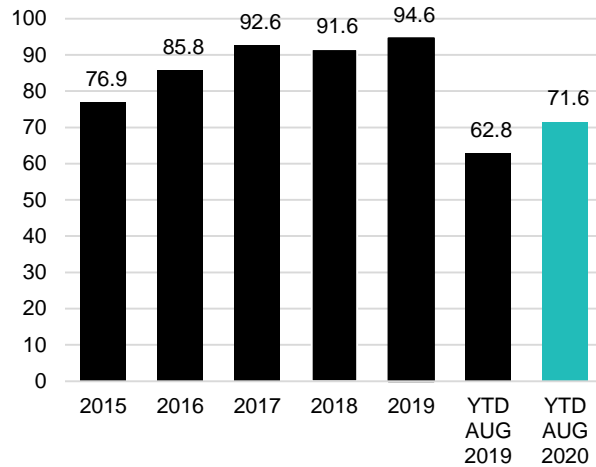
Geoff Louw
Head of Futures & FX
+40 years' industry
experience

Cindy-Jane Lee
Group General Counsel &
Company Secretary
+20 years' industry
experience

Lee Muco
COO of TPP
+21 years' industry
experience

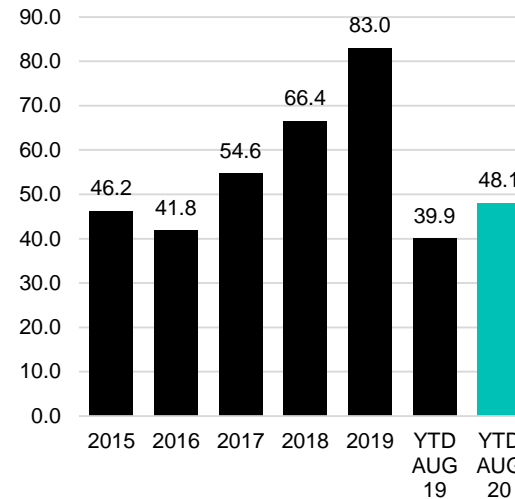
BELL POTTER SECURITIES (BPS) – AUGUST YTD

BROKERAGE REVENUE (RETAIL & WHOLESALE) (\$M)



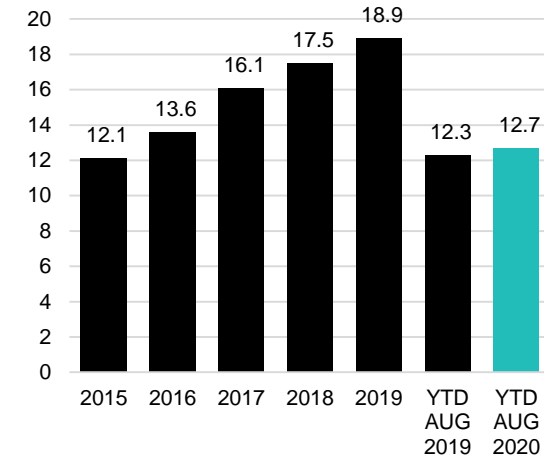
- 325 Financial Advisers servicing 500,000 retail, wholesale and institutional client accounts.
- \$71.6 million in gross brokerage revenue YTD 31 August 2020, up 14% on the p.c.p.

ECM REVENUE (\$M)



- Successfully executed more than 70 transactions YTD 31 August 2020.
- Raised in excess of \$1.4 billion in new equity capital.
- \$48.1 million in fee income earned, up 20% on the p.c.p.

PAS & SUPER SOLUTIONS REVENUE (\$M)



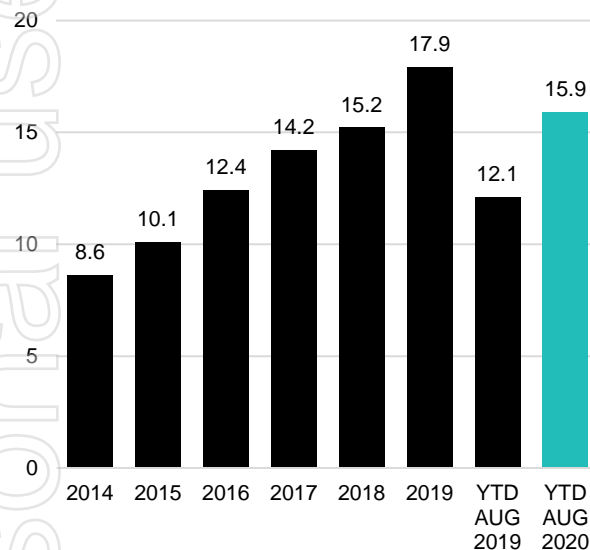
- Consistent long term growth.
- \$3.6 billion in F.U.A.
- \$12.7 million revenue YTD 31 August 2020, up 3% on the p.c.p.

THIRD PARTY PLATFORM (TPP) – AUGUST YTD

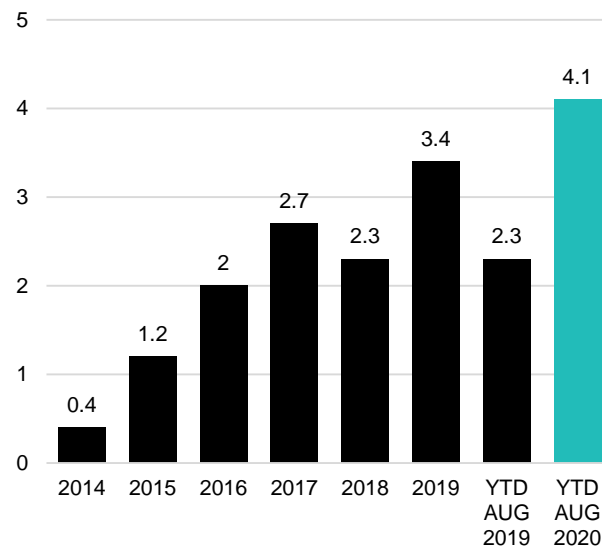
Consistent growth in revenue, profit, sponsored holdings and client accounts since inception.

- \$15.9 million revenue YTD August 2020, up 31% on p.c.p.
- \$4.1 million profit before tax YTD August 2020, up 78% on the p.c.p.
- \$22.2 billion in Sponsored Holdings, up 9% on p.c.p.
- 197,000 client accounts.
- \$220m client cash.
- General Clearing Participant. BPS to be cornerstone client.
- Final stage of negotiation with Macquarie Private Wealth on Third Party Clearing.
- Macquarie Private Wealth client transfer – 17,000 client transfer.
- Macquarie online trading agreement due for renewal in October.
- HSBC Online agreement recently renewed for 3 years.

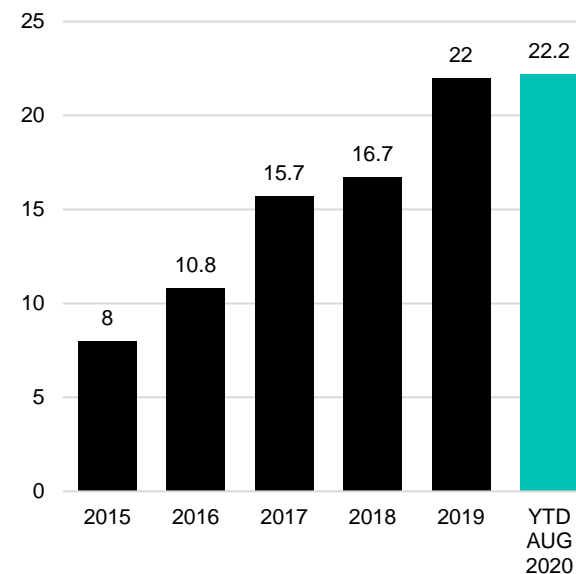
REVENUE (\$M)



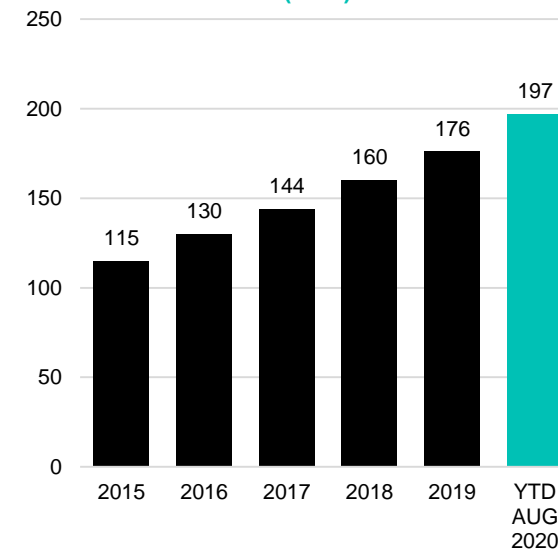
PROFIT BEFORE TAX (\$M)



SPONSORED HOLDINGS (\$B)



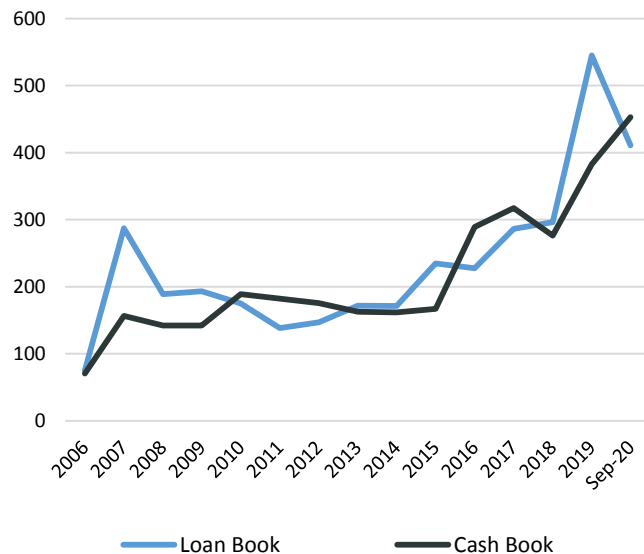
CLIENT ACCOUNTS ('000)



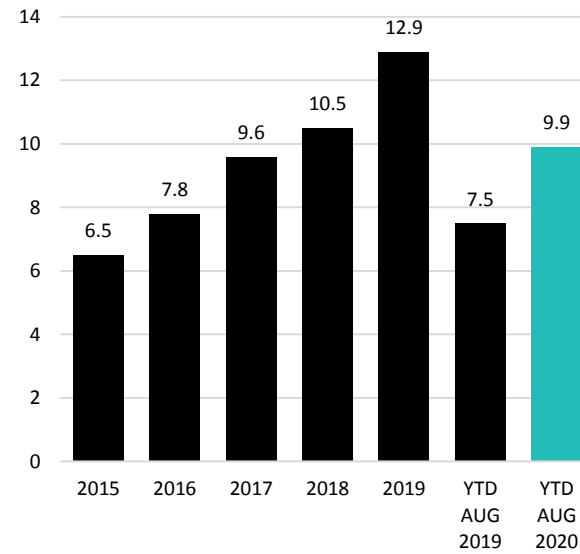
BELL POTTER CAPITAL (BPC) – AUGUST YTD

- Established in 2006
- Only non-bank margin lender in the Australian marketplace
- Consistent revenue and earnings growth
- \$410 million loan book YTD August 2020, down 26% on the p.c.p
- \$442 million cash book YTD August 2020, up 31% on the p.c.p
- 26% average LVR across the loan book
- Successfully onboarded Equity Lever and Geared Equity Investments
- \$9.9 million net revenue YTD August 2020, up 32% on the p.c.p
- \$3.2 million profit before tax YTD August 2020, up 128.5% on the p.c.p

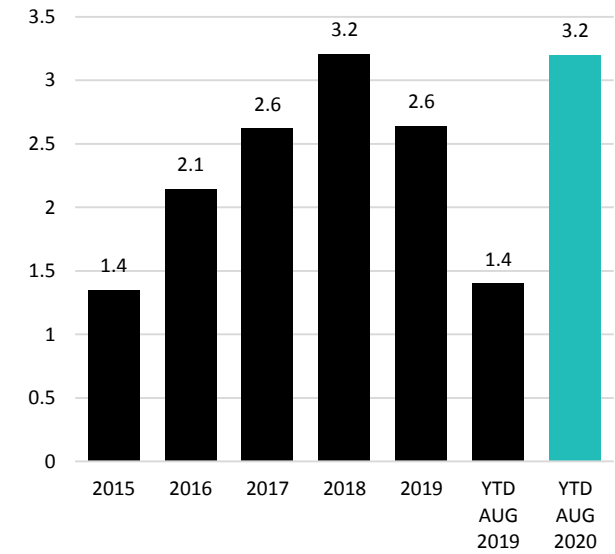
LOAN & CASH BOOK (\$M)



NET REVENUE (\$M)



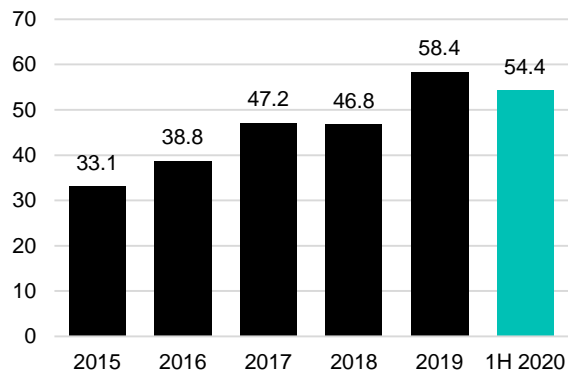
PROFIT BEFORE TAX (\$M)



FUNDS UNDER ADVICE (FUA) – 6 MONTHS TO 30 JUNE 2020

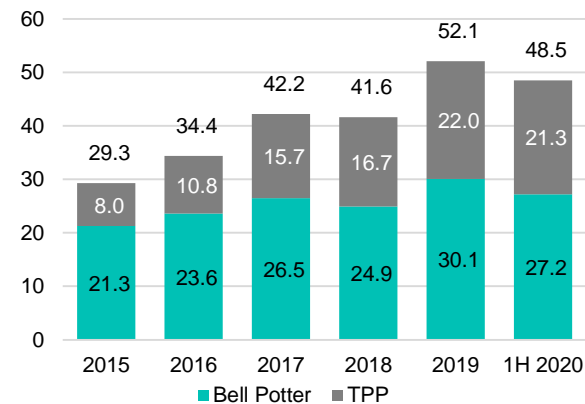
FUNDS UNDER ADVICE (\$B)*

↓ 7% on December 2019



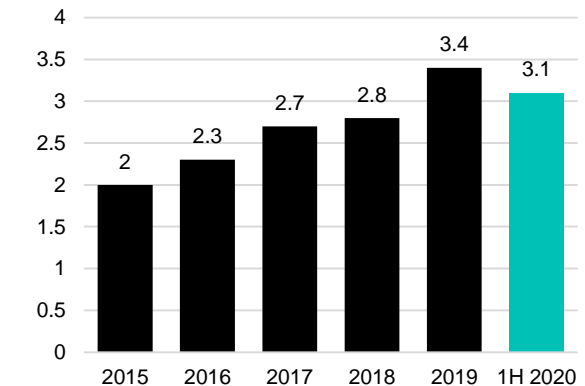
CHESS SPONSORED HOLDINGS (\$B)

↓ 7% on December 2019



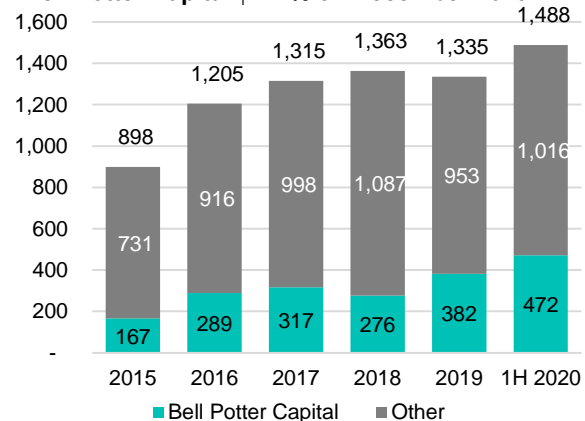
PAS (\$B)

↓ 7% on December 2019



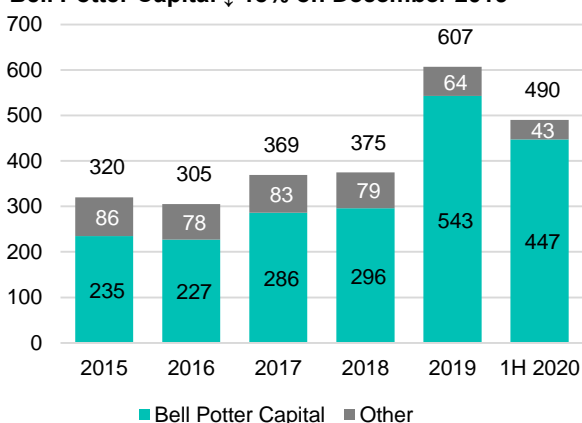
CASH DEPOSITS (\$M) *

Bell Potter Capital ↑ 24% on December 2019



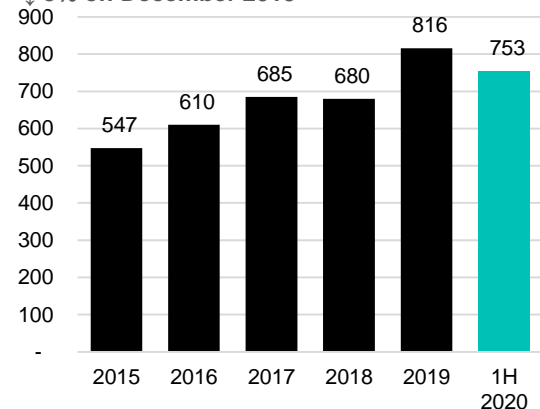
MARGIN LOANS (\$M)*

Bell Potter Capital ↓ 18% on December 2019



SUPERANNUATION ASSETS (\$M)*

↓ 8% on December 2019



- FUA down on average 7% for the 6 months to 30 June versus the S&P/ASX200 benchmark down 12% over the same period.
- Client deleveraging has resulted in a reduction in the margin loan book and a similar increase in cash deposits.

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STRATEGY

GROWTH - INVESTMENT IN TECHNOLOGY / PRODUCTS & SERVICES

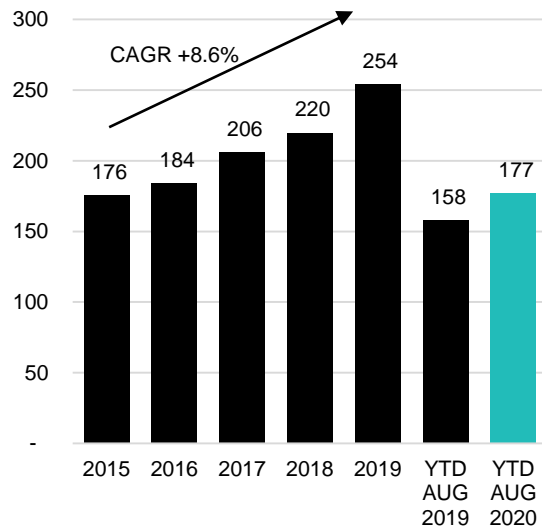
We have a simple strategy. Growth through our traditional full service broking businesses augmented by investment in leading edge technology through our ongoing commitment to the continuous development of our proprietary systems and platforms and suite of products and services.

- FUSION – our inhouse desktop application covering all aspects of the adviser's day to day functions.
- IQ – our price discovery and trade execution platform.
- TPP - our market leading fully integrated online trading platform.
- Superannuation Solutions
- Portfolio Administration Service
- Margin Lending
- Cash
- Structured Loan Products

GROWTH

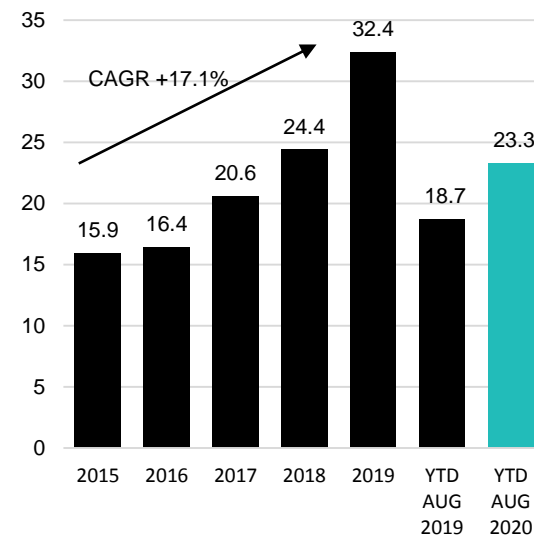
Consistent growth in Margins, ROE and Dividends over an extended period supported by a solid cash backed Balance Sheet with no core operating debt

REVENUE (\$M)



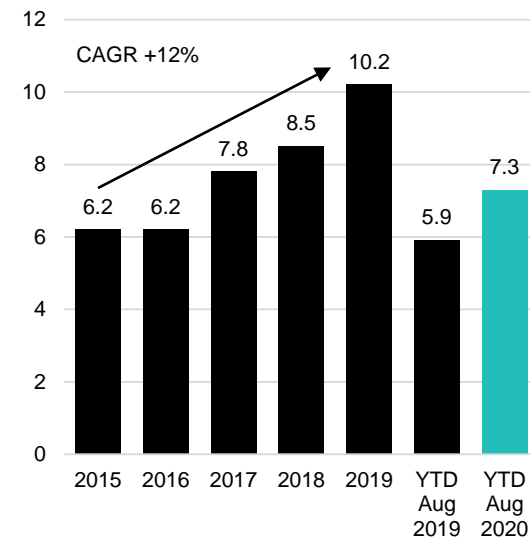
YTD August 2020 revenue up 12.1% on a p.c.p basis

NPAT (\$M)



YTD August 2020 NPAT up 24.5% on a p.c.p basis

EARNINGS PER SHARE (CENTS)

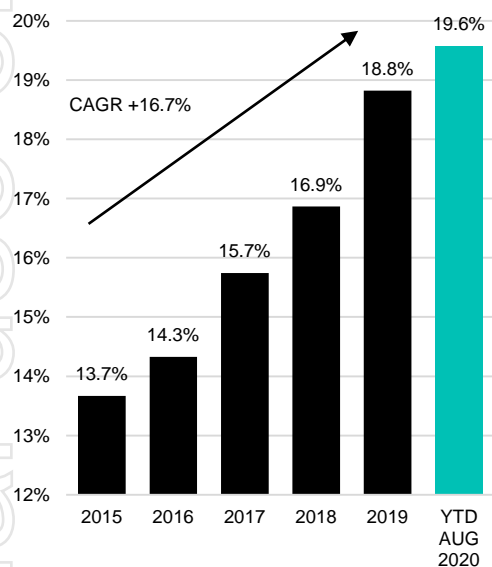


YTD August 2020 EPS up 23.7% on a p.c.p basis

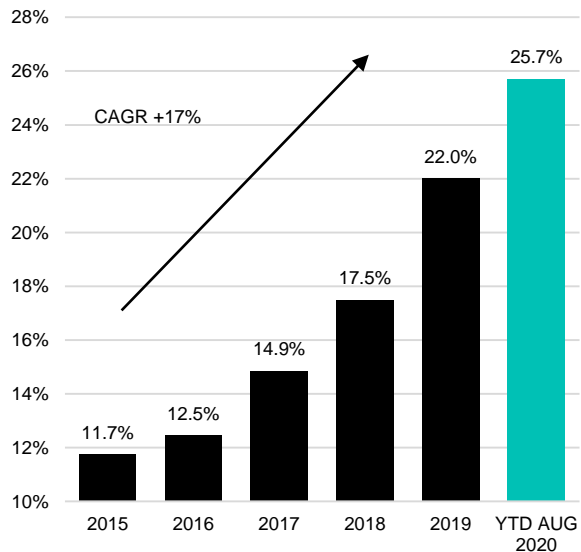
CAGR calculation based on YTD August 2020 annualised

GROWTH (CONT.)

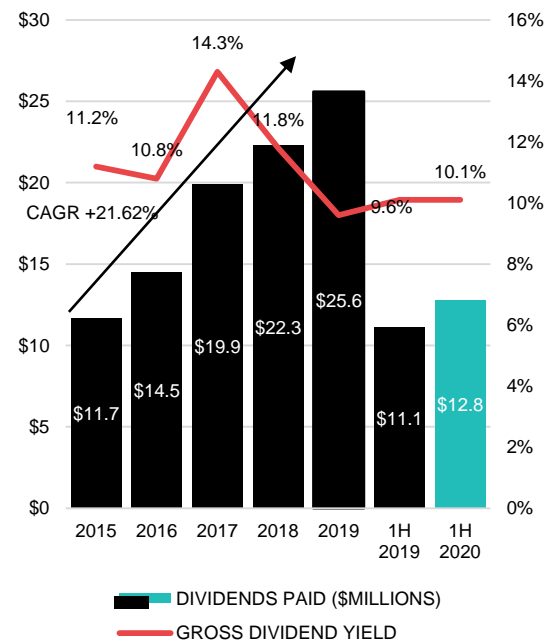
EBITDA MARGIN



RETURN ON EQUITY



DIVIDENDS PAID (\$M) AND GROSS DIVIDEND YIELD (%)



BALANCE SHEET

As at 31 August 2020

	\$M
Cash	65.5
Net assets	207.4
Net tangible assets	63.6
Bank Borrowings	Nil

A strong cash-backed Balance Sheet with no core debt, and \$65.5 million net cash at 31 August.

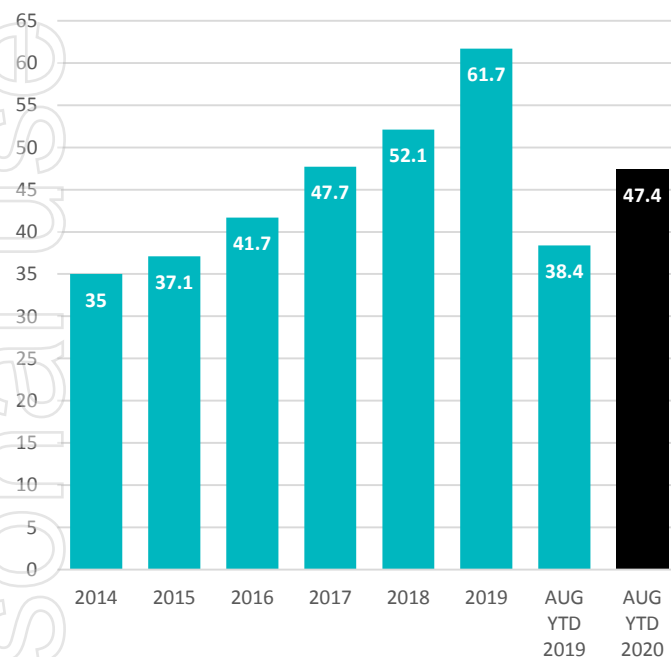
CAGR calculation based on YTD August 2020 annualised

INVESTMENT IN TECHNOLOGY - AUGUST YTD

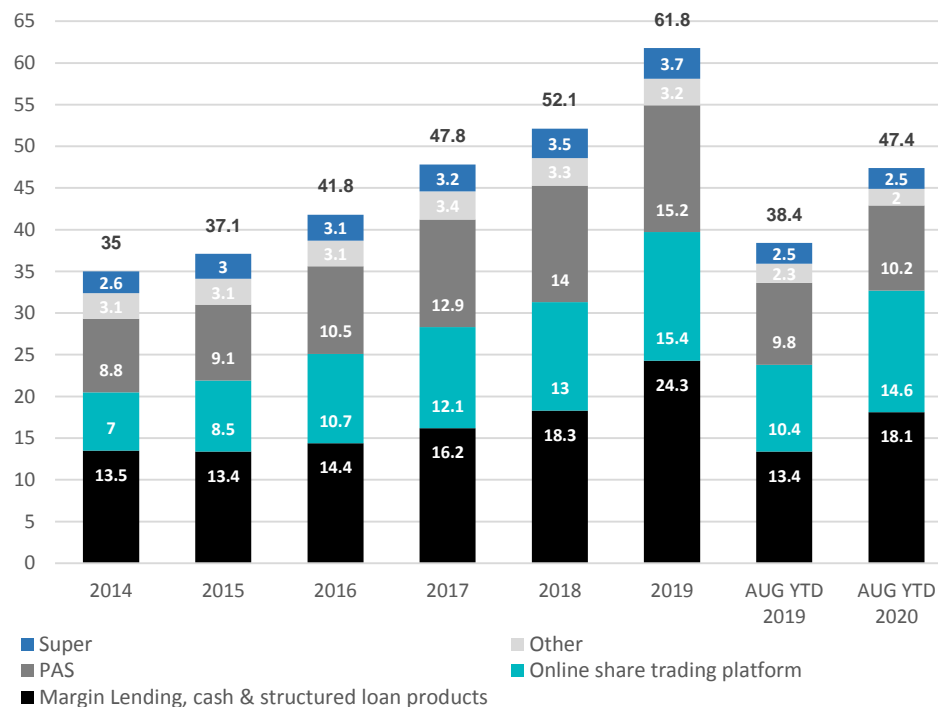
Investment in Technology & Platforms and Products & Services (TPPS) is a significant component of our ongoing business development. Increased leverage to technology is producing better outcomes for our staff and clients resulting in material growth in revenues and profit across the Group.

- Approximately 11% of Group FUA, \$5.9 billion, currently use our various technology and platforms, products and services.
- TPPS revenue of \$47.4 million for the eight months to 31 August 2020, 23% higher than previous corresponding period.
- TPPS revenues represent approximately 27% of total revenue.
- TPPS profit before tax of \$13.2 million for the 8 months to 31 August has grown 38% y.o.y, and represents almost 40% of total profit.

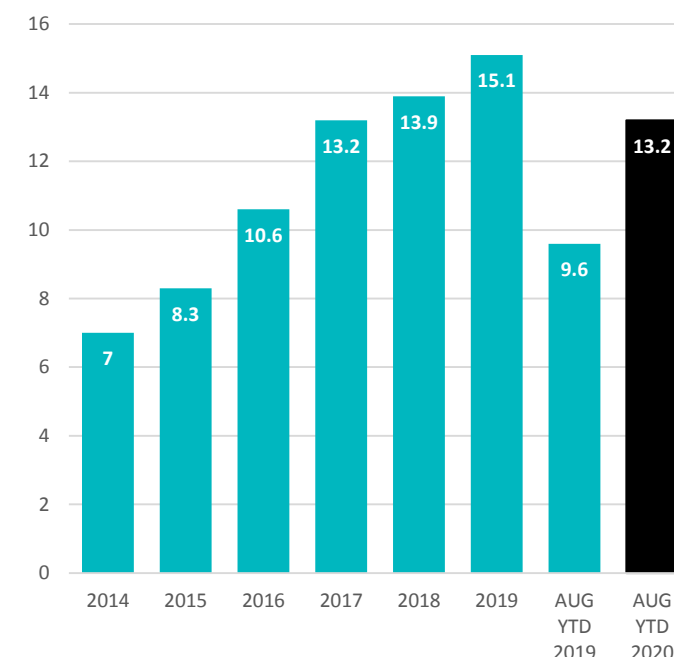
TECHNOLOGY & PLATFORMS AND PRODUCTS & SERVICES REVENUE (\$M)



TECHNOLOGY & PLATFORMS AND PRODUCTS & SERVICES REVENUE BREAKDOWN (\$M)



TECHNOLOGY & PLATFORMS AND PRODUCTS & SERVICES PROFIT BEFORE TAX (\$M)

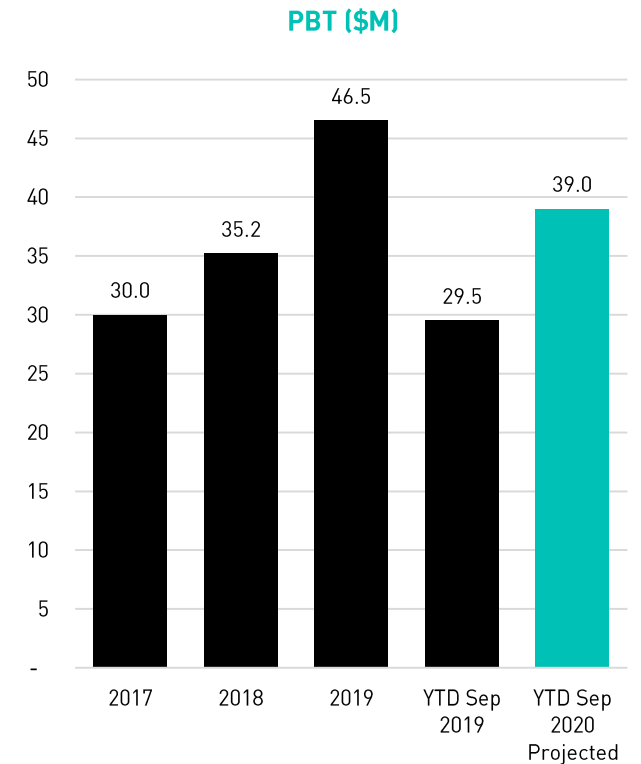
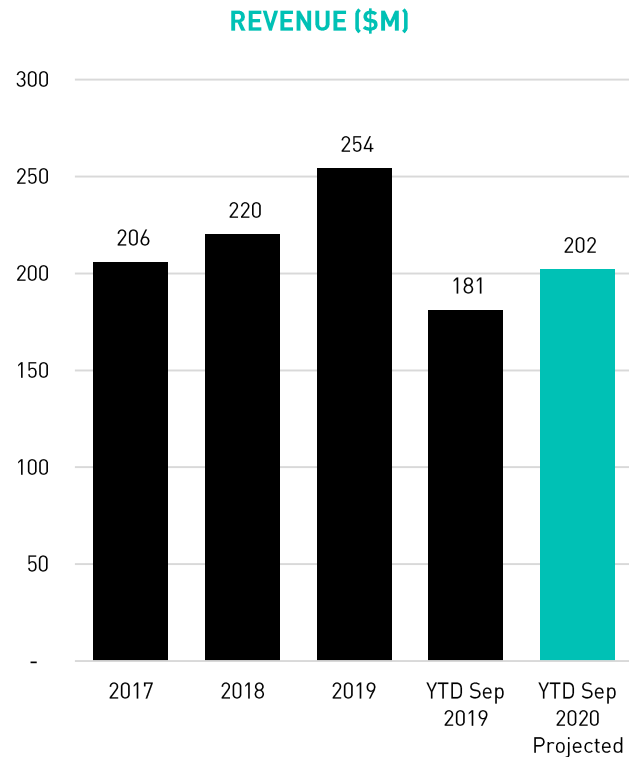


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MARKET UPDATE

MARKET UPDATE (Projected 9 months to 30 September 2020)

- Projected revenue for the 9 months to 30 September is \$202 million, 12% ahead of the p.c.p, (\$181 million).
- Projected profit before tax for the 9 months to 30 September is \$39 million, 32% ahead of the p.c.p (\$29.5 million).
- All business units are profitable.
- We have a number of significant projects on hand which will hopefully complete by the end of first quarter 2021 and we have a solid pipeline of ECM work in hand through to the end of this year and beyond.



BFG SHARE PRICE

Market capitalisation	\$364m
EV/EBITDA multiple ¹	5.8x
Dividend yield (gross) ²	10.7%
Price earnings ratio (PE) ³	11.1x

¹ based on 12 month EBITDA to 30 June 2020, and BFG share price at 8 September 2020

² based on final 2019 and interim 2020 dividends paid, divided by BFG share price at 8 September 2020

³ based on market capitalisation at 8 September 2020 and 12 month earnings to 30 June 2020

BFG SHARE PRICE
JUNE 2015 – JUNE 2020



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