

28 April 2021

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

BELL POTTER DECODED TECHNOLOGY VIRTUAL CONFERENCE

Bell Financial Group Ltd will be presenting at 4:15pm today at the Bell Potter Decoded Technology Virtual Conference.

A copy of the presentation is attached.

For more information, contact:
Cindy-Jane Lee
General Counsel & Company Secretary
cjlee@bellfg.com.au
+61 3 9235 1961

This announcement was authorised for release by the Executive Chairman.

\$1.25
1 JAN 2020

\$0.52
23 MAR 2020

ASX: BFG

\$1.82
DEC 2020

DECODED

WEDNESDAY

28TH APRIL

2021

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AGENDA

Introduction

Technology Journey

Competitive Advantage

Technology Advantage

The Moat

Summary

BFG INTRODUCTION

Q1 2021 UPDATE

REVENUE

\$299.3m

18% increase on 2019

NET PROFIT AFTER TAX

\$46.7m

44% increase on 2019

EARNINGS PER SHARE

\$14.6¢ share

44% increase on 2019

REVENUE

\$65m (estimate)

12% increase on Q1 2020

DIVIDEND PER SHARE

10.5¢ share

31% increase on 2019

DIVIDEND YIELD (GROSS)

8.2%

Based on the BFG share price at 31 December 2020

RETURN ON EQUITY

29%

32% increase on 2019

NET PROFIT BEFORE TAX

\$12m (estimate)

27% increase on Q1 2020

PE MULTIPLE

12.5 times

Based on the BFG share price at 31 December 2020

TECHNOLOGY & PLATFORMS AND PRODUCTS & SERVICES REVENUE

\$70.0m

13% increase on 2019 and 23% of total revenue

FUNDS UNDER ADVICE

\$63.9b

9% increase on 2019

FUNDS UNDER ADVICE

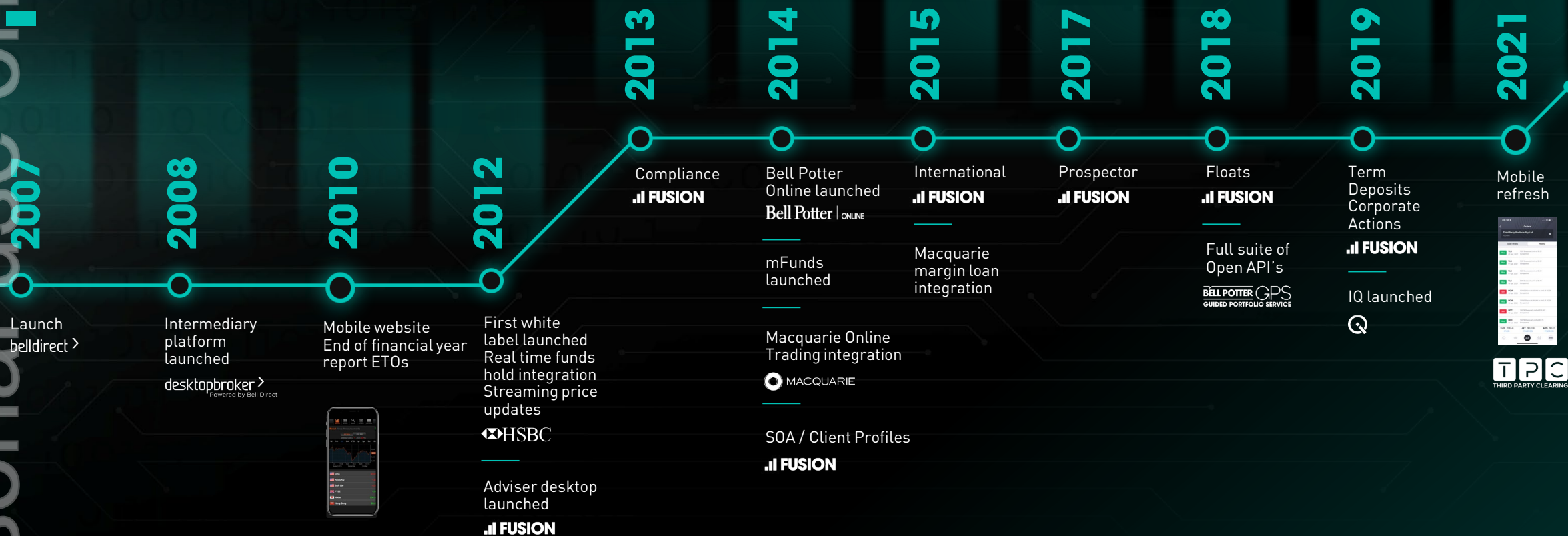
\$69b (estimate)

8% increase on 31 December 2020

TECHNOLOGY STRATEGY

→ ARNIE SELVARAJAH

THE TECHNOLOGY JOURNEY SO FAR



COMPETITIVE LANDSCAPE: THE CUSTOMERS WE SERVICE



Our platforms are designed to operate across multiple market segments, brands & commercial structures.



Open architecture means well placed for innovation and future business models.



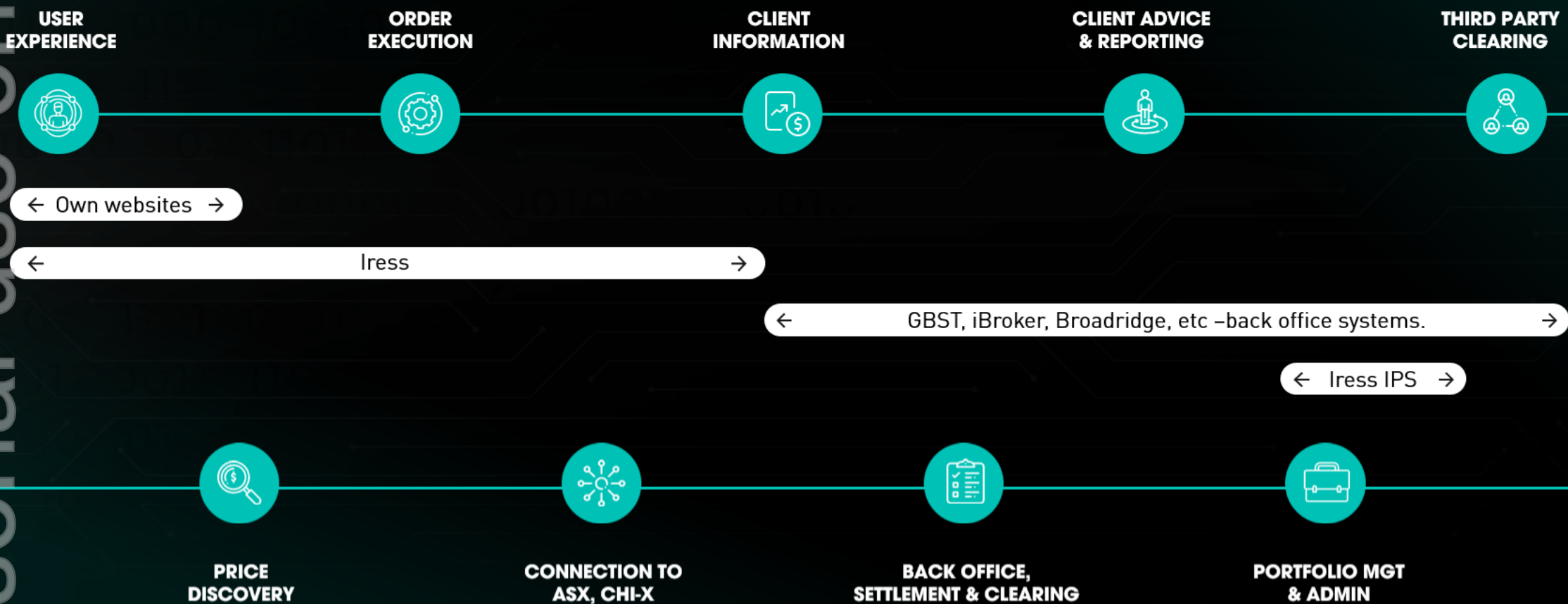
Extensive roles and permissions at database level enables flexible use cases.



Full suite of open API's enhances integration with multiple client segments.

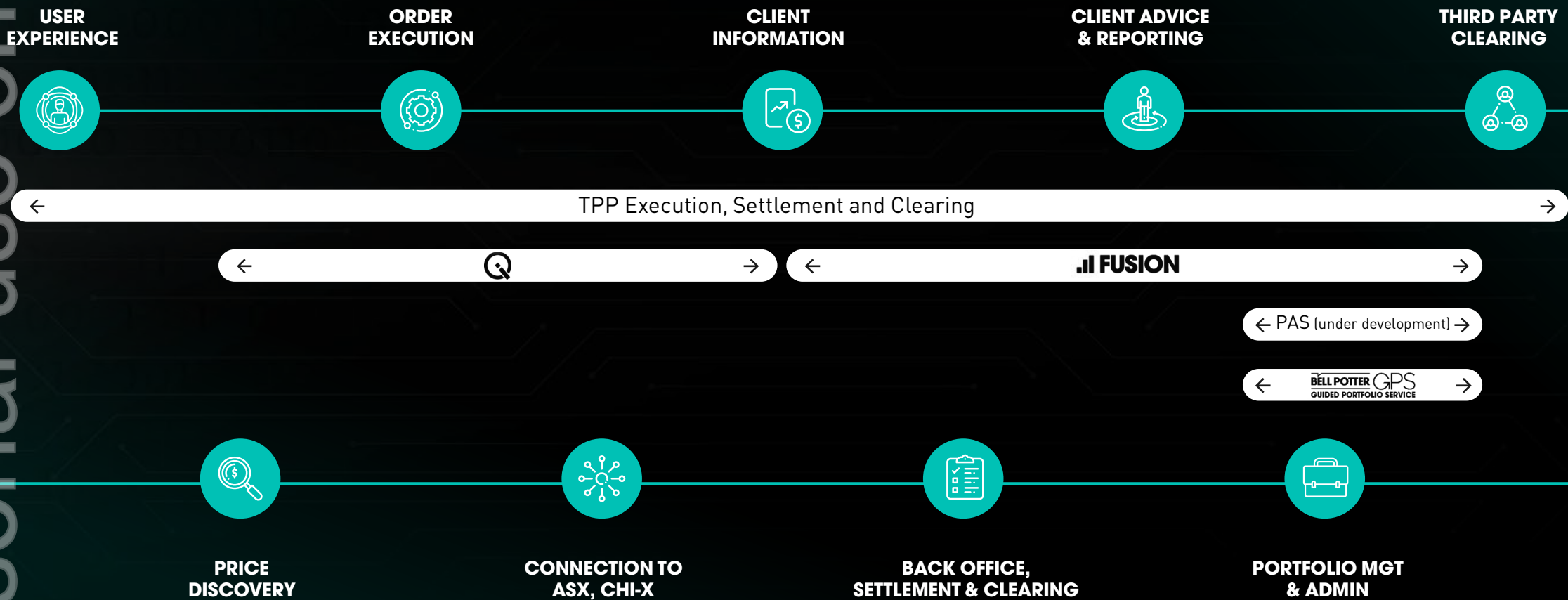
COMPETITIVE LANDSCAPE:

TYPICAL TECHNOLOGY STACK IN THE BROKING INDUSTRY



TECHNOLOGY ADVANTAGE:

BFG TECHNOLOGY COMPONENTS, AND END TO END PROPRIETARY TECHNOLOGY STACK



TECHNOLOGY ADVANTAGE: BENEFITS OF BFG TECHNOLOGY APPROACH



Scale and cost advantage.



Ability to leverage existing client base across multiple segments.



Open architecture means flexible approach ie we can plug and play across the industry.



Quality of service advantage – multiple industry awards for customer satisfaction across the Group.



Ability to turn competitors into customers.



Mix of on-shore and off-shore development and operations teams reduces cost and speed to innovate.

Improved customer experience.

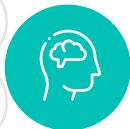
Improved profitability with greater flexibility and capability to innovate.

THE MOAT

WHY THIS GIVES US A SUSTAINABLE COMPETITIVE ADVANTAGE

THE COMBINATION OF:

COMBINATION OF THESE FACTORS MAKES IT DIFFICULT TO REPLICATE



Deep domain expertise:

Originally founded in 1970.
Founders still in the business.
Leadership team all with more than 10 years tenure.



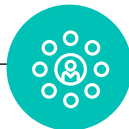
Strong balance sheet:

\$139M in cash at 31 Dec 2020; no core debt.
Strong cash flows; NPAT CAGR 29.9% over last 5 years.



Proprietary technology:

TPP execution, settlement and clearing platform.
Fusion Adviser Desktop.
IQ price discovery platform.



Broad existing client base across multiple segments:

From DIY to Institutional.
Seamless migration between segments made possible by technology stack.

SUMMARY



WHAT'S NEXT

1 Continued development on existing systems focused on:

- API's to ensure enhanced ability to integrate with internal and external clients.
- Performance enhancements.
- A continuous review and enhancement of cybersecurity.

2 Continued transition to mobile:

- Understanding that the way clients invest is changing.
- Ensuring that user experience is replicated across whichever device they use.

3 Reviewing new technologies for relevance or application:

- Initial assessment of DLT already underway with respect to ASX Chess Replacement project.
- Use of AI to assist with client and adviser engagement.

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QUESTIONS