

ASX RELEASE.

BELL FINANCIAL GROUP

17 August 2023

Bell Financial Group reports an interim profit of \$11.1 million (after tax), and a 3.0 cents per share fully franked dividend

Executive Chairman Alastair Provan said, "For a number of years our strategy has been to develop and grow recurring and maintainable revenue streams that will underpin our profitability and reduce our reliance on traditional broking revenues which can be typically cyclical in nature.

I think the benefits of this strategy are clearly demonstrated in our first half results when, in difficult market conditions, our Technology & Platforms and Products & Services businesses produced 34% of Group revenue (\$40 million) and 95% of Group After Tax Profit (\$10.5 million)."

Key highlights

- \$117.3 million revenue, an 8% increase on the previous corresponding period (p.c.p).
- \$11.1 million profit after tax, a 19.9% increase on the p.c.p.
- Funds Under Advice increased to \$74.4 billion, a 2.3% increase on 31 December.
- Earnings per share 3.5 cents, a 20.7% increase on the p.c.p.
- 3.0 cents fully franked Dividend per Share, up 20% on 1H 2022.
- 14% Return on Equity, an 18.8% increase in the p.c.p.
- Both our Technology & Platforms and our Products & Services businesses recorded record revenues and record profits for the 1H.

These businesses continue to drive growth, with combined revenues of \$40.4 million and after-tax earnings of \$10.5 million representing 34% of Group revenue, and 95% of Group profit for the 1H.

- Third Party Platform is now clearing 100% of Bell Potter Securities equities business. This will result in meaningful cost savings going forward.
- A strong cash-backed Balance Sheet with \$106 million in Group cash.
- As advised on 30 June, we received final notification from AUSTRAC that it will not be taking any further regulatory action following its consideration of the reports from the external auditor on Bell Potter Securities Limited, Bell Potter Capital Limited and Third Party Platform Pty Ltd.

See attached presentation.

This announcement has been authorised for release by the Board.

For more information, contact:

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BELL FINANCIAL GROUP (ASX:BFG)

FIRST HALF 2023 RESULTS

Australian owned.

We provide full service and online broking, capital markets and financial advisory services to private, institutional and corporate clients.

We are a developer of proprietary technology, platforms, products and services for the Australian financial markets.

17 AUGUST 2023

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KEY HIGHLIGHTS

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REVENUE

\$117.3m

8.0% increase on 1H 2022

PROFIT AFTER TAX

\$11.1m

19.9% increase on 1H 2022

FUNDS UNDER ADVICE

\$74.4b

2.3% increase on 31 December 2022

EARNINGS PER SHARE

3.5¢ share

20.7% increase on 1H 2022

DIVIDEND PER SHARE

3.0¢ share

20.0% increase on 1H 2022

RETURN ON EQUITY (Annualised)

14.0%

18.8% increase on 1H 2022

- Both our Technology & Platforms and our Products & Services businesses recorded record revenues and record profits for the 1H. These businesses continue to drive growth, with combined revenues of \$40.4 million and after-tax earnings of \$10.5 million representing 34% of Group revenue, and 95% of Group profit for the 1H.
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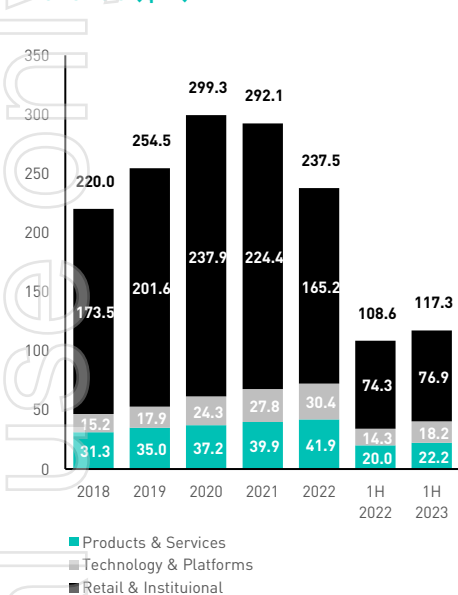
GROUP FINANCIAL SUMMARY

1H 2023

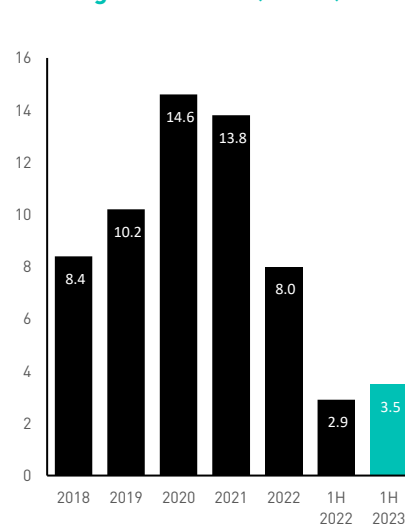
GROUP FINANCIAL SUMMARY

Revenue and Earnings for 1H 2023 have improved, driven by continued growth in our Technology & Platforms and Products & Services businesses

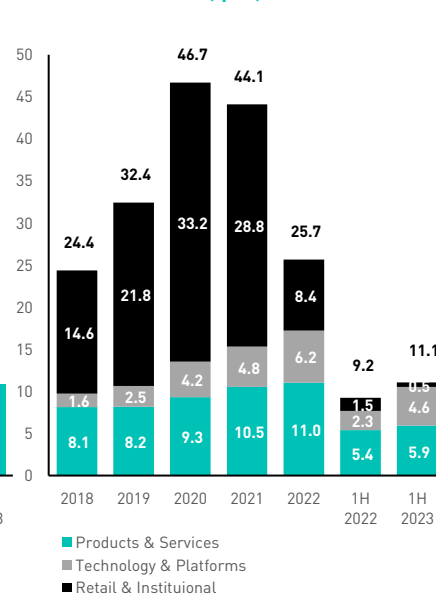
Revenue (\$M)



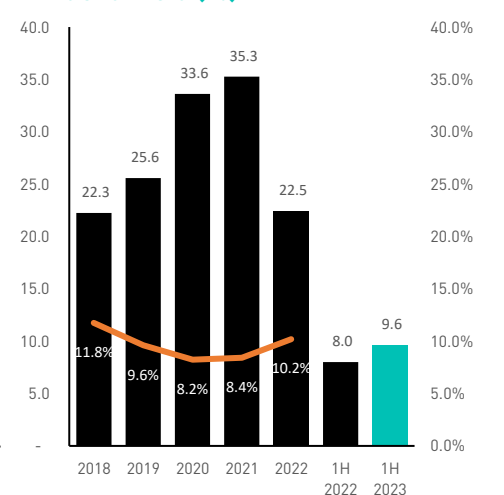
Earnings Per Share (Cents)



Profit After Tax (\$M)



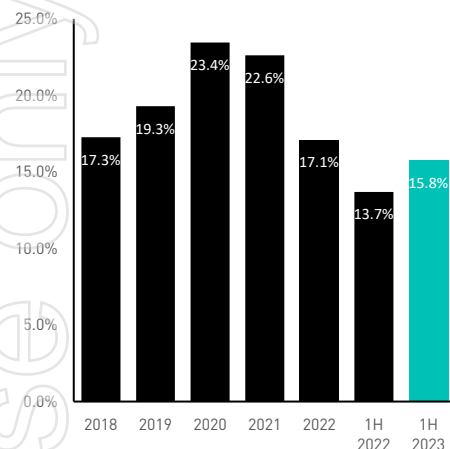
Dividend Paid (\$M) and Gross Dividend Yield (%)



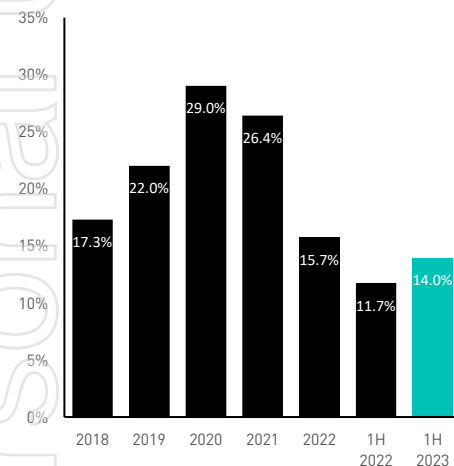
GROUP FINANCIAL SUMMARY (CONT.)

We have a solid cash-backed balance sheet with no core operating debt

EBITDA Margin

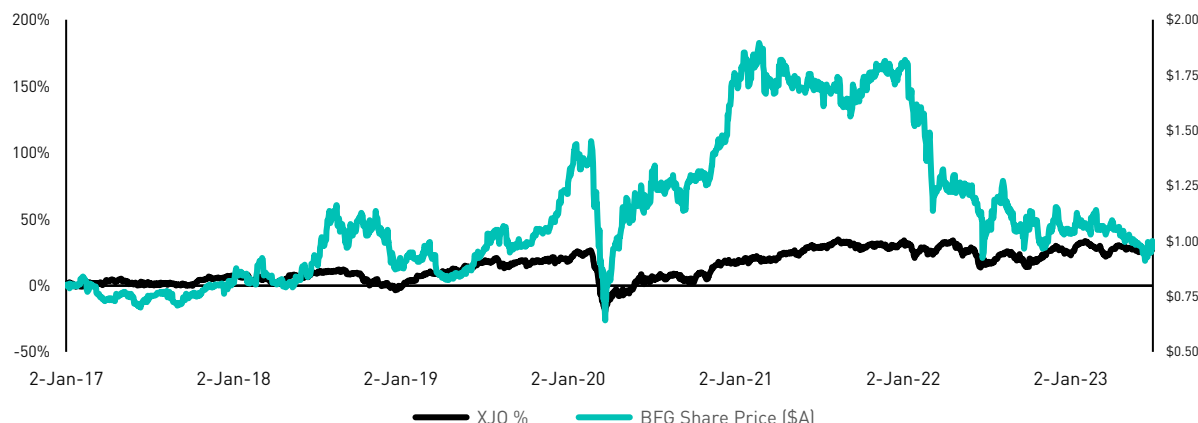


Return on Equity



BFG SHARE PRICE MOVEMENT

January 2017 - June 2023



Balance Sheet

As at 31 December 2022

	\$M
Cash	106.0
Net assets	232.2
Net tangible assets	86.2

A strong cash-backed Balance Sheet with no core operating debt, and \$106.0 million net cash at 30 June.

Calculations are based on the BFG Share Price as at 30 Jun 2023: \$0.94

Market capitalisation	\$302m
EV/EBITDA multiple ¹	5.7x
Dividend yield (gross) ²	11.4%
Price earnings ratio (PE) ³	10.9x

¹ based on 12 month EBITDA to 30 June 2023, and BFG share price at 30 June 2023.

² based on interim 2023 dividend payable and final 2022 dividend paid, divided by BFG share price at 30 June 2023.

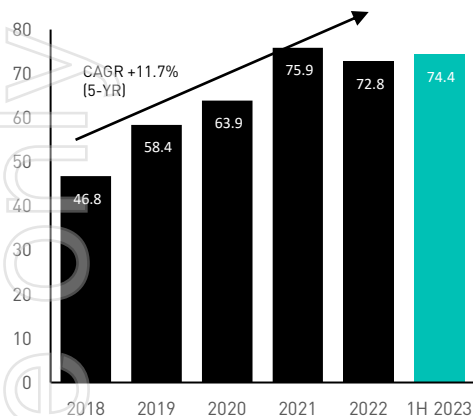
³ based on market capitalisation at 30 June 2023 and 12 month earnings to 30 June 2023.

GROUP FINANCIAL SUMMARY (CONT.)

GROUP FUNDS UNDER ADVICE (FUA) AS AT 30 JUNE 2023

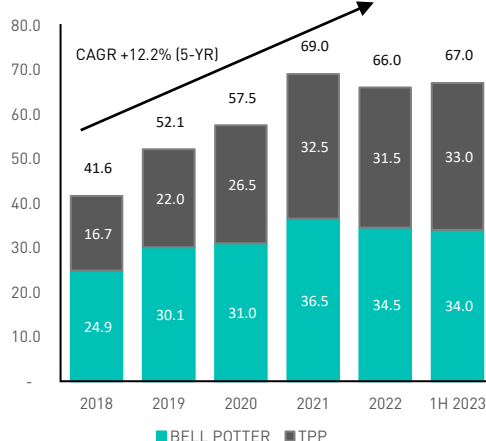
Funds Under Advice (\$B) *

2.2% increase on December 2022



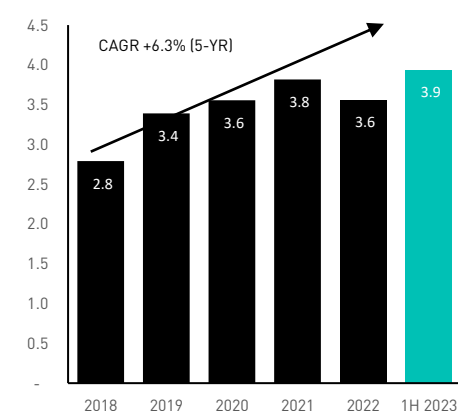
CHESS Sponsored Holdings (\$B)

1.5% increase on December 2022



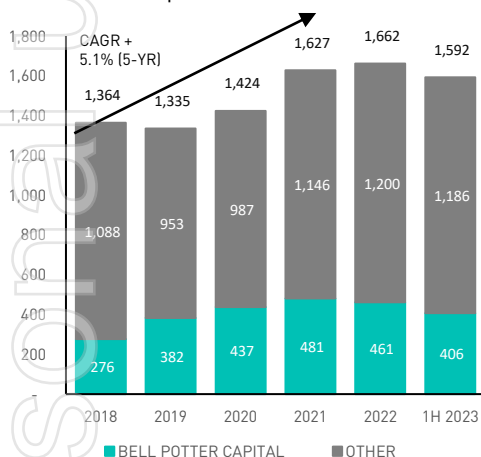
PAS (\$B)

10.7% increase on December 2022



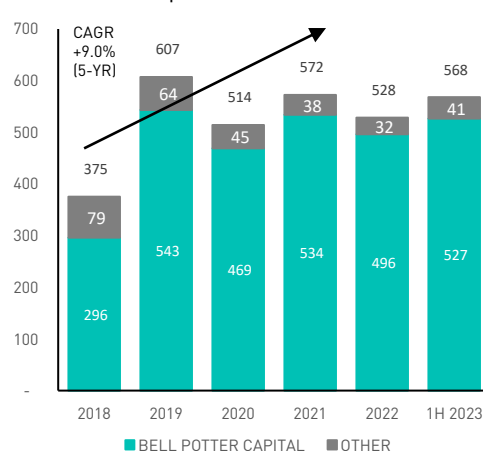
Client Funds at Call (\$M)

Bell Potter Capital 12% decrease on December 2022



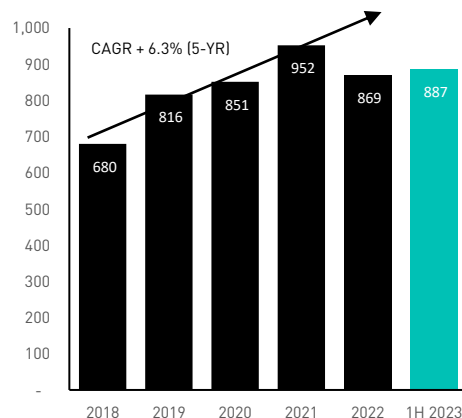
Margin Loans (\$M)

Bell Potter Capital 6.2% increase on December 2022



Superannuation Assets (\$M)

2.1% increase on December 2022



* FUA increased 2.3% for the 6 months to 30 June 2023 compared with the S&P/ASX200 benchmark up 2.3% over the same period.

3

CORPORATE STRUCTURE

CORPORATE STRUCTURE

BELL POTTER

THIRD PARTY PLATFORM

BELL POTTER CAPITAL

BROKING RETAIL & INSTITUTIONAL

- Retail Equities (Domestic & International)
- Institutional Equities
- 24-hour Commodities & FX Desk
- Equity Capital Markets (ECM)
- Syndication

TECHNOLOGY & PLATFORMS

Six distinct business units operate within Third Party Platform:

1. **belldirect** >

Private Client online share trading platform

2. **belldirect** >
ADVANTAGE

General advice High Net Worth desk

3. **desktopbroker** >

Wholesale & Independent Financial Advisers online share trading

4. 
 **HSBC**


White label online share trading platform

5. **THIRD PARTY CLEARING**

Third Party Clearing services

6. **Technology**

Continuous development of proprietary software applications for TPP and the wider BFG Group.

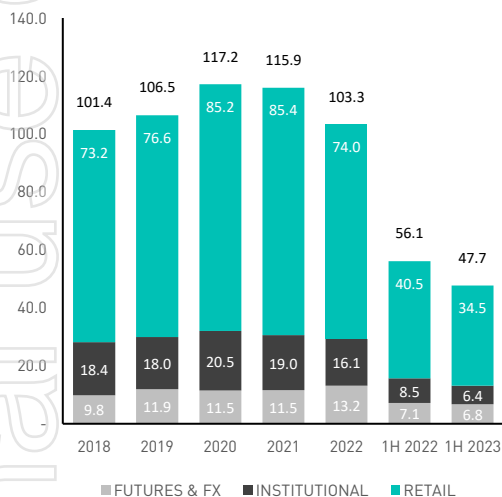
PRODUCTS & SERVICES

- Bell Potter Portfolio Lending
- Bell Financial Trust
- Structured Loan Products
- Portfolio Administration Service (PAS)
- Bell Potter Personal Superannuation Solutions
- Australian Equities Research

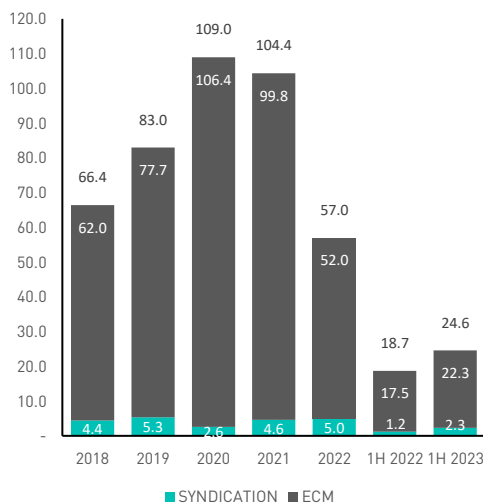
BROKING – RETAIL & INSTITUTIONAL

- Brokerage from our Institutional and Retail desks & Commodities and FX was \$47.7m for the first half year, down 15.1% on the p.c.p.
- \$24.6 million in ECM and Syndication fee income, up 31.6% on the p.c.p.
- Successfully executed 45 ECM transactions in the 1H 2023, raising in excess of \$0.94 billion in new equity capital.

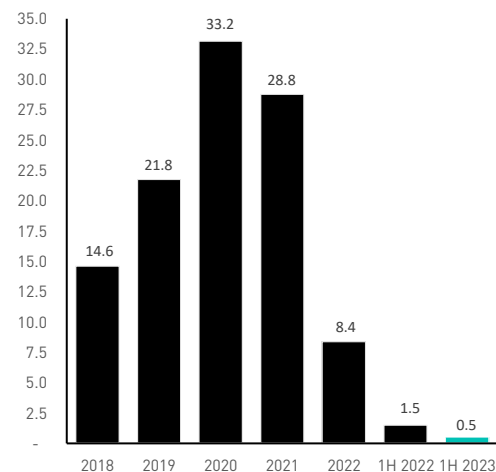
Retail, Institutional Equities Brokerage and Commodities & FX Revenue (\$M)



ECM and Syndication Revenue (\$M)



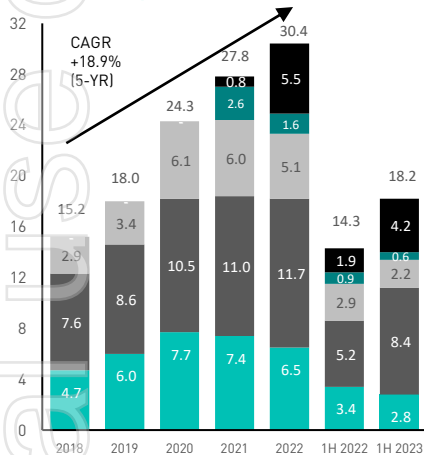
Profit After Tax (\$M)



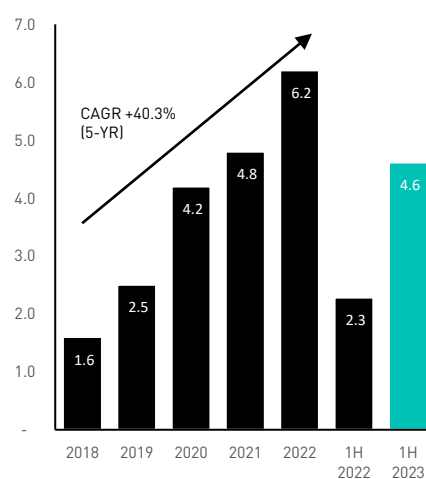
Consistent growth in revenue, profit, sponsored holdings and client accounts over an extended period.

- \$18.2 million in Revenue.
- \$4.6 million Profit After Tax.
- \$33.0 billion in Sponsored Holdings.
- 262,000 client accounts.

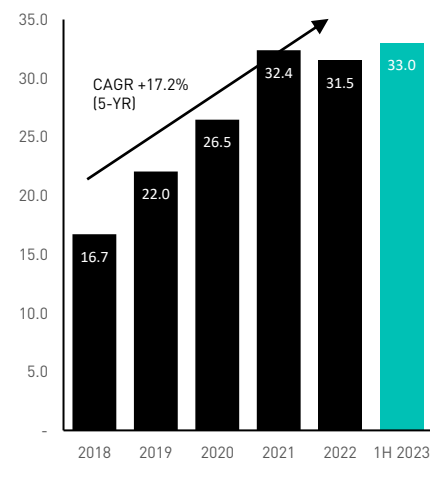
Revenue (\$M)



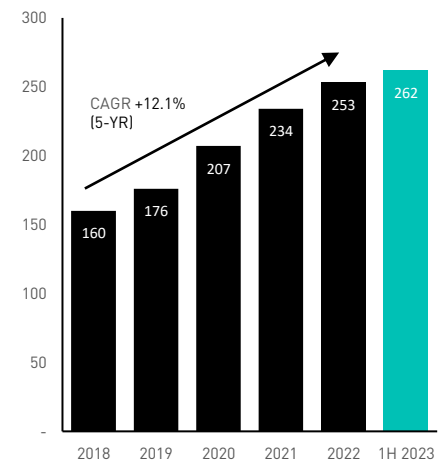
Profit After Tax (\$M)



Sponsored Holdings (\$B)



Client Accounts ('000)



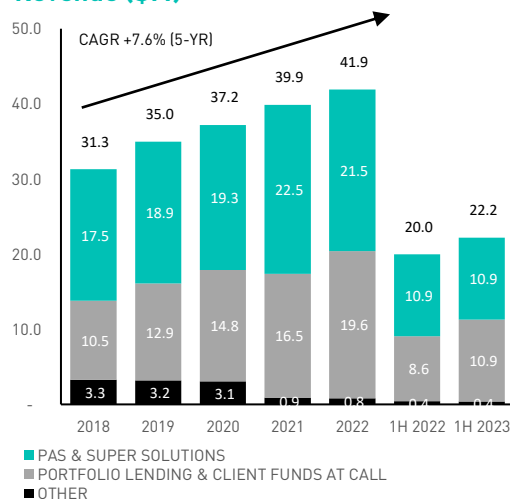
■ THIRD PARTY CLEARING
 ■ BELL DIRECT ADVANTAGE
 ■ WHITE LABEL
 ■ BELL DIRECT
 ■ DESKTOP BROKER

PRODUCTS & SERVICES

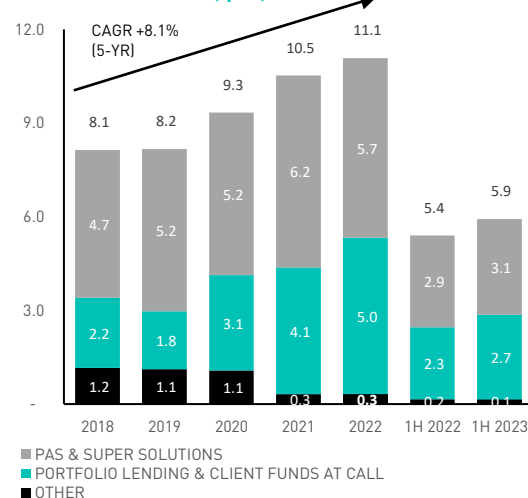
Consistent growth in revenue and profit over an extended period.

- \$22.2 million in Revenue.
- \$5.9 million Profit After Tax.
- \$527 million loan book, up 6.2% on 31 December 2022.
- \$406 million client funds at call, down 12.0% on 31 December 2022.
- \$4.6 billion PAS & Superannuation assets, up 9.3% on 31 December 2022.

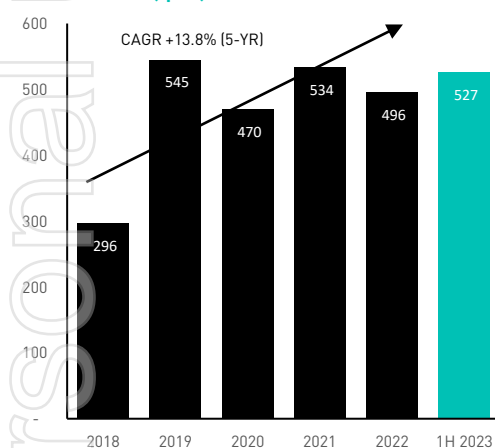
Revenue (\$M)



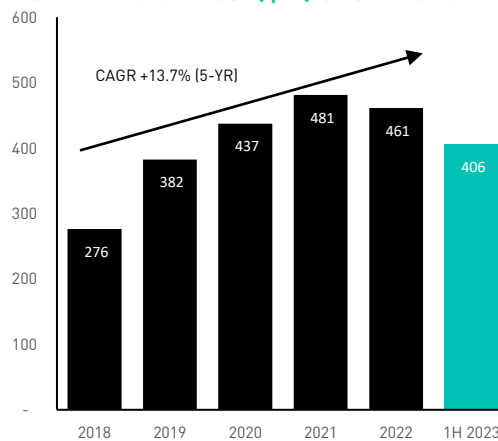
Profit After Tax (\$M)



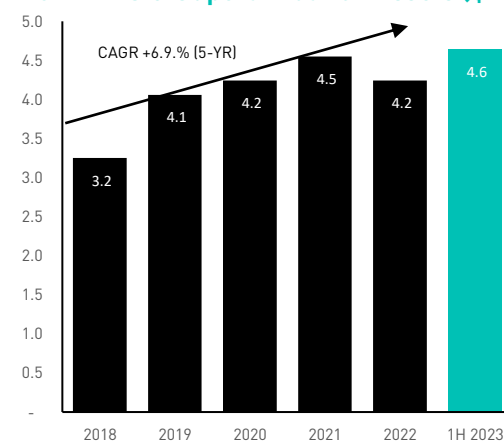
Loan Book (\$M)



Bell Financial Trust (\$M) Client Funds At Call



FUA - PAS & Superannuation Assets (\$B)



4

STRATEGY

GROWTH THROUGH INVESTMENT IN PROPRIETARY TECHNOLOGY, PLATFORMS, PRODUCTS & SERVICES

- Our strategy has been consistent over many years. Growth through our various well established broking and capital markets desks, increasingly led by investment in leading edge proprietary technology and a range of complementary products and services.
- Our investment in technology benefits not only our various internal business units, it has broader application for third parties in the Australian financial services markets.

SYSTEMS & PLATFORMS

THIRD PARTY PLATFORM

- **TPP** – our market leading fully integrated online trading platform
- Providing third party clearing services to the Australian market.
- **IQ** – Price discovery and trade execution platform.
- **FUSION** – In-house desktop application covering all aspects of adviser day-to-day functions



PRODUCTS & SERVICES

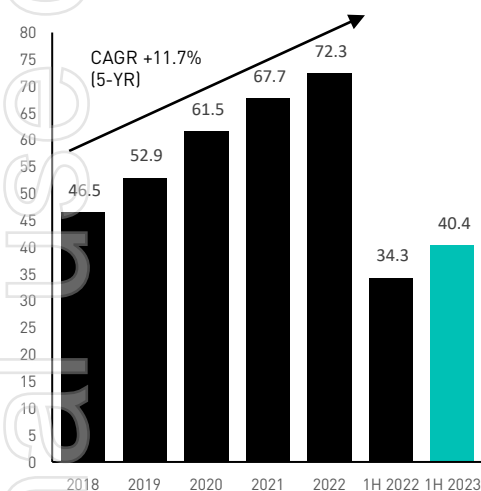
- **BELL POTTER PORTFOLIO LENDING**
- **BELL FINANCIAL TRUST**
- **STRUCTURED LOAN PRODUCTS**
- **BELL POTTER PORTFOLIO ADMINISTRATION SERVICE (PAS)**
- **BELL POTTER PERSONAL SUPERANNUATION SOLUTIONS**
- **AUSTRALIAN EQUITIES RESEARCH**

INVESTMENT IN GROWING REVENUE STREAMS

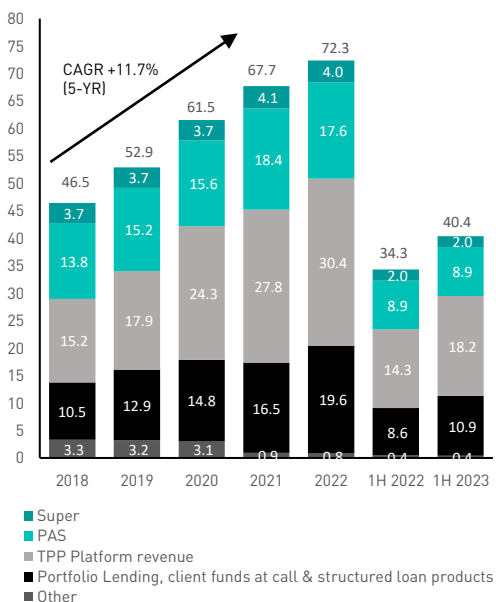
Investment in proprietary technology, platforms and our products and services and is key to the future for growth of the business.

- Revenues of \$40.4 million, a 17.7% increase on the p.c.p., representing 34% of total Group revenue and a 5-year CAGR of 11.7%.
- Profit after tax of \$10.5 million, a 36.8% increase on the p.c.p., representing 95% of total Group profit after tax and a 5-year CAGR of 15.5%.
- Approximately 10% of Group FUA, \$7.3 billion, currently use our various products and services.

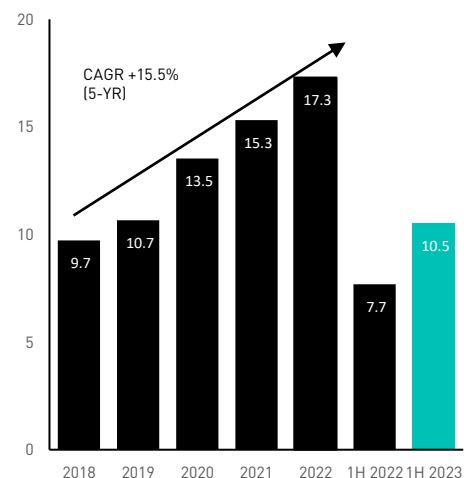
Technology & Platforms and Products & Services Revenue (\$M)



Technology & Platforms and Products & Services Revenue Breakdown (\$M)



Technology & Platforms and Products & Services Profit After Tax (\$M)

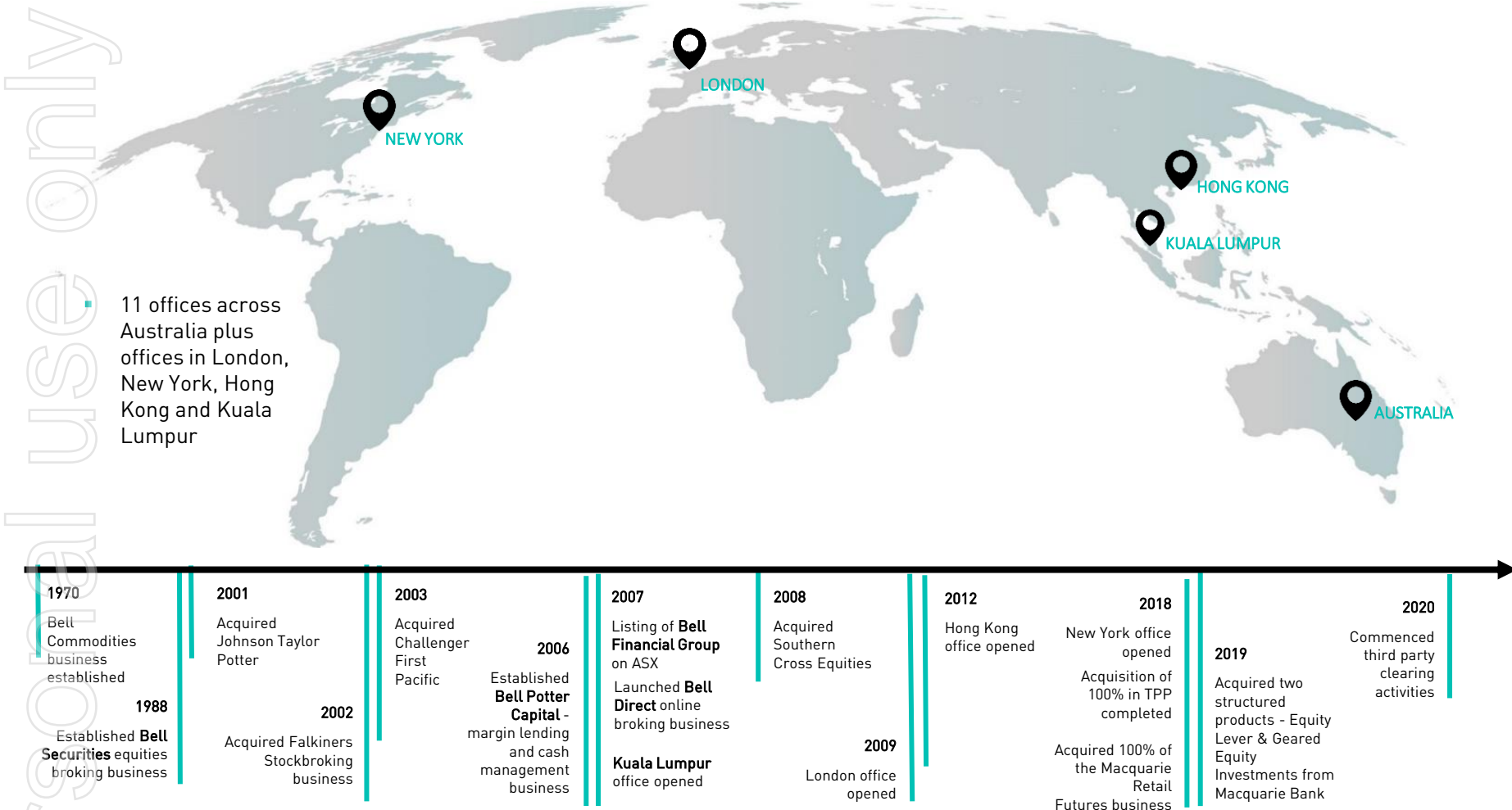


5

**BELL
FINANCIAL
GROUP**

BELL FINANCIAL GROUP

Bell Financial Group is a leading Australian financial services business.



BELL FINANCIAL GROUP

- 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	Graham Cubbin Non-Executive Director +20 years' industry experience	Brian Wilson AO Non-Executive Director +40 years' industry experience	Christine Feldmanis Non-Executive Director +30 years' industry experience
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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 BPS Director Group COO & CFO +25 years' industry experience	Arnie Selvarajah BPS Director & CEO of TPP +25 years' industry experience	Dean Surkitt BPS Director & MD of Retail Equities +35 years' industry experience	James Unger BPS Director & Head of ECM +25 years' industry experience
Joseph Tillig Chief Technology Officer +20 years' industry experience	Rowan Fell BPC Director & CEO Bell Potter Capital +35 years' industry experience	Brendan Goff Group Head of Compliance +20 years' industry experience	James Gordon Head of Australian Institutional Broking +25 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 +20 years' industry experience

Important Disclaimer

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