

BELL FINANCIAL GROUP LTD (ASX:BFG)

2023 FULL YEAR RESULTS

A diversified financial services and wealth management business, with strong growth potential driven by an ongoing focus on people, technology and products

16 FEBRUARY 2024

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FY2023 AT A GLANCE

FY2023 AT A GLANCE

REVENUE

\$247m

4.0% increase on 2022

PROFIT AFTER TAX

\$24.3m

5.3% decrease on 2022

FUNDS UNDER ADVICE

\$79.8bn

9.6% increase on 2022

EARNINGS PER SHARE

7.6¢ share

5.0% decrease on 2022

DIVIDEND PER SHARE

7.0¢ share

No change on 2022

RETURN ON EQUITY

15.0%

4.5% decrease on 2022

Solid results in a challenging market

- In a difficult year for both equities markets and financial services businesses, BFG delivered consistent revenue and earnings including a credible \$24.3 million profit after tax
- The result enabled us to maintain a 7.0 cents fully franked dividend per share for a gross yield of 7.4%, based on the 31 December 2023 share price
- Funds under advice reached an all time high of \$79.8 billion
- Recurring revenue businesses are creating a growing floor under Group earnings
- Our investment in technology is delivering cost efficiencies, with Third Party Platform now clearing for 100% of Bell Potter Securities clients. The Group now operates on a single middle and back office platform
- BFG is financially strong, with \$114 million in cash

Ongoing growth in recurring revenue streams

- Our Technology & Platforms and Products & Services businesses delivered another record result, with combined revenues of \$80.9 million and profit after tax of \$20.2 million
- Both businesses have momentum, with five-year Compound Annual revenue growth of 19.7% and 6.2% respectively and earnings growth of 34.7% and 10% respectively

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STRATEGY:

POSITIONED FOR GROWTH

UNLOCKING GROWTH POTENTIAL BY FOCUSING ON PEOPLE, TECHNOLOGY AND PRODUCTS

People

- Evaluating opportunities to grow our team through both internal and external channels
- Developing our next generation of Advisers and Managers through our Emerging Leaders Program
- Building on relationships across our broad client base, that includes internally advised clients, brokers, corporates, institutional clients, DIY investors, and externally advised clients

Technology

- Taking advantage of our market-leading proprietary technologies to capitalise on new opportunities
- Operating through a single integrated end-to-end platform creates scale, reliability and delivers cost efficiencies resulting in improved margins
- Ongoing investment in our cybersecurity posture, ensuring our technology platform and systems remain secure

Products

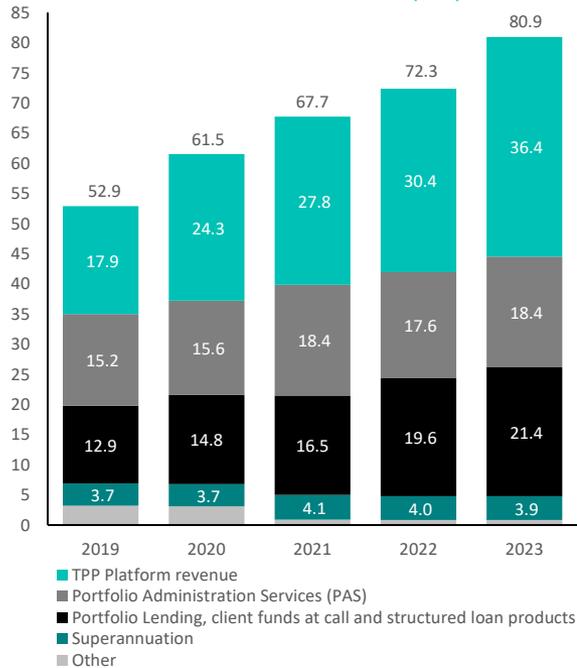
- Expanding the distribution of our products and services through both internal and external avenues
- Exploring both internal and external growth opportunities, new product and service offerings

BUILDING RECURRING REVENUES

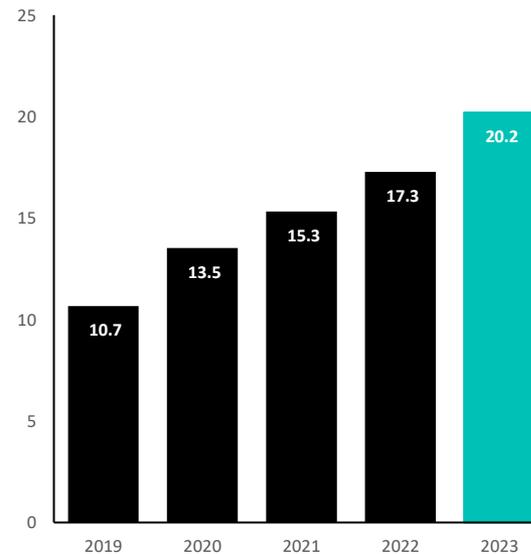
Our investment in Technology & Platforms and Products & Services creates the foundations for ongoing growth

- Our Technology & Platforms and Products & Services businesses delivered record revenue and earnings for the 10th consecutive year
- Their combined contribution represented 32.8% of Group revenue, and 83% of Group profit. We expect earnings growth in these businesses to continue
- These businesses are now at a scale where revenue growth contributes significantly to Group earnings
- They provide relatively stable, recurring revenues through the market cycle
- Approximately 10% of Group Funds Under Advice, \$8 billion, currently use our products and services, with opportunity for further expansion

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



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



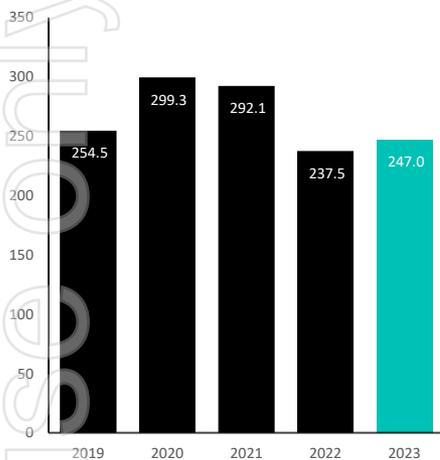
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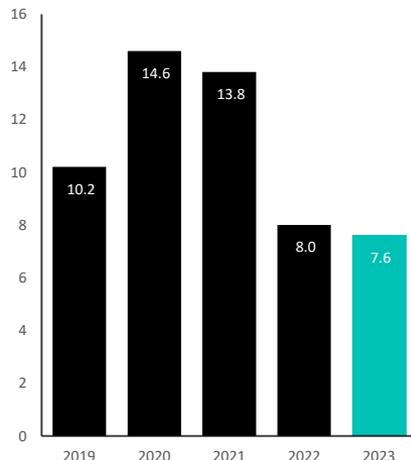
FY2023 GROUP RESULTS

STEADY EARNINGS IN CHALLENGING MARKET CONDITIONS

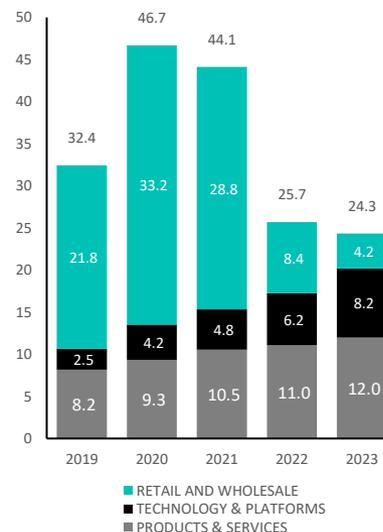
Revenue (\$M)



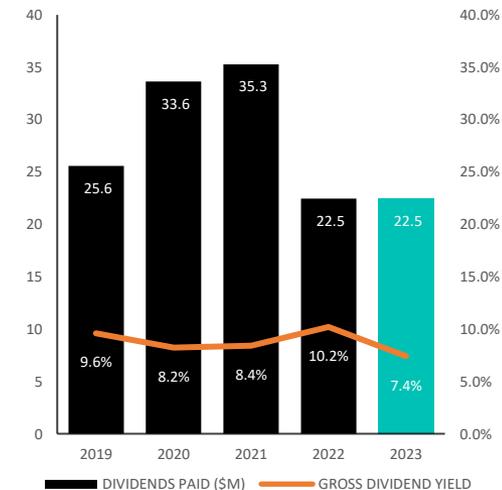
Earnings Per Share (Cents)



Profit After tax (\$M)



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



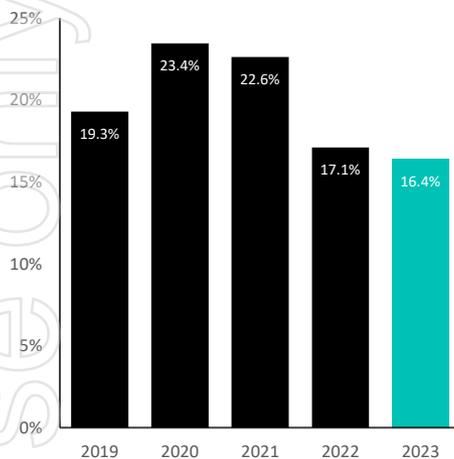
Solid earnings underpinned by recurring revenues

- 2023 revenue was relatively consistent with the prior year, with growth in Products & Services and Technology & Platforms revenues offset by lower revenue in the Retail and Wholesale businesses
- Despite a second difficult year for equities markets, BFG delivered a full year profit of \$24.3 million, reflecting the underlying strength of the Group
- Technology & Platforms and Products & Services revenue and earnings contributions continue to grow strongly
- The result enabled us to maintain a 7.0 cents per share fully franked dividend, representing a 7.4% gross yield

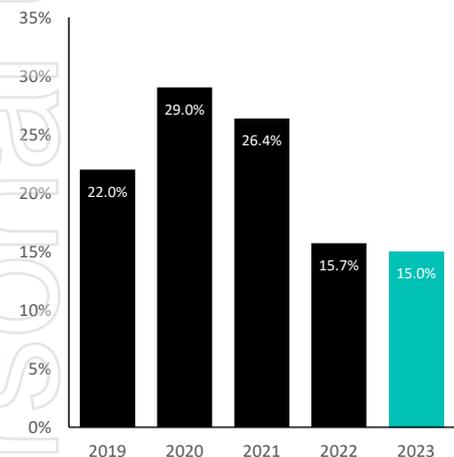
STRONG BALANCE SHEET WITH NO CORE DEBT

The Group is in a strong financial position. We have a solid \$114 million cash-backed balance sheet.

EBITDA Margin



Return on Equity



BFG Share Price Movement January 2019 - December 2023



Balance Sheet

As at 31 December 2023

	\$M
Cash	114.0
Net assets	235.4
Net tangible assets	89.5

A strong cash-backed Balance Sheet with \$114 million net cash at 31 December.

Calculations are based on the BFG share price as at 31 December 2023: \$1.35

Market capitalisation	\$433m
EV/EBITDA multiple ¹	11.2x
Dividend yield (gross) ²	7.4%
Price earnings ratio (PE) ³	17.8x

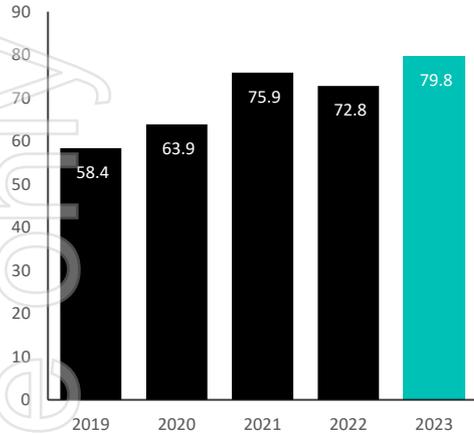
¹ based on 12 month EBITDA to 31 December 2023, and BFG share price at 31 December 2023.

² based on interim 2023 dividend paid and final 2023 dividend payable, divided by BFG share price at 31 December 2023.

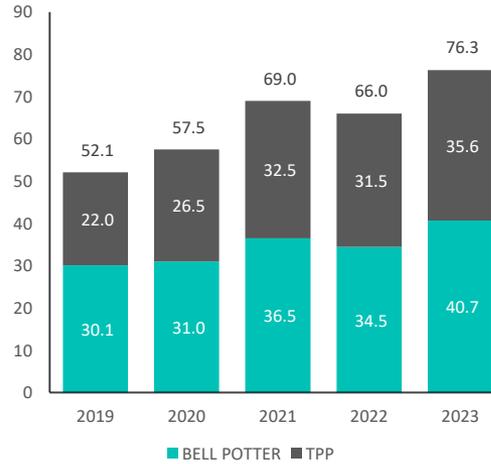
³ based on market capitalisation at 31 December 2023 and 12 month earnings to 31 December 2023.

FUNDS UNDER ADVICE CONTINUE TO GROW

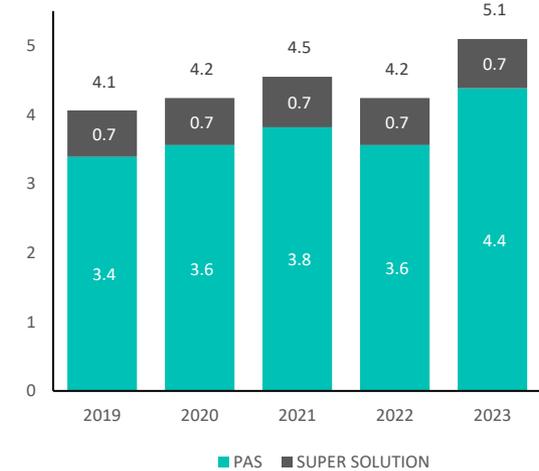
Funds Under Advice (\$B)



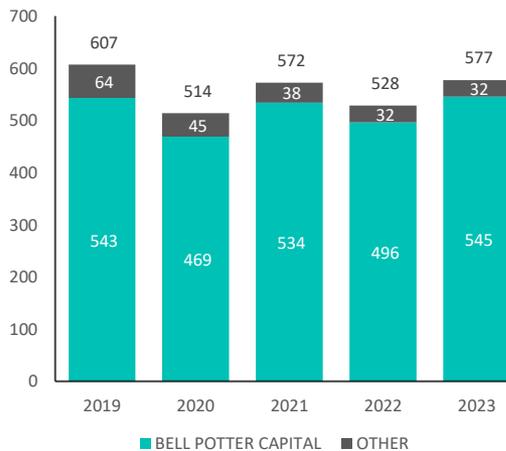
CHES Sponsor Holdings (\$B)



FUA - PAS and Superannuation Assets (\$B)



Margin Loans (\$M)



Client Funds at Call (\$M)



Funds Under Advice, including Portfolio Administration Services (PAS), Superannuation Assets, CHES Sponsor Holdings and the Bell Potter Capital margin loan book, all hit record highs

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FY 2023 PERFORMANCE BY BUSINESS

BELL POTTER

THIRD PARTY PLATFORM

BELL POTTER CAPITAL

BROKING RETAIL AND INSTITUTIONAL

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

TECHNOLOGY & PLATFORMS

Five distinct business units operate within Third Party Platform:

1.  Private Client online share trading platform
2.  High Net Worth desk
3.  Wholesale and Independent Financial Advisers online share trading
4.   White-label online share trading platform
5.  Third Party Clearing services

PRODUCTS & SERVICES

- Bell Potter Portfolio Lending
- Bell Financial Trust
- Structured Loan Products
- Portfolio Administration Services (PAS)
- Bell Potter Personal Superannuation Solutions

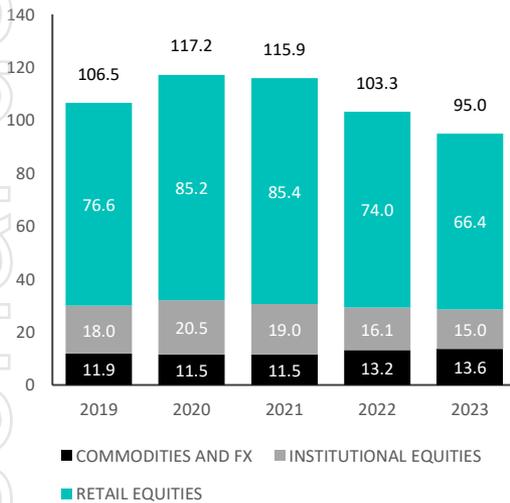
BROKING – RETAIL & WHOLESALE

Leveraged to markets

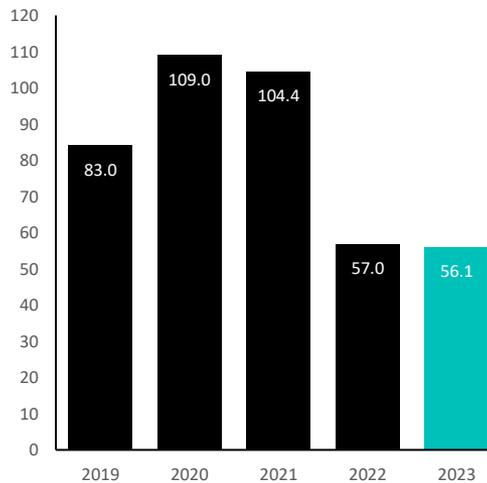


- Our Institutional, Retail, Commodities and FX desks generated \$95 million in revenue, down 8% on the p.c.p.
- Our Equity Capital Markets (ECM) division put in another noteworthy performance despite the many factors weighing on financial markets
- The team successfully executed 87 transactions, raising more than \$1.9 billion in new capital
- We were placed sixth in the Australian Equity Capital Market league tables according to LSEG’s 2023 Global Equity Capital Markets Deals Intelligence

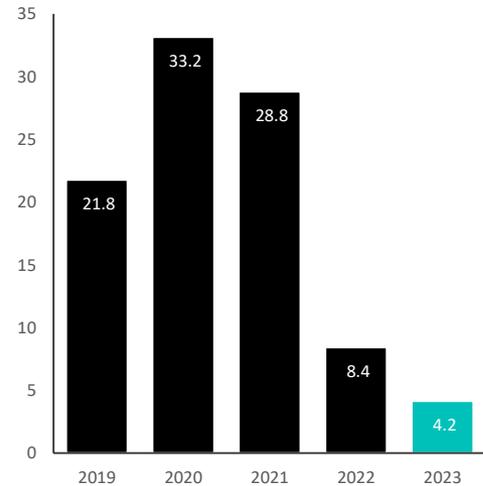
Retail, Institutional Equities Brokerage and Commodities and FX Revenue (\$M)



ECM and Syndication Revenue (\$M)



Profit After Tax (\$M)



TECHNOLOGY & PLATFORMS

Leveraged to scale

THIRD PARTY PLATFORM

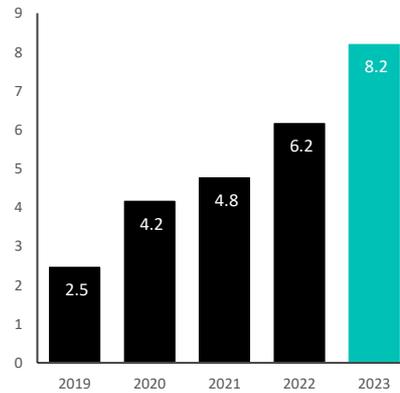
Our Technology & Platforms business continues to deliver consistent growth in revenue, profit and sponsored holdings. We expect growth in this business will continue.

- \$36.4 million in Revenue (19.7% increase on 2022)
- \$8.2 million Profit After Tax (32.8% increase on 2022)
- \$35.6 billion in Sponsored Holdings (12.8% increase on 2022)

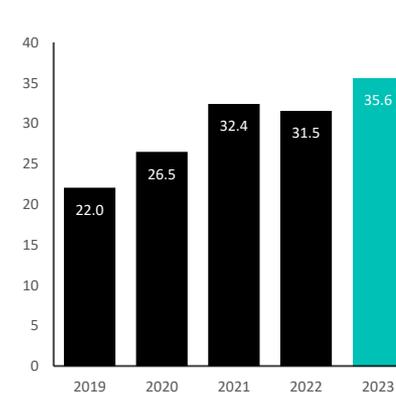
Revenue (\$M)



Profit After Tax (\$M)



Sponsored Holdings (\$B)



* Includes product fees paid by Bell Potter Capital.

** Includes Bell Potter Securities third party clearing revenue.

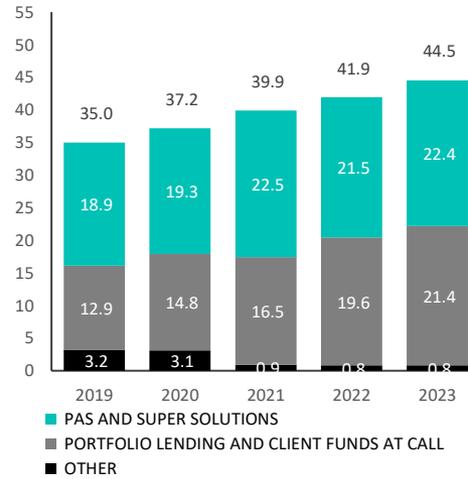
PRODUCTS & SERVICES

Leveraged to distribution

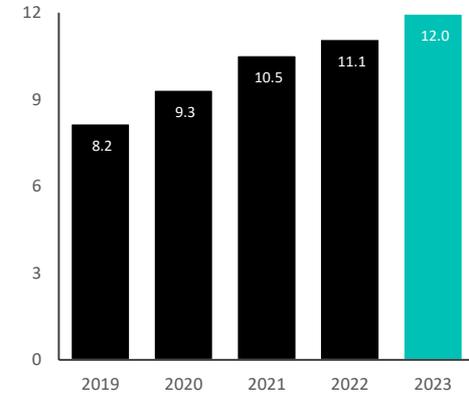
Products & Services revenue and earnings have grown consistently over an extended period.

- \$44.5 million in Revenue (6.2% increase on 2022)
- \$12 million Profit After Tax (7.9% increase on 2022)
- \$545 million loan book at 31 December 2023 (9.9% increase on 2022)
- \$393 million client funds at call at 31 December 2023 (14.9% decrease on 2022)

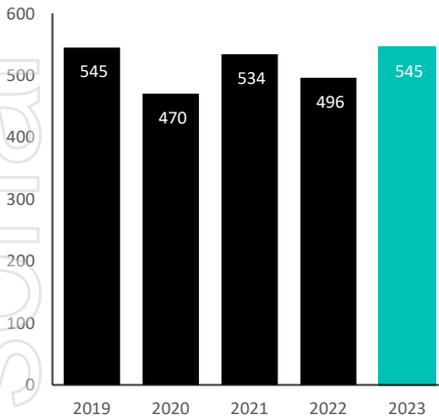
Revenue (\$M)



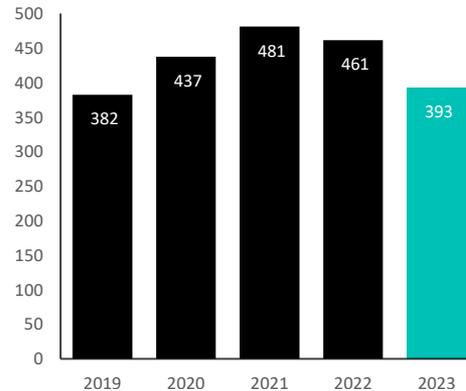
Profit After Tax (\$M)



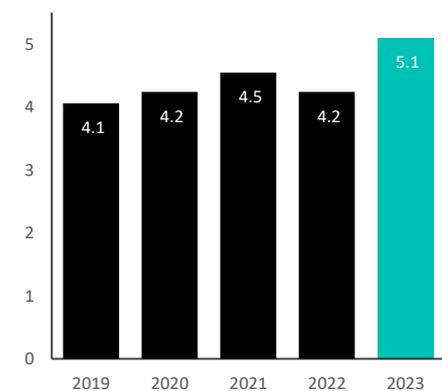
Loan Book (\$M)



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



FUA - PAS and Superannuation Assets (\$B)



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BELL FINANCIAL GROUP

HIGHLY EXPERIENCED MANAGEMENT TEAM AND BOARD

- We have a professional board with a deep industry understanding and decades of experience
- A deliberately flat management structure that is experienced, stable and has a substantial shareholding in the business
- Alastair Provan retired during the year from his role as Executive Chairman and remains as a Non-Executive Director
- Arnie Selvarajah and Dean Davenport have been appointed as Group Co-CEOs

BELL FINANCIAL GROUP BOARD

Brian Wilson AO
Independent Chairman
+40 years' industry
experience

Alastair Provan
Non-Executive Director
+35 years' industry
experience

Graham Cubbin
Non-Executive Director
+20 years' industry
experience

Christine Feldmanis
Independent Director
+30 years' industry
experience

Andrew Bell
Non-Executive Director
+40 years' industry
experience

BUSINESS LEADERS

Dean Davenport
Co-Chief Executive
Officer
+25 years' industry
experience

Arnie Selvarajah
Co-Chief Executive
Officer
+25 years' industry
experience

James Unger
Head of Corporate
Finance
+25 years' industry
experience

Dean Surkitt
MD of Retail Equities
+35 years' industry
experience

James Gordon
Head of Australian
Institutional Broking
+25 years' industry
experience

Lee Muco
CEO of TPP
+20 years' industry
experience

Rowan Fell
CEO of
Bell Potter Capital
+35 years' industry
experience

A DIVERSIFIED FINANCIAL SERVICES BUSINESS

An Australian-owned business with global reach and a history of growth and innovation.



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