Mattioli Woods plc

INTERIM RESULTS

For the period
30 November 2023

Ian Mattioli MBE, Chief Executive Officer
Michael Wright, Deputy Chief Executive Officer
Ravi Tara, Chief Financial Officer

February 2024

AGENDA

- Highlights
- Client Asset Progression
- Financial Overview
- Integrated Model
  - Advice
  - Investment Management
  - Administration and Technology
- Strategic Plan
- Investment Case

KEY HIGHLIGHTS

We are a holistic Wealth Management business

- Revenue growth 7.7% *(Organic 4.0%)*
- Continued focus on penetration into MW Product from acquisitions
- 148 Revenue Generating Consultants

  Additional 30 Fee Earners
- Investment proposition strengthened
- 36 acquisitions completed since IPO adding scale and distribution
- Trading in line with management expectations

FINANCIAL HIGHLIGHTS

Financial Highlights

Revenue
£59.1m +7.7%
1H23: £54.9m
Organic +4.0%

Adjusted EBITDA
£16.5m +10.0%
1H23: £15.0m

Adjusted EBITDA Margin
27.9% +0.6%
1H23: 27.3%

Adjusted PBT
£15.6m +15.4%
1H23: £13.5m

Basic EPS
10.2p +72.9%
1H23: 5.9p

Proposed Total Dividend
9.0p +2.3%
1H23: 8.8p

Assets

Total Client Assets
£15.2bn (0.4%)
with £75m of benefits paid
31 May 2023: £15.3bn

Cash at Period-End
£32.7m
31 May 2023: £45.1m

Assets under Management
£4.6bn
+CREI + API taking CREIT to £1bn
31 May 2023: £4.8bn

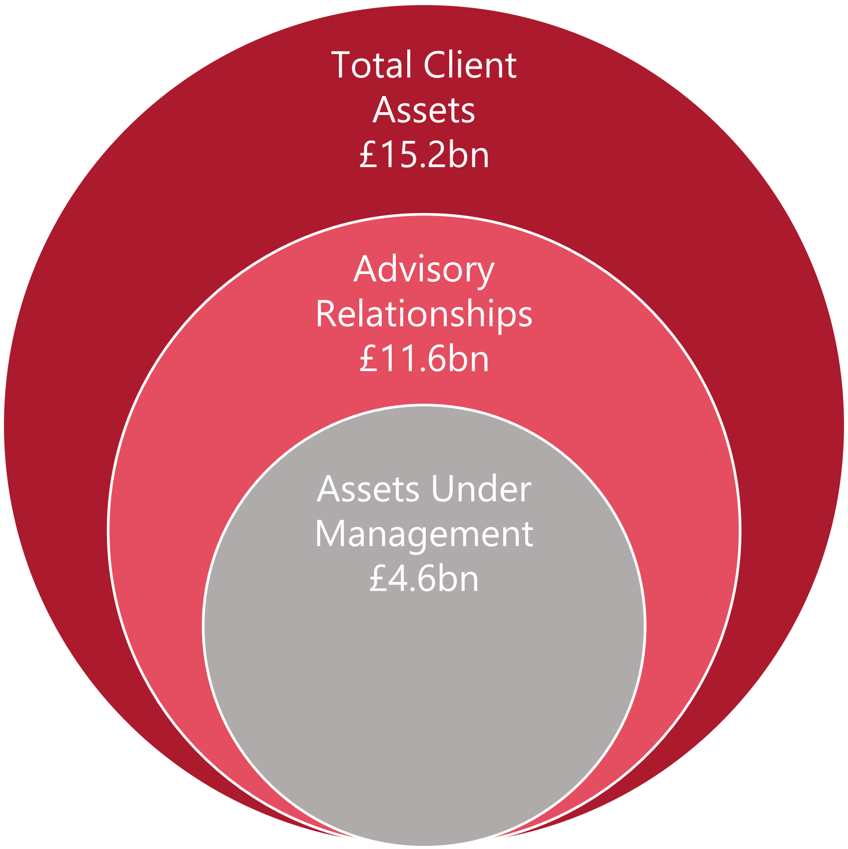
Other KPIs

Revenue Generating Consultants
148
Existing capacity
Increased academy intake
1H23: 132

Value of New Clients
£132.6m
1H23: £108.1m

£1m+ Revenue Generating Consultants & Fee Earners
41
1H23: 39

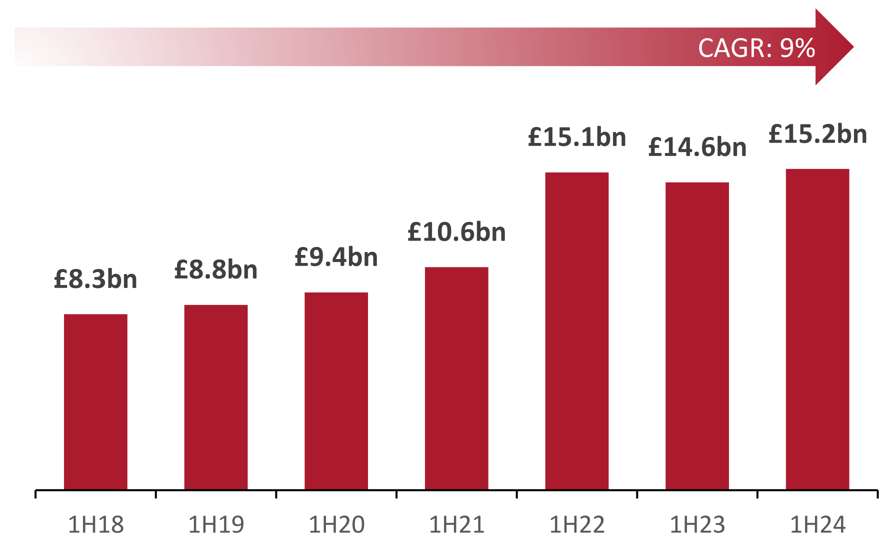
CLIENT ASSET PROGRESSION



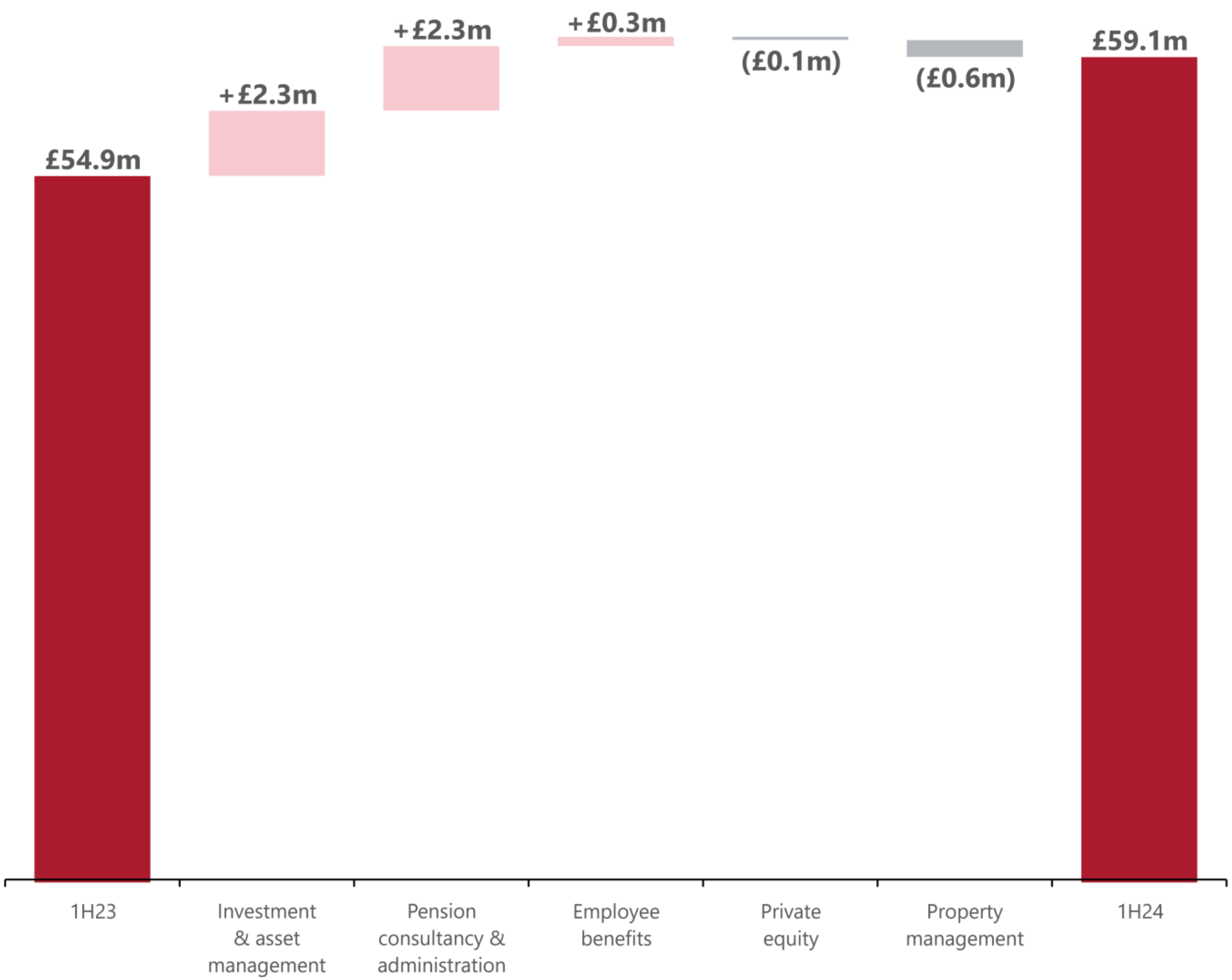
Client assets of £15.2bn

- Advisory relationships of £11.6bn (FY23: £11.7bn)
- Vertical integration creates multiple revenue touchpoints
- Continued focus on MW product penetration across Group

Client assets progression (£bn)



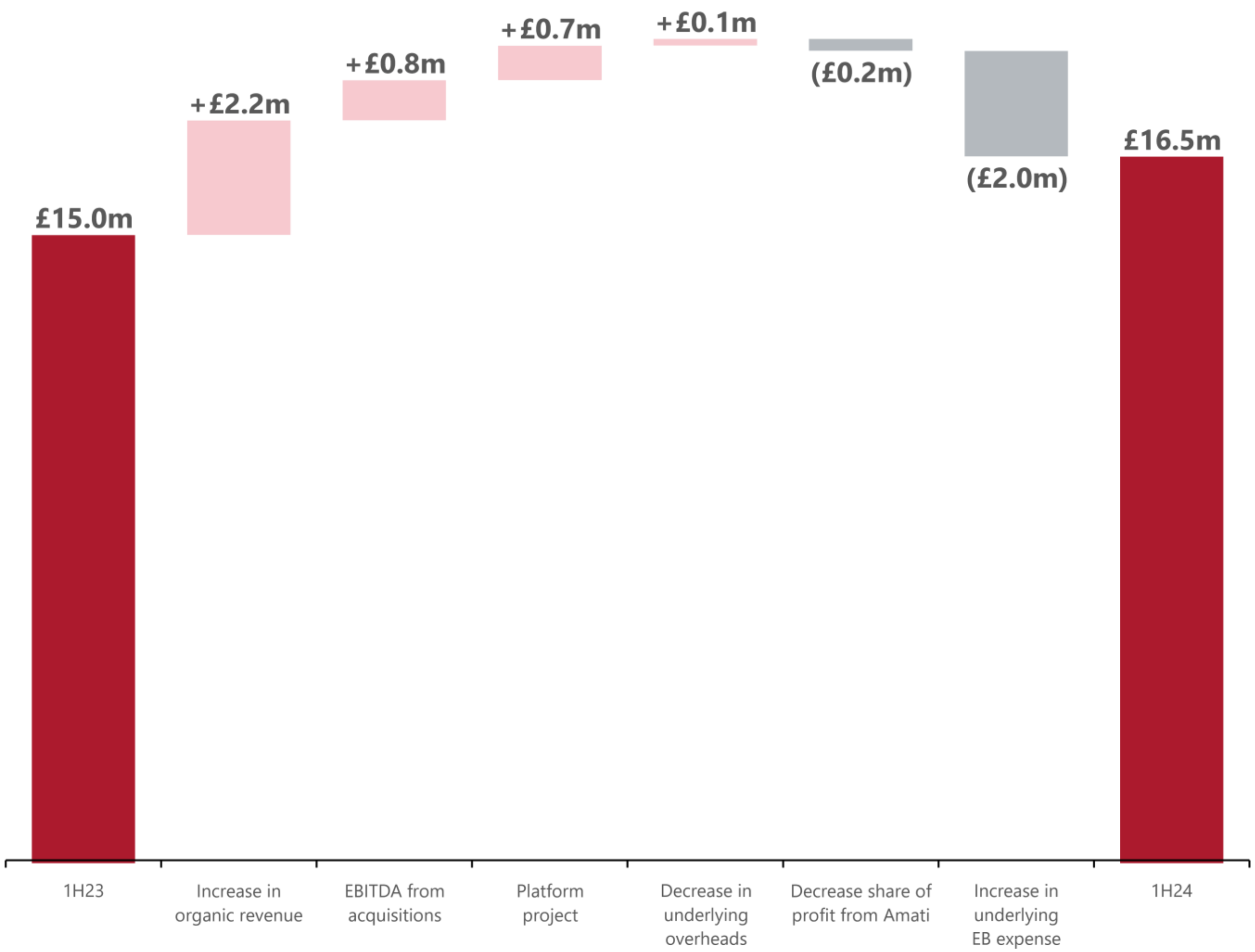
FINANCIAL OVERVIEW | Revenue



Diverse revenue mix

- Revenue up by +7.7%
- Organic growth +4.0%
- Strong demand for advice
- Proactive and trusted relationships, well positioned to capitalise on the advice gap
- High recurring revenues 90.8% (1H23: 89.6%[1])
- High proportion of fee-based revenues 37.0% (1H23: 34.8%)

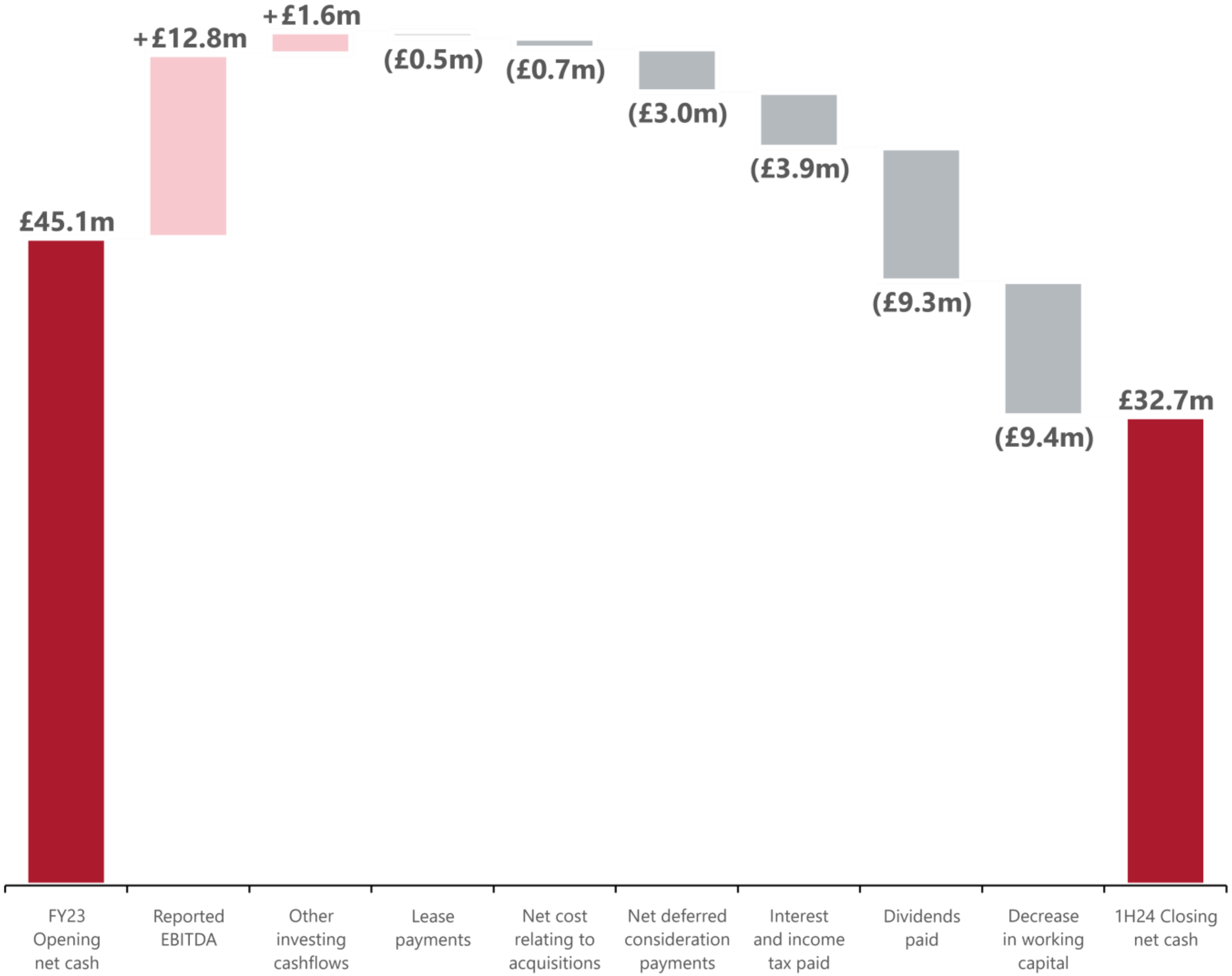
FINANCIAL OVERVIEW | Adjusted EBITDA



High quality of earnings

- Adjusted EBITDA margin 27.9% (1H23: 27.3%):
  - Staff costs 55.5% of revenue (1H23: 54.3%)
  - Reduction in overheads: lower legal and professional fees, reduced regulatory costs
  - Continued cost management despite inflationary pressures

FINANCIAL OVERVIEW | Cashflow and dividends



High cash generation

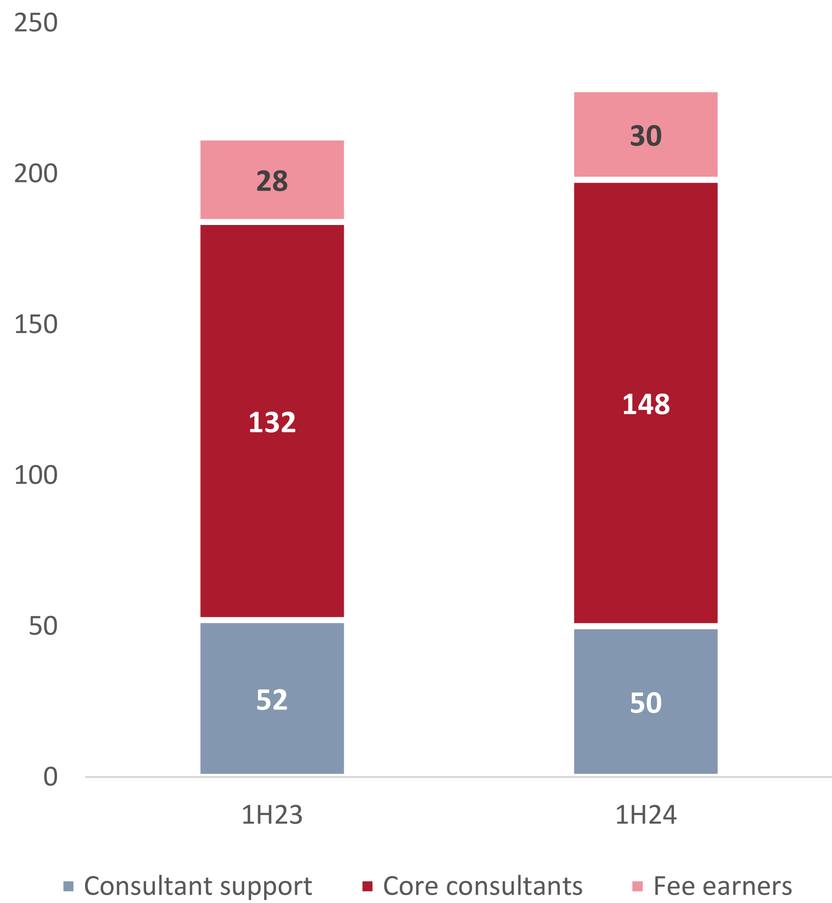
- 98.4% of EBITDA converted to cash (1H23: 70.8%)[1]
  - Lower acquisition-related costs
- Working capital movement
  - £0.6m increase in receivables
  - £6.6m decrease in payables
  - £2.2m decrease in provisions
- Basic EPS 10.2p (1H23: 5.9p)
- Proposed interim dividend of 9.0p (1H23: 8.8p) +2.3%
  - Commitment to progressive policy
  - 17% CAGR since IPO
  - Well-covered EPS:
    1.1x basic EPS (1H23: 0.7x)
    2.5x Adjusted EPS (1H23: 2.4x)

1. Adjusted cash generated from operation as a proportion of EBITDA

INTEGRATED MODEL | Capacity for growth

Mattioli Woods plc

Growth in revenue generating consultants and fee earners (#)



Capacity across each segment

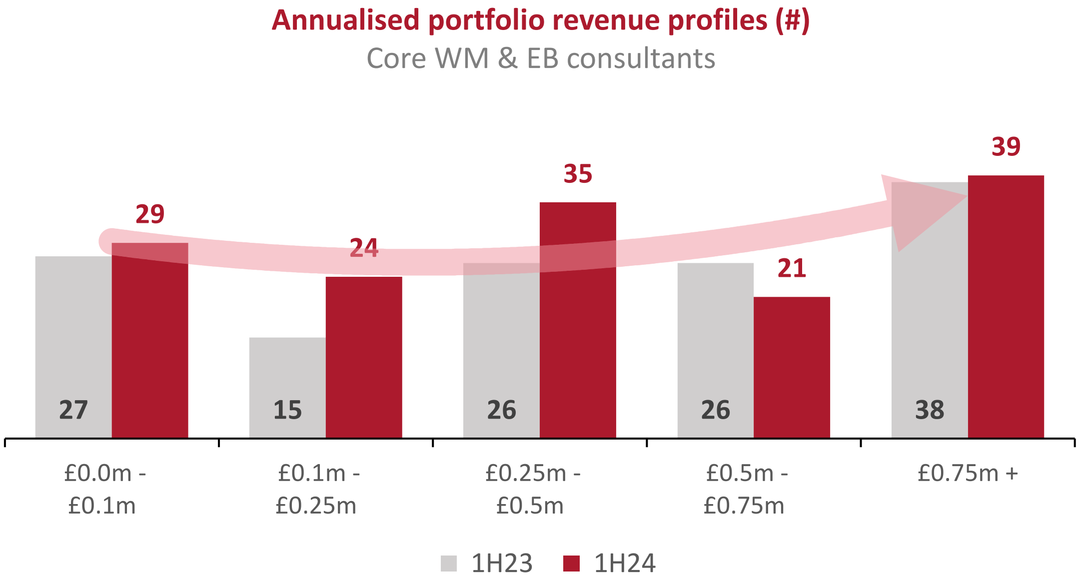
- Breadth of revenue generating consultants and fee earners
  - 128 WM consultants
  - 20 EB consultants
  - Fee earners made up of 13 Investments, 11 Maven and 6 other

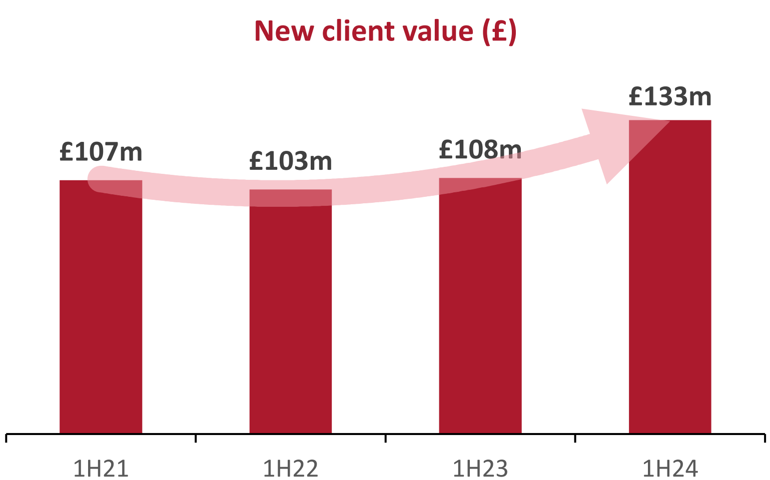
Capacity to scale

- Re-shaped the investment team including T-Rowe Price Partnership
- Maven's ability to do larger deals through existing deal team
- Advisory team with capacity to drive organic growth

"Do business tomorrow with someone we do not know today"

ADVICE | Capacity for growth





Expanding capacity

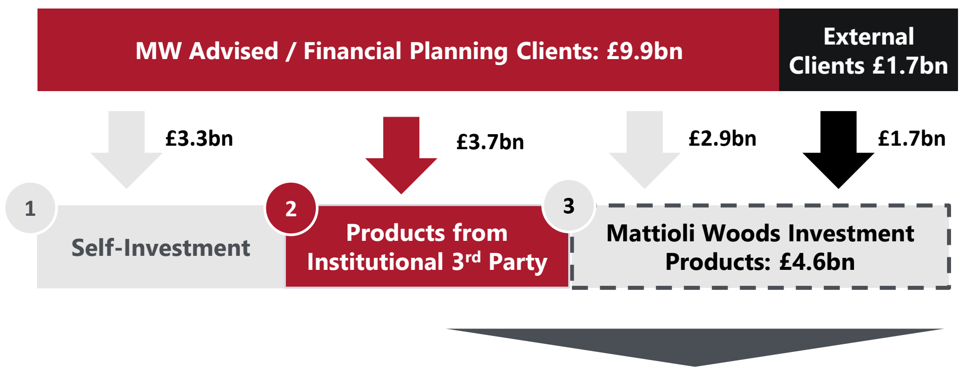
- Enhanced adviser academy
- Low average age of advisers vs market
- Drives client retention across the generations with average tenure of 10 years+

Utilising capacity

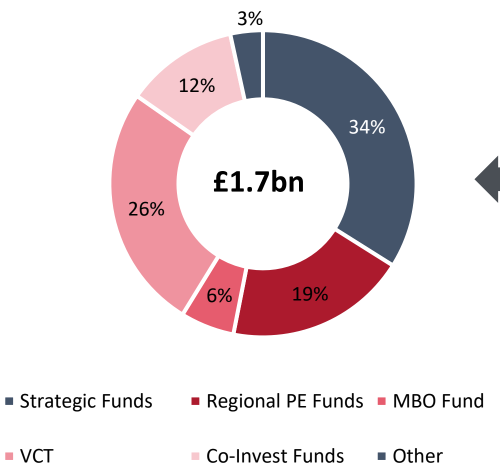
- Higher average revenue per consultant, utilising our responsibility integrated model
- Conversion of more complex, wealth management enquiries and wins groupwide:
  - 610 enquiries (1H23: 606)
  - Value of £235.4m (1H23: £193.7m)
- Integration of acquisitions

INVESTMENT MANAGEMENT | Diverse proposition

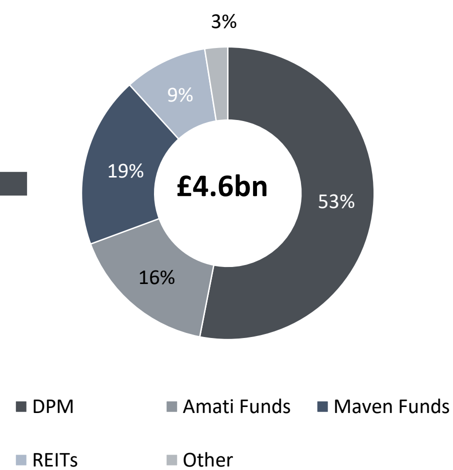
Analysis of advised assets between self-investment, external investment and in-house investment[1]



MW "Strategic Assets"
(Maven and Amati)



MW Investment Management AUM



Continued development

- Team structure & strategy
  - Identified opportunity to align proposition
  - Increased focus on Group integration to Central Investment Proposition
- Strategic partnership with T.Rowe Price
- Custodian Capital IMA + circa. £450m[2]
- Strengthened investment proposition
  - Multi Asset Fund – review and optimisation of funds to be more cost competitive
  - Diversified Income Portfolio - offering opportunity into income-producing assets

Opportunity

- Further expansion of fund range and product set with new Diversified Investment Proposition.
- Further utilisation of strategic assets within the Group including new Maven Milestone Fund 2
- Opportunity to increase penetration from Institutional 3rd Party Products to MW own Products where applicable
- New initiatives being developed

1. Note certain figures in the table above may not add due to rounding
2. Proposed merger of Custodian Property Income REIT PLC and Abrdn Property Income REIT PLC on share-for-share basis

ADMINISTRATION, PLATFORM AND TECHNOLOGY

Administrative Platform

- Non-market correlated income
- Facilitation of bespoke planning (property purchase) as a route to market)
- Ancillary revenue streams of property insurance, mortgages and banking interest

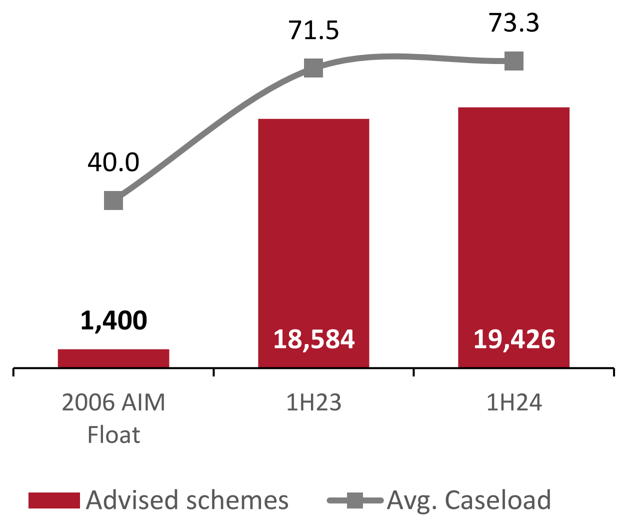
Increased process efficiency

- Transitioning to sole trustee arrangements to maximise efficiency and enhancing consumer journey
- Centralised client services function established
- Treasury & Banking team created to centralise core payment services

Investment in technology

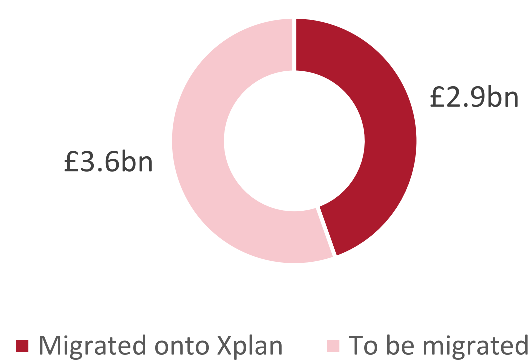
- Significant migration to Xplan achieved to date for all regional offices
- Xplan project progression to phase II creating efficiencies in administration
- Continued investment in proprietary MWeb administration platform
- £0.7m invested YTD

Average CRM caseload



Xplan AuM/A/A Migration

Total £6.5bn



STRATEGIC PLAN | Strong organic growth & acquisition discipline

Mattioli Woods plc

Stated Business Goals: £300m Revenue, £100m EBITDA, £30bn Assets

Seeking to enhance both scale and product capability

- ✓ Expand distribution
- ✓ Focus on addressing gaps in regional penetration and wealth value chain
- ✓ Extend existing proposition
- ✓ Add scale and maximise scale economies

No shortage of potential targets

- ✓ Smaller bolt-on client acquisitions
- ✓ Medium company acquisitions (Ludlow/Hurley)
- ✓ Larger transactions can help accelerate strategic plan

Competitive deals challenged by current financing constraints

- ✓ Remains competitive market, but opportunity to find value
- ✓ Deal structures mitigate financial risks in competitive market
- ✓ Current rating puts a limit on how much we can pay for attractive assets
- ✓ Available cash above liquidity requirement

Financial planning

- Largely a fragmented market
- Cultural fit is key given people business
- Our "responsibly integrated" advice model is attractive to vendors

Investment management

- M&A to complement organic product development
- Consistent with vertical integration and potential to lower client TERs
- Focus on high quality, niche investment solutions tailored for clients

Administration

- Understand the market
- Small number of high-quality opportunities with meaningful scale
- Opportunity to facilitate additional revenue streams

INVESTMENT CASE | Mattioli Woods plc

Strong culture with experienced team serving a multi-generational client base

High revenue per core consultant, on-going investment in technology, improved productivity and client proposition

Resilient earnings profile with dividend growth

17% CAGR in DPS since IPO to FY23

Well positioned and resilient business

7% adjusted EPS CAGR since 1H08

Investing for growth over past 5 years

Demonstrated organic growth; consultancy team with capacity to generate additional revenues; training academy

Proven acquisition record with strong pipeline of accretive bolt-ons

Invested £255m in 36 deals since IPO; track record of successfully integrating large and bolt-on acquisitions

Mid-term ambition to triple revenue and profit

£300m revenue; £100m EBITDA; c.30% EBITDA margin

Continuing to deliver growth and sustainable returns

Mattioli Woods plc

We are where you are

APPENDICES

INTERIM RESULTS 1H24

STRATEGIC PLAN | Organic growth initiatives

Mattioli Woods plc

Growth area		Targets	Key initiatives
Advice	Financial Planning	✓ Expand core financial planning consultancy team ✓ Increase new client wins ✓ Further appropriate utilisation of central investment proposition and strategic assets	• Harmonise advice processes across all locations • Expand core consultancy team • Support retention, with revised team structure and remuneration model in place • Increased utilisation of Core Investment proposition
Advice	Employee Benefits	✓ Increase EB annual revenue to c.£10m over medium term ✓ Increase new client wins ✓ Increase average client fee by utilsing more of the key service offerings	• Enhanced focus on new business • Developing the recruitment of consultants • Expanding digital proposition and expansion of client utilisation • Improve cross-sell through executive financial education, referrals and flex platform opportunities
Investment Management		✓ Broaden Central Investment Proposition ✓ Increase DPM penetration rate of advised client ✓ Expansion of strategic assets AUM	• Revisit and expand DPM proposition and fund range • Increased penetration across Group and increasing options available to consultancy team • Further internal and external promotion of strategic
Administration		✓ Further improvement in productivity from technology ✓ Broaden revenue streams (Banking/Insurance) ✓ Secure growth in average non-advised scheme fees	• Streamline administration and advice process • Enhance productivity through digitisation • Focus on serving more complex non-advised schemes • Introduction of pooled banking, enhancing margin

INTEGRATED MODEL | Client profile and opportunity

Mattioli Woods plc

Core MW	≥ £1m	£300k - < £1m	£100k - < £300k	< £100k	Total
Value of AuA	£3,289m	£2,670m	£811m	£177m	**£6,946m**
# of Clients	1,700	4,746	4,323	6,507	17,276
Average AuA	£1,934k	£563k	£188k	£27k	£402k
Average Tenure	10	10	8	8	9

Ludlow	≥ £1m	£300k - < £1m	£100k - < £300k	< £100k	Total
Value of AuA	£739m	£648m	£225m	£269m	**£1,881m**
# of Clients	425	1,187	1,201	595	3,408
Average AuA	£1,738k	£546k	£188k	£451k	£552k
Average Tenure	10	9	9	8	9

Other Portfolios[1]	≥ £1m	£300k - < £1m	£100k - < £300k	< £100k	Total
Value of AuA	£283m	£292m	£189m	£33m	**£920m**
# of Clients	155	558	1,126	1,406	8,672
Average AuA	£1,825k	£524k	£168k	£23k	£106k
Average Tenure	17	14	14	14	15

Opportunity – need for advice

- Strong demographical future need for advice
- Longevity of relationship cascading wealth through generations
- Strong advisor retention
- Uncertain macroeconomic outlook needed well positioned solutions like the MW Individual Structured Products.

Diversity of target client

- Core advisory client (affluent to HNW) >£500k investable wealth
- Corporates remain a key source of growth through Employee benefits
- HNW - UHNW Product distribution via Maven

Opportunity for organic growth

- Client acquisition - Significant addressable target client market
- Product Penetration – Significant revenue synergy through distribution of MW product set.

1. Other portfolios includes Doherty and Pole Arnold.

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Integral to our culture

Environmental responsibility

- Electric vehicle charging points installed in offices where we are a landlord and an 80% hybrid/electric fleet
- Continued development of “Net Zero” strategy.
- Improved ESG rating via CREIT’s building improvement plan (electric charging, solar points etc)
- Initiative calendar for 2024 focusing on:
  - Reduced waste to landfill including reduction of paper usage
  - Promoting sustainable transportation options
  - Community and staff engagement

Social

- 10% of Amati profit donated to 99 charities, many of these in local communities
- Employee Engagement Group created, to ensure employees voices are heard and listened to
- Ensuring commitment to wellbeing
- Extensive staff mentoring programme
- Founder and executive charitable giving
- Diversity, Equity & Inclusion working Group created to tackle and overcome biases and increase inclusivity

Governance

- Regular Board and committee effectiveness reviews
- Aim to rebalance Board composition
- Senior management team diversity
- Continued work in Operational Resilience delivering:
  - Identification of important business services
  - Setting impact tolerances
  - Mapping of interconnections and interdependencies
  - Scenario testing
- TCFD and ESOS disclosure work continues towards June 2024 delivery
- Continued assessment of risks, including climate risks and our ESG policy

A resilient and responsible client proposition

- MW ESG Committee creation with MW ESG integration (ESGi (proprietary assessment method for assessing the ESG process of investee funds)
- MW Ethical Portfolios are our negatively screened portfolios that avoid investment in certain ‘unethical’ areas available across the risk spectrum
- MW Responsible Equity Fund (REF) focused on positive outcomes aligned to UN SDGs

Measuring up against UN SDGs

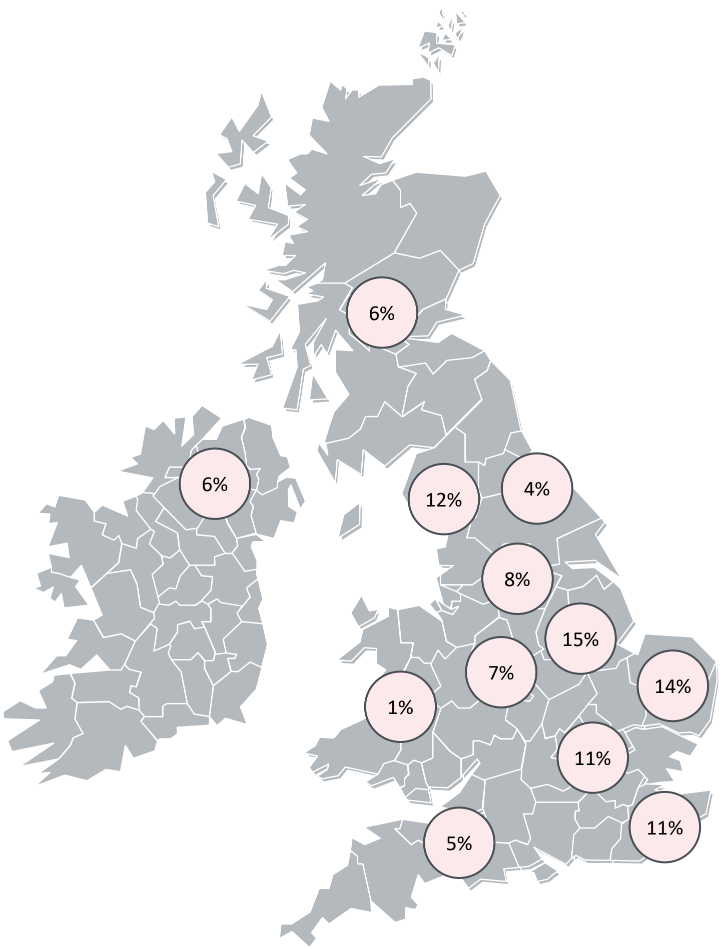
SUSTAINABLE DEVELOPMENT GOALS
17 GOALS TO TRANSFORM OUR WORLD

3 GOOD HEALTH AND WELL-BEING
5 GENDER EQUALITY
8 DECENT WORK AND ECONOMIC GROWTH
13 CLIMATE ACTION

APPENDICES | National coverage

Mattioli Woods plc

Summary of core Mattioli Woods client base by location



Overview

- MW's operates from 27 locations across the UK, including Aberdeen, Belfast, Birmingham, Edinburgh, Glasgow, Leatherhead, Leicester, London, Manchester, Newcastle, Newmarket, Preston and Southport
  - Largest office in Leicester
- The Core Mattioli Woods portfolio comprises c.17k clients, covering all key parts of the UK. Particular strengths in:
  - East Midlands - 15%
  - East of England - 14%
  - North West England - 12%
  - Greater London - 11%
  - South East England - 11%
- Other portfolios are not shown in the analysis on the left but also have geographic strengths
  - Ludlow: North West
  - Pole Arnold: East Midlands
  - Doherty: Northern Ireland
  - Kudos: North East Scotland
  - Caledonia: Edinburgh

APPENDICES | Segmental results

Segment[1]	Investment and asset management £m	Pension consultancy and admin £m	Private equity asset management £m	Property management £m	Employee benefits £m	**Total segments £m**	Corporate costs £m	**Total consolidated £m**
At 30 Nov 2023								
Revenue	27.2	13.2	12.4	2.8	3.5	**59.1**		**59.1**
Segment profit before tax	5.2	4.1	2.9	0.6	0.6	**13.5**	(5.8)	**7.6**
Segment margin	19%	31%	24%	23%	16%	**23%**		**13%**
At 30 Nov 2022								
Revenue	24.8	10.9	12.6	3.4	3.2	**54.9**		**54.9**
Segment profit before tax	4.5	2.6	3.3	1.1	0.5	**12.0**	(7.2)	**4.8**
Segment margin	18%	24%	26%	32%	15%	**22%**		**9%**

1. Note certain figures in the table above may not add due to rounding

APPENDICES | Assets

Assets under management, administration and advice[1]	SIPP and SSAS £m	Employee Benefits £m	Wealth Mgmt. & other assets £m	Investment Products £m	Total £m	Net AuM £m	**Net AuA £m**	Admin & Execution only £m	**Total £m**
At 1 June 2023	6,854.0	1,639.8	5,171.5	1,647.0	**15,312.3**	4,558.9	**4,151.2**	6,572.2	**15,312.3**
Acquisitions in the period	-	-	-	-	**-**	-	**-**	-	**-**
Net inflows/(outflows), including market movements	(130.8)	248.2	(52.9)	(129.1)	**(64.7)**	(182.1)	**(3.0)**	120.3	**(64.7)**
At 30 Nov 2023	6,723.2	1,888.0	5,118.5	1,517.9	**15,247.7**	4,406.9	**4,148.2**	6,692.5	**15,247.7**

Assets under management[1]	DPM £m	Custodian REIT £m	Mattioli Woods PSF £m	Mattioli Woods REF £m	Mattioli Woods UKDF £m	Amati £m	Maven £m	**Gross AuM £m**	Cross-holdings £m	**Net AuM £m**
At 1 June 2023	2,485.2	437.6	68.4	9.7	-	913.9	835.3	4,750.1	(161.1)	4,588.9
Acquisitions	-	-	-	-	-	-	-	-	-	-
Inflows	117.0	-	3.3	1.4	35.4	60.2	109.2	326.4	0.1	326.5
Outflows	(170.5)	-	(0.1)	(0.3)	(0.0)	(129.7)	(21.2)	(321.8)	(32.0)	(353.9)
Market movement	10.4	(14.8)	(1.6)	0.0	0.5	(96.0)	(53.1)	(154.7)	-	(154.7)
At 30 Nov 2023	2,442.1	422.8	69.9	10.8	35.9	748.4	870.2	4,600.0	(193.1)	**4,406.9**

1. Note certain figures in the table above may not add due to rounding

APPENDICES | Profit and Loss

Mattioli Woods plc

Profit & Loss	1H24 £m	1H23 £m	%△
Revenue	**59.1**	**54.9**	**7.7%**
Employee benefits expense	(32.8)	(29.8)	10.1%
Other administrative expenses	(9.8)	(10.3)	(4.4%)
Share based payments	(1.2)	(0.9)	43.6%
Deferred consideration as remuneration	(2.5)	(3.9)	(36.2%)
EBITDA	**12.8**	**10.1**	**26.4%**
Acquisition-related costs	0.3	0.5	(45.8%)
Share of profit from associates, net of tax	0.3	0.6	(41.0%)
Platform project costs	0.7	0.0	100.0%
Contingent consideration as remuneration	2.5	3.9	(36.2%)
Adjusted EBITDA	**16.5**	**15.0**	**10.0%**
Depreciation, amortisation and impairment	(5.7)	(5.5)	3.2%
Net finance costs	0.2	(0.4)	(153.9%)
Share of profit from associates, net of tax	0.3	0.6	(41.0%)
Profit before tax	7.6	4.8	59.9%
Income tax expense	(2.4)	(1.7)	34.5%
Profit for the period (PAT)[1]	**5.3**	**3.0**	**74.5%**

Continued growth

- High recurring revenues >90%
- Growth in both revenue and adj. EBITDA

1. Note certain figures in the table above may not add due to rounding

APPENDICES | Earnings per share

Profit & Loss	1H24 Profit £m	1H24 EPS pps	1H23 Profit £m	1H23 EPS pps	△ in EPS
Statutory PBT	7.6	14.8	4.8	9.4	
Income tax expense	(2.4)	(4.6)	(1.7)	(3.4)	
Other comprehensive income	(0.0)	(0.0)	0.0	0.0	
Total comprehensive income / Basic EPS	**5.3**	**10.2**	**3.0**	**5.9**	73.3%
Statutory PBT	7.6	14.8	4.8	9.4	
Amortisation on acquired intangibles	4.2	8.2	3.9	7.7	
Acquisition-related costs	0.3	0.5	0.5	0.9	
Notional finance costs	0.3	0.6	0.5	0.9	
Gain on bargain purchase	-	-	-	-	
Contingent consideration as remuneration	2.5	4.8	3.9	7.5	
Exceptional project costs	0.7	1.3	-	-	
Adjusted PBT	**15.6**	**30.2**	13.5	26.5	
Income tax expense at standard rate	(3.9)	(7.5)	(2.7)	(5.3)	
Adjusted PAT / Adjusted EPS[1]	**11.7**	**22.6**	**10.8**	**21.2**	6.9%
Basic weighted average number of shares	*51.7m*		*51.1m*		
Effective tax rate	*30.8%*		*36.6%*		
Standard rate of tax	*25.0%*		*20.0%*		

Adjusted EPS up +6.9%

- Like-for-like comparison
- Current year impacted by decrease in acquisition-related costs and contingent consideration treated as remuneration
- Increased number of shares following recent acquisitions in 4Q23
- Effective corporation tax rate:
  - Reduced to 30.8% (1H23: 36.6%)
  - Impacted by non-deductible acquisition-related costs and consideration recognised as remuneration
  - Impact of new corporation tax rate from 1 April 2023, with deferred tax assets and liabilities recognised at new 25% rate at current period end

1. Note certain figures in the table above may not add due to rounding

APPENDICES | Regulatory Capital

Strong capital position

- Consolidated capital resources are 100% of requirement
- Flexibility to pursue further strategic acquisitions

Capital resources

- Total equity less intangibles and other deductions

Capital requirements

- Pillar 1: Fixed overhead requirement ("FOR") and K-factor requirement (AUM, COH);
- Pillar 2: Own funds requirement; and
- Wind-down: Stress testing key risks over a one-year horizon

Investment Firm Prudential Regime ("IFPR")

- Impact embedded in capital and liquidity planning
- Application of Group capital test
- Company headroom on liquidity requirement of £2.5m vs available cash £32.7m

Understanding our capital position

Regulatory capital (MTW Company)	Nov 2023 £000	May 2023 £000
Capital resources – MIFIDPRU	**29.8**	**26.0**
Regulatory capital requirement	14.9	14.9
Surplus on capital requirements	**14.9**	**11.1**
Surplus as % of requirement	***100%***	***75%***
Liquidity resources	**12.9**	**20.1**
Basic liquidity requirement ("BLAR")	5.0	5.0
Surplus on basic liquidity requirements	**7.9**	**15.1**
Surplus as % of requirement	***160%***	***302%***
Liquidity resources	**12.9**	**18.4**
Long Term liquidity requirement ("LATR")	10.4	**10.4**
Surplus on long term liquidity requirements	**2.5**	**8.0**
Surplus as % of requirement	***24%***	***77%***
Own funds requirement	**180.0**	**182.9**
Investment in relevant financial undertakings	150.2	156.9
Surplus on Group capital test	**29.8**	**26.0**
Surplus as % of requirement	***20%***	***17%***

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