

INTERIM RESULTS

For the six months
to 30 November 2022

Ian Mattioli MBE, Chief Executive Officer
Michael Wright, Group Managing Director
Ravi Tara, Chief Financial Officer

February 2023



- Our purpose
- Highlights
- Financial results
- Our business
- Segmental analysis
- ESG
- Strategy and goals
- Investment case

Creating and **preserving** wealth,
our **trusted advice** gives clients the
understanding to achieve their objectives

The best client outcomes start with trusted advice.

Many families have accumulated wealth and have a growing need to know and understand their **total wealth position**.

Our aim is to **grow** our business organically and through acquiring like-minded businesses who share the same **culture, values** and **ethics** and keep **clients at the heart** of what we do.

We can be a £300m revenue, 30% margin business and are making strides towards delivering our strategic goals.


RESILIENT OPERATING MODEL | Delivering on strategy

Revenue

£54.9m  +10.0%

1H22: £49.9m

Organic revenue growth

+2.2% 

1H22: 10.0%¹

Recurring revenue²

89.6% 

1H22: 87.7%

Adjusted EBITDA³

£15.0m  (5.1%)

1H22: £15.8m

Adjusted EBITDA margin

27.3%  (4.3%)

1H22: 31.6%

Profit before tax⁴

£4.8m  +45.5%

1H22: £3.3m

Acquired revenues in-year⁵

£18.5m 

1H22: £14.0m

Investment revenues⁶

£24.8m  +6.0%

1H22: £23.4m

Adjusted cash from operations⁷

£7.2m 

1H22: £11.0m

Complementing organic growth with strategic acquisitions

STRONG BUSINESS PLATFORM | Momentum and infrastructure for growth

Total client assets¹

£14.6bn ▼ (2.0%)

31 May 2022: £14.9bn

AuM net inflows

£38.1m ▼

with £88m of benefits paid

1H22: £267.0m

New client wins

490

Value of £108.1m
(1H22: £103.3m)

1H22: 587



Fee-generating consultants

184

Existing capacity
Increased training and mentoring
1H22: 183



Regulatory capital surplus

176%

31 May 2022: 165%



Cash at period-end

£38.3m

31 May 2022: £53.9m



Basic EPS

5.9p ▲ +68.6%

1H22: 3.5p

Adjusted EPS²

21.2p ▼ (10.9%)

1H22: 23.8p

Proposed interim dividend

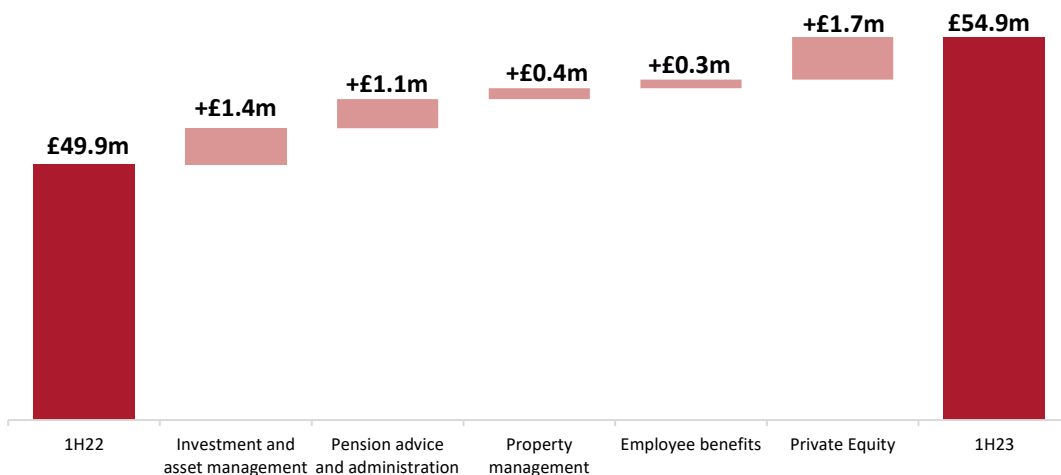
8.8p ▲ +6.0%

1H22: 8.3p

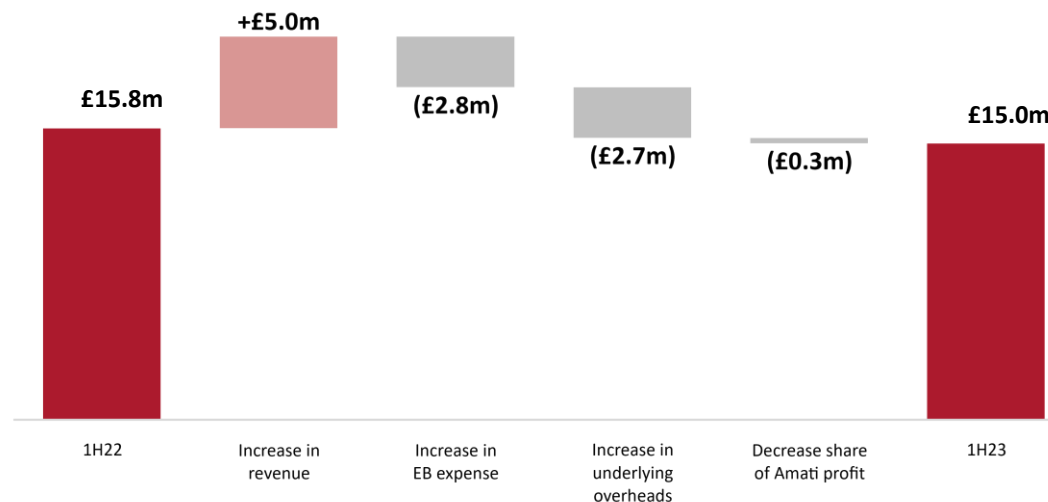
...to deliver sustainable shareholder returns

FINANCIAL RESULTS | Revenue and Adjusted EBITDA

Revenue bridge



Adjusted EBITDA bridge



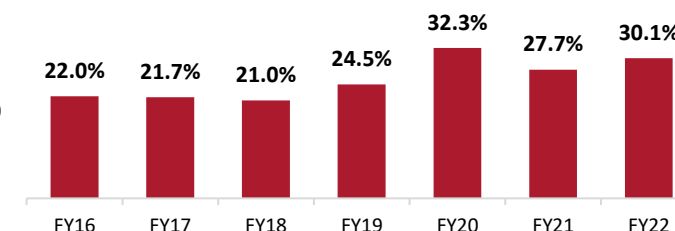
Diverse revenues...

- High recurring revenues 89.6% (1H22: 87.7%)¹
- Continued organic and acquired growth²
- Resilient fee-based revenues
- +£4.5m revenue from acquisitions
- Amati revenue of £5.3m (1H22: £7.0m) not consolidated

...underpin quality of earnings...

- Adjusted EBITDA margin 27.3% (1H22: 31.6%):
 - Staff costs 54.3% of revenue (1H22: 54.2%)
 - Investment in technology and process re-engineering to improve efficiency
 - Active cost management
- +£2.4m contribution from acquisitions
- Recent acquisitions performing well
 - Progressing integration
 - Synergies being realised

Adj. EBITDA margin³



1. Annual pension advice and admin; ongoing adviser charges; level and renewal commissions; banking income; property, discretionary portfolio and other annual management charges adjusted for Private Investor Club initial fees.

2. Core organic growth plus increase in acquired company revenue excluding Maven performance fees. Note certain figures in the bridges above may not add due to rounding.

3. Based on reported data.

FINANCIAL RESULTS | Managing cost inflation

Costs bridge



...with proactive investment in capacity and efficiency improvements...

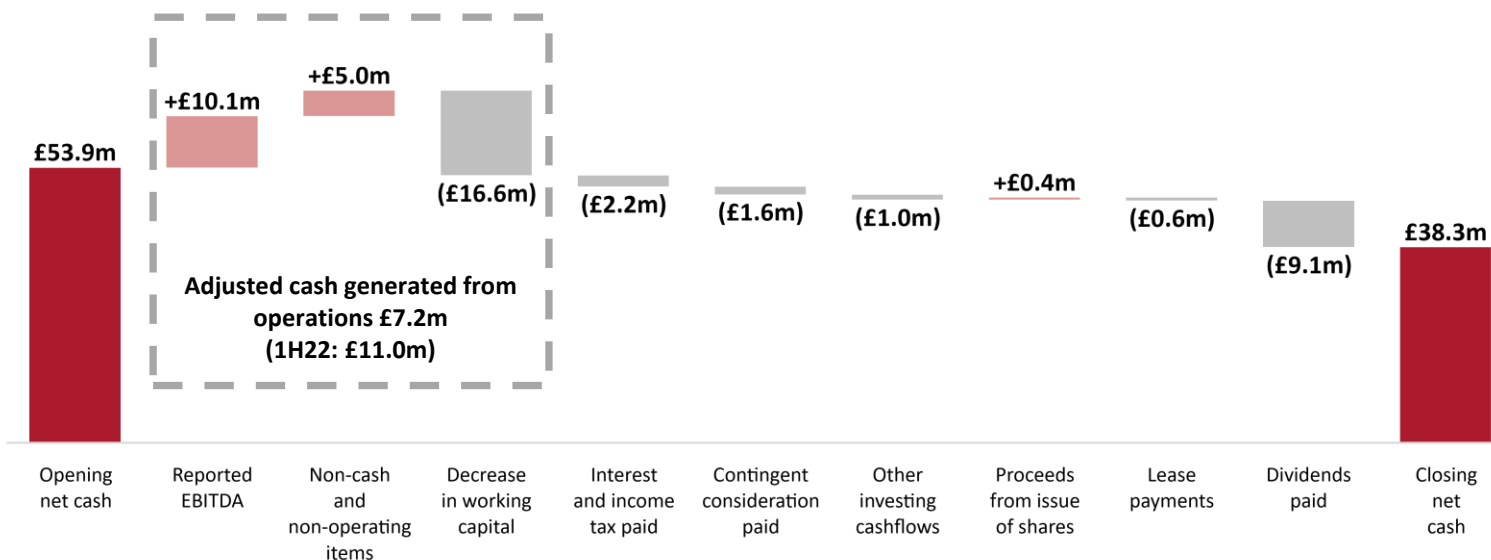
- Recent recruitment focussed on commercial roles
- Headcount to support business growth
- Realising synergies
- Acquired business £0.8m increase to employment costs

...and continued management of variable spend...

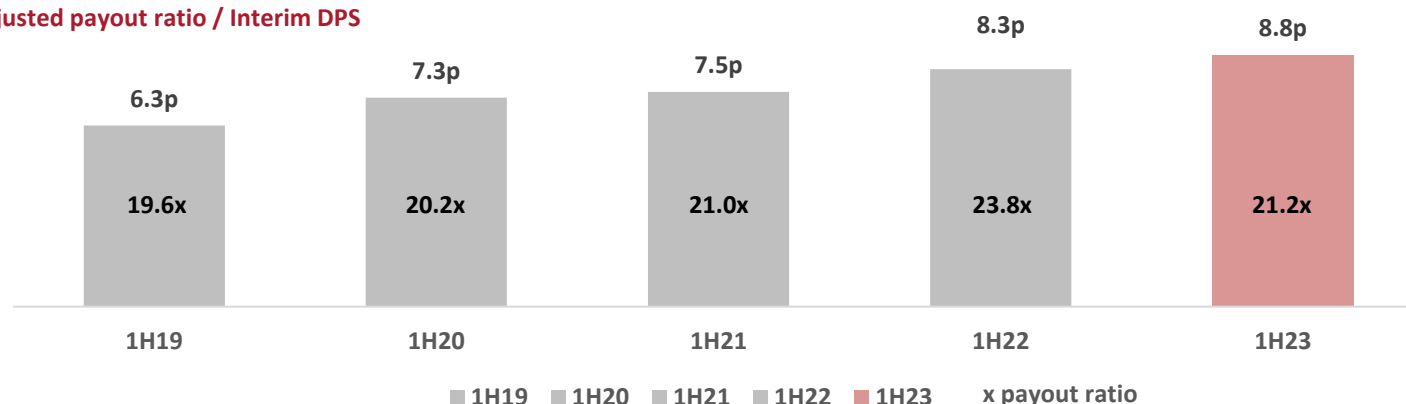
- +3% cost of living payment made in July 2022
- Spend on marketing events and T&E to support new business
- Investing in technology to improve operational efficiency and integration
- Increased insurance and compliance costs
- Acquired business £1.3m addition to variable costs
- Ability to reduce discretionary spend

...leading to positive cash generation

- 47.8% of Adjusted EBITDA converted to adjusted cash from operations (1H22: 69.7%)
 - Impacted by payment of revenue share and bonuses paid for FY22 in the period
- Net adjusted working capital inflow:
 - £9.8m decrease in receivables
 - £2.1m decrease in payables
 - £8.9m decrease in provisions
- Adjusted EPS¹ 21.2p (1H22: 23.8p) down 10.9%
- Proposed interim dividend up 6.0% to 8.8p (1H22: 8.3p):
 - Progressive policy
 - 12.5% CAGR over last eight years
 - Well-covered by adjusted earnings: 2.4x adjusted EPS (1H22: 2.9x)



Adjusted payout ratio / Interim DPS



1. Basic EPS 5.9p up 68.6% (1H22: 3.5p). Adjusted profit after tax is calculated as adjusted profit before tax less income tax at the blended standard rate of 20.0% (1H22: 19.0%).

2. Adjusted cash generated from operations represents statutory cash generated from operations excluding contingent remuneration paid on acquisition of subsidiaries, and acquisition-related costs paid

3. Note certain figures in the bridge above may not add due to rounding.

OUR BUSINESS | We create revenues across the value chain

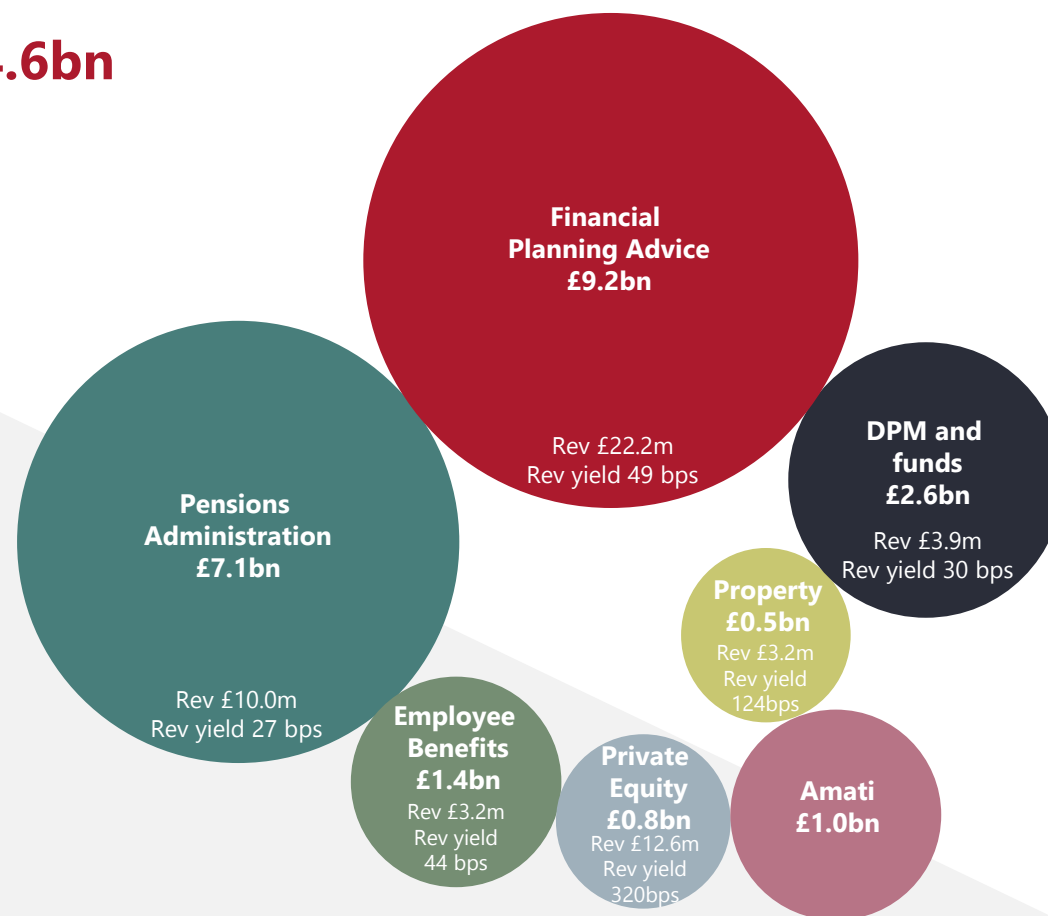
Total client assets £14.6bn

of which:

- **£8.4bn** AuM/Advice;

of which:

- **£4.9bn** AuM



Benefits of our integrated model

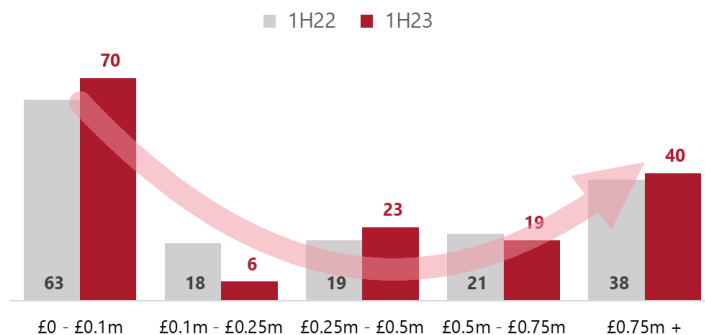
- Multiple client engagement points
- Multiple revenue streams from same asset base
 - Total equivalent client assets **£22.5bn**

- Numbers above are shown in segmental analysis on slide 22

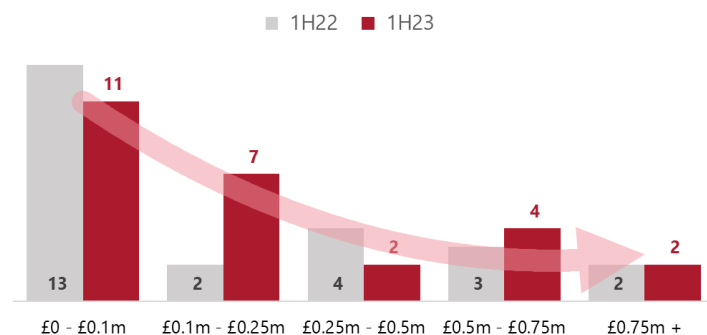
Managing our client assets through the life-cycle and generations

1. DPM and Funds revenues include custody fees and on-going investment charges.
 2. Note certain figures in the bridge above may not add due to rounding.

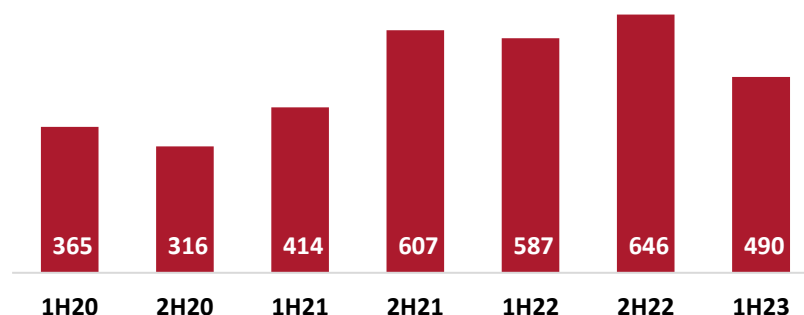
**Wealth Management Consultants
Portfolio Revenues**



**Employee Benefits Consultants
Portfolio Revenues**



**MW Group
New Client Wins**



Developing expertise, creating capacity

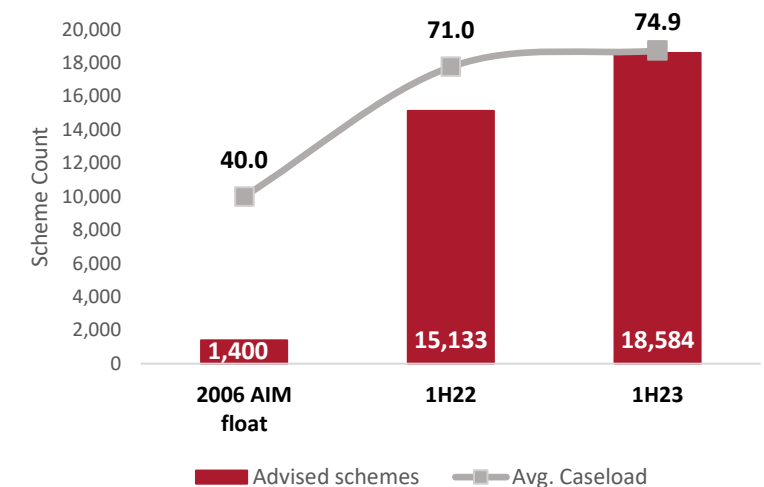
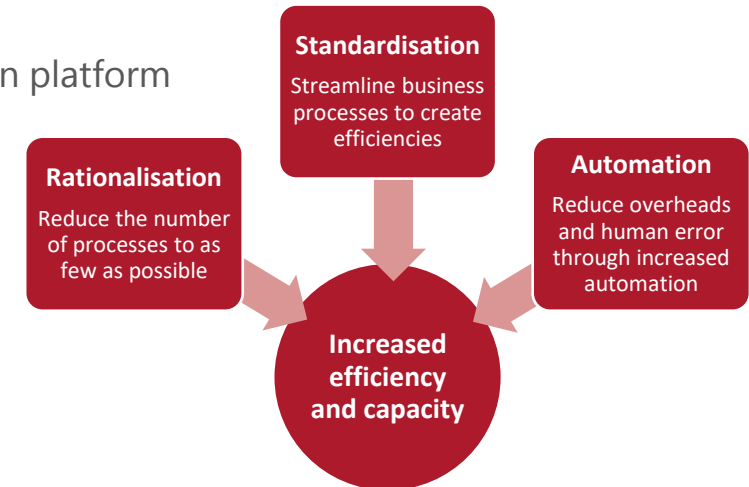
- Bespoke financial planning, investment and employee benefits advice
- Own distribution through 184 (FY22: 183) fee-generating consultants¹
- Increased capacity for new business:
 - 490 wins (1H22: 587)
 - 606 enquiries (1H22: 589)
 - Recent acquisition integration
- Acquisitions create additional capacity
- Employee Benefits business repositioned
- Currently reviewing reporting of these metrics
- Average client win £214k (1H22: £169k)

Expanding consultancy team to deliver new business growth

1. Includes associate, consultants, paraplanners, business development managers and acquired businesses

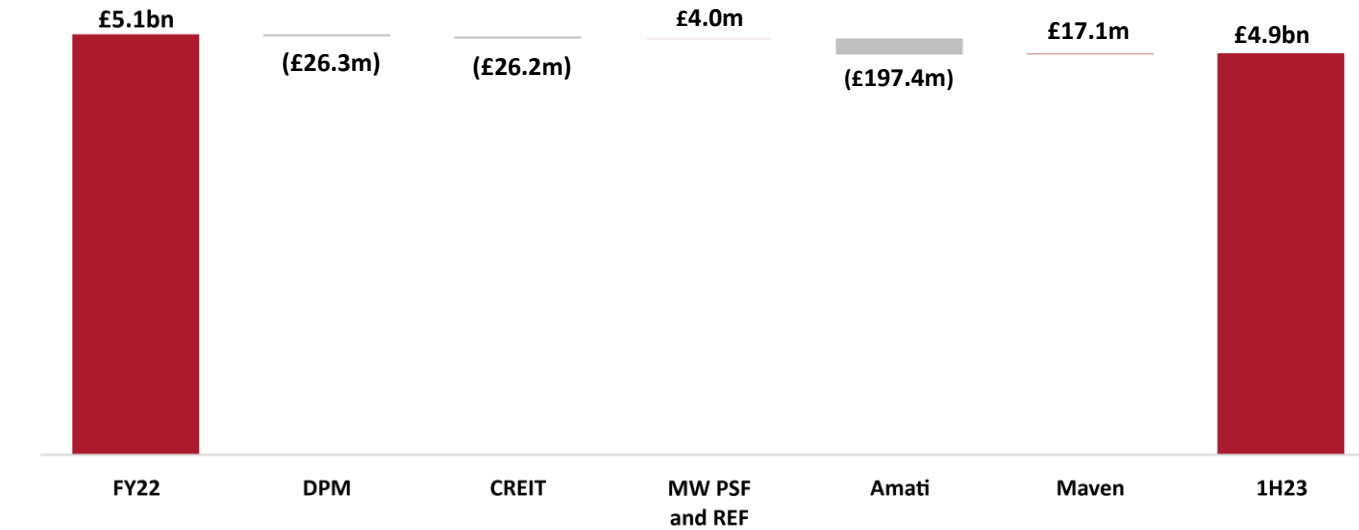
SEGMENTAL ANALYSIS | Administration – proactive and bespoke

- 11,000+ SIPP and SSAS schemes administered via proprietary MWeb pension administration platform
- Custody, dealing and client banking project
- Consultancy and administration of SIPP/SSAS portfolio £2.1bn
- Strategic partnerships with external providers
- On going training and development often leading to consultancy
- Integration of acquired businesses to harmonise processes
- Targeted technology investment to improve efficiency and margin
 - Drives process efficiency and accuracy
 - Creates capacity



Targeted improvements of administration processes and efficiency

SEGMENTAL ANALYSIS | Investment Proposition



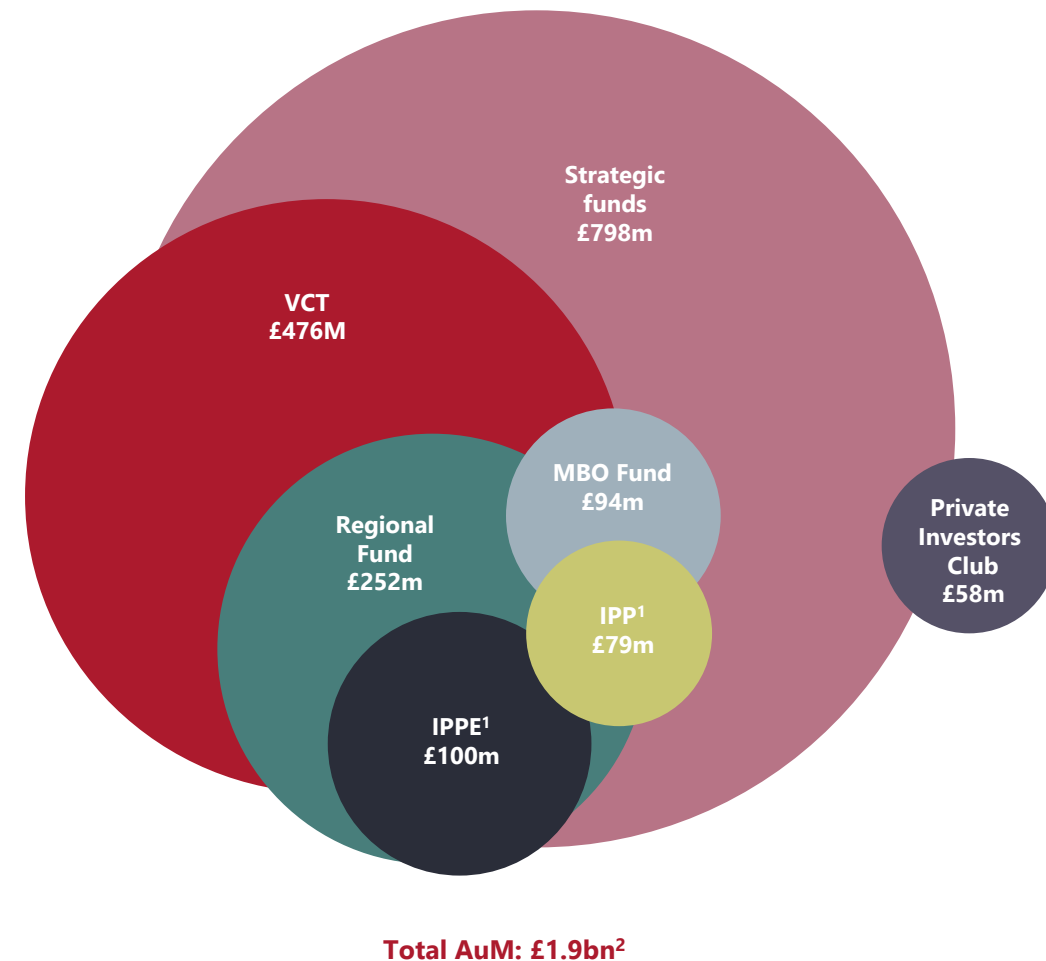
Expanding our investment potential

- Discretionary management and investment products designed to address clients' needs
- Using the best of what we and other providers offer
- Enhanced capability to develop new products following recent acquisitions:
 - Recent co-funded investments with Maven generated £0.6m increased up-front investment and higher on going fees
 - Pipeline of new fund launches
- Extending distribution to existing and new clients



Significant growth opportunity via expanding investment solutions and distribution

- Specialist investment and PE options for existing and new clients
- High-net worth clients with close relationships
 - Increasing cross-sell to generate revenue synergies
 - Unlocking greater share of existing deal pipeline
- Delivered joint Group fund raises on 2 deals to date
 - Pipeline of future deals
- Continued integration of staff, processes and office estate
 - New joint London office
 - Realising revenue and cost synergies
- Maven investment revenue yield 320 bps



Increasing retail demand for alternative assets

1. Investor Partners Property ("IPP") and Investor Partner Private Equity ("IPPE") transactions and deal teams

2. Comprises gross AuM of £1.0bn Amati and £0.8bn Maven in addition to £0.1bn Private Investors Club, reported within property segment on a statutory basis (slide 27)

- Property investment services:
 - Discretionary manager of Custodian Property Income REIT (“CREIT”) £501m
 - Direct investment on behalf of client syndicates £30m+
 - Private Investors Club (PIC) c.£60m
 - Property insurance for pensions property portfolio and as manager of CREIT
- Custodian Property Income REIT:
 - High yield, coupled with potential for capital growth
 - £0.5bn portfolio of real estate with Custodian Capital’s fees linked to NAV
- Private Investors Club:
 - Sophisticated investors only
 - Asset-backed and equity investment opportunities
 - 2 (1H22: 0) new syndicates, investing £7.6m (1H22: £nil)
- Maven Property Investments:
 - Introduces new expertise in development and on going management c.£80m direct

Specialist property expertise

- Greater breadth from Maven acquisition
- Joint fund-raising between Group & Maven
- Pipeline of further deals with larger fundraising requirement
- Realising synergies

Expanding client offering enhanced by recent acquisitions

Environmental responsibility

Improving **carbon efficiency** across the Group

More **electric vehicle** charging points being installed across network

Continued **reduction of paper consumption**

Move towards **net zero emissions**

Improved ESG via CREIT – building improvement plan inc. electric charging and solar points

Social

10% of **Amati profit donated to charities**, many of these in local communities

Recruiter of choice of a diverse team

Work experience, apprenticeships and summer intern roles

Established commitment to **wellbeing**

Extensive **staff mentoring** programme

Founder and executive charitable giving

Governance

2022 **Governance restructure**

Group Board committed to **gender, age and ethnic diversity**

Balanced Board composition

Data governance a key priority

Respect for all staff and other stakeholders with **low staff turnover**

A resilient and responsible client proposition

Continued focus on **value for money**

MW ESG Committee – pragmatic, **realistic and effective development** of ESG priorities and milestones

MWEXCiTE Project in place
ESG Partner recruited

Measuring up against UN SDGs



OUR STRATEGY AND GOALS | Diversified platform to drive profitable growth



Scale

- 33 acquisitions since IPO including two largest to date: Maven and Ludlow
- Total client assets £14.6bn
- Integration of technology and central services

Distribution

- 184 fee-generating consultants
- Investment in MW training academy
- Acquisitions create additional capacity

Product

- Broader investment offering
- Premium investment service

Client engagement strategy

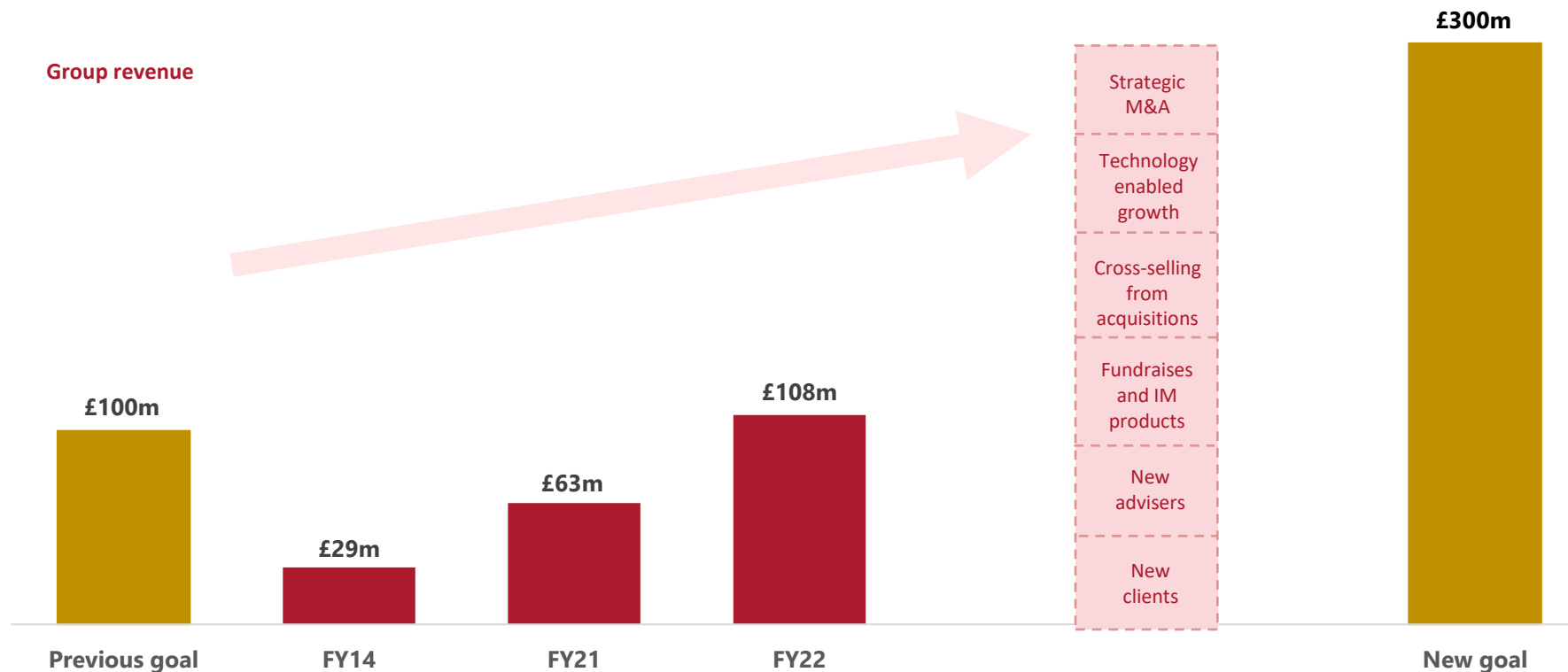
- Market volatility = greater opportunity to engage with clients
- Pro-active client engagement
- More fee-generating consultants and broader product offering

Future impact

- Increased new business opportunities
- Greater share of wealth
- Cross-selling opportunities and realise synergies
- Improved tech adoption and operational efficiency

Significant embedded value which underpins our confidence in delivering future growth

OUR STRATEGY AND GOALS | Ambitious medium-term targets



Targets:

- 1% MW fee retention for holistic service
- 250-300 revenue-generating consultants and MW academy
- Administration team +10% efficient
- Back-office teams growth in line with new business offset by efficiency improvements
- Other admin cost-income ratio reduces
- Realise acquisition synergies

Achieving our goals through multiple routes complemented by strategic acquisitions

Strong culture with experienced team serving multi-generational client base

High revenue per capita; ongoing investment in technology, improved productivity and client proposition

Resilient earnings profile with dividend growth

17% CAGR in DPS since IPO

Aim to deliver market-leading returns

10% Adjusted EPS CAGR since 2009

Investing for growth

Continued organic growth +2%; consultancy team with capacity to generate additional revenues

Proven acquisition record with strong pipeline of accretive bolt-ons

Invested £239m in 33 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; c30% EBITDA margin

Continuing to deliver growth and sustainable shareholder returns

Our world is one
in which financial
advice is **trusted**,
thoughtful and
enriching.

Questions?



APPENDICES

INTERIM RESULTS 2023



 **Mattioli
Woods plc**
We are where you are

- Segmental analysis
- Technology
- Acquisition criteria
- Financial analysis
- Regulatory capital

Our world is one in which financial advice is **trusted, thoughtful** and **enriching**.

SEGMENTAL ANALYSIS | Summary by segment

	Advice		Administration	Investment Management				Total			
Segment	Financial Planning Advice	Employee Benefits	Administration	DPM and funds	Private Equity (Maven)	Property	Amati				
Assets (£bn)	9.2	1.4	7.1	2.6	0.8	0.5	1.0	22.5			
1H23 Revenue (£m)	22.2	3.2	10.0	3.9	12.6	3.2	-	54.9			
Average revenue yield	49bps	44bps	27bps	30bps	320bps	124bps	-	50bps			
Description	<ul style="list-style-type: none"> • Advice-led financial planning, wealth management and employee benefits • Bespoke advice • Pension and personal wealth • Trusted expertise and close client relationships • Using best of what we and other providers offer • Own distribution through our team of 184 consultants • Key differentiator and source of sustained organic growth 		<ul style="list-style-type: none"> • End to end administration via proprietary MWeb pension administration platform • Proactive, personal service • 11,000+ SIPP and SSAS schemes • Custody, dealing and client banking • Strategic partnerships with external providers • Investment to create capacity and improve efficiency • Direct and intermediated distribution for advised and non-advised clients 		<ul style="list-style-type: none"> • Addressing clients' needs • Discretionary portfolio and fund management • New product development • Extending from direct to intermediated and institutional clients including external • Significant growth opportunity to combine and enhance offering 		<ul style="list-style-type: none"> • Range of funds and private equity investment including VCT, regional, MBO funds, property investment and development • High-net worth clients with close relationships • Cross-selling with Group and new clients • Continued integration into Group with track record of joint Group fund raises 		<ul style="list-style-type: none"> • Investment manager to Custodian Property Income REIT and private investor club • Pipeline of new opportunities • Synergies with Maven business • Significant growth opportunity to combine and enhance offering 		

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

- Successful implementations:
 - Consolidation of legacy systems around MWeb
 - Launch of online investment platform MWISE
 - Group-wide rollout of Office 365
 - Cloud-based solutions in operation from 2017
 - Dedicated InfoSec team and upgraded internal security systems
- Further projects to transform landscape:
 - Introduction of Group wealth management administration platform
 - Consolidation of remaining legacy systems
 - Implementation of data Governance framework
- Key outcomes:
 - Harmonise processes, realise operational efficiencies
 - Risk managed approach with incremental spend in line with expectation of c.+£2m p.a.
 - Significantly improved security and operational resilience
 - Even stronger governance and oversight

Technology as an enabler for growth and greater efficiency across the whole Group

Strategic and cultural fit



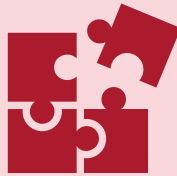
Enhances client proposition



Enhances distribution



Ability to integrate



Access to technology/IP



Nature and quality of client base



Deliverable synergies



Sustainable margins



Deal structure that mitigates risks



Attractive market

- Key characteristics:
 - Ageing population
 - Highly fragmented
 - Numerous business models
 - Clear economies of scale
 - Centralised investment propositions
 - Increasing regulatory burden
 - Greater fee transparency and margin pressure
- Significant corporate activity:
 - Consolidation
 - New entrants
 - Private equity and financial investors
- Exciting pipeline of opportunities

FINANCIAL ANALYSIS | Statutory reporting segment results

Revenue synergies

- Business referred between segments

	Investment and asset management £m	Pension advice and admin £m	Private equity asset management £m	Property management £m	Employee benefits £m	Total segments £m	Corporate costs £m	Consolidated £m¹
<i>Six months ended 30 November 2022</i>								
Revenue	24.8	10.9	12.6	3.4	3.2	54.9	-	54.9
Segment profit before tax	4.5	2.5	3.3	1.1	0.5	12.0	(7.2)	4.8
Segment margin	26%	20%	28%	24%	14%	24%		9%
<i>Six months ended 30 November 2021</i>								
Revenue	23.4	9.8	10.9	3.0	2.7	49.9	-	49.9
Segment profit before tax	7.1	2.8	1.9	0.8	0.4	13.1	(9.8)	3.3
Segment margin	18%	24%	26%	31%	15%	26%		7%

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

FINANCIAL ANALYSIS | Client assets

Total client assets of £14.6bn

• Gross AuM £4.9bn

Assets under management, administration and advice	SIPP and SSAS £bn	Employee Benefits £bn	Wealth Management & other assets £bn	Investment Products £bn	Total £bn	Net AUM £bn	Net AuA £bn	Admin & Execution only £bn	Total £bn
At 1 June 2022	6.9	1.5	4.7	1.9	14.9	4.9	3.5	6.4	14.9
Acquisitions in period	-	-	-	-	-	-	-	-	-
Net inflows/(outflows), including market movements	(0.1)	(0.0)	(0.0)	(0.2)	(0.3)	(0.2)	0.0	(0.1)	(0.3)
At 30 Nov 2022	6.8	1.4	4.6	1.7	14.6	4.7	3.6	6.3	14.6

Assets under management	DPM £m	Custodian REIT £m	Mattioli Woods PSF £m	Mattioli Woods REF £m	Amati ¹ £m	Maven £m	Gross AuM £m	Cross-holdings ² £m	Net AuM £m
At 1 June 2022	2,527.5	527.6	62.2	7.2	1,208.9	771.1	5,104.6	(169.7)	4,934.9
Acquisitions	-	-	-	-	-	-	-	-	-
Inflows	131.5	-	19.1	1.3	116.6	45.5	314.1	17.4	331.5
Outflows	(82.4)	-	(0.4)	(0.0)	(148.5)	(44.7)	(275.9)	-	(275.9)
Market movement	(75.4)	(26.2)	(15.8)	(0.2)	(165.5)	16.3	(266.8)	-	(266.8)
At 30 Nov 2022	2,501.3	501.4	65.1	8.4	1,011.5	788.2	4,875.9	(152.3)	4,723.6

1. Excludes £74.9m (31 May 2022: £93.6m) of Mattioli Woods' client investment included within SIPP and SSAS, employee benefits and personal wealth and other assets and excludes £12.6m (31 May 2022: £14.8m) of cross-holdings between the TB Amati Smaller Companies Fund and the Amati AIM VCT ("VCT") plc.

2. Comprises £12.5m (31 May 2022: £13.5m) invested in Custodian REIT, £64.8m (31 May 2022: £60.5m) in MW Property Securities Fund and £55.5m (31 May 2022: £70.3m) in Amati funds, and £12.6m (31 May 2021: £16.4m) cross-holdings between TB Amati Smaller Companies Fund and Amati AIM VCT plc.

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

	1H23 £m	1H22 £m	%Δ
Revenue	54.9	49.9	10.0%
Employee benefits expense	(29.8)	(27.1)	10.0%
Other administrative expenses	(10.2)	(10.0)	3.0%
Share based payments	(0.9)	(0.6)	50.0%
Deferred consideration as remuneration	(3.9)	(4.6)	(15.2%)
EBITDA	10.1	7.7	31.2%
Acquisition-related costs	0.5	2.6	(80.8%)
Share of profit from associates, net of tax	0.6	0.9	(33.3%)
Contingent consideration as remuneration	3.9	4.6	(15.2%)
Adjusted EBITDA	15.0	15.8	(5.1%)
Depreciation, amortisation and impairment	(5.5)	(4.9)	12.2%
Net finance costs	(0.4)	(0.4)	0.0%
Share of profit from associates, net of tax	0.6	0.9	(33.3%)
Profit before tax	4.8	3.3	45.5%
Income tax expense	(1.7)	(1.6)	6.3%
Profit for the period (PAT)¹	3.0	1.7	76.5%

Continued revenue growth

- High recurring revenues
- Growth in revenue and profit

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

Adjusted EPS

- Like-for-like comparison decrease by 10.9%
- Current year EPS driven by increased employee benefit and share-based payment offset, along with decreased acquisition-related costs and contingent consideration treated as remuneration costs
- Increased number of shares following recent acquisitions
- Effective corporation tax rate:
 - Reduced to 36.6% (1H22: 48.0%)
 - Impacted by reduced non-deductible acquisition-related costs and consideration recognised as remuneration

	1H23 Profit £m	1H23 EPS Pps	1H22 Profit £m	1H22 EPS Pps	△ in EPS
Statutory PBT	4.8	9.4	3.3	6.8	
Income tax expense	(1.7)	(3.4)	(1.6)	(3.2)	
Other comprehensive income	(0.02)	(0.05)	-	-	
Total comprehensive income / Basic EPS	3.0	5.9	1.7	3.5	68.6%
Statutory PBT	4.8	9.4	3.3	6.8	
Amortisation on acquired intangibles	3.9	7.7	3.3	6.8	
Acquisition-related costs	0.5	0.9	2.6	5.4	
Notional finance costs	0.5	0.9	0.4	0.8	
Contingent consideration as remuneration	3.9	7.5	4.6	9.6	
Adjusted PBT	13.5	26.5	14.1	29.3	
Income tax expense at standard rate	(2.7)	(5.3)	(2.7)	(5.6)	
Adjusted PAT / Adjusted EPS¹	10.8	21.2	11.5	23.8	(10.9%)
Basic weighted average number of shares	51.1m		48.2m		
Effective tax rate	36.6%		48.0%		
Blended standard rate of tax	20.0%		19.0%		

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

Strong capital position:

- Consolidated capital resources are 176% 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
- Significant headroom on liquidity requirement of £10.9m vs available cash £38.3m

Understanding our capital position

Strong balance sheet

	Nov 2022 £000	May 2022 £000
Regulatory capital (MTW Company)		
Capital resources – MIFIDPRU	41.2	39.4
Regulatory capital requirement	14.9	14.9
Surplus on capital requirements	26.3	24.5
Surplus as % of requirement	176%	165%

Liquidity resources	15.8
Basic liquidity requirement	5.0
Surplus on liquidity requirements	10.9
Surplus as % of requirement	219%

Own funds requirement	176.5
Investment in relevant financial undertakings	135.4
Surplus on group capital test	41.2
Surplus as % of requirement	30%

DISCLAIMER

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