



Mattioli Woods plc

WEALTH MANAGEMENT & EMPLOYEE BENEFITS

**REACHING
NEW HEIGHTS**

FINAL RESULTS

For the year ended 31 May 2017

Ian Mattioli MBE, Chief Executive Officer
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September 2017

IMPORTANT NOTICE

These presentation slides contain forward-looking statements and forecasts with respect to the financial condition and the results of Mattioli Woods plc.

These statements are forecasts involving risk and uncertainty because they relate to events and depend upon circumstances that may or may not occur in the future.

There are a number of factors that could cause actual results or developments to differ materially from those expressed or implied by these forward-looking statements and forecasts. Nothing in this presentation should be construed as a profit forecast.

Nothing in this presentation should be seen as a promotion or solicitation to buy shares in Mattioli Woods plc. It should be remembered that the value of shares can fall as well as rise and therefore you could get back less than you invested.

Information in this presentation reflects the knowledge and information available at the time of its presentation.

AGENDA

- Our vision and model
- Highlights
- Financial results
- Our goals
- Organic growth
- Acquisitions
- Investment case

We take care of

£7.8 BILLION

of our clients' assets

OUR VISION



“

OUR BUSINESS MODEL
CREATES **GREAT CLIENT
OUTCOMES** BECAUSE
WE USE OUR OWN
PRODUCTS AND ADVICE
WHEN THEY ARE BEST
AND WE USE OTHER
PROVIDERS' PRODUCTS
AND ADVICE WHEN
BETTER

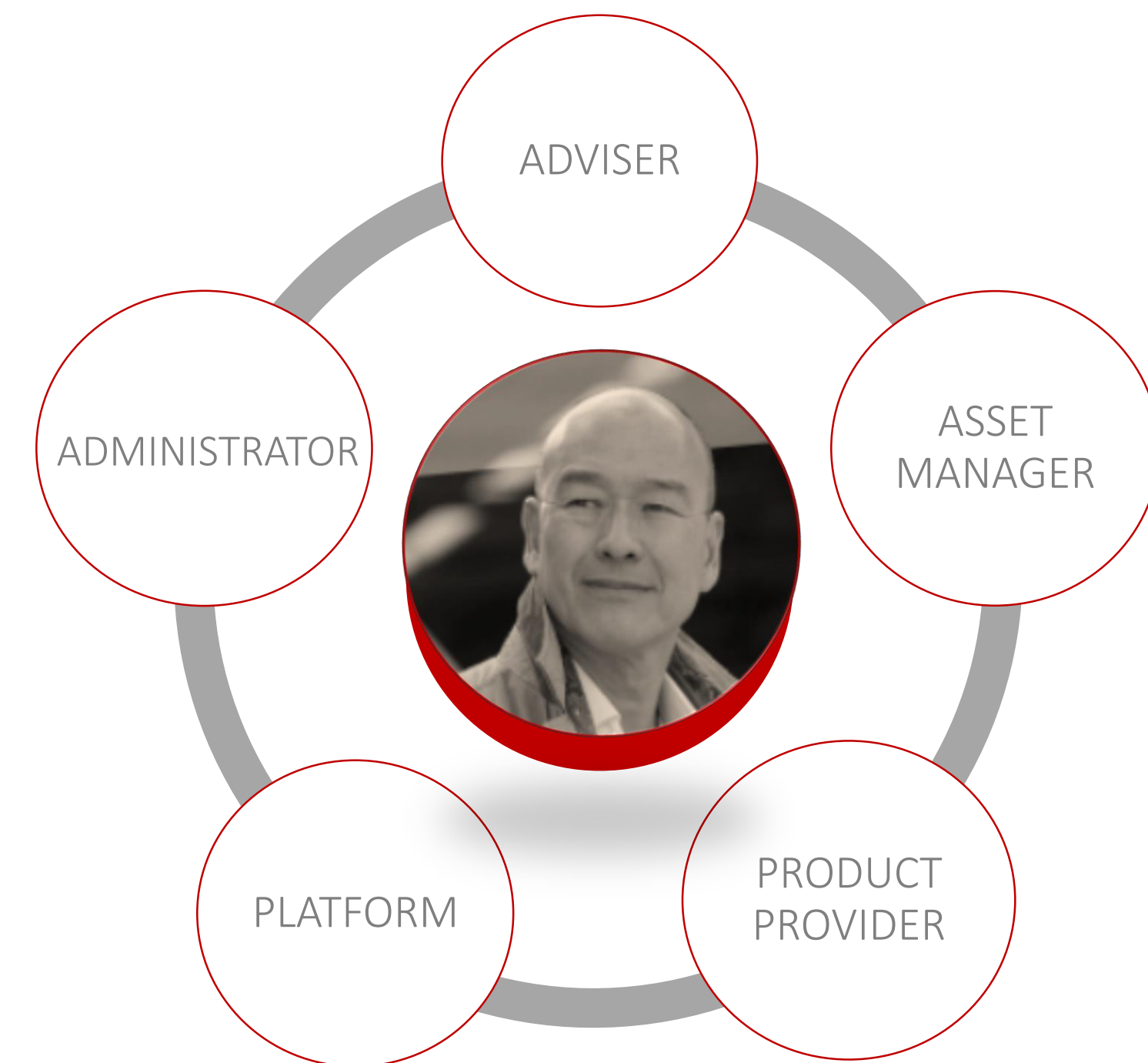
”

OUR MODEL

- Adviser, manager and provider:
 - Expert, client-driven advice
 - Strong client retention through shared values
 - Innovative product development
 - Realisation of operational synergies and building capacity
- Scalable and sustainable model:
 - Advice and product provision
 - Organic and acquired growth
 - Investment in technology and our people
 - Ownership of distribution
 - Lowering TERs through:
 - Scale
 - Using our own products and advice
 - Using best of what others have

PRODUCING GREAT CLIENT OUTCOMES

to deliver sustainable shareholder returns, with progressive dividend policy



HIGHLIGHTS

- Revenue +17.4% to £50.5m (2016: £43.0m)
- Recurring revenues of 85.1% (2016: 82.6%)
- Adjusted EBITDA^{1,2} +17.2% to £10.9m (2016: £9.3m):
 - Margin¹ of 21.6% (2016: 21.6%)
 - Adjusted EPS^{3,4} +11.4% to 34.1p (2016: 30.6p)
- Proposed total dividend +12.8% to 14.1p (2016: 12.5p)
- Net cash of £23.0m (2016: £29.8m) at year end

DOUBLE-DIGIT GROWTH

Sustained demand for advice
Strong new business flows
Maintaining target margins
Lowering clients' costs
Products designed for clients' needs
Building brand and reputation

1. Earnings before interest, taxation, depreciation, amortisation, impairment and acquisition-related costs.

2. Earnings before interest, taxation, depreciation, amortisation and impairment +18.0% to £10.5m (2016: £8.9m).

3. Before acquisition-related costs, amortisation and impairment of acquired intangibles, and notional finance income and charges.

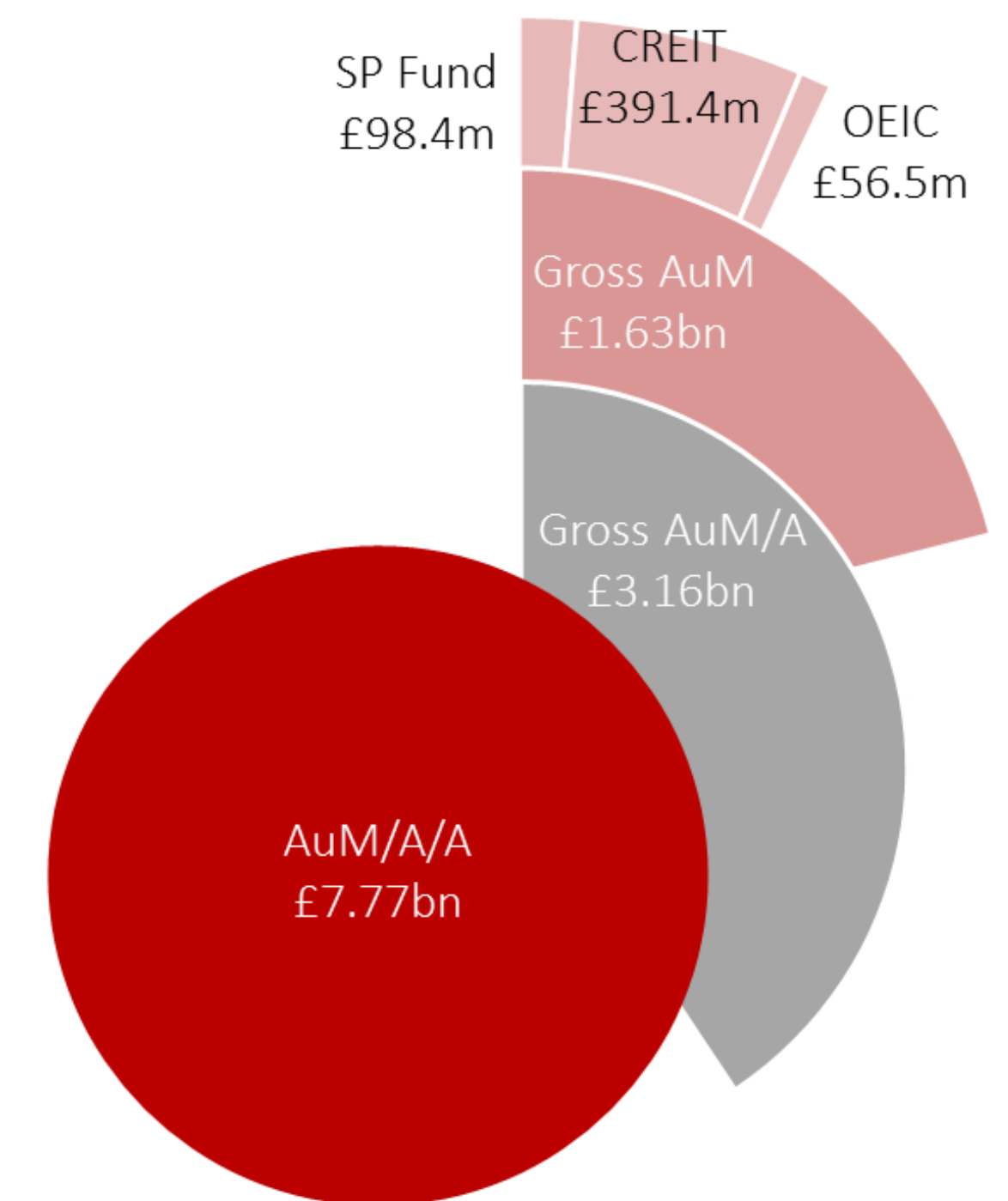
4. Basic EPS up 18.7% to 24.8p (2016: 20.9p).

HIGHLIGHTS

- Organic revenue growth^{1,2} of 11.6% (2016: 8.5%)
- AuM/A/A +17.5% to £7.77bn (2016: £6.61bn):
 - Gross discretionary AuM +39.3% to £1.63bn (2016: £1.17bn)
 - £98.4m invested in new Mattioli Woods Structured Products Fund
 - £76.0m of new equity raised by Custodian REIT
- Acquisition of MC Trustees
- Investment in Amati
- Reducing client costs while maintaining target margin
- New management structure a coming of age

ROBUST, SUSTAINABLE MODEL

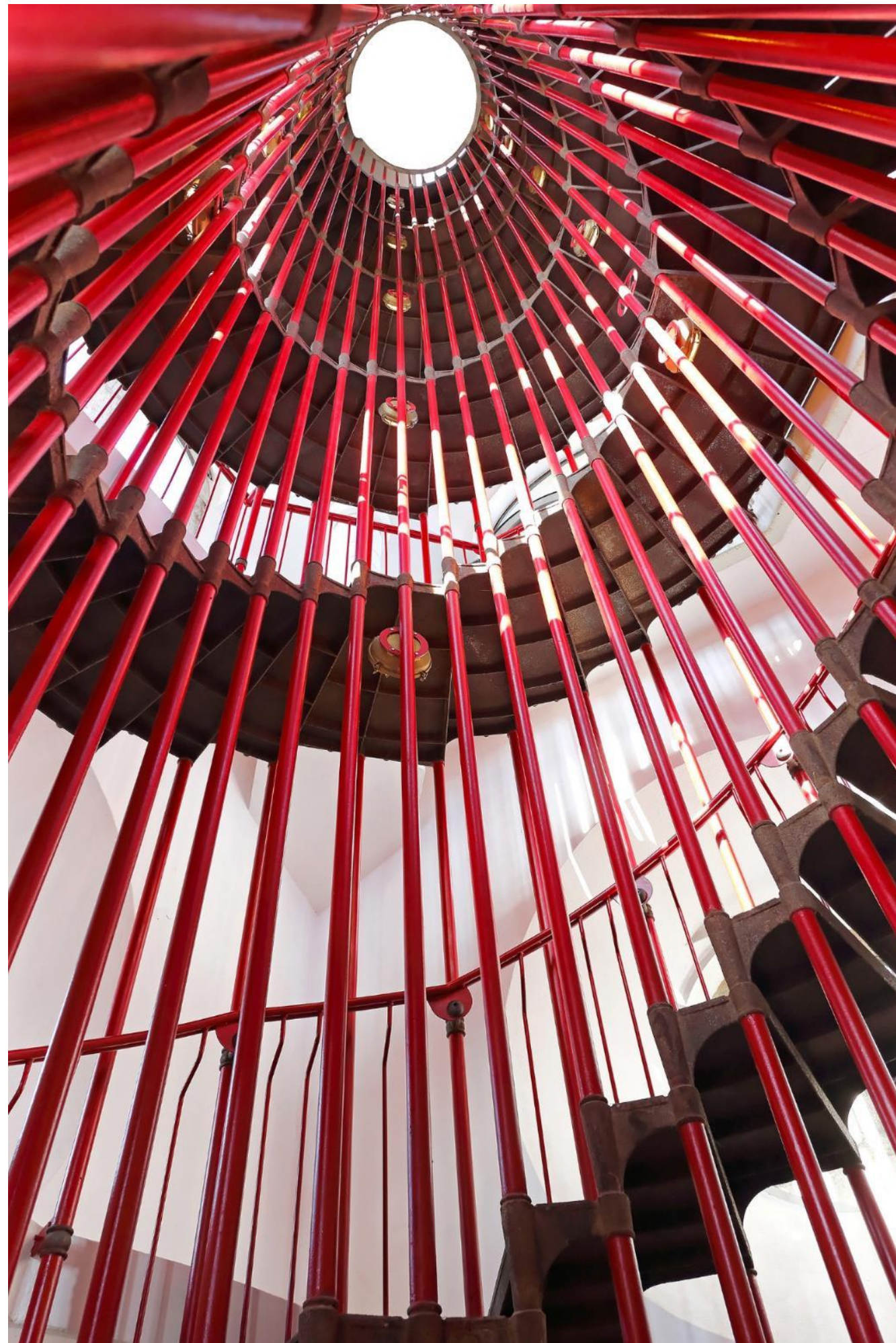
Clients at the core of our values



1. Excluding acquisitions completed in the current and prior financial years.

2. Net organic revenue growth 12.3% (2016: 11.3%) excluding banking income and acquisitions in the current and prior financial years.

OUR PRODUCTS



“

WE STRUCTURE OUR ADVICE AND DESIGN OUR PRODUCTS AROUND **WHAT OUR CLIENTS NEED**”

”

CUSTODIAN REIT – £100M OF PROPERTY SYNDICATES 3 YEARS AGO

Becomes **£400m listed property fund**.

Safer, more secure, more liquid with high fully-covered dividend.

AMATI VCTs AND SMALLCAP FUND

Excellent team, great performance and **48% growth in FuM** since joining the Group.

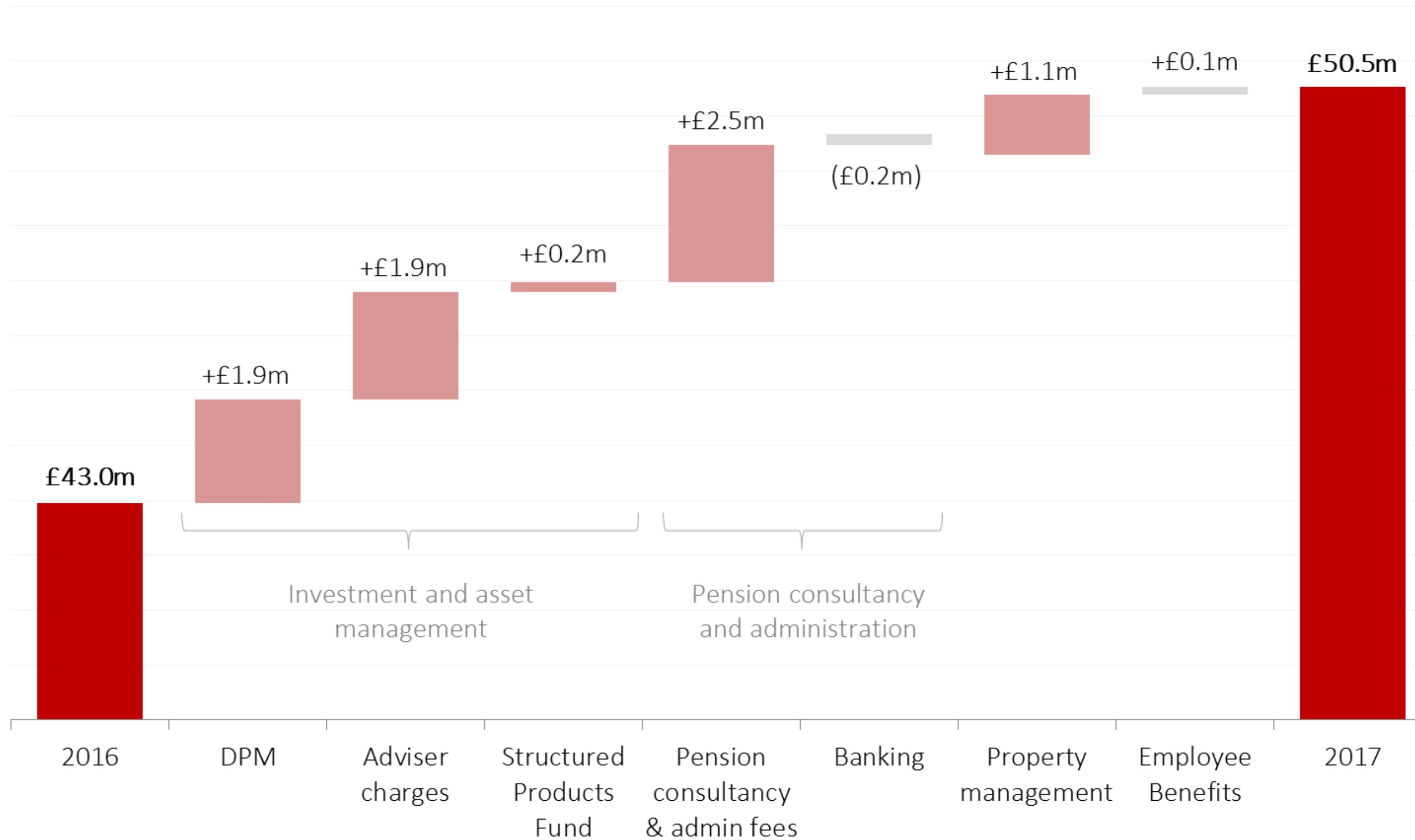
MATTIOLI WOODS STRUCTURED PRODUCTS FUND

Over **£100m invested** and a return of 3.2% since launch¹.

**DELIVERING SUSTAINABLE LONG-TERM RETURNS,
LOWERING CLIENTS' COSTS**

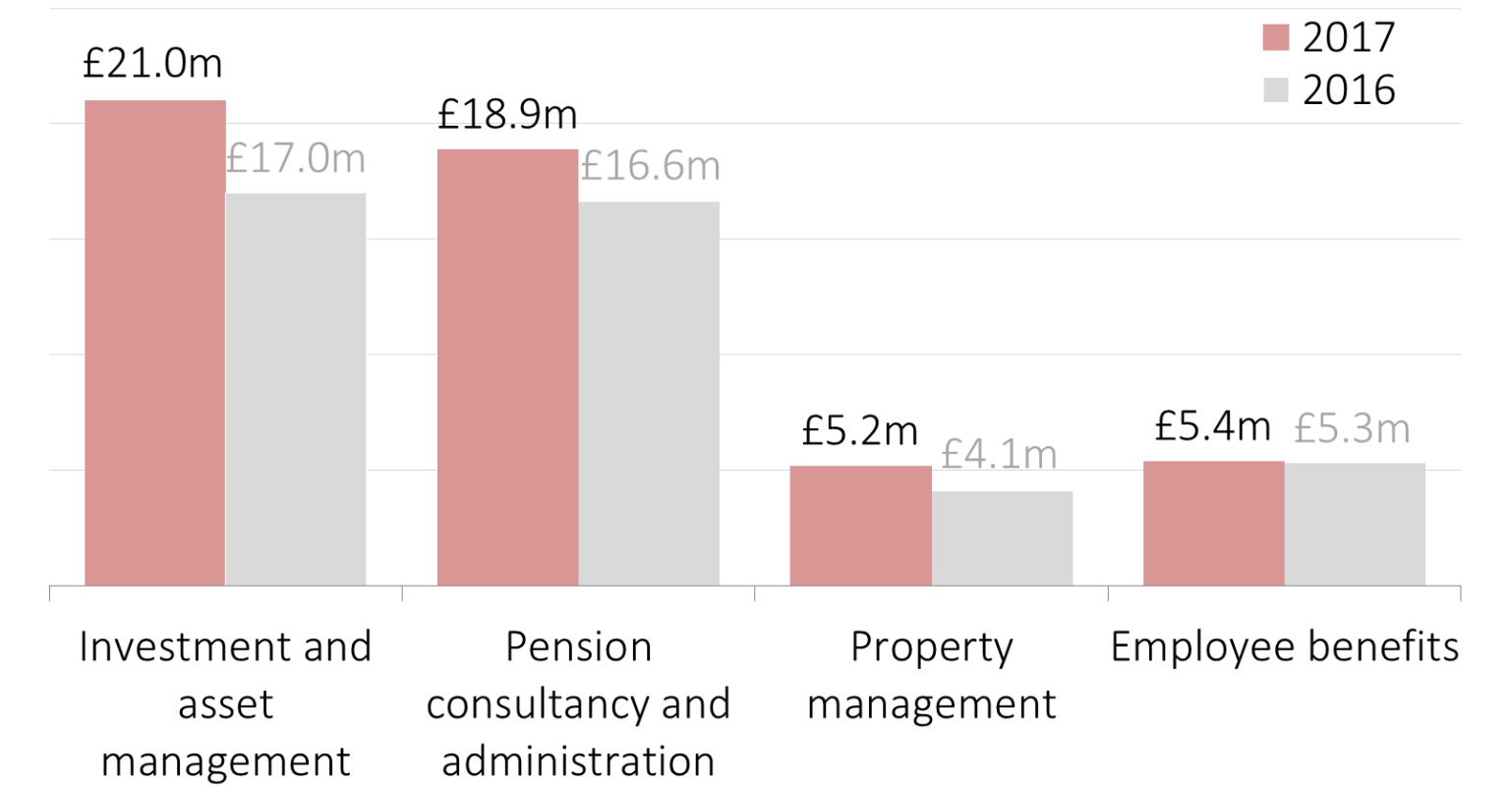
1. Since launch in November 2016 to 25 August 2017.

FINANCIAL RESULT

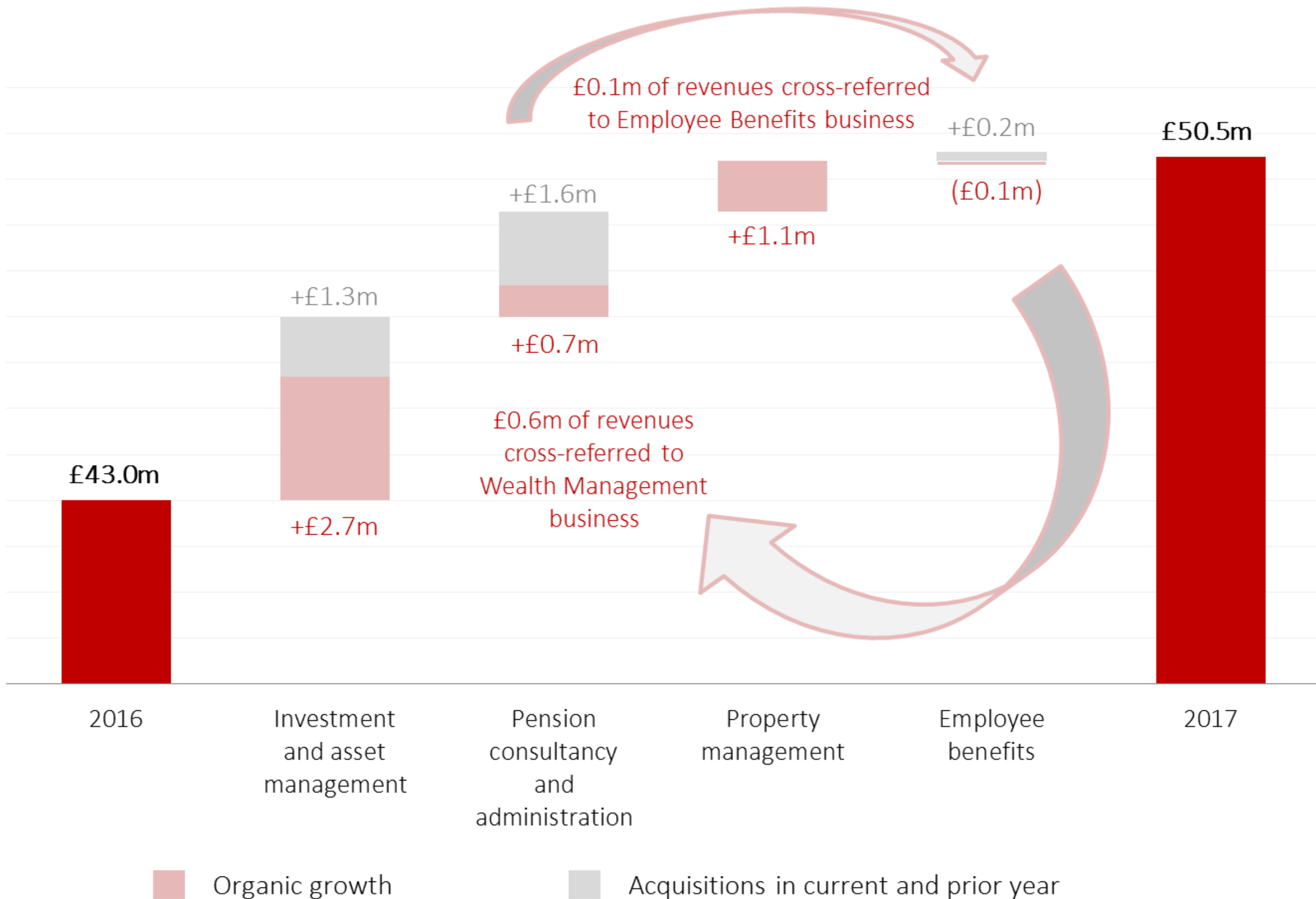


REVENUE +17.4%

Organic growth of 11.6% (+£4.4m)
 Acquisitions integrating well
 +£1.9m from 2016 acquisitions
 +£1.2m from MC Trustees



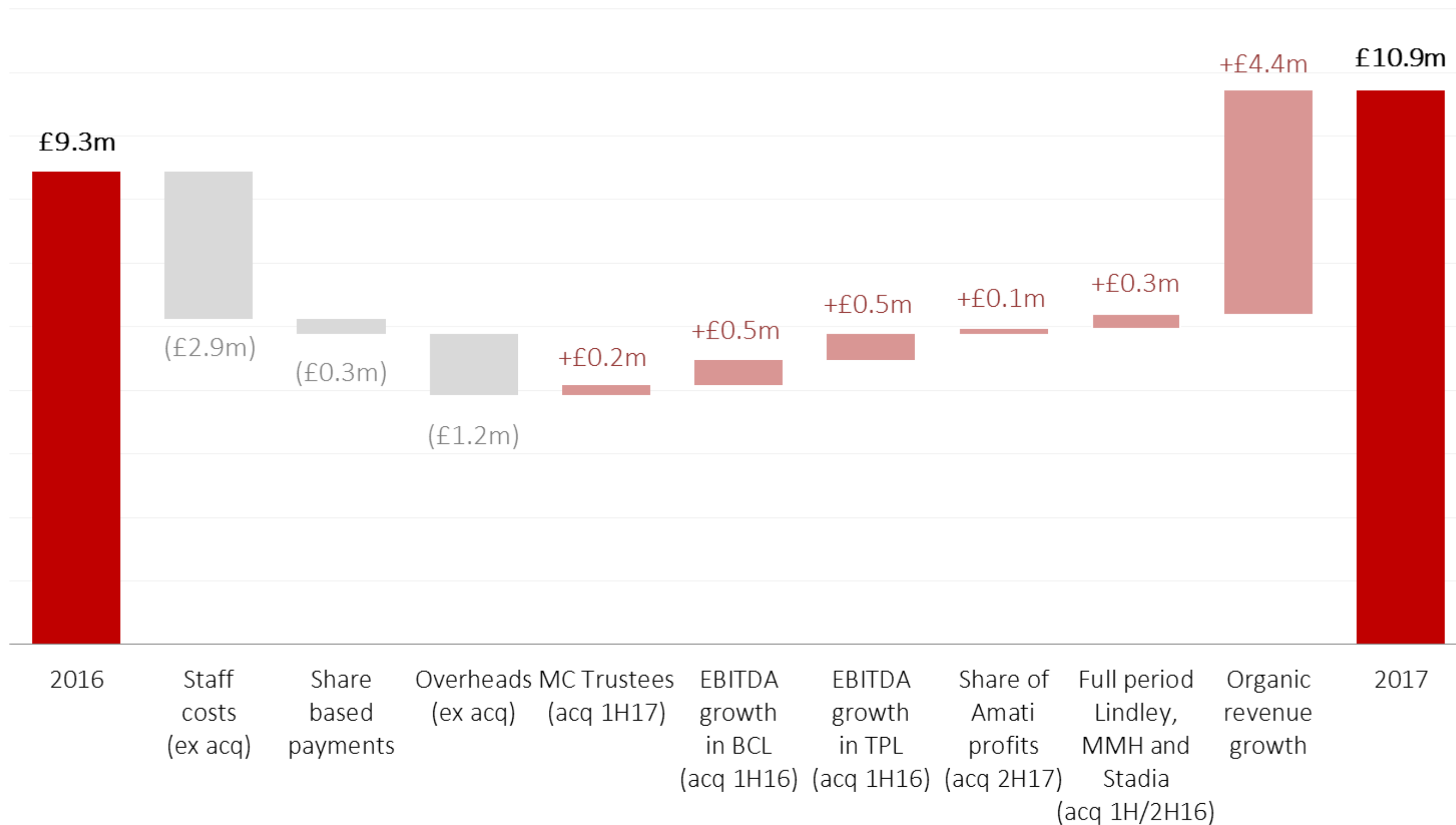
SEGMENTAL REVENUE



OUR FOCUS IS ON THE PURSUIT OF ORGANIC GROWTH

Augmented by strategic acquisitions that enhance value
 EB business is platform for growth

FINANCIAL RESULT



ADJUSTED EBITDA +17.2%

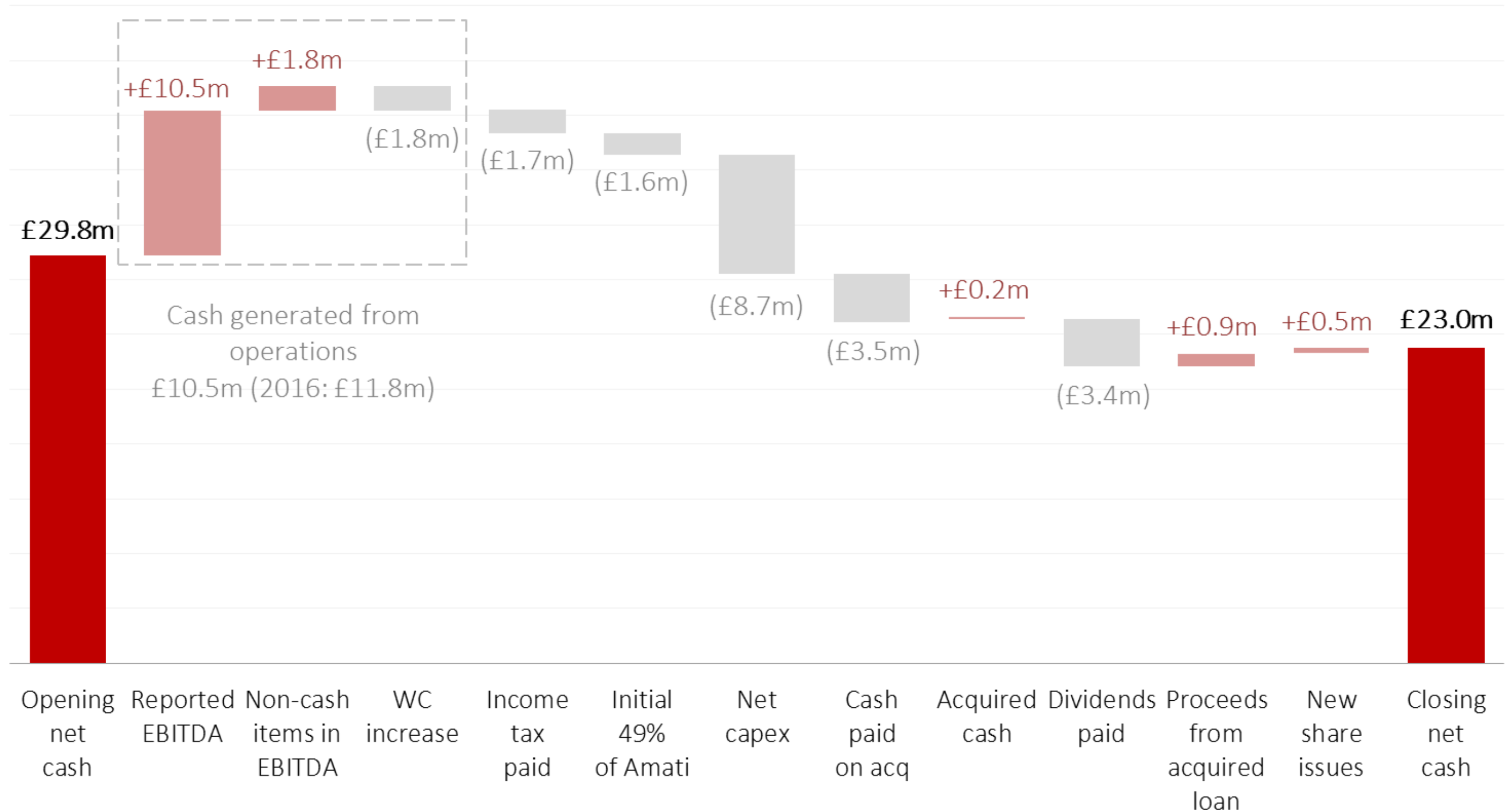
Training, developing and mentoring our people, building capacity to deliver sustainable growth

- Maintaining target margin
- Staff costs 56.8%¹ of revenue
- Adjusted EPS +11.4% to 34.1p
- Underlying EPS² + 11.4% to 33.2p
- Effective tax rate of 16.9%

1. 2016: 57.2% of revenue.

2. See appendix.

FINANCIAL RESULT



CASH GENERATIVE

Proposed total dividend +12.8% to 14.1p

- Increase in working capital¹:
 - £2.0m increase in receivables
 - £1.5m decrease in provisions
 - £1.7m increase in payables
- £7.4m capex on New Walk office
- £0.6m capex on IT platform
- Cash paid on transactions:
 - £2.8m of initial consideration
 - £2.3m of deferred consideration
- Contingent deferred consideration:
 - Up to £4.6m payable in cash
 - Exercise price on Amati option

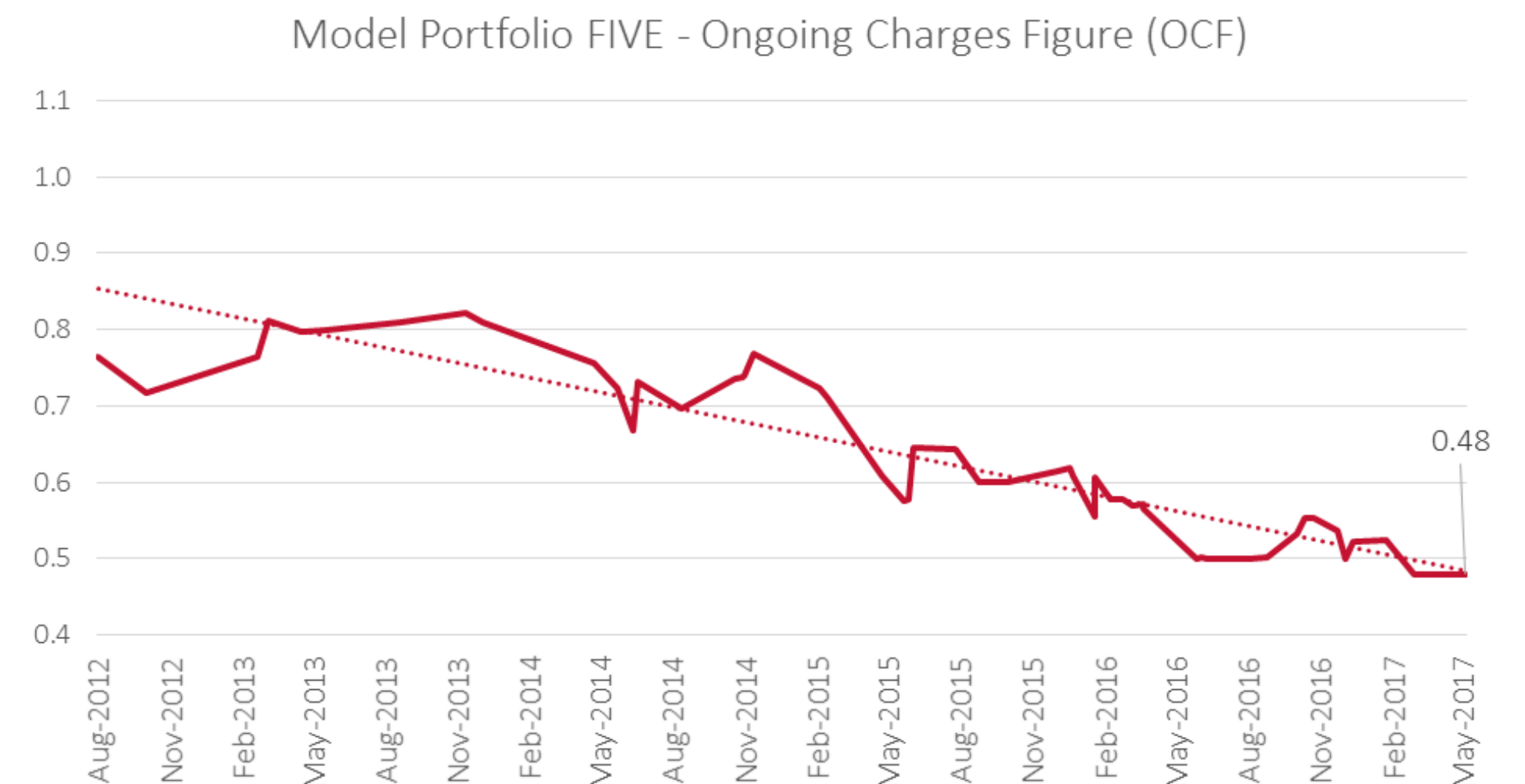
1. Excluding acquisitions.

OUR GOALS

- Ambitious medium term goals:
 - £15bn total client assets
 - £100m revenue
 - 20% EBITDA margin
- Investing for growth:
 - Broadening our proposition
 - Increasing organic operations
 - Integrating recent acquisitions
 - Smaller strategic board, stronger management team
- Delivering lower TERs:
 - Lower OCFs on model portfolios
 - Reducing our product and adviser charges
 - Using the best of what others have

TO DELIVER STRONG SHAREHOLDER RETURNS

and improved client outcomes



ORGANIC GROWTH

- Doing business tomorrow with clients we don't know today:
 - Maturing consultancy team
 - Progressive training and development programmes
 - 764 (2016: 665) new direct SSAS/SIPP schemes, with assets of £337m
 - 350 (2016: 357) new personal clients, with assets of £69m
 - 104 new corporate clients
- Ownership of distribution:
 - Nationwide network of introducers
 - Long-term client relationships
 - Strategic partnerships
 - Direct marketing
- Developing our brand:
 - 25-year history
 - Recognised as a trusted adviser

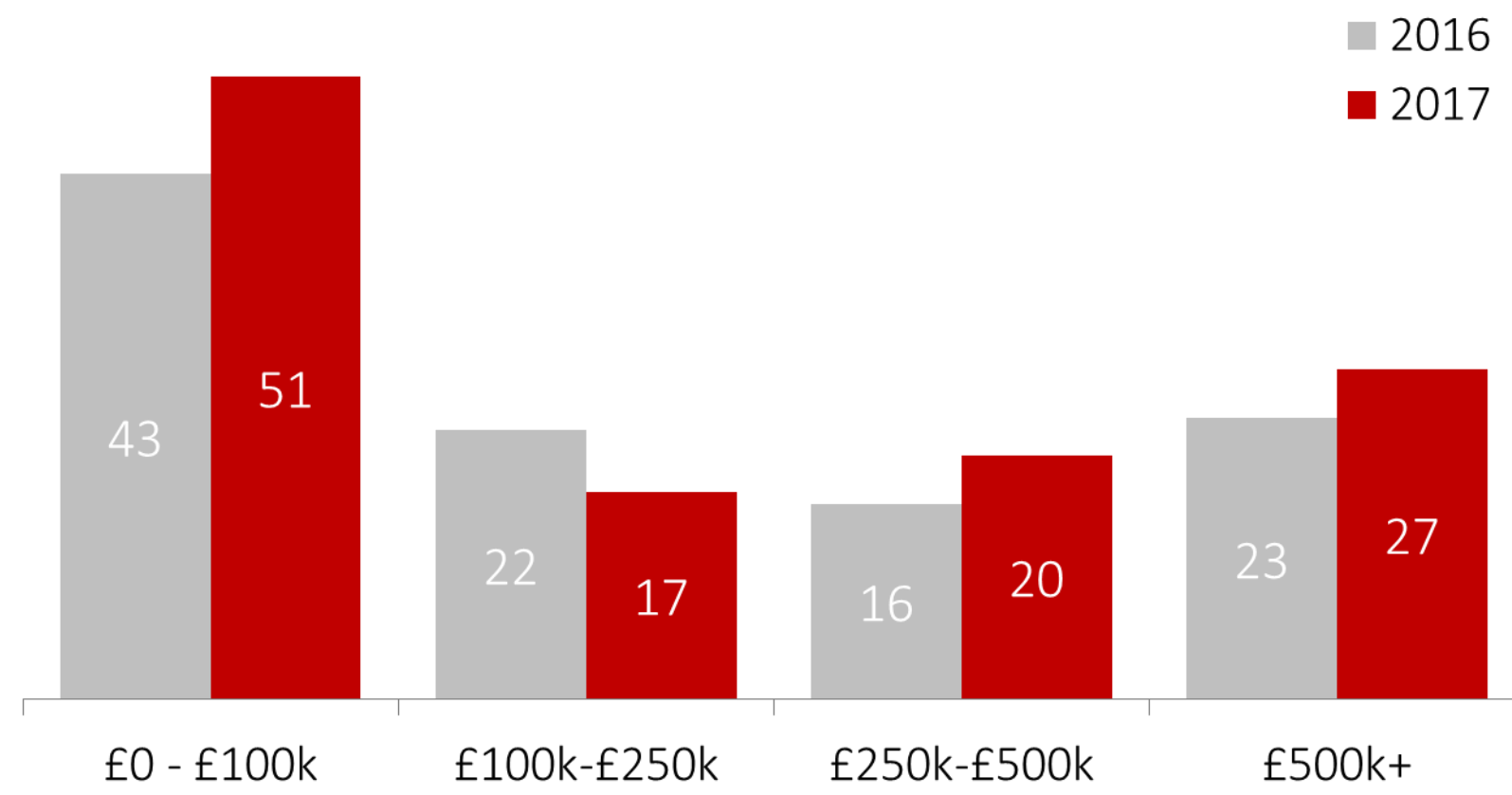
ORGANIC REVENUE GROWTH +11.6%

We have shown in good and bad economic conditions that we have a robust business model

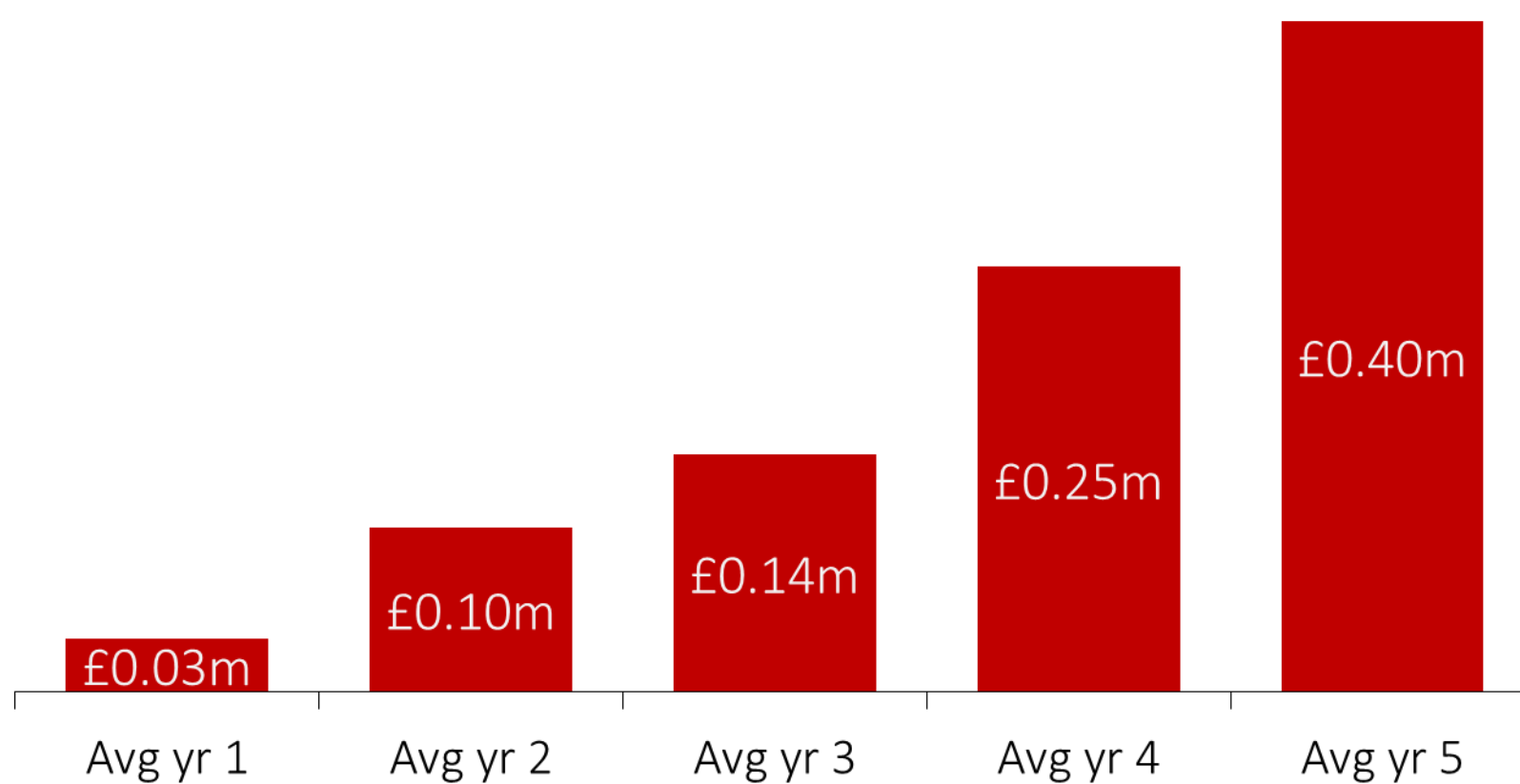


CONSULTANCY DEVELOPMENT

All consultants revenue profile



New consultant average revenues (last five years)



CONSULTANCY FUNCTION

Direct revenue consultants, supported by additional client facing expertise

- 115 (2016: 104) consultants at year end
- Expanding technical team
- Creating capacity for new business:
 - Apprenticeships
 - Graduate programme
 - 'Life-served' people
- Integrity, expertise and passion

EMPLOYEE BENEFITS

- Forward thinking in changing market:
 - Consultancy replacing traditional broking service
 - Flexible benefits, financial education and counselling
 - Multi-generational engagement
- Enhanced consultancy capability
- Synergy with other service lines:
 - Key distribution channel
 - 73% increase in referrals to Wealth Management
- Strategic business aims:
 - Refine prospecting on new clients
 - Add services to existing clients
 - Increase referrals from Worldwide Broker Network
 - £20m revenue, 2,000 clients

ATTRACT, RETAIN, MOTIVATE, ENGAGE

Creating employee benefits strategies for clients

85% of employers feel that employees would benefit from financial advice¹

58% of employers plan to do more to help employees make informed choices¹

36% of employers anticipate including financial advice for employees in their budget¹

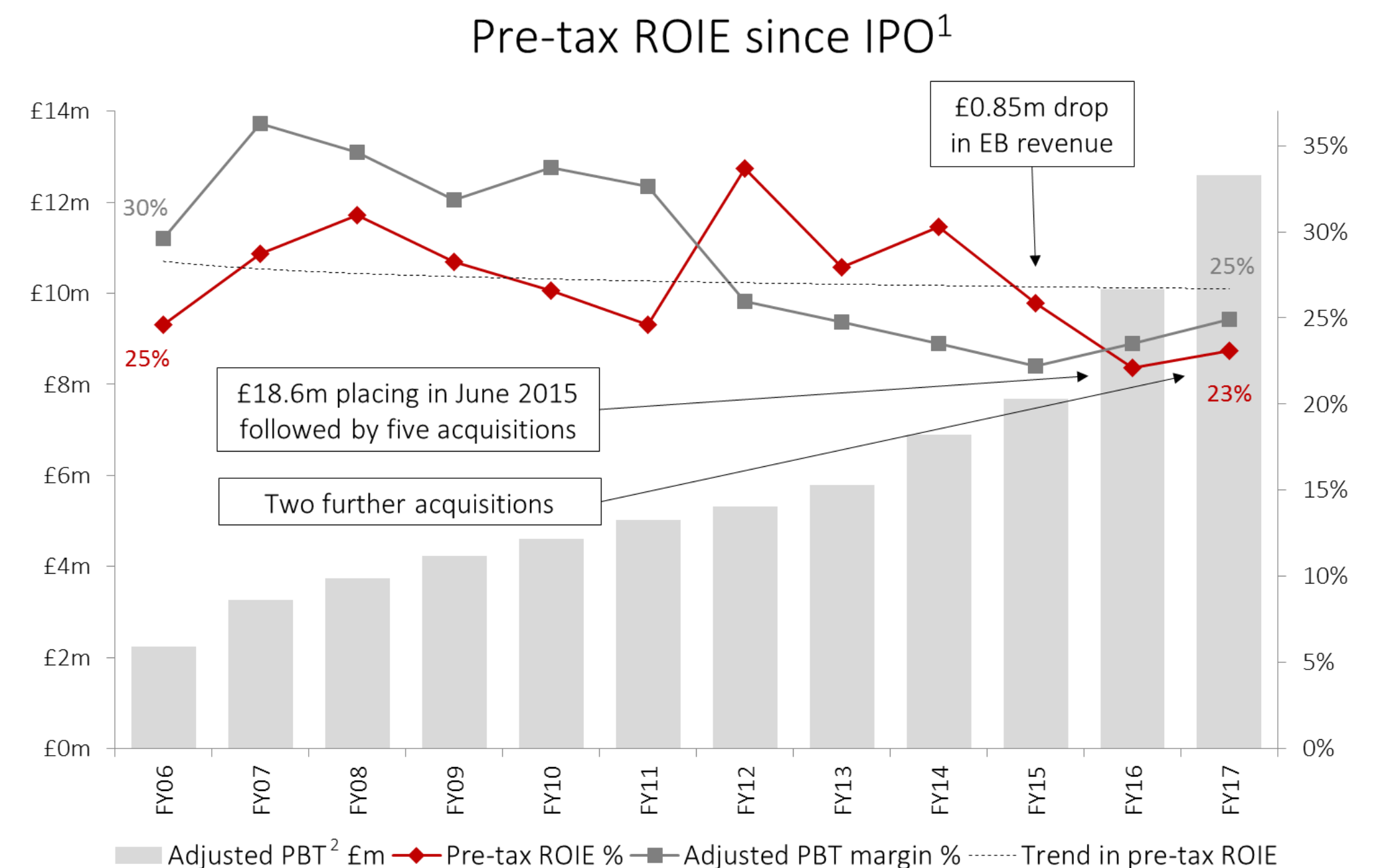
1. Source: Mattioli Woods' Employee Benefits Insight Survey, September 2017.

ACQUISITIONS

- Recent acquisitions integrating well:
 - Experienced management teams
 - Positively contributing to financial result
 - Strong margins and recurring revenues
- The synergies:
 - Wider audience for our products and services
 - Economies of scale
- Our criteria:
 - Strategic and cultural fit
 - Nature of client base
 - Ability to integrate
 - Deal structure that mitigates risks
 - Return on investment

STRONG PIPELINE OF OPPORTUNITIES

Strong balance sheet offers flexibility to make further value-enhancing acquisitions



1. Return on invested equity, calculated as Adjusted PBT divided by equity less intangibles at book value plus intangibles at consideration paid.

2. Profit before taxation, amortisation and impairment of intangibles, share based payments, profit/(loss) on disposals and acquisition-related costs.

ACQUISITIONS

- Acquisition of 49% of Amati Global Investors Limited
- Award-winning specialist fund manager:
 - Based in Edinburgh
 - Long and stable heritage
 - Team with over 50 years' experience
- Funds under Management now £178m+:
 - £120m on acquisition in Feb 2017
 - TB Amati UK Smaller Companies Fund
 - Amati VCT and Amati VCT2
 - AIM IHT portfolio service
- Headline price of £3.3m:
 - £1.6m cash plus £1.7m in shares
- Option to acquire remaining 51%



“ WE APPROACH INVESTMENT
DECISIONS WITH A GLOBAL
MINDSET ”

ACQUISITIONS

- Pension administration and trustee services:
 - Over 1,500 SIPP and SSAS clients
 - £400m+ of AuA
 - Personal service, strong technical advice
- Based in Hampton-in-Arden
- Total consideration of up to £2.4m:
 - Initial: £1.4m (£1.15m cash + £0.25m shares)
 - Deferred: up to £1.0m over two years
 - Deferred is subject to EBITDA hurdles
- Positive contribution in period:
 - Revenue of £1.22m
 - EBITDA of £0.24m

MC TRUSTEES

Continuing consolidation
in the SIPP sector



INVESTMENT CASE

- Delivering strong shareholder returns:
 - Growing and diversifying revenues
 - Maintaining margins, while reducing clients' costs
 - Investing for growth
- Innovative development of products and services
- Scalable platform for organic growth:
 - Established culture of seeking new business
 - Strong pipeline of new opportunities
- Consolidation across our key markets:
 - Track record of successful acquisitions
 - Strong pipeline of new opportunities
- Current trading in line with expectations

ROBUST, SUSTAINABLE MODEL

Allows us to deliver great client outcomes, which will enable the Group to secure further profitable growth



APPENDICES

FINAL RESULTS

For the year ended 31 May 2017

APPENDICES

- Income statement
- Underlying EPS
- Acquisitions
- Segment results
- Client assets
- Revenue yields
- Mattioli Woods Structured Products Fund
- Regulation

OUR PEOPLE



“ I AM PROUD TO WORK FOR MATTIOLI WOODS ”

INCOME STATEMENT

	2017 £m	2016 £m	% Δ	Recurring revenues
Investment and asset management	21.0	17.0	+23.5	81.0%
Pension consultancy and administration	18.9	16.6	+13.9	91.0%
Property management	5.2	4.1	+26.8	90.4%
Employee benefits	5.4	5.3	+1.9	75.9%
Revenue	50.5	43.0	+17.4	85.1%
Employee benefits expense	(28.7)	(24.6)	+16.7	
Other administrative expenses	(9.4)	(7.8)	+20.5	
Share based payments	(1.9)	(1.6)	+18.8	
Loss on disposal of property, plant and equipment	(0.1)	(0.1)	-	
Share of profit from associates, net of tax	0.1	-	-	
EBITDA	10.5	8.9	+18.0	
Acquisition-related costs	0.4	0.3	-	
Adjusted EBITDA	10.9	9.3	+17.2	
Depreciation, amortisation and impairment	(2.6)	(2.3)	+13.0	
Net finance costs	(0.2)	(0.3)	-33.3	
Profit before tax	7.7	6.3	+22.2	
Income tax expense	(1.3)	(1.1)	+18.2	
Profit for the year (PAT)	6.4	5.2	+23.1	

STRONG REVENUE AND PROFIT GROWTH

High recurring revenues
Maintaining target margins

1. Certain figures in the table above may not add due to roundings.

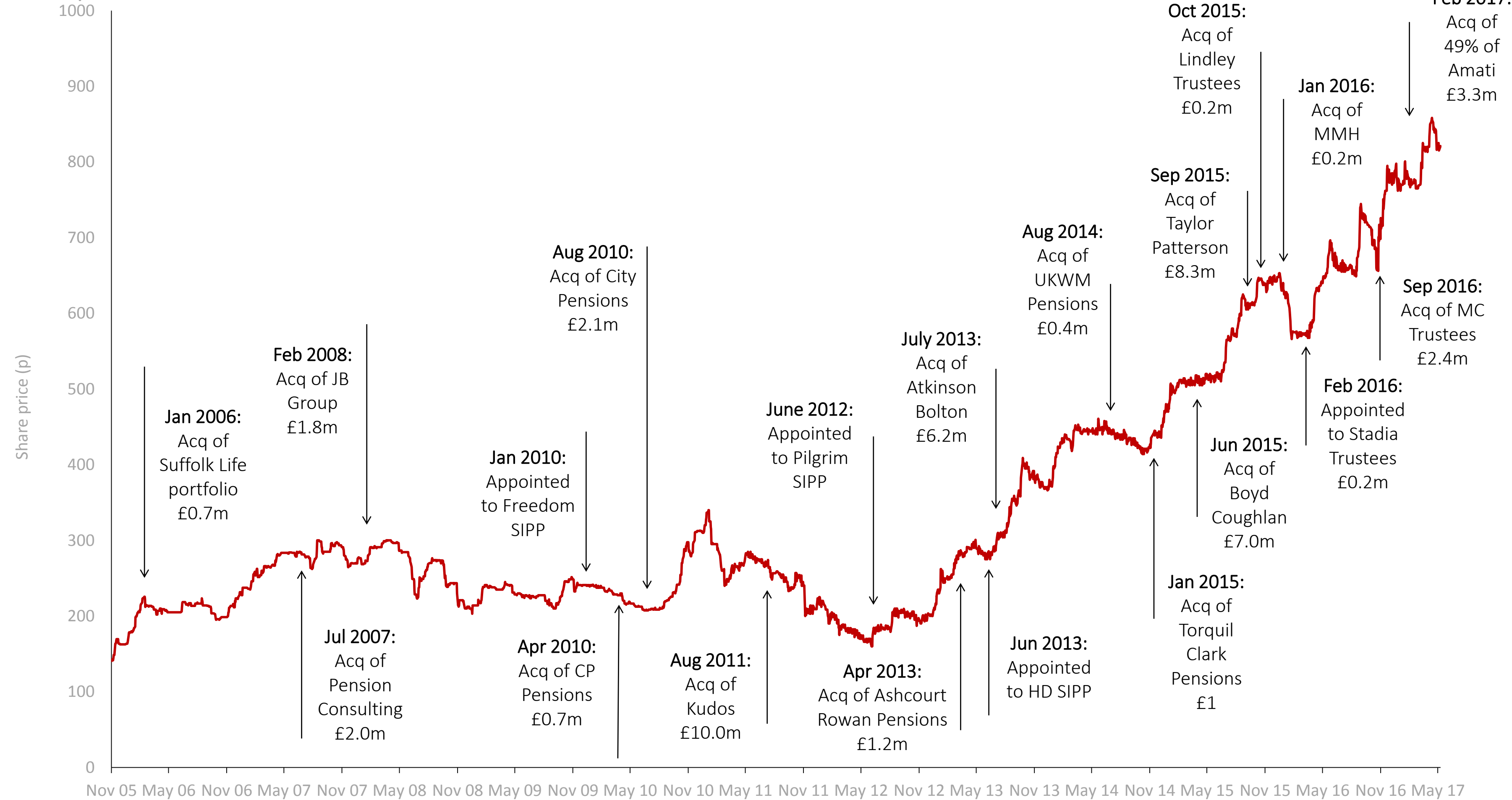
UNDERLYING EPS

	2017 £m	2017 pps	2016 £m	2016 pps	△ in EPS
Reported profit before tax	7.7	29.8	6.3	25.1	
Income tax expense	(1.3)	(5.0)	(1.1)	(4.2)	
Reported PAT / Basic EPS	6.4	24.8	5.2	20.9	+18.7%
Acquisition-related costs	0.4	1.5	0.3	1.4	
Amortisation on acquired intangibles	1.7	6.7	1.7	6.5	
Notional finance costs	0.3	1.1	0.5	1.8	
Adjusted PAT / Adjusted EPS	8.8	34.1	7.7	30.6	+11.4%
Adjust income tax expense to standard rate	(0.3)	(0.9)	(0.2)	(0.8)	
Underlying PAT / Underlying EPS	8.5	33.2	7.5	29.8	+11.4%
Basic weighted average number of shares	25.7m		25.1m		
Effective tax rate	16.9%		16.6%		
Standard rate of tax	19.8%		20.0%		

UNDERLYING EARNINGS +11.4%

Driven by strong revenue growth

Share price since IPO



TRACK RECORD OF ADDING VALUE

20 acquisitions since IPO
Track record of successful integration

ACQUISITIONS

Acquisitions in current and prior financial year	Date	Initial cash £m	Initial shares £m	Deferred (paid) £m	Deferred (contingent) £m	Headline price £m	2017 Revenue £m	2017 EBITDA £m
Boyd Coughlan	Jun 15	3.9	1.2	1.3	1.2	7.6	3.1	1.4
Taylor Patterson	Sep 15	2.1	2.5	1.0	2.3	7.9	3.4	1.3
Lindley Trustees	Oct 15	0.2	-	-	-	0.2	0.2	0.1
Maclean Marshall Healthcare	Jan 16	0.2	-	-	-	0.2	0.1	0.1
Stadia Trustees	Feb 16	0.1	-	-	-	0.1	0.3	0.1
Acquisitions in prior year		6.5	3.7	2.3	3.5	16.0	7.1	3.0
MC Trustees	Sep 16	1.2	0.2	-	1.0	2.4	1.2	0.2
Amati Global Investors (49% share of associate)	Feb 17	1.6	1.7	-	-	3.3	-	0.1
Acquisitions in current year		2.8	1.9	-	1.0	5.7	1.2	0.3

ADDING VALUE

Accelerating growth

SEGMENT RESULTS

	Investment and asset management £m	Pension consultancy and admin £m	Property management £m	Employee benefits £m	Segment total £m	Corporate costs £m	Consolidated £m
<i>Year ended 31 May 2017</i>							
Revenue	21.0	18.9	5.2	5.4	50.5	-	50.5
Segment result	5.0	3.6	1.2	0.5	10.3	(2.6)	7.7
<i>Year ended 31 May 2016</i>							
Revenue	17.0	16.6	4.1	5.3	43.0	-	43.0
Segment result	3.5	3.3	0.8	0.5	8.1	(1.8)	6.3

**+£0.7M
REVENUE
SYNERGY**

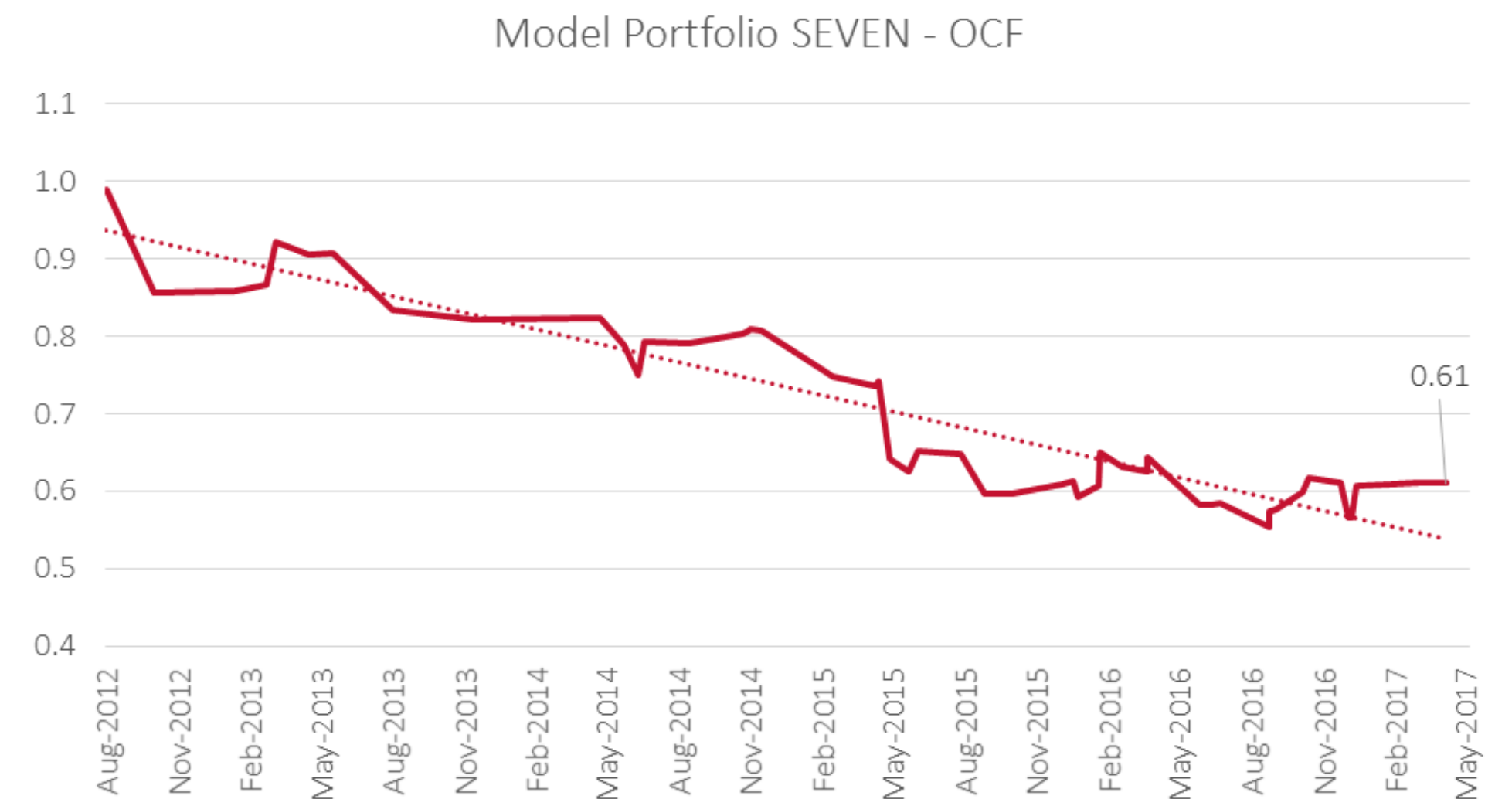
New business referred
between Employee
Benefits and Wealth
Management teams

INVESTMENT AND ASSET MANAGEMENT

- Delivering strong performance:
 - Advisory portfolios
 - Discretionary portfolio management
 - Custodian REIT
- Lowering TERs
- Mattioli Woods Structured Products Fund:
 - Raised over £100m since launch
 - Target returns of 6%+pa, achieved 3.2% since launch¹
- Enhancing quality of earnings:
 - Recurring revenues linked to value of AuM/A
 - Promoting services to acquired clients
 - Scalable investment platforms

**REVENUES +23.5%
TO £21.0M**

Reducing ongoing charges



1. Period from launch in September 2016 to 25 August 2017. .

PENSION CONSULTANCY AND ADMINISTRATION

- Direct fees +11.0% to £14.1m:
 - 11.8% increase to 5,140 schemes
 - Strong client retention
- Admin-only fees +31.4% to £4.6m:
 - 49.1% increase to 4,881 schemes
 - 1,554 schemes added with MC Trustees
 - Winding-up distressed portfolios
- Client VAT saving on schemes designated as SIFs¹
- Fall in banking income to £0.2m
- Future growth opportunities:
 - Consolidation in sector
 - Change and complexity driving demand for advice

**OVER 10,000
SSAS AND SIPP
SCHEMES**

administered by the Group

1. Special Investment Funds.

PROPERTY MANAGEMENT

- Property investment services:
 - Discretionary manager of Custodian REIT
 - Direct investment on behalf of client syndicates
 - Private Investors Club (PIC)
 - Property insurance
- Custodian REIT:
 - AMCs and administration fees linked to NAV
 - £76.0m (2016: £98.4m) of new equity raised in period
- Private syndicates:
 - 7 (2016: 8) new PIC syndicates, investing £20.6m (2016: £9.9m)
 - Consultancy and administration
- Expect long-term secure income to remain attractive

**REVENUES +26.8%
TO £5.2M**

Facilitating pooled and direct
property ownership

EMPLOYEE BENEFITS

- Shift to fee-based proposition:
 - Reduced pension-related revenues
 - Increased recurring revenues
- Diversifying ancillary revenues:
 - Extending geographic footprint
 - Specialist sectors, e.g. charities
 - Health insurance
 - MW Private Pension
- Growth opportunities:
 - £0.7m of cross-referral between EB/WM in 2017
 - Appointment of new consultants
 - Workplace advice to address “advice gap”

REVENUES OF £5.4M

Market still adjusting following abolition of provider commissions in April 2016

CLIENT ASSETS

Total assets	SIPP and SSAS £m	Employee benefits £m	Personal and other pension £m	Total £m	AuA/A £m	Net AuM £m	Total £m
At 1 June 2016	3,996.1	1,158.2	1,451.6	6,605.9	5,450.6	1,155.3	6,605.9
Acquisitions in year	466.5	-	-	466.5	466.5	-	466.5
Net inflow / (outflow) ¹	568.7	(55.9)	186.5	699.3	285.0	414.3	699.3
At 31 May 2017	5,031.3	1,102.3	1,638.1	7,771.7	6,202.1	1,569.6	7,771.7

CLIENT ASSETS +17.5% TO £7.77BN

Gross AuM +39.3% to £1.63bn

Assets under management	DPM £m	Custodian REIT (CREI) £m	Structured Products Fund (SPF) £m	Gross AuM £m	CREI in DPM £m	SPF in DPM £m	Net AuM £m
At 1 June 2016	878.8	295.3	-	1,174.1	(18.8)	-	1,155.3
Inflows	190.1	76.0	98.4	364.5	(9.5)	(36.7)	318.3
Outflows	(74.3)	-	-	(74.3)	-	-	(74.3)
Market movement	150.2	20.1	-	170.3	-	-	170.3
At 31 May 2017	1,144.8	391.4	98.4	1,634.6	(28.3)	(36.7)	1,569.6

1. Includes market movements.

REVENUE YIELDS

By division	Client assets		Average annual revenue yield	
	2017 £bn	2016 £bn	2017 bps	2016 bps
Wealth Management ¹	6.67	5.45	68	69
Employee Benefits ²	1.10	1.16	49	45
Overall	7.77	6.61	65	65
By segment ³	£bn	£bn	bps	bps
Pension consultancy and administration	5.03	4.00	38	41
Investment and asset management	2.77	2.27	76	75
Property management	0.44	0.32	116	125

VERTICALLY- INTEGRATED MODEL

Addressing more of the value chain, with the aim of lowering clients' TERs

1. Comprises pension consultancy and administration, investment and asset management and property management.

2. Employee benefits revenues are not typically linked to the value of client assets.

3. Certain assets are included in more than one segment (for example, assets under advice held within a client's pension scheme are included in "pension consultancy and administration" and "investment and asset management").

STRUCTURED PRODUCTS FUND

- Funds under management now exceed £100m
- Builds on existing structured product initiative
- Adds the benefits of:
 - Collateralisation
 - Instant diversification
 - Continuous availability
 - Liquidity
- Collateral in the form of UK Gilts
- Target return over rolling 3 years is 3M LIBOR + 6%pa after fees:
 - Achieved 3.2% since launch¹
- Further £96m invested in individual structured product plans

DEVELOPING OUR FUNDS BUSINESS

Innovative product development

1. Period from launch in September 2016 to 25 August 2017. .

REGULATION

- Regulated by FCA:
 - C3 “flexible portfolio” firm
 - P3 firm (prudentially non-significant)
 - IFPRU €50k limited licence firm
 - Custodian Capital is an AIFM
- MiFID II delayed until Jan 2018:
 - Inducements
 - Costs and charges
 - Product governance
 - Role of compliance
- Financial Advice Market Review baseline report in Jun 2017
- FCA to address weak competition in asset management market
- Upcoming review of entire value chain and the platform market

STRONG COMPLIANCE CULTURE

Period of unprecedented change

REGULATION

- RDR facilitates vertically-integrated models
- Clear conflicts policy:
 - Transparent client communication and disclosure
 - Suitability checks for all products and services
 - Delivering fair client outcomes
- Mattioli Woods' remuneration structures avoid adviser bias

MANAGING CONFLICTS

Regulator recognises demand for advice

REGULATORY CAPITAL REQUIREMENT

- Flexibility to pursue acquisitions
- Common Equity Tier 1 (CET1) capital:
 - Total equity less intangibles
- Pillar 1 own funds requirement:
 - Credit risk
 - Market risk
 - Operational risk
- Pillar 2A requirement:
 - Stress-testing key risks over a one year horizon

UNDERSTANDING OUR CAPITAL POSITION

Strong balance sheet position

	2017 £m	2016 £m
Regulatory capital		
CET1 capital after adjustments ¹	23.4	18.7
Pillar 1 minimum capital requirement	9.1	7.6
Surplus before Pillar 2A	14.3	11.1
Pillar 2A requirement	0.9	0.9
Regulatory capital requirement	10.0	8.5
Surplus	13.4	10.2
<i>Surplus as % of requirement</i>	<i>134%</i>	<i>120%</i>

1. Common Equity Tier 1 ("CET1") capital including: shares issued during the period and admitted to CET1 capital following the period end, proposed dividends and retained earnings for the period.