



Mattioli Woods plc

WEALTH MANAGEMENT & EMPLOYEE BENEFITS

INTERIM RESULTS

For the six months ended 30 November 2016

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February 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 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
- Highlights
- Financial result
- Our goals
- Our model
- Organic growth
- Acquisitions
- Investment case

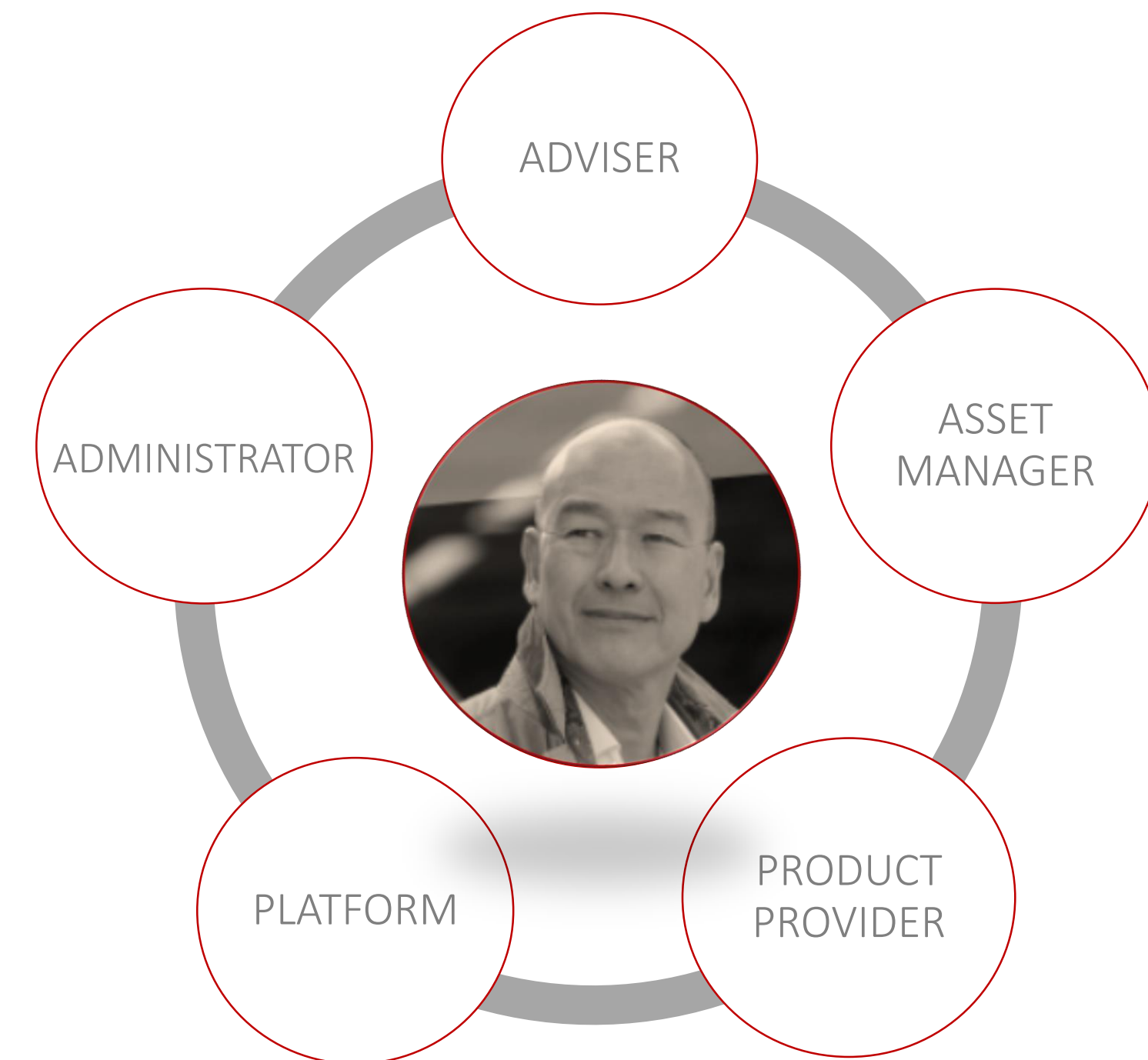
WE TAKE CARE OF OVER
£7.5 BILLION
OF OUR CLIENTS' ASSETS

OUR VISION

- Adviser, manager and provider:
 - Expert, client-driven advice
 - Strong client retention through shared values
 - Innovative product development
 - Realisation of operational synergies
- Scalable and sustainable model:
 - Blending:
 - Agility and structure
 - Advice and product provision
 - Organic and acquired growth
 - Investment in technology and our people
 - Ownership of distribution
 - Lowering TERs through vertical-integration
- Progressive dividend policy

PRODUCING GREAT CLIENT OUTCOMES

to deliver sustainable shareholder returns



HIGHLIGHTS

- Revenue +22.1% to £24.3m (1H16: £19.9m)
- Recurring revenues 84.3% (1H16 : 81.6%)
- Adjusted EBITDA^{1,2} +20.9% to £5.2m (1H16: £4.3m):
 - Margin¹ of 21.4% (1H16: 21.7%)
 - Adjusted EPS^{3,4} +15.9% to 16.8p (1H16: 14.5p)
- Interim dividend +22.1% to 4.7p (1H16: 3.85p)
- Net cash of £22.6m (1H16: £22.6m) at period end

DOUBLE-DIGIT GROWTH

Sustained demand for advice
Strong new business flows
Maintaining target margins
Lowering clients' costs

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

2. Earnings before interest, taxation, depreciation, amortisation and impairment was £4.9m (1H16: £4.0m).

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

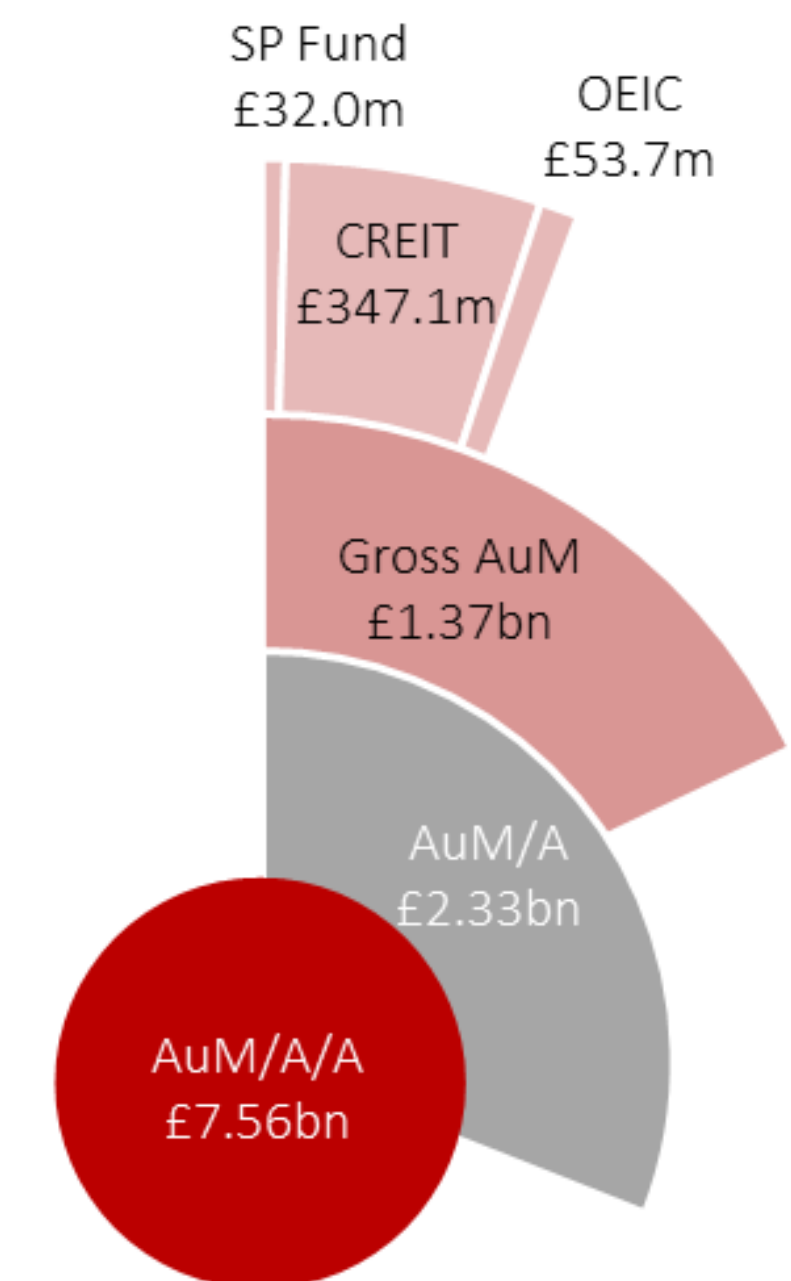
4. Basic EPS up 24.5% to 11.7p (1H16: 9.4p).

HIGHLIGHTS

- AuM/A/A +14.4% to £7.56bn (May 2016: £6.61bn):
 - Gross discretionary AuM +17.1% to £1.37bn (May 2016: £1.17bn)
 - £44.6m of new equity raised by Custodian REIT
- Organic revenue growth^{1,2} of 14.2% (1H16: 7.4%)
- Acquisition of MC Trustees in Sept 2016
- Purchase of 49% of Amati in Feb 2017, option to acquire remaining 51%
- Strategic geographic footprint
- Appointment of CIO and Head of Risk
- Launch of Mattioli Woods Structured Products Fund

ROBUST, SUSTAINABLE MODEL

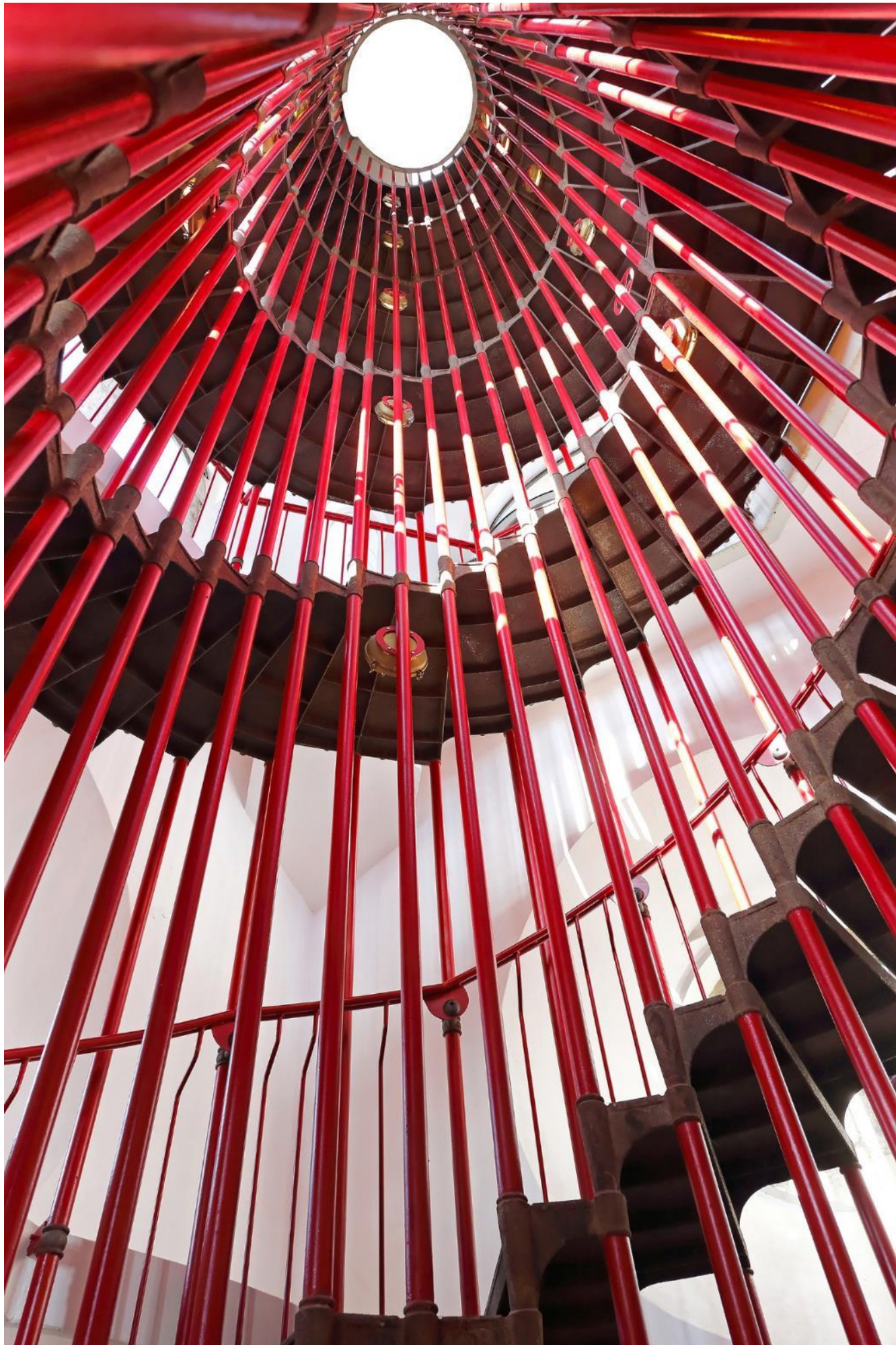
Total client assets of over £7.5 billion



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

2. Net organic revenue growth 14.6% (1H16: 12.0%) excluding banking income and acquisitions in the current and prior financial years.

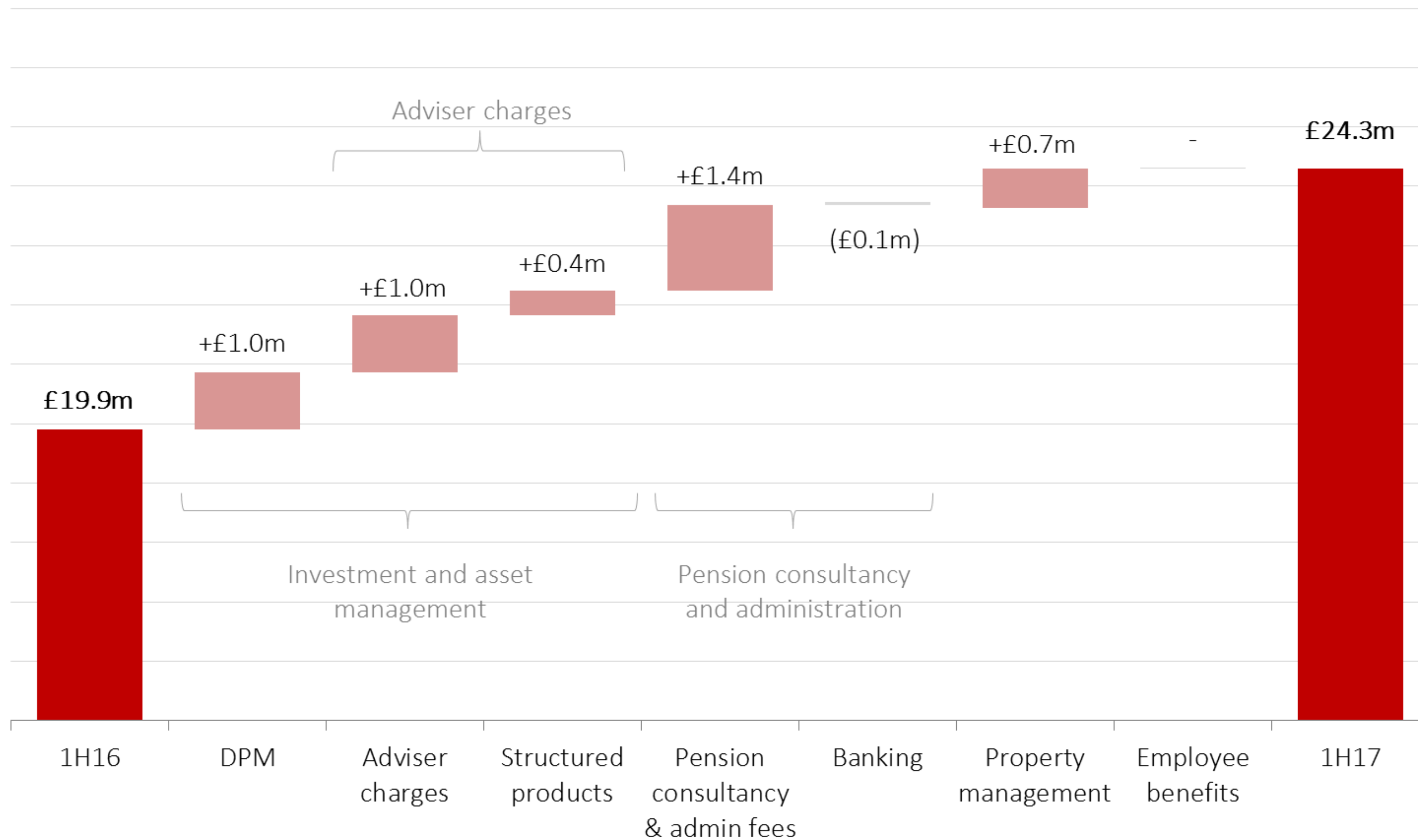
STRUCTURED PRODUCTS FUND



“ A UNIQUE PROPOSITION IN THE MARKETPLACE ”

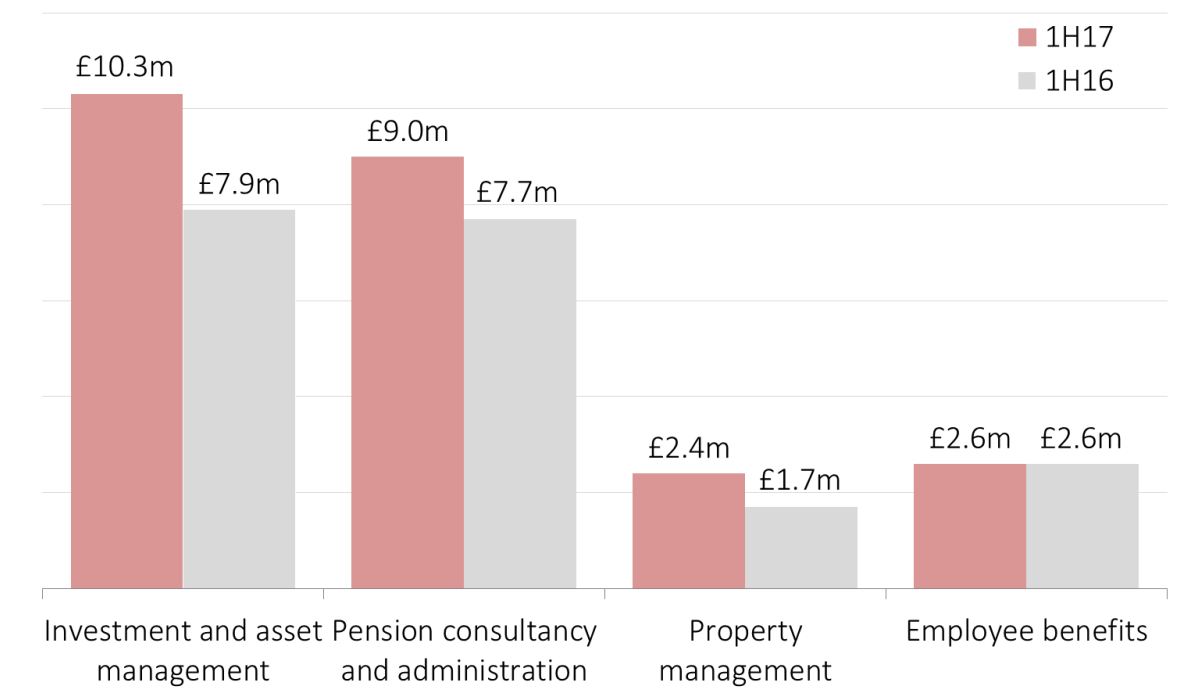
THE LAUNCH OF THE MATTIOLI WOODS STRUCTURED PRODUCTS FUND GENERATED SIGNIFICANT CLIENT INTEREST, WITH OVER £60 MILLION INVESTED SINCE LAUNCH. THE FUND IS DESIGNED TO DELIVER SUSTAINABLE LONG-TERM RETURNS, WHILE LOWERING CLIENTS' COSTS

FINANCIAL RESULT

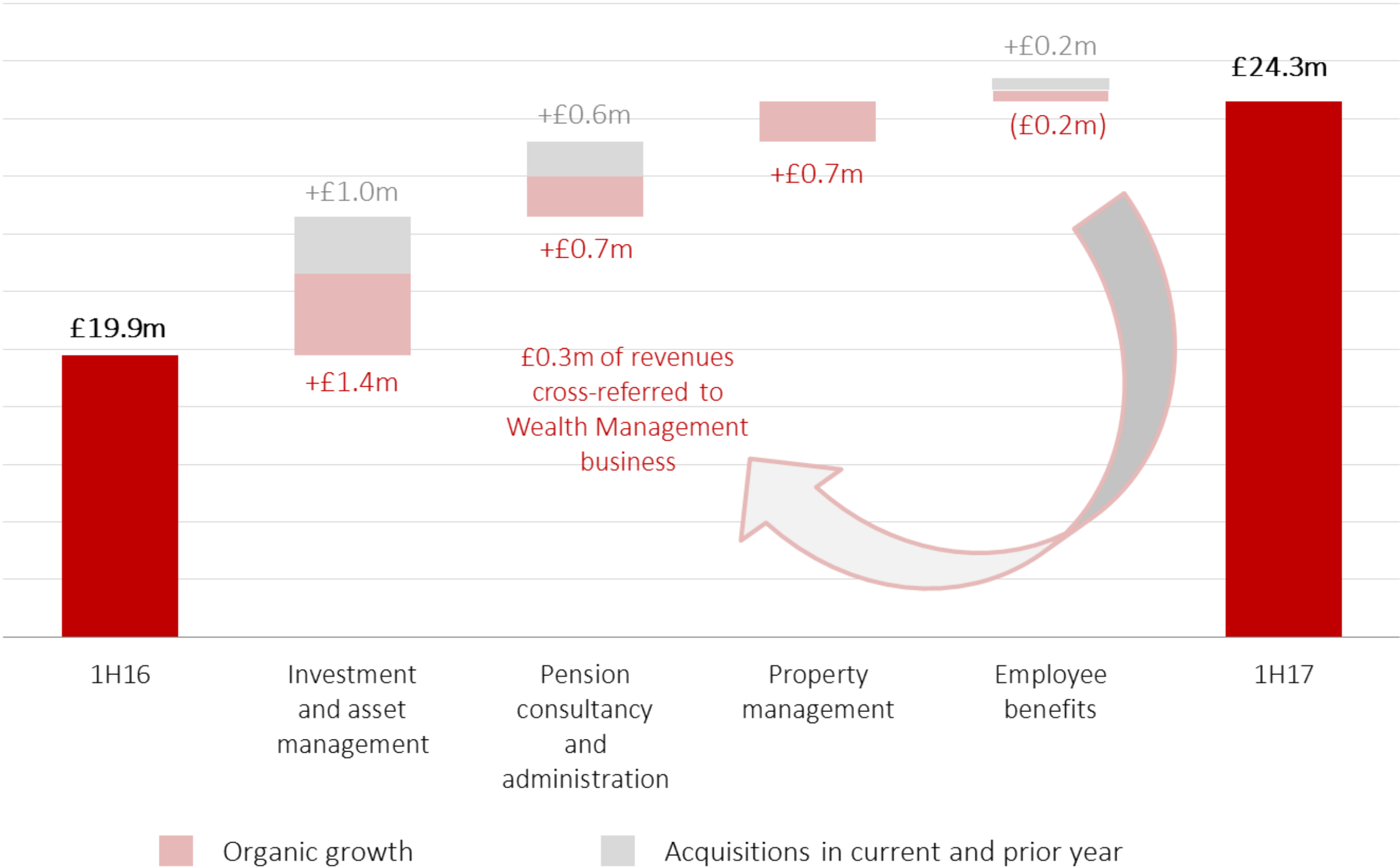


REVENUE +22.1%

Organic growth of 14.2% (+£2.5m)
 Acquisitions integrating well
 +£1.5m from acquisitions in FY16
 +£0.4m from MC Trustees



SEGMENTAL REVENUE



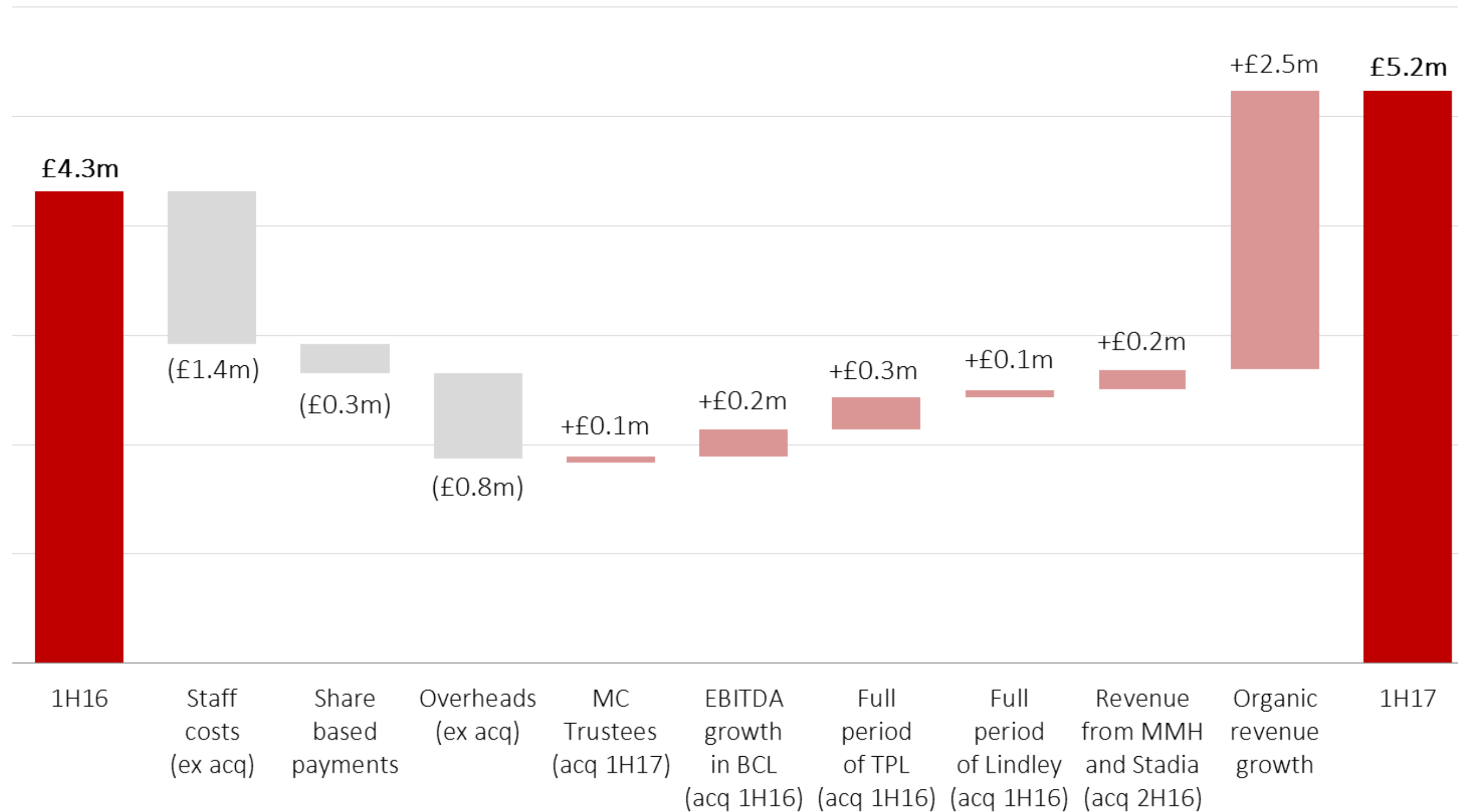
OUR FOCUS IS ON THE PURSUIT OF ORGANIC GROWTH

Augmented by strategic acquisitions that enhance value

FINANCIAL RESULT

ADJUSTED EBITDA +20.9%

Developing our people and building capacity to deliver sustainable growth

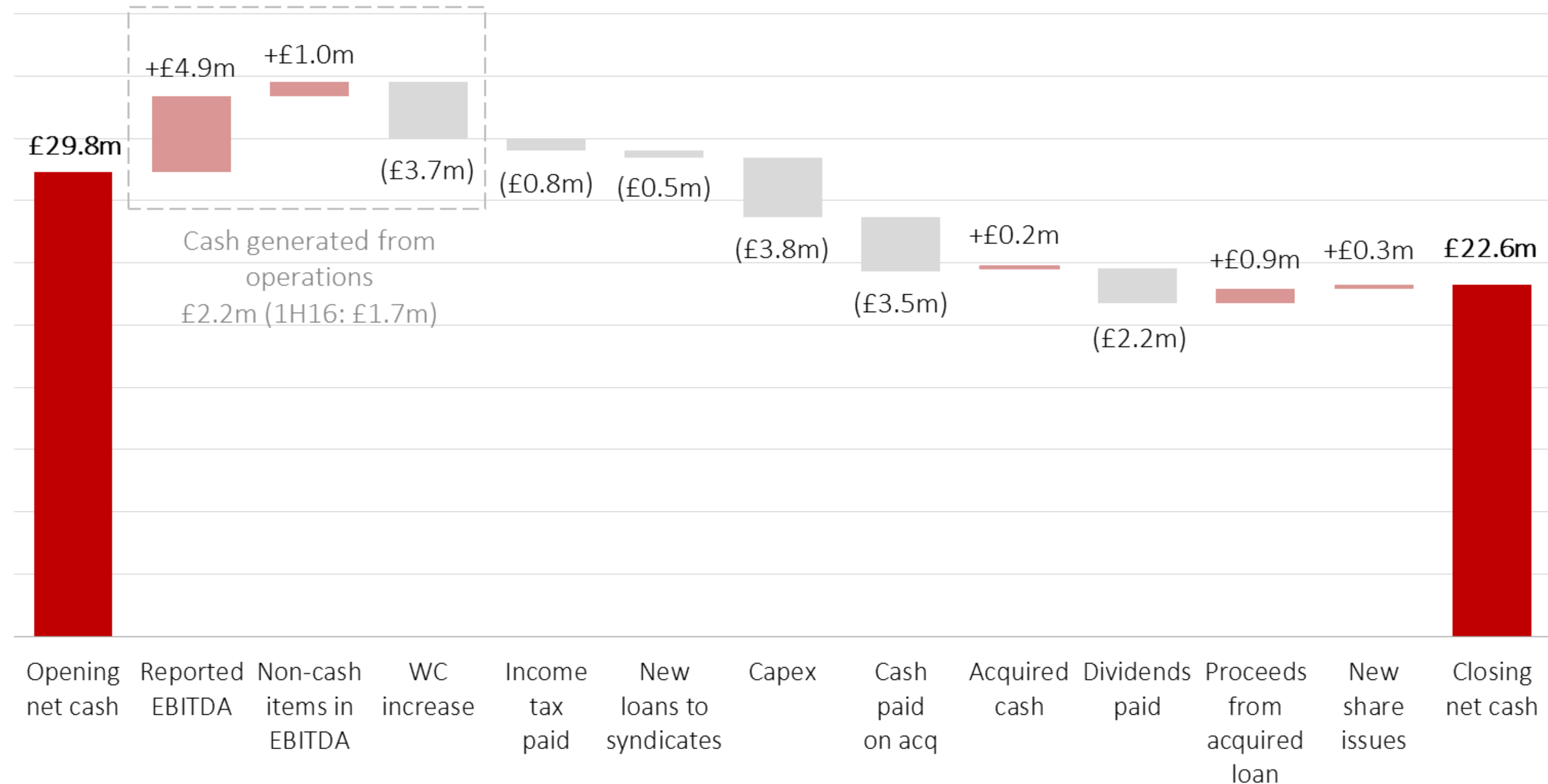


- Maintaining target margin
- Adjusted EPS +15.9% to 16.8p
- Underlying EPS¹ +16.2% to 16.5p
- Effective tax rate of 17.4%

FINANCIAL RESULT

CASH GENERATIVE

Interim dividend +22.1% to 4.7p



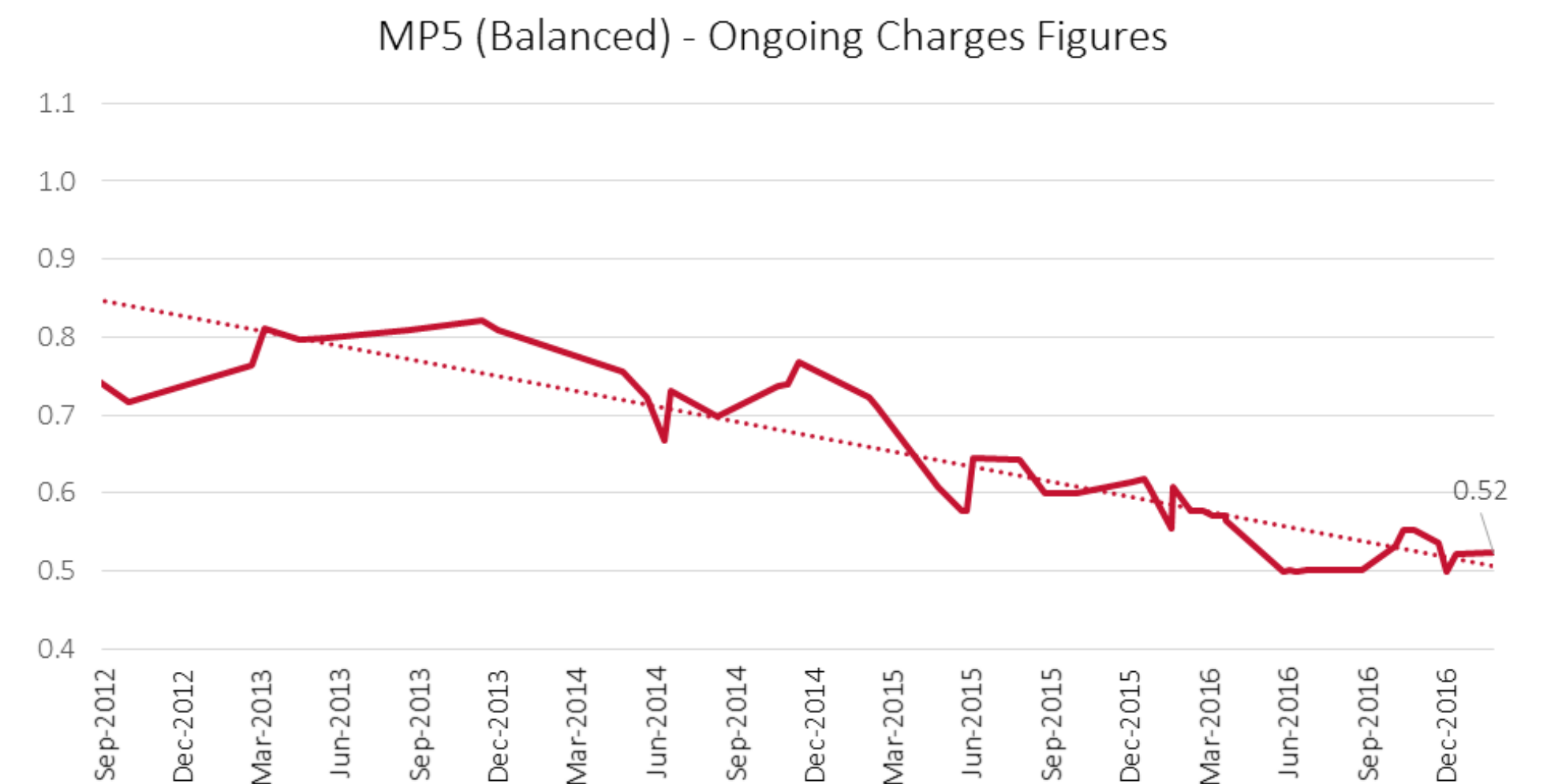
- Seasonal increase in working capital
- £3.0m capex on New Walk office
- £0.5m capex on IT platform
- Paid £2.3m of deferred consideration
- Up to £4.5m of contingent consideration

OUR GOALS

- Ambitious targets:
 - £15bn total client assets
 - £100m revenue
 - 20% EBITDA margin
- Investing for growth:
 - Broadening our proposition
 - Integrating recent acquisitions
 - Developing our IT platform
 - Experienced appointments into key roles
 - Strategic geographic footprint
- Delivering lower TERs:
 - Lower OCFs on model portfolios
 - VAT exemption for Special Investment Funds
 - Vertical-integration reducing adviser charges

TO DELIVER STRONG SHAREHOLDER RETURNS

and improved client outcomes



OUR MODEL

- Strong retention and new client wins:
 - Gross AuM +17.1% by addressing clients' needs
 - Pension revenues +20% on demand for advice
 - Proactive, personalised service
- Vertically-integrated model:
 - Blending advice and product provision
 - Using most suitable products (whether in-house or external)
 - Personal service enhanced by technology
 - Synergy between WM and EB
 - Recognised expertise and continuous personal development
 - Innovation and sustainability

SHARING OUR CLIENTS' VALUES



“ THE TEAM IN NEWMARKET HAVE DELIVERED ON THEIR MANTRA OF **CREATING** AND **PRESERVING WEALTH**, BOTH FOR ME AND MY BUSINESS. I HAVE THE **PEACE OF MIND** THAT REAL CARE AND ATTENTION IS BEING APPLIED TO A SUBJECT ON WHICH I HAVE LITTLE EXPERIENCE AND EVEN LESS TIME. I WELCOME THE FACT THEY HAVE ALWAYS **KEPT THEIR PROMISES.** ”

- CAROLINE OWEN
MANAGING DIRECTOR, SCOTSDALES

ORGANIC GROWTH

- Doing business tomorrow with clients we don't know today:
 - Maturing consultancy team
 - Progressive training and development programmes
 - 347 (1H16: 295) new direct SSAS/SIPP schemes with £145m AuM/A/A
 - 179 (1H16: 154) new personal clients with £23m AuM/A/A
 - 46 (1H16:33) new corporate clients
- Ownership of distribution:
 - Nationwide network of introducers
 - Long-term clients relationships
 - Strategic partnerships
 - Direct marketing
- Developing our brand:
 - 25-year history
 - Recognised as a trusted adviser

ORGANIC REVENUE GROWTH +14.2%

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

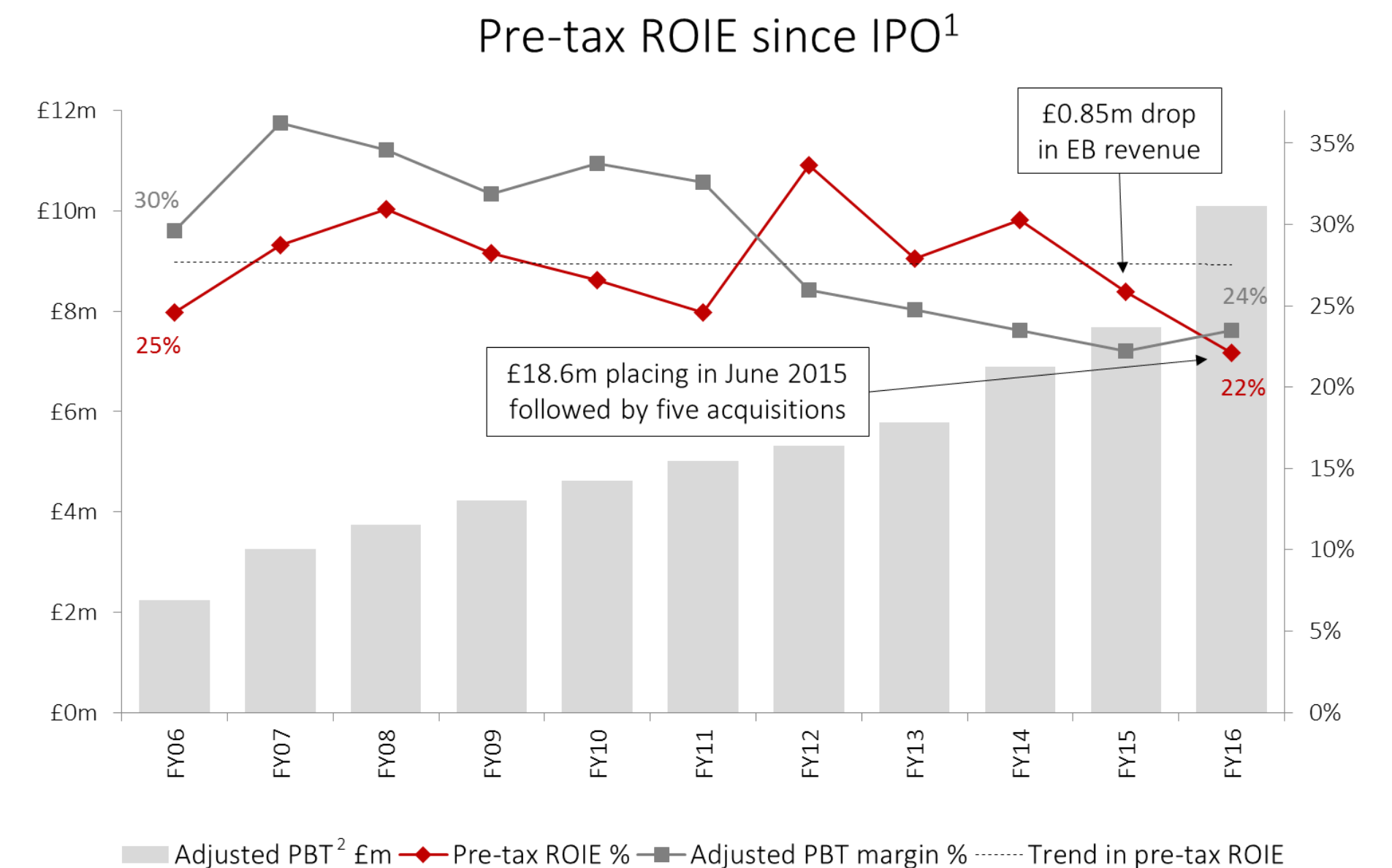


ACQUISITIONS

- 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
- £120m of funds under management:
 - TB Amati UK Smaller Companies Fund
 - Amati VCT and Amati VCT2
 - AIM IHT portfolio service
- Total consideration of £3.33m:
 - £1.59m cash plus £1.74m in shares
- Option to acquire remaining 51%

AMATI GLOBAL INVESTORS

Finely crafted investments

“ WE APPROACH INVESTMENT DECISIONS WITH A GLOBAL MINDSET ”

INVESTMENT CASE

- Delivering strong shareholder returns:
 - Maintaining margins, while reducing clients' costs
 - Investing for growth
 - Growing and diversifying revenues
- 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

INTERIM RESULTS

For the six months ended 30 November 2016

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

	1H17 £m	1H16 £m	%Δ	Recurring revenues
Investment and asset management	10.3	7.9	30.4	81.3%
Pension consultancy and administration	9.0	7.7	16.9	90.1%
Property management	2.4	1.7	41.2	82.8%
Employee benefits	2.6	2.6	-	77.4%
Revenue	24.3	19.9	22.1	84.3%
Employee benefits expense	(13.9)	(11.7)	18.8	
Other administrative expenses	(4.6)	(3.5)	31.4	
Share based payments	(0.9)	(0.7)	28.6	
EBITDA	4.9	4.0	22.5	
Acquisition-related costs	0.3	0.3		
Adjusted EBITDA	5.2	4.3	20.9	
Depreciation, amortisation and impairment	(1.2)	(1.1)	9.1	
Net finance costs	(0.1)	(0.1)	-	
Profit before tax	3.6	2.8	28.6	
Income tax expense	(0.6)	(0.5)	20.0	
Profit for the year (PAT)	3.0	2.3	30.4	

STRONG REVENUE AND PROFIT GROWTH

High recurring revenues
Maintaining target margins

UNDERLYING EPS

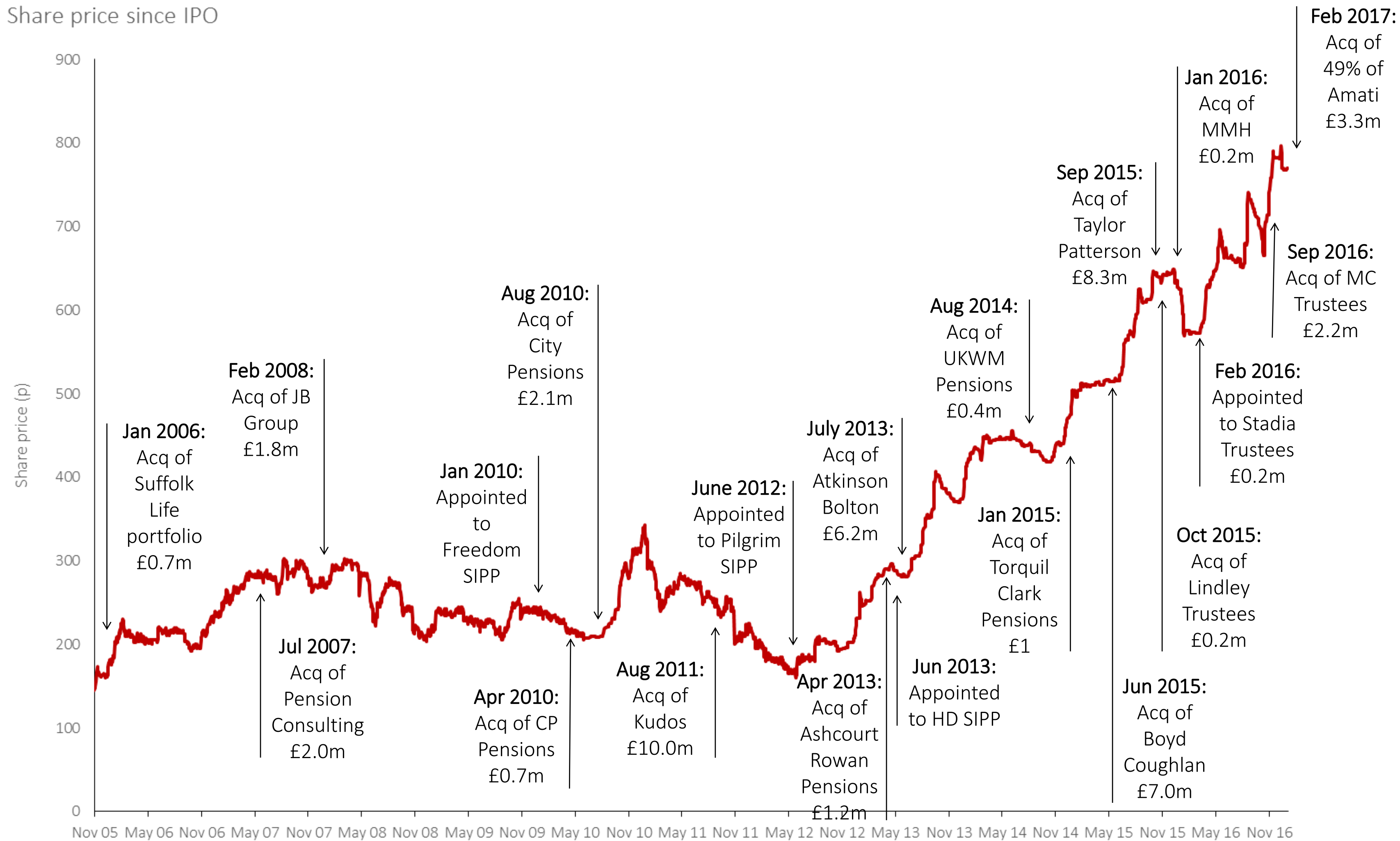
	1H17 £m	1H17 pps	1H16 £m	1H16 pps	△ in EPS
Reported profit before tax	3.6	14.2	2.8	11.5	
Income tax expense	(0.6)	(2.5)	(0.5)	(2.1)	
Reported PAT / Basic EPS	3.0	11.7	2.3	9.4	24.5%
Acquisition-related costs	0.3	1.2	0.3	1.2	
Amortisation on acquired intangibles	0.9	3.4	0.8	3.3	
Notional finance costs	0.1	0.5	0.1	0.6	
Adjusted PAT / Adjusted EPS	4.3	16.8	3.5	14.5	15.9%
Adjust income tax expense to standard rate	(0.1)	(0.3)	(0.0)	(0.2)	
Underlying PAT / Underlying EPS	4.2	16.5	3.5	14.3	15.4%
Basic weighted average number of shares	25.3m		24.5m		
Effective tax rate	17.4%		18.0%		
Standard rate of tax	20.0%		20.0%		

UNDERLYING EARNINGS +15.4%

Driven by strong revenue growth

ACQUISITIONS

Share price since IPO



TRACK RECORD OF ADDING VALUE

20 acquisitions since IPO
Track record of successful integration

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 with 26 staff
- Total consideration of up to £2.2m:
 - Initial: £1.2m (£0.95m cash + £0.25m shares)
 - Deferred: up to £1.0m over two years
 - Deferred is subject to EBITDA hurdles

MC TRUSTEES

Continuing consolidation in the SIPP sector



ACQUISITIONS

Acquisitions in current and prior financial year	Date	Initial cash £m	Initial shares £m	Deferred (paid) £m	Deferred (contingent) £m	Headline price £m	1H17 Revenue £m	1H17 EBITDA £m
Boyd Coughlan	Jun 15	3.9	1.2	1.3	1.2	7.6	1.5	0.6
Taylor Patterson	Sep 15	2.1	2.5	1.0	2.3	7.9	1.6	0.6
Lindley Trustees	Oct 15	0.2	-	-	-	0.2	0.1	0.1
Maclean Marshall Healthcare	Jan 16	0.2	-	-	-	0.2	0.04	0.03
Stadia Trustees	Feb 16	0.1	-	-	-	0.1	0.2	0.1
Acquisitions in prior year		6.5	3.7	2.3	3.5	16.0	3.4	1.4
MC Trustees	Sep 16	1.0	0.2	-	1.0	2.2	0.4	0.1
Period ended 30 Nov 2016		1.0	0.2	-	4.5	2.2	3.8	1.5

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>Six months ended 30 Nov 2016</i>							
Revenue	10.3	9.0	2.4	2.6	24.3	-	24.3
Segment result	2.4	1.7	0.6	0.1	4.8	(1.2)	3.6
<i>Six months ended 30 Nov 2015</i>							
Revenue	7.9	7.7	1.7	2.6	19.9	-	19.9
Segment result	1.7	1.5	0.4	0.2	3.8	(1.0)	2.8
<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

**+£0.3M
REVENUE
SYNERGY**

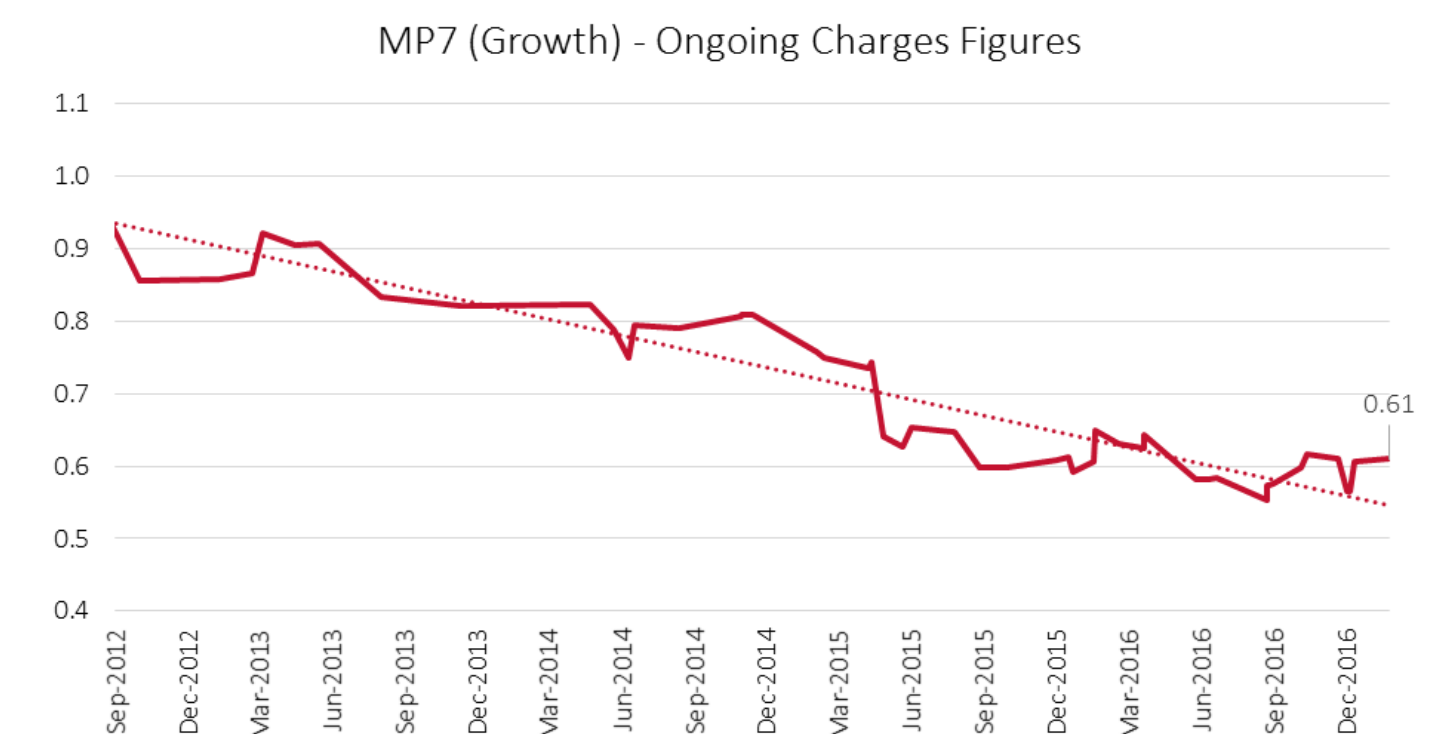
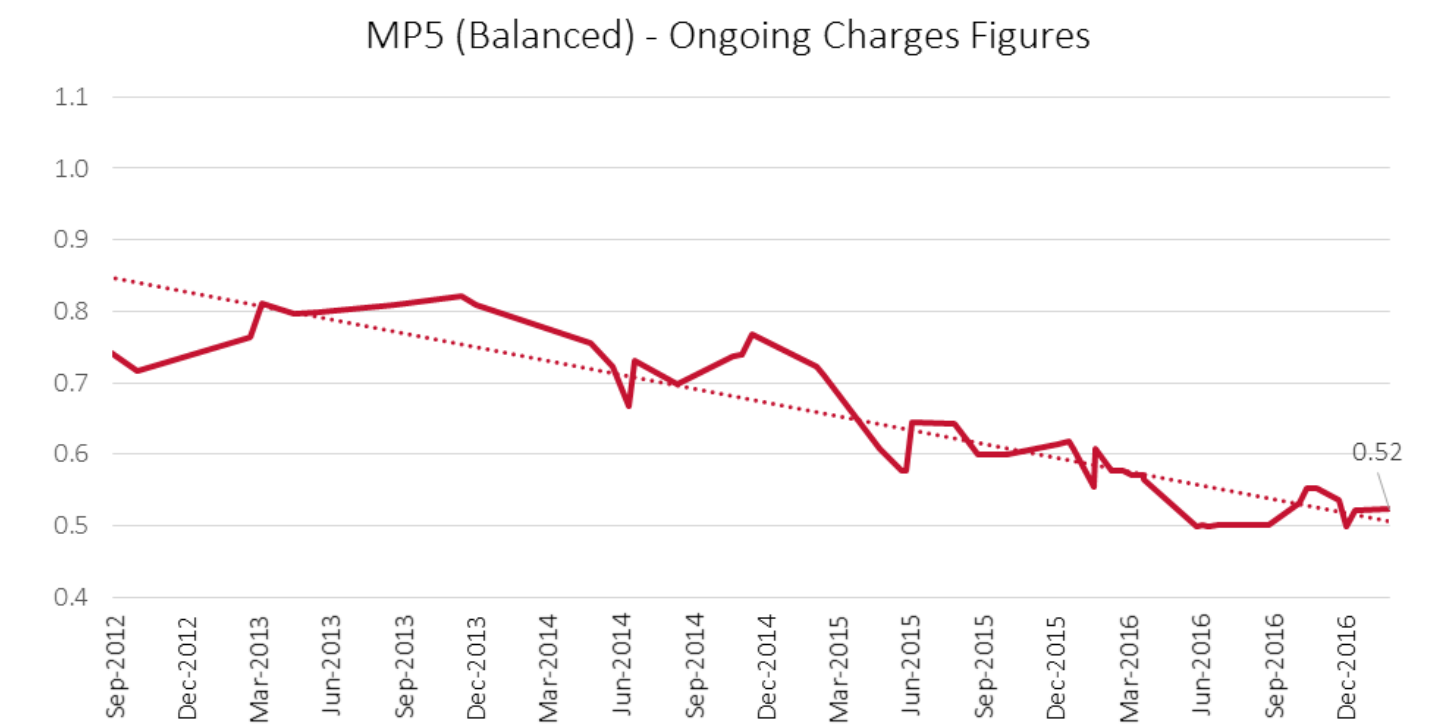
New business referred
from Employee Benefits
to Wealth Management

INVESTMENT AND ASSET MANAGEMENT

- Delivering strong performance:
 - Advisory portfolios
 - Discretionary portfolio management
 - Custodian REIT
- Lowering TERs
- Mattioli Woods Structured Products Fund:
 - Raised over £60m since launch
 - Target returns of 6%+pa
- Enhancing quality of earnings:
 - Recurring revenues linked to value of AuM/A
 - Promoting services to acquired clients
 - Scalable investment platforms

**REVENUES +30.4%
TO £10.3M**

Reducing ongoing charges



PENSION CONSULTANCY AND ADMINISTRATION

- Direct fees +18.6% to £7.0m:
 - 13.4% increase to 4,857 schemes
 - Strong client retention
- Admin-only fees +33.3% to £2.0m:
 - 55.3% increase to 4,907 schemes
 - 1,557 schemes added with MC Trustees
 - Winding-up distressed portfolios
- Client VAT saving on schemes designated as SIFs¹
- Fall in banking income to £0.1m
- Future growth opportunities:
 - Consolidation in sector
 - Change and complexity driving demand for advice

9,764 (1H16: 7,444)
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
 - £44.6m (1H16: £58.6m) of new equity raised in period
- Private syndicates:
 - 4 (1H16: 3) new PIC syndicates, investing £13.6m (1H16: £5.6m)
 - Consultancy and administration
- Expect long-term secure income to remain attractive

**REVENUES +41.2%
TO £2.4M**

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:
 - Cross-referral between EB/WM
 - Appointment of new consultants
 - Workplace advice to address “advice gap”

REVENUES OF £2.6M

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	442.2	-	-	442.2	442.2	-	442.2
Net inflow / (outflow) ¹	347.9	85.0	77.8	510.7	339.0	171.7	510.7
At 30 November 2016	4,786.2	1,243.2	1,529.4	7,558.8	6,231.8	1,327.0	7,558.8

CLIENT ASSETS +14.4% TO £7.56BN

Gross AuM +17.1% to £1.37bn

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	74.7	44.6	32.0	151.3	(8.8)	(19.3)	123.2
Outflows	(33.5)	-	-	(33.5)	-	-	(33.5)
Market movement	74.8	7.2	-	82.0	-	-	82.0
At 30 November 2016	994.8	347.1	32.0	1,373.9	(27.6)	(19.3)	1,327.0

1. Includes market movements.

REVENUE YIELDS

By division	Client assets		Average annual revenue yield	
	1H17 £bn	1H16 £bn	1H17 bps	1H16 bps
Wealth Management ¹	6.32	5.27	69	66
Employee Benefits ²	1.24	1.21	42	43
Overall	7.56	6.48	64	61
By segment ³	£bn	£bn	bps	bps
Pension consultancy and administration	4.79	3.94	38	39
Investment and asset management	2.38	2.05	86	78
Property management	0.40	0.25	119	139

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

- Investment of £60m of new money to date
- 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
- £114m in individual structured product plans

DEVELOPING OUR FUNDS BUSINESS

Innovative product development

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 in Mar 2016
- Proposed investigation of market for investment advisory services

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
- 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

	1H17 £m
Regulatory capital	
CET1 capital after adjustments ¹	16.6
Pillar 1 minimum capital requirement	7.9
Surplus before Pillar 2A	8.7
Pillar 2A requirement	1.0
Regulatory capital requirement	8.9
Surplus	7.7
<i>Surplus as % of requirement</i>	87%

1. Common Equity Tier 1 ("CET1") capital, including shares issued during the period and admitted to CET1 capital following the period end and interim dividend declared for 1H17, but excluding retained earnings for the period of £3.0m (which will be admitted to CET1 capital following FCA approval).