

INTERIM RESULTS
For the six months ended
30 November 2018

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February 2019



INTERIM RESULTS | 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.

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

INTERIM RESULTS | AGENDA

- Our vision and model
- Highlights
- Financial results
- Executing our strategy
- Changing market and consultancy
- Acquisitions
- Investment case

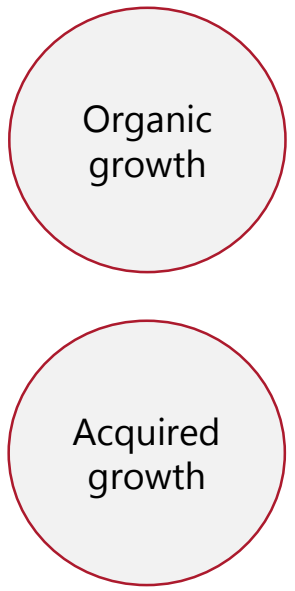
Mattioli Woods

using the best of what we have
and the best of what other
providers can offer to create
great client outcomes



Our focus is on **personal service** and maintaining **close relationships** with our clients

INTERIM RESULTS | ADDRESSING CLIENTS' NEEDS



Strong client retention

Our integrated model allows us to reduce clients' costs

Delivering long term, **sustainable** shareholder returns

- | | | | | |
|---|--|---|--|---|
| <p>1. Retaining existing clients
Proactive, advice-led model</p> | <p>2. Expanding distribution channels to win new clients
390 new client wins with over £100m+ of assets</p> | <p>3. New product development
Continued development and delivery of bespoke client propositions underpins organic growth</p> | <p>4. Acquiring new businesses
21 transactions completed since admission to AIM</p> | <p>5. Investing in our people and technology
First phase of bespoke client platform in place</p> |
|---|--|---|--|---|

INTERIM RESULTS | HIGHLIGHTS

Revenue

£29.2m

1H18: £28.4m



+2.8%

Recurring revenues¹

89.7%

1H18: 84.5%



Profit before tax

£5.6m

1H18: £5.4m



+3.7%

Adjusted PBT⁴

£6.5m

1H18: £6.0m



+8.3%

Adjusted EBITDA^{2,3}

£7.7m

1H18: £6.5m



+18.5%

Adjusted EBITDA margin

26.4%

1H18: 22.9%



Adjusted EPS⁵

20.1p

1H18: 18.4p



+9.2%

Interim dividend

6.33p

1H18: 5.5p



+15.1%

Strong financial position

Net cash £16.4m

1H18: £14.8m



Growing sustainable profit in a complex market

- Lowering clients' costs
- Securing operational efficiencies
- Volatile investment markets
- Uncertainty over Brexit
- Building brand and reputation

1. Annual pension consultancy and administration fees; ongoing adviser charges; level and renewal commissions; banking income; property, discretionary portfolio and other annual management charges.
2. Earnings before interest, taxation, depreciation, amortisation, impairment, changes in valuation of derivative financial instruments and acquisition-related costs, including share of profits from associates (net of tax).
3. Earnings before interest, taxation, depreciation, amortisation and impairment +11.8% to £7.6m (1H18: £6.8m).
4. Before acquisition-related costs, amortisation and impairment of acquired intangibles, changes in valuation of Amati option and notional finance income and charges.
5. Basic EPS up 0.6% to 17.0p (1H18: 16.9p). Adjusted profit after tax is calculated as adjusted profit before tax less income tax at the standard rate of 19.0% (1H18: 19.0%).

INTERIM RESULTS | HIGHLIGHTS

Revenue mix remains primarily fee based¹

Total client assets²

£8.79bn



31 May 2018: £8.73bn +0.7%

Gross discretionary AuM³

£2.36bn



31 May 2018: £2.34bn +0.9%

Inflows into gross discretionary AuM

£214.9m

1H18: £233.8m

October 2018

New £15.3m freehold Leicester office fully operational



Lowered clients' costs

Improved margin through operational efficiencies



Recent acquisitions performing well

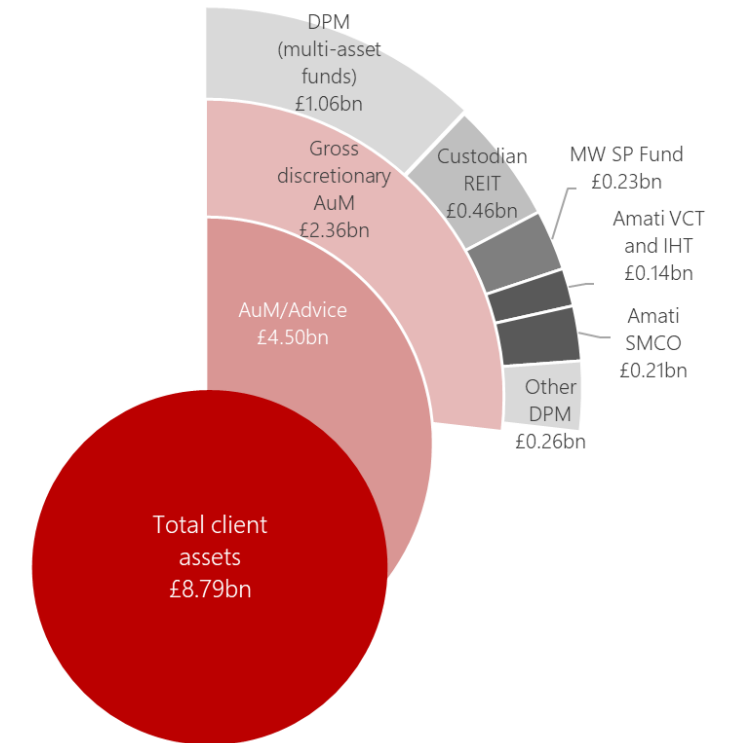


Continued investment in technology, compliance and training



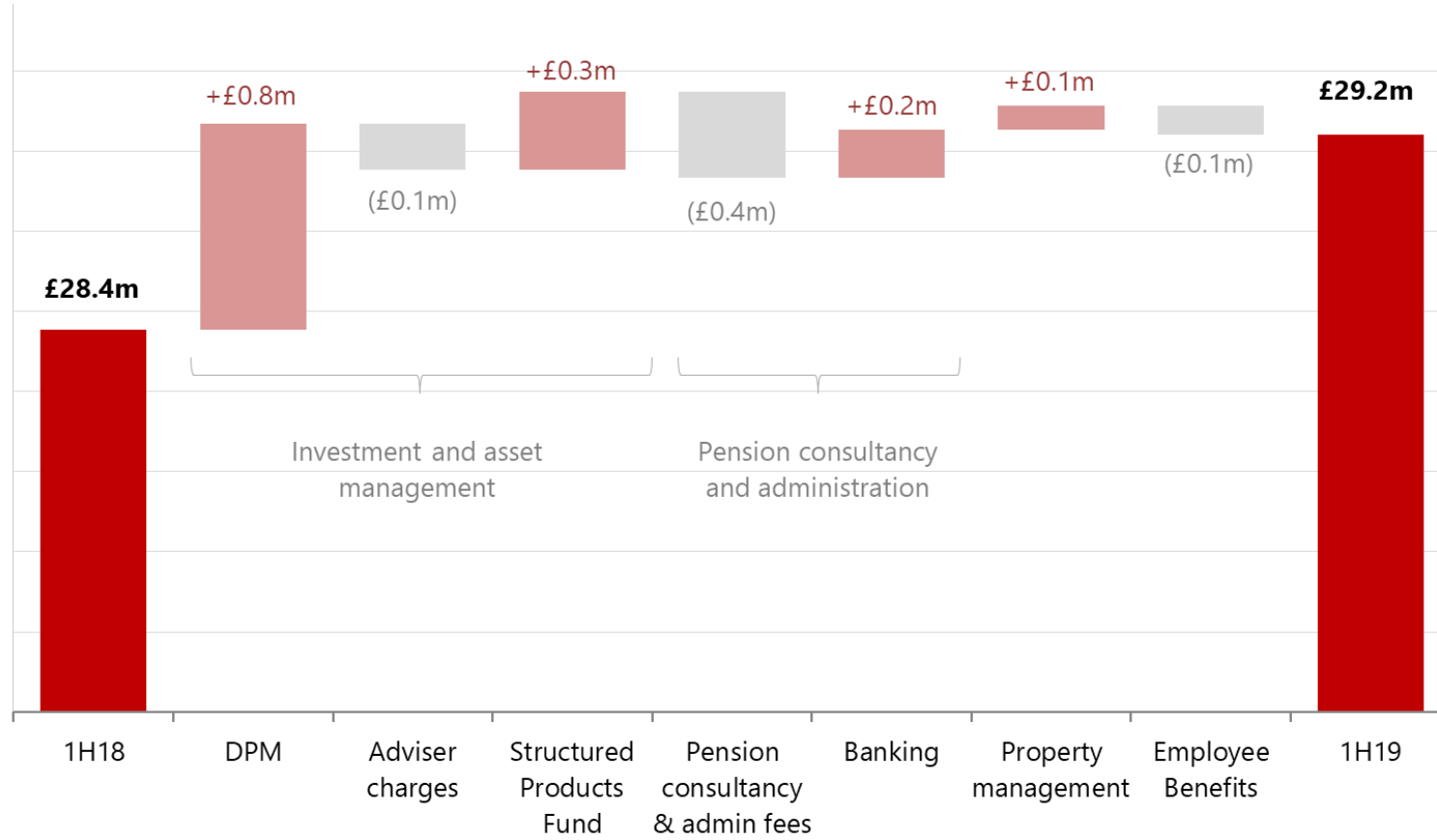
Sustainable model

Inherent flex within our business model allows us to adapt quickly



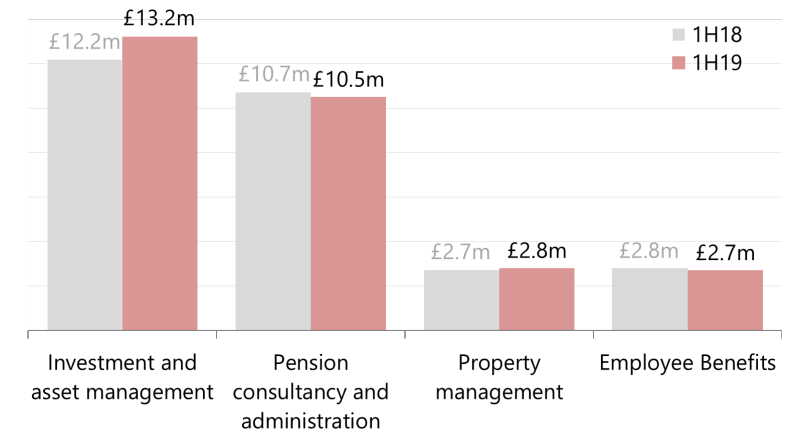
1. Revenue for 1H19 split 53% (31 May 2018: 58%) fixed, initial or time-based fees and 47% (31 May 2018: 42%) based on the value of assets under management, advice and administration.
2. Includes £308.7m (31 May 2018: £286.0m) of funds under management by the Group's associate, Amati, excluding £28.6m (31 May 2018: £27.0m) of Mattioli Woods' client investment and £10.9m (31 May 2018: £12.1m) of cross-holdings between TB Amati Smaller Companies Fund and Amati AIM VCT plc.
3. Includes £348.1m (31 May 2018: £325.1m) of funds under management by Amati, including Mattioli Woods' client investment and cross-holdings between TB Amati Smaller Companies Fund and Amati AIM VCT plc

INTERIM RESULTS | SEGMENTAL REVENUE

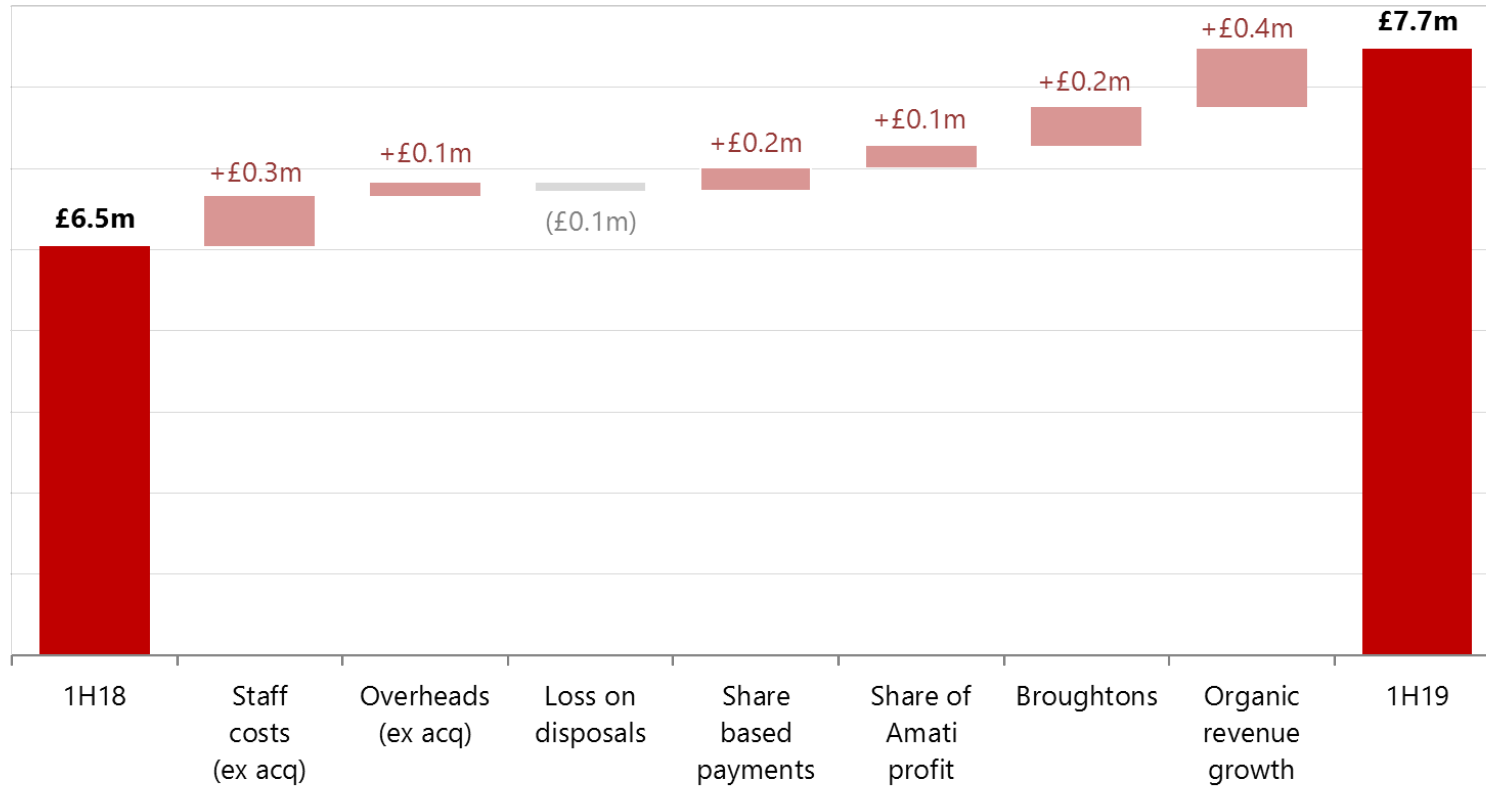


Revenue +2.8%

- Reducing clients' TERs, maintaining profitability
- Recurring revenues are 89.7% of total
- £143.1m net inflows to AuM
- +£0.4m revenue from Broughtons
- Custodian Capital managing £0.5bn+
- Synergy between EB and other service lines



INTERIM RESULTS | ADJUSTED EBITDA BRIDGE



Adjusted EBITDA¹ +18.5%

- Adjusted EBITDA margin 26.4% (1H18: 22.9%):
 - Improved through operational efficiencies
 - Other one-off and recurring cost savings
 - Additional expenditure and further investment in infrastructure and sustainability in 2H
- Headcount decreased to 604 (1H18: 622) at period end:
 - Relocation of MC Trustees
 - Staff costs 53.1% of revenue (1H18: 55.3%)
- Adjusted EPS² +9.2% to 20.1p
- Effective tax rate of 20.4% (1H18: 17.9%)
- Cash conversion 46%³ of EBITDA (1H18: 57%)

1. Earnings before interest, taxation, depreciation, amortisation, impairment, changes in valuation of derivative financial instruments and acquisition-related costs, including share of profit from associates (net of tax).

2. Basic EPS up 0.6% to 17.0p (1H18: 16.9p). Adjusted profit after tax is calculated as adjusted profit before tax less income tax at the standard rate of 19.0% (1H18: 19.0%).

3. Excluding payment of client VAT reclaims in period.

INTERIM RESULTS | EARNINGS PER SHARE

	1H19 £m	1H19 pps	1H18 £m	1H18 pps	△ in EPS
Statutory PBT	5.6		5.4		
Income tax expense	(1.2)		(1.0)		
Statutory PAT / Basic EPS	4.5	17.0	4.4	16.9	+0.6%
Statutory PBT	5.6		5.4		
Amortisation on acquired intangibles	0.9		0.9		
Gain on revaluation of Amati option	(0.1)		(0.4)		
Notional finance costs	0.0		0.1		
Acquisition-related costs	0.1		-		
Adjusted PBT	6.5		6.0		
Income tax expense at standard rate	(1.2)		(1.2)		
Adjusted PAT / Adjusted EPS	5.3	20.1	4.8	18.4	+9.2%
Basic weighted average number of shares	26.3m		26.2m		
Effective tax rate	20.4%		17.9%		
Standard rate of tax	19.0%		19.0%		

Adjusted EPS+9.2%

- Like-for-like comparison to prior period
- £0.75m consideration to be received for cancellation of Amati option
- Acquisition costs on Broughtons
- Reduction in notional finance costs

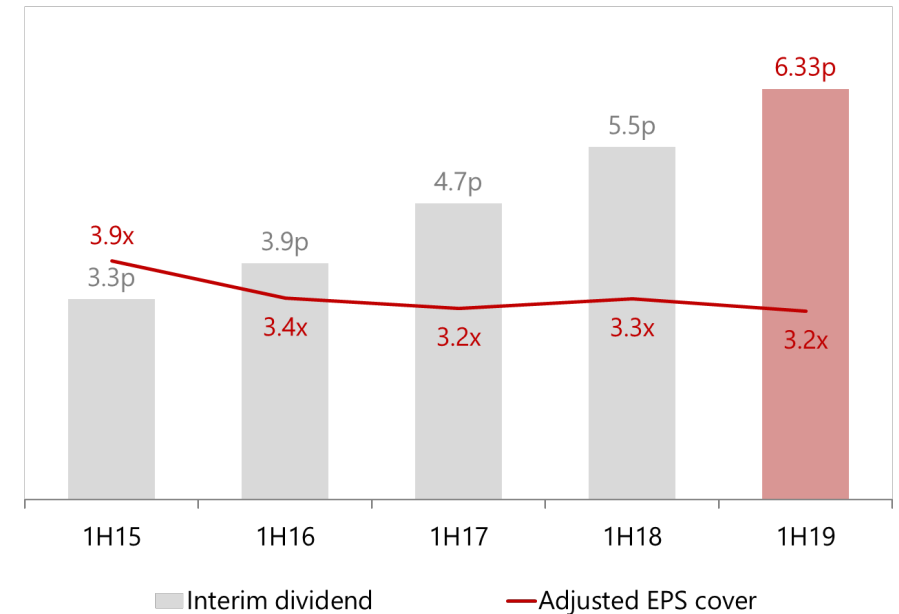
1. Note certain figures in the table above may not add due to rounding.

INTERIM RESULTS | DIVIDEND

- Interim dividend of 6.33p (1H18: 5.5p)
- Remains well-covered:
 - 2.7x basic EPS (1H18: 3.1x)
 - 3.2x adjusted EPS (1H18: 3.5x)
- Progressive policy:
 - 19% CAGR in total dividend over last 5 years
 - 21% CAGR in total dividend since IPO

Interim dividend +15.1%

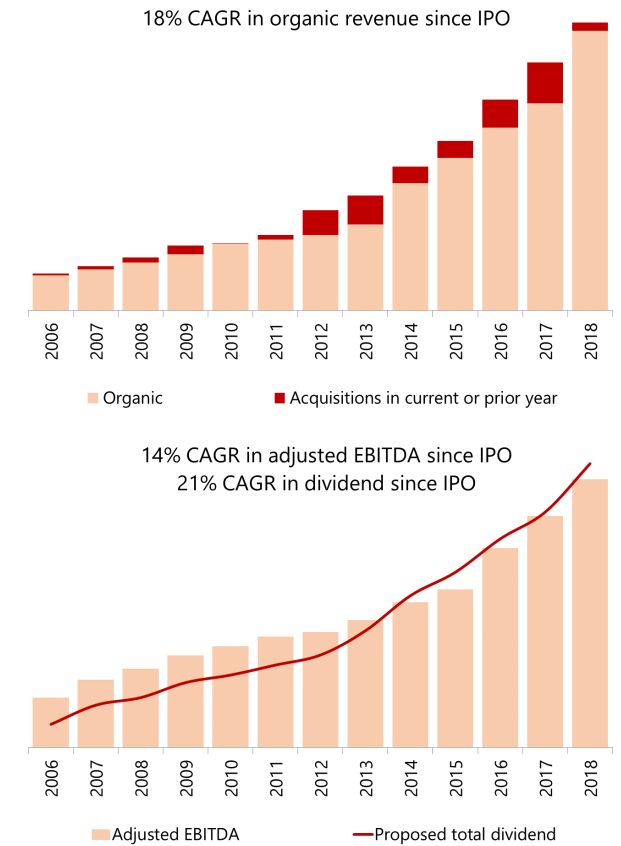
Committed to growing the dividend, while maintaining an appropriate level of cover



INTERIM RESULTS | CHANGING MARKET

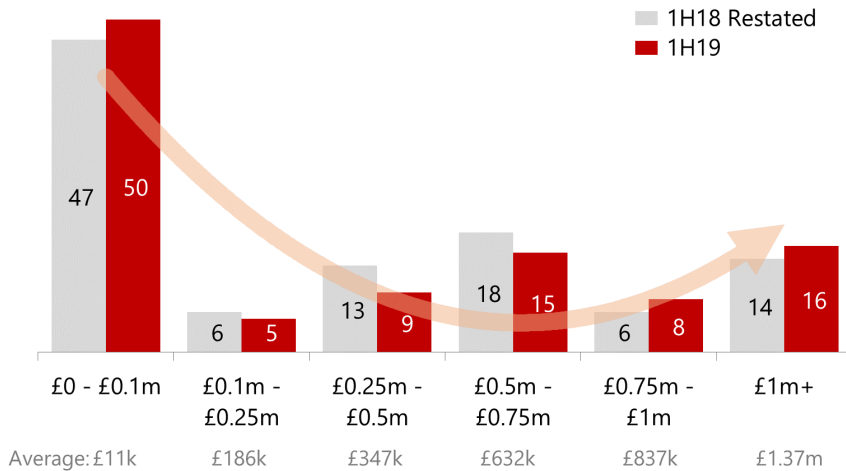
- Business development:
 - Progressive training and development programmes
 - 233 (1H18: 424) new direct SSAS/SIPPs, assets of £72m (1H18: £178m)
 - 137 (1H18: 160) new personal clients, assets of £67m (1H18: £25m)
 - 30 (1H18: 33) new corporate clients
 - Doing business tomorrow with people we don't know today
- Ownership of distribution:
 - Nationwide network of introducers
 - Long-term client relationships
 - Strategic partnerships
 - Direct marketing
- Developing our brand:
 - 28-year history, recognised as a trusted adviser
 - Branded bespoke products and services

Robust and sustainable business model

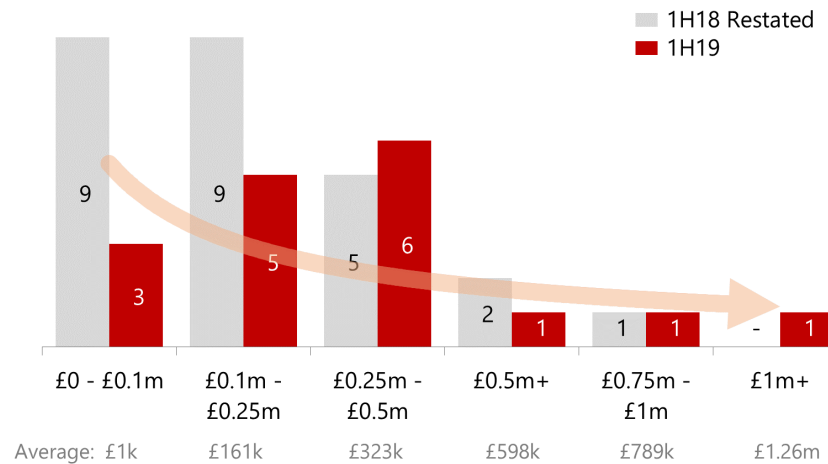


INTERIM RESULTS | CONSULTANCY

Wealth Management consultants' annualised portfolio revenue profile



Employee Benefits consultants' annualised portfolio revenue profile



Maturing team, higher revenues

Integrity, expertise and passion

- 120 (1H18: 130) consultants:
 - Restructured EB team
 - Exit of vendors post earn-outs
 - 84 (1H18: 97) core consultants, average revenue +17% to £0.56m (1H18: £0.48m)
 - New development programme
- Capacity for new business:
 - Apprenticeships
 - Graduate programmes
 - 'Life-served' people
 - Proven training and mentoring

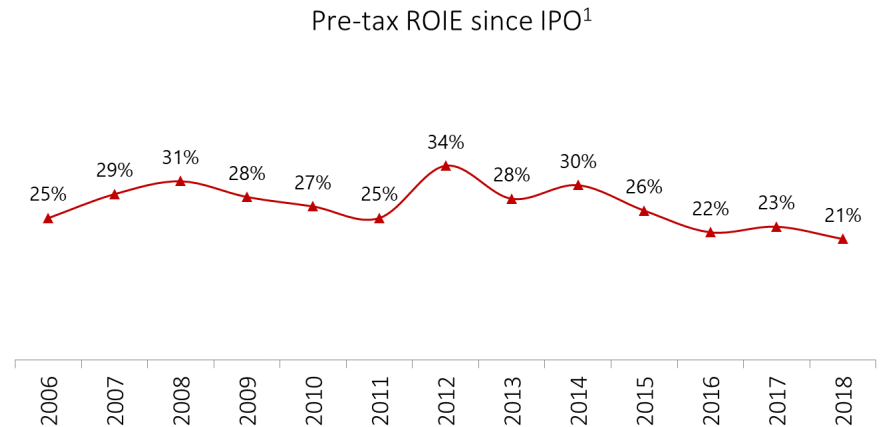
1. 1H18 restated to include associate consultants and business development managers.

INTERIM RESULTS | ACQUISITIONS

- Broughtons Financial Planning:
 - £121m of assets under advice
 - Consideration of up to £4.0m
 - £1.3m deferred over two years, subject to EBITDA hurdles
 - Revenue of £0.4m, EBITDA of £0.2m in period
- Amati Global Investors:
 - Own 49% of award-winning specialist fund manager
 - Optimal structure for all stakeholders
 - Total AuM³ of £337m at period end (£120m at investment)
 - £0.2m share of profit in period
- Over £50m invested since IPO:
 - 21 transactions completed
 - All earnings enhancing
 - Focus on adding shareholder value

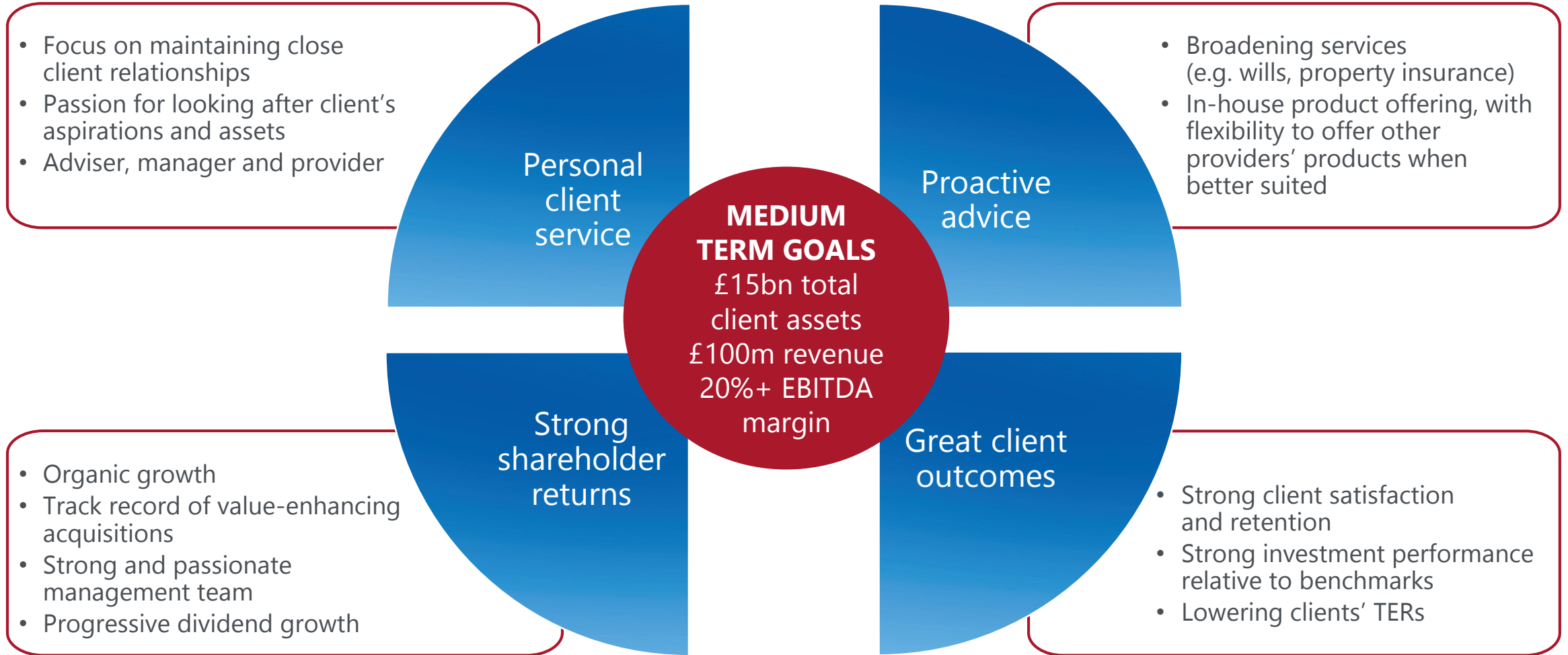
Pipeline of opportunities

- Strong balance sheet offers flexibility to make further acquisitions
- Fragmented markets
- Well-defined acquisition criteria



1. Return on invested equity, calculated as Adjusted PBT² 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.
3. Gross assets under management by Amati, excluding £10.9m of cross-holdings between the TB Amati Smaller Companies Fund and Amati AIM VCT plc.

INTERIM RESULTS | EXECUTING OUR BUSINESS STRATEGY



INTERIM RESULTS | INVESTMENT CASE

- Focus on strong shareholder returns:
 - Clear strategy to grow and diversify revenues
 - Resilient fee model
 - Operating in growing markets
 - Investing in people, technology and infrastructure
- Scalable business with integrity at its core:
 - Lowering clients' costs, without compromising on quality
 - Retaining existing clients, while seeking new clients
 - Right people, right culture, right skills
- Consolidation in our key markets:
 - Expanding across the value chain
 - Organic and acquired growth strategy
 - Pipeline of well-considered acquisition opportunities
- Profit outlook in line with expectations

Securing profitable growth

- Robust business model
- Track record of growth
- Innovation
- Acquisitions

Our model drives **great client outcomes**, leading to **strong client retention** and **sustainable shareholder returns**

APPENDICES
Interim Results 2019



INTERIM RESULTS | APPENDICES

- Income statement
- Segment results
- Cash flow
- Client assets
- Revenue yields
- Technology
- Regulation
- Acquisitions

Robust, sustainable model

Allows us to deliver great client outcomes and secure further profitable growth

INTERIM RESULTS | INCOME STATEMENT

	1H19 £m	1H18 £m	%△	Recurring revenues
Investment and asset management	13.2	12.2	+8.2	87.9%
Pension consultancy and administration	10.5	10.7	-1.9	94.3%
Property management	2.8	2.7	+3.7	85.7%
Employee benefits	2.7	2.8	-3.6	82.1%
Revenue	29.2	28.4	+2.8	89.7%
Employee benefits expense	(15.5)	(15.7)	-1.3	
Other administrative expenses (including gain on Amati option)	(5.3)	(5.0)	+6.0	
Share based payments	(0.7)	(0.9)	-22.2	
Loss on disposal of property, plant and equipment	(0.1)	(0.1)	-	
EBITDA	7.6	6.8	+11.8	
Share of profit from associates, net of tax	0.2	0.1	+100.0	
Gain on revaluation of Amati option	(0.1)	(0.4)	-75.0	
Acquisition-related costs	0.1	-	-	
Adjusted EBITDA	7.7	6.5	+18.5	
Depreciation, amortisation and impairment	(2.1)	(1.5)	+40.0	
Net finance costs	-	(0.1)	-100.0	
Share of profit from associates, net of tax	0.2	0.1	+100.0	
Profit before tax	5.6	5.4	+3.7	
Income tax expense	(1.2)	(1.0)	+20.0	
Profit for the period (PAT)	4.5	4.4	+2.3	

Strong underlying profit growth

High recurring revenues

Maintaining target margins

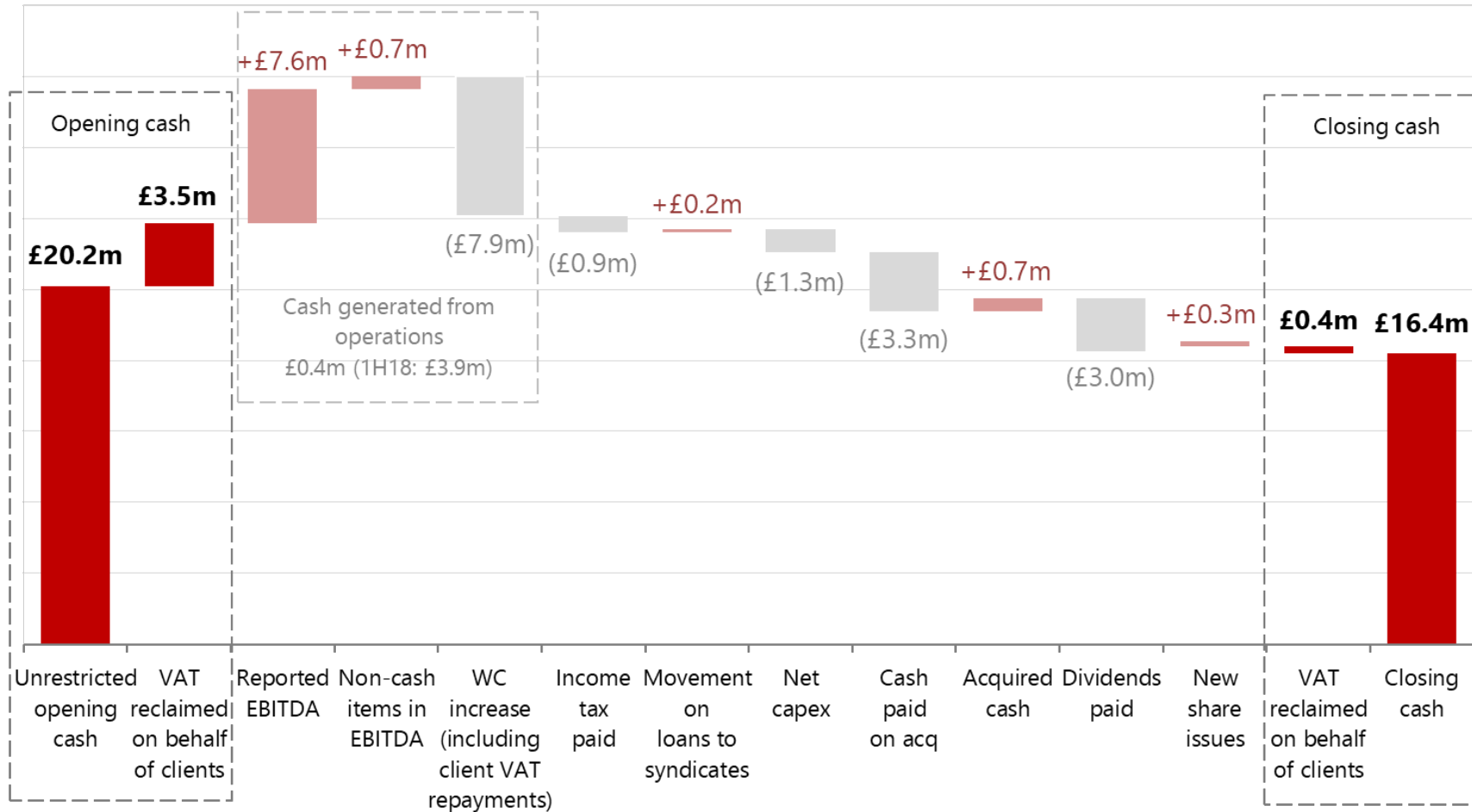
INTERIM RESULTS | SEGMENT RESULTS

	Investment and asset management £m	Pension consultancy and admin £m	Property management £m	Employee benefits £m	Total segments £m	Corporate costs £m	Consolidated £m
<i>Unaudited</i> <i>Six months ended 30 Nov 2018</i>							
Revenue	13.2	10.5	2.8	2.7	29.2	-	29.2
Segment profit before tax	4.5	2.0	0.4	0.2	7.1	(1.5)	5.6
Segment margin	34%	19%	14%	7%	24%		19%
<i>Unaudited</i> <i>Six months ended 30 Nov 2017</i>							
Revenue	12.2	10.7	2.7	2.8	28.4	-	28.4
Segment profit before tax	3.8	2.4	0.5	-	6.7	(1.3)	5.4
Segment margin	31%	22%	19%	-	24%		19%

Revenue synergies

New business referred between segments

INTERIM RESULTS | CASH FLOW



Cash generative

First half working capital increase to reverse in second half

- Increase in working capital:
 - (£7.4m) decrease in payables
 - £0.5m increase in receivables
 - (£1.0m) decrease in provisions
- £1.3m net capex in period
- £3.3m paid on acquisitions:
 - £2.5m initial on Broughtons
 - £0.8m deferred consideration on acquisitions in prior years

INTERIM RESULTS | CLIENT ASSETS

Assets under management, administration and advice	SIPP and SSAS £m	Employee benefits £m	Personal wealth and other assets £m	Sub-total £m	Amati ¹ £m	Total £m
At 1 June 2018	5,485.9	1,237.9	1,791.4	8,443.2	286.0	8,729.2
Acquisition of Broughtons	-	-	120.5	120.5	-	120.5
Net inflows/(outflows), including market movements	62.8	(33.7)	(108.1)	(79.0)	22.7	(56.3)
At 30 Nov 2018	5,548.7	1,204.2	1,731.8	8,484.7	308.7	8,793.4

Total client assets
+0.7% to £8.79bn

Gross AuM +0.9% to £2.36bn

Assets under management	DPM £m	Custodian REIT £m	Mattioli Woods SPF £m	Amati £m	Gross AuM £m	Cross-holdings in DPM ² £m	Cross-holdings in Amati funds ³ £m	Net AuM £m
At 1 June 2018	1,341.1	462.6	213.8	325.1	2,342.6	(121.0)	(12.1)	2,209.5
Inflows	100.5	7.0	22.8	82.0	212.3	1.4	1.2	214.9
Outflows	(60.4)	-	(2.4)	(9.0)	(71.8)	-	-	(71.8)
Market movement	(55.7)	(12.8)	(5.6)	(50.0)	(124.1)	-	-	(124.1)
At 30 Nov 2018	1,325.5	456.8	228.6	348.1	2,359.0	(119.6)	(10.9)	2,228.5

- Assets under management of £308.7m (31 May 2018: £286.0m) exclude £28.6m (31 May 2018: £27.0m) of Mattioli Woods' client investment included within SIPP and SSAS, employee benefits and personal wealth and other assets and excludes £10.9m (31 May 2018: £12.1m) of cross-holdings between the TB Amati Smaller Companies Fund and the Amati AIM VCT plc.
- Comprises £30.7m (2018: £30.4m) invested in Custodian REIT, £66.3m (31 May 2018: £69.2m) in the Mattioli Woods Structured Products Fund and £22.6m (31 May 2018: £21.4m) in Amati funds.
- Cross-holdings between TB Amati Smaller Companies Fund and Amati AIM VCT plc.

INTERIM RESULTS | REVENUE YIELDS

By division	Client assets		Average annual revenue yield	
	1H19 £bn	1H18 £bn	1H19 bps	1H18 bps
Wealth Management ¹	7.28	7.03	73	73
Employee Benefits ²	1.20	1.12	45	50
Total (excluding Amati)	8.48	8.15	69	70
By segment ³	£bn	£bn	bps	bps
Pension consultancy and administration	5.55	5.29	38	40
Investment and asset management	3.70	3.33	71	74
Property management	0.55	0.50	100	107

Integrated model

Allows us to address more of the value chain, reducing clients' costs while maintaining overall revenue yield

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.

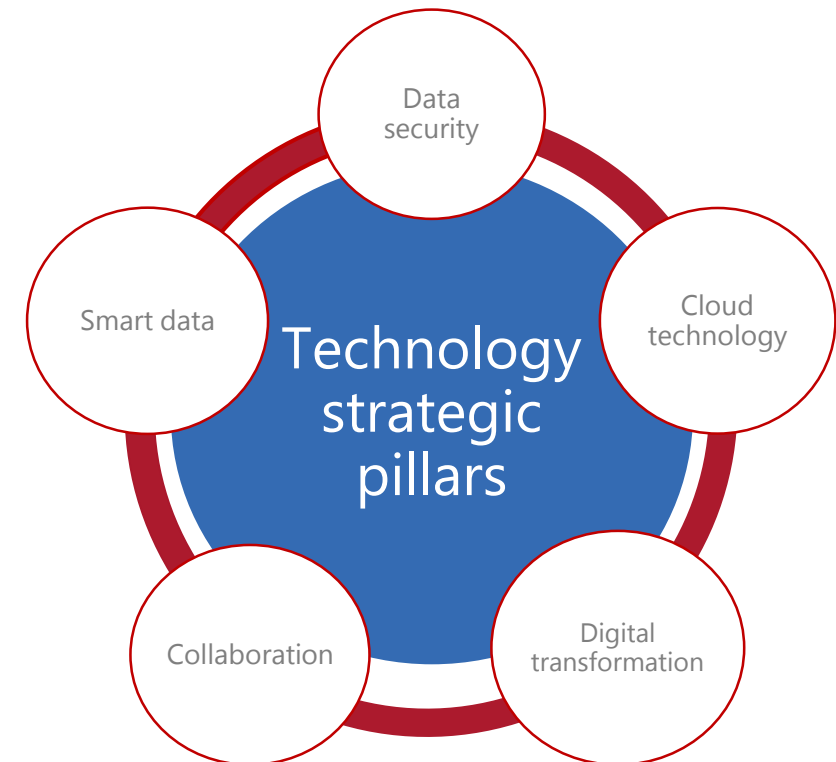
3. Certain assets are included in more than one segment (for example, assets under advice held within a client's pension scheme are included in "pension consultancy and administration" and "investment and asset management").

INTERIM RESULTS | TECHNOLOGY

- Recent successful implementations:
 - Cloud migration to Azure
 - Workday HR and payroll system
- Further projects to transform landscape:
 - Condensing of existing systems
 - Group-wide CRM system
 - Client portal
 - Enhancement of MWeb and migration of legacy systems
- Key outcomes:
 - Consolidated view of all a client's assets on web-based or mobile app
 - No servers in any of our offices, significantly improved security
 - Operational efficiencies
- Expenditure in line with budget

Scalable, agile
and stable

One platform, one solution



INTERIM RESULTS | REGULATORY CAPITAL REQUIREMENT

- Flexibility to pursue acquisitions:
 - Broughtons acquisition reduced surplus by £3.2m
- 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

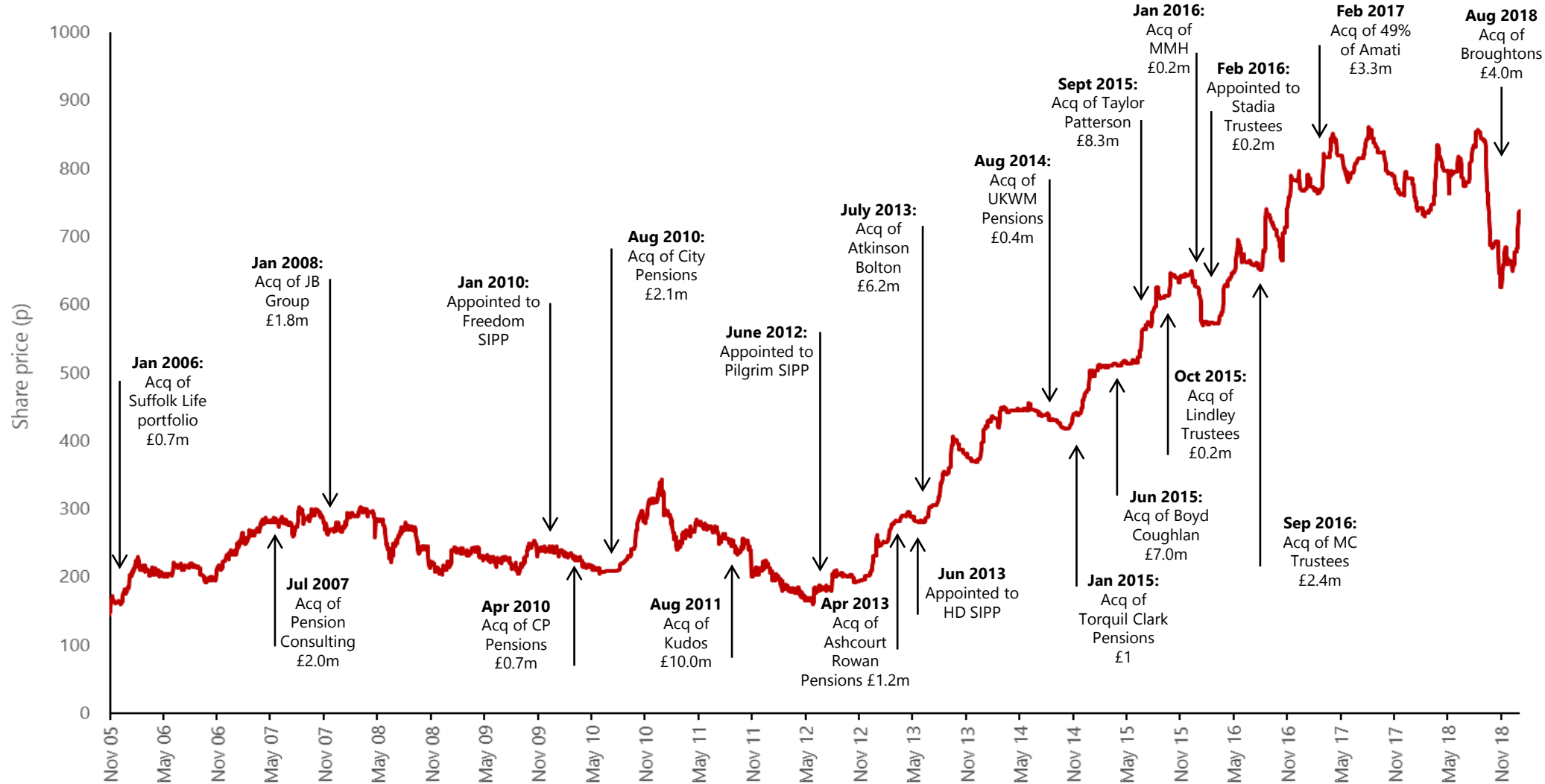
Understanding our capital position

Strong balance sheet

Regulatory capital	1H19 £m	1H18 £m
CET1 capital after adjustments ¹	31.4	27.7
Pillar 1 minimum capital requirement	10.2	8.9
Surplus before Pillar 2A	21.2	18.8
Incremental Pillar 2A requirement	2.0	1.7
Regulatory capital requirement	12.2	10.6
Surplus	19.2	17.1
<i>Surplus as % of requirement</i>	<i>157%</i>	<i>161%</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.

INTERIM RESULTS | ACQUISITIONS



Track record of adding value

21 acquisitions since IPO

Track record of successful integration

£4m acquisition of Broughtons in Aug 2018