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# 2023 Annual General Meeting

The logo consists of the letters 'E&P' in a white, sans-serif font, centered within a white square border. The background of the slide features a teal gradient at the top and a series of curved, overlapping bands in shades of brown and tan that create a sense of depth and movement.

E&P

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10 November 2023

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**David Evans**

**Non-Executive  
Chairman**

Chair of the Audit, Risk and  
Compliance Committee

Member of the People,  
Nomination and Remuneration  
Committee



**Peter Anderson**

**Managing Director &  
CEO**



**Josephine Linden**

**Independent Non-  
Executive Director**

Chair of the People,  
Nomination and Remuneration  
Committee

Member of the Audit, Risk and  
Compliance Committee



**Sally McCutchan**

**Independent Non-  
Executive Director**

Member of the People,  
Nomination and Remuneration  
Committee

Member of the Audit, Risk and  
Compliance Committee



**Tony Johnson**

**Executive Director**



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# Agenda

- 01 Chairman's Address
  - 02 Managing Director and CEO's Address
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SECTION ONE

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# Chairman's Address

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# FY23 Achievements

**01** Implement single premium wealth model under Evans & Partners brand  
**Completed**

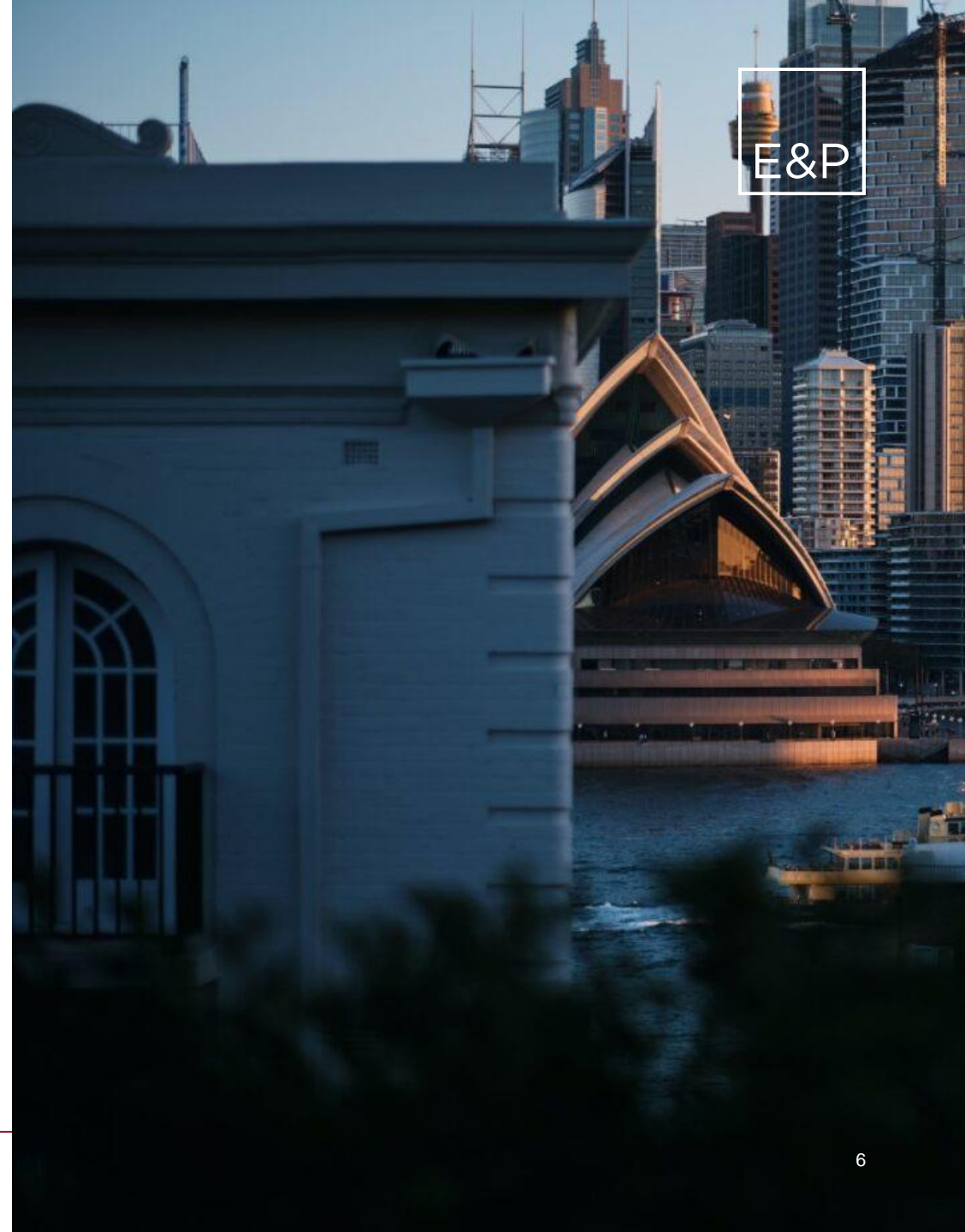
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**02** Exit from Real Asset funds business and focus on core equities funds  
**Largely completed**

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**03** Re-size infrastructure to match simplified business model  
**Largely completed**

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# Key Focus for Our Board



01

Resolve remaining legacy matters

**Taking steps to resolve outstanding legacy matters**

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02

Board and Management succession

**Ben Keeble commencing as Managing Director & CEO January 2024**

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03

Sustainability

**Continued integration into operating and investment services**

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# FY23 Result Summary

## Softer performance reflects challenging market conditions

- Statutory loss of \$17.0 million primarily due to non-cash goodwill impairment of \$19.3 million in E&P Capital
- Result driven by:
  - challenging market environment for E&P Capital
  - progressive wind-down of Real Asset funds impacting revenue and earnings as foreshadowed
  - offset in part by strong margin recovery in E&P Wealth
- No final dividend declared given the financial performance in FY23
  - Board remains committed to full year dividend payout ratio of 75% to 85% of NPATA over time in normal trading conditions

**\$167.1 million**

**FY23 Net Revenue**

↓ 14% on FY22

**\$19.8 million**

**FY23 Underlying EBITDA**

↓ 32% on FY22

**\$6.0 million**

**FY23 Underlying NPATA**

↓ 42% on FY22

**(\$17.0 million)**

**FY23 Statutory Loss**

\$6.3 million profit in FY22

**2.6 cents**

**FY23 Underlying EPS<sup>1</sup>**

↓ 42% on FY22

**\$53.3 million**

**30 June 2023 Net Cash**

↓ 28% on 30 June 2022

1. Calculated using weighted average shares outstanding and Underlying NPATA for the relevant periods.



SECTION TWO

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# Managing Director and CEO's Address

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# Key Priorities

**01** Resolve remaining legacy matters  
**DOCA executed**  
**Class Action ongoing**

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**02** Leverage simplified and improved platform to drive growth in core service offerings  
**Well progressed**

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**03** Leadership transition  
**CEO transition announced**

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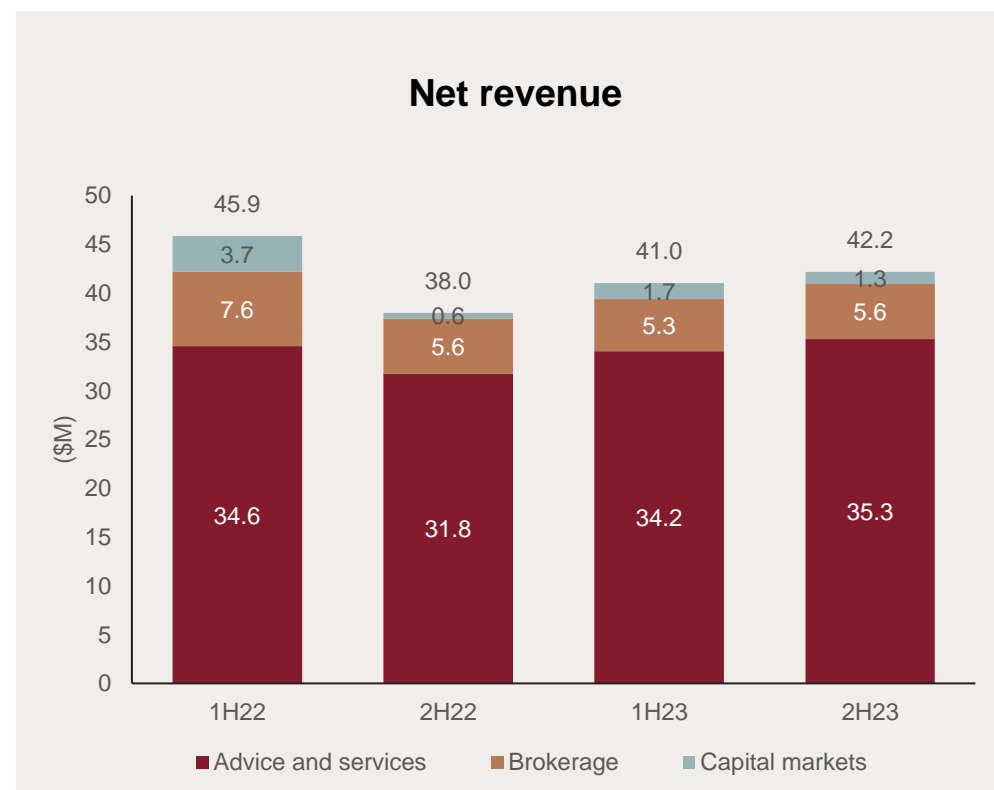
## Solid growth achieved over FY23 following stabilisation of business

### Underlying EBITDA of \$13.1 million was 21% higher than pcp

- Reflects revenue recovery since low in 2H22 and cost-efficiencies achieved in the period
- Fee review – all fixed fee clients moved to industry standard arrangement or transitioned to FUA-based service
- Subdued ECM activity led to reduced capital markets revenue
- Lower brokerage revenue reflects the deliberate structural shift in advice model towards a FUA-based service offering

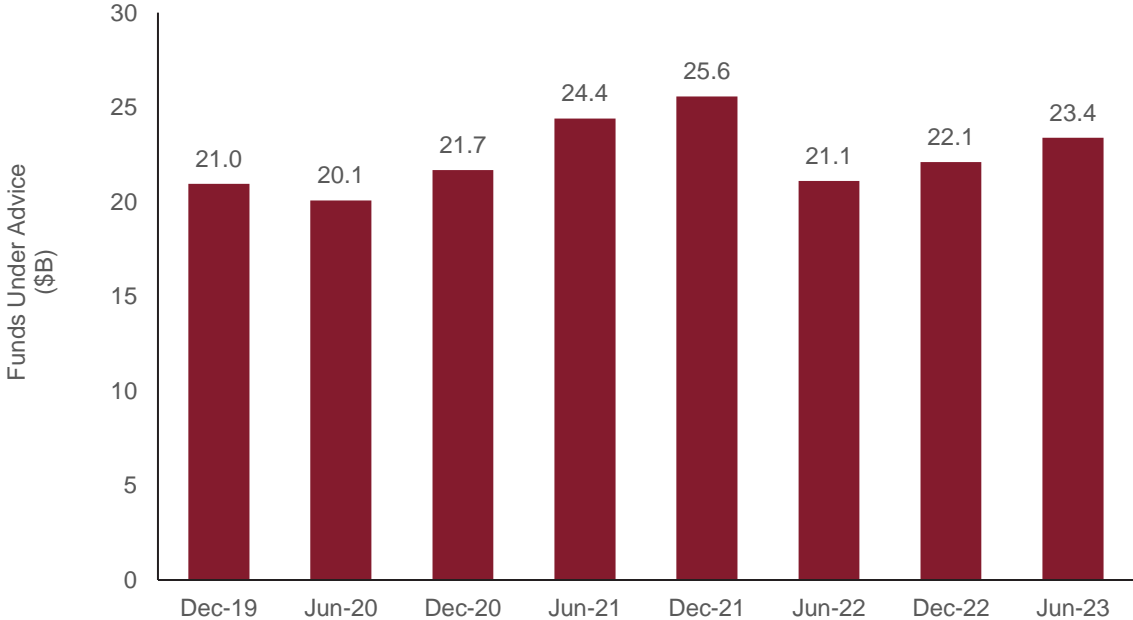
### Operational highlights:

- Client numbers broadly stable at +7,400
- Retail Wealth Management offering continues to perform well with RWM client numbers up 71% over the 12 months to 30 June 2023



# E&P Wealth (cont.)

## Growth in FUA to \$23.4 billion at 30 June 2023



**+11%** FUA growth

on prior period

FUA increase driven by:

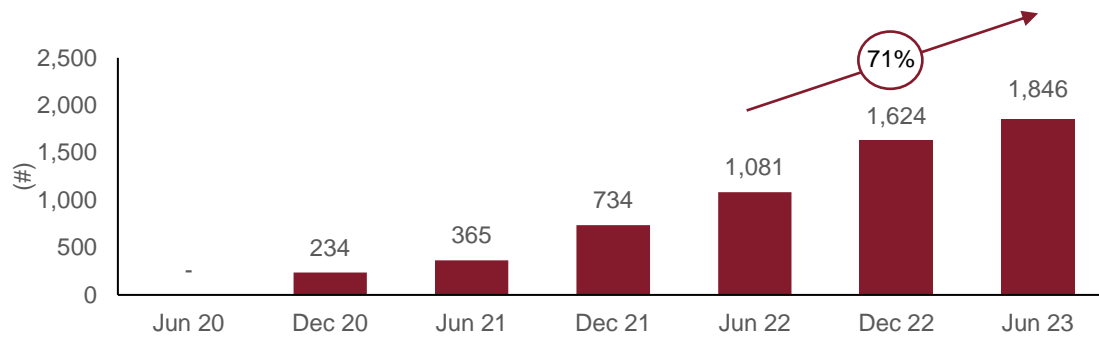
- Growth in existing client portfolios, supported by equity market recovery in Q4
- Net client growth achieved in RWM service offering
- Family Investment Office FUA up 45%



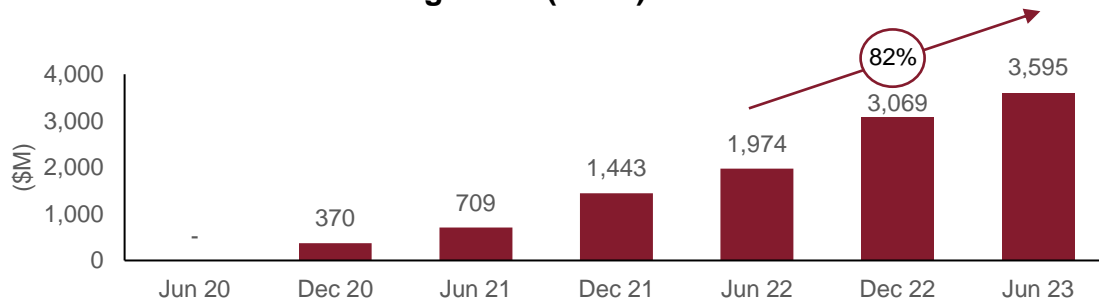
# E&P Wealth (cont.)

## Growth in RWM offering remains a key strategic objective

**Retail Wealth Management (RWM) client numbers<sup>1</sup>**



**Retail Wealth Management (RWM) funds under advice<sup>1</sup>**



- Retail Wealth Management (RWM) offering reflects contemporary, independent advice model for mass-affluent retail clients
- RWM client numbers and FUA up 71% and 82% respectively, primarily transfers from former fixed fee DASS clients
- We continue to focus on growing FUA-based service models to provide best-in-breed advice outcomes and improved economics
- 62% of funds under advice now on a FUA-based fee arrangement, up from 41% from three years ago

1. Prior periods included DA Private client and FUA figure under DASS, which now form part of RWM.

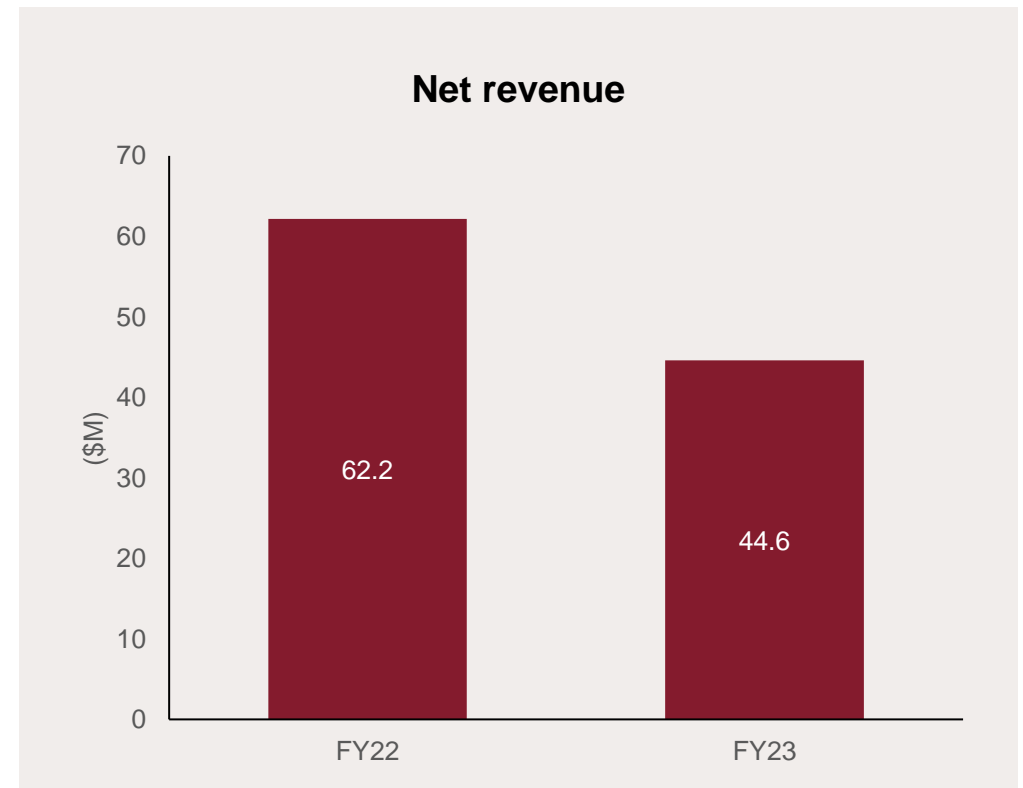
## Softer FY23 performance reflecting challenging markets

### Underlying EBITDA of \$5.1 million was 65% lower than pcp

- Result reflective of market impact on brokerage volumes and capital markets activity as transaction volumes slowed for Institutional and ECM
- Earnings margin also impacted by continued investment in the corporate advisory platform with senior recruitment in key sectors

### Operational highlights:

- Equity Research offering enhanced over the year with a number of strategic initiatives and a significant expansion of coverage universe





# E&P Capital (cont.)

**Platform is well positioned to capitalise on future improvement in capital market conditions**



### Growth Initiatives

- Further investment in corporate advisory platform to supplement capability in target market verticals
- Expansion of Equity Research coverage universe

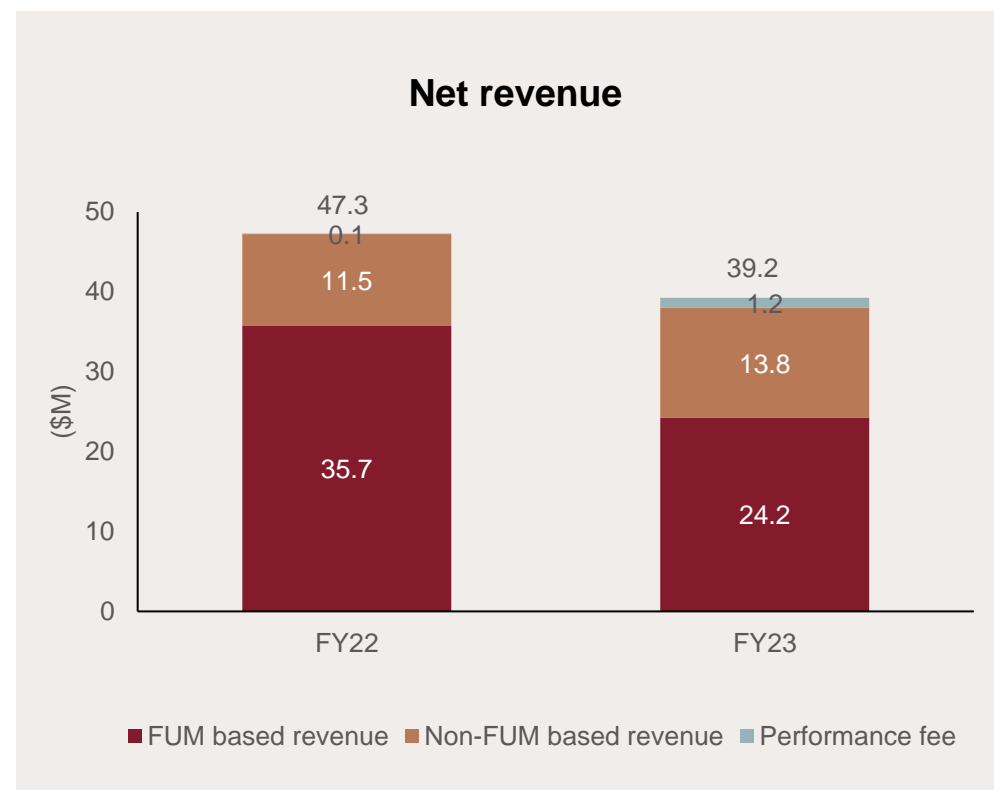


## Result supported by NEW asset disposal fees and CD Private Equity performance fees

- Underlying EBITDA of \$11.0 million down 21% on FY22
- Lower revenue reflects reduced business size, noting lower staff costs and operating expense efficiencies were achieved
- Deliberate structural changes and exit from Real Asset funds to impact forward earnings outlook
  - expected to be replaced by contribution from core equities over the medium term

### Operational highlights:

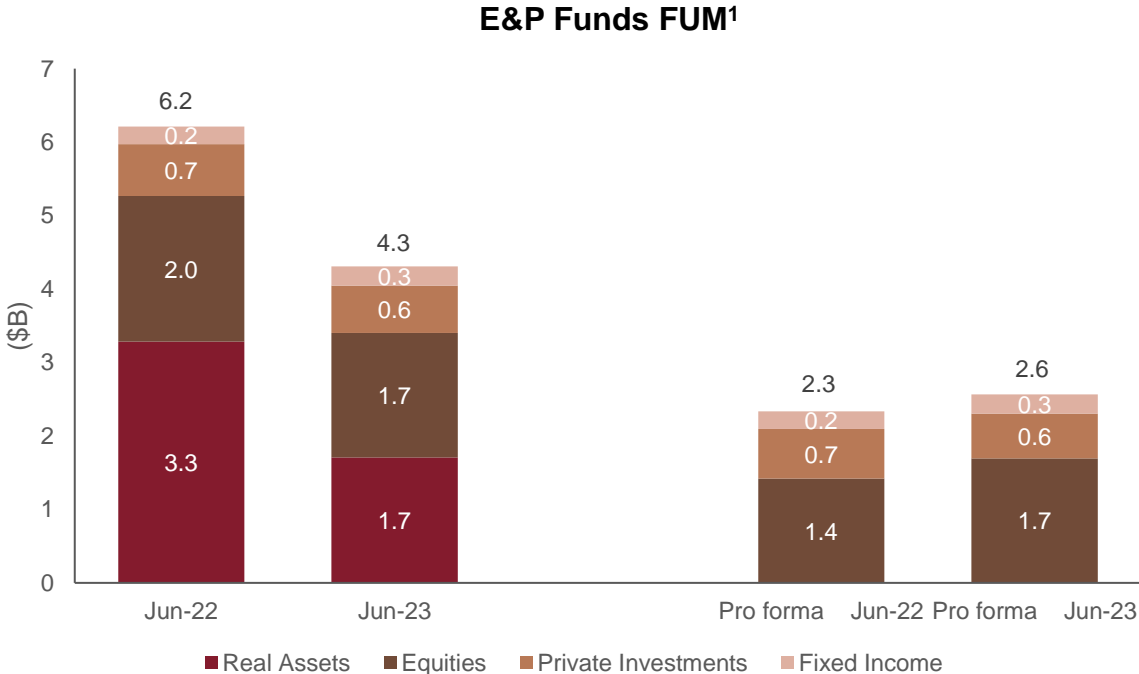
- Responsible Entity transition well advanced with Responsible Entity role transitioned to K2 for CD Private Equity Fund series and Venture Capital Opportunities Fund
- Strong 12-month performance of core equities strategies with 100% of FUM outperforming respective benchmarks
  - core equities FUM up 19% to \$1.7 billion<sup>1</sup>



1. Change in pro forma core equities FUM from Jun-22 to Jun-23 (Claremont Global and Orca Global Disruption strategies).

# E&P Funds (cont.)

## Further steps taken towards smaller and simpler Funds offering with a focus on core equities



1. Gross funds under management. Jun-23 pro forma excludes FUM from Australian Equities, VCOF, URF, NEW and USF Plc. Jun-22 pro forma excludes FUM from Orca Global, Asia, and Healthcare, Australian Equities, VCOF, FSREC, URF, NEW and USF Plc.

### Growth Initiatives

- Complete exit from Real Asset funds
  - USF strategic review/ IM transition
- Further external distribution of Claremont Global
  - targeting launch of ETF product before calendar year end



# Outlook

- 01** Business transformation and simplification process largely completed
- 02** Platform well positioned for growth – Board and Management firmly focused on leveraging simplified and improved platform to drive growth
- 03** Targeting end of 2023 for exit of Real Assets investment management – contribution expected to be replaced by core equities growth over time
- 04** M&A and capital markets conditions continue to be challenging and are expected to materially impact first half profitability accordingly – notwithstanding the challenging capital markets environment, our Wealth & Funds divisions are performing in line with our expectations
- 05** E&P Wealth expected to benefit as annualisation of fee changes and cost efficiencies are realised and business development initiatives gain traction
- 06** E&P Capital well positioned to benefit from improved market conditions when they eventuate
- 07** Board remains committed to a full year dividend payout range of 75-85% of NPATA in a normal operating environment

# Leadership Transition

## Ben Keeble to commence as Managing Director and CEO in January 2024

- Previously Managing Director – Head of E&P Capital
- More than 25 years' experience in the financial services industry
- Prior to joining E&P in September 2018, Ben was a Principal of Fort Street Advisers and has also held roles as Head of Financial Sponsors and General Industrials at UBS Australia and Managing Director at CVC Asia Pacific



# Glossary



<b>Amortisation of acquired intangibles</b>	Includes amortisation of intangible assets arising from the acquisitions of Evans & Partners, Fort Street Advisers and amortisation of executive restraint covenants
<b>ACN</b>	Australian Company Number
<b>ASIC</b>	Australian Securities and Investments Commission
<b>CEO</b>	Chief Executive Officer
<b>CFF</b>	Cash Flows from Financing Activities
<b>CPS</b>	Cents Per Share
<b>D&amp;A</b>	Depreciation and Amortisation
<b>DASS</b>	Dixon Advisory & Superannuation Services Pty Limited (Administrators Appointed)
<b>DCM</b>	Debt Capital Markets
<b>DOCA</b>	Deed of Company Arrangement
<b>DTA</b>	Deferred Tax Asset
<b>DTL</b>	Deferred Tax Liability
<b>EBITDA</b>	Is defined as earnings before interest, tax, depreciation and amortisation
<b>ECM</b>	Equity Capital Markets
<b>EP1</b>	E&P Financial Group Limited (ASX:EP1)
<b>EPS</b>	Earnings Per Share
<b>ESG</b>	Environmental, Social and Corporate Governance
<b>ESP</b>	Means collectively the 'Employee Share Plans' being the Option & Rights Plan and the Loan Funded Share Plan
<b>ETF</b>	Exchange Traded Fund
<b>FSREC</b>	Fort Street Real Estate Capital
<b>FUA</b>	Funds Under Advice
<b>FUM</b>	Funds Under Management
<b>FX</b>	Foreign Exchange
<b>GHG</b>	Green House Gas
<b>HK</b>	Hong Kong
<b>HNW</b>	High Net Wealth

<b>IFRS</b>	International Financial Reporting Standards
<b>IM</b>	Investment Manager
<b>IPO</b>	Initial Public Offering
<b>K2</b>	K2 Asset Management Holdings Ltd (ASX:KAM)
<b>KMP</b>	Key Management Personnel
<b>M&amp;A</b>	Mergers and Acquisitions
<b>Net revenue</b>	Is defined as total revenue less the cost of goods sold incurred in the provision of such services
<b>NEW</b>	New Energy Solar Ltd
<b>NFP</b>	Not For Profit
<b>NPAT</b>	Net Profit After Tax
<b>NPATA</b>	Is defined as net profit after tax before amortisation of acquired intangibles
<b>PCP</b>	Prior Comparable Period
<b>PP&amp;E</b>	Property, Plant and Equipment
<b>RE</b>	Responsible Entity
<b>RWM</b>	Retail Wealth Management
<b>SMSF</b>	Self Managed Superannuation Fund
<b>UHNW</b>	Ultra High Net Wealth
<b>Underlying EBITDA</b>	Is defined as earnings before interest, tax, depreciation, amortisation and non-underlying items
<b>Underlying EBITDA margin</b>	Is defined as Underlying EBITDA divided by Net Revenue
<b>Underlying EPS</b>	Is defined as Underlying NPATA divided by weighted average shares outstanding
<b>Underlying NPATA</b>	Is defined as Net Profit after Tax before amortisation of acquired intangibles and extraordinary items
<b>URF</b>	US Masters Residential Property Fund (ASX:URF)
<b>US/USA</b>	United States
<b>USF</b>	US Solar Fund Plc (LON:USF)
<b>VA</b>	Voluntary Administration
<b>Var</b>	Variance



