



Preliminary results 2018

12 March 2019

Quilter

Disclaimer

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This presentation may contain certain forward-looking statements with respect to certain Quilter plc's plans and its current goals and expectations relating to its future financial condition, performance and results.

By their nature, all forward-looking statements involve risk and uncertainty because they relate to future events and circumstances which are beyond Quilter plc's control including amongst other things, international and global economic and business conditions, the implications and economic impact of several scenarios of the UK leaving the EU in relation to financial services, market related risks such as fluctuations in interest rates and exchange rates, the policies and actions of regulatory authorities, the impact of competition, inflation, deflation, the timing and impact of other uncertainties of future acquisitions or combinations within relevant industries, as well as the impact of tax and other legislation and other regulations in the jurisdictions in which Quilter plc and its affiliates operate. As a result, Quilter plc's actual future financial condition, performance and results may differ materially from the plans, goals and expectations set forth in Quilter plc's forward looking statements.

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Nothing in this presentation should be construed as a profit forecast.

Nothing in this presentation shall constitute an offer to sell or the solicitation of an offer to buy any securities.

Presentation agenda

Business review

Paul Feeney

Financial review – 2018 performance

Tim Tookey

Financial review – 2019 and beyond

Mark Satchel

Concluding remarks

Paul Feeney

Q&A

2018 : A landmark year



Quilter plc successfully listed on LSE and JSE



Single Strategy asset management business sold and 12.0p special dividend paid



Significant progress on Platform Transformation Programme; soft launch now underway



FCA investigation into treatment of long-standing clients of closed life books concluded without sanction



Optimisation plans created and phase 1 commenced

Executive summary: Strong performance in 2018

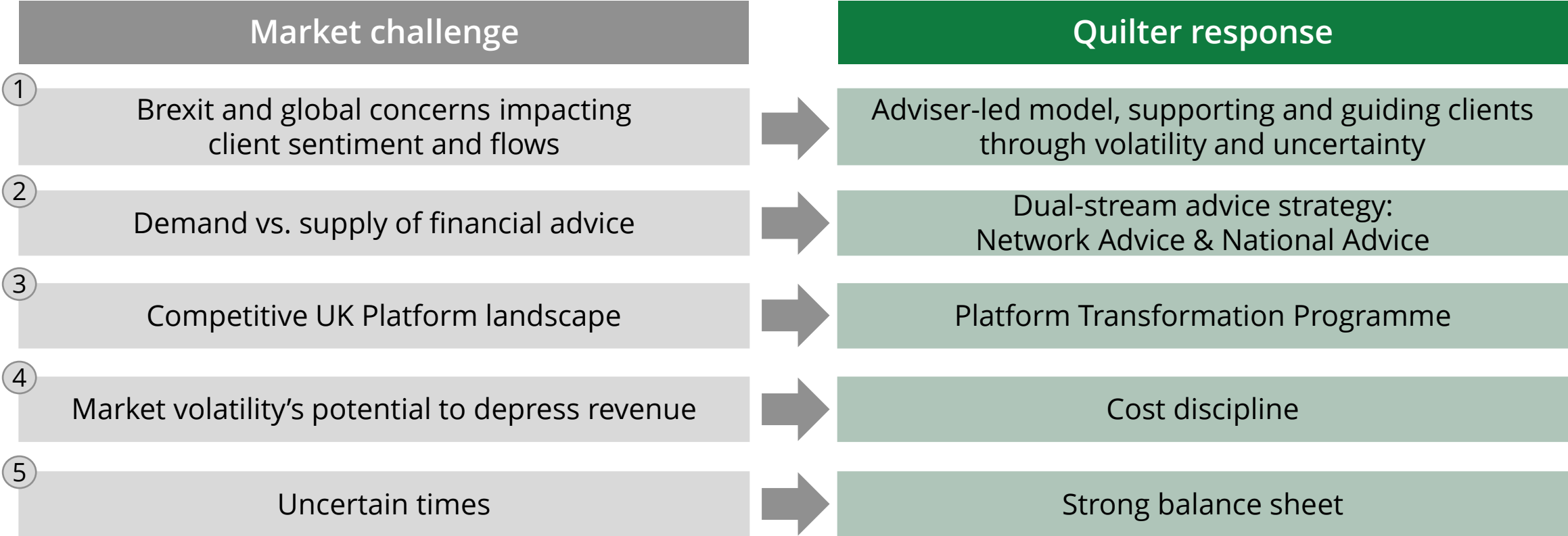
- ✓ Strong adjusted profit growth, up 11%
- ✓ Adjusted diluted earnings per share of 12.3p up 15%
- ✓ Recommended final dividend of 3.3 pence per share
- ✓ Solid NCCF performance of £4.7bn¹, 5% of opening AuMA, in line with medium-term target
- ✓ Resilient integrated flows of £4.7bn¹
- ✓ Satisfactory growth in RFPs

Key Performance Indicators		2018	2017	Δ
Financial:				
NCCF/opening AuMA ¹	%	5	9	(4) pp
Integrated flows ¹	£bn	4.7	5.2	(10%)
AuMA	£bn	109.3	114.4	(4%)
Adjusted profit before tax	£m	233	209	+11%
IFRS profit after tax ²	£m	488	157	211%
Operating margin	%	30	29	+1pp
Non-financial:				
Restricted Financial Planners (RFPs)	#	1,621	1,561	+4%
Investment Managers (IMs)	#	155	164	(5%)

1. Excluding Quilter Life Assurance (QLA).

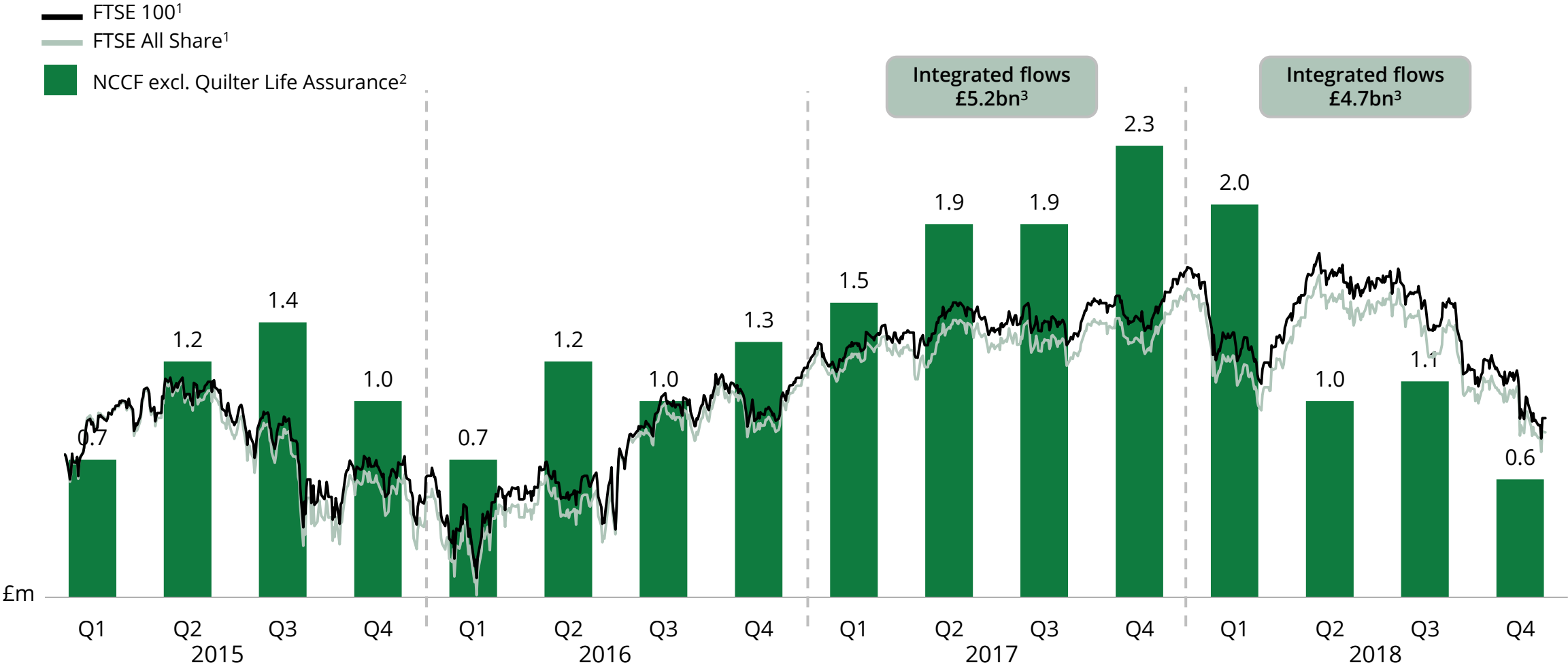
2. Represents total IFRS profit including discontinued operations. 2018 IFRS profit before tax from continuing operations was £5m, compared to a (£5m) loss in 2017.

Controlling the things we can, mitigating those we can't



Operating within markets experiencing secular growth, with strong demand for wealth management services

Business model supports robust integrated flows

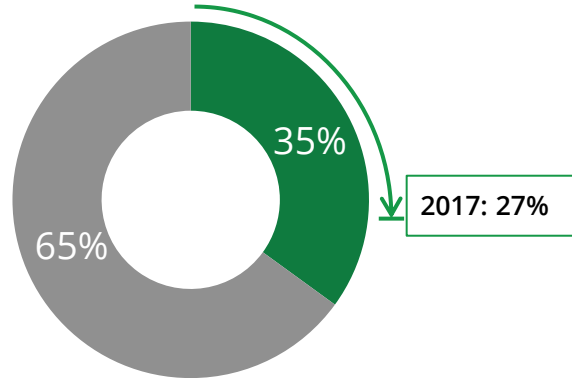


1. Source: Factset.
 2. Excludes Quilter Life Assurance net outflows and eliminations of £0.4bn, £0.9bn, £1.3bn and £2.0bn for 2015, 2016, 2017 and 2018 respectively.
 3. Excludes Quilter Life Assurance integrated outflows of £0.4bn and £0.3bn in 2017 and 2018 respectively.

Our integrated offering drives increasing value

Quilter Wealth Solutions NCCF^{1,2}

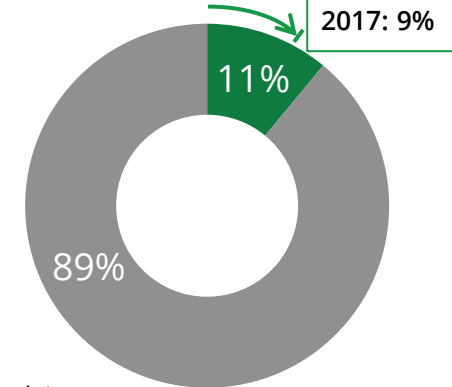
2018
£3.1bn



Source

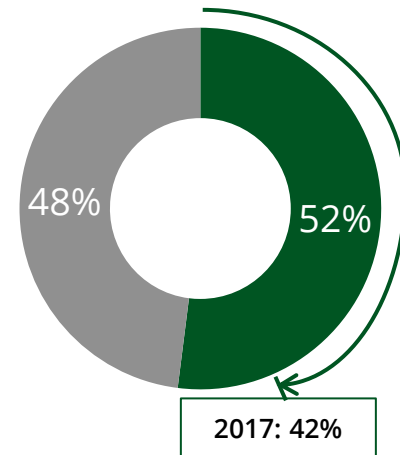
Quilter Wealth Solutions AuMA

2018
£49.9bn



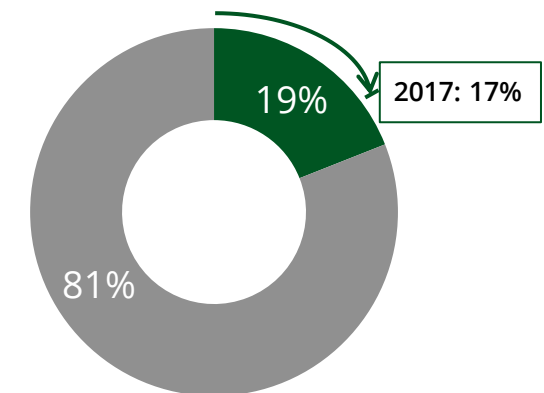
■ Quilter Restricted advisers ■ Third party independent advisers

2018
£3.1bn



Destination

2018
£49.9bn

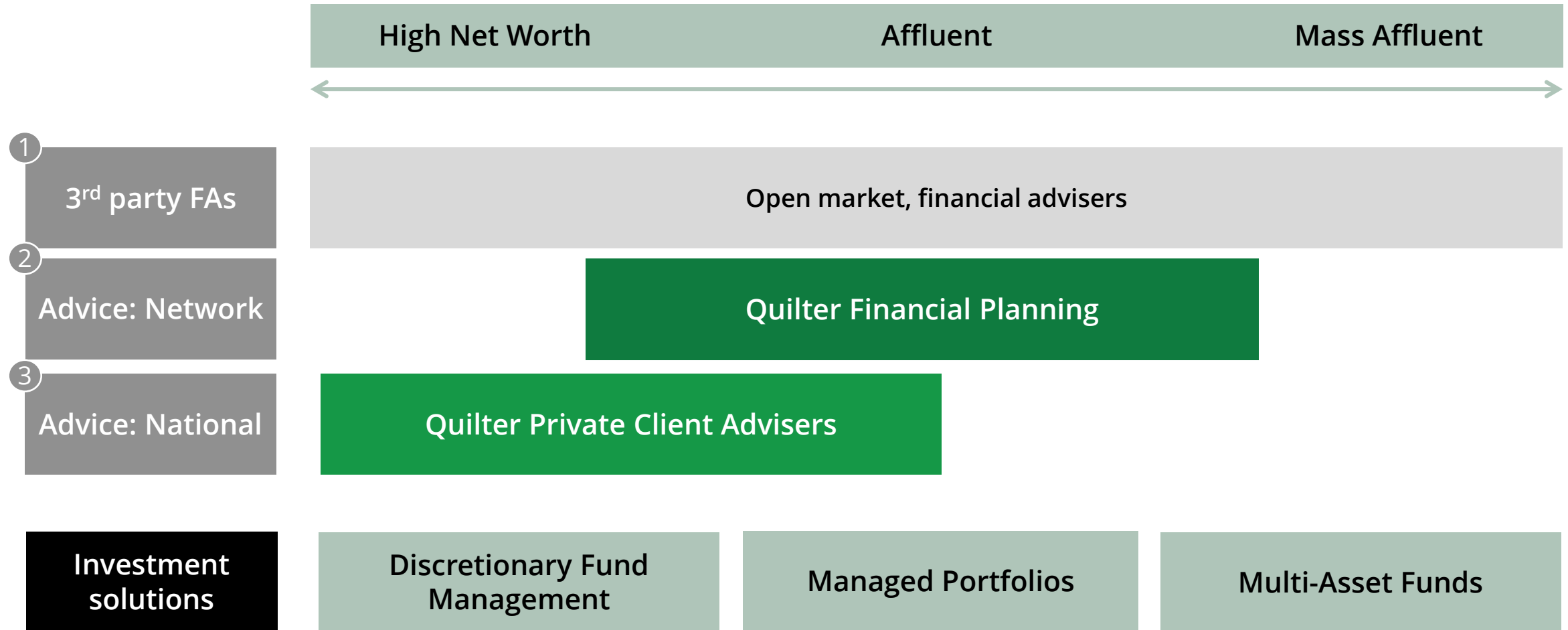


■ Quilter Investors ■ Third party funds

1. Excludes intra-group elimination.
2. Excludes International AuA on Quilter Wealth Solutions.

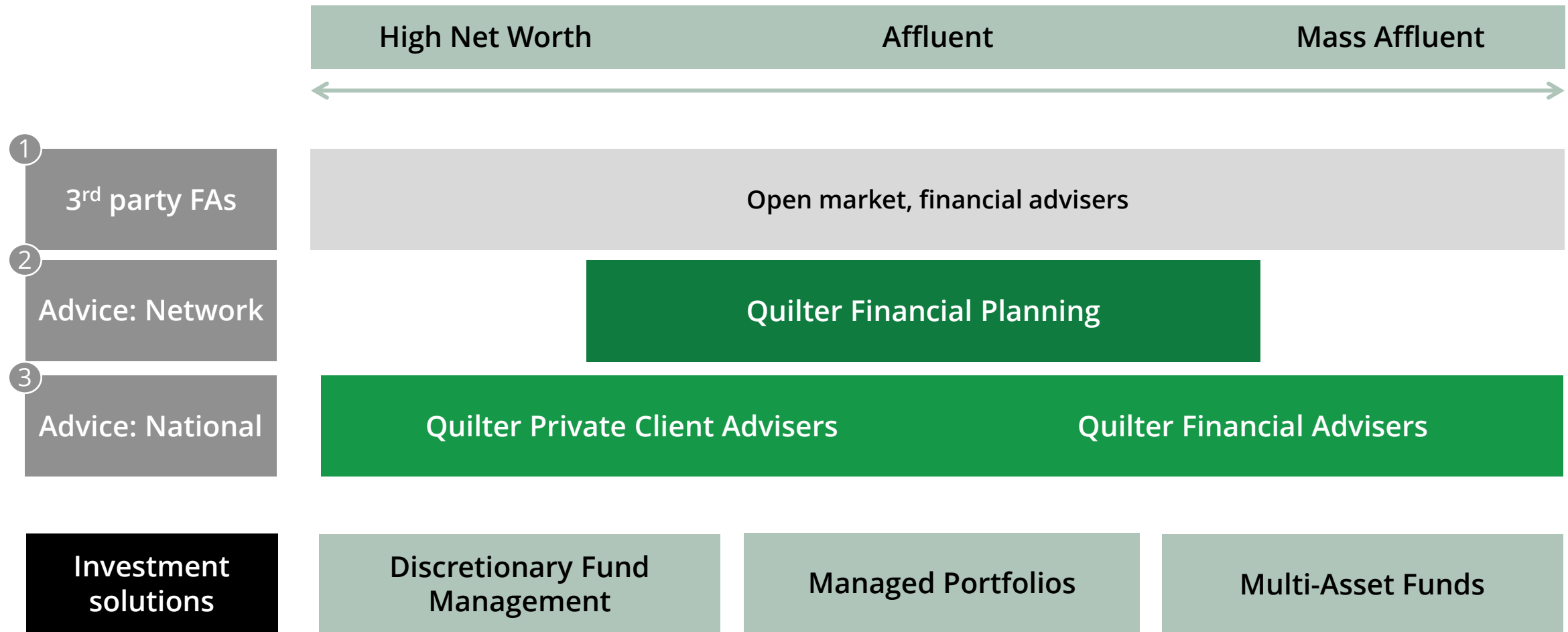
Quilter's multi-channel advice model

Designed with customer choice in mind



Quilter's multi-channel advice model

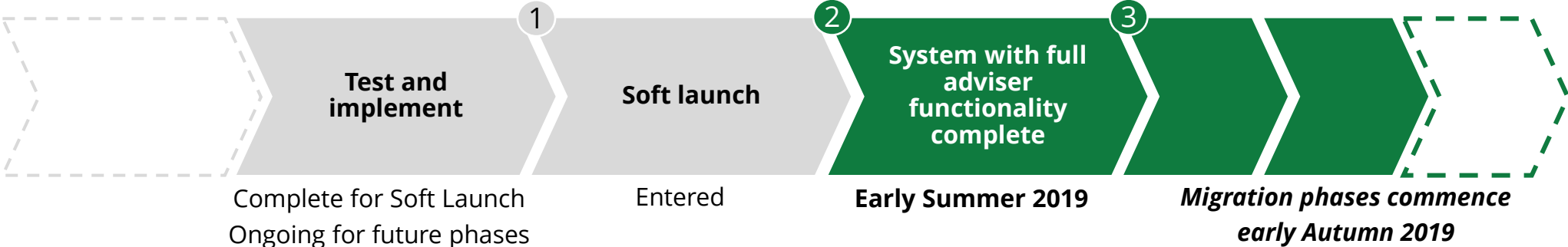
Designed with customer choice in mind



Charles Derby Group: Delivering a step-change in our national advice strategy

- Strategic investment to acquire the remainder of Charles Derby Group we did not own, to **fast track** development of national advice business, focused on affluent customers
- Builds upon success of already profitable PCA – **complementary** as PCA is focused on upper affluent and HNW customers
- Expect acquisition to deliver:
 - **Growth in RFPs** – Charles Derby Group has a track record of delivering strong growth in RFPs (currently c.200)
 - **Increase productivity** by leveraging their **strong lead generation** and marketing capabilities
 - Opportunity for **cost synergy** by integrating processes with Quilter Financial Planning
- Together with PCA and Strategic Partners, will **drive higher levels of NCCF generation**

New UK Platform: strong progress made; in soft launch phase



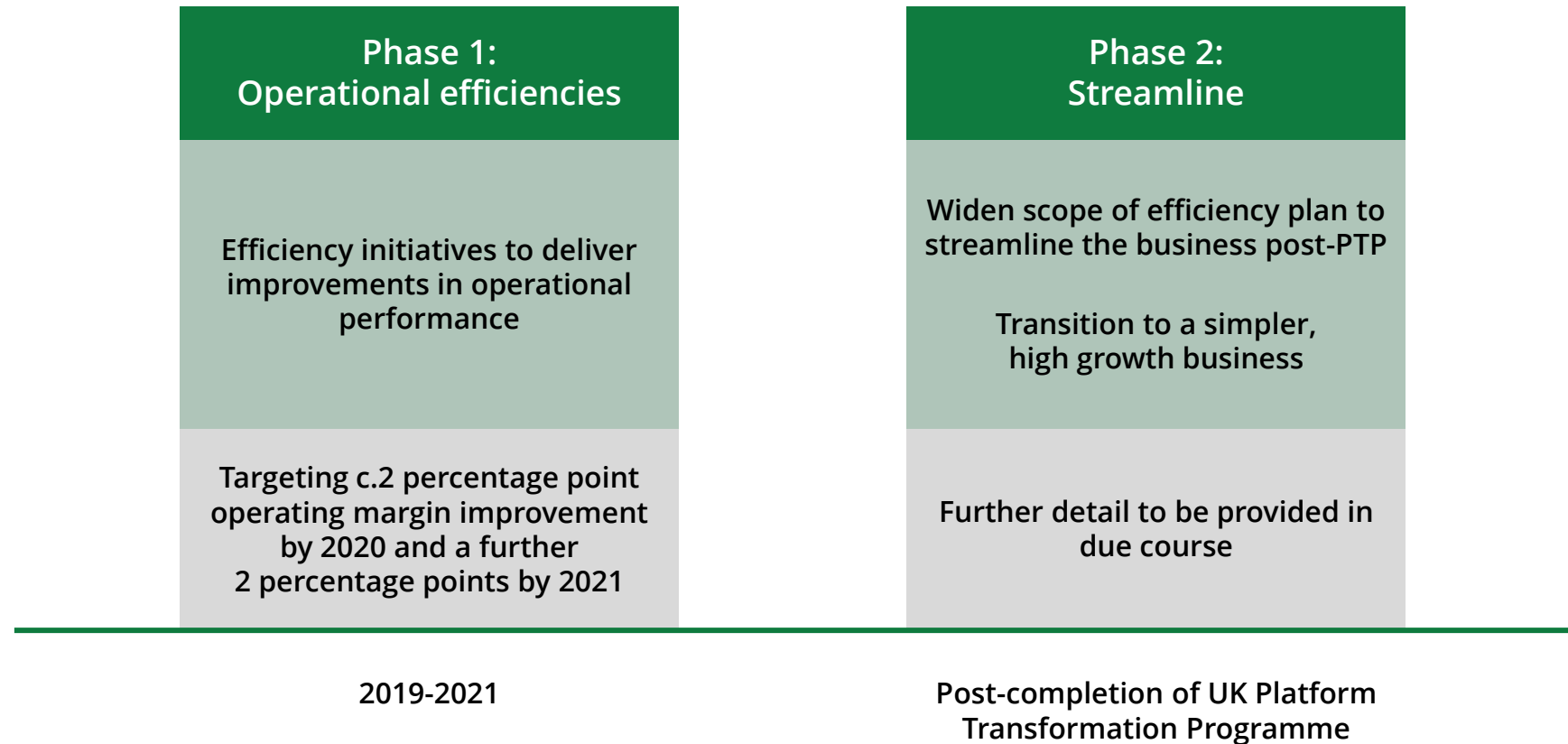
High quality delivery is of utmost importance

- Enhancing plans for comprehensive customer and adviser support
- Embedding lessons learnt from third-party implementations
- Feedback from soft launch and our initial migration

Should the active decision be taken to extend the programme into H1 2020, we would expect modest incremental costs above the top end of guidance range

Optimisation: A phased, multi-year programme

Laying the path to Quilter becoming the best version of itself that it can be



Financial review – 2018 performance

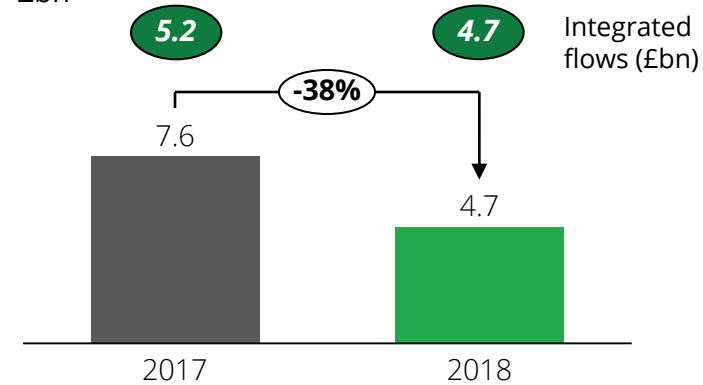
Tim Tookey
12 March 2019

Operational performance

Strong performance in 2018

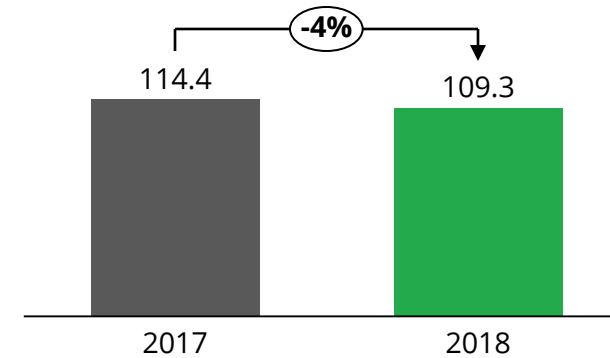
NCCF (excl. Quilter Life Assurance)

£bn



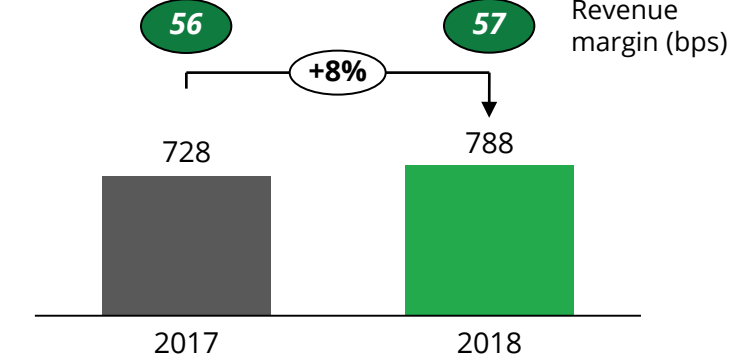
AuMA

£bn



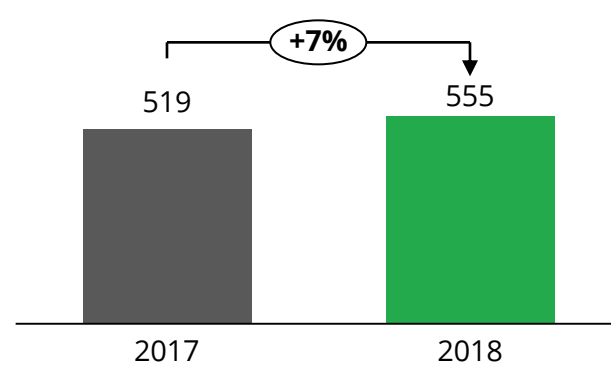
Revenue

£m



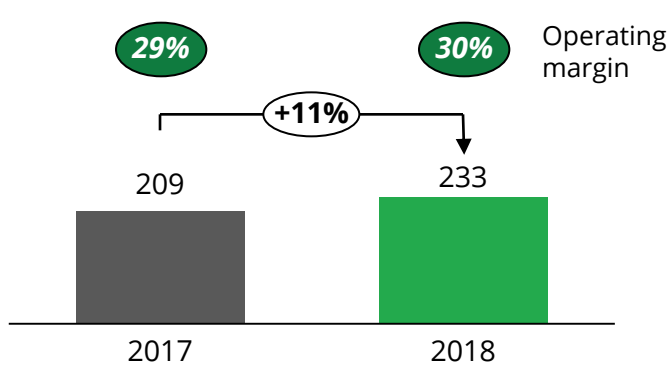
Expenses

£m



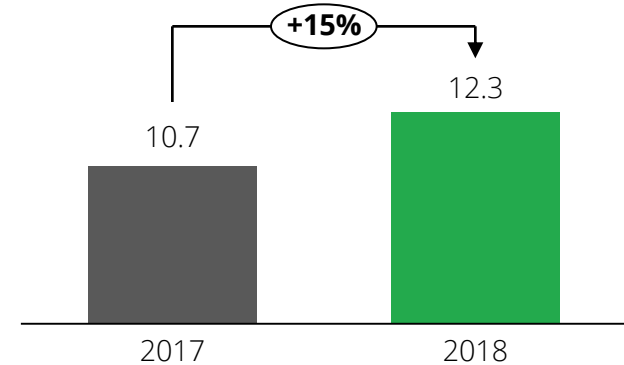
Adjusted profit before tax

£m



Adjusted diluted EPS

Pence



➤ Recommended final dividend¹ per share : 3.3 pence

1. Subject to approval by shareholders at the 2019 AGM.

Advice and Wealth Management: Powering our growth

£m	2018	2017	Δ
Revenue	373	316	+18%
Expenses	(271)	(234)	(16%)
Adjusted profit	102	82	+24%
Key metrics:			
Revenue margin (bps)	65	63	+2 bps
Operating margin (%)	27	26	+1 pp
NCCF (£bn) ¹	3.5	4.4	(20%)
Closing AuM (£bn)	41.2	41.7	(1%)
Average AuM (£bn)	42.6	37.0	+15%
NCCF/opening AuM (%) ¹	8	13	(5 pp)

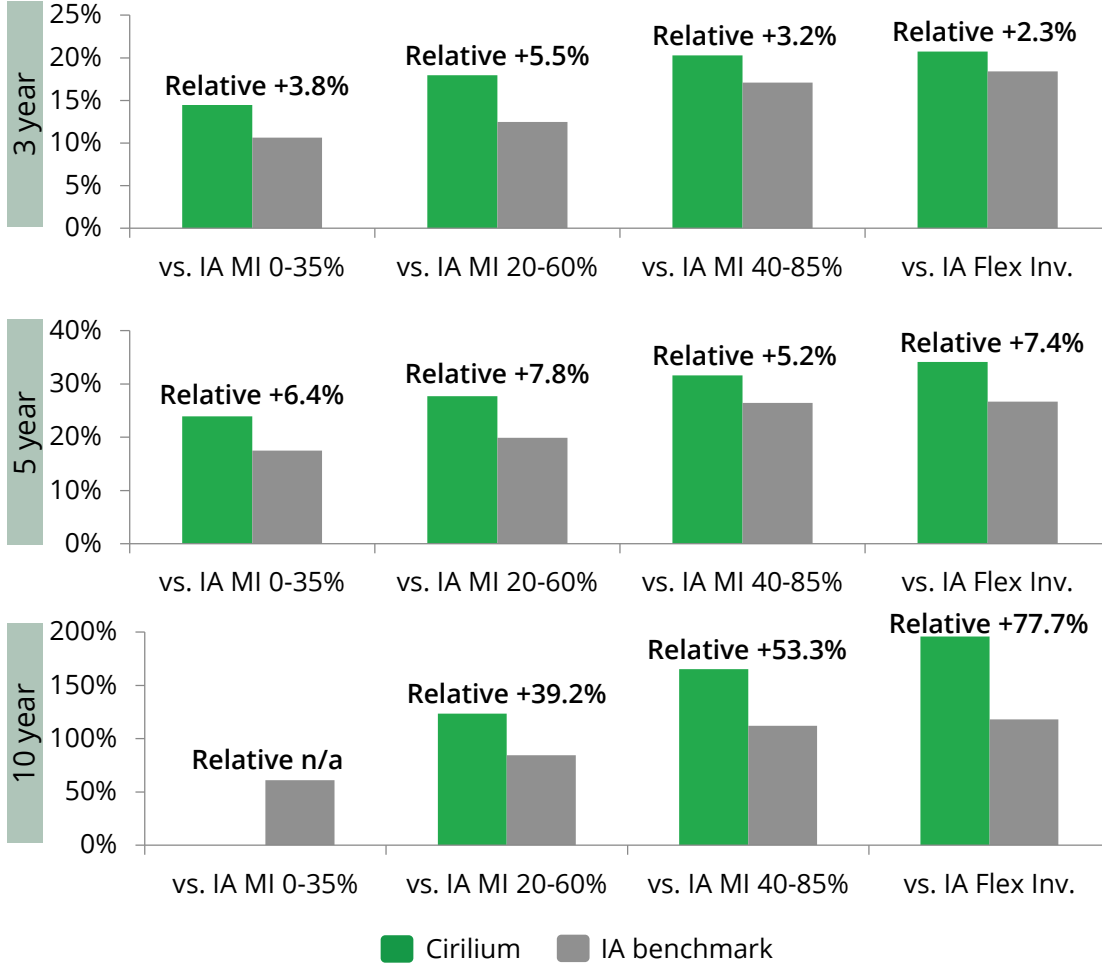
- Strong growth in revenue across all three business units, notably in Quilter Investors:
 - Quilter Financial Planning: +14%
 - Quilter Investors: +45%
 - Quilter Cheviot: +7%
- Positive growth in advice fees – up 13% to £87m
- Productivity of Quilter Financial Planning remained broadly stable at £1.7m per RFP
- Revenue margin increase includes 8bps increase in Quilter Investors' revenue margin, reflecting the mix of AUM moving towards investments in higher margin earning products
- Strong profit growth year-on-year
 - Positive operating leverage despite acquisitions in PCA, full-year effect of Caerus acquisition and build-out of Quilter Investors
- Asset retention remained stable at 89%

1. Before eliminations.

Investment performance: Quilter Investors

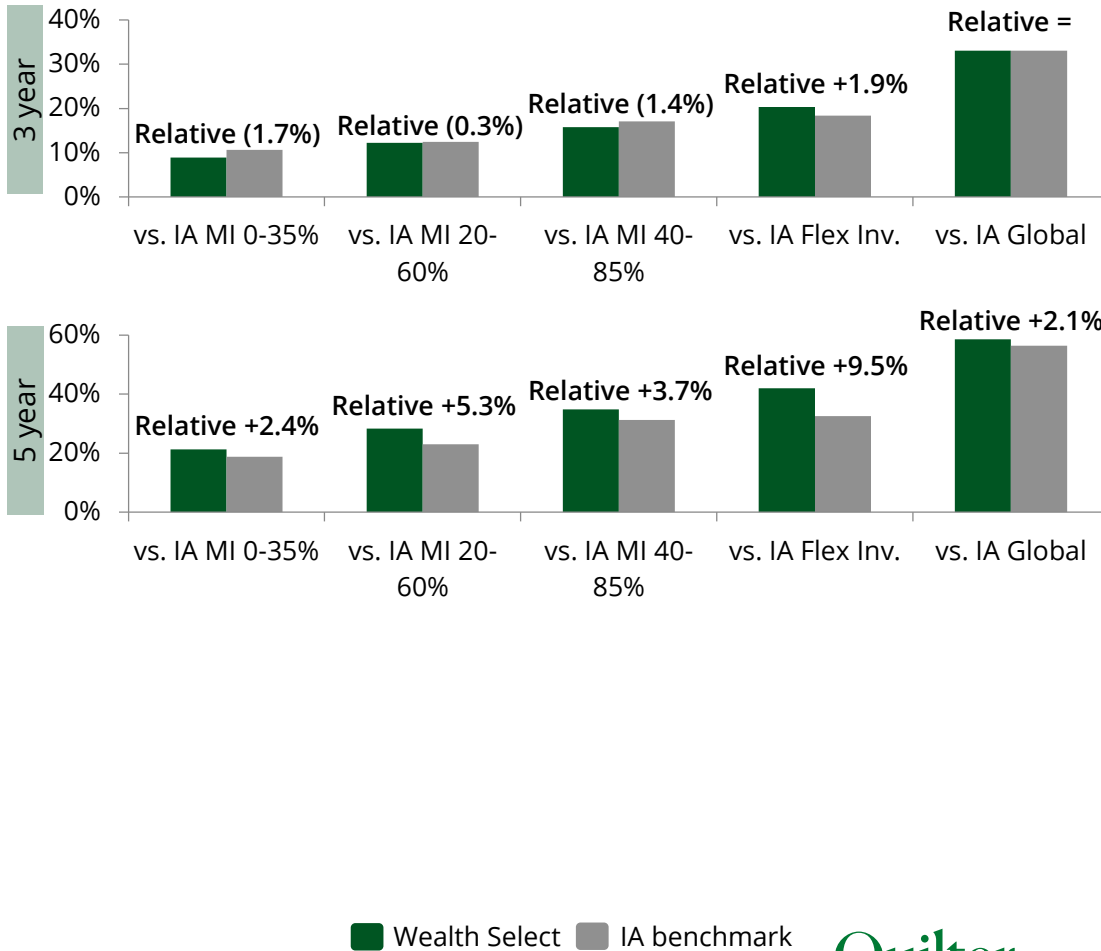
Cirilium

Performance vs respective Investment Association benchmarks
 Cumulative returns: at 31 December 2018



Wealth Select

Performance vs respective Investment Association benchmarks
 Cumulative returns: 3 year at 31 December 2018; 5 year at 28 February 2019¹



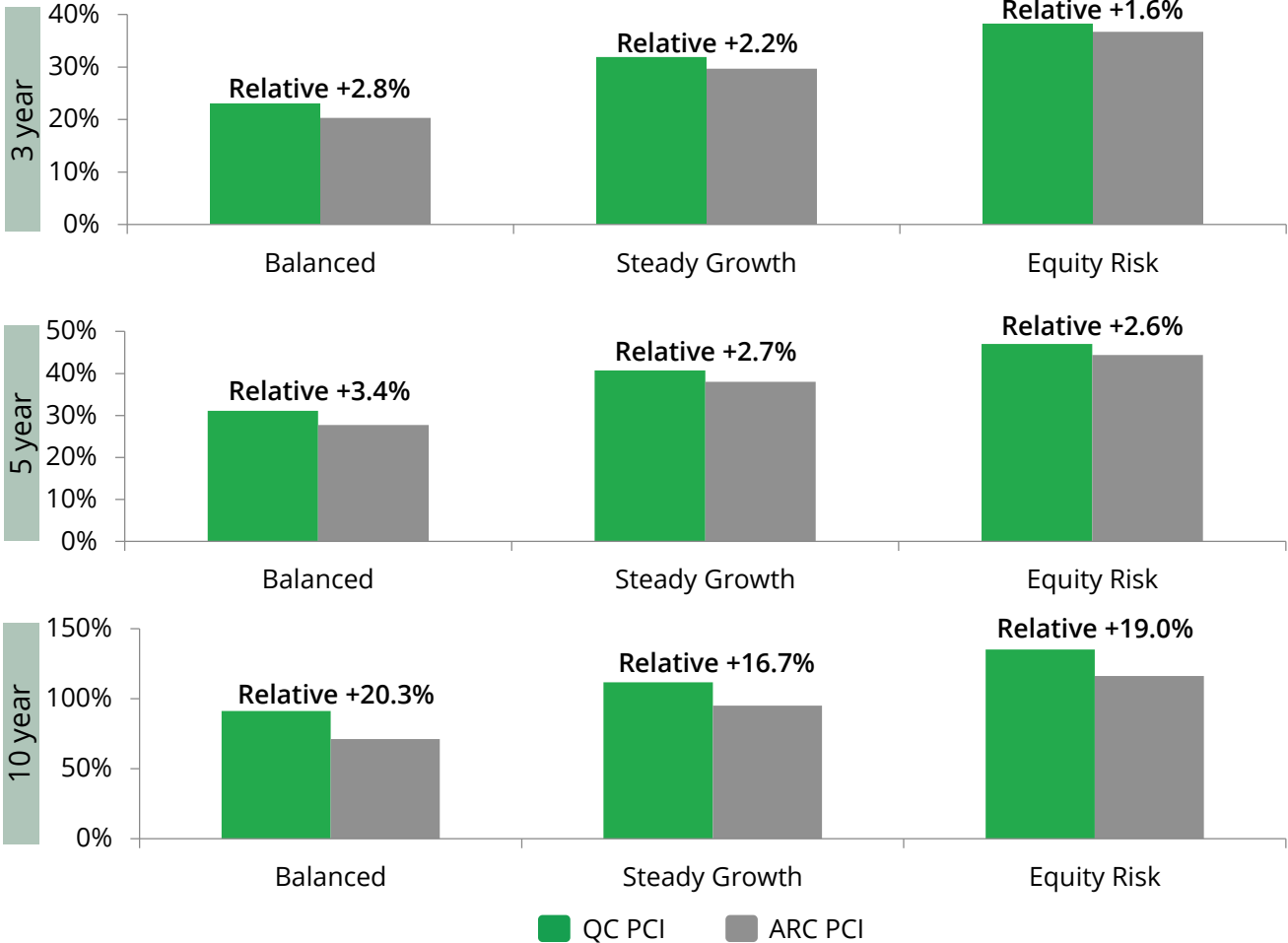
1. Wealth Select was launched in February 2014. Therefore its 5 year performance record is shown to February 2019 as no 5 year performance record exists as at 31 December 2018.



Investment performance: Quilter Cheviot

Cumulative returns

Quilter Cheviot PCI performance vs. peers, as at 30 September 2018



Wealth Platforms: Solid performance, adjusted profit up 3%

£m	2018	2017	Δ
Revenue	414	411	+1%
Expenses	(252)	(253)	-
Adjusted profit	162	158	+3%
Key metrics:			
Revenue margin (bps)	45	46	(1 bp)
Operating margin (%)	39	38	+1 pp
NCCF (£bn) ¹	3.4	5.9	(42%)
Closing AuA (£bn)	80.7	84.8	(5%)
Average AuA (£bn)	84.7	79.1	+7%
NCCF/opening AuA (%) ¹	5	10	(5 pp)

- Strong Quilter Wealth Solutions performance offsets run-off in Quilter Life Assurance, with revenue growth/decline of:
 - Quilter International: +5%
 - Quilter Life Assurance: (10%)
 - Quilter Wealth Solutions: +6%
- Increase in adjusted profit reflects higher revenue for Quilter Wealth Solutions from higher AuA
- Quilter Life Assurance profits: £57m (2017: £66m)
- Wealth Platform NCCF¹ impacted by previously referenced changes in Quilter International's regulatory environment affecting distribution
- 91% asset retention, 1pp improvement year-on-year

1. Excludes Quilter Life Assurance and before eliminations.

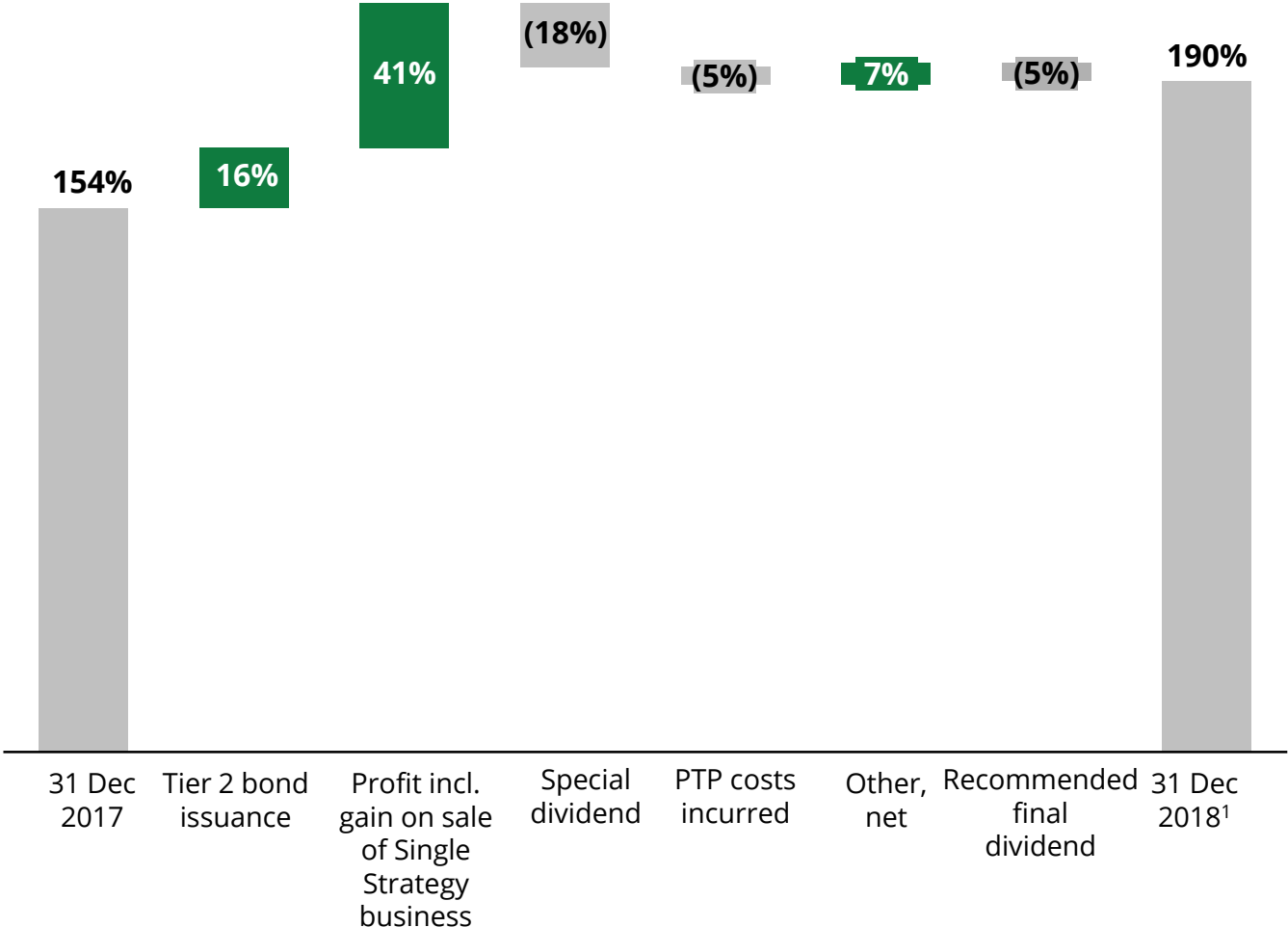
Head office and items excluded from adjusted profit

In line with or better than expectations

£m	2018	Comment
Head office	31	Performance better than guided due to cost management and increased allocations to business segments
Below the line items (2018/19/20 one-off):		
UK Platform Transformation Programme	58	£79m total costs incurred to date
Managed Separation	24	Final c.£12m costs in 2019, principally in re-branding Total costs of c.£36m in line with previous guidance
Optimisation programme	7	Included within c.£75m total costs to deliver the programme
Build-out of Quilter Investors	19	Represents the full below the line charge, as guided
Below the line items (on-going):		
Finance costs	13	Future on-going expense solely relating to Tier 2 bond of c.£10m per annum

Continued strong solvency and cash position

Solvency II ratio



- Holding company cash at 31 December 2018 of £416m
- Reductions in own funds of £221m for special dividend and £61m for final dividend
- Provides liquidity for committed strategic investments including UK Platform Transformation Programme and targeted distribution acquisitions

1. Note c.50% relates to Value In Force.

Financial review – 2019 and beyond

Mark Satchel
12 March 2019

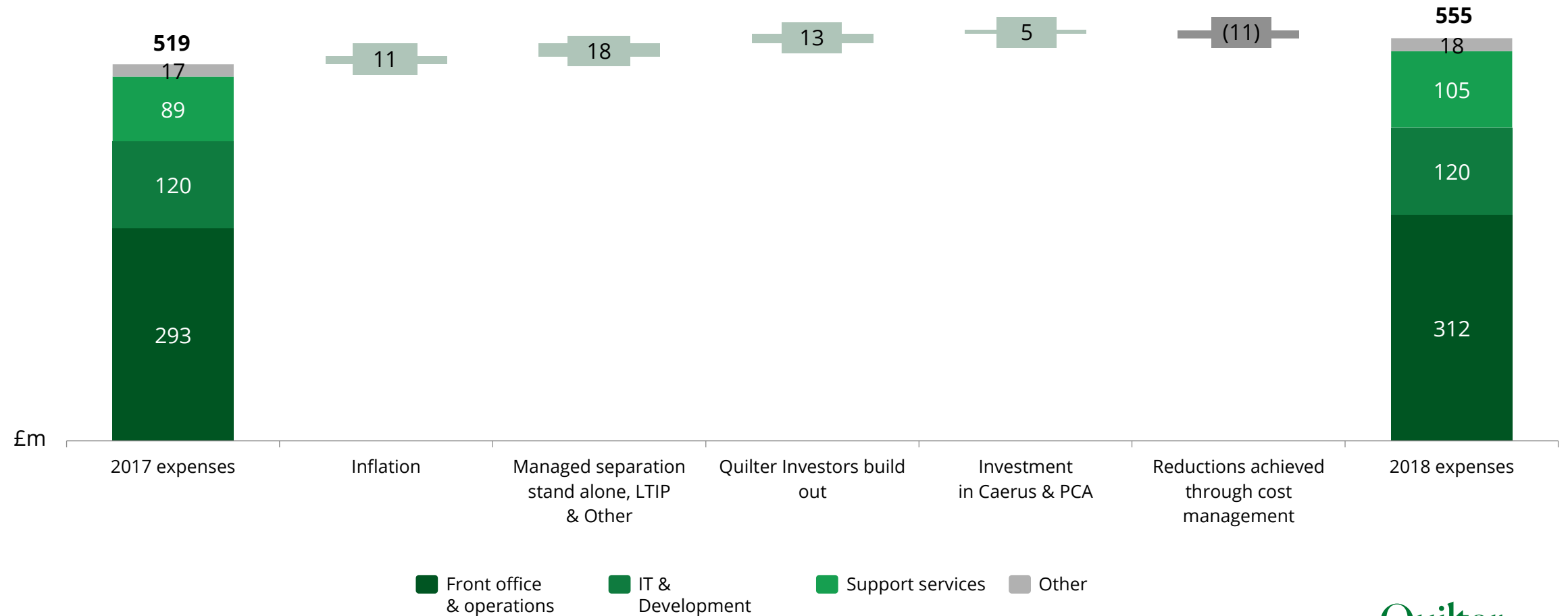
Continued disciplined expense management

Expense management is a key focus

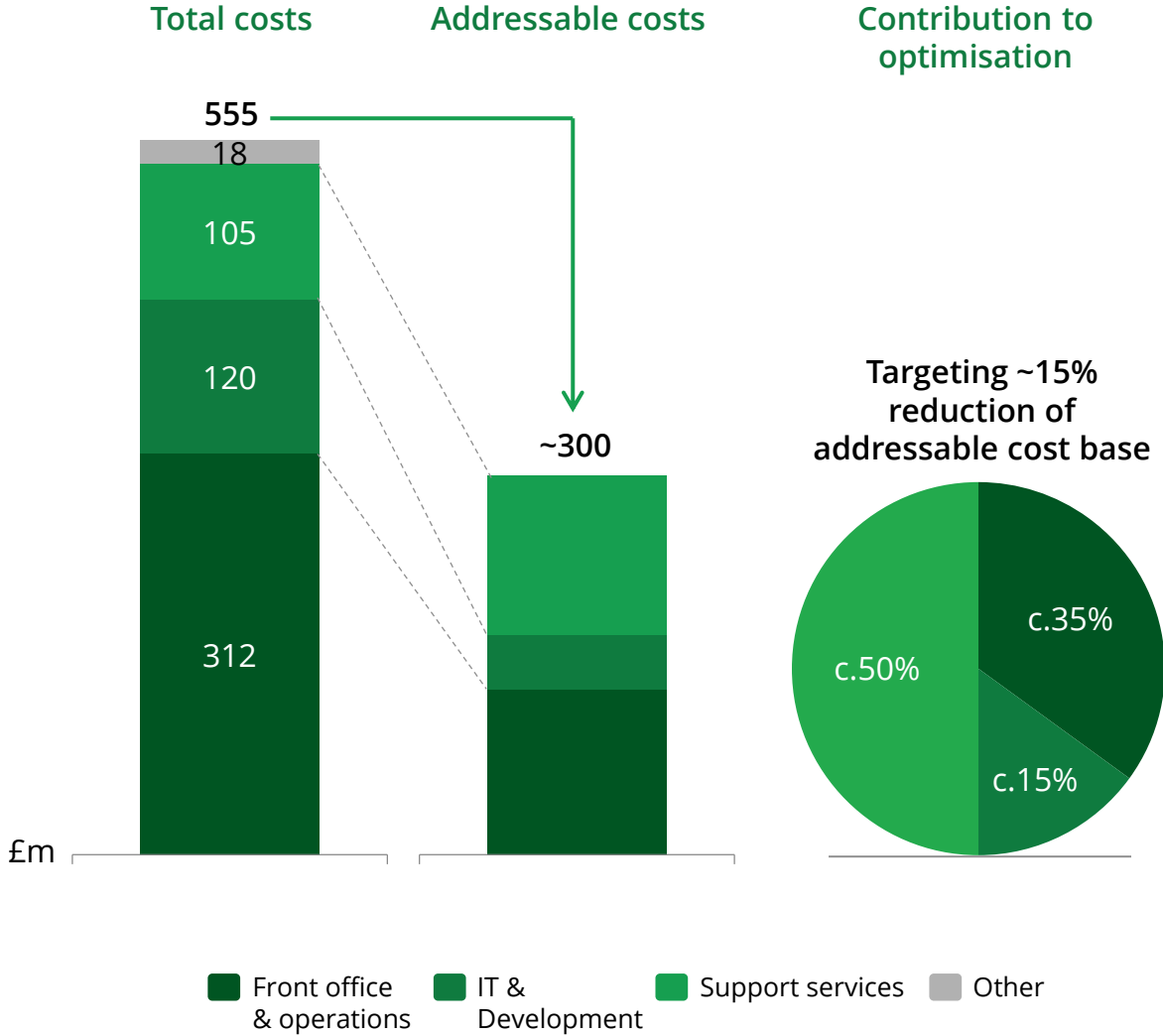
Operating margin

29%

30%



Optimisation focussed on addressable cost base

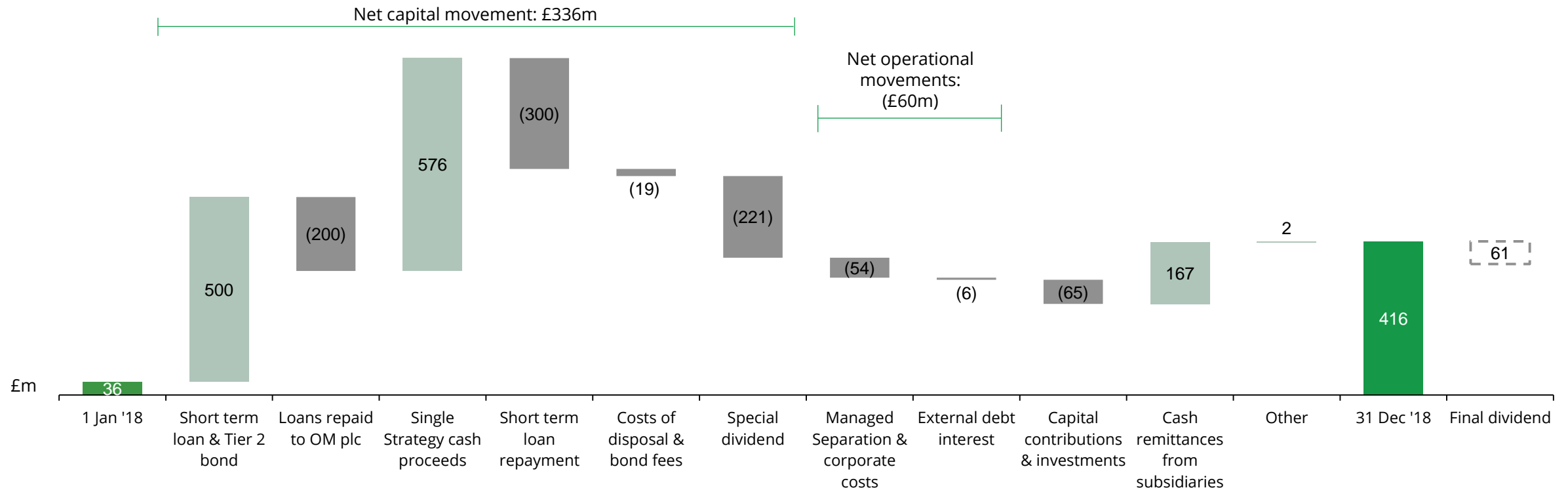


Optimisation: A phased, multi-year approach

Phase:	1. Operational efficiencies
Programme of activity:	<ul style="list-style-type: none"> Efficiency initiatives to deliver improvements in operational performance Support services focused
Impact/outcome:	<ul style="list-style-type: none"> Targeting c.2 percentage point improvement in operating margin by 2020 and a further 2 percentage points by 2021 c.£75m¹ one-off costs to deliver
Timeline:	2019-2021

1. Includes £7m incurred in 2018.

Holding company cash



Capital management philosophy



Updated financial guidance

	Guidance to market at time of Listing	Updates to guidance
Optimisation & operating margin target (pre-tax)	<ul style="list-style-type: none"> ➤ Optimisation: n/a ➤ Target: 30% operating margin (excl. interest) by 2020 after impact of additional expenses expected in 2018, before benefits from any optimisation initiatives ➤ 2018 & 2019 will bear full impact of standalone costs, likely leading to a small decrease in our current operating margin prior to 2020 	<ul style="list-style-type: none"> ➤ £75m one-off costs to deliver optimisation phase 1 initiatives, with c.50% incurred by end of 2019 ➤ Targeting c.2 percentage point improvement in operating margin by 2020 and a further 2 percentage points by 2021, assuming broadly normal market performance from around current levels, together with steady net flows
Tax rate	<ul style="list-style-type: none"> ➤ Corporate tax rate to remain below UK marginal rate, due to profit mix and lower tax rate in International 	<ul style="list-style-type: none"> ➤ ETR expected to be 12-14% within a few years, reflecting International's profits, use of capital losses and UK corporation tax rate declining to 17% in 2020
Share count	<ul style="list-style-type: none"> ➤ Shares in respect of staff share schemes expected to vest over the next two years. Future share awards will then be satisfied through on-market purchases 	<ul style="list-style-type: none"> ➤ No change
London relocation	<ul style="list-style-type: none"> ➤ n/a 	<ul style="list-style-type: none"> ➤ Relocation likely to result in one-off cost associated with the move, and higher run-rate expenses
2019 costs	<ul style="list-style-type: none"> ➤ n/a 	<ul style="list-style-type: none"> ➤ Aim for broadly flat costs (excl. acquisitions) in 2019 year-on-year, to partially offset weaker revenue outlook ➤ Charles Derby expected to increase revenues and costs by around £15m in 2019
UK Platform Transformation Programme	<ul style="list-style-type: none"> ➤ Costs incurred to be between £120m to £160m 	<ul style="list-style-type: none"> ➤ Expect total programme costs to be towards top of budget range ➤ Should the decision be taken to extend the programme into H1 2020, would expect modest incremental costs above the top end of guidance range

Financial summary

- Adjusted profit +11% to £233m
- Prudently capitalised liquid balance sheet
- Capital discipline credentials established
- Expense management demonstrated in second half of 2018
- Improving operational leverage through to 2021, supported by optimisation
- All guidance met or exceeded; forward-looking guidance fine-tuned

Concluding remarks

Paul Feeney
12 March 2019

2019: Confident in the direction of travel

- Focusing on growing the business, maintaining cost discipline
- Strong positioning in a secular growth market
- Building out national advice strategy, positioning Quilter as the 'go to' business for the affluent and mass affluent segments
- Mobilising and delivering optimisation plans
- Delivering UK Platform transformation

Q&A



Appendix

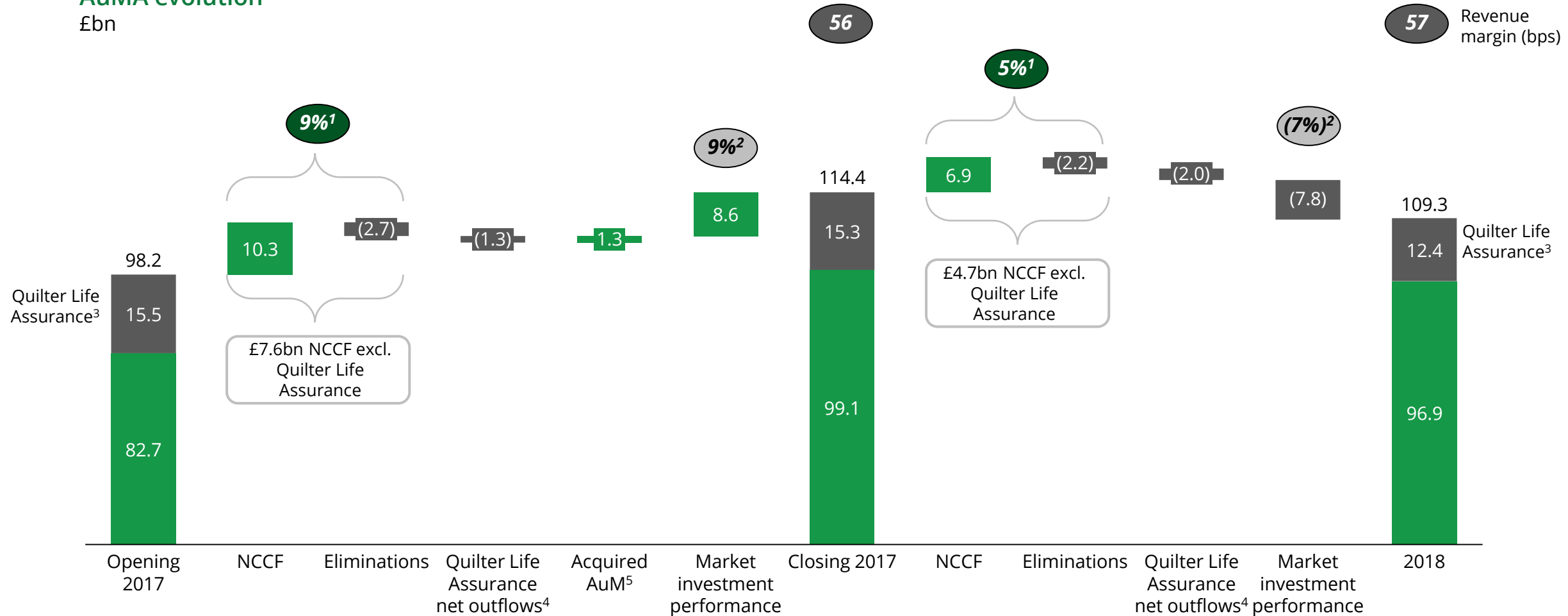
12 March 2019

NCCF and AuMA growth

Solid NCCF in challenging markets

AuMA evolution

£bn



1. AuMA and NCCF exclude Quilter Life Assurance, includes appropriate eliminations.
2. Market investment performance defined as market / opening AuMA.
3. Includes other shareholder assets of £0.2bn, £0.2bn and £0.5bn in 2017 opening, 2017 closing and 2018, respectively.
4. Includes £0.3bn in 2017 and £0.3bn in 2018 of Quilter Life Assurance associated eliminations.
5. Acquired AuM of £1.3bn, of which £1.0bn from Caerus and £0.3bn from Attivo.

% NCCF as % of opening AuMA excl. Quilter Life Assurance
% Market growth²

NCCF – resilient integrated flows

£bn	2018	2017	Δ
Quilter Investors	2.8	3.3	(15%)
Quilter Cheviot	0.7	1.1	(36%)
Advice & Wealth Management	3.5	4.4	(20%)
Quilter Wealth Solutions	3.1	4.5	(31%)
Quilter International	0.3	1.4	(79%)
Quilter Life Assurance	(2.3)	(1.6)	(44%)
Wealth Platforms	1.1	4.3	(74%)
Elimination intra-group	(1.9)	(2.4)	21%
Quilter plc total	2.7	6.3	(57%)
Quilter plc excl. Quilter Life Assurance	4.7	7.6	(38%)
Integrated NCCF excl. Quilter Life Assurance	4.7	5.2	(10%)

Investment performance: Quilter Investors

Quilter Investors' performance

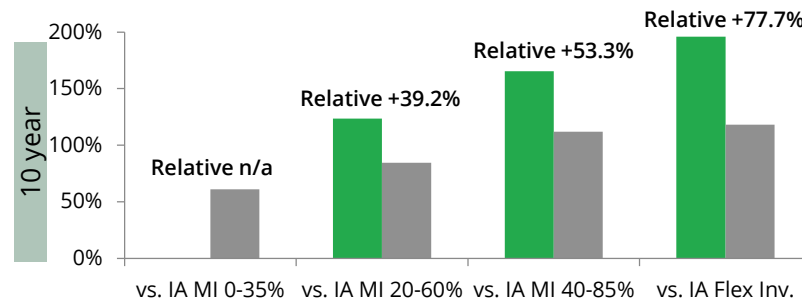
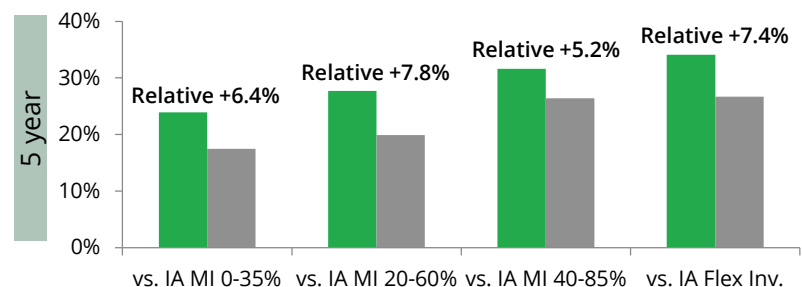
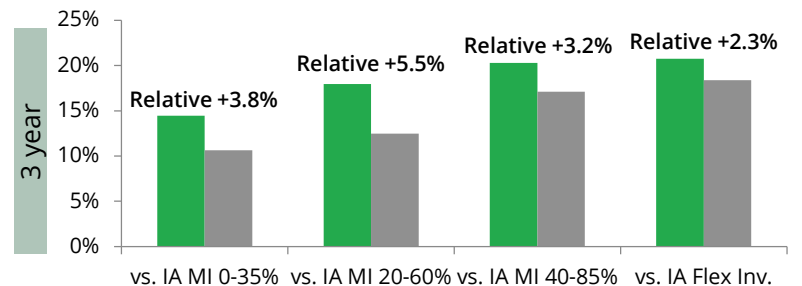
Performance against peers

Performance quartile	AUM (£bn)	1Y	3Y	5Y	10Y
Cirilium	9.0	4	1	2	1
MPS Wealth Select	5.3	2	3	n/a	n/a
Other funds	3.4	3	2	2	3

1: top quartile; 2: second quartile; 3: third quartile; 4: bottom quartile.

Cirilium – Cumulative returns

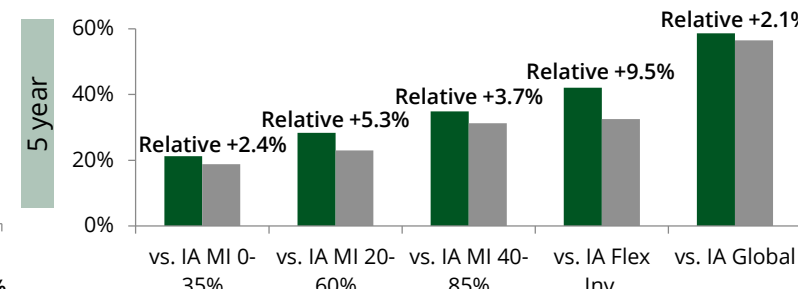
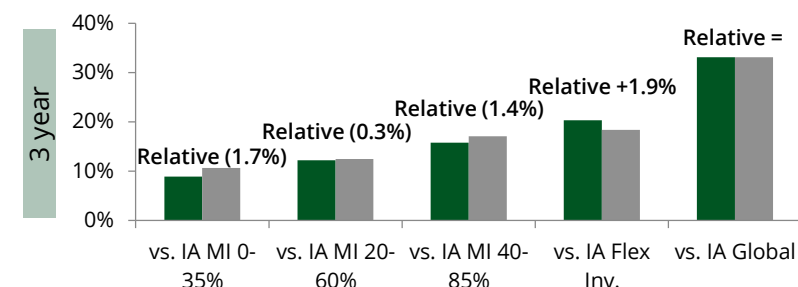
Performance vs respective Investment Association benchmarks at 31 December 2018



Cirilium IA benchmark

Wealth Select – Cumulative returns

Performance vs respective Investment Association benchmarks: 3 year at 31 Dec 2018; 5 year at 28 Feb 2019¹



Wealth Select IA benchmark

1. Wealth Select was launched in February 2014. Therefore its 5 year performance record is shown to February 2019 as no 5 year performance record exists as at 31 December 2018.

Investment performance: Quilter Cheviot

Previous disclosure format

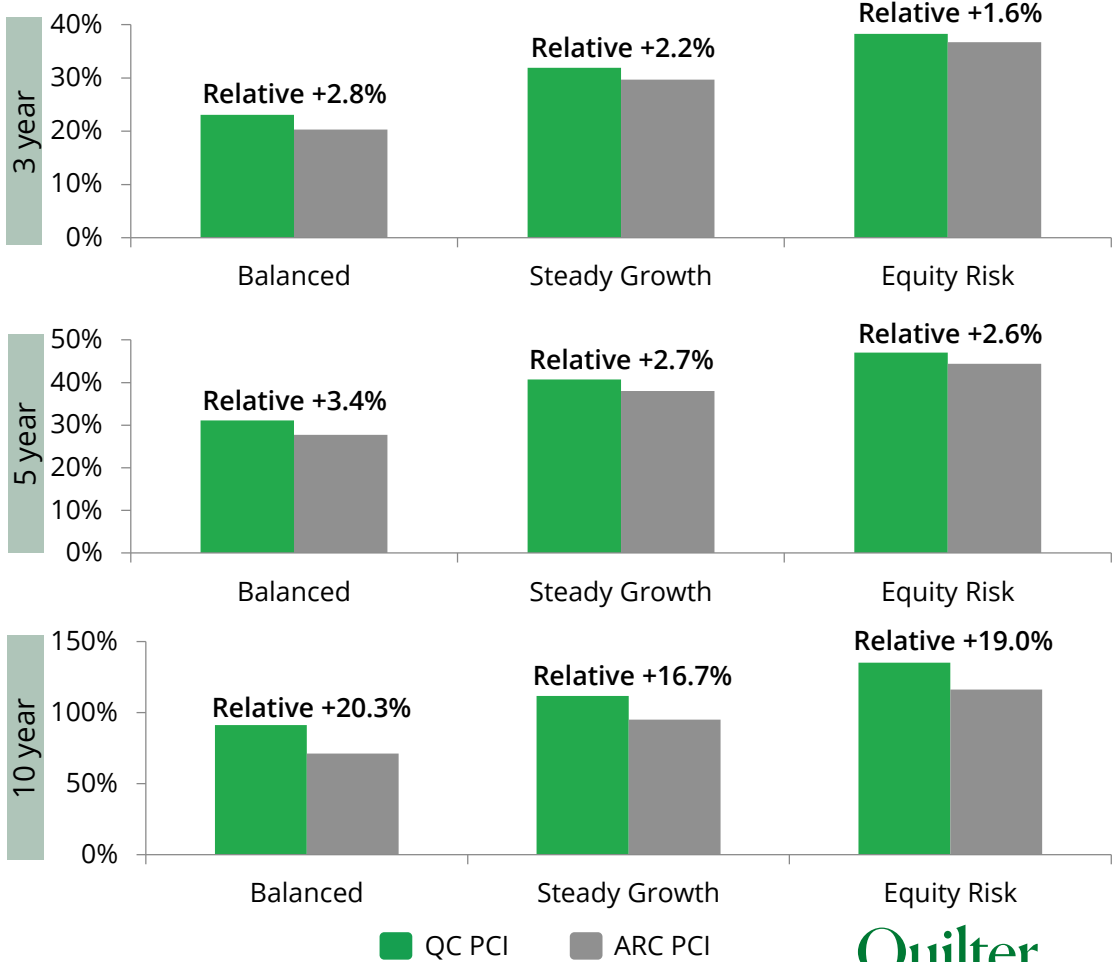
Quilter Cheviot PCI Quartile Ranking
 ARC Private Client Index, as at 30 September 2018

Performance quartile	1Y	3Y	5Y	10Y
ARC PCI Balanced Asset	2	2	2	1
ARC PCI Steady Growth	2	1	2	1
ARC PCI Equity Risk	2	2	2	1

1: top quartile; 2: second quartile; 3: third quartile; 4: bottom quartile.

Disclosure format going forward

Quilter Cheviot PCI performance vs. peers
 (cumulative returns), as at 30 September 2018



QC PCI ARC PCI



Guidance recap and impact of optimisation phase 1

	Guidance to market at time of Listing	Updates to guidance
Net client cash flow	<ul style="list-style-type: none"> ➤ Target: NCCF of 5% of opening AuMA (excluding QLA) per annum over medium-term 	<ul style="list-style-type: none"> ➤ No change to target but cautious on 2019 given market conditions, and economic and political uncertainty
Revenue margin	<ul style="list-style-type: none"> ➤ Subject to delivering expected AuMA volumes and mix, overall Quilter annual rate of revenue margin decline to slow in near-term and become increasingly stable ➤ Business units managed with intention of delivering revenue and profit growth, may lead to mix driven changes in segment revenue margins over time ➤ Greater proportion of flows into higher revenue margin Advice and Wealth Management segment ➤ Run-off of QLA Institutional book over next one to two years, expected to support to overall revenue margin in near term ➤ Growth of Integrated NCCF to support revenue margin going forward 	<ul style="list-style-type: none"> ➤ No change
Managed separation & standalone costs	<ul style="list-style-type: none"> ➤ Old Mutual plc guidance: c.£25-30m p/a additional operating expenses above 2016 level due to Managed Separation and need to operate on standalone basis ➤ c.£16m on annual basis reflected in 2017 year-end reported results, up to £14m of additional annual separation costs to be incurred during 2018 	<ul style="list-style-type: none"> ➤ Standalone listed group operating costs now reflected in cost base at full run-rate ➤ Further c.£12m below-the-line costs in 2019, principally in re-branding
Investment	<ul style="list-style-type: none"> ➤ For the period 2018-2020 total investment estimated to impact expense base by £20-30m, in aggregate 	<ul style="list-style-type: none"> ➤ No change

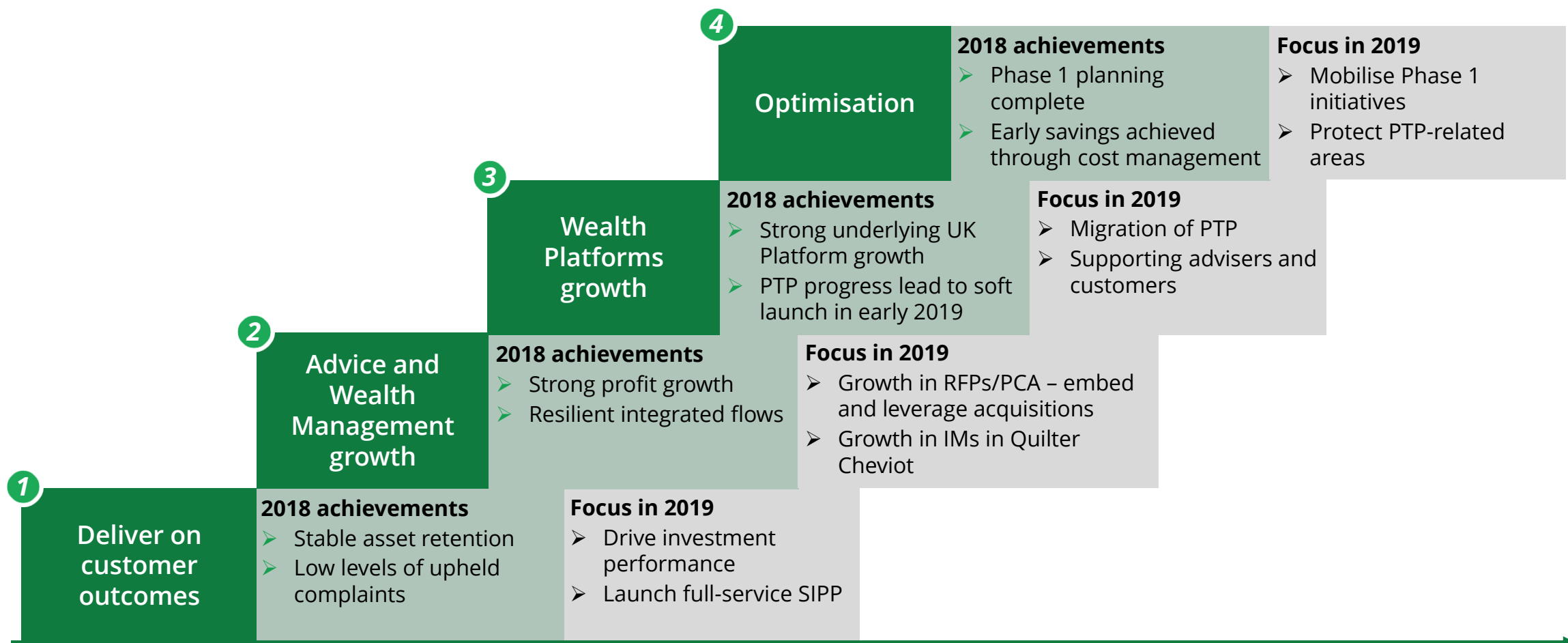
Guidance recap and impact of optimisation phase 1, cntd

	Guidance to market at time of Listing	Updates to guidance
2019 costs	<ul style="list-style-type: none"> ➤ n/a 	<ul style="list-style-type: none"> ➤ Aim for broadly flat costs (excl. acquisitions) in 2019 year-on-year, to partially offset weaker revenue outlook ➤ Charles Derby expected to increase revenues and costs by around £15m in 2019
LTIP costs	<ul style="list-style-type: none"> ➤ New Quilter Performance Shareplan will result in additional LTIP staff costs in 2018 and later years ➤ LTIP costs to increase steadily on a phased basis to approximately £15m per annum by 2020 	<ul style="list-style-type: none"> ➤ No change
Optimisation & operating margin target (pre-tax)	<ul style="list-style-type: none"> ➤ Optimisation: n/a ➤ Target: 30% operating margin (excl. interest) by 2020 after impact of additional expenses expected in 2018, before benefits from any optimisation initiatives ➤ 2018 & 2019 will bear full impact of standalone costs, likely leading to a small decrease in our current operating margin prior to 2020 	<ul style="list-style-type: none"> ➤ £75m one-off costs to deliver optimisation phase 1 initiatives, with c.50% incurred by end of 2019 ➤ Targeting c.2 percentage point improvement in operating margin by 2020 and a further 2 percentage points by 2021, assuming broadly normal market performance from around current levels, together with steady net flows
Debt costs	<ul style="list-style-type: none"> ➤ £200m subordinated debt at 4.478% 	<ul style="list-style-type: none"> ➤ No change
Tax rate	<ul style="list-style-type: none"> ➤ Corporate tax rate to remain below UK marginal rate, due to profit mix and lower tax rate in International 	<ul style="list-style-type: none"> ➤ ETR expected to be 12-14% within a few years, reflecting International's profits, use of capital losses and UK corporation tax rate declining to 17% in 2020
UK Platform Transformation Programme	<ul style="list-style-type: none"> ➤ Costs incurred to be between £120m to £160m 	<ul style="list-style-type: none"> ➤ Expect total programme costs to be towards top of range ➤ Should the decision be taken to extend the programme into H1 2020, would expect modest incremental costs above the top end of guidance range

Guidance recap and impact of optimisation phase 1, cntd

	Guidance to market at time of Listing	Updates to guidance
Cash conversion	<ul style="list-style-type: none"> ➤ Approximately 80% of post-tax operating profit from continuing operations into free cash, partially used to fund debt servicing costs and targeted distribution acquisitions ➤ Distribution acquisitions expected to be up to £20m p.a. 	<ul style="list-style-type: none"> ➤ No change ➤ No change
Dividend policy	<ul style="list-style-type: none"> ➤ Target 40-60% pay-out ratio of post-tax adjusted profits, with the split of interim and final dividends approximately one-third and two-thirds, respectively 	<ul style="list-style-type: none"> ➤ No change
Capital	<ul style="list-style-type: none"> ➤ Subordinated debt security issued to ensure sufficient capital and liquidity to maintain strong capital ratios and free cash balances to withstand severe but plausible stress scenarios 	<ul style="list-style-type: none"> ➤ No change
Other items		
Share count	<ul style="list-style-type: none"> ➤ Shares in respect of staff share schemes expected to vest over the next two years. Future share awards will then be satisfied through on-market purchases 	<ul style="list-style-type: none"> ➤ No change
Seasonal dynamics	<ul style="list-style-type: none"> ➤ FSCS levies paid in first half of year 	<ul style="list-style-type: none"> ➤ No change
London relocation	<ul style="list-style-type: none"> ➤ n/a 	<ul style="list-style-type: none"> ➤ Relocation likely to result in one-off cost associated with the move, and higher run-rate expenses

Our focus for 2019 and beyond



Our vision for Advice growth

Advice: National

Business model now proven & delivering:

- Advice profitability
- Higher than anticipated household wealth demographic
- Good alignment with wider Quilter propositions
- Aligns well with Quilter strategic plans, delivers value to Group on many levels

Over time we expect to scale the model to deliver:

- Greater geographic coverage
- Increased group integrated flows
- Further alignment with Quilter Cheviot
- Increased organic customer generation, increase Quilter Cheviot penetration and optimise the business
- Scalable high-end advice proposition with scope to be broadened into the wider affluent market

Advice: Network

A well established, mature business:

- Delivering consistent flows into Quilter solutions
- Servicing mass-affluent customer base across middle UK
- Good alignment with wider Quilter propositions
- Aligns well with relationships held with ~4,000 3rd party, open-market adviser firms

Over time we expect to evolve the model to deliver:

- Fewer but larger appointed representative firms
- Increased group integrated flows, where we design solutions for customers
- Further alignment with Quilter Investors and Wealth Platforms
- Increased support for advisers and customers through technology
- Opportunistic acquisitions undertaken to add scale and the ability to grow acquired firms by adding RFPs



Quilter