



Interim results 2018

8 August 2018

Quilter

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Presentation agenda

Business review

Paul Feeney, CEO

Financial review

Tim Tookey, CFO

Concluding remarks

Paul Feeney, CEO

Q&A

Record profit and substantial returns



Solid NCCF performance of £3.0bn, 6%¹ of opening AuMA (excl. Quilter Life Assurance)



Strong growth in integrated flows, up 17% to £2.8bn¹



Good adjusted profit growth, up 16% to £110m; EPS up 25%



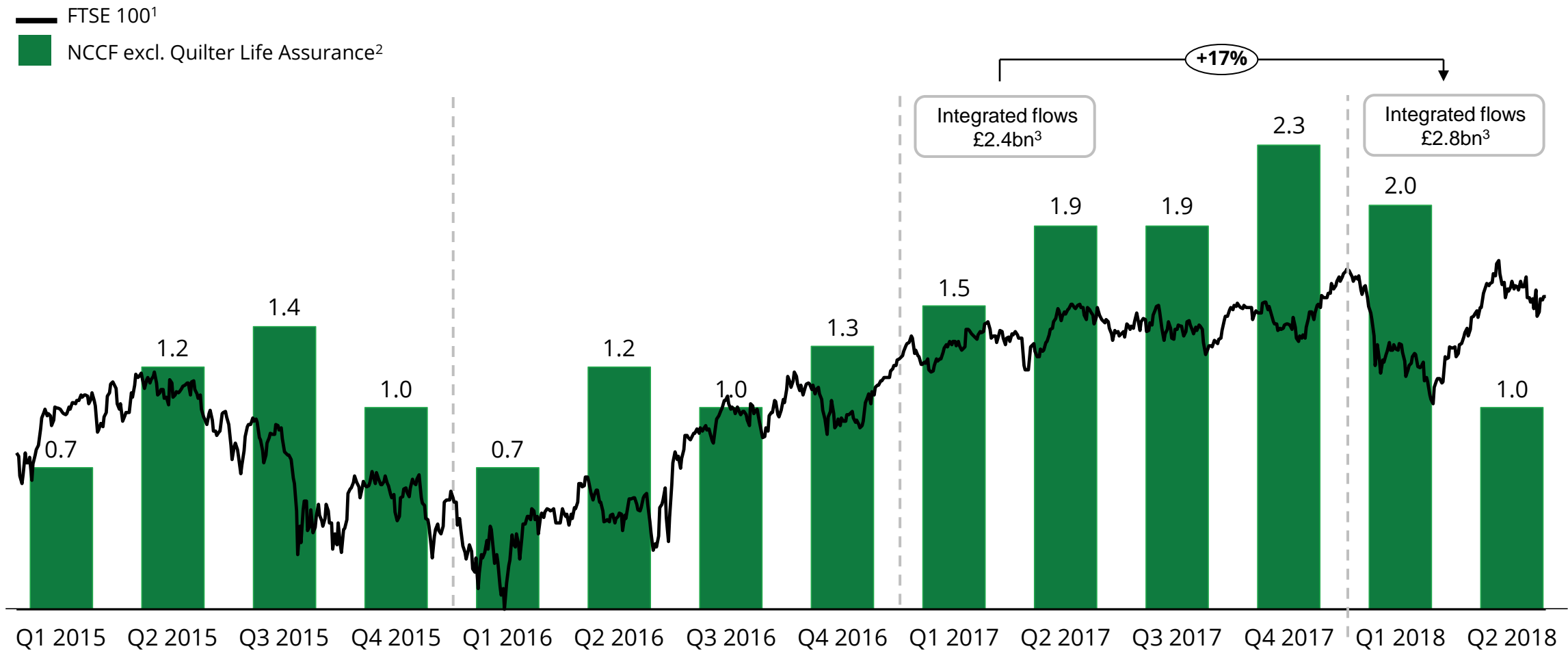
Successfully listed as Quilter plc, Platform Transformation Programme on track, Single Strategy disposal completed



Special interim dividend of 12.0 pence per share

1. Calculated using NCCF on an annualised basis

Continued delivery of positive net flows



1. Market data sourced from Factset
 2. Excludes Quilter Life Assurance net outflows and eliminations of £0.4bn, £0.9bn, £1.3bn and £0.8bn for 2015, 2016, 2017 and H1 2018 respectively
 3. Excludes Quilter Life Assurance integrated outflows of £0.2bn and £0.1bn in H1 2017 and H1 2018 respectively

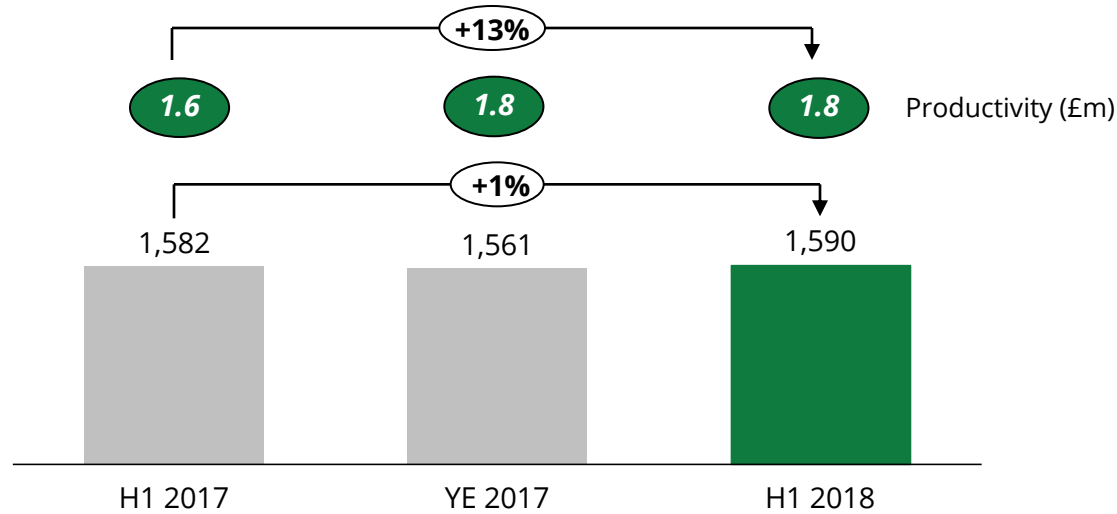
NCCF – significant growth in integrated flows

£bn	H1 2018	H1 2017	Δ
Quilter Investors	1.8	1.5	20%
Quilter Cheviot	0.5	0.6	(17%)
Advice & Wealth Management	2.3	2.1	10%
Quilter Wealth Solutions	2.1	2.1	-
Quilter International	0.1	0.4	(75%)
Quilter Life Assurance	(1.0)	(0.5)	(100%)
Wealth Platforms	1.2	2.0	(40%)
Elimination intra-group	(1.3)	(0.9)	(44%)
Quilter plc total	2.2	3.2	(31%)
Quilter plc excl. Quilter Life Assurance	3.0	3.4	(12%)
Integrated NCCF excl. Quilter Life Assurance	2.8	2.4	17%

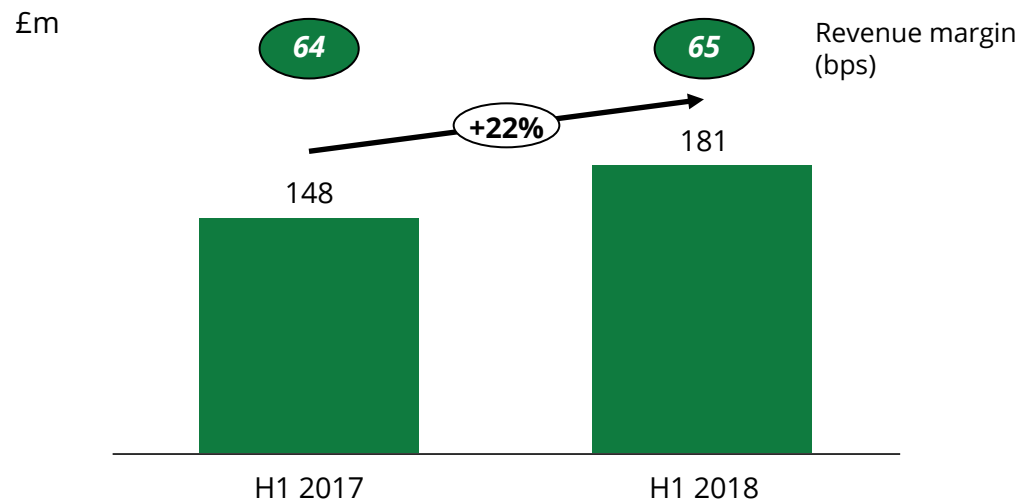
- NCCF (annualised)/Op. AuMA (excl. Quilter Life Assurance) of 6% exceeding our target of 5%
- Strong growth in Advice & Wealth Management driven by flows into the *Cirilium* and *WealthSelect* fund ranges
- Continued strong flows within Quilter Wealth Solutions
- Weaker flows from Quilter International
- 17% growth in integrated flows of which £2.1bn is generated by Quilter Financial Planning
- Quilter Financial Planning generated:
 - 78% of Quilter Investors NCCF;
 - 20% of Quilter Cheviot NCCF; and
 - 29% of Quilter Wealth Solutions NCCF
- Non-integrated flows (excl. Quilter Life Assurance) of £1.7bn (H1 2017: £2.2bn)

Advice and Wealth Management performance

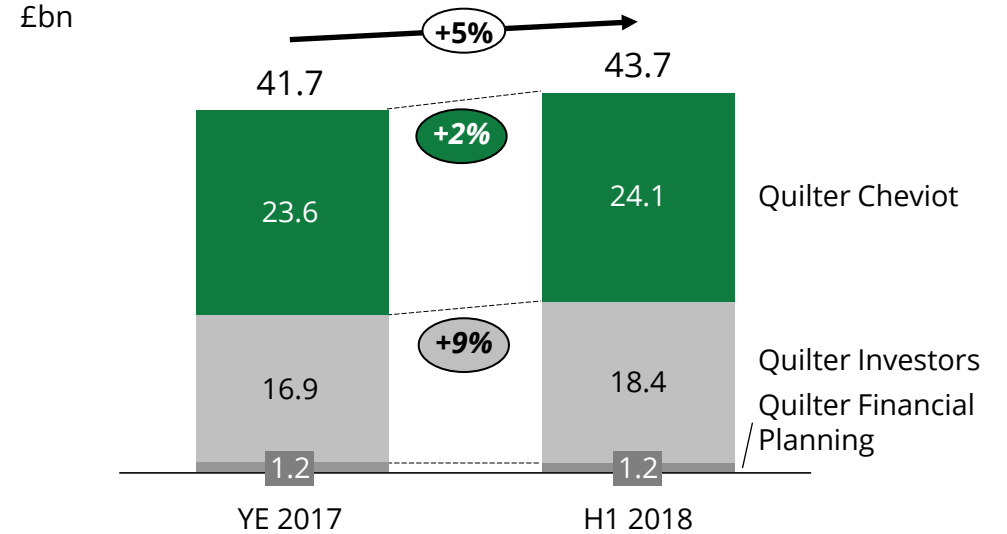
RFP #s



Revenue



Closing AuM



- RFPs up 2% from 31 December 2017
- Longer average adviser tenure helps improve productivity up 13%
- Annual net increase of 9 IMs to 168 with a continued focus on recruitment
- 5% AuM growth reflects strong flows into the *Cirilium* and *WealthSelect* fund ranges, increasing 17% and 16% since year end

Continued strong long-term investment performance above benchmark

Discretionary

Quilter Cheviot PCI Quartile Ranking
ARC Private Client Index, Q1 2018

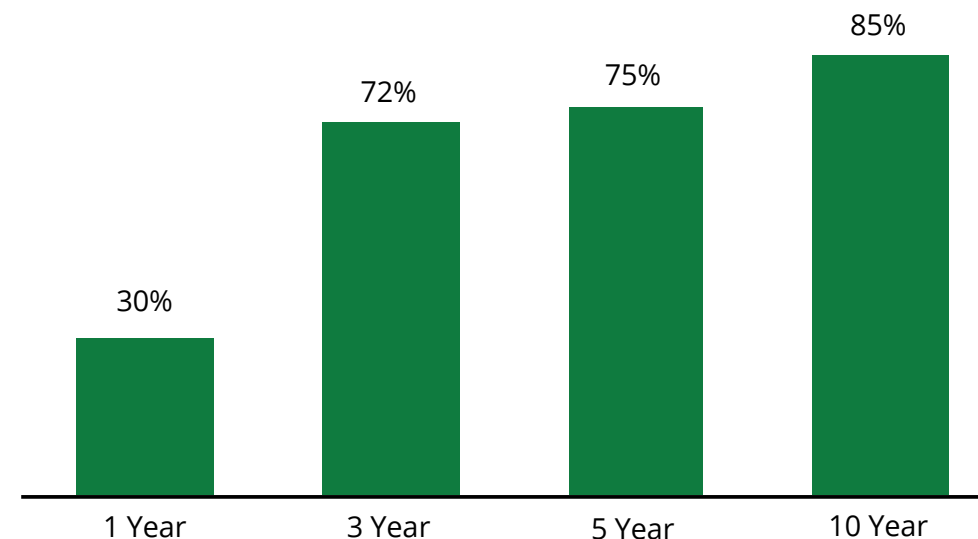
AuM
£24.1bn

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

Quilter Investors' performance

% of weighted AuM above market comparator

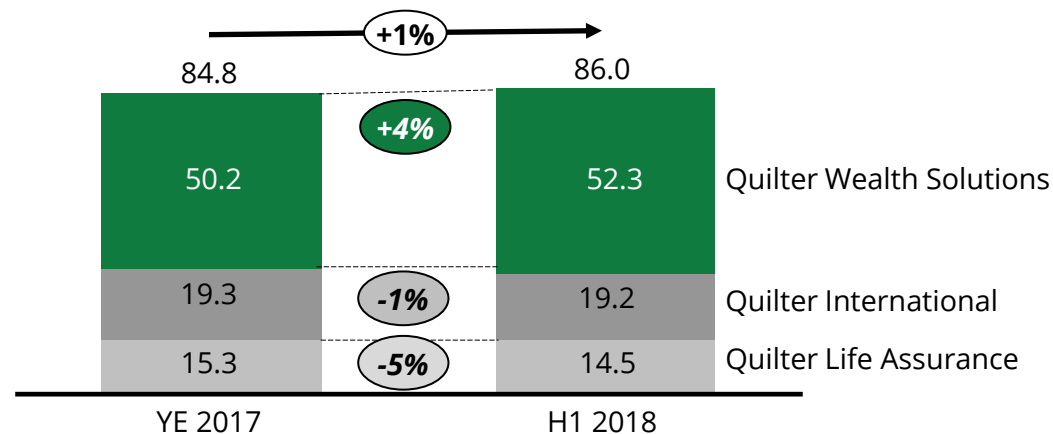
AuM
£18.4bn



Wealth Platforms' performance

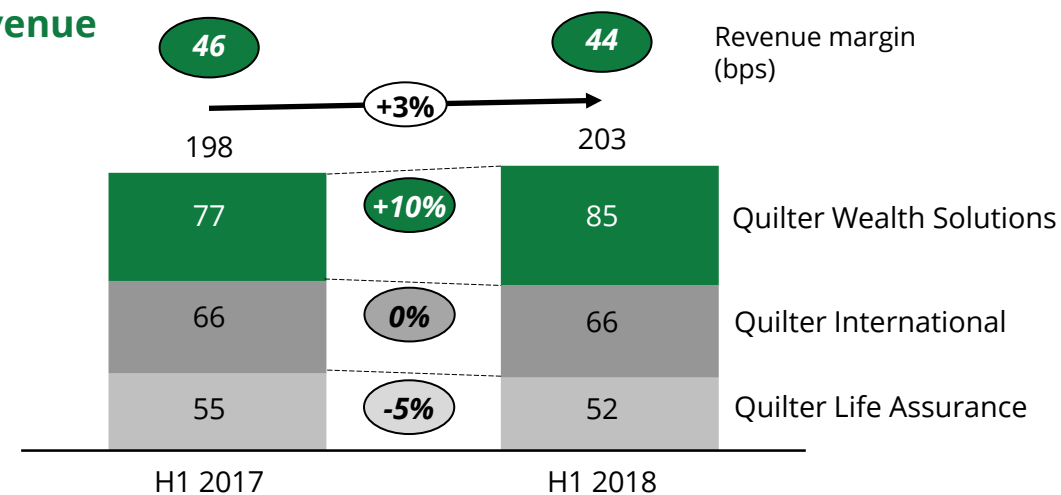
Closing AuA¹

£bn



Revenue

£m



➤ Quilter Wealth Solutions:

- AuA up 4%;
- NCCF/Opening AuA 8%
- Revenue up 10%

➤ Increased revenue driven by higher average AuA of £83.2bn for the segment

➤ Steady Quilter International revenue despite weaker flows

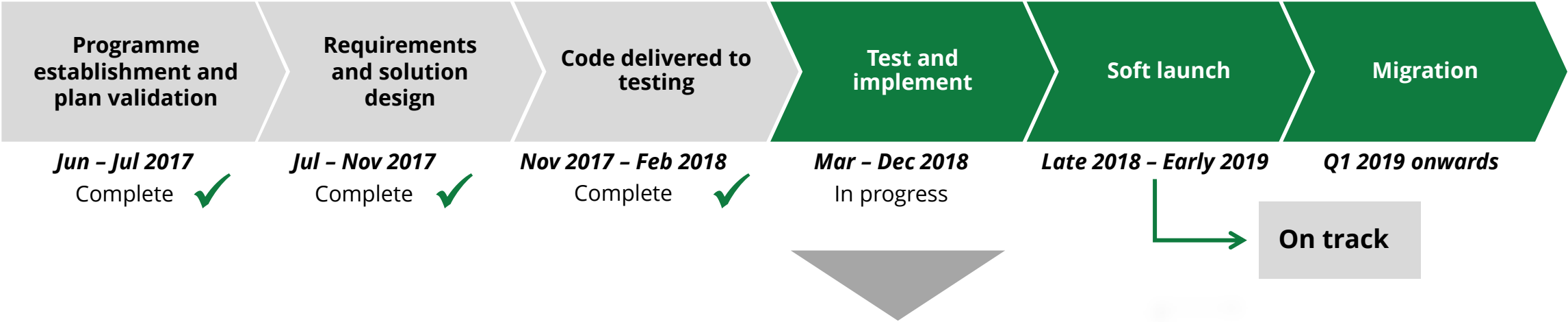
➤ Institutional life book now stands at £4.4bn

➤ Quilter Life Assurance performing as expected, profits flat at £27m

¹ Quilter Life Assurance includes other shareholder assets of £0.2bn at YE 2017 and £0.4bn at H1 2018

Platform Transformation Programme on track for 2018/2019 delivery

Costs in line with previous stated levels of £120-160m



No change to overall cost guidance or timelines

Reaffirm expected FY spend of £75m (H1 costs of £27m)

Thousands of tests now run, defect fixing underway

Focus on testing and readiness will continue over the summer

Internal ramp up of activity for soft launch underway

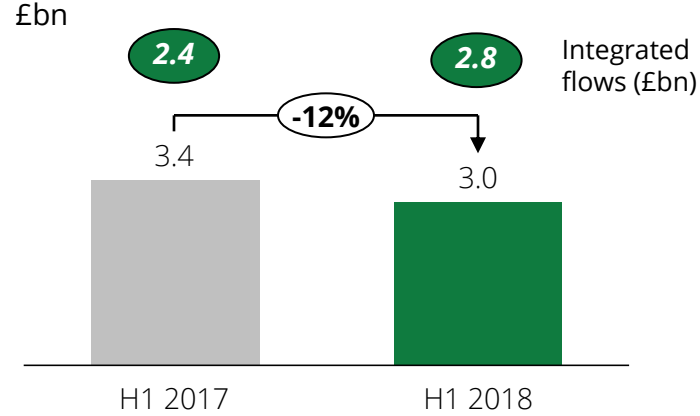
Migration plans are advancing well

Financial review

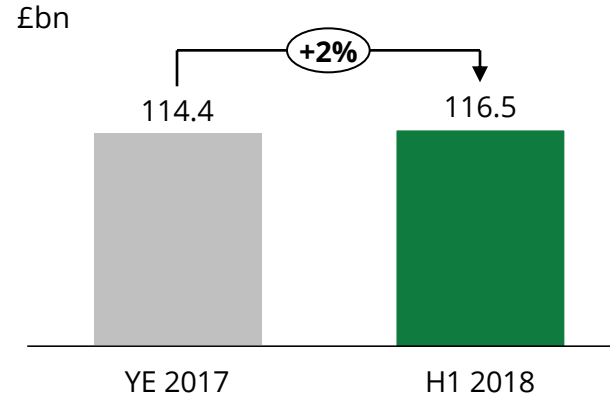
Tim Tookey
8 August 2018

Operational performance

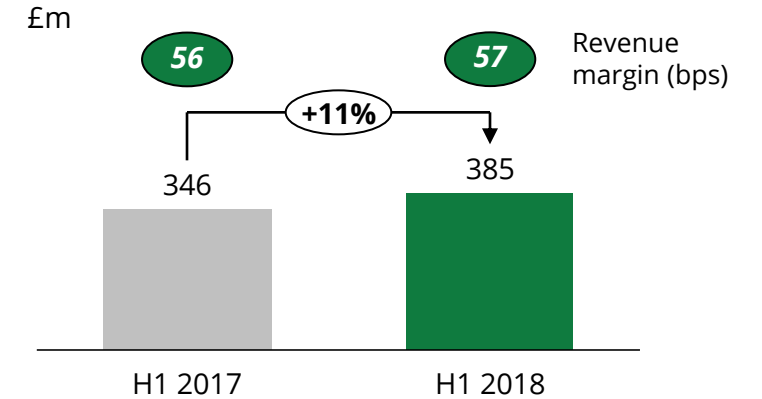
NCCF (excl. Quilter Life Assurance)



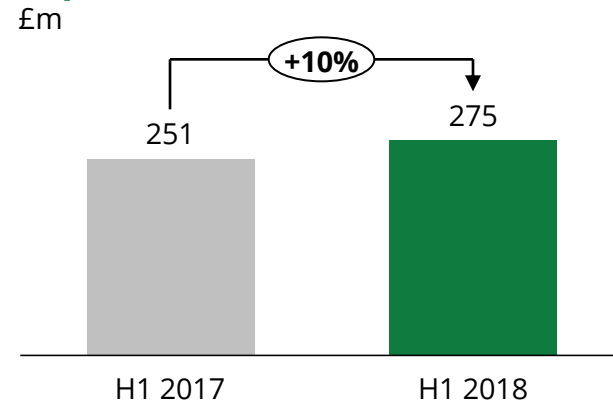
AuMA



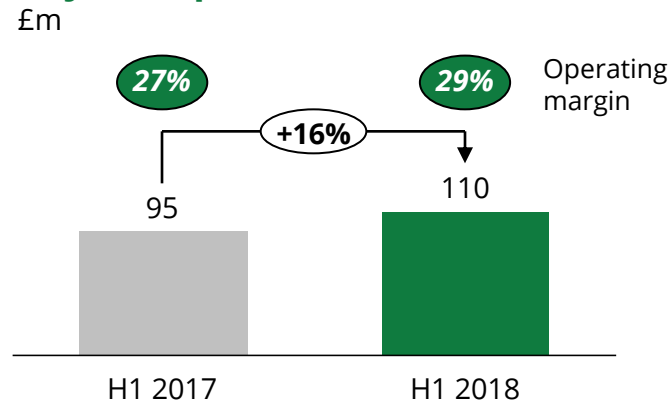
Revenue



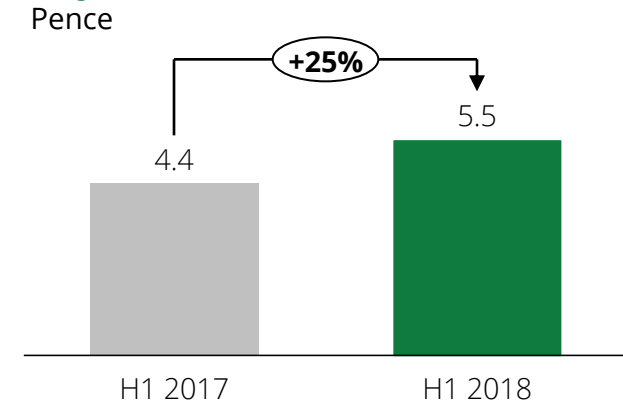
Expenses



Adjusted profit before tax



Adjusted EPS



¹ Includes Quilter Life Assurance

Advice and Wealth Management

£m	H1 2018	H1 2017	Δ
Revenue	181	148	22%
Expenses	(134)	(116)	(16%)
Adjusted profit	47	32	47%
Key metrics:			
Revenue margin (bps)	65	64	1 bp
Operating margin (%)	26	21	5 pp
NCCF (£bn)	2.3	2.1	10%
Closing AuM (£bn)	43.7	37.8	16%
Average AuM (£bn)	42.0	34.8	21%
NCCF/opening AuM (%) ¹	11	13	(2 pp)

- Revenue margin increase due to mix
- Growth in advice fees (up 17% to £41m)
- Expense increase of 16% primarily due to expansion of the Private Clients Adviser network and the acquisition of Caerus
- Operating margin improvement demonstrating operating leverage
- Continued high level of net flows as a percentage of opening AuM

¹ Before eliminations

Wealth Platforms

£m	H1 2018	H1 2017	Δ
Revenue	203	198	3%
Expenses	(120)	(124)	3%
Adjusted profit	83	74	12%
Key metrics:			
Revenue margin (bps)	44	46	(2 bps)
Operating margin (%)	41	37	4 pp
NCCF (£bn)	1.2	2.0	(40%)
Closing AuA (£bn)	86.0	79.3	8%
Average AuA (£bn)	83.2	75.7	10%
NCCF/opening AuA (%) ¹	6	9	(3 pp)

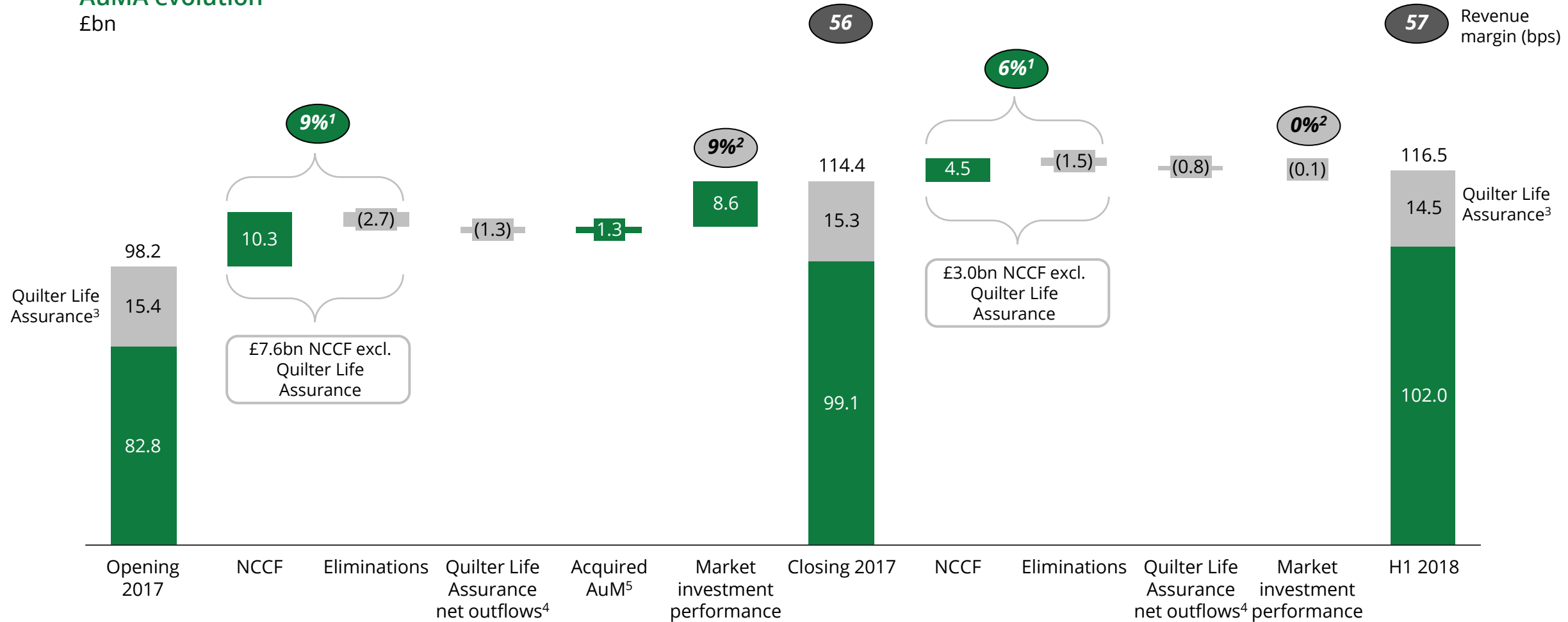
- Revenue margin decrease driven by mix
- Decrease in expenses of c.£4m includes timing benefit of technology spend
- Strong adjusted profit reflects higher revenue for Quilter Wealth Solutions from higher AuA
- Operating margin improvement from operating leverage
- Quilter Life Assurance profits stable at £27m
- Quilter Wealth Solutions NCCF of £2.1bn flat on prior year

¹ Excludes Quilter Life Assurance and before eliminations

Strong NCCF and AuMA growth

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 £0.1bn, £0.2bn and £0.4bn in 2017 opening, 2017 closing and H1 2018, respectively
4. Includes £0.3bn in 2017 and £0.2bn in H1 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



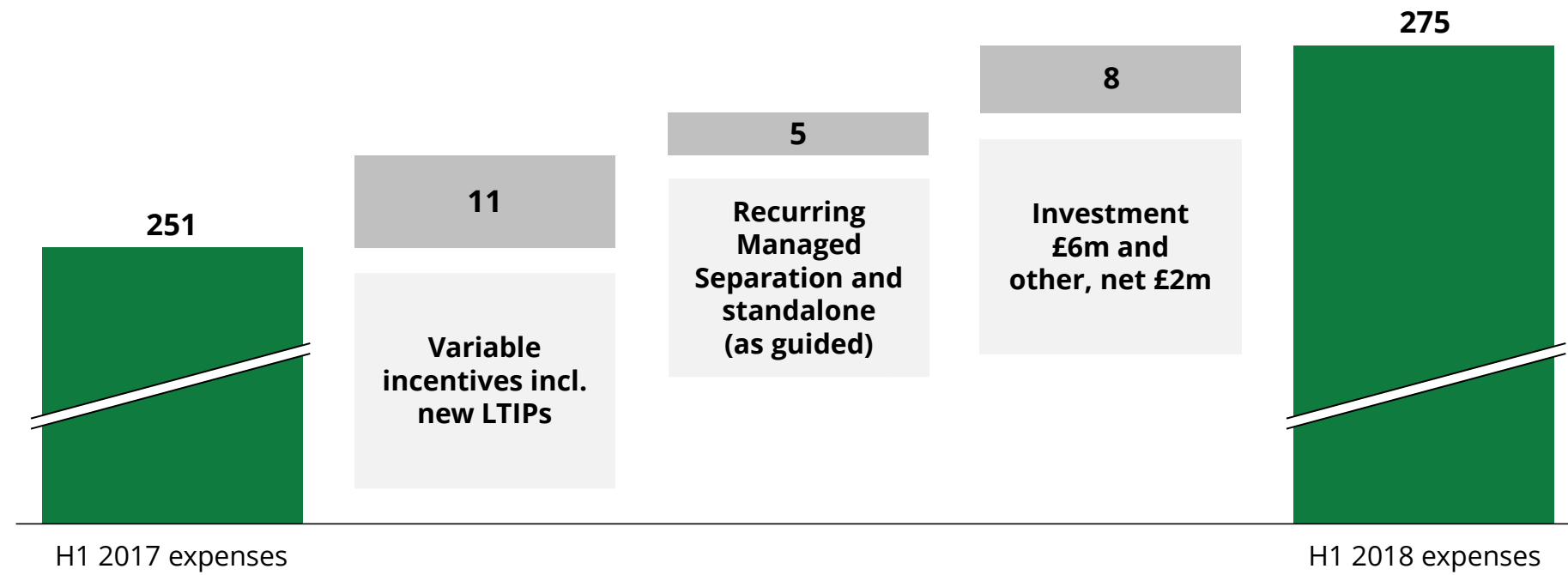
Disciplined expense management continued

£m

Operating margin

27%

29%



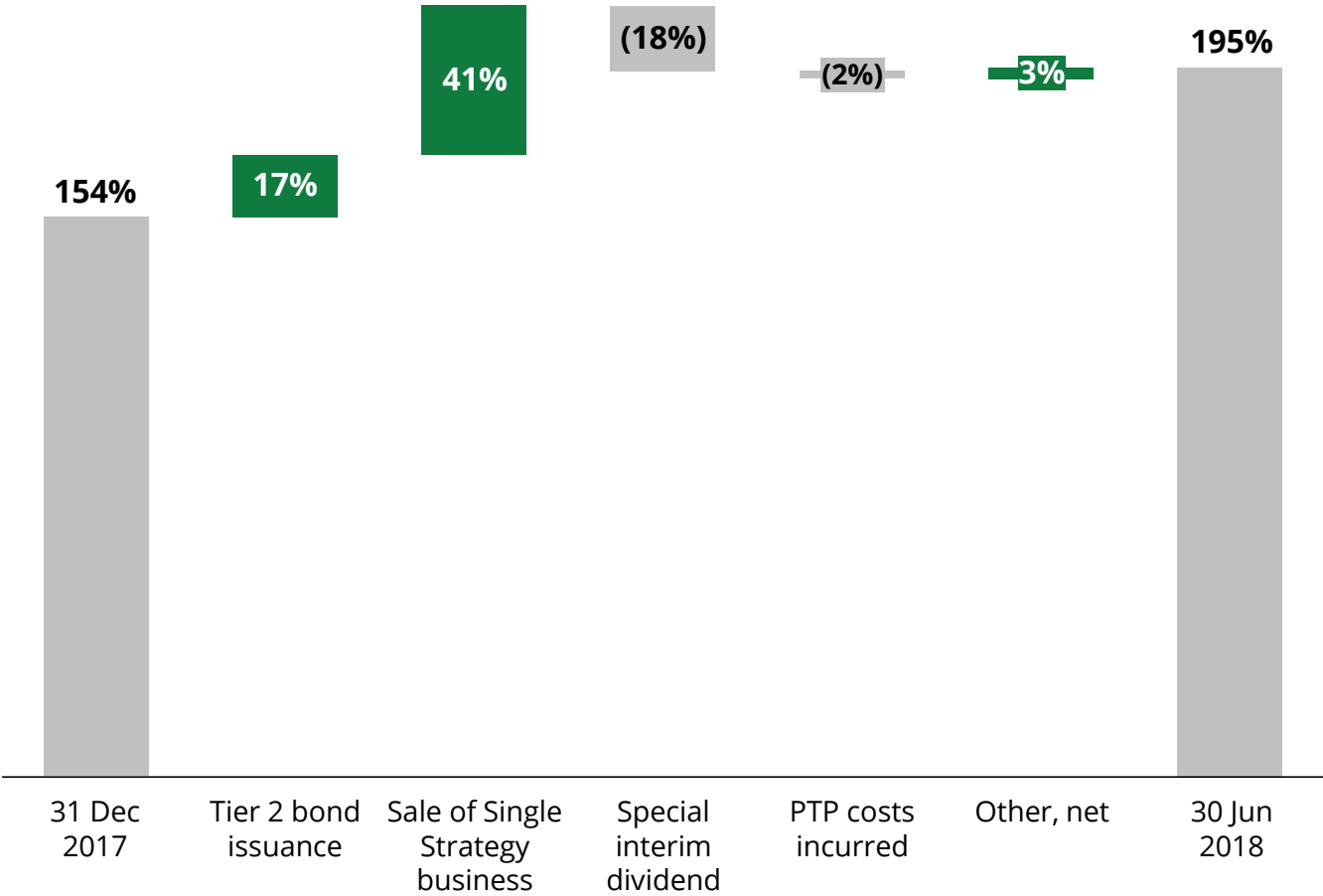
FY expenses context

- FSCS levy in H1 only
- Reversal of timing differences
- Build out of Quilter Investors
- PCA investment

Strong solvency and cash position

SII ratio

%

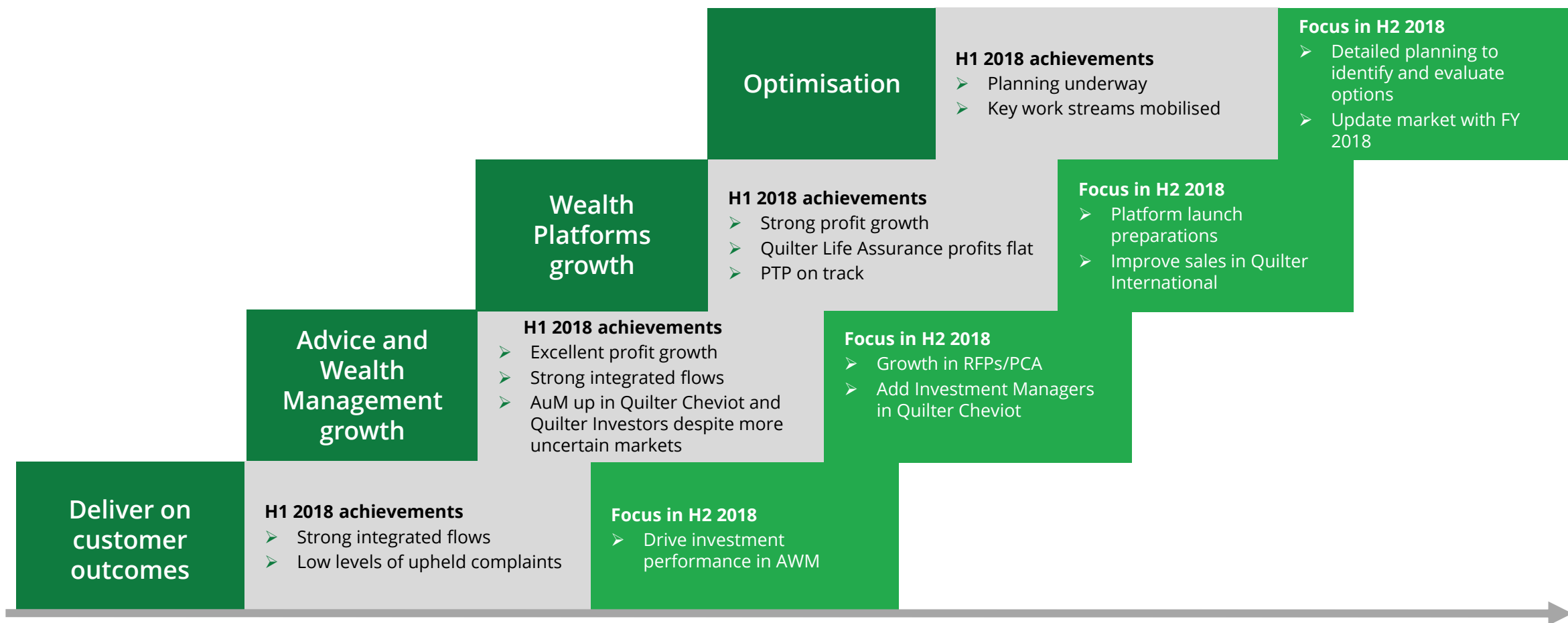


- Holding company cash at 30 June 2018 of £587m
- Expected reduction of £221m for special interim dividend
- Provides liquidity for committed strategic programme including UK Platform Transformation Programme
- Includes contingencies for any further potential costs arising from the FCA's review of the treatment of certain customers of Quilter Life Assurance and initial optimisation spend

Concluding remarks

Paul Feeney
8 August 2018

Our focus for the second half and beyond



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Q&A

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