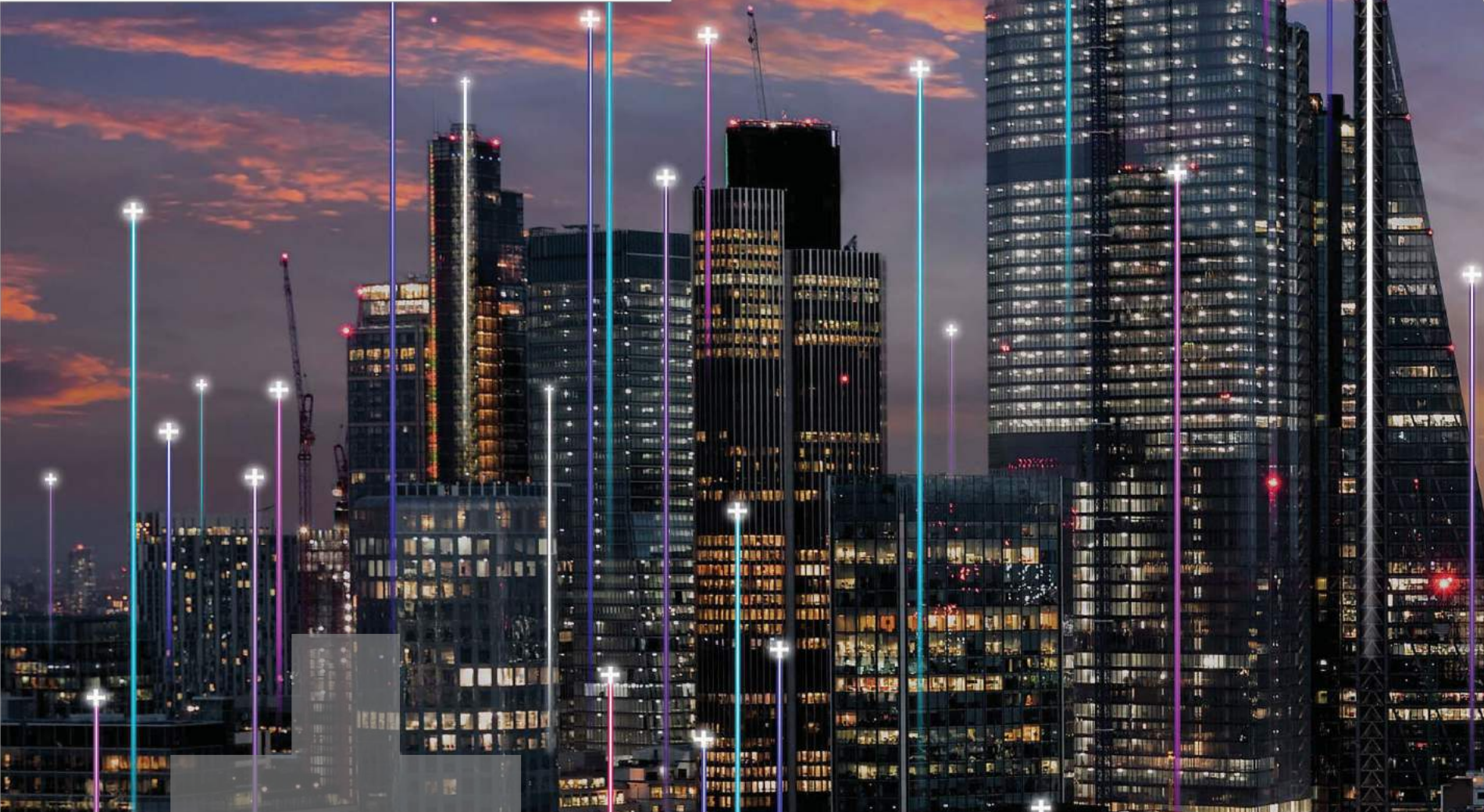
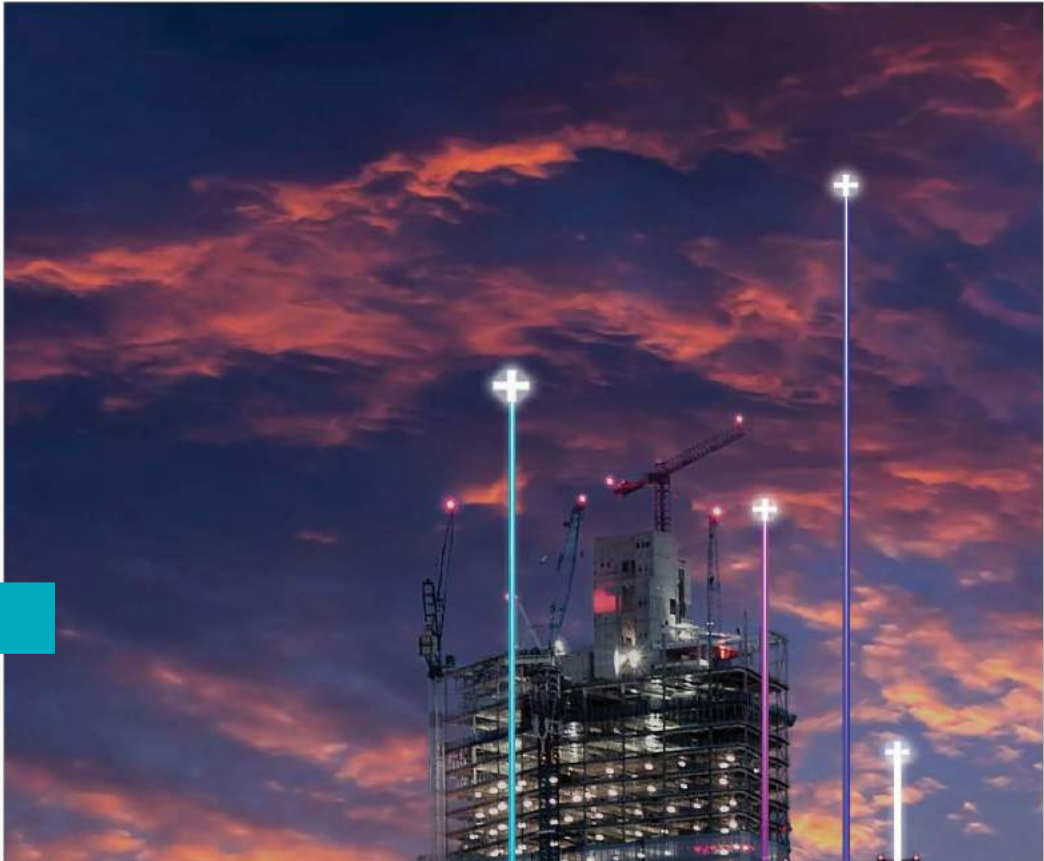


True Potential Q4 2022 Results Call



true potential 

Presenting today.



Daniel Harrison

CEO, Co-founder,
Senior Partner



Steven Rutter

Head of
Financial Reporting

Agenda

1. 2022 Full Year Results
2. Business Strategy
3. IFRS Transition
4. Q4 2022 Results

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2022 highlights.

£338 million
group turnover
for 2022.



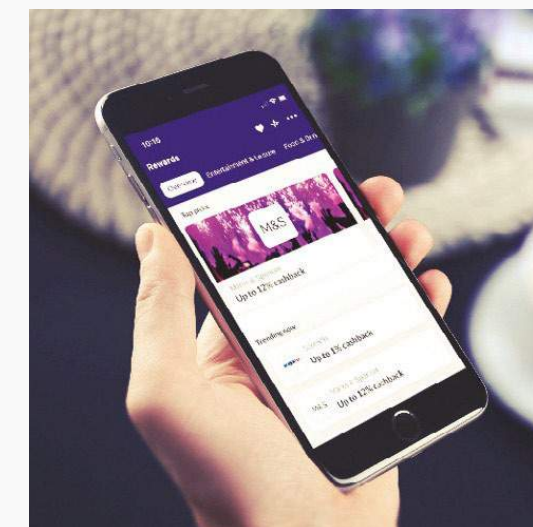
150th
Do More With
Your Money
podcast
episode.

The team successfully implemented
the addition of our latest fund
manager partners, **Pictet** and
Waverton.



£183 million
total value of
impulseSave®
top ups.

Extended our service to the
beneficiaries of our clients,
helping them make the most of
intergenerational wealth.



£1.4 million
worth of
Rewards
transactions.

£500,000
raised for our
charity
partners.

2022 highlights.

9,620
fund manager
experts in **162**
locations around
the world.

125,000
clients now
benefit from
Hybrid Advice.



6.9 million
client logins
through website
and app.

98%
retention across
our centrally
advised clients.

Watch our Year
in Review 2022.



Over **2,000** advisers
attended our
regional seminars
across the UK.

£176 million
EBITDA
for 2022.

Our Chairman and founder, **David
Harrison was Knighted** for his
services to business, education,
and social mobility.



Our 2022 awards.



Best Online/Mobile Access

City of London Wealth Management Awards 2022



Rated 'very best in the industry'

the lang cat



Best Platform Service

UK Platform Awards 2022



Best Platform Provider

UK Platform Awards 2022



Leading Adviser Business

UK Platform Awards 2022



Best SIPP Provider

Money Marketing Awards 2022



Best Support Service Provider

Money Marketing Awards 2022



Best Video/Podcast Campaign

Citywire Engage Content Awards



Digital Champion

NextWealth

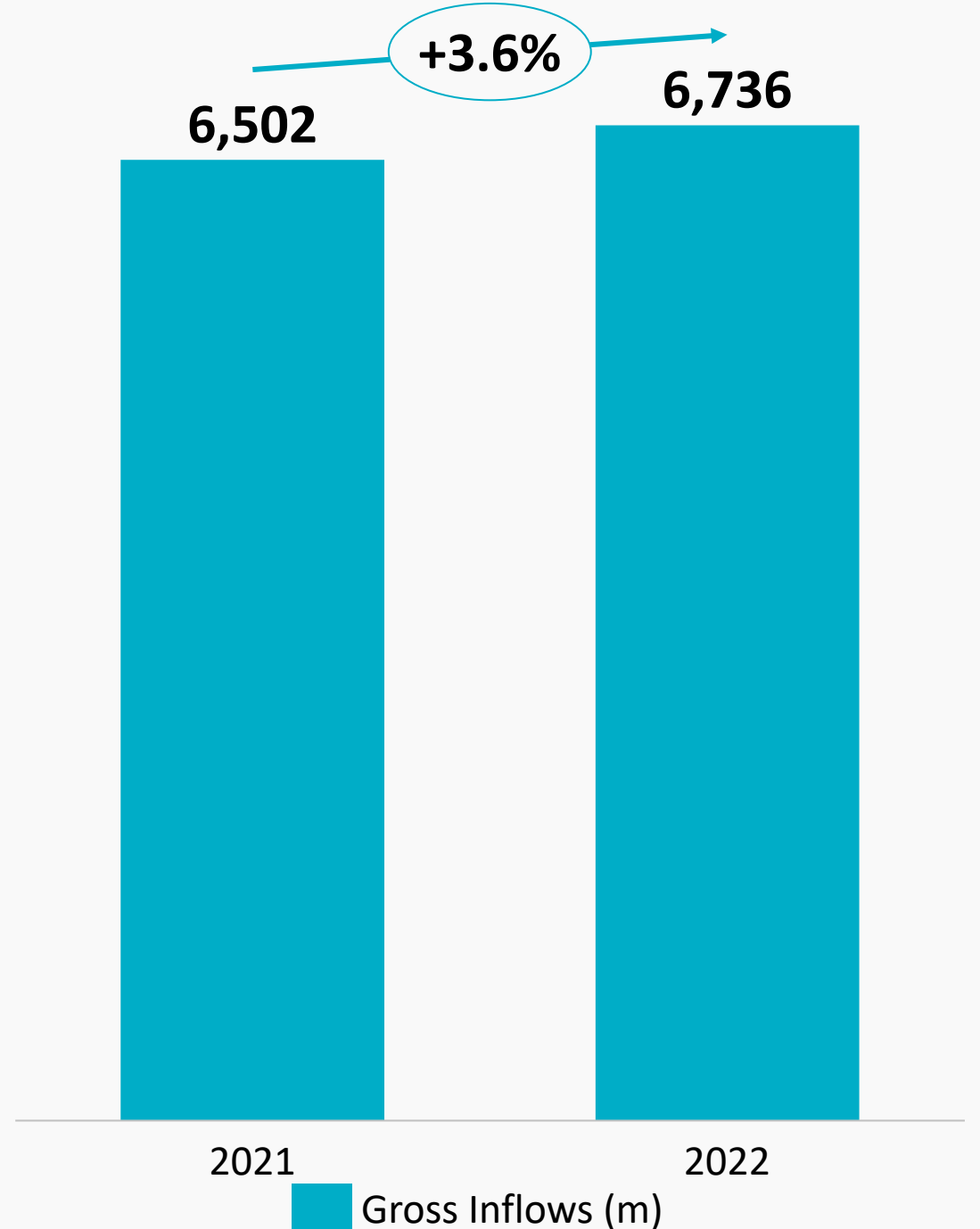


Platform with Highest Net Sales

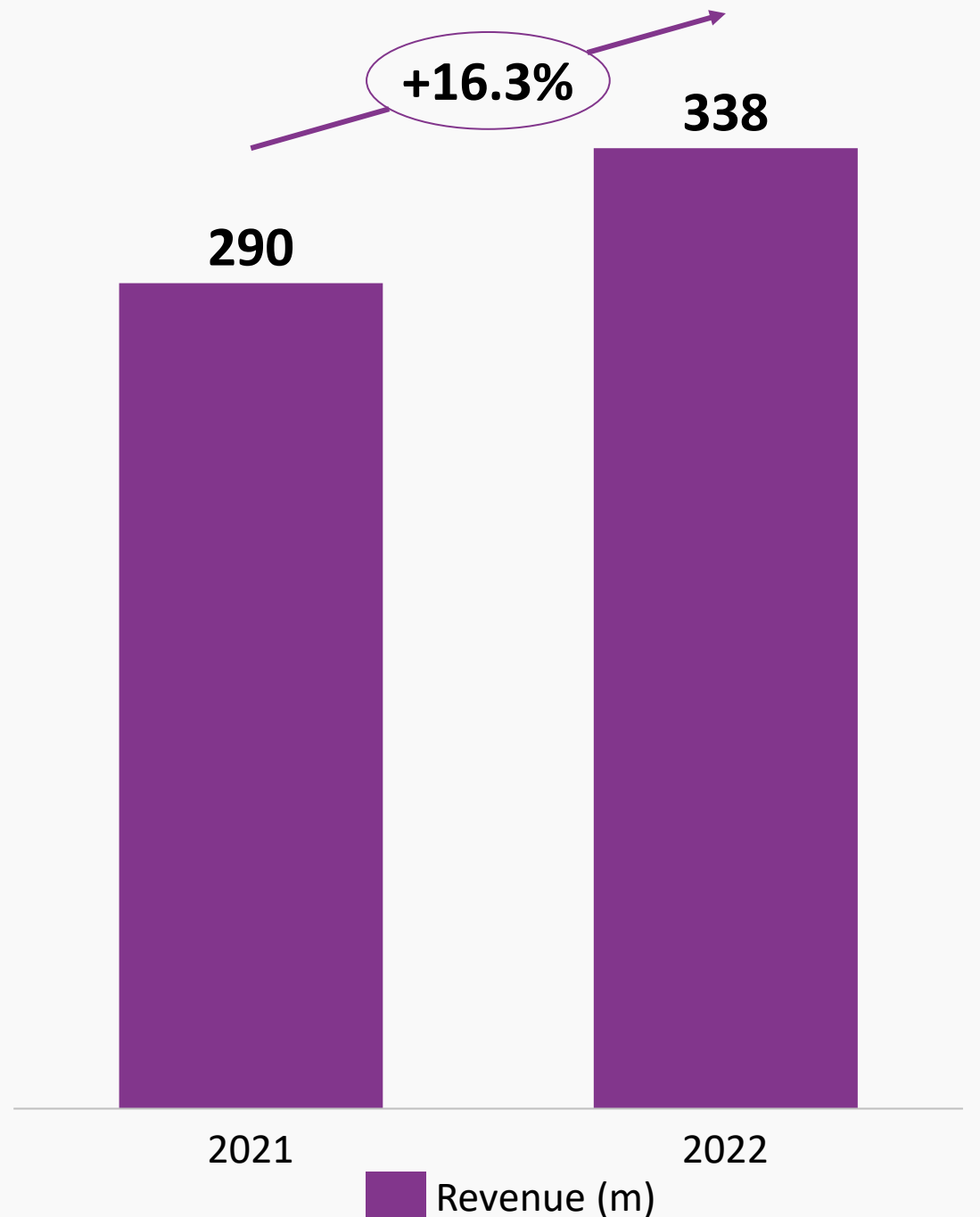
Fundscape Platform Report

2022 Full Year Results

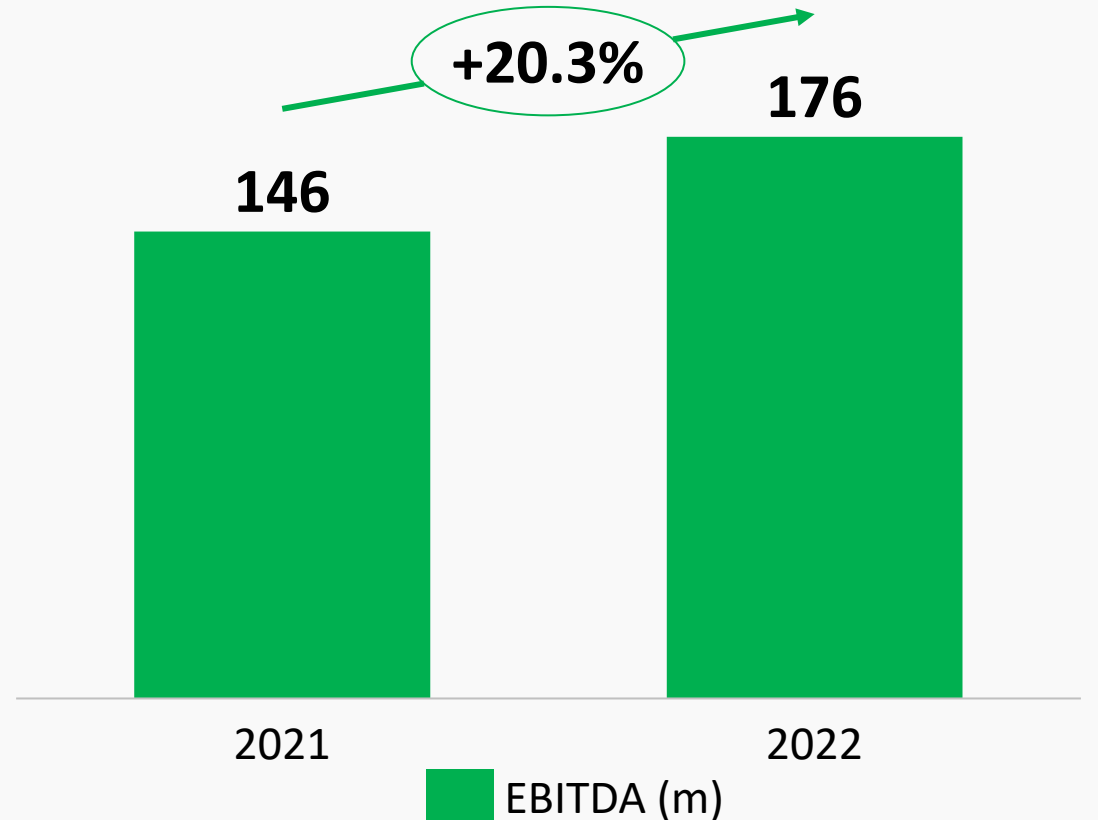
Gross Inflows



Revenue



EBITDA

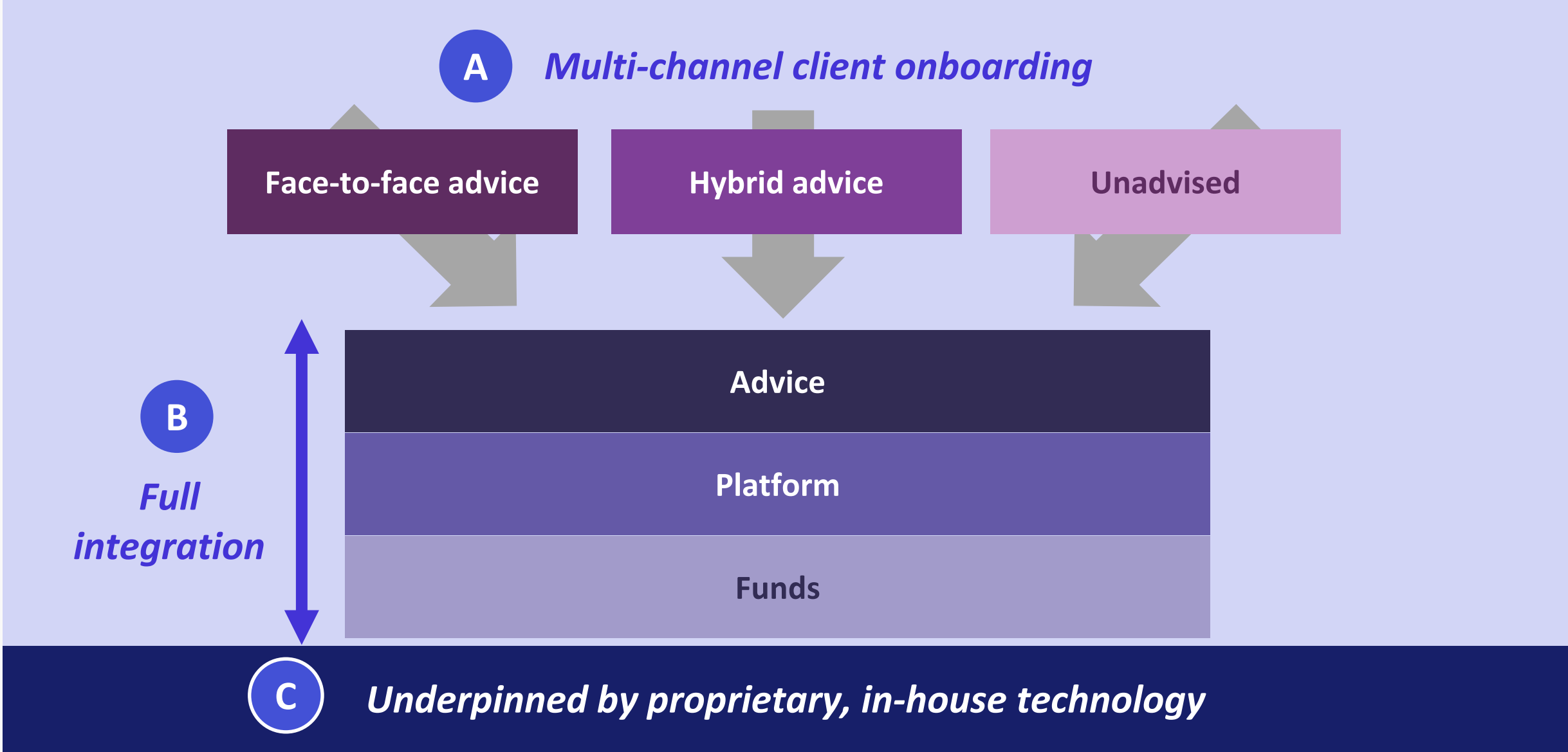


Agenda

1. 2022 Full Year Results
- 2. Business Strategy**
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Our performance comes from our unique business model

Our business is built to deliver the best client experience



...which leads to...

- 1 Loyal, long-term customers
- 2 Huge market opportunity
- 3 Attractive unit economics
- 4 High growth
- 5 Superior financial profile

Full integration gives us full control of the client experience

We can deliver a higher quality and better value proposition through our fully integrated model



Better for clients

- High quality end-to-end offering, with an easy to use and personalised client experience
- Good value for money with simpler, more competitive costs
- Access to range of diversified investment funds with global managers, at attractive rates given True Potential's scale benefits
- **98% client retention**



Better for advisers

- Access to True Potential's seamless technology and range of investment solutions
- Attractive economics for self-employed advisers as well as growth capital and retirement solutions
- **Consistent #1 platform ranking by advisers**



(1) Face-to-face advice fees largely retained by advisers

94% fully integrated flows; 91% fully integrated AuM. Drives 106bps blended revenue margin

Our proprietary, in-house technology underpins everything we do

We listen, we innovate, we grow

Our technology strengthens our competitive position



We have loyal, aspiring clients who stay with us through their lifetime

Focused on the client since Day 1...

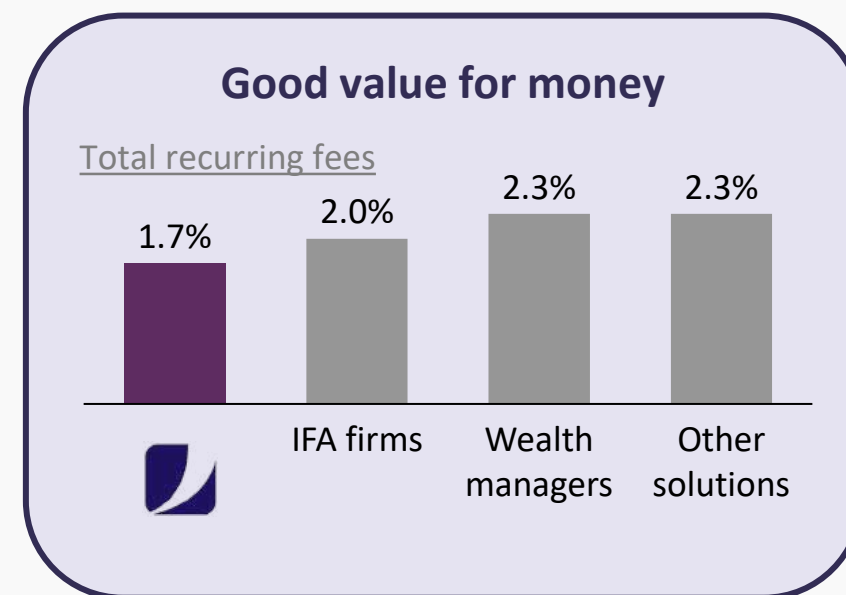
"Do more with your money"

Ease of access, anytime and anywhere

True Potential
Reviews 1,565 • Excellent
★★★★★ 4.9 ⓘ
✓ VERIFIED COMPANY

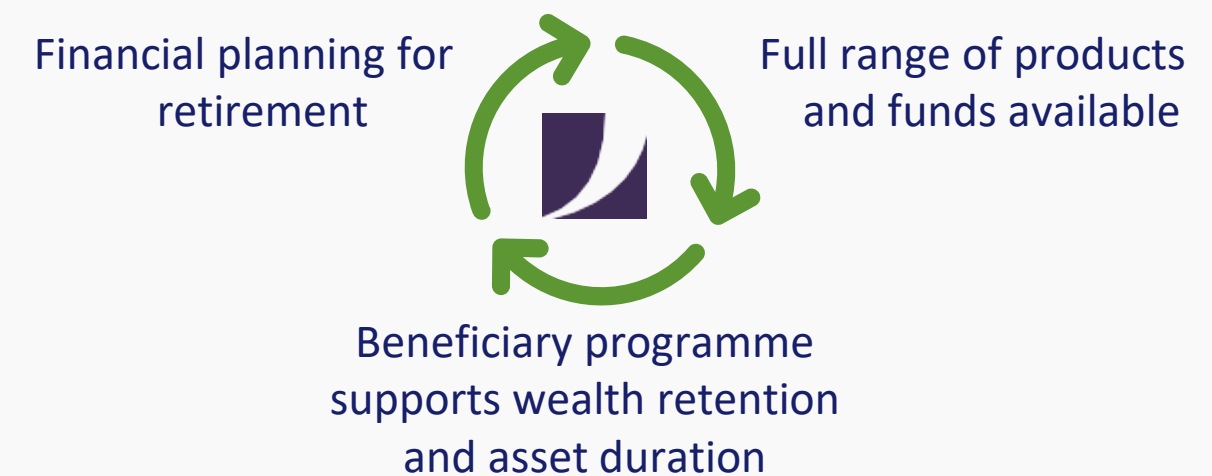
Simple ways to save through innovative tools using our technology

impulseSave



Access to diversified investment funds with global managers

...serving clients through their lifetime...



...driving leading engagement and retention

Source: ¹ Figures reflect Hybrid Advice clients; ² Average for Hybrid Advice clients participating in direct debits; ³ Based on average life expectancy of 79.3 for males / 83.1 for females

And there is a huge market opportunity to delight more clients

Large addressable market...



- ✓ *Deliberate focus on advised assets – sticky and stable clients and assets*
- ✓ *90% of the market in resilient wrapped products: 70% in pensions, 20% in ISAs¹*
- ✓ *We can offer these clients a better offering than what they currently have*

£23bn AuM
True Potential

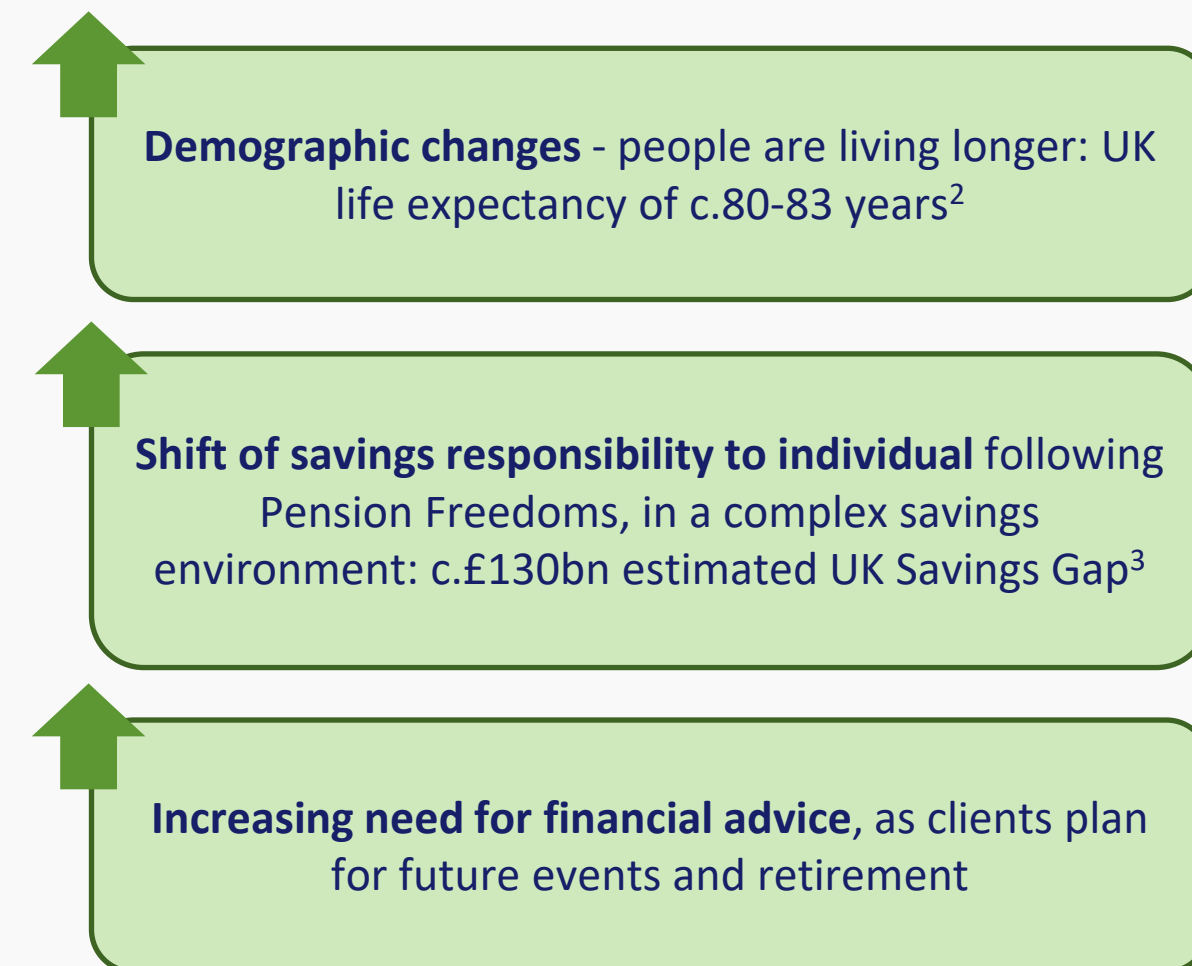
Long runway ahead: **5%** current market share

...which will continue to grow

Structural growth tailwinds

+6-8%

Estimated market growth (CAGR 2020-26)



Source: ¹ Bain & Company; ² Office for National Statistics; ³ Social Market Foundation Study, Feb-22

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Adjustments from FRS 102 to IFRS

Area	Change	Impact
Goodwill	Change to amortisation on business acquisition	Reversal of £10.4m amortisation in 2020 and 2021, not charged in 2022
Leases	Operating lease payments become Right Of Use assets	2022 tangible fixed assets increase by £1.8m
Performance Fee	Change to recognition of performance fee	Ongoing, performance fee will not be recognised until crystallised at 30 April
Client onboarding costs	Onboarding costs previously recognised as intangible assets or long term loans are now client onboarding costs under IFRS 15	Transfer of £575m of intangible assets, £47m of long term debtors and £11m RSD payment expenses, creation of £633m client onboarding cost in 2022

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Q4-22: Continued strong momentum despite market conditions.

439k

True Potential clients
+18k vs Q3-22

98%

Client retention
(Q3-22: 98%)

£1.2bn

Net inflows
YTD: £5.4bn net inflows

94%

Fully integrated flows
Fully integrated AuM
remains 91% (Q3-22: 91%)

4.9

Trustpilot score
(Q3-22: 4.9)

£23.3bn

Total AuM
+£1.8bn vs Q3-22

106bps

Net revenue margin
(Q3-22: 104bps)

79%

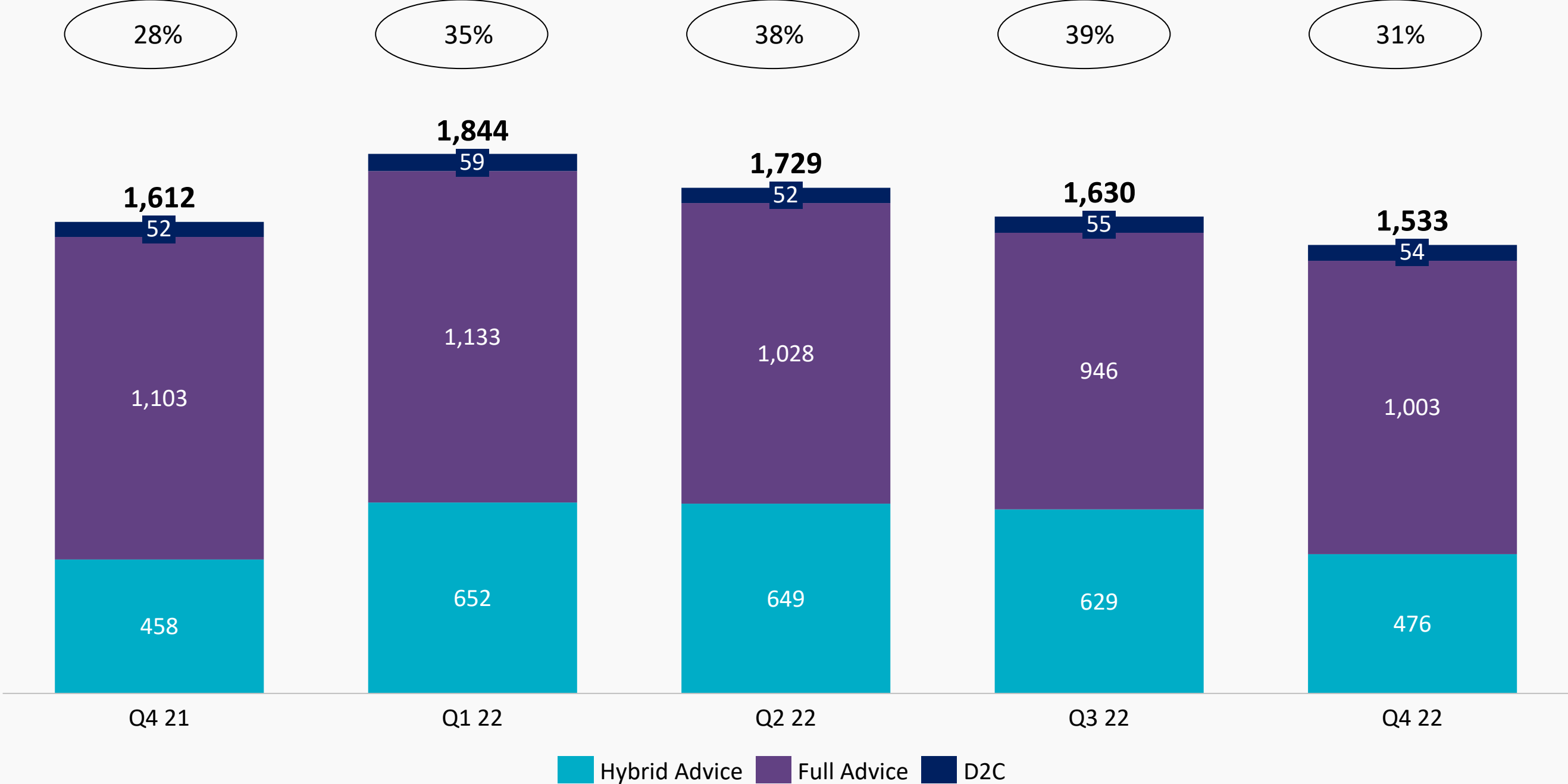
EBITDA margin as a %
net revenue
+1% vs Q3-22

Inflows remain very strong; client behaviour not impacted by market. Market performance reflected in stable stock of AuM.

Multi-channel strategy...

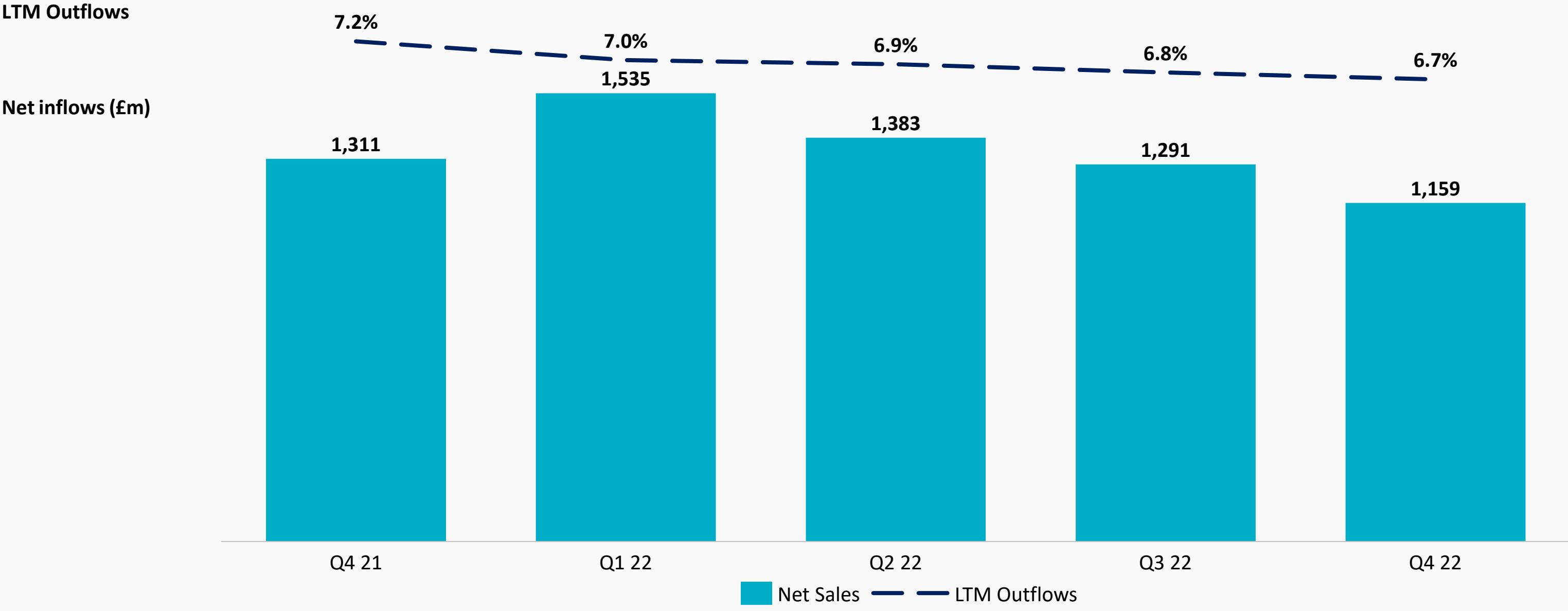
Gross Inflows to Hybrid Advice

Gross inflows (£m)



Hybrid Advice refers to Central Advice Team Clients, Face to Face Advice refers to all other advice channels and D2C refers to direct to consumer clients

Inflows remain very strong; client behaviour not impacted by market. Market performance reflected in stable stock of AuM.
...leading to consistent net inflows...

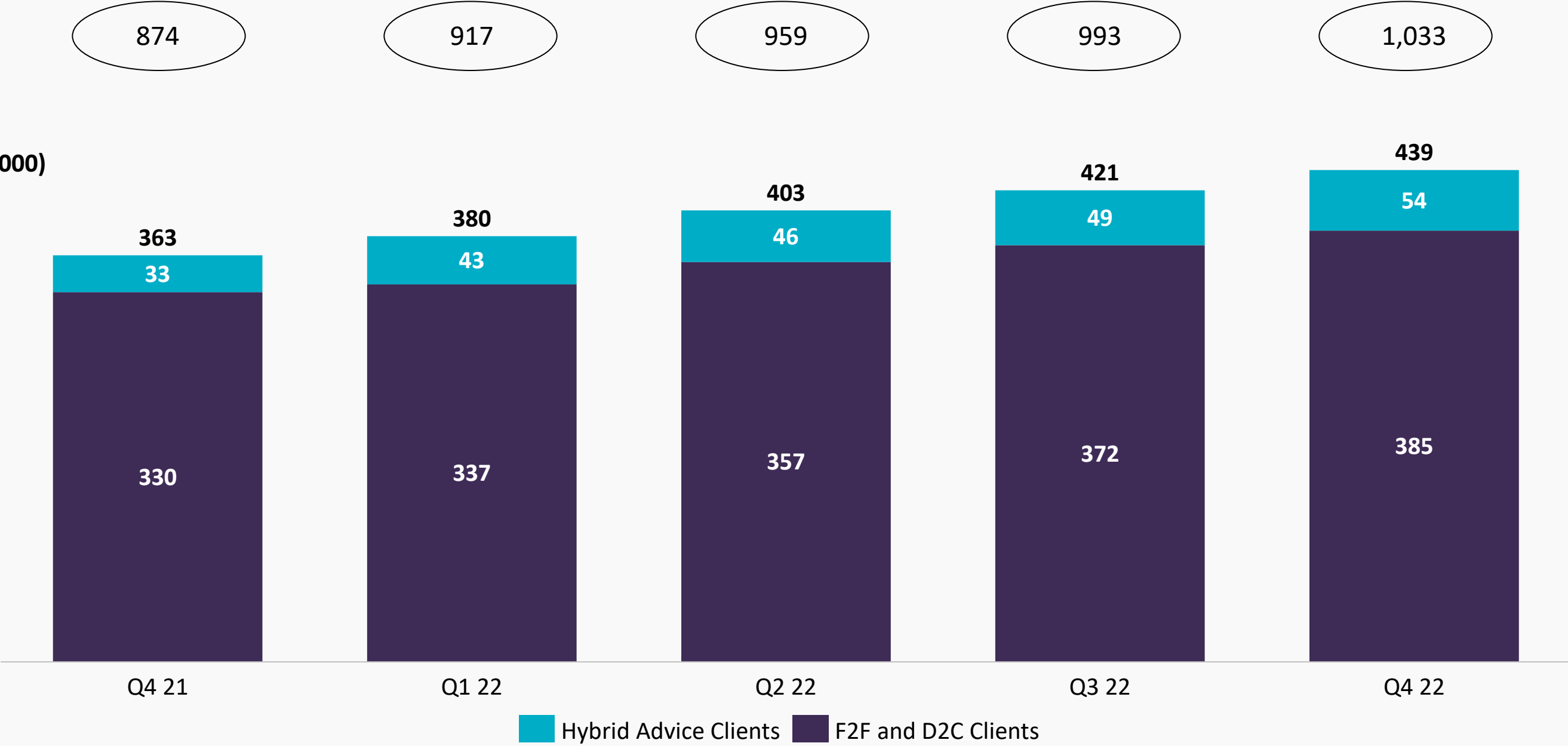


Hybrid Advice refers to Central Advice Team Clients, Face to Face Advice refers to all other advice channels and D2C refers to direct to consumer clients
 Outflows include all regular client withdrawals, pension income, one-off withdrawals and transfers out

Inflows remain very strong; client behaviour not impacted by market. Market performance reflected in stable stock of AuM.
...with continued growth in True Potential clients.

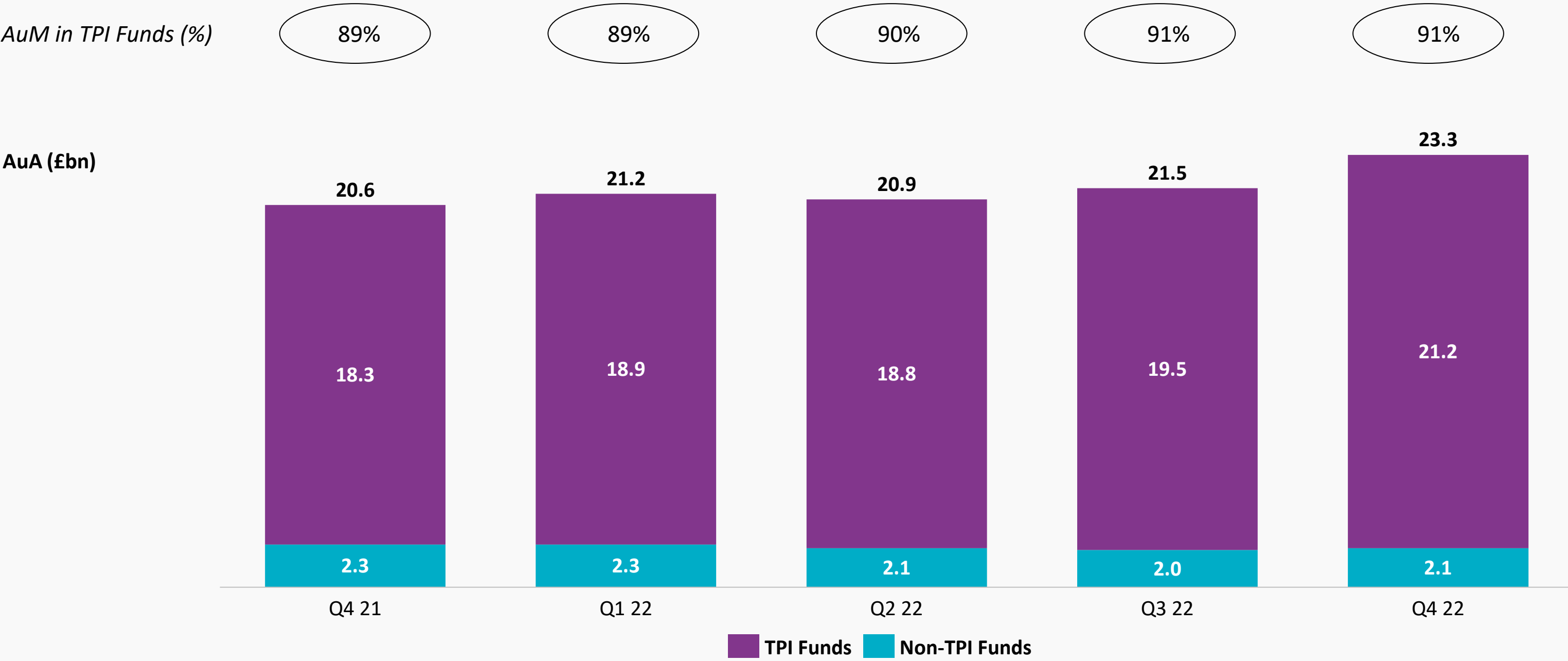
True Potential
 Wealth Management
 Advisers

True Potential Clients ('000)

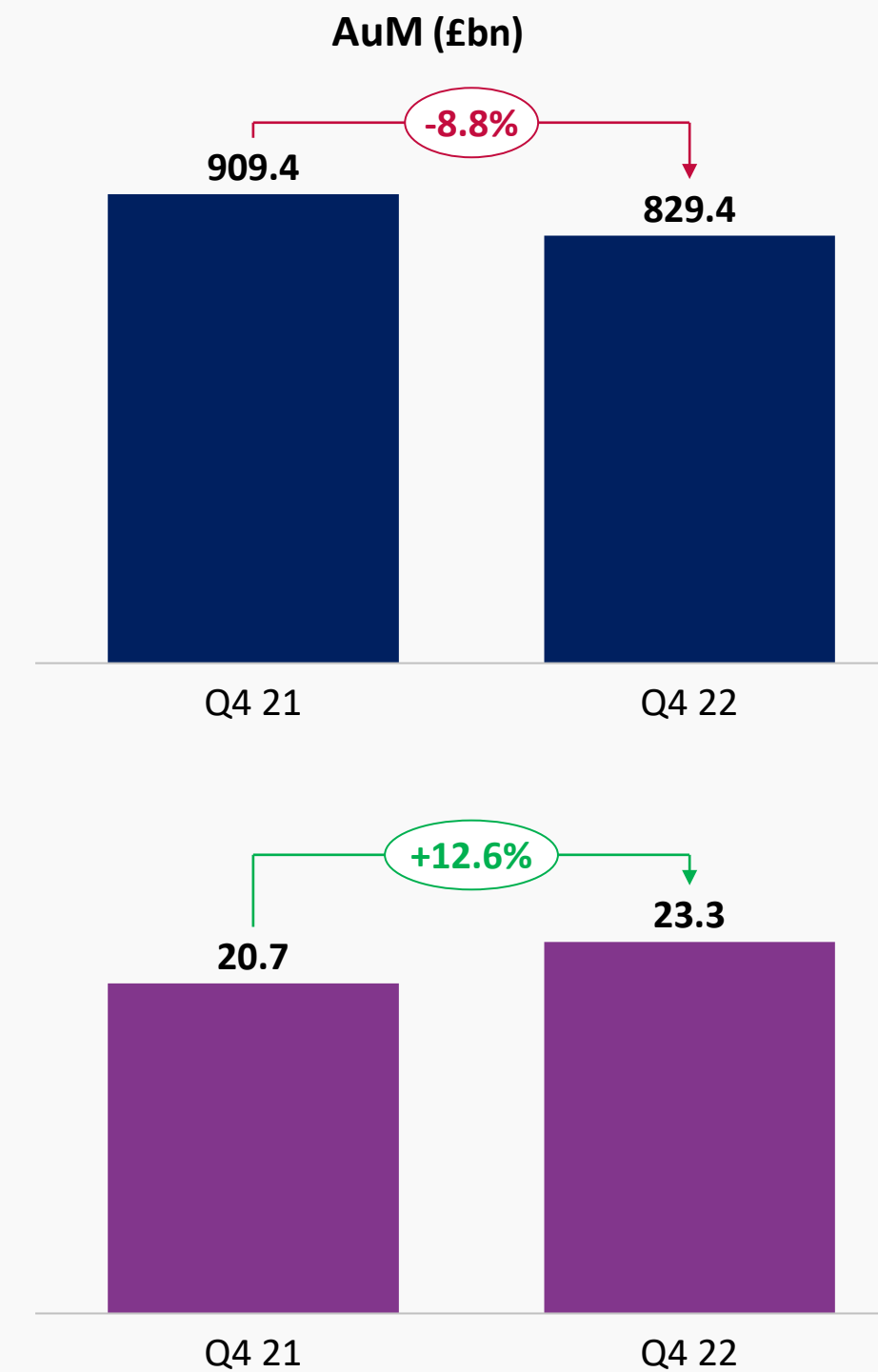
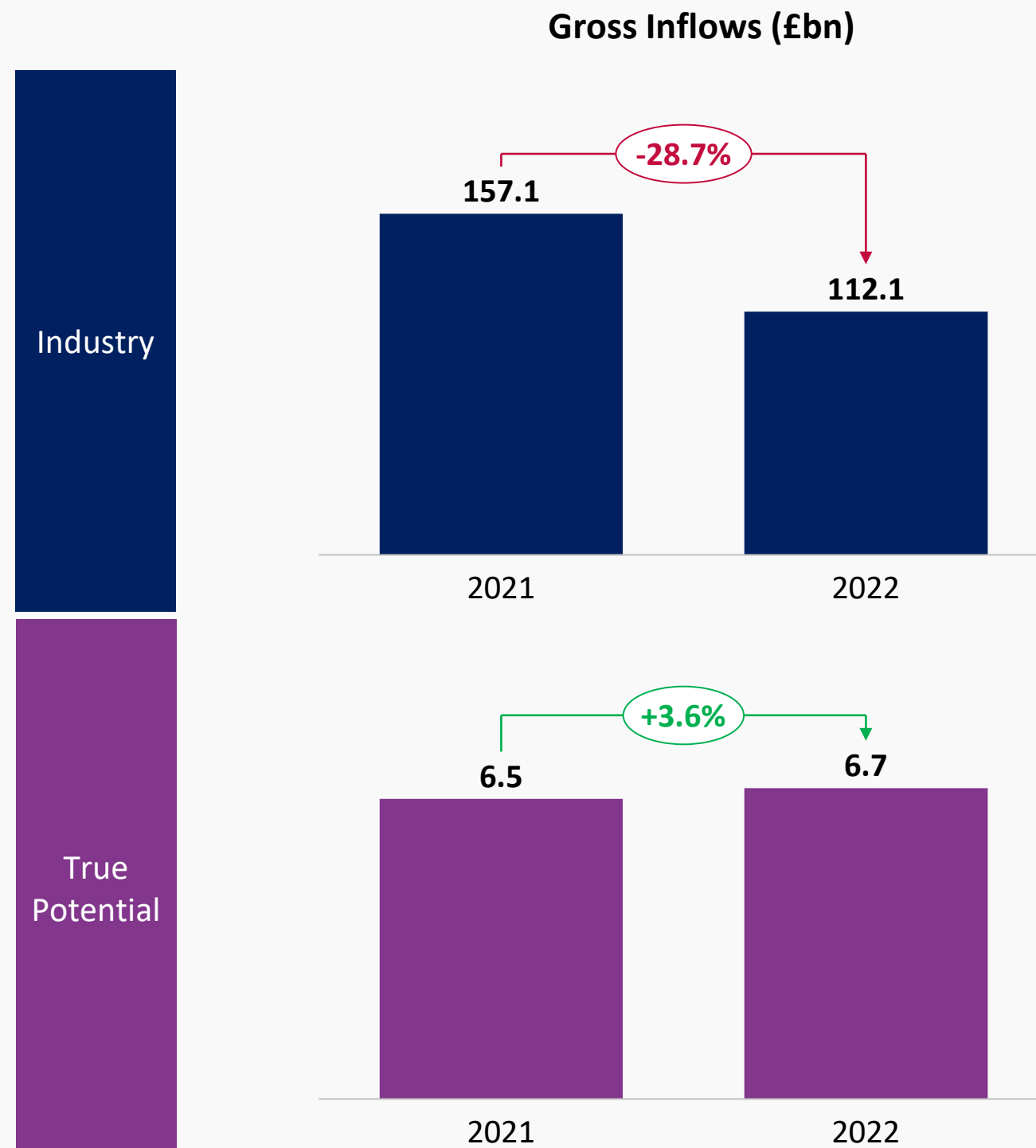


Inflows remain very strong; client behaviour not impacted by market. Market performance reflected in stable stock of AuM.

...underpins AuM growth...



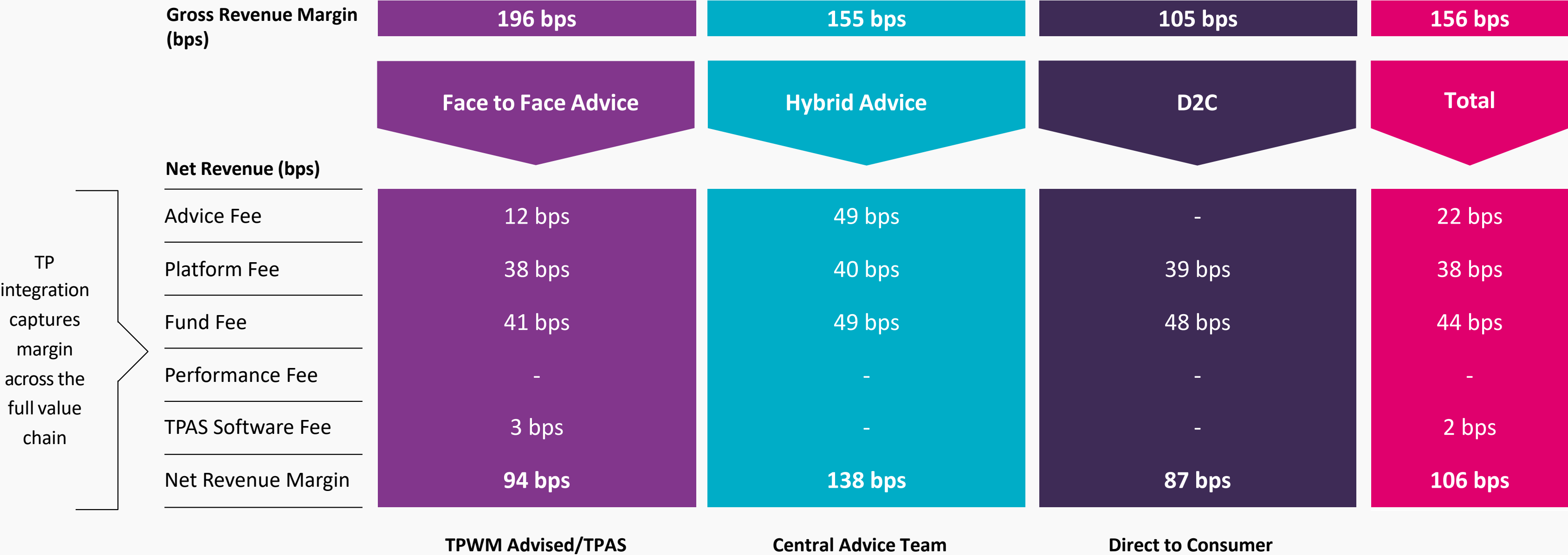
Inflows remain very strong; client behaviour not impacted by market. Market performance reflected in stable stock of AuM.
...further demonstrated by relative performance against the industry.



Source: Fundscape Platform Report: Q422 issue, March 2023

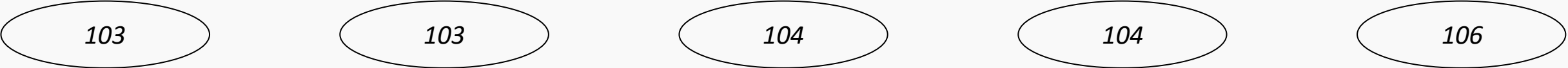
Diversified net revenue through multi-channels.

Vertically integrated multi-channel strategy

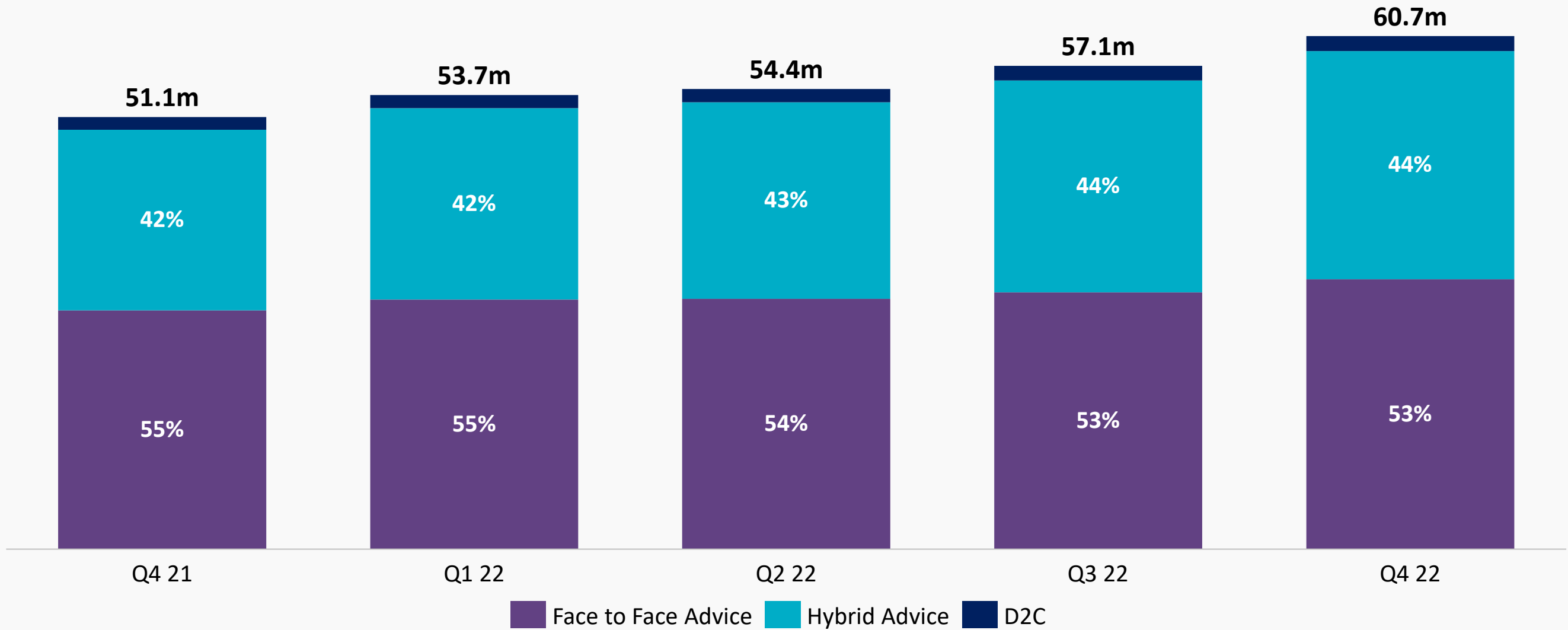


Diversified net revenue through multiple channels.

Net Revenue
Margin bps



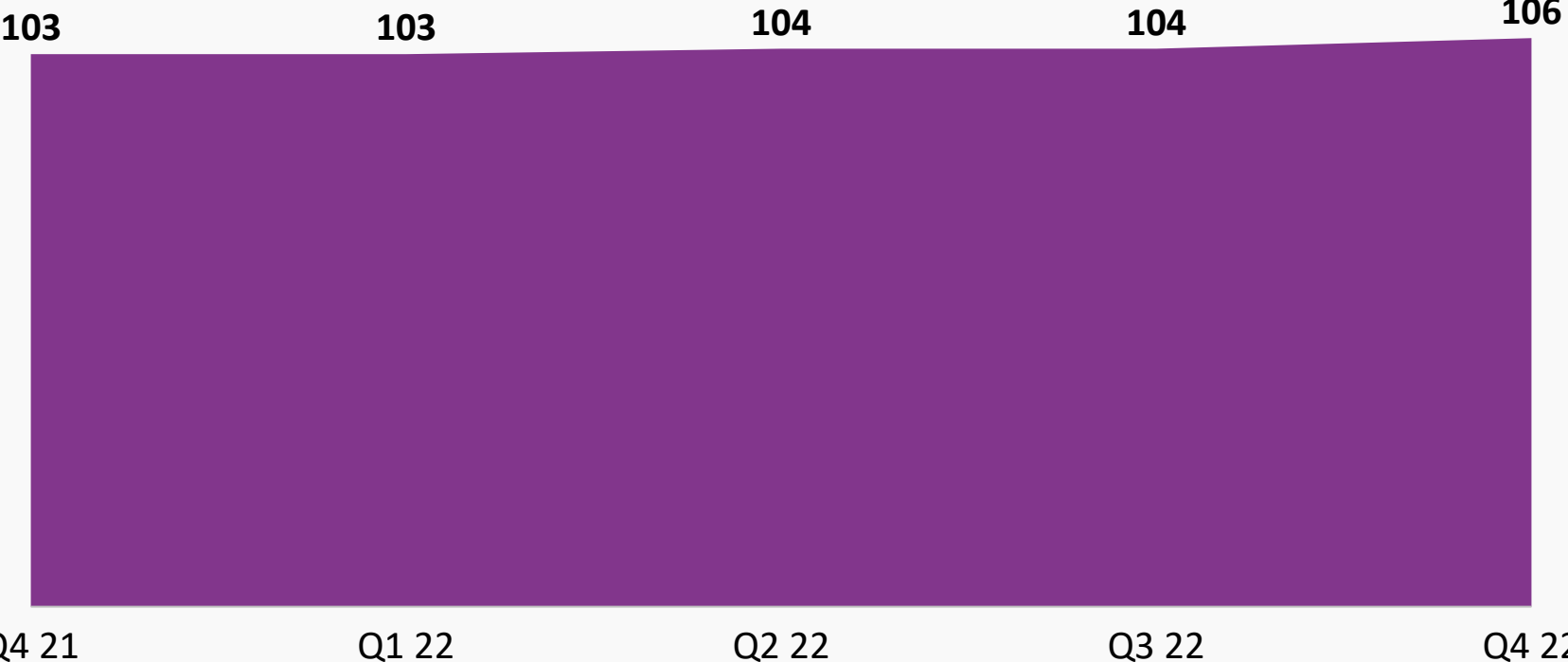
Multi-channel net revenue (£m)



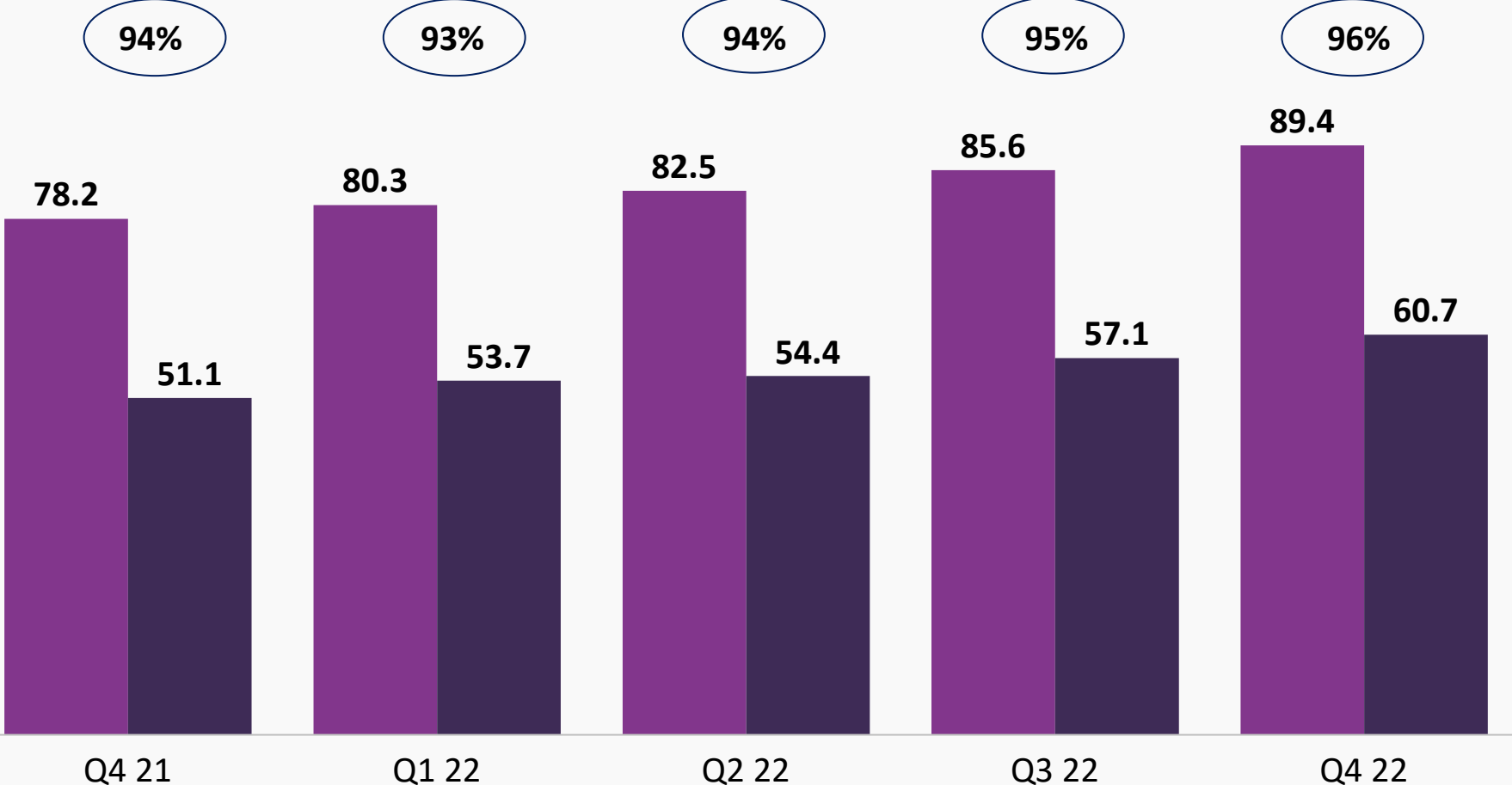
Fully integrated and scalable model drives revenue and EBITDA growth.

Full integration supports higher revenue margin

Net revenue margin (bps)



Gross revenue (£m)

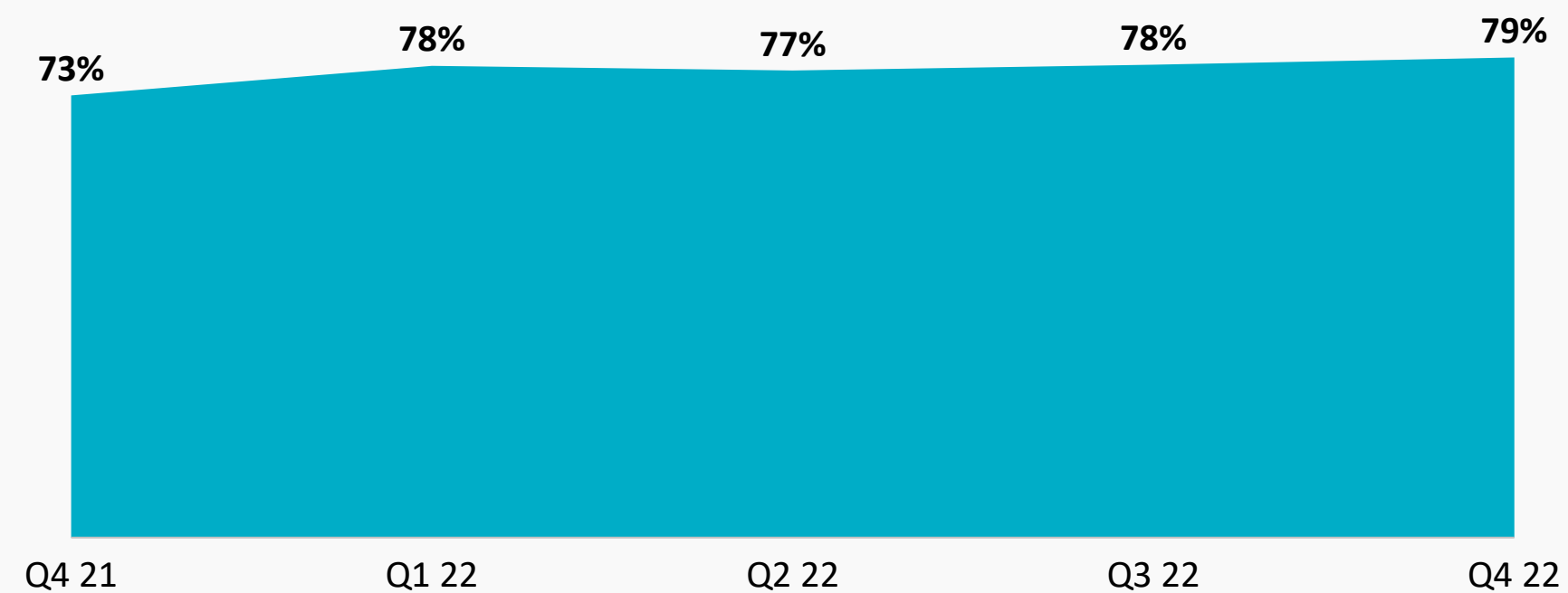


■ Gross Revenue ■ Net Revenue ○ Recurring Revenue (%)

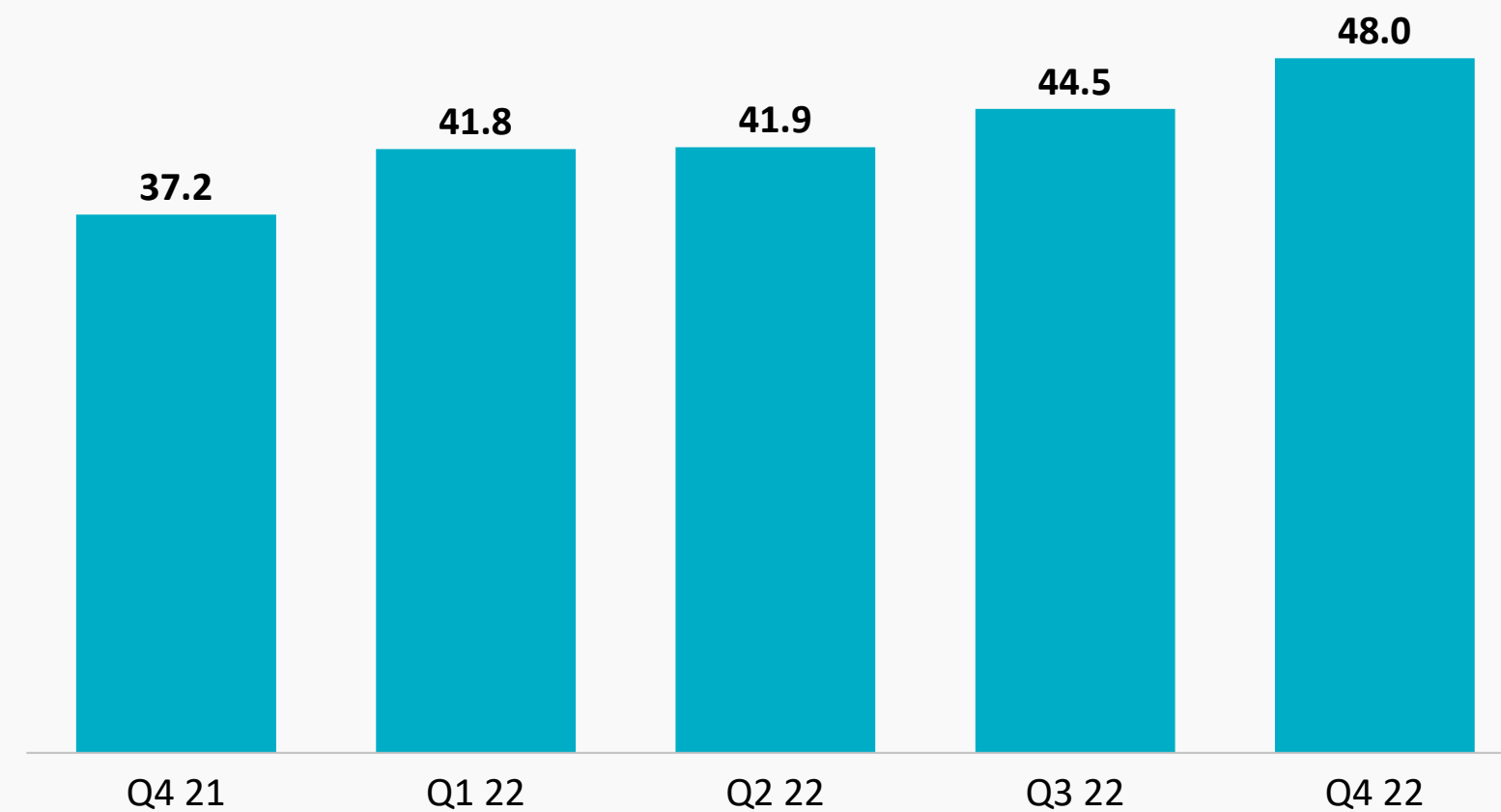
Fully integrated and scalable model drives revenue and EBITDA growth.

Technology and operating model support operating leverage

EBITDA margin (% net revenue)

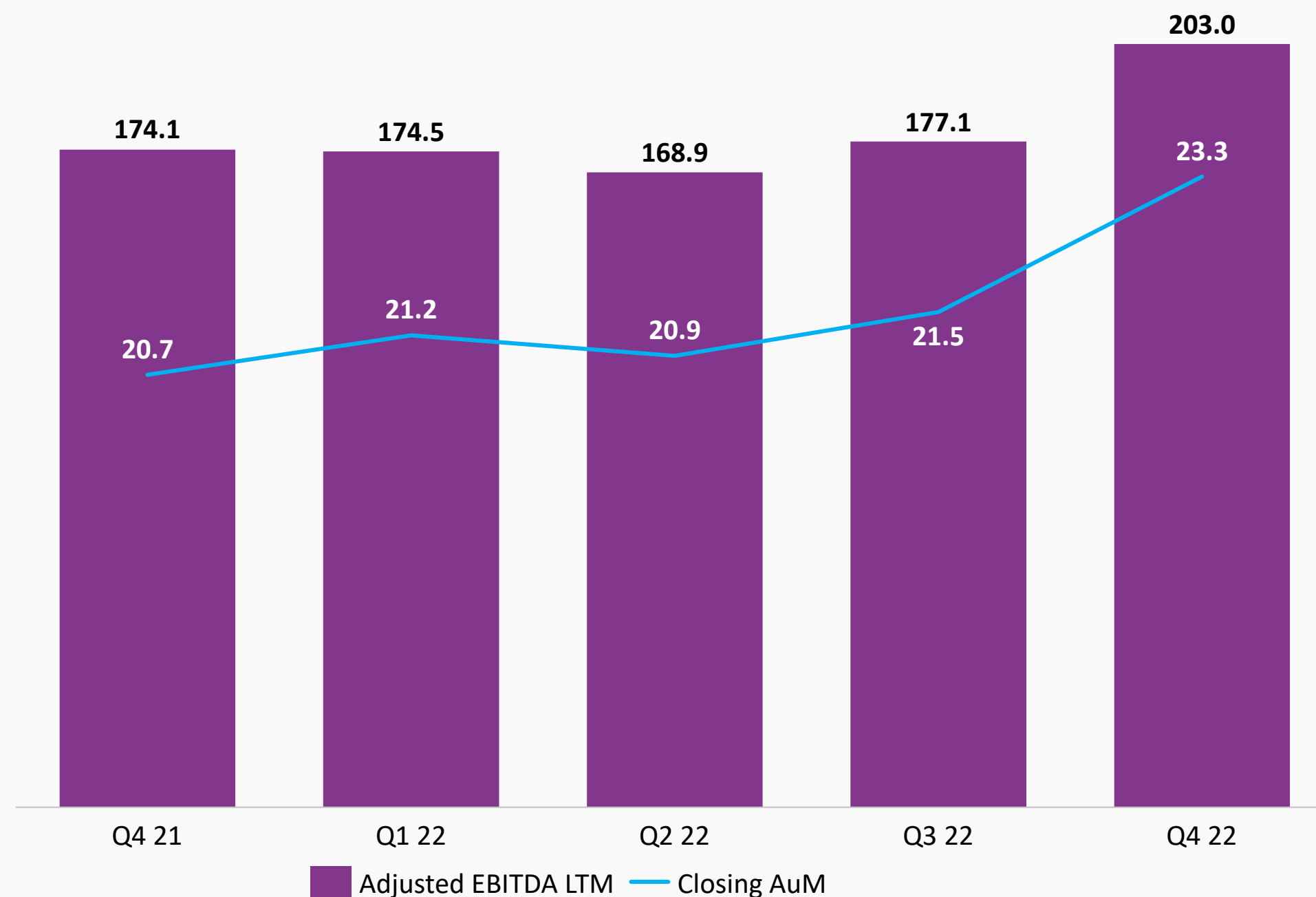


EBITDA (£m)



EBITDA excludes performance fee and exceptional items

And on an LTM basis, performance is stable given AuM trends through the quarter.



EBITDA Leverage		Dec-22
Adjusted LTM EBITDA		203.0
Gross Debt		
HYB		700.0
RCF		85.0
Internal Shareholder Loan		29.3
Total Gross Debt		814.3
Less: Cash		(61.1)
Net Debt		753.2
Leverage Multiple		3.7x

Adjusted EBITDA represents EBITDA adjusted for run-rate impact of the movement in AUM to the end of the current period, to reflect the financial performance already embedded. The internal shareholder loan of £29.3m carries an interest rate of 2%, mirroring HMRC's official rate, with interest capitalisation. The loan is repayable on demand.

Strong operating cashflow generation and regulatory capital.

Cashflow	2020	2021	2022
EBITDA	70.5	146.8	176.2
Less exceptional items	-	-	(11.9)
Operating cashflows before movement in working capital	70.5	146.8	164.3
<i>Net working capital movement</i>	<i>(23.6)</i>	<i>(8.6)</i>	<i>(30.9)</i>
<i>Discretionary client onboarding costs</i>	<i>(74.6)</i>	<i>(192.6)</i>	<i>(216.2)</i>
<i>Corporation tax paid</i>	<i>(9.3)</i>	<i>(19.0)</i>	<i>(18.5)</i>
Cashflow from Operating Activities	(37.0)	(73.4)	(101.3)
Cashflow from Investing Activities	(5.6)	(4.1)	(1.2)
Cashflow from Financing Activities	43.7	82.1	135.2
Net Cash Movement	1.1	4.6	32.7
Opening Cash Balance	22.7	23.8	28.4
Closing Cash Balance	23.8	28.4	61.1

Interest	Q4 22
HYB Interest	12.6
RCF Interest	1.6
Internal Shareholder Loan Interest	0.2
Interest Receivable	(0.2)
Interest Payable	1.3
Total Interest	15.5

Regulatory Capital	Q4 22
Own Funds	724.0
<i>Capital Requirement</i>	<i>17.3</i>
<i>Management Buffer</i>	<i>5.2</i>
<i>Stress Testing Requirement</i>	<i>208.8</i>
Total Requirement	231.3
Surplus	492.7

We continue to monitor our financing requirements and may consider engaging in discussions with potential investors on raising additional financing as appropriate. As part of ongoing capital structure reviews we may consider buying back bonds if deemed appropriate.

Summary.

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