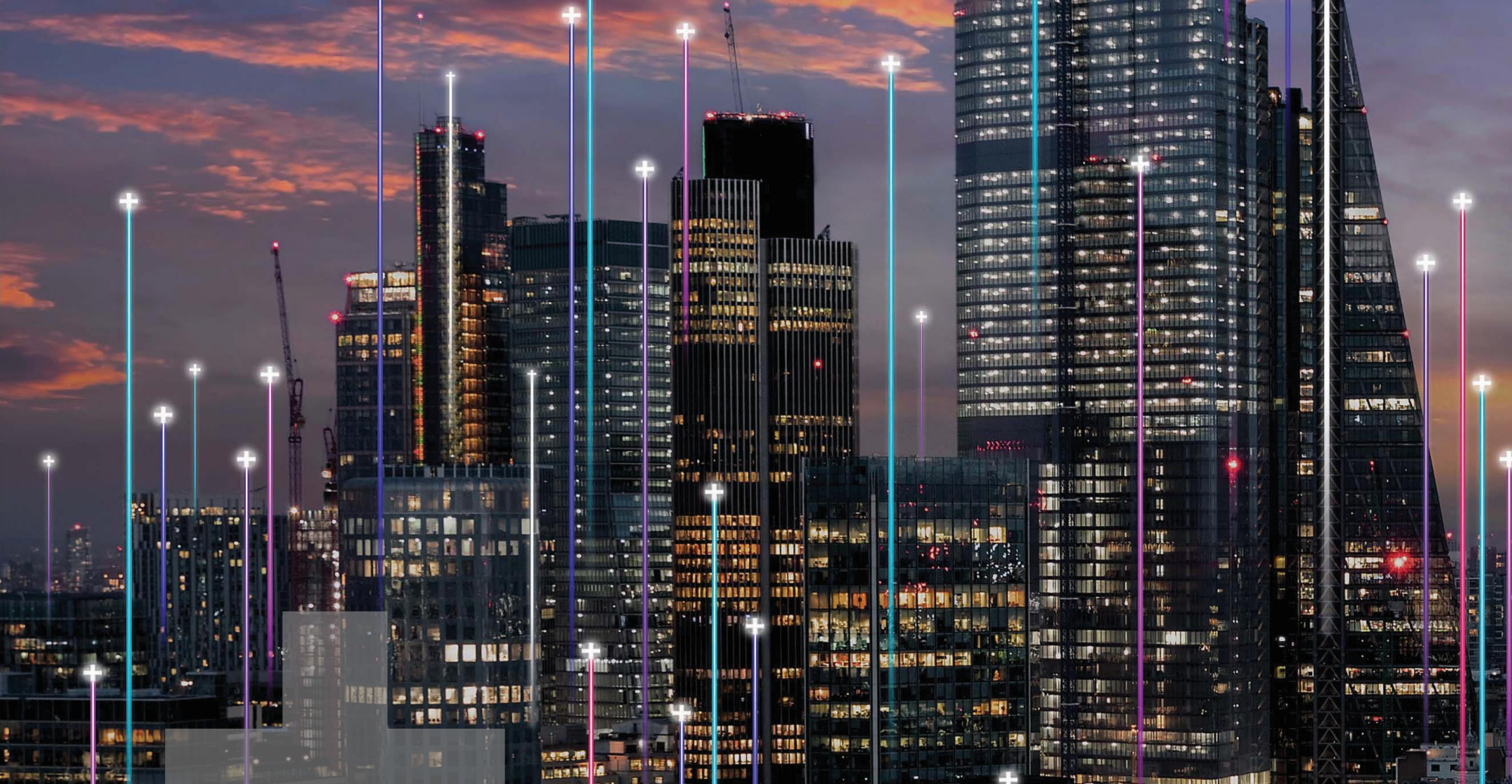
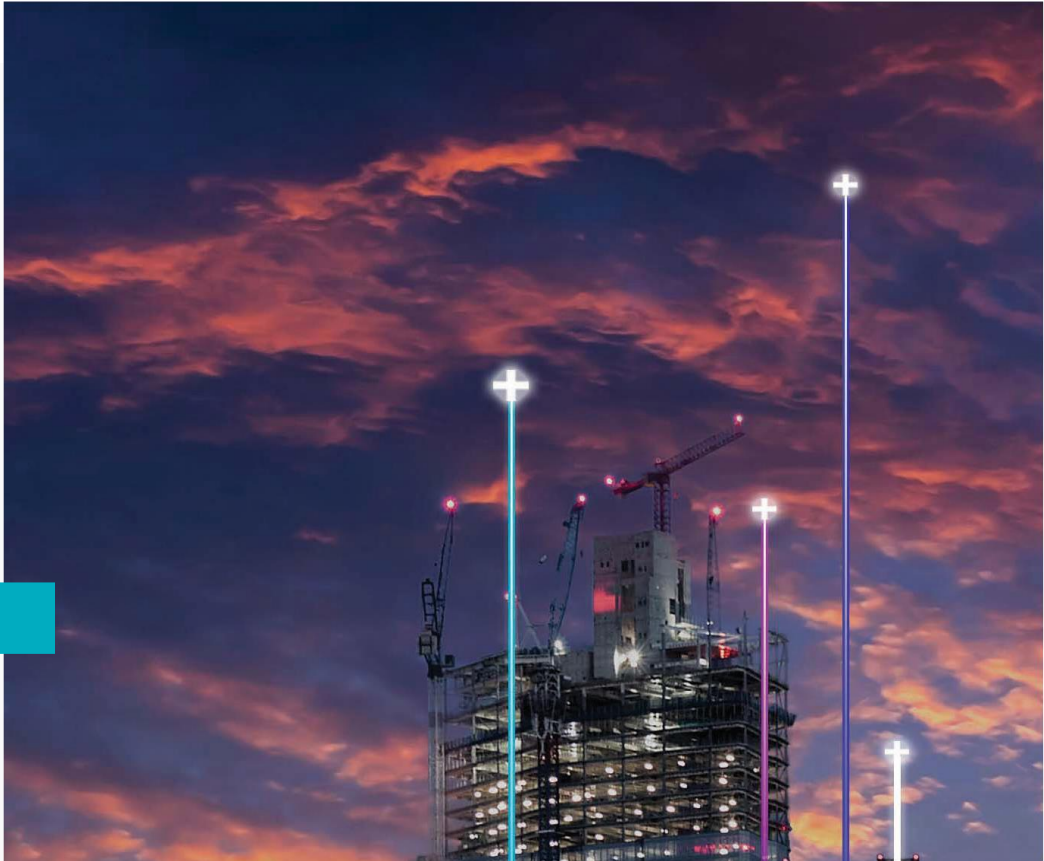
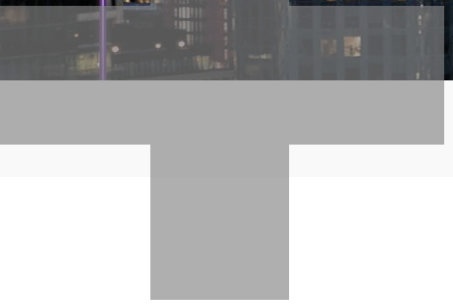


True Potential Q3 2022 Results Call



true potential 



Presenting today.



Daniel Harrison

CEO, Co-founder,
Senior Partner



Neil Johnson

CFO, Co-founder,
Senior Partner



Steven Rutter

Head of
Financial Reporting

Q3-22: Continued strong momentum despite market conditions.

421k

True Potential clients
+18k vs Q2-22

98%

Client retention
(Q2-22: 98%)

£1.3bn

Net inflows
YTD: £4.2bn net inflows

95%

Fully integrated flows
Fully integrated AuM
remains 90% (Q2-22: 90%)

4.9

Trustpilot score
(Q2-22: 4.9)

£21.5bn

Total AuM
+£0.6bn vs Q2-22

104bps

Net revenue margin
(Q2-22: 104bps)

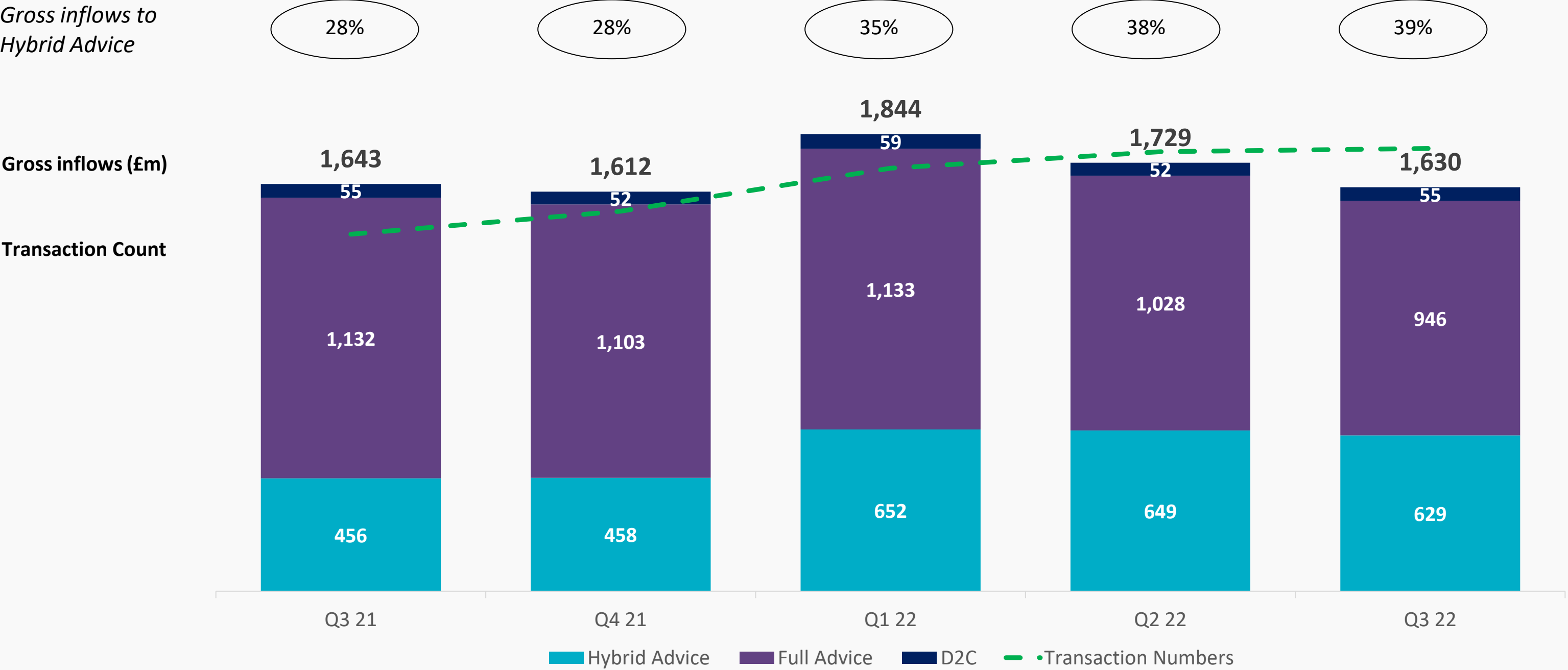
77%

EBITDA margin as a
% net revenue
+1% vs Q2-22

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

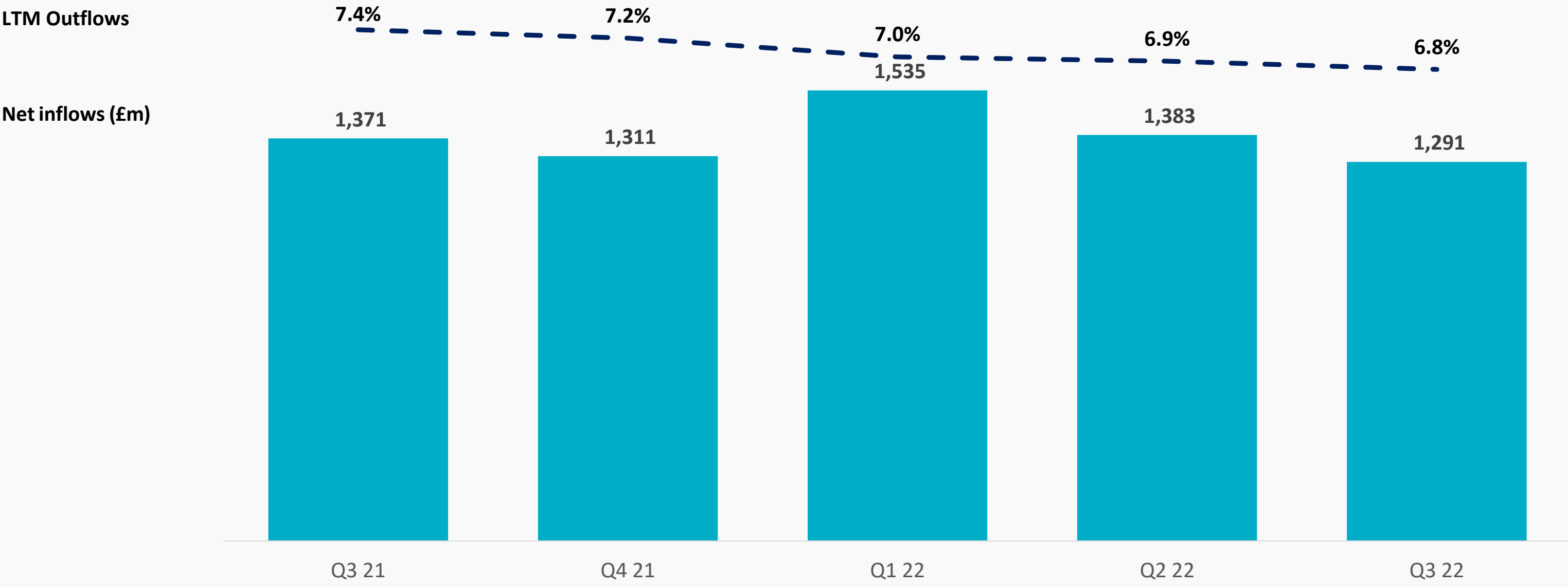
Multi-channel strategy...

Gross inflows to Hybrid Advice



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...

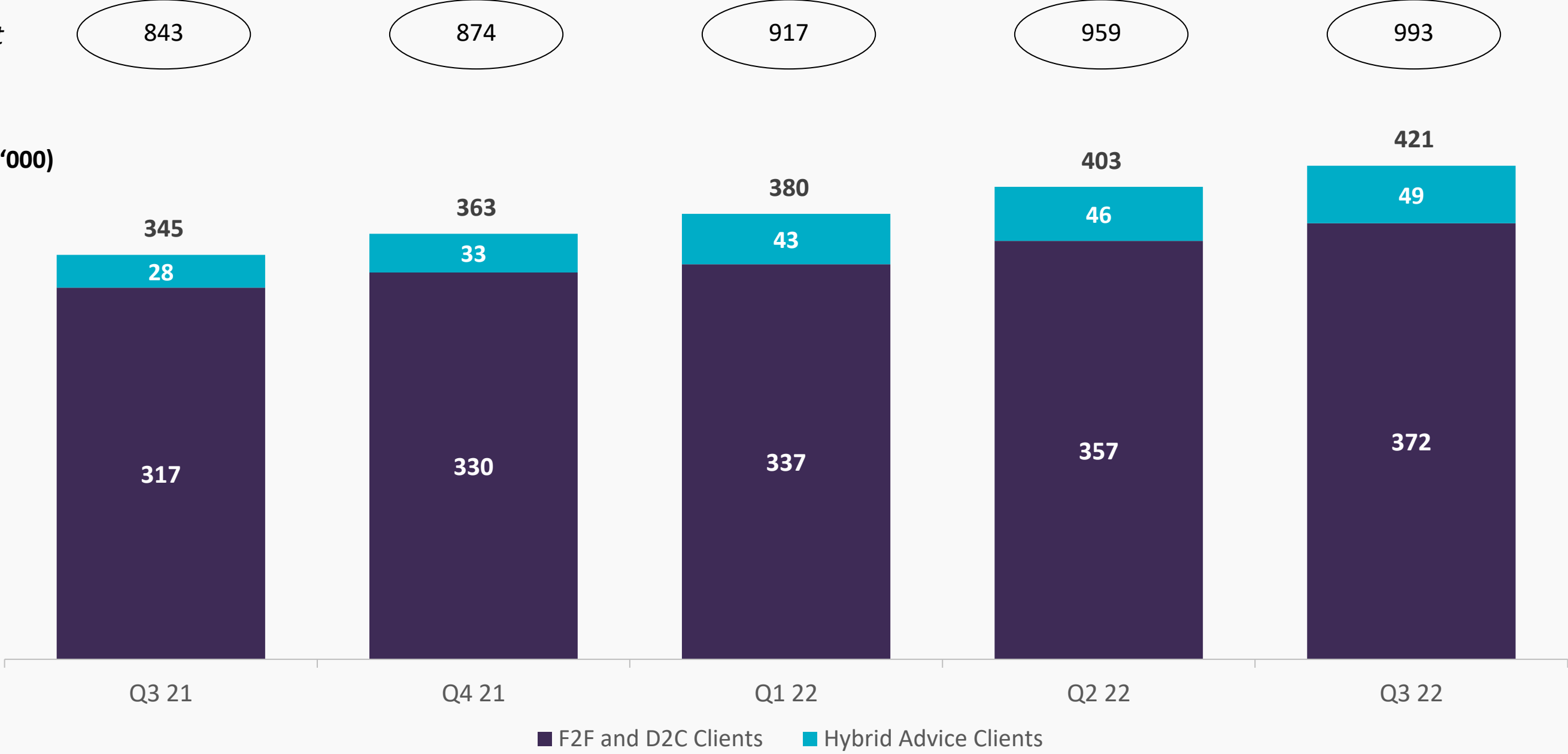


Hybrid Advice refers to Central Advice Team Clients, Face to Face Advice refers to all other advice channels and D2C refers to direct to consumer clients
Outflows include all regular client withdrawals, pension income, one-off withdrawals and transfers out

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*

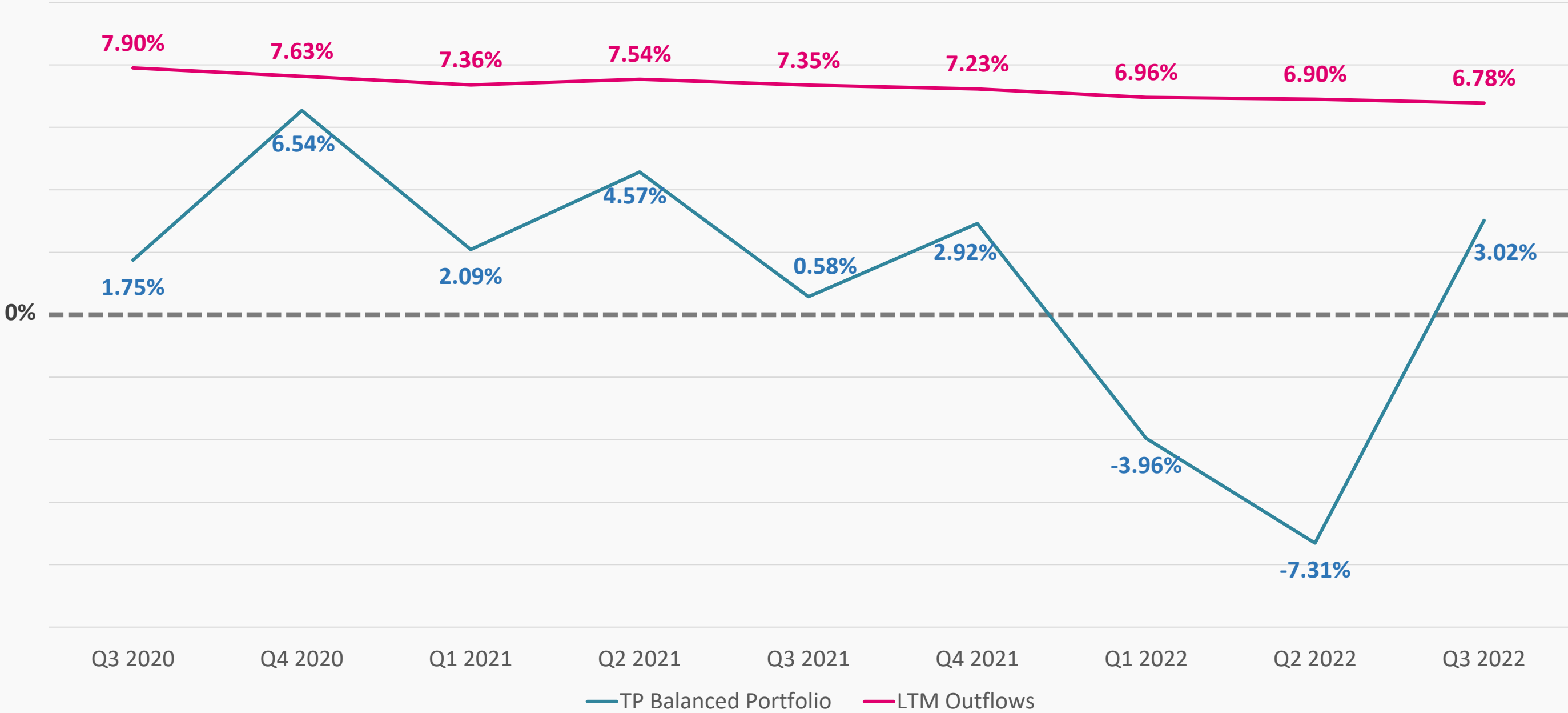
True Potential Clients ('000)



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

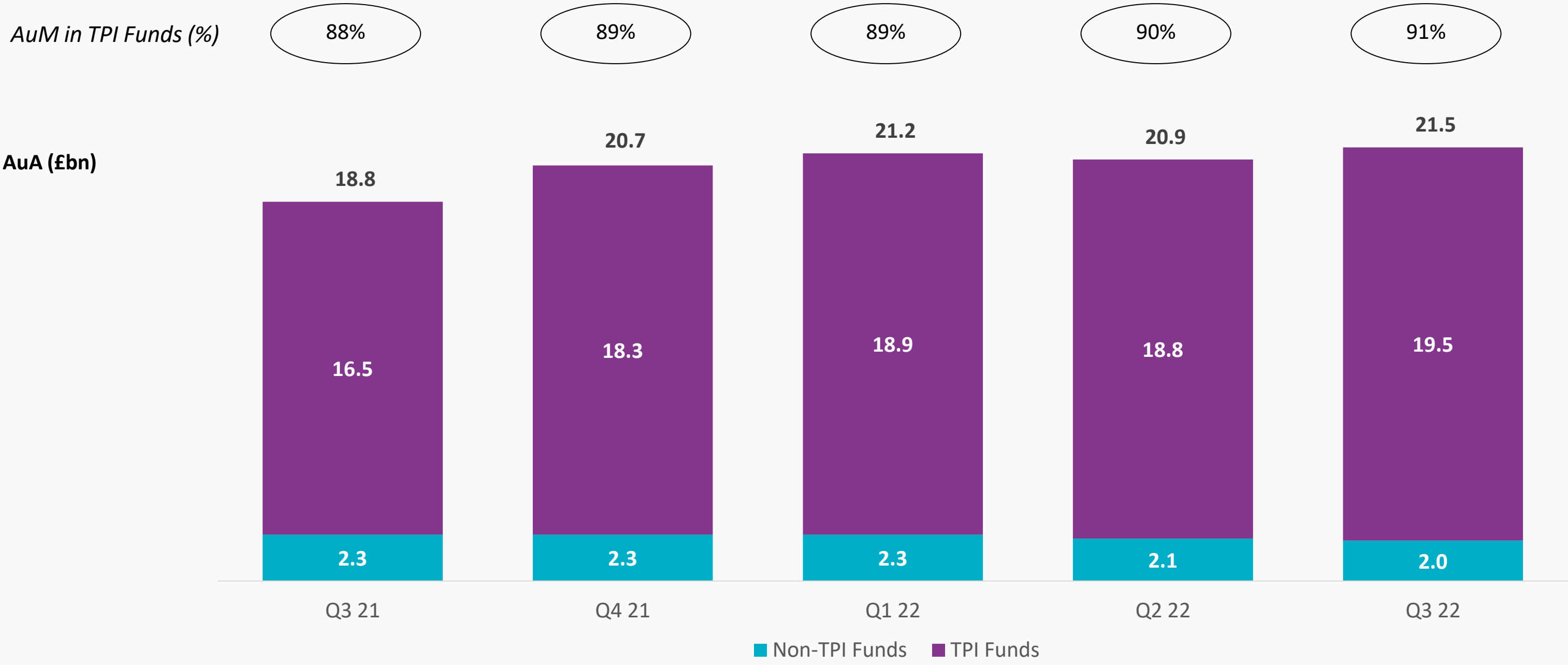
Stable outflows despite market performance...

LTM outflows (%)
TP balanced portfolio performance in the quarter (%)



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

...underpins AuM growth...



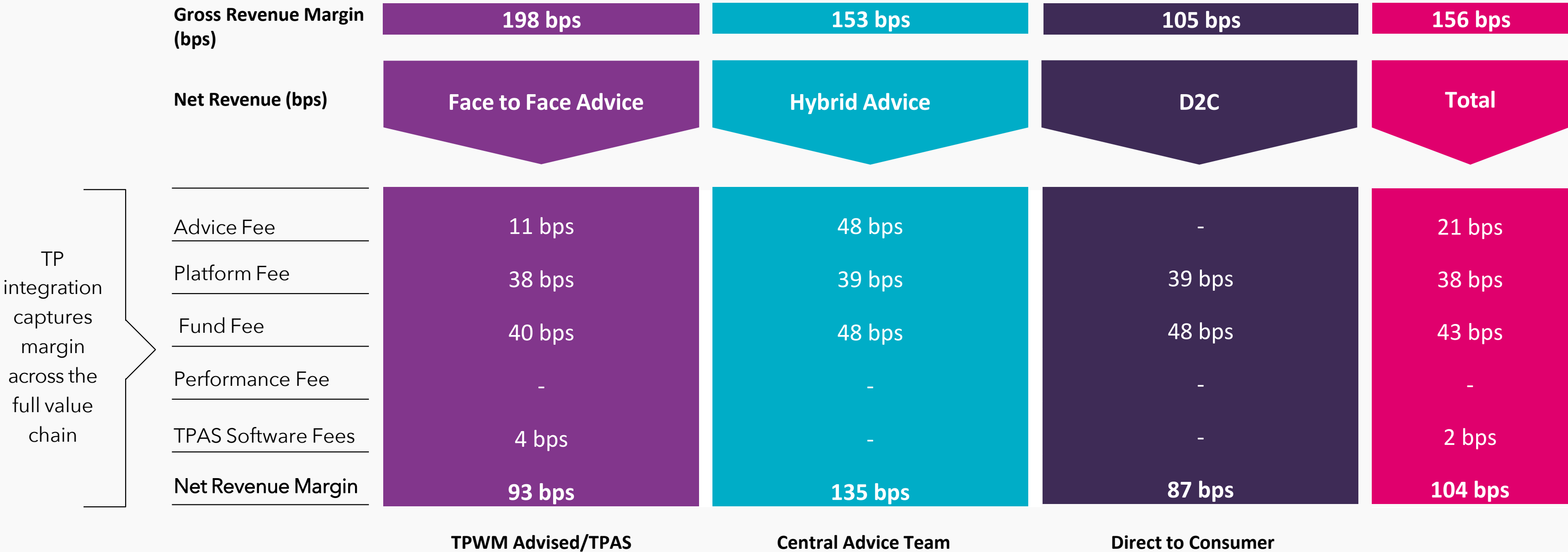
Inflows remain very strong; client behaviour not impacted by market. Market performance reflected in stable stock of AuM.
...further demonstrated by relative performance against the industry.



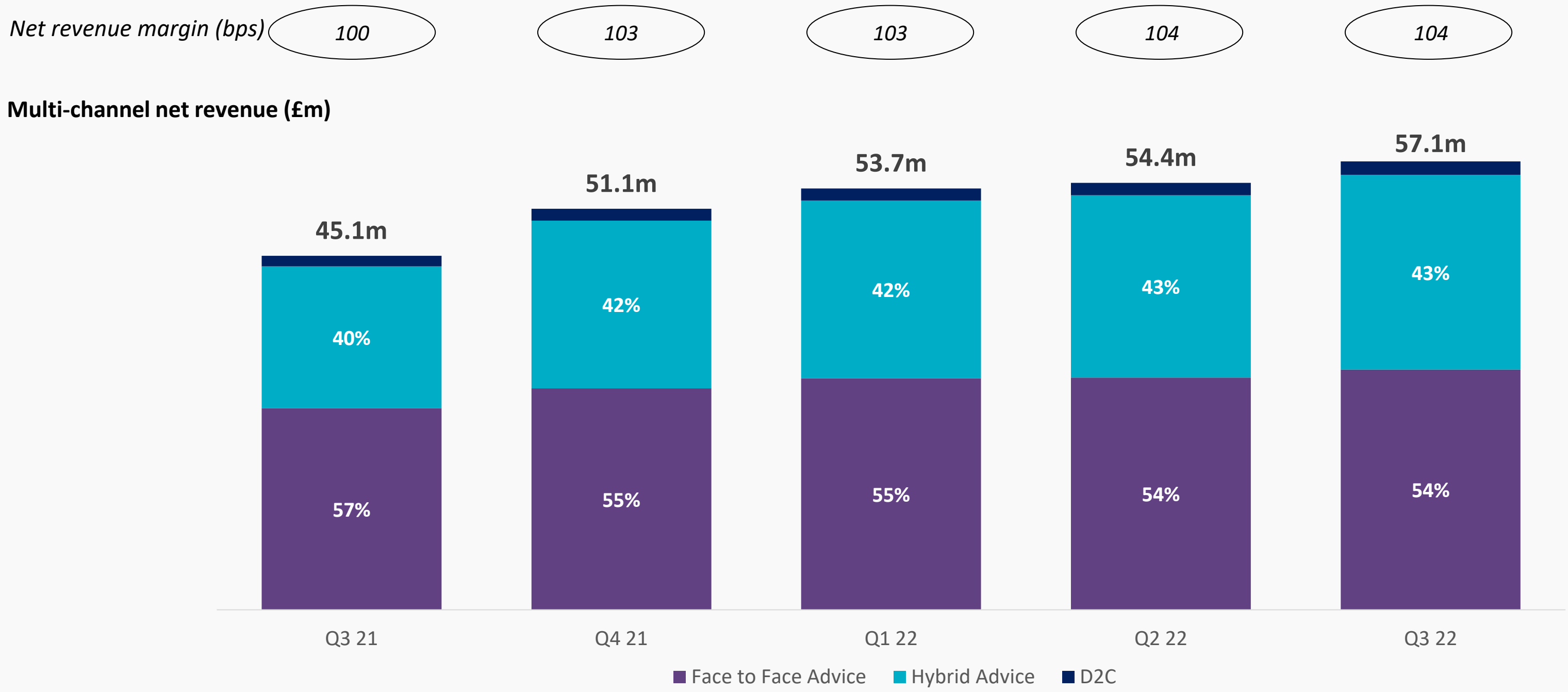
Source: Fundscape Platform Report: Q322 issue, November 2022

Diversified net revenue through multi-channels.

Vertically integrated multi-channel strategy

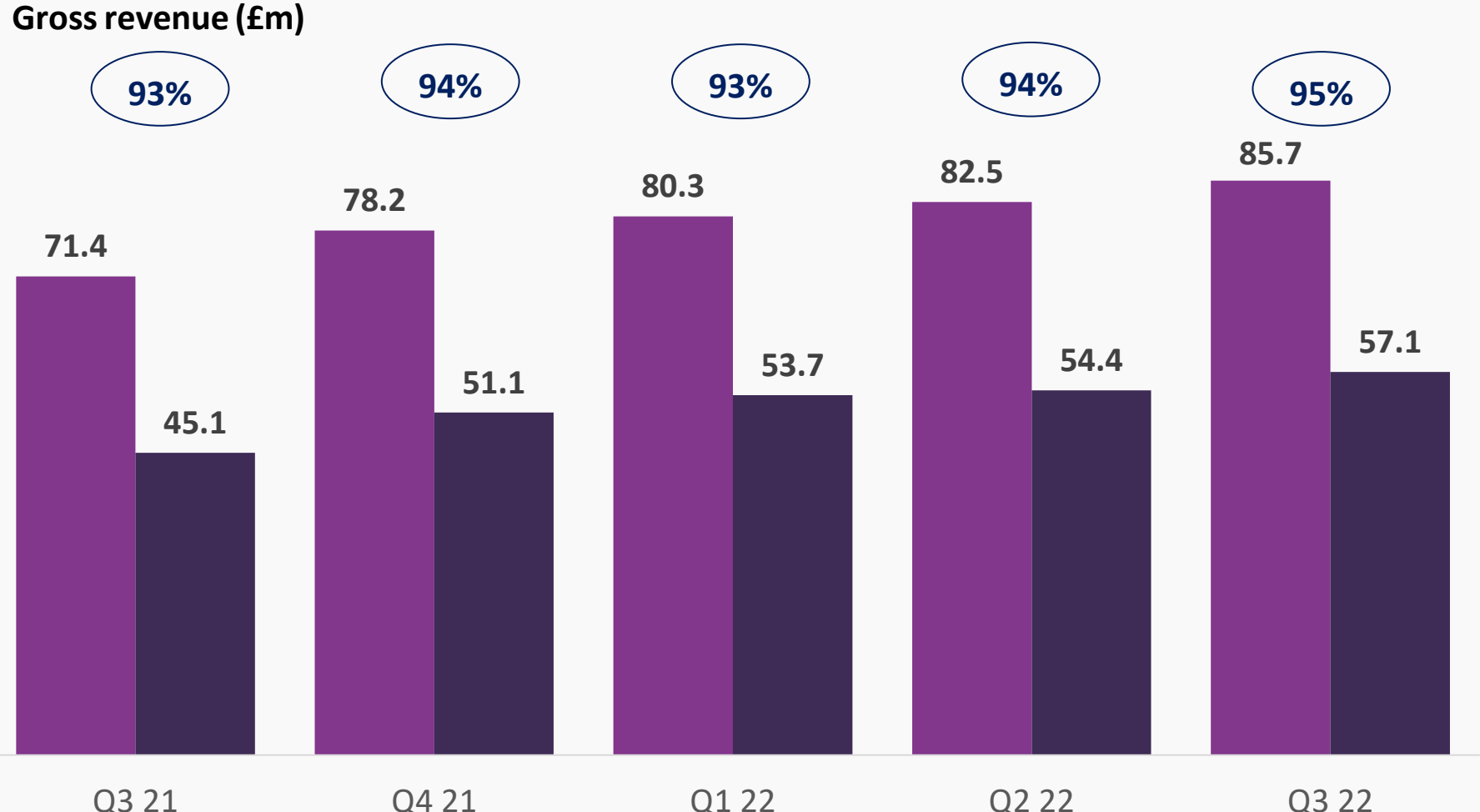
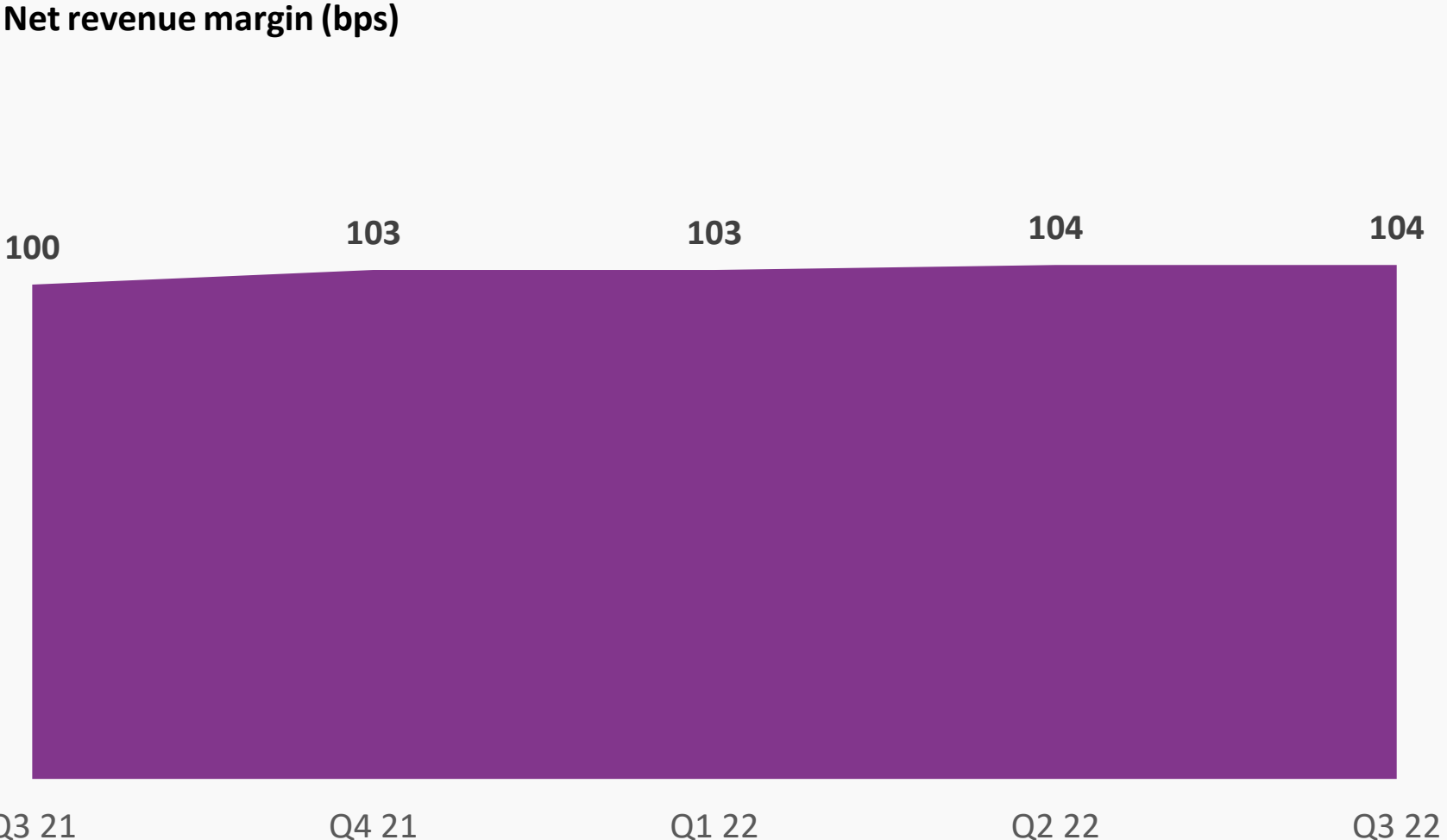


Diversified net revenue through multiple channels.



Fully integrated and scalable model drives revenue and EBITDA growth.

Full integration supports higher revenue margin

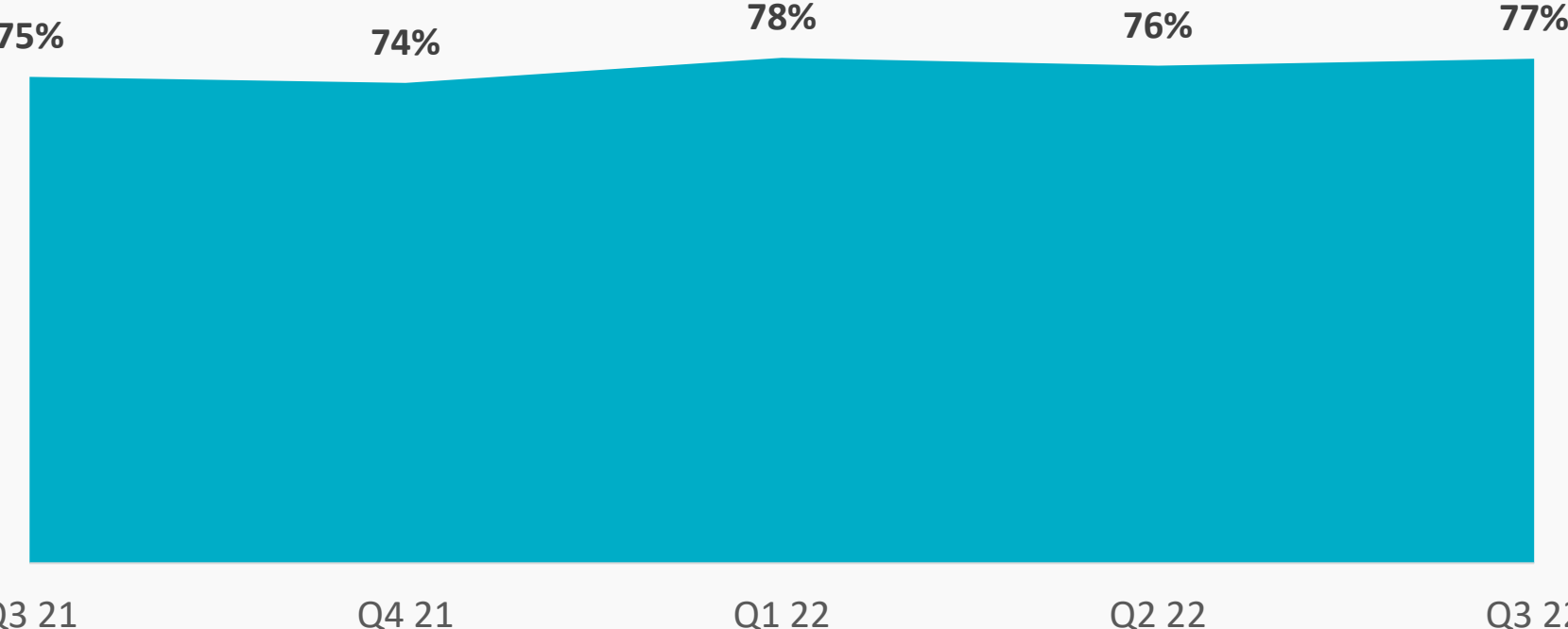


■ Gross Revenue ■ Net Revenue ○ Recurring revenue (%)

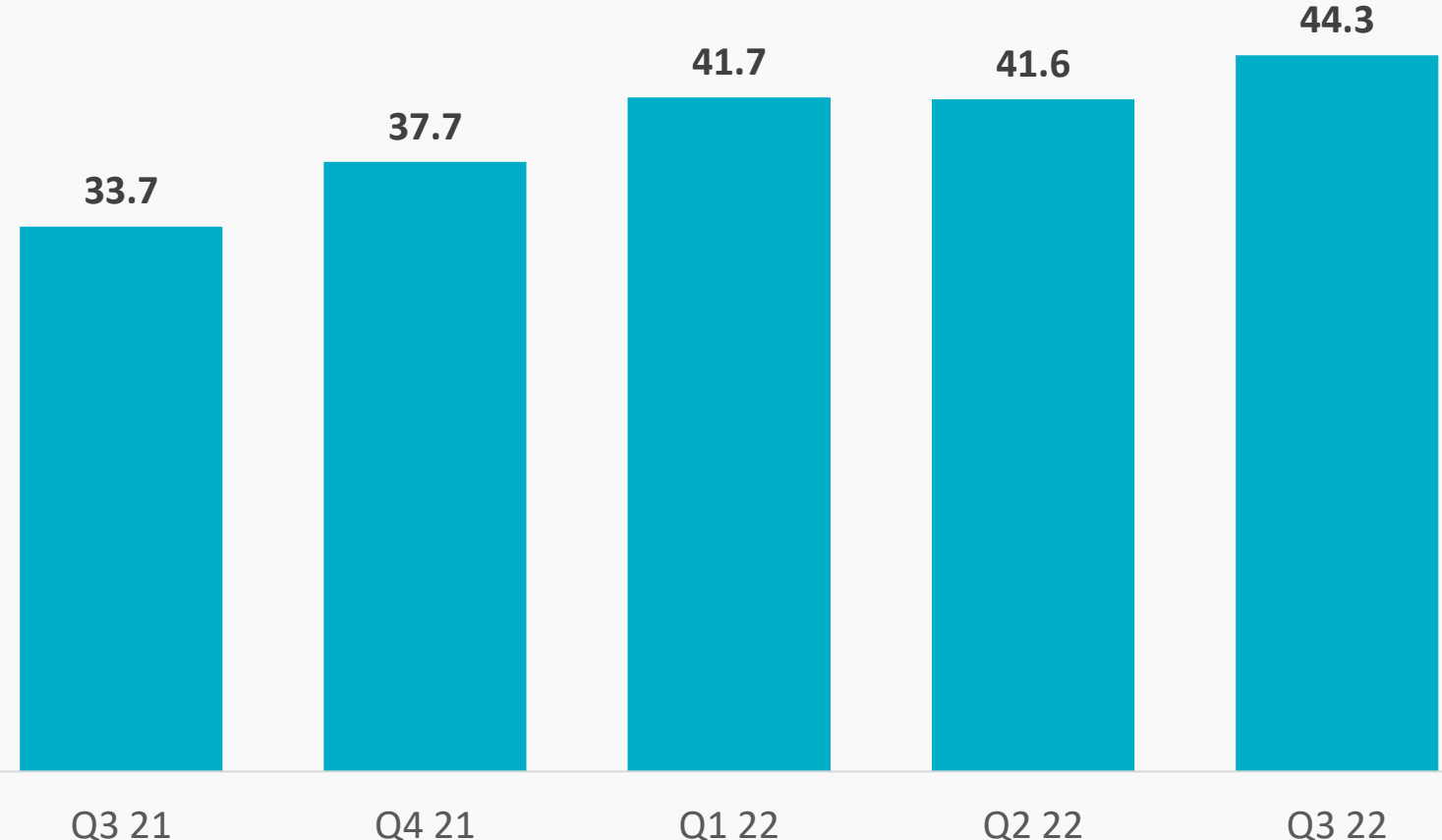
Fully integrated and scalable model drives revenue and EBITDA growth.

Technology and operating model drives EBITDA

EBITDA margin (% net revenue)

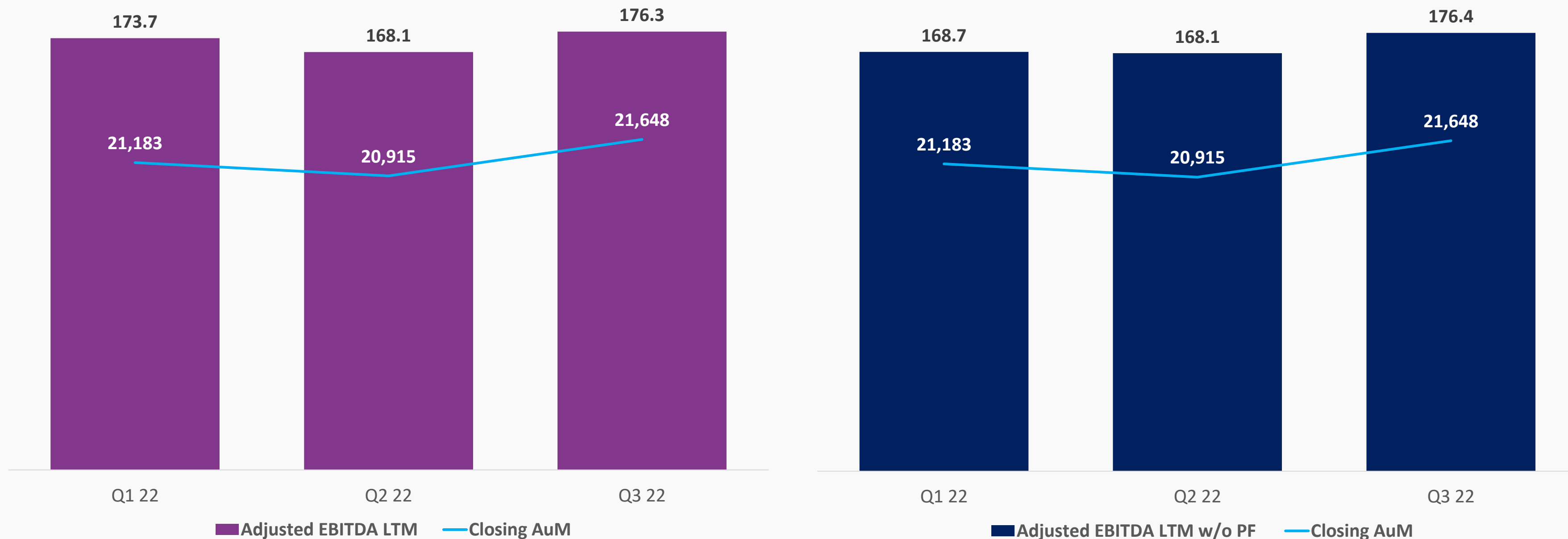


EBITDA (£m)



EBITDA excludes performance fee and exceptional items

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



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

Strong operating cashflow generation and regulatory capital.

Cashflow	2021	Q1 22	Q2 22	Q3 22	YTD 22
EBITDA	132.2	41.7	41.6	44.3	127.5
Net Working Capital Movement	10.9	3.3	2.7	1.8	7.8
Exceptional Items	-	(11.0)	-	(0.9)	(11.9)
Taxes Paid	(19.0)	(6.5)	(5.3)	(2.5)	(14.4)
Interest Paid	(35.3)	(27.5)	(0.4)	(25.5)	(53.0)
Cashflow from Operating Activities	88.8	(0.1)	39.0	17.2	56.1
Maintenance Capex	2.2	(0.3)	(0.1)	(0.1)	(0.5)
Growth Capex	(179.5)	(34.0)	(46.0)	(50.8)	(130.7)
Recruitment Loans	(20.5)	(5.1)	(4.9)	(6.5)	(16.5)
Discretionary Spend	(200.0)	(39.1)	(51.6)	(57.3)	(148.0)
Cashflow from Investing Activities	(202.2)	(39.4)	(51.8)	(57.4)	(147.8)
Cashflow from Financing Activities	118.0	106.0	37.4	19.9	163.3
Net Cash Movement	4.6	67.3	25.4	(20.3)	71.7
Opening Cash Balance	23.8	28.5	95.0	120.4	28.5
Closing Cash Balance	28.5	95.8	120.4	100.2	100.2

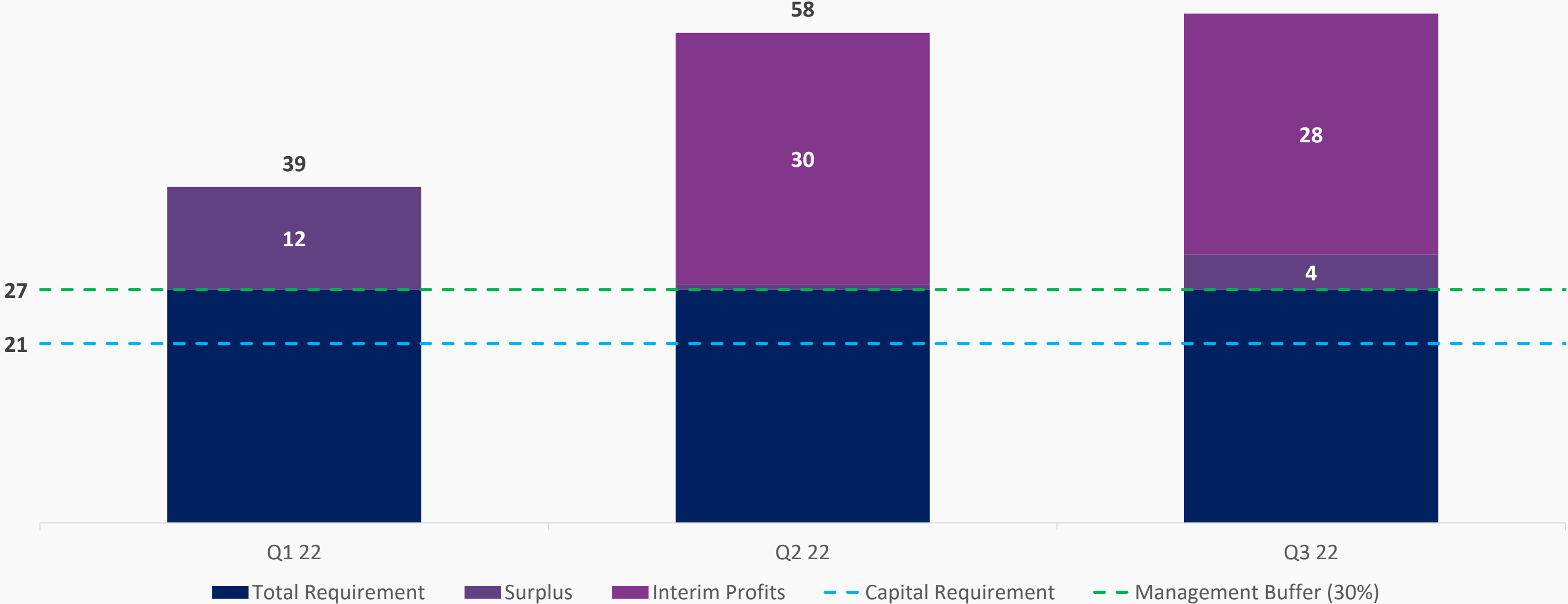
EBITDA Leverage	Sep-22
Adjusted LTM EBITDA	176.3
Gross Debt	
HYB	700.0
RCF	85.0
Internal Shareholder Loan	36.9
Total Gross Debt	821.9
Less: Cash	(100.2)
Net Debt	721.7
Leverage Multiple	4.1

Interest	Q3 22
Bond Interest	12.7
RCF Interest	0.7
Internal Shareholder Loan Interest	0.2
Interim Bridge	0.0
Interest Payable	0.0
Total Interest	13.6

The internal shareholder loan of £36.9m carries an interest rate of 2%, mirroring HMRC's official rate, with interest capitalisation. The loan is repayable on demand. 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.

Regulatory Capital Over Time

Regulatory Capital (£m)



Summary.

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