

29 April 2025

True Potential Full Year Results

For the year ended
31 December 2024

true potential  LLP®

Agenda

1. CEO Introduction

2. Financial Summary

3. Looking Ahead and Q&A

4. Appendix



Gerry Mallon
Chief Executive Officer



Ben Thorpe
Chief Financial Officer



Steven Rutter
Head of Finance

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Gerry Mallon
Chief Executive Officer

Introducing Gerry Mallon

Joined as CEO in February

Experienced financial services
CEO

Client-focused

Proven in transformation
and growth

Core Fundamentals

Dynamism and energy

Disrupter mindset

Opportunity to help even
more clients do more
with their money

Evolving the business

Drive the business into its next
chapter of growth

Maintaining the Simple,
Effective, Unique client-
focused approach



Gerry Mallon
Chief Executive Officer

Themes shaping the industry and our business

Large and growing addressable market

~£4tn
UK retail market for savings and investments
Expected to grow at ~5% p.a

~£1.5tn
Advised

£32.8bn

True Potential has only 4% share of the UK advised market

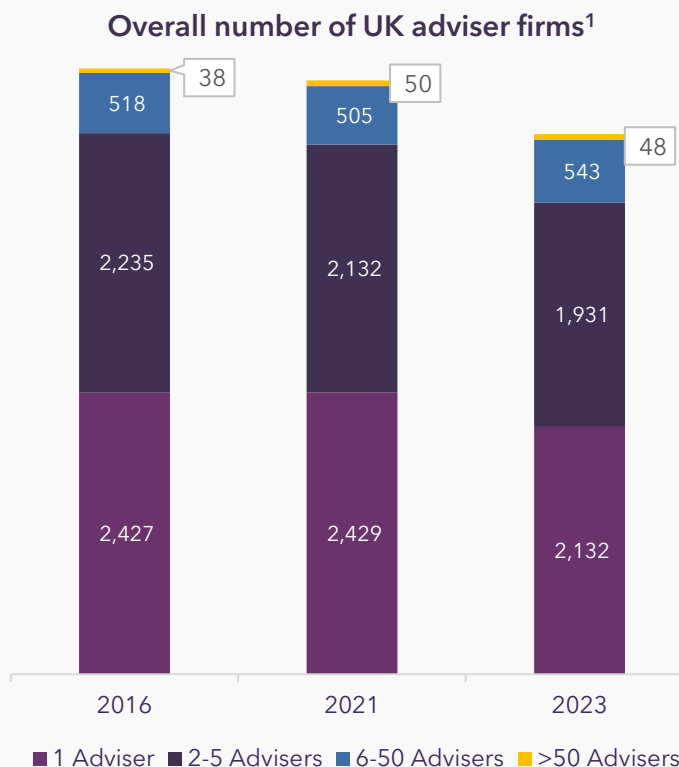
↑ Demographic factors

↑ Advice gap

↑ Regulation changes

↑ Consolidation

Highly fragmented advice market



Significant number of UK advice firms, with all sizes providing opportunity for True Potential

¹Source: FCA Retail Intermediary Market Analysis (2016-23)

Opportunity for disruption continues



Advice gap estimated at 12m UK adults that need financial advice



Ageing adviser market with many approaching retirement



Demand for lower cost / mass affluent solutions



Customers seeking digitalised solutions and experiences



Regulation changes providing challenges and opportunities for the industry to evolve

Continued growth and financial resilience, despite a challenging operating environment

566k

True Potential Clients
2023: 507k

96%

Client retention
2023: 98%

£1.8bn

Net inflows
2023: £3.9bn

93%

Fully integrated AuM
2023: 92%

4.9

Trustpilot score
2023: 4.9

£32.8bn

Total AuM
2023: £28.5bn

104bps

Net revenue margin
2023: 108bps

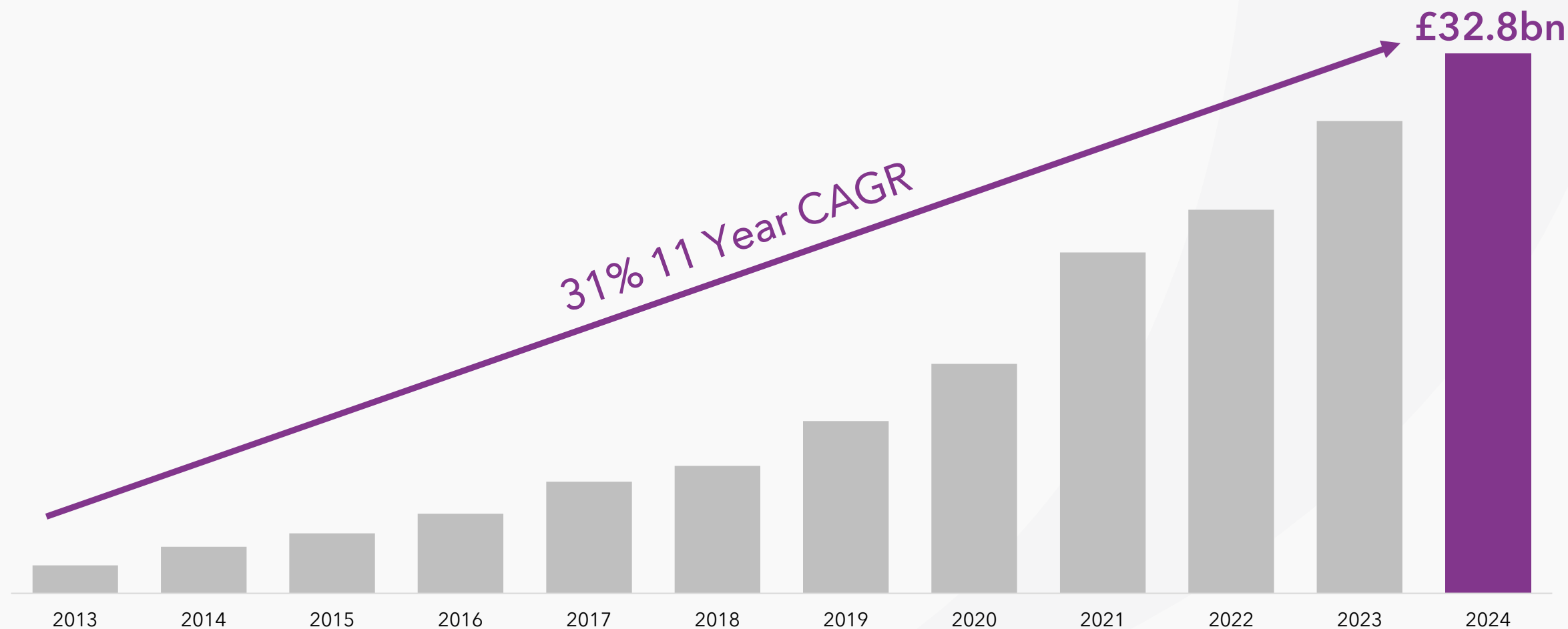
76%

EBITDA margin as a %
of net revenue
2023: 79%

Note: Figures relate to True Potential Group Limited unless otherwise stated.

True Potential Full Year 2024 Results

Delivering exceptional long-term AuM growth, aligned to our mission to close the UK advice gap



Looking ahead at the significant opportunity

Scale of Opportunity

Significant market opportunity, with a large UK wealth market and 87% of the UK not receiving financial advice

Leveraging Technology

Technology is core to the True Potential client offer, with the pace of change and innovation continuing at speed

Strong Financials

Best-in-class financial profile with ability to invest in future capabilities and deliver value for our clients

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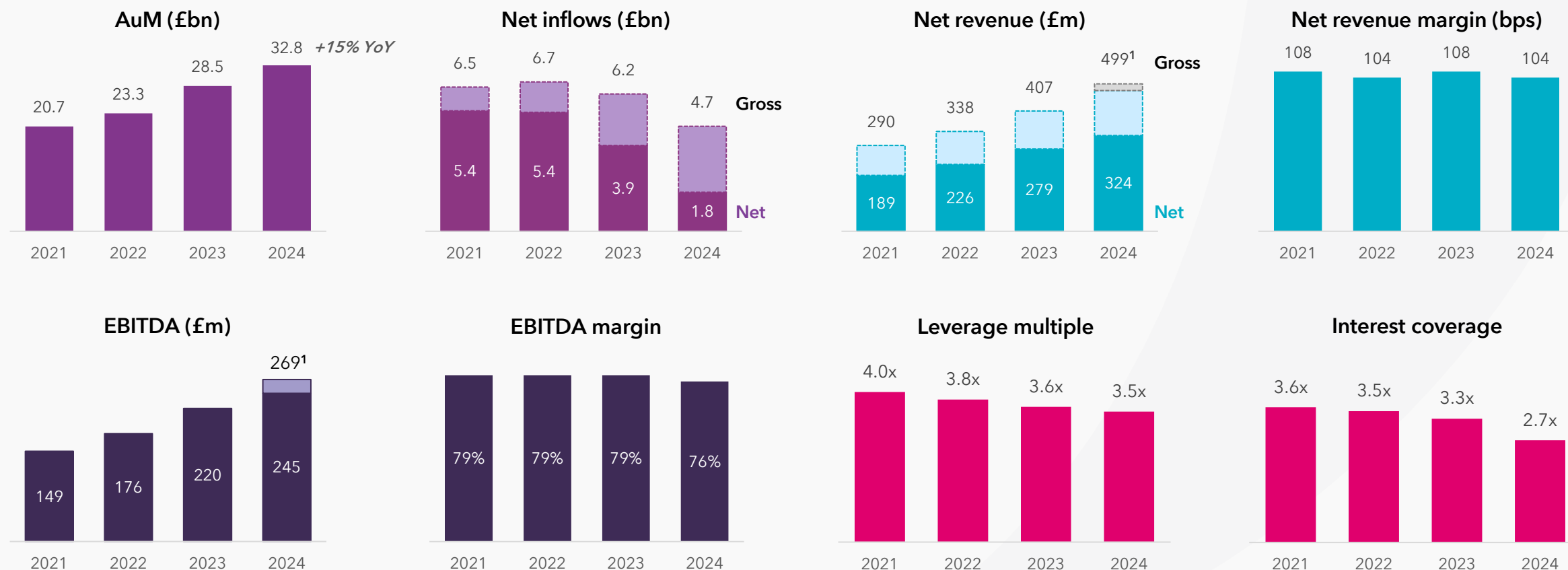
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Ben Thorpe
Chief Financial Officer

We build on our strong track record, delivering 15% annual AuM growth, despite the expected reduction in net inflows



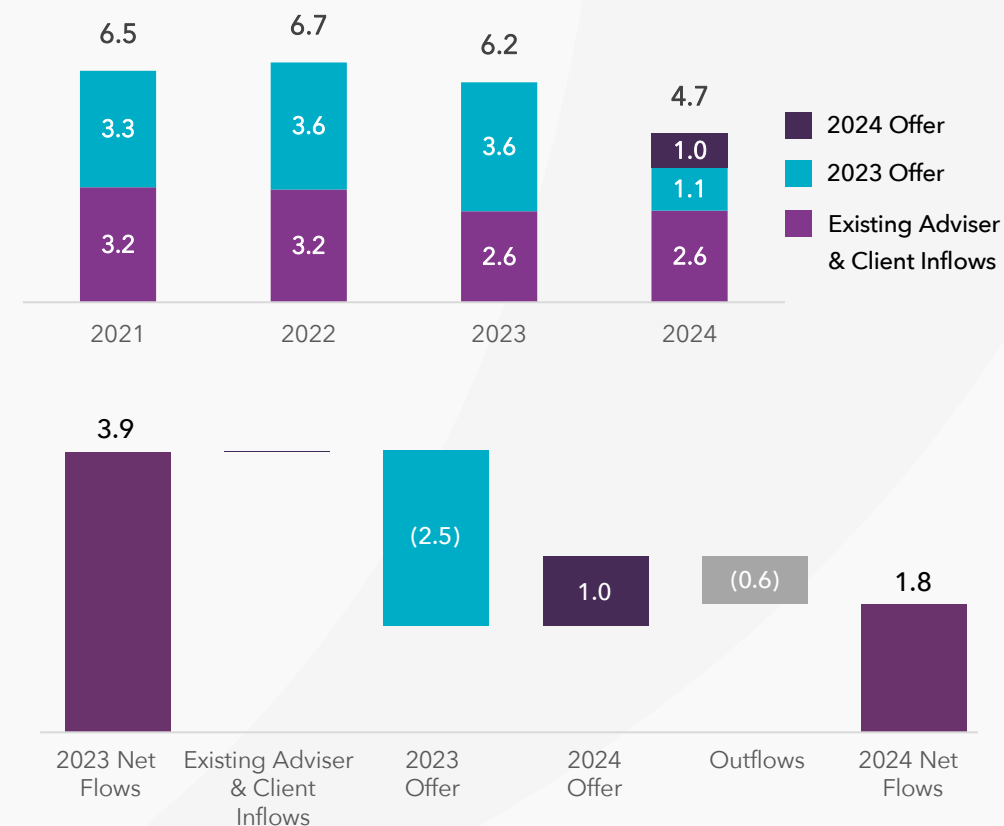
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¹Figures include £23m fund performance fee.

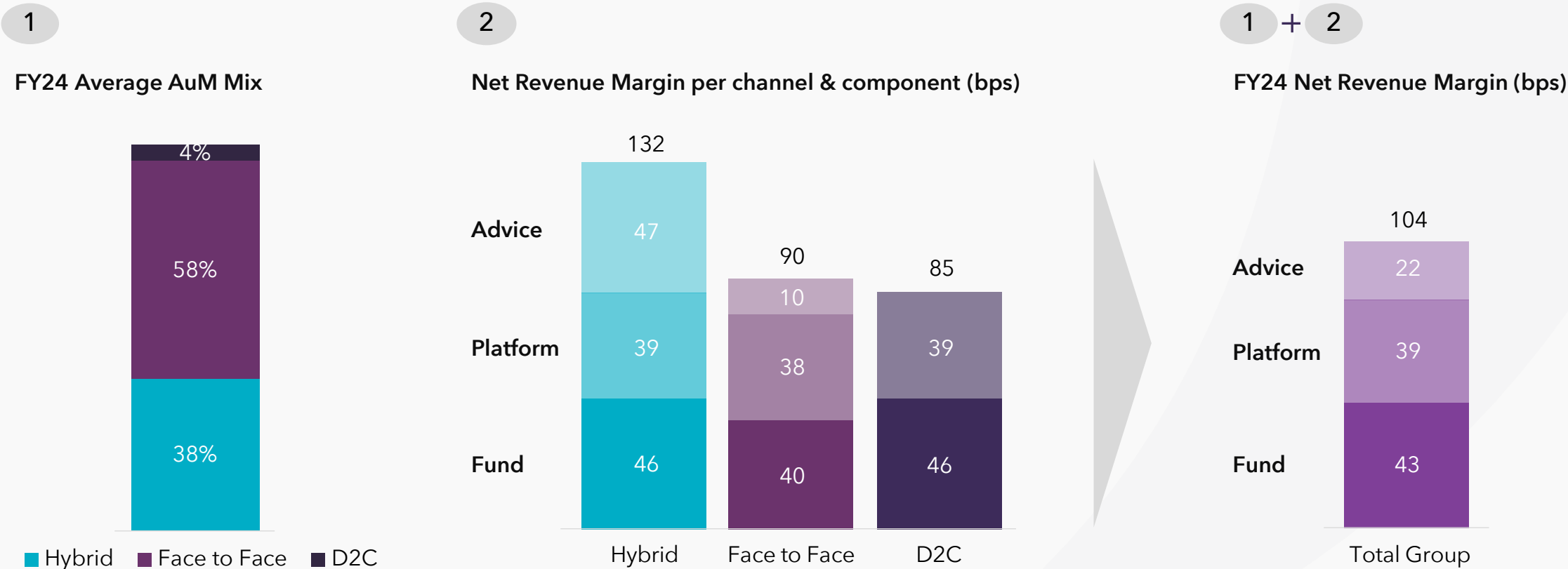
Robust existing adviser and client flows, but evolution of our recruitment model results in lower overall result

Flows (£m)	2021	2022	2023	2024
Opening AuM	13.9	20.7	23.3	28.5
Gross Inflows	6.5	6.7	6.2	4.7
Existing Adviser & Client Inflows	3.2	3.2	2.6	2.6
2023 Offer	3.3	3.6	3.6	1.1
2024 Offer	-	-	-	1.0
Total Recruitment Inflows	3.3	3.6	3.6	2.1
Outflows	(1.1)	(1.4)	(2.3)	(2.9)
Net Flows	5.4	5.4	3.9	1.8
Market Movement	1.3	(2.8)	1.6	2.5
Closing AuM	20.7	23.3	28.5	32.8

Gross Inflows (£bn)



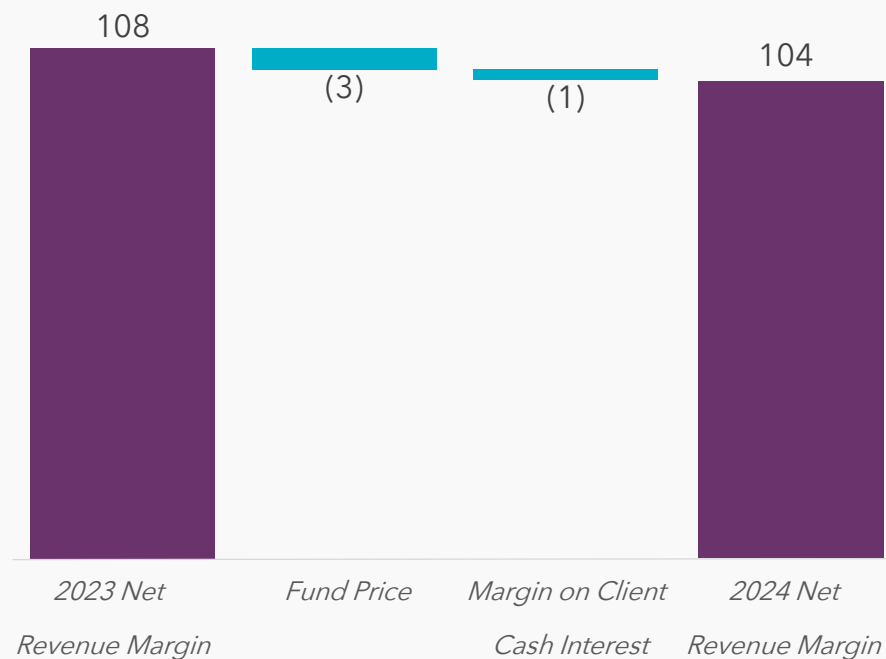
Our multi-channel integrated offering ensures a diversified and resilient net revenue margin



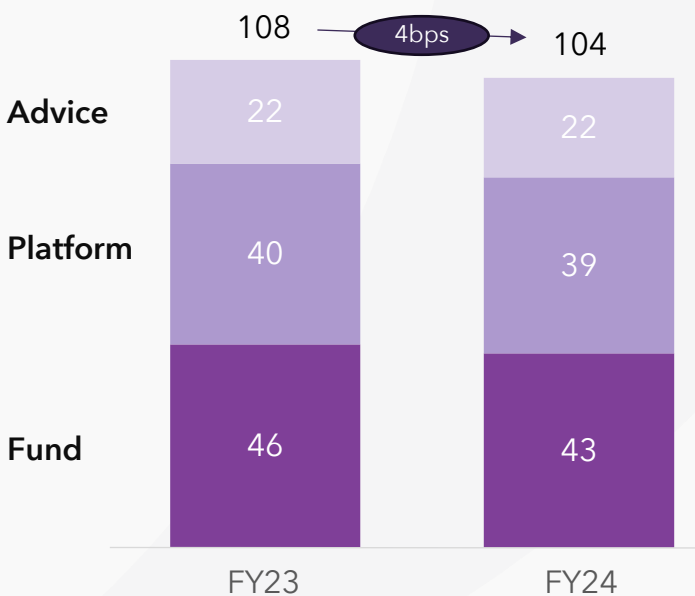
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We actively share the benefits of scale with our clients, leading to a year-on-year reduction in margins

2023 to 2024 Net Revenue Margin (bps)



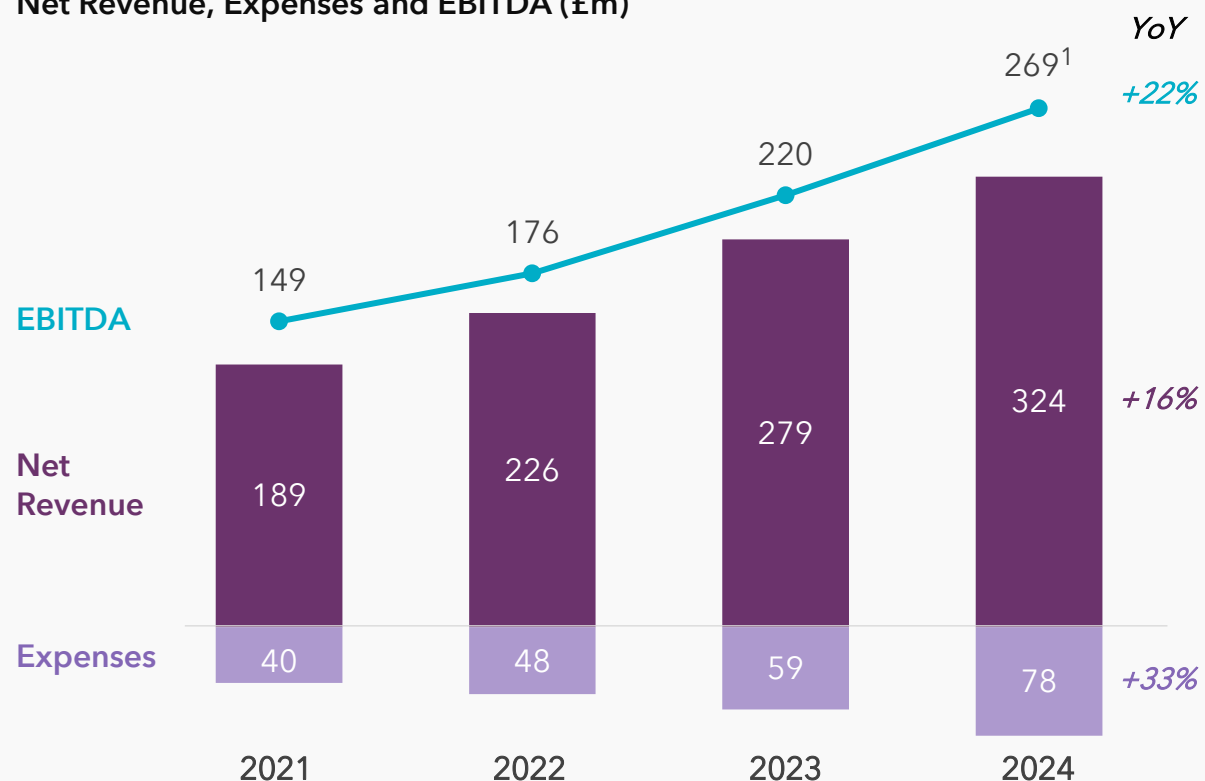
Net Revenue Margin by component (bps)



Note: Figures relate to True Potential Group Limited unless otherwise stated.

Strong profitability profile enables investment in the operational platform to support future growth

Net Revenue, Expenses and EBITDA (£m)



- Strong profitability profile allows for investment in business to support future growth whilst maintaining EBITDA trajectory.
- Widespread inflationary costs pressures in year.
- We remain focused on enhancing operating leverage in 2026 and beyond.

Note: Figures relate to True Potential Group Limited unless otherwise stated.

¹Figure includes £23m fund performance fee.

We have provided for the suitability of historic client transfers and also annual suitability reviews in our 2024 results

True Potential Group Ltd

£m	FY23	FY24
EBITDA	220	269
D&A	(43)	(52)
Exceptional Items	(4)	(112)
1 <i>Suitability of Client Transfer Provision</i>	0	(96)
2 <i>Annual Suitability Review Provision</i>	0	(5)
<i>Other Exceptionals</i>	(4)	(11)
Net Finance Income	2	7
Taxation	(33)	(18)
Net Profit	142	93

1 £112m Group exceptional items includes £96m suitability of client transfer provision.

2 £5m provision for historic annual suitability reviews also included in exceptionals.

We are committed to addressing the suitability of historic client transfers with a £96m redress scheme

Suitability of Client Transfers

Throughout 2024 and in conjunction with a Skilled Person review, the Group has been reviewing the appropriateness of client transfers, including through its historic adviser recruitment programme. As a result of work undertaken, the Group has concluded that redress will be required for certain clients and accordingly, has recognised a provision in the period.

Recruitment Contract



We introduced a new recruitment contract to replace our existing 2% and 8% options.

Redress Scheme



Through a comprehensive redress scheme, we will contact impacted clients, expecting the process to be complete in 12 months.

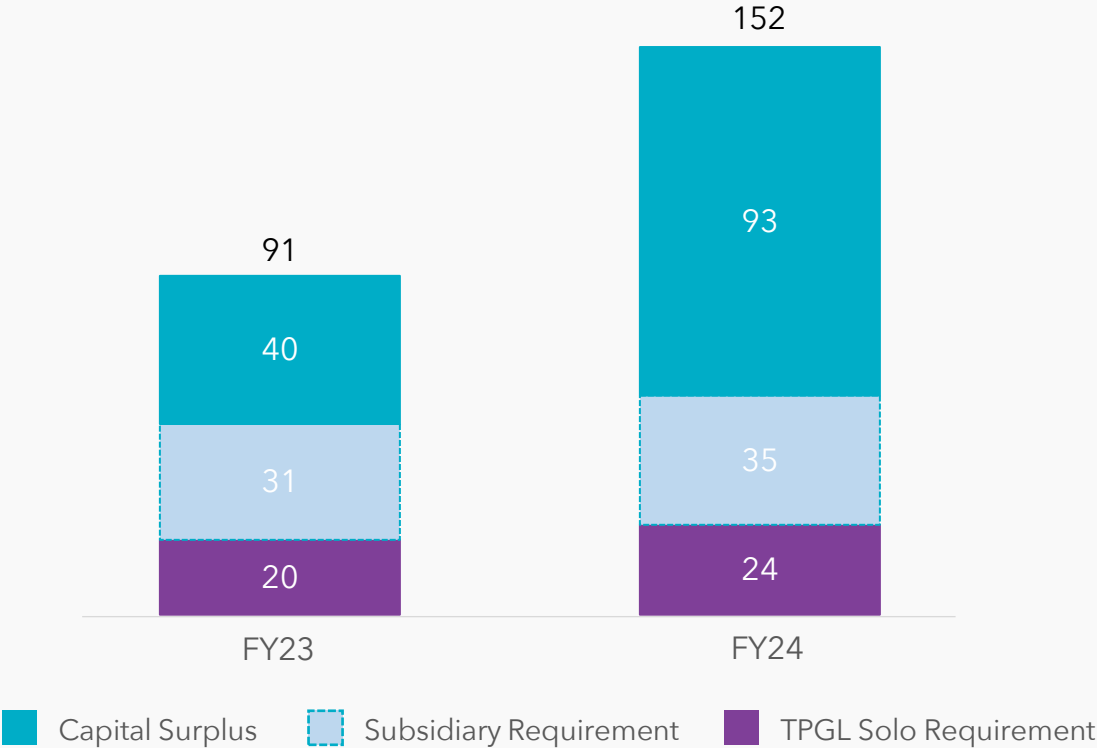
Enhancing Client Value Proposition



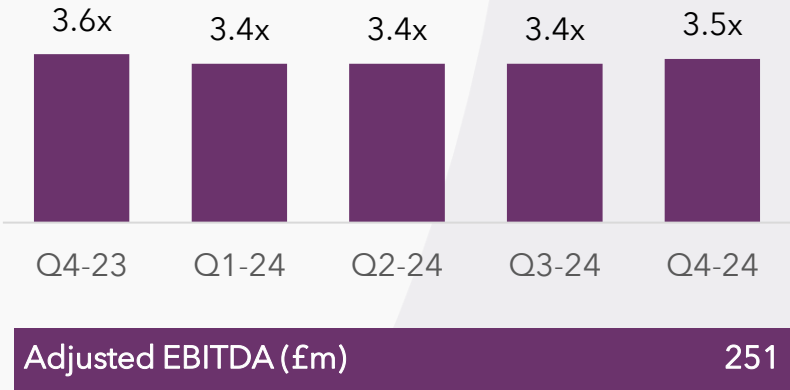
We are advanced with a review of our client value proposition.

The Group maintains a strong regulatory capital surplus, with action taken in Q4 to optimise the year-end capital position

Regulatory Capital (£m)



Leverage multiple (Net debt/Adjusted EBITDA)

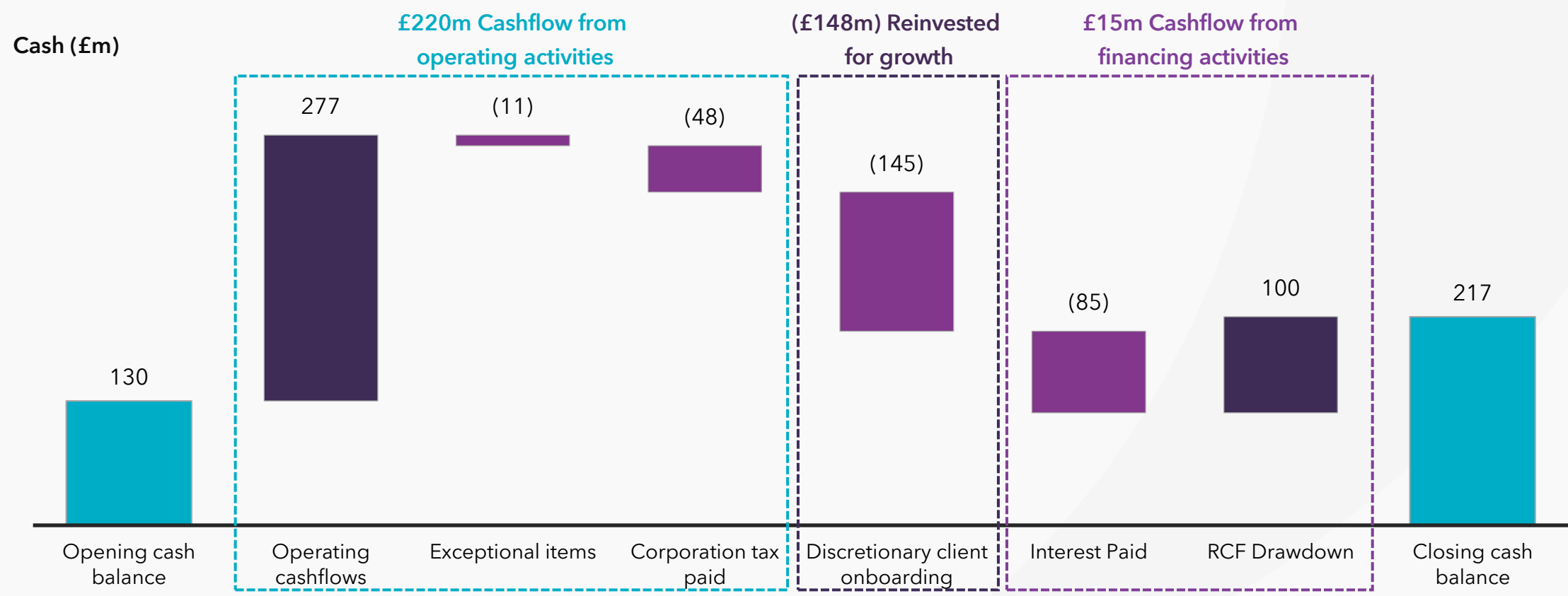


Debt Breakdown

Total Gross Debt	1,095
Less: Cash	(217)
Net Debt	877
Leverage Multiple	3.5x

Additional funding of £175m raised in March 2025, allowing us to repay the £120m RCF, which was fully drawn in Q4-24.

Strong operating cashflow generation, with only the partial year impact of materially reduced discretionary capex associated with our revised recruitment model



The cashflow bridge represents Kane Bidco Ltd cashflow reporting financials, with both the True Potential Group Ltd and Kane Bidco Ltd cashflow tables included within the appendix.

Financial summary

- Positive underlying financial results, delivering 22% EBITDA growth.
- Strong capital and liquidity position, with sufficient financial resources in place to deliver the redress scheme for historic client transfers.
- Robust existing adviser and client inflows, with significant market opportunity remaining.

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Looking ahead and Q&A

Scale of Opportunity

Significant market opportunity, with a large UK wealth market and 90% of the UK not receiving financial advice

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Technology is core to the True Potential client offer, with the pace of change and innovation continuing at speed

Strong Financials

Best-in-class financial profile with ability to invest in future capabilities and deliver value for our clients

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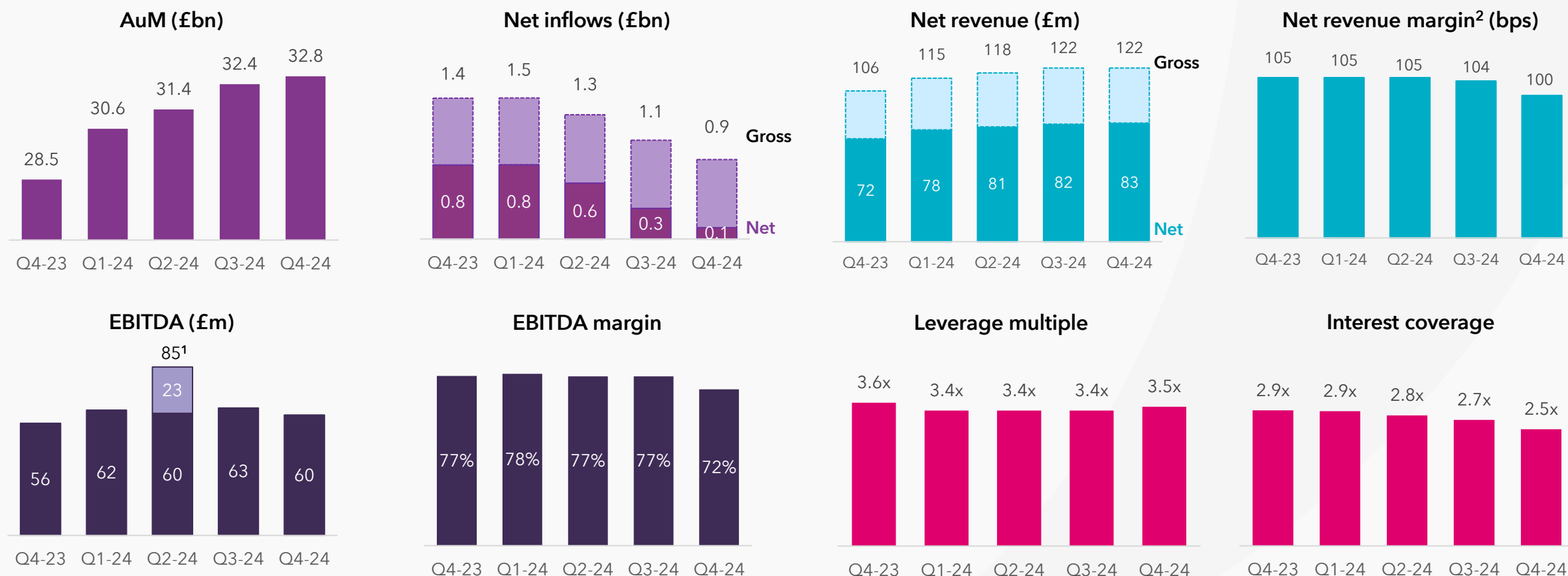
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Quarterly Financial KPIs

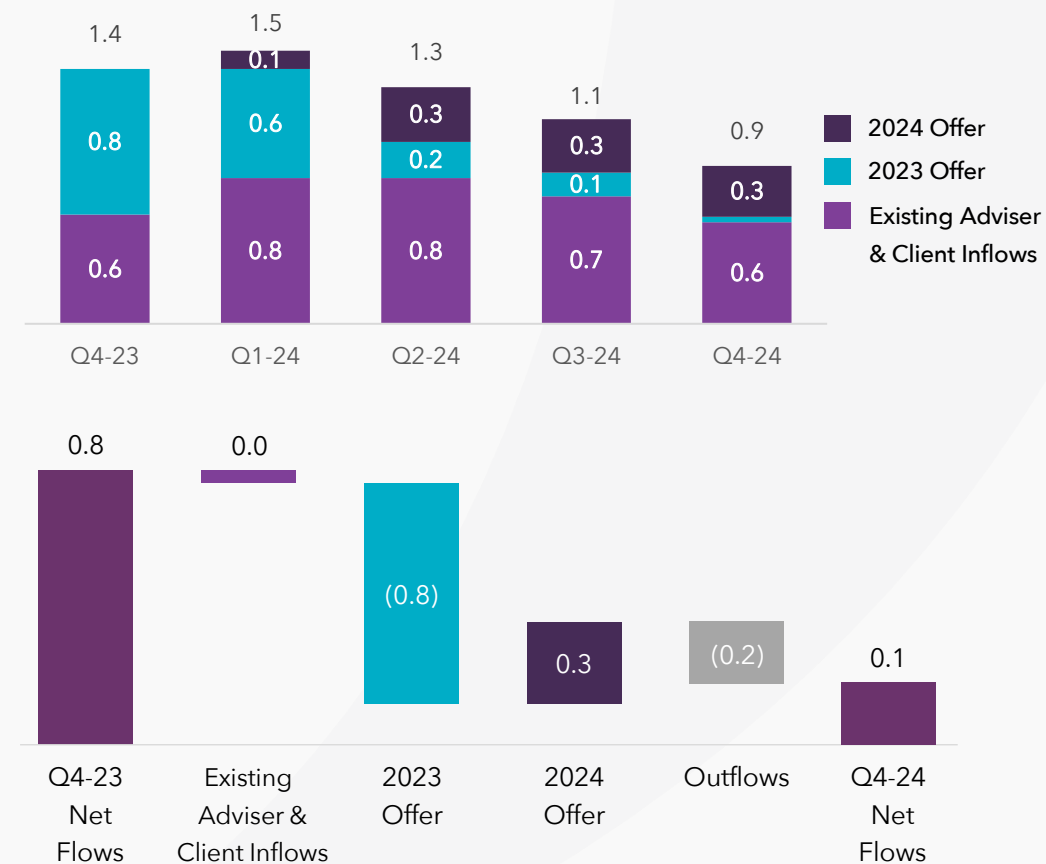


¹All figures exclude £23m fund performance fee, except EBITDA of £85m. ²Net revenue margin normalised in prior quarters to match new client interest model. All figures relate to True Potential Group Limited unless otherwise stated.

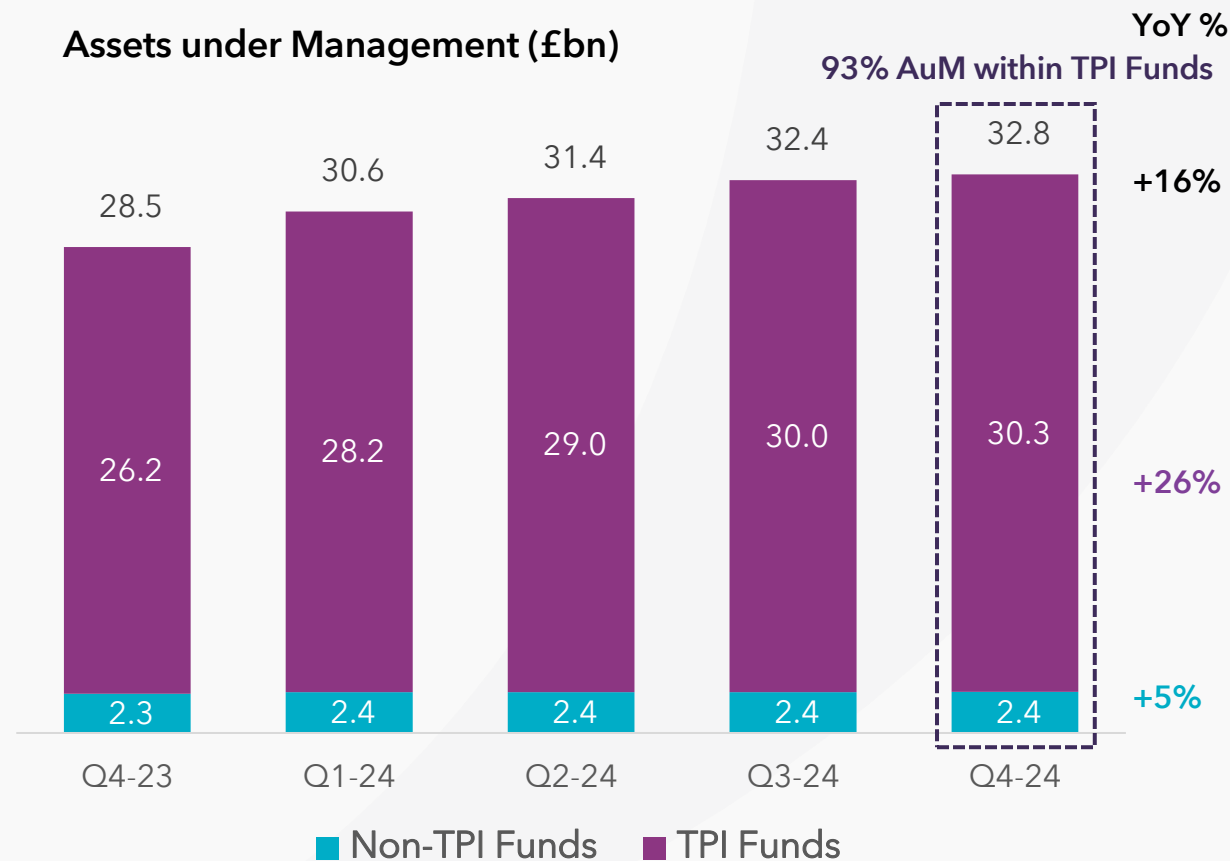
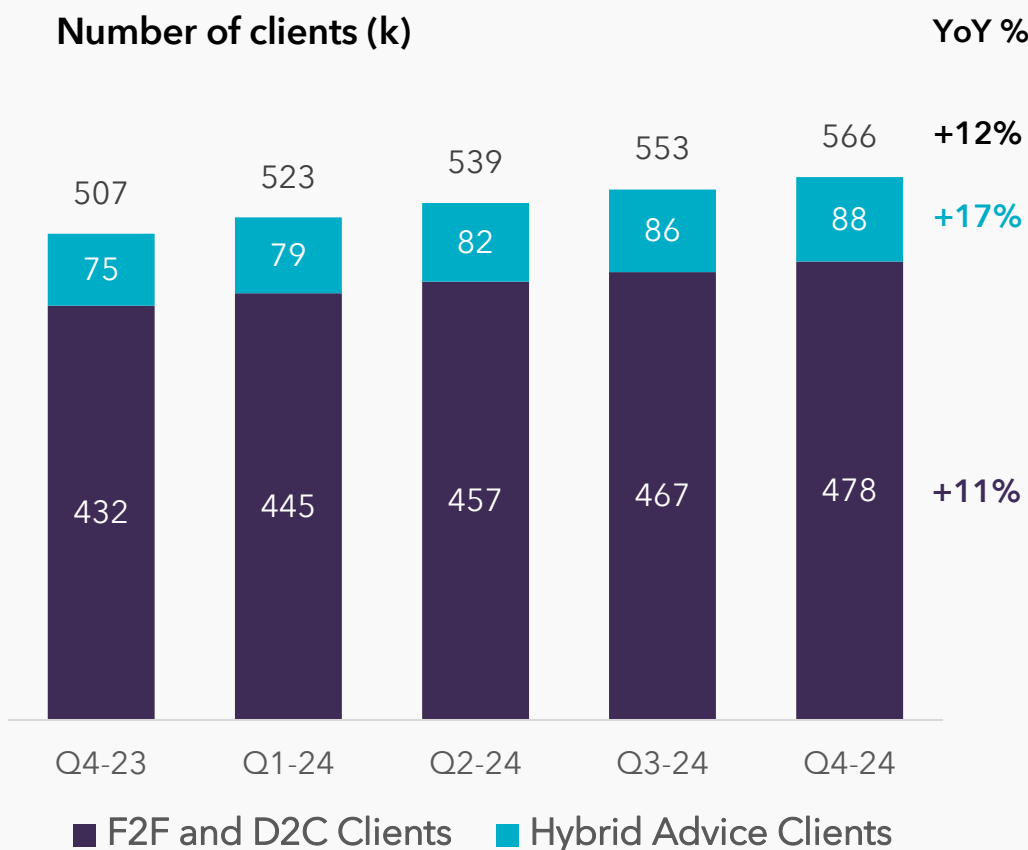
Quarterly Flows

Flows (£m)	Q4-23	Q1-24	Q2-24	Q3-24	Q4-24
Opening AuM	26.4	28.5	30.6	31.4	32.4
Gross Inflows	1.4	1.5	1.3	1.1	0.9
Existing Adviser & Client Inflows	0.6	0.8	0.8	0.7	0.6
2023 Offer	0.8	0.6	0.2	0.1	0.0
2024 Offer	-	0.1	0.3	0.3	0.3
Total Recruitment Inflows	0.8	0.7	0.5	0.4	0.3
Outflows	(0.6)	(0.7)	(0.7)	(0.7)	(0.8)
Net Flows	0.8	0.8	0.6	0.3	0.1
Market Movement	1.3	1.3	0.2	0.7	0.2
Closing AuM	28.5	30.6	31.4	32.4	32.8

Gross inflows (£bn)

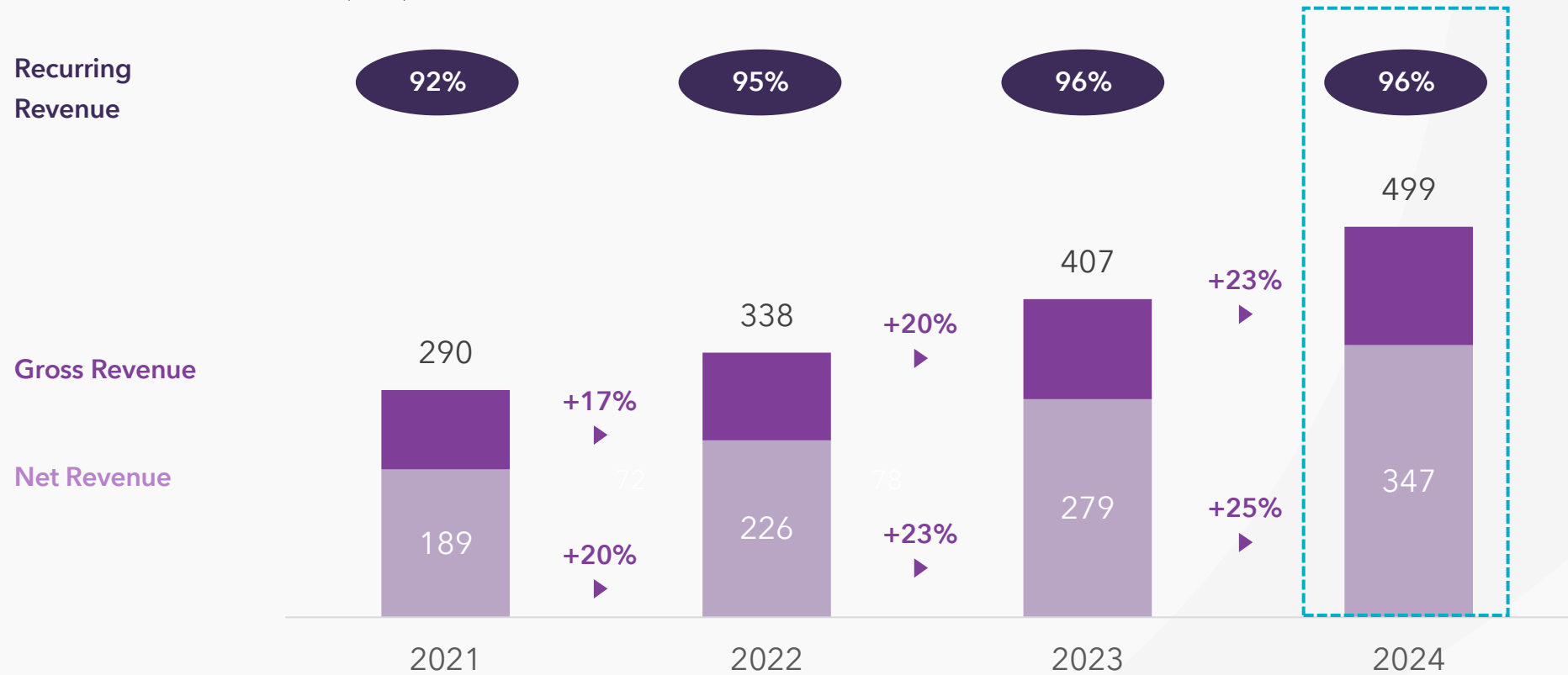


Quarterly Client Volume and AuM



Total revenue growth of 23% year-over-year, of which 96% is recurring

Gross and net revenue (£m)



EBITDA to Net Profit Bridge

Kane Bidco Ltd

£m	FY23	FY24
EBITDA	219	268
D&A	(70)	(80)
Exceptional Items	(4)	(334)
1 <i>Suitability of Client Transfer Provision</i>	0	(96)
2 <i>ASR Provision</i>	0	(5)
3 <i>Impairment of Goodwill</i>	0	(222)
<i>Other Exceptionals</i>	(4)	(11)
Net Finance Income	(73)	(84)
Taxation	(26)	(10)
Net Profit	46	(239)

- 1 £112m exceptional items includes £96m suitability of client transfer provision.
- 2 £5m provision for Annual Suitability Reviews also included in exceptionals.
- 3 Kane Bidco exceptionals includes a non-cash item of (£222m) for the impairment of goodwill.

Annual P&L

True Potential Group Ltd

P&L (£m)	FY21	FY22	FY23	FY24
Revenue	290.4	337.9	406.5	498.9
Fee expenses	(101.5)	(112.0)	(127.7)	(152.0)
Net revenue	188.9	225.9	278.7	346.9
Administrative expenses (excl, D&A)	(42.5)	(49.7)	(58.5)	(77.6)
EBITDA	146.4	176.2	220.2	269.3
D&A	(19.1)	(30.1)	(42.6)	(53.2)
Exceptional items	-	(11.9)	(4.3)	(111.9)
Operating profit	127.3	134.2	173.3	104.2
Finance income	-	0.2	2.3	7.4
Finance costs	(40.3)	(19.2)	(0.1)	(0.3)
Profit before tax	87.0	115.2	175.5	111.3
Taxation	(20.1)	(17.1)	(33.1)	(18.1)
Profit for the year	66.9	98.1	142.4	93.2

Kane Bidco Ltd

	FY22	FY23	FY24
	319.8	406.5	498.9
	(106.1)	(127.7)	(152.0)
	213.7	278.7	346.9
	(47.8)	(59.8)	(79.2)
	166.0	218.9	267.6
	(53.8)	(70.1)	(80.0)
	(38.9)	(4.3)	(333.5)
	73.3	144.5	(145.8)
	0.2	2.3	7.4
	(70.0)	(75.2)	(91.0)
	3.5	71.5	(229.4)
	(12.4)	(27.8)	(9.6)
	(8.9)	51.5	(239.1)

Figures include £23m fund performance fee in Q2 2024. Kane Bidco Ltd exceptional items are reported on an annual basis in Q4, as part of year-end processes, hence the timing differences between True Potential Group Ltd and Kane Bidco Ltd in the reported P&L figures.

Annual Cashflow

True Potential Group Ltd

EBITDA to Cash Flow Walk (£m)	2022	2023	2024
EBITDA excluding exceptional items and complaints provision	176.2	220.8	268.5
Less exceptional items	(11.9)	(4.3)	(111.9)
EBITDA including exceptional items and complaints provision	164.3	216.6	156.6
Operating cashflows before movement in working capital	164.3	216.6	156.6
Net working capital movement	4.4	(7.7)	128.5
Total discretionary client onboarding	(216.3)	(250.5)	(147.4)
<i>Discretionary hybrid client onboarding</i>	<i>(195.2)</i>	<i>(229.7)</i>	<i>(135.6)</i>
<i>Discretionary face-to-face client onboarding</i>	<i>(21.1)</i>	<i>(20.8)</i>	<i>(11.8)</i>
Corporation tax paid	(18.5)	(37.5)	(48.4)
Bidco intercompany loan	(35.3)	(16.2)	(26.7)
<i>Bond & RCF Interest</i>	<i>(34.6)</i>	<i>(39.1)</i>	<i>(53.6)</i>
Cashflow from operating activities	(101.4)	(95.3)	62.6
Cashflow from investing activities	(1.0)	2.0	(0.2)
Cashflow from financing activities	135.0	161.8	24.8
Net cash movement	32.7	68.5	87.2
Opening cash balance	28.5	61.1	129.6
Closing cash balance	61.1	129.6	216.8

Exceptional items include £96m provision for suitability of client transfer and £222m impairment to goodwill.

Kane Bidco Ltd

	2022	2023	2024
	166.0	218.9	267.6
	(38.9)	(4.3)	(333.5)
	127.1	214.6	(65.9)
	127.1	214.6	(65.9)
	(5.6)	(7.0)	334.3
	(208.7)	(250.5)	(147.4)
	<i>(188.4)</i>	<i>(229.7)</i>	<i>(135.6)</i>
	<i>(20.4)</i>	<i>(20.8)</i>	<i>(11.8)</i>
	(18.5)	(35.7)	(48.4)
	-	-	-
	-	-	-
	(105.7)	(78.7)	72.6
	(1,775.1)	1.2	(0.2)
	1,942.0	145.2	14.8
	61.2	68.5	87.2
	-	61.2	129.7
	61.2	129.7	216.8

True Potential Executive Committee



Gerry Mallon

Chief Executive Officer
True Potential Group



Jeff Casson

Chief Executive Officer
True Potential Investments



Ben Thorpe

Chief Financial Officer



Earl Glasgow

Chief Recruitment Officer



Iain Wallace

Chief Risk Officer



Steve Hutton

Chief Executive Officer
True Potential Wealth
Management



Jamie Sexton

Chief Client Officer
True Potential Wealth
Management



Gregg Lang

Chief Executive Officer
True Potential Adviser Services



David Reid

Chief Technology Officer



Henrietta Jowitt

Chief Executive Officer
True Potential Administration

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Steven Rutter

Head of Finance

StevenRutter@tpllp.com

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