

ASX Announcement

Prime Financial Group Ltd
(Prime - ASX:PFG)

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20 February 2025

Prime on track for FY25 guidance: Acquisitions deliver strong growth

Prime Financial Group Ltd (Prime - ASX:PFG), an Advice, Capital and Asset Management Group, today announced its results for the half year ended 31 December 2024 (H1 FY25).

H1 FY25 Highlights:

- Total revenue of \$22.9 million, up 25% on the prior corresponding period (pcp), driven by a strong performance in the Wealth segment and contributions from acquisitions:
 - Wealth revenue up 41% and Business revenue up 12%.
 - Total revenue from acquisitions contributed \$3.1 million of H1 FY25 revenue.
- Reported EBITDA of \$3.4 million, up 102% on pcp, driven by a robust earnings performance from FY24 acquisitions and lower one-off costs vs the pcp.
- Underlying EBITDA (members) of \$4.1 million, up 8% on pcp, driven by continued investment in building out service offerings, growth in existing service lines and the positive contribution from acquisitions.
- Underlying EBITDA (members) margin 18% (H1 FY24: 21%).
- Integration of acquisitions (Altor Capital (Altor) and Equity Plan Management (EPM)) progressing successfully, with new businesses seamlessly fitting into the 'OneConnected' model.
- Interim dividend of 0.77 cents per share (cps) (fully franked), up 3% on the pcp.
- Reported EPS of 0.46 cps vs -0.02 in H1 FY24.
- Prime on track to deliver:
 - FY25 guidance of 15-20%+ Revenue & Underlying EBITDA growth and dividend growth of 3-5%; and
 - Group revenue of \$50 million in FY25 and then doubling revenue again to \$100 million within 3-5 years

Prime's Managing Director & Chairman, Mr Simon Madder said: "H1 FY25 was another period of strong growth for Prime as we continued to build scale in our business, which was assisted by a robust contribution from our FY24 acquisitions, Altor and EPM.

"As well as solid earnings and revenue growth, both these acquisitions have added capabilities and client bases to the Prime business and the integration into our "OneConnected" model is progressing well, with both businesses generating cross-referrals and collaborations. Altor also achieved its maintainable EBITDA in its first year of Prime's ownership as opposed to the original three-year target.

"The success of both the Altor and EPM acquisitions significantly builds on our goal of positioning Prime as a leading player in our key 'Business' and 'Wealth' segments – two segments of the market

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that we believe offer substantial growth tailwinds and are often connected through founder-led businesses, a space we have deep experience in.

“A key pillar of our growth strategy remains pursuing further Earnings per Share (EPS) accretive acquisitions with the aim of increasing the client base we can offer current services to and provide access to distribution for Prime originated products, services and transactions.

“We are on track to deliver our FY25 guidance, including our goal of reaching \$50 million in group revenue this year and then doubling it to \$100 million within the next 3–5 years. With strong momentum and the right foundations in place, we are confident in achieving this growth.”

Financial Overview: on track for FY25 guidance; investing for long-term growth

Prime delivered robust top-line growth in H1 FY25, with revenue increasing by 25%, driven by strong growth in the ‘Wealth’ and ‘Business’ segments (up 41% and 12%, respectively) and in part due to the contribution of the acquisitions of Altor and EPM.

Revenue growth has accelerated over the past four periods versus the prior periods and now approximately 70% of total revenue is being generated from existing clients on a recurring basis.

Underlying EBITDA (members) was \$4.1 million, up 8% on pcp, which reflects continued investment in building out service offerings, growth in existing service lines and the positive contribution from acquisitions.

Reported EBITDA was \$3.4 million, up 102%, predominantly due to the solid earnings contribution from both Altor and EPM and lower one-off costs compared to H1 FY24.

In November 2024, Prime announced a revised, larger financing facility with Westpac Banking Corporation (Westpac), over a three-year term.

The new facility gives Prime the potential to access up to a total of \$41.4 million, up from approximately \$24.4 million previously. This additional capacity will be used prudently to fund acquisitions and working capital.

As a result of the robust H1 FY25 result, the Board was pleased to announce an interim dividend of 0.77 cents per share fully franked, which was up 3% on the prior year.

Operational Overview: building scale organically and through EPS accretive acquisitions

During H1 FY25, Prime continued to focus on its two key segments – ‘Business’ and ‘Wealth’ – both large and high-growth segments in the Australian market, which are often connected through founder-led businesses, a space Prime has deep experience in.

The acquisitions of both Altor and EPM progressed well with the businesses fitting into the Company’s ‘OneConnected’ Advice, Capital and Asset Management offering and extending Prime’s capabilities.

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Post the end of the half, Prime announced that Altor, which it acquired on 12 February 2024, achieved its maintainable EBITDA in its first year of Prime's ownership. While Altor had up to three years to achieve this target, it was achieved in the first 12 months.

The 'OneConnected' offering continues to deliver strong results, with a largely recurring revenue business model being supported by a growing level of cross-referrals and collaborations amongst the different services, given the high level of inter-connectivity. Prime has a track record of finding attractive businesses and successfully integrating them into this offering.

A key pillar of Prime's growth strategy is to pursue EPS accretive acquisitions that add new capabilities, scale and clients. One such possibility includes the Non-Binding Indicative Offer (NBIO) that has been signed for a wealth and funds management business.

Separately, Prime will continue to grow its existing service lines and new services and look to maximise cross-delivery of additional services to existing clients.

Outlook: well positioned to continue to build scale and grow profitability

Commenting on the outlook, Mr Madder said: "We enter the second half of the year with strong momentum and are well placed for a significant uplift in margin and profitability in H2.

"Growth will be supported by ongoing organic growth in core services, new service offerings, delivering further EPS-accretive acquisitions, and realising scale efficiencies, assisted by full-year contributions from both Altor and EPM. We are also targeting greater investment in technology to drive further efficiencies and synergies and to increase cross-sell.

"We are confident that we can continue our proven record of growth and achieve our FY25 guidance and remain on track to deliver on our goal of \$50 million in group revenue in FY25 and then doubling revenue again to \$100 million within 3-5 years."

Authorised for release by the Board of Prime Financial Group Limited.

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About Prime Financial Group

Prime is an Advice, Capital & Asset Management Group, operating across four key areas in Accounting & Business Advisory, Wealth Management, SMSF and Capital in its three core locations of Melbourne, Sydney and Brisbane.

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